

**COUNTY OF JEFFERSON  
BROOKVILLE, PENNSYLVANIA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2019**

COUNTY OF JEFFERSON  
YEAR ENDED DECEMBER 31, 2019

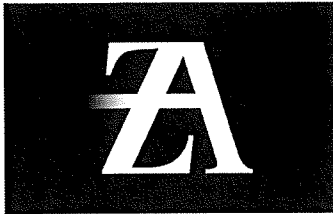
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YEAR ENDED DECEMBER 31, 2019

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# *Zelenkofske Axlerod LLC*

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## INDEPENDENT AUDITOR'S REPORT

County Commissioners  
County of Jefferson  
Brookville, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of COUNTY OF JEFFERSON, PENNSYLVANIA as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the COUNTY OF JEFFERSON, PENNSYLVANIA's basic financial statements as listed in the table of contents.

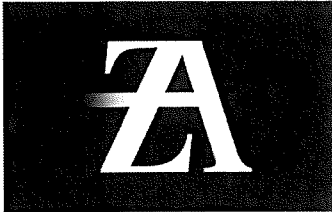
### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jefferson County Conservation District, which represents 87.8%, 98.5%, and 68.0%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by another auditor whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for the Jefferson County Conservation District, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Jefferson County Fair Authority were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinion**

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF JEFFERSON, PENNSYLVANIA, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Adoption of GASB Statements**

As described in Note 1 to the financial statements, in 2019 the County adopted the provisions of Governmental Accounting Standards Board Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". Our opinion is not modified with respect to these matters.

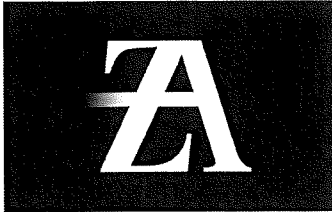
## **Emphasis of Matter**

As discussed in Note 17, subsequent events may have a significant impact on the operations of the County. Management has determined that it is not possible to predict the eventual outcome of the subsequent event. The accompanying financial statements do not include any adjustments related to the subsequent event. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of Changes in the County's Net Pension Liability and Related Ratios – Last 10 Years, and Schedule of Employer Contributions – Last 10 Years on pages 4 through 16 and 47 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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## *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF JEFFERSON, PENNSYLVANIA's basic financial statements. The accompanying other supplementary information on pages 55 through 64 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania  
September 23, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The COUNTY OF JEFFERSON, hereafter referred to as the "COUNTY", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the COUNTY's financial performance during the year ended December 31, 2019. We recommend that it be read in conjunction with the accompanying basic financial statements in order to obtain a thorough understanding of the COUNTY's financial condition at December 31, 2019.

**FINANCIAL HIGHLIGHTS****Real Estate Taxes**

The COUNTY'S assessed valuation increased from \$854,799,430 in 2018 to \$856,342,640 in 2019. The COUNTY's millage rate was 12.00 mills for 2019. In 2019, \$10,346,173 of real estate tax revenue was received for General Fund purposes. The COUNTY transferred from the General Fund \$1,611,184 to the Debt Service Fund for Debt Service purposes.

**COUNTY'S NET POSITION**

The COUNTY's Statement of Net Position in 2019 has a total Net Position of \$24,945,558.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)****OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial section of this report consists of four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other supplementary information

Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the COUNTY's budget to actual figures for the General Fund and major special revenue funds, as well as certain pension information. In addition to the required elements, an other supplementary section is included with combining and other statements that provide particulars about non-major funds.

The basic financial statements present two different views of the COUNTY.

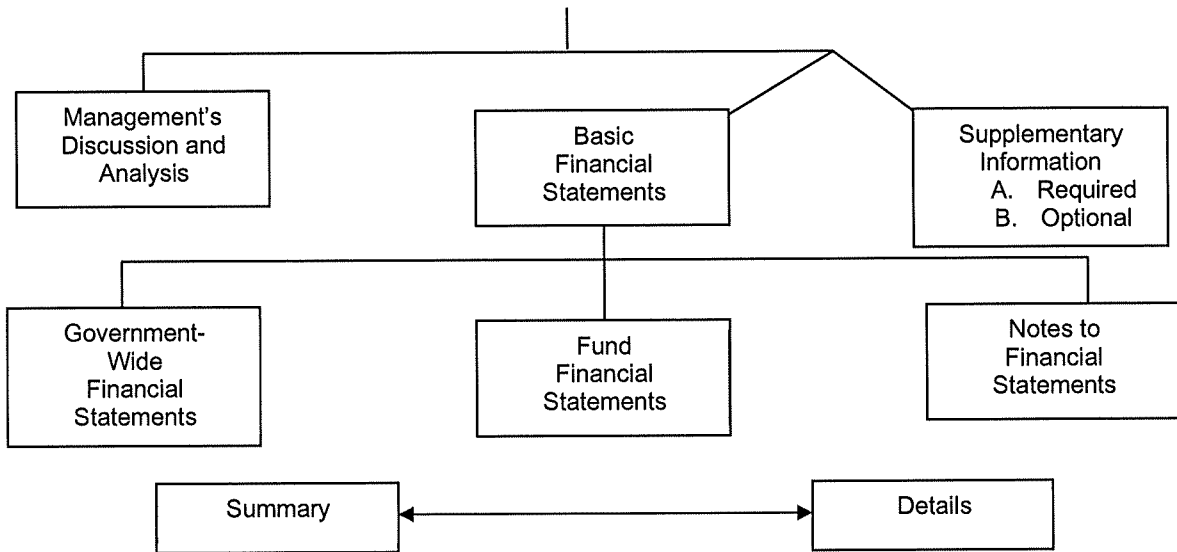
- *Government-wide financial statements*, the first two statements, provide information about the COUNTY's overall financial status as well as the financial status of the COUNTY's discrete and blended component units.
- *Fund financial statements*, the remaining statements, focus on individual parts of the COUNTY's government. They provide more detail on operations than the government-wide statements. There are two types of fund financial statements:
  - *Governmental funds statements* show how general government services such as public safety, public works, human services, culture and recreation, and conservation and economic development were financed in the short term, as well as what remains for future spending.
  - *Fiduciary funds statements* reflect activities involving resources that are held by the COUNTY as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the COUNTY's programs.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Table A-1: Organization of the County's annual financial report

Required Components of the Annual Financial Statements



**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Table A-2 summarizes the major features of the COUNTY's financial statements, including the area of the COUNTY's activities they cover and the types of information they contain.

**Table A-2: Major features of the government-wide and fund financial statements**

	Government-wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Primary government and certain component units (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and public works	Instances in which the County administers resources on behalf of others
Required Financial Statements	-Statement of net position -Statement of activities	-Balance Sheet -Statement of revenues, expenditures and changes in fund balance	-Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities both financial and capital, short term and long term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The remainder of this overview explains the structure and contents of the government-wide and fund financial statements.

### **Government-wide financial statements**

Government-wide financial statements report information about the COUNTY as a whole using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all the COUNTY's assets and liabilities, except fiduciary funds, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the COUNTY's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

Net position is one way to measure the COUNTY's financial position. Over time, increases or decreases in the COUNTY's net position is one indicator of whether the COUNTY's financial position is improving or deteriorating. However, other non-financial factors such as changes in the COUNTY's real estate property tax base and general economic conditions must be considered to assess the overall position of the COUNTY.

The primary government and its component units are included in the government-wide financial statements. Component units reflect the activities of legally separate government entities over which the COUNTY can exercise influence and/or be obligated to provide financial support. The COUNTY has one blended component unit: the Jefferson County Solid Waste Authority, and two discretely presented component units: the Jefferson County Conservation District and the Jefferson County Fair Authority that are included in the financial statements. Complete and detailed financial statements for the component units are available for public inspection in the COUNTY's Finance Department. (See Note 1 in the Notes to the Financial Statements for additional information).

There is one category of activity for the primary government:

- Governmental activities include the COUNTY's basic services such as general and judicial administration, public safety, public works, human services, culture and recreation, conservation and development, and economic development. Property taxes and state and federal grants finance most of these activities.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

Government-wide statements are reported using an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the statement of net position:

- Report long-term debt as a liability
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

- Allocate net position balances as follows:
  - Net Investment in Capital Assets
  - Restricted net position is net position with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
  - Unrestricted net position is net position that does not meet any of the above restrictions

**Fund Financial Statements**

Fund financial statements provide more detailed information on the COUNTY's most significant funds, not the COUNTY as a whole. Funds are accounting devices, i.e., a group of related accounts, the COUNTY uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using current financial resources and modified accrual accounting established by the Government Accounting Standards Board (GASB) for governments.

The COUNTY has two kinds of funds:

- *Governmental funds* include most of the COUNTY's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis, and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps the financial resources available in the near future to finance the COUNTY's programs.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The COUNTY adopts an annual budget for the General Fund, as required by state law, and certain special revenue funds and capital projects funds. A budgetary comparison of the COUNTY's General Fund and major special revenue funds is presented as required supplementary information.

- *Fiduciary funds* are funds for which the COUNTY is the trustee or fiduciary. These include certain agency funds, or clearing accounts for assets held by the COUNTY in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The COUNTY is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position. These funds are excluded from the COUNTY's government-wide financial statements because the COUNTY cannot use these assets to finance its operations.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**GOVERNMENT-WIDE FINANCIAL STATEMENTS****Net Position**

The COUNTY's total assets were \$48,833,697 at December 31, 2019.

GASB No. 34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements.

**Table A-3**  
**County of Jefferson**  
**Condensed Statement of Net Position**

	Governmental Activities		Changes from 2018 to 2019	Percentage Change
	2018	2019		
<b><u>Assets:</u></b>				
Capital Assets	\$ 36,252,758	\$ 36,106,203	\$ (146,555)	-0.4%
Other Assets	14,626,880	12,727,494	(1,899,386)	-13.0%
Total Assets	<u>50,879,638</u>	<u>48,833,697</u>	<u>(2,045,941)</u>	<u>-4.0%</u>
Deferred Outflows of Resources:				
Pension	876,633	1,086,097	209,464	23.9%
Total Assets and Deferred Outflows	<u>\$ 51,756,271</u>	<u>\$ 49,919,794</u>	<u>\$ (1,836,477)</u>	<u>-3.5%</u>
<b><u>Liabilities:</u></b>				
Long-Term Liabilities	\$ 19,585,652	\$ 19,827,053	\$ 241,401	1.2%
Other Liabilities	4,524,028	4,814,733	290,705	6.4%
Total Liabilities	<u>24,109,680</u>	<u>24,641,786</u>	<u>532,106</u>	<u>2.2%</u>
Deferred Inflows of Resources:				
Pension	2,398,807	332,450	(2,066,357)	-86.1%
Total Liabilities and Deferred Inflows	<u>\$ 26,508,487</u>	<u>\$ 24,974,236</u>	<u>\$ (1,534,251)</u>	<u>-5.8%</u>
<b>Net Position:</b>				
Net Investments in Capital Assets	\$ 15,599,560	\$ 16,508,435	\$ 908,875	5.8%
Restricted Net Position	4,792,136	5,415,313	623,177	13.0%
Unrestricted Net Position	4,856,088	3,021,810	(1,834,278)	-37.8%
Total Net Position	<u>\$ 25,247,784</u>	<u>\$ 24,945,558</u>	<u>\$ (302,226)</u>	<u>-1.2%</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

## Change in Net Position

The following statement of activities represents changes in net position for the year ended December 31, 2019. It shows revenues by source and expenses by function for governmental activities and the government as a whole.

**Table A-4**  
**County of Jefferson**  
**Condensed Statement of Activities**

	Governmental Activities		Changes From 2018 to 2019	Percentage Change
	2018	2019		
<b>Program Revenues:</b>				
Charges for Services	\$ 3,597,859	\$ 4,622,071	\$ 1,024,212	28.47%
Operating Grants and Contributions	10,157,200	11,434,738	1,277,538	12.58%
Capital Grants and Contributions	1,122,070	1,154,639	32,569	2.90%
<b>General Revenues:</b>				
Real Estate Taxes	10,130,723	10,256,447	125,724	1.24%
Hotel Tax	233,889	221,816	(12,073)	-5.16%
Investment Earnings	120,429	126,402	5,973	4.96%
Rental Income	11,530	11,985	455	3.95%
	<u>25,373,700</u>	<u>27,828,098</u>	<u>2,454,398</u>	<u>9.67%</u>
<b>Expenses:</b>				
General Government –				
Administrative	1,443,644	2,163,155	719,511	49.84%
General Government - Judicial	4,033,956	4,496,027	462,071	11.45%
Public Safety	6,593,955	7,513,394	919,439	13.94%
Public Works	819,354	898,723	79,369	9.69%
Human Services	9,664,928	10,975,485	1,310,557	13.56%
Conservation/Economic Development	1,149,075	1,057,380	(91,695)	-7.98%
Culture and Recreation	525,086	465,358	(59,728)	-11.37%
Interest on Long-Term Debt	502,634	560,802	58,168	11.57%
	<u>24,732,632</u>	<u>28,130,324</u>	<u>3,397,692</u>	<u>13.74%</u>
Change in Net Position	641,068	(302,226)	(943,294)	-147.14%
Net Position - January 1 - Beginning of Year	<u>24,606,716</u>	<u>25,247,784</u>	<u>641,068</u>	<u>2.61%</u>
Net Position - December 31- End of Year	<u>\$ 25,247,784</u>	<u>\$ 24,945,558</u>	<u>\$ (302,226)</u>	<u>-1.20%</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Net Program Expenses**

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2019, real estate taxes brought in \$10,346,173.

**Table A-5**  
**County of Jefferson**  
**Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program:		
General Government - Administration	\$ 2,163,155	\$ (484,105)
General Government - Judicial	4,496,027	(2,431,313)
Public Safety	7,513,394	(4,461,596)
Public Works	898,723	(323,104)
Human Services	10,975,485	(1,832,856)
Conservation/Economic Development	1,057,380	(359,742)
Culture and Recreation	465,358	(465,358)
Debt Service	560,802	(560,802)
	<u>\$ 28,130,324</u>	<u>\$ (10,918,876)</u>

The COUNTY relied on real estate taxes and other general revenues to fund \$10,918,876 of its governmental activities in 2019.

The real estate tax is based on the assessed value of real property. Changes in the assessed valuation affect tax revenues. The rate of taxation in 2019 was 12.00 mills for general purposes.

Approximately 54.1% of judicial system spending came from property tax and other general revenues with the remainder coming from grants, fines, and courts costs. Property taxes and other general revenues covered 59.4% of public safety cost with the remainder coming from grants and fees covering room and board at the county prison.

Public works, human services, conservation and economic development, culture and recreation, and debt service expenditures required 36.0%, 16.7%, 34.0%, 100.0%, and 100% respectively, from property taxes and other general revenue.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Capital Assets**

The COUNTY's capital assets, net of accumulated depreciation, was \$36,106,203 at December 31, 2019. A summary of capital assets at December 31, 2019 is as follows:

Governmental Activities:	
Capital assets not being depreciated (cost):	
Land	\$ 453,514
Construction in progress	321,169
Total capital assets not being depreciated	<u>774,683</u>
Capital assets being depreciated (cost):	
Buildings and improvements	34,642,783
Furniture, fixtures, and equipment	3,426,034
Vehicles	852,399
Bridges, roads, and rail trails	26,491,107
Total capital assets being depreciated	<u>65,412,323</u>
Less accumulated depreciation for:	
Buildings and improvements	15,656,846
Furniture, fixtures, and equipment	2,996,692
Vehicles	688,477
Bridges, roads, and rail trails	10,738,788
Total accumulated depreciation	<u>30,080,803</u>
Total capital assets being depreciated, net	<u>35,331,520</u>
Total capital assets, governmental activities	<u>\$ 36,106,203</u>

The total depreciation expense in 2019 to the governmental activities was \$1,493,189.

See Note 5 to the financial statements for further detail on capital assets.

**Debt Administration**

At December 31, 2019, the COUNTY had \$19,614,578 of long term bonds and notes outstanding. The COUNTY's long-term debt decreased 5.1% in 2019.

<b>County of Jefferson</b>				
<b>Statement of Long Term Debt</b>				
	Beginning			Ending
	Balance	Additions	Reductions	Balance
General Obligations	\$ 20,672,108	\$ -	\$ (1,057,530)	\$ 19,614,578
G.O. Discount	(18,910)	-	2,100	(16,810)
Total Debt Obligations	<u>20,653,198</u>	-	(1,055,430)	<u>19,597,768</u>
Compensated Absences	<u>233,252</u>	<u>239,576</u>	<u>(233,252)</u>	<u>239,576</u>
Total Long-Term Liabilities	<u>\$ 20,886,450</u>	<u>\$ 239,576</u>	<u>\$ (1,288,682)</u>	<u>\$ 19,837,344</u>

See Note 7 to the financial statements for further detail on long term debt.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

The COUNTY uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the COUNTY's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the COUNTY's net resources available for spending at the end of the year.

The COUNTY's governmental funds include the General Fund, special revenue funds, capital project funds, and the debt service funds. The General Fund is the chief operating fund for the COUNTY. Special revenue funds are restricted to specific legislated use. Capital project funds account for the proceeds of bond issues. Debt service funds account for the accumulation of financial resources for, and the payment of, general long-term obligations' principal, interest, and related costs. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements.

**GOVERNMENTAL FUND REVENUES**

Governmental fund revenues by source at December 31, 2018, and December 31, 2019, were as follows.

**Table A-8  
County of Jefferson  
Revenues and Other Financing Sources by Source, Governmental Funds**

	<u>2018</u>	<u>2019</u>	<u>Changes from 2018 to 2019</u>	<u>Percentage of Change</u>
Revenues and Other Financing Sources:				
Taxes	\$ 10,105,609	\$ 10,567,989	\$ 462,380	4.6%
Licenses and Permits	56,387	50,599	(5,788)	-10.3%
Intergovernmental	11,279,270	12,589,377	1,310,107	11.6%
Charges for Services	3,187,387	4,203,881	1,016,494	31.9%
Fines and Costs	354,085	367,591	13,506	3.8%
Interest and Rents	131,959	138,387	6,428	4.9%
Operating Transfers In	<u>3,650,150</u>	<u>6,777,786</u>	<u>3,127,636</u>	<u>85.7%</u>
 Total Revenue and Other Financing Sources	 <u>\$ 28,764,847</u>	 <u>\$ 34,695,610</u>	 <u>\$ 5,930,763</u>	 <u>20.6%</u>

Governmental fund revenues totaled \$34,695,610 for the year ended December 31, 2019. This is a net increase of \$5,930,763 or 20.6% from 2018. The increase was largely due to increases in charges for services, intergovernmental revenues, and increase in operating transfers. Taxes increased by \$462,380 or 4.6%. The licenses and permits decreased in 2019 by \$5,788, largely due to a decrease in pistol permits of \$4,909. Intergovernmental grant revenues increased \$1,310,107 or 11.6% from 2018. This increase is largely because of increases in Children and Youth, Department of Development, Gas Well Impact, and 911 grant funding in 2019. These increases were partially offset by a decrease in grant funding in the CDBG Fund (\$176,433). Charges for services had an increase of \$1,016,494 or 31.9% from 2018. The General Fund increased \$869,568, largely due to an increase in revenue received for housing additional inmates from surrounding Counties. Children and Youth increased \$89,159 and the Solid Waste Authority increased \$38,867 in 2019. Fines and costs increased 3.8% or \$13,506 in 2019. The interest and rents increased \$6,428 or 4.9% in 2019. Operating transfers increased in by \$3,127,636 or 85.7% in 2019, due to increases in IPP transfers of \$56,863, Capital Projects transfers by \$3,170,732, and Debt Service Fund transfers of \$94,585. This was partially offset by a decrease in transfers to Children and Youth of \$339,875.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

## GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2018 and December 31, 2019 are as follows:

**Table A-9**  
**County of Jefferson**  
**Expenditures and Other Financing Uses by Function, Governmental Funds**

	2018	2019	Changes from 2018 to 2019	Percentage Of Change
Expenditures and Other Financing Uses:				
General Government – Administrative	\$ 2,637,564	\$ 3,399,133	\$ 761,569	28.9%
General Government – Judicial	3,564,883	3,526,424	(38,459)	-1.1%
Public Safety	6,161,621	6,598,150	436,529	7.1%
Public Works	715,675	964,712	249,037	34.8%
Human Services	9,850,140	10,819,492	969,352	9.8%
Conservation/Economic Development	1,103,995	987,605	(116,390)	-10.5%
Culture and Recreation	376,774	318,169	(58,605)	-15.6%
Debt Service	1,622,585	1,616,874	(5,711)	-0.4%
Operating Transfers Out	3,650,150	6,777,786	3,127,636	85.7%
 Total Expenditures and Other Financing Uses	 \$ 29,683,387	 \$ 35,008,345	 \$ 5,324,958	 17.9%

Governmental fund expenditures totaled \$35,008,345 for the year ended December 31, 2019. This represents an increase of \$5,324,958 or 17.9% from 2018. The main increases in 2019 were general government administrative expenditures by \$761,569, public safety expenditures by \$436,529, public works expenditures by \$353,136, human services expenditures by \$969,352, and operating transfers out by \$3,127,636.

Expenditures decreased in general government judicial, conservation and economic development, culture and recreation, and debt service in 2019.

General government administration expenditures increased by \$761,569 or 28.9% in 2019. This increase is largely due to increases in the following departments: Central Services expenditures increased by \$141,348, Elections capital purchases increased by \$321,168 due to the purchase of new election equipment, and Buildings and Maintenance capital purchases increased by \$430,179. These increases were offset by decreases in Information Systems by \$26,741, Finance Department by \$93,019, and Tax Collectors by \$38,141.

General government judicial expenditures decreased by \$38,459 or 1.1% in 2019. Public Defender expenditures decreased by \$94,487 for judicial purchases. This decrease was offset by increases in Domestic Relations by \$28,134 and Prothonotary by \$26,653.

Public safety expenditures increased \$436,529 or 7.1% in 2019. This increase is largely due to increases in Jail expenditures by \$43,526, 911 expenditures by \$363,520, and Offender Supervision expenditures by \$54,558. The Capital Projects – Jail expenditures decreased by \$46,263.

Public works expenditures increased by \$249,037 or 34.8% in 2019. Liquid Fuels expenditures increased by \$179,392, Solid Waste expenditures increased by \$42,850, and a net increase in contributions to public works projects of \$45,000.

Human services expenditures increased by \$969,352 or 9.8% in 2019. Children and Youth expenditures increased from 2018 in the amount of \$939,781, largely due to the hiring of a contractor to oversee the program, which was fully implemented in 2019. Human Services fund expenditures increased by \$20,682 and Independent Living expenditures increased \$31,315, while Community Action expenditures decreased by 30,437.

Conservation and economic development program expenditures decreased by \$116,390 or 10.5% in 2019. Community Development Block Grant (CDBG) expenditures decreased by \$170,443 and PA Accessible Housing expenditures decreased by \$28,620. Department of Development expenditures increased \$84,482.

Culture and recreation program expenditures decreased by \$58,605 or 15.6% in 2019. This decrease was largely due to a decrease in Gas Well Impact expenditures of \$59,323.

Debt Service expenditures decreased in 2019 by \$5,711 or 0.4%.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Operating transfers increased by \$3,127,636 or 85.7% in 2019, due to increases in IPP transfers of \$56,863, Capital Projects transfers by \$3,170,732, and Debt Service Fund transfers of \$94,585. This was partially offset by a decrease in transfers to Children and Youth of \$339,875.

**Governmental Fund Balances**

Table A-10 reflects ending balances for governmental funds at December 31, 2019:

**Table A-10**  
**Ending Fund Balances, Governmental Funds**

<u>Fund</u>	<u>Fund Balance</u>
General Fund	\$ 3,181,662
911 Fund	485,521
Capital Project Fund	2,191,767
Debt Service Fund	590,579
Non-Major Governmental Funds	<u>2,096,678</u>
 Total Governmental Fund Balances	 <u>\$ 8,546,207</u>

**BUDGETARY HIGHLIGHTS**

The COUNTY in 2019 recorded in the General Fund excess revenue and other financing sources under expenditures and other financing uses in the amount of \$928,209. The General Fund's 2019 ending fund balance was \$3,181,662. This decrease was largely due to the funding provided to support Children and Youth. The non-spendable fund balance amount is \$399,484, which is made of inventories and prepaid expenditures. The restricted fund balance totals \$5,415,313, which is restricted for governmental programs, debt service, and capital projects. The assigned fund balance totals \$2,176,750 which is earmarked for the Children and Youth program, capital projects, and debt service. The unassigned balance for the General Fund is \$554,660. The Children and Youth Fund revenues increased \$1,279,656 in 2019, while expenditures increased by \$939,781, which caused the County to decrease the County match to \$1,252,552. The Domestic Relations Fund revenues increased in 2019 by \$13,338, while expenditures increased by \$28,354. The General Fund Domestic Relations match increased by \$15,016 in 2019. The 911 Fund in 2019 had a \$363,520 increase in expenditures, resulting in a \$276,738 excess of revenues under expenditures. The General Fund did not match the 911 Fund in 2019. The Community Action Fund reported a decrease in revenue and expenditures in the amount of \$30,437.

**NEXT YEAR'S BUDGET**

The COUNTY adopted a 2020 operating budget prior to December 31, 2019. The budget was based on 100% assessed valuation for real estate taxes. The 2020 real estate tax millage rate increased .5 mills to 12.5 mills. The Hotel Room Tax rate is 5%. \$1,694,893 will be transferred from the General Fund to Debt Service to cover the 2020 Debt Service payments.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the COUNTY's finances and to demonstrate the COUNTY's accountability. Questions concerning this financial information or requests for additional information should be directed to:

COUNTY OF JEFFERSON  
County Commissioners  
Courthouse Annex  
155 Main Street, Jefferson Place  
Brookville, PA 15825

COUNTY OF JEFFERSON  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	Primary Government		Discretely Presented
	Governmental Activities	Total	Component Units Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 7,895,300	\$ 7,895,300	\$ 1,536,380
Investments	53,177	53,177	135,809
Accounts Receivable	418,950	418,950	3,452
Taxes Receivable	1,223,718	1,223,718	-
Due From Other Governments	1,966,861	1,966,861	44,643
Inventory	22,893	22,893	-
Prepaid Assets	376,591	376,591	6,900
Restricted Cash			
Cash for K-9 Dog	17,209	17,209	-
Cash for Debt Service	715,354	715,354	-
Cash for Escheat	35,359	35,359	-
Cash for Revolving Funds	2,082	2,082	-
Capital Assets Not Being Depreciated	774,683	774,683	-
Capital Assets Being Depreciated, Net	35,331,520	35,331,520	7,840
Total Assets	<u>48,833,697</u>	<u>48,833,697</u>	<u>1,735,024</u>
<b>Deferred Outflows of Resources</b>			
Pension	1,086,097	1,086,097	-
Total Assets and Deferred Outflows of Resources	<u>49,919,794</u>	<u>49,919,794</u>	<u>1,735,024</u>
<b>Liabilities</b>			
Accounts Payable	2,273,901	2,273,901	7,165
Accrued Expenses and Withholdings	577,269	577,269	-
Escheat Payable	35,359	35,359	-
Unearned Revenue	182,279	182,279	4,584
Due to Other Governments	31,901	31,901	-
Interest Payable	8,307	8,307	6,976
Other Current Liabilities	373,743	373,743	-
Current Portions of Long Term Liabilities:			
General Obligation Bonds Payable	115,000	115,000	-
General Obligation Notes Payable	977,398	977,398	10,589
Compensated Absences	239,576	239,576	-
Non-Current Portions of Long Term Liabilities:			
General Obligation Bonds Payable	853,190	853,190	-
General Obligation Notes Payable	17,652,180	17,652,180	164,982
Net Pension Liability	1,321,683	1,321,683	-
Total Liabilities	<u>24,641,786</u>	<u>24,641,786</u>	<u>194,296</u>
<b>Deferred Inflows of Resources</b>			
Pension	332,450	332,450	-
<b>Net Position</b>			
Net Investment in Capital Assets	16,508,435	16,508,435	7,840
Restricted Net Position	5,415,313	5,415,313	-
Unrestricted Net Position	3,021,810	3,021,810	1,532,888
Total Net Position	<u>\$ 24,945,558</u>	<u>\$ 24,945,558</u>	<u>\$ 1,540,728</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF JEFFERSON  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Program Revenues					Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Indirect Charges	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Discretely Presented Component Unit
						Governmental Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 3,274,410	\$ (1,111,255)	\$ 1,163,167	\$ 466,332	\$ 49,551	\$ (484,105)	\$ (484,105)	
Judicial Government	3,856,935	639,092	1,475,319	543,624	45,771	(2,431,313)	(2,431,313)	
Public Safety	7,079,862	433,532	1,352,447	1,699,351	-	(4,461,596)	(4,461,596)	
Public Works	895,763	2,960	133,507	-	442,112	(323,104)	(323,104)	
Human Services	10,962,470	13,015	417,198	8,725,431	-	(1,832,856)	(1,832,856)	
Conservation/Economic Development	1,034,724	22,666	80,433	-	617,205	(359,742)	(359,742)	
Culture/Recreation	465,358	-	-	-	-	(465,358)	(465,358)	
Interest on Long-Term Debt	560,802	-	-	-	-	(560,802)	(560,802)	
<b>Total Governmental Activities</b>	<b>28,130,324</b>	<b>-</b>	<b>4,622,071</b>	<b>11,434,738</b>	<b>1,154,639</b>	<b>(10,918,876)</b>	<b>(10,918,876)</b>	
<b>Total Primary Government</b>	<b>\$ 28,130,324</b>	<b>\$ -</b>	<b>\$ 4,622,071</b>	<b>\$ 11,434,738</b>	<b>\$ 1,154,639</b>	<b>(10,918,876)</b>	<b>(10,918,876)</b>	
<b>Component Unit</b>								<b>\$ (5,957)</b>
Jefferson County Conservation District	\$ 948,002	\$ -	\$ 69,061	\$ 872,984	\$ -	10,256,447	10,256,447	-
Jefferson County Fair Authority	390,238	-	392,255	49,643	-	221,816	221,816	-
<b>Total Component Unit</b>	<b>\$ 1,338,240</b>	<b>\$ -</b>	<b>\$ 461,316</b>	<b>\$ 922,627</b>	<b>\$ -</b>	<b>11,985</b>	<b>11,985</b>	<b>8,916</b>
<b>General Revenues:</b>								
Real Estate Tax						10,256,447	10,256,447	-
Hotel Tax						221,816	221,816	-
Unrestricted Investment Earnings						126,402	126,402	8,916
Rents						11,985	11,985	-
<b>Total General Revenues</b>						<b>10,616,650</b>	<b>10,616,650</b>	<b>8,916</b>
<b>Change in Net Position</b>						<b>(302,226)</b>	<b>(302,226)</b>	<b>54,619</b>
<b>Net Position - Beginning</b>						<b>25,247,784</b>	<b>25,247,784</b>	<b>1,486,109</b>
<b>Net Position - Ending</b>						<b>\$ 24,945,558</b>	<b>\$ 24,945,558</b>	<b>\$ 1,540,728</b>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF JEFFERSON  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

Assets	General Fund	Children and Youth	Domestic Relations	911 Fund	Community Action Fund	Capital Project Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 2,946,858	\$ 1,990	\$ 1,137,211	\$ 811,002	\$ -	\$ 1,549,191	\$ -	\$ 2,049,048	\$ 7,895,300
Investments	-	-	53,177	-	-	-	-	-	53,177
Accounts Receivable	308,398	8,357	-	-	-	-	-	102,195	418,950
Taxes Receivable	1,171,382	-	-	-	-	-	-	52,336	1,223,718
Due From Other Governments	351,519	1,033,289	94,812	351,410	4,107	49,551	-	82,173	1,966,861
Due From Other Funds	2,529,264	-	-	-	509,178	911,460	-	217,712	4,167,614
Inventory	22,893	-	-	-	-	-	-	-	22,893
Prepaid Assets	374,391	-	-	-	-	1,800	-	400	376,591
Restricted Cash	-	-	-	-	-	-	-	-	-
Cash for General Fund K-9 Dog Dept	17,209	-	-	-	-	-	-	-	17,209
Cash for Debt Service	-	-	-	-	-	-	715,354	-	715,354
Cash for Escheats	35,359	-	-	-	-	-	-	-	35,359
Cash for Revolving Funds	-	-	-	-	-	-	-	2,082	2,082
<b>Total Assets</b>	<b>\$ 7,157,273</b>	<b>\$ 1,043,636</b>	<b>\$ 1,285,200</b>	<b>\$ 1,162,412</b>	<b>\$ 513,285</b>	<b>\$ 2,512,002</b>	<b>\$ 715,354</b>	<b>\$ 2,505,946</b>	<b>\$ 16,895,108</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable	\$ 662,350	\$ 475,380	\$ 93,894	\$ 55,516	\$ 426,449	\$ 320,235	\$ -	\$ 240,077	\$ 2,273,901
Accrued Expenses and Withholdings	527,255	14,966	5,383	21,487	-	-	-	8,178	577,269
Escheat Payable	35,359	-	-	-	-	-	-	-	35,359
Unearned Revenue	-	-	-	-	86,654	-	-	95,625	182,279
Due to Other Governments	31,719	-	-	-	182	-	-	-	31,901
Due to Other Funds	1,638,350	553,290	1,185,923	599,888	-	-	124,775	65,388	4,167,614
Other Current Liabilities	373,743	-	-	-	-	-	-	-	373,743
<b>Total Liabilities</b>	<b>3,268,776</b>	<b>1,043,636</b>	<b>1,285,200</b>	<b>676,891</b>	<b>513,285</b>	<b>320,235</b>	<b>124,775</b>	<b>409,268</b>	<b>7,642,066</b>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue - Property Taxes	706,835	-	-	-	-	-	-	-	706,835
<b>Fund Balances</b>									
Nonspendable:									
Restricted:	397,284	-	-	-	-	1,800	-	400	399,484
General Government	35,359	-	-	-	-	-	-	1,016,107	1,051,466
Judicial Government	17,209	-	-	-	-	-	-	263,174	280,383
Public Safety	-	-	-	485,521	-	-	-	186,970	672,491
Public Works	-	-	-	-	-	-	-	594,193	594,193
Conservation/Economic Development	-	-	-	-	-	-	-	6,855	6,855
Culture and Recreation	-	-	-	-	-	-	-	29,379	29,379
Capital Projects	-	-	-	-	-	2,189,967	-	-	2,189,967
Debt Service	-	-	-	-	-	-	590,579	-	590,579
Assigned:									
Human Services	650,250	-	-	-	-	-	-	-	650,250
Capital Projects	450,750	-	-	-	-	-	-	-	450,750
Debt Service	1,075,750	-	-	-	-	-	-	(400)	1,075,750
Unassigned:	555,060	-	-	-	-	-	-	-	554,660
<b>Total Fund Balances</b>	<b>3,181,662</b>	<b>-</b>	<b>-</b>	<b>485,521</b>	<b>-</b>	<b>2,191,767</b>	<b>590,579</b>	<b>2,096,678</b>	<b>8,546,207</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,157,273</b>	<b>\$ 1,043,636</b>	<b>\$ 1,285,200</b>	<b>\$ 1,162,412</b>	<b>\$ 513,285</b>	<b>\$ 2,512,002</b>	<b>\$ 715,354</b>	<b>\$ 2,505,946</b>	<b>\$ 16,895,108</b>

The accompanying notes are an integral part of the financial statements.

COUNTY OF JEFFERSON  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances of Governmental Funds:	\$ 8,546,207
Capital assets, including infrastructure assets, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	36,106,203
The funds record only the tax revenue received through a period of 60 days subsequent to year-end. The statement of net position includes a receivable for the County's anticipated collections on the levy.	706,835
Long-term liabilities are not due and payable in the current period and accordingly not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Long-term liabilities at year-end consist of:	
Net Pension Liability	(1,321,683)
Deferred Outflows of Resources - Pension	1,086,097
Deferred Inflows of Resources - Pension	(332,450)
General Obligation Bonds Payable	(985,000)
General Obligation Note Payable	(18,629,578)
Accrued Interest Payable	(8,307)
Unamortized Bond Discount	16,810
Compensated Absences	<u>(239,576)</u>
 Total Net Position of Governmental Activities	 <u>\$ 24,945,558</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF JEFFERSON  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019

	General Fund	Children and Youth Fund	Domestic Relations Fund	911 Fund	Community Action Fund	Capital Project Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>									
Real Estate and Hotel Taxes	\$ 10,346,173	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,816	\$ 10,567,989
Licenses and Permits	50,599	-	-	-	-	-	-	-	50,599
Grants and Gifts	718,668	6,904,219	309,874	1,190,942	1,586,331	95,322	-	1,804,021	12,589,377
Charges for Services	3,357,748	340,054	2,640	-	-	7,051	-	496,388	4,203,881
Fines and Costs	367,591	-	-	-	-	-	-	-	367,591
Interest and Rents	108,293	-	10,122	5,502	-	1,918	6,471	6,081	138,387
<b>Total Revenues</b>	<b>14,949,072</b>	<b>7,244,273</b>	<b>322,636</b>	<b>1,196,444</b>	<b>1,586,331</b>	<b>104,291</b>	<b>6,471</b>	<b>2,528,306</b>	<b>27,917,824</b>
<b>Expenditures</b>									
General Government	2,571,195	-	-	-	-	827,158	780	-	3,399,133
Judicial Government	3,028,796	-	398,674	-	-	66,598	-	32,356	3,526,424
Public Safety	4,785,927	-	-	1,339,810	-	27,854	-	444,559	6,598,150
Public Works	200,000	-	-	-	-	-	-	764,712	964,712
Human Services	461,739	8,496,825	-	-	1,566,331	-	-	294,597	10,819,492
Conservation/Economic Development	177,959	-	-	-	-	-	-	809,646	987,605
Culture/Recreation	56,500	-	-	-	-	-	-	261,669	318,169
Debt Service	-	-	-	-	-	-	1,616,874	-	1,616,874
<b>Total Expenditures</b>	<b>11,282,116</b>	<b>8,496,825</b>	<b>398,674</b>	<b>1,339,810</b>	<b>1,566,331</b>	<b>921,610</b>	<b>1,617,654</b>	<b>2,607,539</b>	<b>28,230,559</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,666,956</b>	<b>(1,252,552)</b>	<b>(76,038)</b>	<b>(143,366)</b>	<b>-</b>	<b>(817,319)</b>	<b>(1,611,183)</b>	<b>(79,233)</b>	<b>(312,735)</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	331,370	1,252,552	76,038	-	-	3,266,732	1,611,184	239,910	6,777,786
Operating Transfers (Out)	(4,926,535)	-	-	-	-	(267,908)	-	(1,583,343)	(6,777,786)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,595,165)</b>	<b>1,252,552</b>	<b>76,038</b>	<b>-</b>	<b>-</b>	<b>2,998,824</b>	<b>1,611,184</b>	<b>(1,343,433)</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(928,209)</b>	<b>-</b>	<b>-</b>	<b>(143,366)</b>	<b>-</b>	<b>2,181,505</b>	<b>1</b>	<b>(1,422,666)</b>	<b>(312,735)</b>
<b>Fund Balances - Beginning of Year</b>	<b>4,109,871</b>	<b>-</b>	<b>-</b>	<b>628,887</b>	<b>-</b>	<b>10,262</b>	<b>590,578</b>	<b>3,519,344</b>	<b>8,858,942</b>
<b>Fund Balances - End of Year</b>	<b>\$ 3,181,662</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 485,521</b>	<b>\$ -</b>	<b>\$ 2,191,767</b>	<b>\$ 590,579</b>	<b>\$ 2,096,678</b>	<b>\$ 8,546,207</b>

The accompanying notes are an integral part of the financial statements.



COUNTY OF JEFFERSON  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds \$ (312,735)

Governmental funds report capital purchases as expenditures. In the Statement of Activities, the cost of these assets is depreciated over the estimated useful lives and is reported as depreciation expense. The difference in the current period between capital expenditures (\$1,346,634) and depreciation expense (\$1,493,189) is a reconciling item.

Capital Assets Additions	\$ 1,346,634	
Depreciation Expense	<u>(1,493,189)</u>	(146,555)

Governmental funds report tax receipts through only 60 days of subsequent period. The Statement of Activities includes full amount of levy deemed collectible by County. The decrease in revenue is due to a decrease in the unavailable revenue - property taxes balance at the end of 2019.

(89,726)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.

Principal Repayments	1,057,530
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Governmental funds do not report the changes in pension expense.

(802,958)

Pursuant to the modified accrual basis of accounting, governmental funds do not recognize expenditures for transactions that are not normally paid with expendable available financial resources. Pursuant to the accrual basis of accounting, the Statement of Activities reports expenses and liabilities regardless of when financial resources are available. In addition, interest on long-term debt is not recognized in the governmental funds until due, while it is accrued in the Statement of Activities. The differences for the items discussed above are:

Compensated Absences	(6,324)
Accrual of interest on long-term debt	642
Amortization of Bond Discount	<u>(2,100)</u>

Change in Net Position of governmental activities

\$ (302,226)

The accompanying notes are an integral part of the financial statements.

COUNTY OF JEFFERSON  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2019

	<u>Agency Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	<u>\$ 1,007,511</u>
Total Assets	<u><u>\$ 1,007,511</u></u>
<b>Liabilities</b>	
Funds Held in Fiduciary Capacity	<u>\$ 1,007,511</u>
Total Liabilities	<u><u>\$ 1,007,511</u></u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Jefferson (the "County") was formed in 1804, and operates under the direction of an elected Board of Commissioners which provides the following services: general government, judicial government, public safety, public works, human services, culture/recreation, and conservation/development. The County follows the criteria promulgated by the Governmental Accounting Standards Board ("GASB") Statement No. 61 "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34" for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County of Jefferson (the Primary Government) and its Component Units. The Blended and Discretely Presented Component Units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

1. Component Units

a. Blended Component Unit

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Component Unit discussed below has been included in the financial Reporting Entity as a Blended Component Unit.

The Jefferson County Solid Waste Authority (the "Authority") was established to collect fees and account for expenditures related to the hauling of municipal waste. The County can significantly influence the operations of the Authority by hiring and dismissing employees of the Authority. Therefore, the Authority is included in the Special Revenue Funds of the financial statements of the Reporting Entity. The reporting period for the Authority is for the year ended December 31, 2019.

b. Discretely Presented Component Units

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Component Units described below have been included in the financial reporting entity as discretely presented component units.

The Jefferson County Conservation District ("Conservation District") was established in 1946, and is a local agency designated by the Board of Commissioners of Jefferson County as a provider of a wide range of conservation services, contracted through an agreement based on a calendar year beginning in January. The Conservation District serves as a multi-purpose administering and service entity for a number of programs funded by state and county grants that, although subject to specific funding source requirements, has a relevant purpose toward the corporate mission. The County provides a significant amount of the operating funds for the Conservation District as well as owning all assets used by the Conservation District.

The Jefferson County Fair Authority ("Authority") was first established as an Authority (originally called the Jefferson County Ag and Youth Fair Authority) on August 29th, 1989, under the Municipalities Authorities Act of 1945. On June 27, 1997 the Authority's by-laws were amended to change the legal name to the Jefferson County Fair Authority. The Authority was formed to create, foster and conduct annually, an agricultural fair and exposition for peoples of rural and urban residences, occupations and education. The Authority is governed by a Board of Directors, consisting of eleven unpaid members who are appointed to five-year terms by the commissioners of Jefferson County.

COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)

2. Related Organizations

The Board of Commissioners is also responsible for appointing the members of the Boards of other organizations, but the County's accountability for these organizations generally does not extend beyond making the appointments. The County does not designate management nor does it have the ability to significantly influence the operations of these entities. In addition, the County does not supply significant funding (either directly or as a result of special financing relationships) and has no responsibility for fiscal matters for these entities. These organizations include:

- Clearfield-Jefferson Counties Regional Airport Authority
- Housing Authority of the County of Jefferson
- Jefferson County Area Agency on Aging
- Jefferson County Park Authority
- Jefferson County Hospital Authority
- Clearfield-Jefferson Drug and Alcohol Commission, Inc.
- Area Transportation Authority of North Central Pennsylvania
- Clearfield-Jefferson Mental Health/Mental Retardation Program
- Jefferson County Municipal Authority

B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all the non-fiduciary activities of the primary government and its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1.) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2.) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
 (Continued)

Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than expenditures.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Operating and capital grants and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the County receives cash.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than fund liabilities. However, debt service expenditures, as well as expenditures related to compensated absences and claims for judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Children and Youth Fund is used to account for Human Service expenditures on Domestic Child Care.
- The 911 Fund is used to account for Public Safety expenditures related to the operation of the County's 911 System.

COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
 (Continued)

The County reports the following major governmental funds: (Continued)

- The Domestic Relations Fund is used to account for Judicial expenditures related to domestic issues.
- The Community Action Fund is used to account for Human Services pass-thru grants to Human Service Agencies.
- The Capital Project Fund is used to account for the cost of various capital projects undertaken by the County.
- The Debt Service Fund is used to account for the County's long-term debt expenditures.

Additionally, the County reports the following fund type:

- The Fiduciary Funds consist of the Agency Fund, which is for recording of restricted revenues of the various row offices of the County. The row office funds, in essence, are escrow funds maintained by the row offices for bail posted, funds held for sheriff sale, realty transfer taxes held and other funds reserved for disposition of legal action.

D) Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Fund Balances

1. Cash and Cash Equivalents

Cash and cash equivalents include certain short-term investments generally maturing in three months or less, when acquired.

2. Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "due to/from other funds."

3. Investments

Investments for the County are reported at fair value. Investments that do not have an established market value are reported at estimated values.

4. Restricted Assets

Assets whose use is limited to a specific purpose have been classified as "restricted" in the statement of net position and balance sheets and offset by either corresponding liabilities or reserved and restricted net position or fund balance. The restricted amounts are held for future debt service payments, special project funds and funds held in fiduciary capacity, as detailed in Note 3.

5. Capital Assets

The cost of capital assets acquired for general government purposes is recorded as an expenditure in the governmental funds and as an asset in the government-wide financial statements to the extent the County's capitalization threshold has been met.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

D) Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Fund Balances  
(Continued)

5. Capital Assets (Continued)

Capital assets, which include land; construction in progress; buildings and improvements; furniture, fixtures and equipment; and infrastructure assets including bridges, roads and rail trail are recorded in the government-wide financial statements. Capital assets are defined by the County as assets with a value of \$5,000 or more and useful life longer than one year. This capitalization threshold is applied to individual capital assets rather than to groups/sets of capital assets (e.g., chairs, desks, etc.). Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

In accordance with GASB Statement No. 34, the County's infrastructure has been capitalized retroactively to 1980.

Capital assets of the County are depreciated using the straight-line method over the estimated useful lives of purchased, donated, and leased assets as follows:

Bridges, roads and rail trail	25-50 years
Vehicles	5-7 years
Buildings and improvements	20-40 years
Furniture, fixtures and equipment	3-20 years

6. Compensated Absences

County policy permits employees to accrue thirty days or 240 hours of earned, but unused vacation per year. Sick leave benefits are not paid upon termination. Unused vacation benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is recorded. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)

D) Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Fund Balances  
 (Continued)

7. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Unearned Revenues

Revenues that are received but not earned are recorded as unearned revenue in the County's financial statements. In the County's governmental funds, unearned revenues arise when the potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

9. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows related to pensions are described further in Note 6. Under the accrual basis of accounting, the government-wide statement of net position reports changes in assumptions related to pensions, net difference between projected and actual earnings on pension plan investments related to pensions, and contributions subsequent to the measurement date related to pensions as a deferred outflow of resources. The changes in assumptions are amortized over a five or six-year closed period beginning the year in which the changes occurred. The net difference between projected and actual earnings is amortized over a five-year closed period beginning the year in which the difference occurred. The contributions subsequent to the measurement date will be recognized in the subsequent year.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Under the modified accrual basis of accounting, the governmental funds report unavailable revenue from property taxes as a deferred inflow of resources. Deferred inflows related to pensions are described further in Note 6. Under the accrual basis of accounting, the government-wide statement of net position reports the differences between expected and actual experience as a deferred inflow of resources. The differences between expected and actual experience are amortized over a five or six-year closed period beginning the year in which the difference occurred.



COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)

D) Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Fund Balances  
 (Continued)

10. Net Position/Fund Balances

GASB Statement No. 54 establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follow:

- A. Non-spendable - This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally to be maintained intact.
- B. Restricted - This classification consists of amounts that are restricted to specific purposes. This component of net position consists of constraints placed on net position use through external restrictions, such as constitution provisions or enabling legislation.
- C. Committed - This classification consists of amounts used for specific purposes imposed by formal actions of the County's highest level of decision-making authority (Commissioners). The removal or modification of the use of committed funds can only be accomplished by formal action prior to fiscal year-end by the County's highest level of authority.
- D. Assigned - This classification consists of amounts constrained by the County to be used for specific purposes that are neither restricted nor committed. The present procedure is for the Finance Director and Commissioners to jointly assign amounts to be used for specific purposes before issuance of audited financial statements.
- E. Unassigned - This component of net position consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

The County's policy is to apply expenditures against any restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

The government-wide activities fund financial statements utilize a Net Position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)

D) Assets, Liabilities, Deferred Inflows/Outflows, and Net Position or Fund Balances  
 (Continued)

10. Net Position/Fund Balances (Continued)

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specified purpose. The various reserves and designations are established by actions of the Board of Commissioners and management and can be increased, reduced or eliminated by similar actions.

11. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

12. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pennsylvania Municipal Retirement System (PMRS) and additions to/deductions from PMRS's fiduciary net position have been determined on the same basis as they are reported by PMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

13. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts may differ from those estimates.

E) Budgets and Budgetary Accounting

Legal Requirements

Commonwealth of Pennsylvania statutes require that County Governments establish budgetary systems and adopt annual operating budgets. An annual budget is required to be legally adopted for the General Fund since real estate taxes are levied to finance its operation. Although not legally required, the County also adopts annual budgets for its Capital Projects Fund and certain Special Revenue Funds. Budgetary data is presented on the basis of accounting principles generally accepted in the United States of America for all funds that adopt annual budgets. Budgets are based on estimates of revenues and expenditures and are approved by the Commissioners. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

E) Budgets and Budgetary Accounting (Continued)

County Budget Process

1. Prior to October 1, the department heads submit to the County Commissioners proposed operating budgets for the fiscal year which commences January 1.
2. The Commissioners then interview all department heads to discuss their budgets as submitted and allow them to substantiate projected expenditures at public hearings.
3. Subsequently, the County administrator's office assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Commissioners' review.
4. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
5. After the 20 day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.
6. The formal budgeting process is employed as a planning device. The budget adopted is on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budget amounts are as originally adopted, or as amended by the County Commissioners.

Level of Control

The County maintains budgetary control at the individual fund level.

Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

Management Amendment Authority

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue sources may arise. As a result, funds are occasionally transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and are approved by the County Commissioners.

Financial analysis is provided monthly to management showing spending levels in comparison to the current budget. The budget is also reviewed by management with operating departments.

F) Adoption of Governmental Accounting Standards Board Statements

The County adopted the requirements of GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". The adoption of this statement had no effect on previously reported amounts.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

G) Pending Changes in Accounting Principles

In November 2016, the GASB issued Statement No. 83, "*Certain Asset Retirement Obligations*". The County is required to adopt statement No. 83 for its calendar year 2020 financial statements.

In January 2017, the GASB issued Statement No. 84, "*Fiduciary Activities*". The County is required to adopt statement No. 84 for its calendar year 2020 financial statements.

In June 2017, the GASB issued Statement No. 87, "*Leases*". The County is required to adopt statement No. 87 for its calendar year 2022 financial statements.

In April 2018, the GASB issued Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*". The County is required to adopt statement No. 88 for its calendar year 2020 financial statements.

In June 2018, the GASB issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*". The County is required to adopt statement No. 89 for its calendar year 2021 financial statements.

In August 2018, the GASB issued Statement No. 90, "*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*". The County is required to adopt Statement No. 90 for its calendar year 2020 financial statements.

In May 2019, the GASB issued Statement No. 91, "*Conduit Debt Obligations*". The County is required to adopt Statement No. 91 for its calendar year 2022 financial statements.

In January 2020, the GASB issued Statement No. 92, "*Omnibus 2020*". The County is required to adopt Statement No. 92 for its calendar year 2022 financial statements.

In March 2020, the GASB issued Statement No. 93, "*Replacement of Interbank Offered Rates*". The County is required to adopt Statement No. 93 for its calendar year 2021 financial statements.

In March 2020, the GASB issued Statement No. 94, "*Public-Private and Public-Public Partnership and Availability Payment Arrangements*". The County is required to adopt Statement No. 94 for its calendar year 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*". The County is required to adopt Statement No. 96 for its calendar year 2023 financial statements.

In June 2020, the GASB issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*". The County is required to adopt Statement No. 97 for its calendar year 2022 financial statements.

The County has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 2: DEPOSIT AND INVESTMENT RISK

The components of cash, cash equivalents, and investments at December 31, 2019, are as follows:

	Cash and Cash Equivalents	Investments	Total
General Fund	\$ 2,399,426	\$ -	\$ 2,399,426
Children and Youth Fund	1,990	-	1,990
Domestic Relations Fund	1,137,211	53,177	1,190,388
911 Fund	811,002	-	811,002
Capital Project Fund	1,549,191	-	1,549,191
Debt Service Fund	715,354	-	715,354
Non-major Funds	2,051,130	-	2,051,130
Fiduciary Funds	1,007,511	-	1,007,511
Total	<u>\$ 9,672,815</u>	<u>\$ 53,177</u>	<u>\$ 9,725,992</u>

*Interest Rate Risk* – All of the investments held at December 31, 2019 were in certificates of deposit totaling \$53,177. The County had \$10,000 of investments with maturities of less than one year. The County does not have a formal investment policy that limits investment maturities, as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Custodial Credit Risk* – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2019, the County's cash, restricted cash balances, and certificates of deposit for its governmental activities and fiduciary funds were \$9,725,992 and its bank balances were \$10,004,897. Of those bank balances, \$9,374,961 were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name. Of the bank balances, \$629,936 was covered by Federal Depository Insurance.

## NOTE 3: RESTRICTED ASSETS

Assets whose use is limited to a specific purpose have been classified as "restricted" on the balance sheet. Restricted assets are comprised of the following:

Governmental Funds	Revolving Funds	Escheats Funds	K-9 Dog Dept	Debt Funds	Total
General Fund	\$ -	\$ 35,359	\$ 17,209	\$ -	\$ 52,568
CDBG Fund	2,082	-	-	-	2,082
Debt Service Funds	-	-	-	715,354	715,354
Total Governmental Funds	<u>\$ 2,082</u>	<u>\$ 35,359</u>	<u>\$ 17,209</u>	<u>\$ 715,354</u>	<u>\$ 770,004</u>

The revolving funds are used for special projects for the CDBG programs. The escheat funds are funds held in fiduciary capacity. The K-9 Dog Department was created from donated funds by the public to be used only for expenditures related to the County's K-9 dog. The debt funds are restricted for future debt payments.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 4: REAL ESTATE TAXES

Real estate taxes for the calendar year are levied on March 1 of each year. Any unpaid real estate taxes attach as an enforceable lien on property as of January 1 of the following year. Taxes are levied on March 1 and payable with a 2% discount to April 30, with no discount or penalty to June 30 and with a 10% penalty from July 1 to the first Monday in May of the subsequent year. The County bills these taxes which are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. Real estate property taxes levied for 2019 are recorded as receivables, net of estimated uncollectible. The net receivables collected during 2019 and expected to be collected within the first sixty (60) days of 2020 are recognized as revenue in 2019. Net receivables estimated to be collectible on or after March 1 are reflected in unearned revenue. Prior years' levies are recorded using these same principles, and remaining receivables are annually reevaluated as to collectability.

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on funded debt.

The County's 2019 real estate taxes are based on assessed values established by the County's Bureau of Assessments. The total 2019 real estate tax levied equaled \$10,276,112, based on a total County assessed valuation of \$856,342,640. Based on the 2019 levy of 12.00 mills for general purposes a property owner would pay \$12.00 per \$1,000 of assessed valuation.

## NOTE 5: CAPITAL ASSETS

A summary of changes in the capital assets for the year ended December 31, 2019 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated (cost):				
Land	\$ 453,514	\$ -	\$ -	\$ 453,514
Construction in progress	-	321,169	-	321,169
Total capital assets not being depreciated	<u>453,514</u>	<u>321,169</u>	<u>-</u>	<u>774,683</u>
Capital assets being depreciated (cost):				
Buildings and improvements	34,642,783	-	-	34,642,783
Furniture, fixtures, and equipment	3,052,461	373,573	-	3,426,034
Vehicles	844,813	107,562	(99,976)	852,399
Bridges, roads, and rail trail	25,946,777	544,330	-	26,491,107
Total capital assets being depreciated	<u>64,486,834</u>	<u>1,025,465</u>	<u>(99,976)</u>	<u>65,412,323</u>
Less accumulated depreciation for:				
Buildings and improvements	14,921,037	735,809	-	15,656,846
Furniture, fixtures, and equipment	2,869,953	126,739	-	2,996,692
Vehicles	716,558	71,895	(99,976)	688,477
Bridges, roads, and rail trail	10,180,042	558,746	-	10,738,788
Total accumulated depreciation	<u>28,687,590</u>	<u>1,493,189</u>	<u>(99,976)</u>	<u>30,080,803</u>
Total capital assets being depreciated, net	<u>35,799,244</u>	<u>(467,724)</u>	<u>-</u>	<u>35,331,520</u>
Total capital assets, governmental activities	<u>\$ 36,252,758</u>	<u>\$ (146,555)</u>	<u>\$ -</u>	<u>\$ 36,106,203</u>

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the County as follows:

<b>Governmental activities</b>	
General Government	\$ 85,293
Judicial Government	147,462
Public Safety	552,667
Public Works	467,877
Human Services	54,986
Conservation/Economic Development	37,715
Culture and Recreation	147,189
Total Depreciation Expense – Governmental Activities	<u>\$ 1,493,189</u>

## NOTE 6: DEFINED BENEFIT PENSION PLAN

**A. General Information about the Pension Plan**

*Plan Description.* The County, through a January 2004 agreement, provides employee pension benefits through participation in the Pennsylvania Municipal Retirement System (PMRS). The PMRS was created by the Pennsylvania General Assembly in 1974 with the passage of the Pennsylvania Municipal Retirement Law 1974, P.L. 34, No. 15. PMRS administers pension plans on a contracted basis for any municipality or institution supported and maintained by a Pennsylvania municipality. This agent multiple-employer public employee retirement system maintains each municipality's account separately with that municipality's contributions and related employee contributions, and earnings segregated into separate accounts. PMRS issues a separate Comprehensive Annual Financial Report, which can be obtained by contacting the PMRS accounting office at P.O. Box 1165, Harrisburg, PA 17108-1165.

*Benefits Provided.* Benefit terms were established under the 2004 agreement between PMRS and the County, changes to benefit terms can only occur by modification of this agreement. Major provisions of the 2004 agreement include the following:

All full-time and permanent part-time County employees are required to participate in the System. Benefits vest after five years of service. Employees can retire with an annual retirement benefit after 20 years of service provided age 55 has been attained, or at age 60.

The normal form of payment of retirement benefits is a monthly annuity available for the life of the retired employee. One and two-thirds percent of the employee's average salary for the final three years of service multiplied by the number of years of service, and any fraction thereof, is used to calculate the normal retirement benefit funded solely by the County's contributions. Supplemental benefits are derived from employee contributions and interest earnings of the fund. A retiree may elect to receive a reduced amount of benefit and provide a death benefit in the form of annuity or lump sum to the designated beneficiary. The plan also provides death and disability benefits for an active employee.

*Employees Covered by Benefit Terms.* At January 1, 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	16
Active employees	<u>167</u>
Total	<u>291</u>

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Contributions.* County employees are mandated to contribute at least 7% of their wages, while the County's contributions are determined by an actuarial valuation by PMRS performed biannually. The contribution requirements of plan members and the County are established and may be amended by the PMRS Board of Trustees.

**B. Net Pension Liability**

The County's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, based on the actuarial valuation one year prior and then projected to this date.

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	5.25%, net of investment and certain administration expenses.
Projected salary increases	Age/Merit Scale including inflation ranging from 2.8% to 7.05%
Inflation	2.8%

Mortality rates pre-retirement were based on the RP-2000 Scale projected 15 years with Scale AA, with no year setback for males and 5 year setback for females. Mortality rates Post-Retirement were based on the RP-2000 Sex-Distinct Mortality Tables, projected 5 years for males and 10 years for females. The current mortality assumptions, while not reflecting projections for improvements are subject to experience review every four years at which time recommendations of changes to reflect changes in experience over those expected from the tables applied over the five year period preceding the experience analysis are received and reviewed by the Board. Such experience is required by State statute.

The actuarial assumptions used in the December 31, 2018 valuation were based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015 as well as subsequent Board approved assumption changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:



COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 6: DEFINED BENEFIT PENSION PLAN (CONTINUED)

**B. Net Pension Liability (Continued)**

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic equities (large capitalized firms)	25%	4.6%
Domestic equities (small capitalized firms)	15%	7.3%
International equities (international developed markets)	15%	3.5%
International equities (emerging markets)	10%	8.3%
Real estate	20%	5.4%
Fixed income	15%	1.1%
Total Portfolio	<u>100%</u>	<u>4.8%</u>

*Discount rate.* The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on these assumptions the pension plan's projected Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**C. Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2017	\$ 28,871,801	\$ 30,628,897	\$ (1,757,096)
Changes for the Year:			
Service Cost	1,088,848	-	1,088,848
Interest Cost	1,531,605	-	1,531,605
Changes of Benefits	-	-	-
Changes of Assumptions	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Contributions - Employer	-	561,975	(561,975)
Contributions - PMRS assessment	-	620	(620)
Contributions - Member	-	481,139	(481,139)
PMRS Investment Income	-	1,494,603	(1,494,603)
Market Value Investment Income	-	(2,924,025)	2,924,025
Transfers	(227,830)	(227,830)	-
Benefit Payments	(1,278,293)	(1,278,293)	-
PMRS Administrative Expense	-	(5,940)	5,940
Additional Administrative expense	-	(66,698)	66,698
Net Changes	<u>1,114,330</u>	<u>(1,964,449)</u>	<u>3,078,779</u>
Balances at 12/31/2018	<u>\$ 29,986,131</u>	<u>\$ 28,664,448</u>	<u>\$ 1,321,683</u>

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Sensitivity of the pension liability to changes in the discount rate.* The following presents the net pension liability of the County, calculated using the discount rate of 5.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
County's Net Pension Liability	\$ 3,812,154	\$ 1,321,683	\$ (758,526)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PMRS financial report.

**D. Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended December 31, 2019, the County recognized pension expense of \$802,958. At December 31, 2019 the County reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 564,338	\$ -
Changes in Assumptions	157,328	-
Differences Between Expected and Actual Experience	-	332,450
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	364,431	-
Total	\$ 1,086,097	\$ 332,450

The \$564,338 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020 financial statements. The other deferred inflows and outflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Governmental Activities
2020	\$ (206,961)
2021	(188,535)
2022	584,805
Total	\$ 189,309

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 7: LONG-TERM DEBT

A summary of changes in long-term debt and loans obligations follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 1,095,000	\$ -	\$ (110,000)	\$ 985,000	\$ 115,000
General Obligation Notes	19,577,108	-	(947,530)	18,629,578	977,398
Total General Obligation Debt	20,672,108	-	(1,057,530)	19,614,578	1,092,398
Bond Discount	(18,910)	-	2,100	(16,810)	-
Net General Obligation Debt	20,653,198	-	(1,055,430)	19,597,768	1,092,398
Compensated Absences	233,252	239,576	(233,252)	239,576	239,576
Total Governmental Activities Long-Term Liabilities	<u>\$ 20,886,450</u>	<u>\$ 239,576</u>	<u>\$ (1,288,682)</u>	<u>\$ 19,837,344</u>	<u>\$ 1,331,974</u>

An analysis of debt service requirements to maturity on the General Obligation Bonds Payable and Note Payable is as follows:

Years Ended December 31:	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2020	\$ 1,092,398	\$ 602,486	\$ 1,694,884
2021	1,125,521	521,285	1,646,806
2022	1,072,949	573,858	1,646,807
2023	1,091,152	556,655	1,647,807
2024	1,061,645	585,162	1,646,807
2025-2029	5,755,644	2,480,389	8,236,033
2030-2034	6,858,530	1,375,504	8,234,034
2035	1,556,739	52,287	1,609,026
Total	<u>\$ 19,614,578</u>	<u>\$ 6,747,626</u>	<u>\$ 26,362,204</u>

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 7: LONG-TERM DEBT (CONTINUED)

The following is a summary of bonds and loans outstanding as of December 31, 2019:

Year	Amount of Original Issue	Purpose	Balance Outstanding December 31, 2019
2012	\$ 3,350,000	.45% to 3.125% General Obligation Bond Series 2012 to refund the 2002 and 2006 General Obligation Bonds. The maturity date on this issue will be on March 15, 2027.	\$ 985,000
2015 Construction Loan 2015	\$ 10,000,000	Note payable at an interest rate of 2.65%. Starting on February 15, 2015 with a maturity date of December 15, 2035 at final interest rate of 6.55%.	8,859,956
2015 Non-Taxable Series B	\$ 9,945,000	Note payable to refund the 2010 Bond. Note Payable 2015 Series B at an interest rate 2.20% as of October 1, 2015 to a final interest rate 5.50% at maturity on December 1, 2035.	8,347,700
2016 Taxable Series	\$ 1,750,000	Note payable to refund the 2015 Note C. Note payable 2016 Series at an interest rate of 2.20% as of January 28, 2016 to a final interest rate 5.50% at maturity on December 1, 2035.	1,421,922
Total Outstanding Debt:			<u>\$ 19,614,578</u>

## NOTE 8: GUARANTEE OF JEFFERSON COUNTY FAIR AUTHORITY'S DEBT

On November 9, 2009, the Jefferson County Fair Authority ("Fair Authority") borrowed \$300,000 to pay off the existing debt. Principal and interest payments are due annually over 25 years, beginning on January 1, 2010. The final payment on the debt is on January 1, 2034. As of December 1, 2014, the interest rate of this debt is 4.68%. The new interest rate for each five years thereafter will be adjusted to the bank Qualified Tax-free Swap rate in effect at the time of the adjustment plus 300 basis points. The interest rate will not exceed the tax-free rate of 12%. The debt is guaranteed by the County. As of December 31, 2019, the amount of the County guaranteed debt outstanding is \$175,571. In the event the Fair Authority is unable to make a required payment on the debt, the County will be required to make that payment. The Fair Authority is not required to repay the County for any payments the County makes pursuant to the guarantee.

## NOTE 9: RISK MANAGEMENT

The County participates in the Pennsylvania Counties' Workers' Compensation Trust (the "Trust") insurance pool for workers' compensation insurance. Insurance premiums are developed based on employee job descriptions, rate factors, and payroll costs for the year. The Trust has an audit performed each year and the County may be required to pay an additional premium as a result of the audit, or the County may be entitled to a refund as a result of the audit. For the year ended December 31, 2019, the County paid insurance premiums of \$91,299 to the Trust.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 10: OPERATING LEASES

The County leases office space, computer software and equipment, and communications equipment under several operating leases with expiration dates after December 31, 2019. Future minimum lease payment requirements under the various leases are as follows:

2020	\$ 119,666
2021	111,824
2022	107,480
2023	84,689
2024	63,900
2025-2029	<u>285,300</u>
Total minimum payments	<u>\$ 772,859</u>

Total rental expense for these leases during 2019 was \$231,134.

## NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables balances of each individual fund as of December 31, 2019, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,529,264	\$ 1,638,350
Children and Youth	-	553,290
Domestic Relations Fund	-	1,185,923
911 Fund	-	599,888
Community Action Fund	509,178	-
Capital Project Fund	911,460	-
Debt Services	-	124,775
Non-major Funds	<u>217,712</u>	<u>65,388</u>
Total Interfund Balances	<u>\$ 4,167,614</u>	<u>\$ 4,167,614</u>

The County utilizes a pooled operating fund to enhance investment return; therefore, interfund receivables and payables are recorded to recognize amounts held by the General Fund in the pooled account on behalf of other funds. In addition, the General Fund has paid expenses on behalf of other funds, therefore, a corresponding interfund receivable and payable has been recorded.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 12: INTERFUND OPERATING TRANSFERS

Interfund transfers are executed as a result of the requirements for certain funds to fund a portion of the expenditures or expenses of other funds. Interfund operating transfers were as follows for the year ended December 31, 2019:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 4,926,535	\$ 331,370
Children and Youth Fund	-	1,252,552
Domestic Relations Fund	-	76,038
Debt Service Fund	-	1,611,184
Capital Project Fund	267,908	3,266,732
Non-major Funds	<u>1,583,343</u>	<u>239,910</u>
Total Transfers	<u>\$ 6,777,786</u>	<u>\$ 6,777,786</u>

## NOTE 13: FUND BALANCES

The restricted fund balances included in the fund financial statements represent *portions of fund balances that are restricted for various purposes and are not available* for payment of other subsequent expenditures. The following restrictions of fund balances are included in the fund financial statements:

**General Fund****Non-Spendable Funds:**

The non-spendable funds consist of prepaid assets and inventory.

\$ 397,284

**Restricted Funds:****General Government**

These funds are restricted for the escheats cash balance.

\$ 35,359

**Judicial Government**

These funds are restricted for the Sheriff's K-9 Dog expenditures.

17,209

**Total Restricted Fund Balance**

\$ 52,568

**Assigned Funds:****Human Services**

Additional county match by the General Fund to support the increased Children and Youth expenditures in 2020.

\$ 650,250

**Capital Projects**

Funds assigned for the Jefferson Place Rehab Project and 2020 Elections capital expenditures.

450,750

**Debt Service**

Funds assigned for one year of debt service principal payments.

1,075,750

**Total Assigned Fund Balance**

\$ 2,176,750

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

## NOTE 13: FUND BALANCES (CONTINUED)

**911 Fund:**

Restricted Funds:

This restriction represents the amount to be used for the 911 Public Safety Program. \$ 485,521

**Capital Project Fund:**

Non-Spendable Funds:

The non-spendable funds consist of prepaid assets. 1,800

Restricted Funds:

This restriction represents the amount to be used for capital projects. 2,189,967

**Debt Service Funds:**

Restricted Funds:

This restriction represents the amount to be used for debt service payments for the long-term debt. 590,579

**Non-Major Funds:**

Non-Spendable Funds:

The non-spendable funds consist of prepaid assets. 400

Restricted Funds:

These restrictions represent amounts restricted for the payments of Special Revenue program expenditures.

General Government	1,016,107
Judicial Government	263,174
Public Safety	186,970
Public Works	594,193
Conservation/Economic Development	6,855
Culture and Recreation	29,379

## NOTE 14: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN MAJOR FUND

The Children and Youth Fund had an excess of actual expenditures over budget for the year ended December 31, 2019 as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>\$ Variance</u>	<u>Percent of Excess over Appropriations</u>
Children and Youth	\$ 7,209,849	\$ 8,496,825	\$ 1,286,976	17.9%

The excess expenditures were covered by greater than anticipated grant revenues and funds transferred from the General Fund.

## NOTE 15: LITIGATION

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County financial statements.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 16: TAX ABATEMENTS

Tax Abatements are the result of agreements that are entered into by the County to forgo real estate tax revenues for the promise by an individual or entity to take specific action that contributes to economic development in the County. The County has two real estate abatement programs: Local Economic Revitalization Tax Assistance ("LERTA") and Keystone Opportunity Expansion Zone ("KOEZ").

Local Economic Revitalization Tax Assistance ("LERTA")

The LERTA program exists pursuant to the Commonwealth of Pennsylvania Local Economic Revitalization Tax Assistance Act 76 of 1977 (72 P.S. §4722, et seq.). Currently, the LERTA is only in certain municipalities that have adopted a LERTA ordinance. There is not a "county-wide" LERTA program. Once a LERTA ordinance is adopted by a municipality, the County will follow with an ordinance specific to the County and that particular municipality. The LERTA exemption must be applied for by the landowner to the municipality. Once approved by the municipality, the approved application is passed to the county for exemption and LERTA schedule. Some school districts also participate in the LERTA in the same manner as the County. LERTA schedules are 6 to 10 years with most municipalities adopting a 10% per year declining schedule on the new construction value. New construction value is determined by the County Assessment Office. The LERTA program is, generally, on both residential and commercial properties. Many municipalities have the LERTA as a municipal-wide program, where a few municipalities have specified certain areas that the LERTA would be available. During 2019, 13 properties received the LERTA exemption from the County's real estate property tax at a total of \$19,580 for various projects.

Keystone Opportunity Expansion Zone ("KOEZ")

The KOEZ program exists pursuant to the Commonwealth of Pennsylvania Keystone Opportunity Zone, Keystone Opportunity Expansion Zone, and Keystone Opportunity Improvement Zone Act (73 P.S. §§820.101- 820.1309). A KOEZ is designated by Executive Order of the Governor and approved by the local communities. A KOEZ provides a significant reduction in state and local taxes. During 2019, 7 properties received the KOEZ exemption from the County's real estate property tax at a total of \$25,952.

NOTE 17: SUBSEQUENT EVENTS

Subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on all aspects of the County's operations. In addition, due to the temporary closure of all businesses that are not deemed life sustaining, State and Federal tax revenues are also significantly decreased. This decrease could result in less grant money that is relied upon by local governments to fund specific projects. In addition, the County's own source revenue or derived revenues could be affected negatively. Overall, decreased funding could result in the County having to curtail or eliminate some services.



**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Real Estate	\$ 10,402,349	\$ 10,402,349	\$ 10,346,173	\$ (56,176)
License and Permits	55,450	55,450	50,599	(4,851)
Grants and Gifts	700,562	700,562	718,668	18,106
Charges for Services	2,204,562	2,204,562	3,357,748	1,153,186
Fines and Costs	339,350	339,350	367,591	28,241
Interest and Rents	138,750	138,750	108,293	(30,457)
<b>Total Revenues</b>	<b>13,841,023</b>	<b>13,841,023</b>	<b>14,949,072</b>	<b>1,108,049</b>
Expenditures				
General Government	2,584,323	2,718,427	2,571,195	147,232
Judicial Government	3,131,413	3,125,718	3,028,796	96,922
Public Safety	4,912,098	4,912,098	4,785,927	126,171
Public Works	183,000	183,000	200,000	(17,000)
Human Services	401,200	409,096	461,739	(52,643)
Conservation/Economic Development	178,052	178,052	177,959	93
Culture/Recreation	51,000	51,000	56,500	(5,500)
<b>Total Expenditures</b>	<b>11,441,086</b>	<b>11,577,391</b>	<b>11,282,116</b>	<b>295,275</b>
Excess of Revenues Over (Under) Expenditures	2,399,937	2,263,632	3,666,956	1,403,324
Other Financing Sources (Uses)				
Operating Transfer In	150,000	150,000	331,370	181,370
Operating Transfer (Out)	(2,520,329)	(2,520,329)	(4,926,535)	(2,406,206)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,370,329)</b>	<b>(2,370,329)</b>	<b>(4,595,165)</b>	<b>(2,224,836)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	29,608	(106,697)	(928,209)	(821,512)
Fund Balance - Beginning of Year	4,109,871	4,109,871	4,109,871	-
Fund Balance - End of Year	<b>\$ 4,139,479</b>	<b>\$ 4,003,174</b>	<b>\$ 3,181,662</b>	<b>\$ (821,512)</b>

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – CHILDREN AND YOUTH FUND  
 YEAR ENDED DECEMBER 31, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants and Gifts	\$ 6,417,803	\$ 6,417,803	\$ 6,904,219	\$ 486,416
Charges for Service	142,046	142,046	340,054	198,008
Total Revenues	<u>6,559,849</u>	<u>6,559,849</u>	<u>7,244,273</u>	<u>684,424</u>
Expenditures				
Human Services	<u>7,209,849</u>	<u>7,209,849</u>	8,496,825	(1,286,976)
Total Expenditures	<u>7,209,849</u>	<u>7,209,849</u>	<u>8,496,825</u>	<u>(1,286,976)</u>
Excess of Revenues Over (Under) Expenditures	<u>(650,000)</u>	<u>(650,000)</u>	<u>(1,252,552)</u>	<u>(602,552)</u>
Other Financing Sources (Uses)				
Operating Transfer In	<u>650,000</u>	<u>650,000</u>	1,252,552	602,552
Total Other Financing Sources (Uses)	<u>650,000</u>	<u>650,000</u>	<u>1,252,552</u>	<u>602,552</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – DOMESTIC RELATIONS FUND  
 YEAR ENDED DECEMBER 31, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Grants	\$ 302,500	\$ 302,500	\$ 309,874	\$ 7,374
Charges for Service	4,700	4,700	2,640	(2,060)
Interest	9,000	9,000	10,122	1,122
Total Revenues	<u>316,200</u>	<u>316,200</u>	<u>322,636</u>	<u>6,436</u>
Expenditures				
Judicial Government	<u>400,212</u>	<u>400,212</u>	<u>398,674</u>	<u>1,538</u>
Total Expenditures	<u>400,212</u>	<u>400,212</u>	<u>398,674</u>	<u>1,538</u>
Excess of Revenues Over (Under) Expenditures	<u>(84,012)</u>	<u>(84,012)</u>	<u>(76,038)</u>	<u>7,974</u>
Other Financing Sources (Uses)				
Operating Transfer In	<u>84,012</u>	<u>84,012</u>	<u>76,038</u>	<u>(7,974)</u>
Total Other Financing Sources (Uses)	<u>84,012</u>	<u>84,012</u>	<u>76,038</u>	<u>(7,974)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – 911 FUND  
 YEAR ENDED DECEMBER 31, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants	\$ 1,117,835	\$ 1,117,835	\$ 1,190,942	\$ 73,107
Interest and Rents	1,800	1,800	5,502	3,702
Total Revenues	<u>1,119,635</u>	<u>1,119,635</u>	<u>1,196,444</u>	<u>76,809</u>
Expenditures				
Public Safety	<u>1,072,037</u>	<u>1,397,037</u>	<u>1,339,810</u>	<u>57,227</u>
Total Expenditures	<u>1,072,037</u>	<u>1,397,037</u>	<u>1,339,810</u>	<u>57,227</u>
Excess of Revenues Over (Under) Expenditures	<u>47,598</u>	<u>(277,402)</u>	<u>(143,366)</u>	<u>134,036</u>
Fund Balance - Beginning of Year	<u>628,887</u>	<u>628,887</u>	<u>628,887</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 676,485</u>	<u>\$ 351,485</u>	<u>\$ 485,521</u>	<u>\$ 134,036</u>

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – COMMUNITY ACTION FUND  
 YEAR ENDED DECEMBER 31, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues				
Grants	\$ 1,754,084	\$ 1,784,191	\$ 1,566,331	\$ (217,860)
Total Revenues	<u>1,754,084</u>	<u>1,784,191</u>	<u>1,566,331</u>	<u>(217,860)</u>
Expenditures				
Human Services	<u>1,754,084</u>	<u>1,784,191</u>	<u>1,566,331</u>	<u>217,860</u>
Total Expenditures	<u>1,754,084</u>	<u>1,784,191</u>	<u>1,566,331</u>	<u>217,860</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF JEFFERSON  
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS  
LAST 10 YEARS**

	2014	2015	2016	2017	2018
<b>Total pension liability</b>					
Service cost	\$ 942,881	\$ 983,298	\$ 962,903	\$ 1,084,781	\$ 1,068,848
Interest	1,342,962	1,415,620	1,485,979	1,511,447	1,531,605
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(219,384)	-	(739,715)	-
Changes of assumptions	-	281,214	552,303	-	-
Transfers	-	-	-	-	(227,830)
Benefit payments, including refunds of member contributions	(963,895)	(1,041,478)	(1,281,852)	(1,412,036)	(1,278,293)
Net change in total pension liability	1,321,948	1,419,270	1,719,333	444,477	1,114,330
Total pension liability - beginning	\$ 23,966,773	\$ 25,288,721	\$ 26,707,991	\$ 28,427,324	\$ 28,871,801
Total pension liability - ending (a)	\$ 25,288,721	\$ 26,707,991	\$ 28,427,324	\$ 28,871,801	\$ 29,986,131
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 465,583	\$ 457,349	\$ 554,841	\$ 582,771	\$ 561,975
Contributions - PMRS assessment	-	560	720	640	620
Contributions - member	361,209	392,209	404,188	442,714	481,139
PMRS investment income	1,332,705	1,387,873	1,449,828	1,446,225	1,494,603
Market value investment income	(116,607)	(1,363,608)	695,941	3,126,989	(2,924,025)
Transfers	-	-	-	-	(227,830)
Benefit payments, including refunds of member contributions	(963,895)	(1,041,478)	(1,281,852)	(1,412,036)	(1,278,293)
PMRS administrative expense	(5,900)	(6,000)	(5,360)	(5,800)	(5,940)
Additional administrative expense	(51,110)	(57,857)	(71,029)	(66,511)	(66,698)
Net change in plan fiduciary net position	1,021,985	(230,932)	1,747,257	4,114,992	(1,964,449)
Plan fiduciary net position - beginning	\$ 23,975,595	\$ 24,997,590	\$ 24,766,648	\$ 26,513,905	\$ 30,628,697
Plan fiduciary net position - ending (b)	\$ 24,997,590	\$ 24,766,648	\$ 26,513,905	\$ 30,628,897	\$ 28,664,448
County's net pension liability - ending (a) - (b)	\$ 291,141	\$ 1,941,343	\$ 1,913,419	\$ (1,757,096)	\$ 1,321,683
Plan fiduciary net position as a percentage of the total pension liability	98.85%	92.73%	93.27%	106.09%	95.59%
Covered-employee payroll	\$ 4,857,115	\$ 5,040,959	\$ 5,181,819	\$ 5,603,747	\$ 5,633,815
County's net pension liability as a percentage of covered-employee payroll	5.99%	38.51%	36.93%	-31.36%	23.46%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

COUNTY OF JEFFERSON  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 LAST 10 YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Acute care hospital services	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Community health center services	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Community health services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Emergency services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Home care services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Maternal and child health services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

Medicaid

Medicaid services provided to eligible individuals are funded through a combination of state and federal funds. The state's contribution is based on the federal matching rate and the state's share of the federal funds. The federal matching rate is currently 56.2% for states with a per capita income below \$12,000 and 60.2% for states with a per capita income above \$12,000. The state's share of the federal funds is currently 43.8% for states with a per capita income below \$12,000 and 39.8% for states with a per capita income above \$12,000.

Medicaid services provided to eligible individuals are funded through a combination of state and federal funds. The state's contribution is based on the federal matching rate and the state's share of the federal funds. The federal matching rate is currently 56.2% for states with a per capita income below \$12,000 and 60.2% for states with a per capita income above \$12,000. The state's share of the federal funds is currently 43.8% for states with a per capita income below \$12,000 and 39.8% for states with a per capita income above \$12,000.

Acute care hospital services	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Community health center services	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Community health services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Emergency services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Home care services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Maternal and child health services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Other services	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

The schedule of county contributions for the last 10 years is as follows:



**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019

	Special Revenue Funds	Capital Jail Project Fund	Total Non-Major Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,049,048	\$ -	\$ 2,049,048
Accounts Receivable	102,195	-	102,195
Tax Receivable	52,336	-	52,336
Due From Other Governments	82,173	-	82,173
Due From Other Funds	214,054	3,658	217,712
Prepaid Assets	400	-	400
Restricted Cash			
Cash for Revolving Funds	2,082	-	2,082
	<u>2,082</u>	<u>-</u>	<u>2,082</u>
<b>Total Assets</b>	<u>\$ 2,502,288</u>	<u>\$ 3,658</u>	<u>\$ 2,505,946</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 236,419	3,658	\$ 240,077
Accrued Expenses and Withholdings	8,178	-	8,178
Unearned Revenue	95,625	-	95,625
Due to Other Funds	65,388	-	65,388
	<u>65,388</u>	<u>-</u>	<u>65,388</u>
<b>Total Liabilities</b>	<u>405,610</u>	<u>3,658</u>	<u>409,268</u>
<b>Fund Balances</b>			
Non-spendable	400	-	400
Restricted for:			
General Government	1,016,107	-	1,016,107
Judicial Government	263,174	-	263,174
Public Safety	186,970	-	186,970
Public Works	594,193	-	594,193
Conservation/Economic Development	6,855	-	6,855
Culture and Recreation	29,379	-	29,379
Unassigned	(400)	-	(400)
	<u>(400)</u>	<u>-</u>	<u>(400)</u>
<b>Total Fund Balances</b>	<u>2,096,678</u>	<u>-</u>	<u>2,096,678</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,502,288</u>	<u>\$ 3,658</u>	<u>\$ 2,505,946</u>

COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds	Capital Jail Project Fund	Total Non-Major Funds
<b>Revenues</b>			
Hotel Taxes	\$ 221,816	\$ -	\$ 221,816
Grants and Gifts			
General Government	343,171	-	343,171
Public Safety	146,652	-	146,652
Public Works	442,112	-	442,112
Human Services	254,881	-	254,881
Conservation/Economic Development	617,205	-	617,205
Charges for Services			
Judicial Government	69,726	-	69,726
Public Safety	212,722	-	212,722
Public Works	133,507	-	133,507
Conservation/Economic Development	80,433	-	80,433
Interest and Rents	3,518	2,563	6,081
	<u>2,525,743</u>	<u>2,563</u>	<u>2,528,306</u>
<b>Expenditures</b>			
Program and Operating Expenditures			
Judicial Government	32,356	-	32,356
Public Safety	398,846	45,713	444,559
Public Works	764,712	-	764,712
Human Services	294,597	-	294,597
Conservation/Economic Development	809,646	-	809,646
Culture/Recreation	261,669	-	261,669
	<u>2,561,826</u>	<u>45,713</u>	<u>2,607,539</u>
Excess of Revenues Over (Under) Expenditures	<u>(36,083)</u>	<u>(43,150)</u>	<u>(79,233)</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	239,910	-	239,910
Operating Transfers (Out)	<u>(63,462)</u>	<u>(1,519,881)</u>	<u>(1,583,343)</u>
Total Other Financing Sources (Uses)	<u>176,448</u>	<u>(1,519,881)</u>	<u>(1,343,433)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	140,365	(1,563,031)	(1,422,666)
Fund Balances - Beginning of Year	<u>1,956,313</u>	<u>1,563,031</u>	<u>3,519,344</u>
Fund Balances - End of Year	<u>\$ 2,096,678</u>	<u>\$ -</u>	<u>\$ 2,096,678</u>

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2019

	Liquid Fuel Fund	HazMat Fund	Human Service Fund	IPP and IPP Expended Fund	Independent Living Fund	Department of Development Fund
<b>Assets</b>						
Cash and Cash Equivalents	\$ 458,416	\$ 71,870	\$ 46,585	\$ -	\$ 49,798	\$ 1,160
Accounts Receivable	-	-	-	-	-	21,234
Tax Receivable	-	-	-	-	-	-
Due From Other Governments	-	-	-	29,005	-	-
Due From Other Funds	16,035	-	-	19,491	-	-
Prepaid Assets	-	-	-	-	-	400
Restricted Cash	-	-	-	-	-	-
Cash for Revolving Funds	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 474,451</b>	<b>\$ 71,870</b>	<b>\$ 46,585</b>	<b>\$ 48,496</b>	<b>\$ 49,798</b>	<b>\$ 22,794</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 24,991	\$ 4,408	\$ 19,517	\$ 46,759	\$ 44,526	\$ 946
Accrued Expenses and Withholdings	-	1,110	-	1,737	-	3,376
Unearned Revenue	-	2,496	3,736	-	-	138
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	8,437	23,332	-	5,272	18,334
<b>Total Liabilities</b>	<b>24,991</b>	<b>16,451</b>	<b>46,585</b>	<b>48,496</b>	<b>49,798</b>	<b>22,794</b>
<b>Fund Balances</b>						
Non-spendable	-	-	-	-	-	400
Restricted for:						
General Government	-	-	-	-	-	-
Judicial Government	-	-	-	-	-	-
Public Safety	-	55,419	-	-	-	-
Public Works:						
County Bridges and Road Maintenance	449,460	-	-	-	-	-
Solid Waste	-	-	-	-	-	-
Conservation/Economic Development	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(400)
<b>Total Fund Balances</b>	<b>449,460</b>	<b>55,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 474,451</b>	<b>\$ 71,870</b>	<b>\$ 46,585</b>	<b>\$ 48,496</b>	<b>\$ 49,798</b>	<b>\$ 22,794</b>

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2019

	CDBG Fund	Solid Waste Authority Fund	Hotel Tax Fund	PA Accessible Housing Fund	Gas Well Impact Fund	Record Improvement Fund	ROD Improvement Fund
<b>Assets</b>							
Cash and Cash Equivalents	\$ 20,963	\$ 91,008	\$ 11,465	\$ 68,393	\$ 1,016,107	\$ -	\$ 21,037
Accounts Receivable	36,129	10,700	-	-	-	888	1,332
Tax Receivable	-	-	52,336	-	-	-	-
Due From Other Governments	6,164	47,004	-	-	-	-	-
Due From Other Funds	793	-	15,393	-	-	52,414	-
Prepaid Assets	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-
Cash for Revolving Funds	2,082	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 66,131</b>	<b>\$ 148,712</b>	<b>\$ 79,194</b>	<b>\$ 68,393</b>	<b>\$ 1,016,107</b>	<b>\$ 53,302</b>	<b>\$ 22,369</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 19,991	\$ 2,024	\$ 49,815	\$ 8,410	\$ -	\$ -	\$ -
Accrued Expenses and Withholdings	-	1,955	-	-	-	-	-
Unearned Revenue	39,285	-	-	49,970	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	10,013	-	-	-
<b>Total Liabilities</b>	<b>59,276</b>	<b>3,979</b>	<b>49,815</b>	<b>68,393</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>							
Non-spendable	-	-	-	-	-	-	-
Restricted for:							
General Government	-	-	-	-	1,016,107	-	-
Judicial Government	-	-	-	-	-	53,302	22,369
Public Safety	-	-	-	-	-	-	-
Public Works:							
County Bridges and Road Maintenance	-	-	-	-	-	-	-
Solid Waste	-	144,733	-	-	-	-	-
Conservation/Economic Development	6,855	-	-	-	-	-	-
Culture and Recreation	-	-	29,379	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>6,855</b>	<b>144,733</b>	<b>29,379</b>	<b>-</b>	<b>1,016,107</b>	<b>53,302</b>	<b>22,369</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 66,131</b>	<b>\$ 148,712</b>	<b>\$ 79,194</b>	<b>\$ 68,393</b>	<b>\$ 1,016,107</b>	<b>\$ 53,302</b>	<b>\$ 22,369</b>

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2019

	ROW Improvement Fund	Prothonotary Fund	Confiscated Fund	Offender Supervision Fund	Drug Task Force Fund	Total
<u>Assets</u>						
Cash and Cash Equivalents	\$ 14,611	\$ 77,698	\$ -	\$ 83,163	\$ 16,774	\$ 2,049,048
Accounts Receivable	145	588	2,218	28,961	-	102,195
Tax Receivable	-	-	-	-	-	52,336
Due From Other Governments	-	-	-	-	-	82,173
Due From Other Funds	-	-	92,243	16,839	846	214,054
Prepaid Assets	-	-	-	-	-	400
Restricted Cash	-	-	-	-	-	-
Cash for Revolving Funds	-	-	-	-	-	2,082
<b>Total Assets</b>	<b>\$ 14,756</b>	<b>\$ 78,286</b>	<b>\$ 94,461</b>	<b>\$ 128,963</b>	<b>\$ 17,620</b>	<b>\$ 2,502,288</b>
<u>Liabilities and Fund Balances</u>						
<b>Liabilities</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,442	\$ 8,590	\$ 236,419
Accrued Expenses and Withholdings	-	-	-	-	-	8,178
Unearned Revenue	-	-	-	-	-	95,625
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	65,388
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,442</b>	<b>8,590</b>	<b>405,610</b>
<b>Fund Balances</b>						
Non-spendable	-	-	-	-	-	400
Restricted for:						
General Government	-	-	-	-	-	1,016,107
Judicial Government	14,756	78,286	94,461	-	-	263,174
Public Safety	-	-	-	122,521	9,030	186,970
Public Works:						
County Bridges and Road Maintenance	-	-	-	-	-	449,460
Solid Waste	-	-	-	-	-	144,733
Conservation/Economic Development	-	-	-	-	-	6,855
Culture and Recreation	-	-	-	-	-	29,379
Unassigned	-	-	-	-	-	(400)
<b>Total Fund Balances</b>	<b>14,756</b>	<b>78,286</b>	<b>94,461</b>	<b>122,521</b>	<b>9,030</b>	<b>2,096,678</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,756</b>	<b>\$ 78,286</b>	<b>\$ 94,461</b>	<b>\$ 128,963</b>	<b>\$ 17,620</b>	<b>\$ 2,502,288</b>

COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED DECEMBER 31, 2019

	Liquid Fuel Fund	Haz Mat Fund	Human Service Fund	IPP and IPP Expanded Fund	Independent Living Fund	Department of Development Fund
<b>Revenues</b>						
Hotel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Gifts	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Public Safety	-	5,478	-	120,889	-	-
Public Works	324,739	-	-	-	-	-
Human Services	-	-	64,190	-	190,691	-
Conservation/Economic Development	-	-	-	-	-	104,099
Charges for Services	-	-	-	-	-	-
Judicial Government	-	-	-	-	-	-
Public Safety	-	14,893	-	-	-	-
Public Works	-	-	-	-	-	-
Conservation/Economic Development	-	-	-	-	-	80,433
Interest and Rents	391	34	38	-	56	758
<b>Total Revenues</b>	<b>325,130</b>	<b>20,405</b>	<b>64,228</b>	<b>120,889</b>	<b>190,747</b>	<b>185,290</b>
<b>Expenditures</b>						
Program and Operating Expenditures						
Judicial Government	-	-	-	-	-	-
Public Safety	-	37,490	-	220,371	-	-
Public Works	576,035	-	-	-	-	-
Human Services	-	-	64,228	-	230,369	-
Conservation/Economic Development	-	-	-	-	-	286,096
Culture/Recreation	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>576,035</b>	<b>37,490</b>	<b>64,228</b>	<b>220,371</b>	<b>230,369</b>	<b>286,096</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(250,905)</b>	<b>(17,085)</b>	<b>-</b>	<b>(99,482)</b>	<b>(39,622)</b>	<b>(100,806)</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	99,482	39,622	100,806
Operating Transfers (Out)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,482</b>	<b>39,622</b>	<b>100,806</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(250,905)</b>	<b>(17,085)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Beginning of Year</b>	<b>700,365</b>	<b>72,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 449,460</b>	<b>\$ 55,419</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --  
 NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2019

	CDBG Fund	Solid Waste Authority Fund	Hotel Tax Fund	PA Accessible Housing Fund	Gas Well Impact Fund	Record Improvement Fund	ROD Improvement Fund
<b>Revenues</b>							
Hotel Taxes	\$ -	\$ -	\$ 221,816	\$ -	\$ -	\$ -	\$ -
Grants and Gifts							
General Government	-	-	-	-	343,171	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	117,373	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Conservation/Economic Development	488,076	-	-	25,030	-	-	-
Charges for Services							
Judicial Government	-	-	-	-	-	10,438	15,657
Public Safety	-	-	-	-	-	-	-
Public Works	-	133,507	-	-	-	-	-
Conservation/Economic Development	-	-	-	-	-	-	-
Interest and Rents	-	288	-	285	1,362	-	58
<b>Total Revenues</b>	<b>488,076</b>	<b>251,168</b>	<b>221,816</b>	<b>25,315</b>	<b>344,533</b>	<b>10,438</b>	<b>15,715</b>
<b>Expenditures</b>							
Program and Operating Expenditures							
Judicial Government	-	-	-	-	-	-	16,699
Public Safety	-	-	-	-	-	-	-
Public Works	-	188,677	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Conservation/Economic Development	495,018	-	-	28,532	-	-	-
Culture/Recreation	-	-	219,992	-	41,677	-	-
<b>Total Expenditures</b>	<b>495,018</b>	<b>188,677</b>	<b>219,992</b>	<b>28,532</b>	<b>41,677</b>	<b>-</b>	<b>16,699</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(6,942)</b>	<b>62,491</b>	<b>1,824</b>	<b>(3,217)</b>	<b>302,856</b>	<b>10,438</b>	<b>(984)</b>
Other Financing Sources (Uses)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(6,942)</b>	<b>62,491</b>	<b>1,824</b>	<b>(3,217)</b>	<b>302,856</b>	<b>10,438</b>	<b>(984)</b>
<b>Fund Balances - Beginning of Year</b>	<b>13,797</b>	<b>82,242</b>	<b>27,555</b>	<b>3,217</b>	<b>713,251</b>	<b>42,864</b>	<b>23,353</b>
<b>Fund Balances - End of Year</b>	<b>\$ 6,855</b>	<b>\$ 144,733</b>	<b>\$ 29,379</b>	<b>\$ -</b>	<b>\$ 1,016,107</b>	<b>\$ 53,302</b>	<b>\$ 22,369</b>



COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --  
 NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2019

	ROW Improvement Fund	Prothonotary Fund	Confiscated Fund	Offender Supervision Fund	Drug Task Force Fund	Total
<b>Revenues</b>						
Hotel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,816
Grants and Gifts	-	-	-	-	-	343,171
General Government	-	-	-	-	20,285	146,652
Public Safety	-	-	-	-	-	442,112
Public Works	-	-	-	-	-	254,881
Human Services	-	-	-	-	-	617,205
Economic/Development	-	-	-	-	-	69,726
Charges for Services	27,376	11,132	5,123	-	-	212,722
Judicial Government	-	-	-	197,829	-	133,507
Public Safety	-	-	-	-	-	80,433
Public Works	-	-	-	-	-	3,518
Economic/Development	-	167	-	81	-	
Interest and Rents	-	-	-	-	-	
<b>Total Revenues</b>	<u>27,376</u>	<u>11,299</u>	<u>5,123</u>	<u>197,910</u>	<u>20,285</u>	<u>2,525,743</u>
<b>Expenditures</b>						
Program and Operating Expenditures						
Judicial Government	12,620	1,597	1,440	-	-	32,356
Public Safety	-	-	-	127,163	13,822	398,846
Public Works	-	-	-	-	-	764,712
Human Services	-	-	-	-	-	294,597
Conservation/Economic Development	-	-	-	-	-	809,646
Culture/Recreation	-	-	-	-	-	261,669
<b>Total Expenditures</b>	<u>12,620</u>	<u>1,597</u>	<u>1,440</u>	<u>127,163</u>	<u>13,822</u>	<u>2,561,826</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>14,756</u>	<u>9,702</u>	<u>3,683</u>	<u>70,747</u>	<u>6,463</u>	<u>(36,083)</u>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	-	-	239,910
Operating Transfers (Out)	-	-	-	(63,462)	-	(63,462)
<b>Total Other Financing Sources (Uses)</b>	-	-	-	<u>(63,462)</u>	-	<u>176,448</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>14,756</u>	<u>9,702</u>	<u>3,683</u>	<u>7,285</u>	<u>6,463</u>	<u>140,365</u>
<b>Fund Balances - Beginning of Year</b>	-	<u>68,584</u>	<u>90,778</u>	<u>115,236</u>	<u>2,567</u>	<u>1,956,313</u>
<b>Fund Balances - End of Year</b>	<u>\$ 14,756</u>	<u>\$ 78,286</u>	<u>\$ 94,461</u>	<u>\$ 122,521</u>	<u>\$ 9,030</u>	<u>\$ 2,096,678</u>

COUNTY OF JEFFERSON  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	(1) Jefferson County Conservation District	(2) Jefferson County Fair Authority	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,516,101	\$ 20,279	\$ 1,536,380
Investments	-	135,809	135,809
Accounts Receivable	-	3,452	3,452
Due From Other Governments	-	44,643	44,643
Prepaid Assets	6,900	-	6,900
Capital Assets, Net of Accumulated Depreciation	-	7,840	7,840
	<u>1,523,001</u>	<u>212,023</u>	<u>1,735,024</u>
Total Assets	<u>\$ 1,523,001</u>	<u>\$ 212,023</u>	<u>\$ 1,735,024</u>
<b>Liabilities</b>			
Accounts Payable	\$ 6,078	\$ 1,087	\$ 7,165
Interest Payable	-	6,976	6,976
Unearned Revenue	-	4,584	4,584
Current Portions of Long Term Liabilities:			
General Debt Obligation Payable	-	10,589	10,589
Long Term Portions of Long Term Liabilities			
General Debt Obligation Payable	-	164,982	164,982
	<u>6,078</u>	<u>188,218</u>	<u>194,296</u>
Total Liabilities	<u>6,078</u>	<u>188,218</u>	<u>194,296</u>
<b>Net Position</b>			
Net Investment in Capital Assets	-	7,840	7,840
Unrestricted	1,516,923	15,965	1,532,888
	<u>1,516,923</u>	<u>23,805</u>	<u>1,540,728</u>
Total Net Position	<u>1,516,923</u>	<u>23,805</u>	<u>1,540,728</u>
Total Liabilities and Net Position	<u>\$ 1,523,001</u>	<u>\$ 212,023</u>	<u>\$ 1,735,024</u>

(1) Jefferson County Conservation District Fiscal Year Ends - December 31, 2019

(2) Jefferson County Fair Authority Fiscal Year Ends - September 30, 2019

COUNTY OF JEFFERSON  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2019

	(1) Jefferson County Conservation District	(2) Jefferson County Fair Authority	Total
Operating Revenues:			
Charges for Services	\$ 69,061	\$ -	\$ 69,061
Fair Revenue	-	318,504	318,504
Special Events	-	6,101	6,101
	<u>69,061</u>	<u>324,605</u>	<u>393,666</u>
Total Operating Revenues			
Operating Expenses:			
Conservation District Program	948,002	-	948,002
Recreation - Fair Program	-	381,208	381,208
	<u>948,002</u>	<u>381,208</u>	<u>1,329,210</u>
Total Operating Expenses			
Operating Income	(878,941)	(56,603)	(935,544)
Nonoperating Revenue/Income and (Expenses)			
Governmental Grants	789,047	44,643	833,690
County Contribution	83,937	5,000	88,937
Interest Income	5,271	3,645	8,916
Donations	-	67,650	67,650
Interest Expense	-	(9,030)	(9,030)
	<u>878,255</u>	<u>111,908</u>	<u>990,163</u>
Total Nonoperating Revenues (Expenses), Net			
Changes in Net Position	(686)	55,305	54,619
Net Position (Deficit) - Beginning of Year	<u>1,517,609</u>	<u>(31,500)</u>	<u>1,486,109</u>
Net Position - End of Year	<u>\$ 1,516,923</u>	<u>\$ 23,805</u>	<u>\$ 1,540,728</u>

(1) Jefferson County Conservation District Fiscal Year Ends - December 31, 2019

(2) Jefferson County Fair Authority Fiscal Year Ends - September 30, 2019