

**COUNTY OF JEFFERSON  
BROOKVILLE, PENNSYLVANIA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2018**

COUNTY OF JEFFERSON  
YEAR ENDED DECEMBER 31, 2018

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YEAR ENDED DECEMBER 31, 2018

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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, 2018, 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 89.6%, 102.1%, and 84.9%, 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, 2018, 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 2018 the County adopted the provisions of Governmental Accounting Standards Board Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", Statement No. 85, "*Omnibus 2017*", and Statement No. 86, "*Certain Debt Extinguishment Issues*". Our opinion is not modified with respect to these matters.

## **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 25, 2019

**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, 2018. 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, 2018.

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

The COUNTY'S assessed valuation increased from \$847,963,810 in 2017 to \$854,799,430 in 2018. The COUNTY's millage rate was 12.00 mills for 2018. In 2018, \$9,871,720 of real estate tax revenue was received for General Fund purposes. The COUNTY transferred from the General Fund \$1,501,599 to the Debt Service Fund for Debt Service purposes.

**COUNTY'S NET POSITION**

The COUNTY's Statement of Net Position in 2018 has a total Net Position of \$25,247,784.

**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.

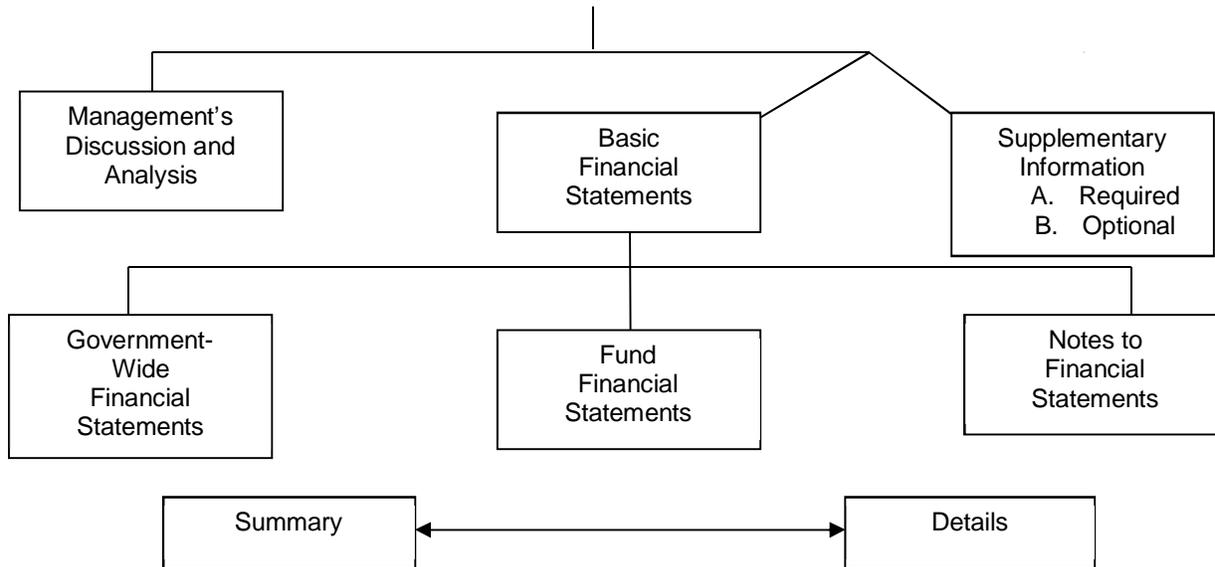
- *Government-wide financial statements*, the first two statements, provide information about the COUNTY's overall financial status as well as the financial status of the COUNTY's discrete and blended component units.
- *Fund financial statements*, the remaining statements, focus on individual parts 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 \$50,879,638 at December 31, 2018.

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 2017 to 2018	Percentage Change
	2017	2018		
<b>Assets:</b>				
Capital Assets	\$ 37,125,152	\$ 36,252,758	\$ (872,394)	-2.3%
Other Assets	13,160,413	14,626,880	1,466,467	11.1%
Total Assets	<u>50,285,565</u>	<u>50,879,638</u>	<u>594,073</u>	<u>1.2%</u>
Deferred Outflows of Resources:				
Pension	1,205,959	876,633	(329,326)	-27.3%
Total Assets and Deferred Outflows	<u>\$ 51,491,524</u>	<u>\$ 51,756,271</u>	<u>\$ 264,747</u>	<u>0.5%</u>
<b>Liabilities:</b>				
Long-Term Liabilities	\$ 22,554,095	\$ 19,585,652	\$ (2,968,443)	-13.2%
Other Liabilities	4,221,021	4,524,028	303,007	7.2%
Total Liabilities	<u>26,775,116</u>	<u>24,109,680</u>	<u>(2,665,436)</u>	<u>-10.0%</u>
Deferred Inflows of Resources:				
Pension	109,692	2,398,807	2,289,115	2086.9%
Total Liabilities and Deferred Inflows	<u>\$ 26,884,808</u>	<u>\$ 26,508,487</u>	<u>\$ (376,321)</u>	<u>-1.4%</u>
<b>Net Position:</b>				
Net Investments in Capital Assets	\$ 15,343,054	\$ 15,599,560	\$ 256,506	1.7%
Restricted Net Position	4,799,789	4,792,136	(7,653)	-0.2%
Unrestricted Net Position	4,463,873	4,856,088	392,215	8.8%
Total Net Position	<u>\$ 24,606,716</u>	<u>\$ 25,247,784</u>	<u>\$ 641,068</u>	<u>2.6%</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, 2018. 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 2017 to 2018	Percentage Change
	2017	2018		
<b>Program Revenues:</b>				
Charges for Services	\$ 2,976,293	\$ 3,597,859	\$ 621,566	20.88%
Operating Grants and Contributions	10,567,255	10,157,200	(410,055)	-3.88%
Capital Grants and Contributions	1,076,579	1,122,070	45,491	4.23%
<b>General Revenues:</b>				
Real Estate Taxes	10,245,914	10,130,723	(115,191)	-1.12%
Hotel Tax	225,665	233,889	8,224	3.64%
Investment Earnings	124,281	120,429	(3,852)	-3.10%
Rental Income	12,720	11,530	(1,190)	-9.36%
	<u>25,228,707</u>	<u>25,373,700</u>	<u>144,993</u>	<u>0.57%</u>
<b>Expenses:</b>				
General Government –				
Administrative	1,526,501	1,443,644	(82,857)	-5.43%
General Government - Judicial	4,564,682	4,033,956	(530,726)	-11.63%
Public Safety	6,873,470	6,593,955	(279,515)	-4.07%
Public Works	963,635	819,354	(144,281)	-14.97%
Human Services	8,893,057	9,664,928	771,871	8.68%
Conservation/Economic Development	902,448	1,149,075	246,627	27.33%
Culture and Recreation	424,220	525,086	100,866	23.78%
Interest on Long-Term Debt	517,348	502,634	(14,714)	-2.84%
	<u>24,665,361</u>	<u>24,732,632</u>	<u>67,271</u>	<u>0.27%</u>
Change in Net Position	563,346	641,068	77,722	13.80%
Net Position - January 1 - Beginning of Year	<u>24,043,370</u>	<u>24,606,716</u>	<u>563,346</u>	<u>2.34%</u>
Net Position - December 31- End of Year	<u>\$ 24,606,716</u>	<u>\$ 25,247,784</u>	<u>\$ 641,068</u>	<u>2.61%</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 2018, real estate taxes brought in \$9,871,720.

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

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Program:		
General Government - Administration	\$ 1,443,644	\$ (199,118)
General Government - Judicial	4,033,956	(2,153,549)
Public Safety	6,593,955	(3,964,495)
Public Works	819,354	(275,652)
Human Services	9,664,928	(1,821,579)
Conservation/Economic Development	1,149,075	(413,390)
Culture and Recreation	525,086	(525,086)
Debt Service	502,634	(502,634)
	<u>\$ 24,732,632</u>	<u>\$ (9,855,503)</u>

The COUNTY relied on real estate taxes and other general revenues to fund \$9,855,503 of its governmental activities in 2018.

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 2018 was 12.00 mills for general purposes.

Approximately 53.4% 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 60.1% 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 33.6%, 18.8%, 36.0%, 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 \$36,252,758 at December 31, 2018. A summary of capital assets at December 31, 2018 is as follows:

Governmental Activities:	
Capital assets not being depreciated (cost):	
Land	\$ 453,514
Total capital assets not being depreciated	<u>453,514</u>
Capital assets being depreciated (cost):	
Buildings and improvements	34,642,783
Furniture, fixtures, and equipment	3,052,461
Vehicles	844,813
Bridges, roads, and rail trails	<u>25,946,777</u>
Total capital assets being depreciated	<u>64,486,834</u>
Less accumulated depreciation for:	
Buildings and improvements	14,921,037
Furniture, fixtures, and equipment	2,869,953
Vehicles	716,558
Bridges, roads, and rail trails	<u>10,180,042</u>
Total accumulated depreciation	<u>28,687,590</u>
Total capital assets being depreciated, net	<u>35,799,244</u>
Total capital assets, governmental activities	<u>\$ 36,252,758</u>

The total depreciation expense in 2018 to the governmental activities was \$1,452,202.

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

**Debt Administration**

At December 31, 2018, the COUNTY had \$20,672,108 of long term bonds and notes outstanding. The COUNTY's long term debt decreased 5.1% in 2018.

	<b>County of Jefferson</b>			
	<b>Statement of Long Term Debt</b>			
	Beginning Balance	Additions	Reductions	Ending Balance
General Obligations	\$ 21,793,599	\$ -	\$ (1,121,491)	\$ 20,672,108
G.O. Discount	(21,011)	-	2,101	(18,910)
Total Debt Obligations	<u>21,772,588</u>	<u>-</u>	<u>(1,119,390)</u>	<u>20,653,198</u>
Compensated Absences	<u>234,226</u>	<u>233,252</u>	<u>(234,226)</u>	<u>233,252</u>
Total Long-Term Liabilities	<u>\$ 22,006,814</u>	<u>\$ 233,252</u>	<u>\$ (1,353,616)</u>	<u>\$ 20,886,450</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, 2017, and December 31, 2018, were as follows.

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

	<b>2017</b>	<b>2018</b>	<b>Changes from 2017 to 2018</b>	<b>Percentage of Change</b>
Revenues and Other Financing Sources:				
Taxes	\$ 10,535,543	\$ 10,105,609	\$ (429,934)	-4.1%
Licenses and Permits	66,064	56,387	(9,677)	-14.6%
Intergovernmental	11,643,834	11,279,270	(364,564)	-3.1%
Charges for Services	2,588,853	3,187,387	598,534	23.1%
Fines and Costs	321,376	354,085	32,709	10.2%
Interest and Rents	137,001	131,959	(5,042)	-3.7%
Operating Transfers In	2,592,515	3,650,150	1,057,635	40.8%
 Total Revenue and Other Financing Sources	 \$ 27,885,186	 \$ 28,764,847	 \$ 879,661	 3.2%

Governmental fund revenues totaled \$28,764,847 for the year ended December 31, 2018. This is a net increase of \$879,661 or 3.2% from 2017. The increase was largely due to an increase in charges for services revenue received for housing additional inmates from surrounding counties in 2018, as well as an increase in operating transfers. Taxes decreased by \$429,934 or 4.1%. The licenses and permits decreased in 2018 by \$9,677. Pistol permits decreased \$9,970 in 2018. Intergovernmental grant revenues decreased \$364,564 or 3.1% from 2017. This decrease is largely because of decreases in Community Action, Children and Youth, Domestic Relations, Solid Waste, IPP, and PA Accessible Housing grant funding in 2018. These decreases were partially offset by an increase in grant funding in 2018 to the CDBG Fund (\$260,753). Charges for services had an increase of 23.1% or \$598,534 from 2017. The General Fund increased \$441,322 Children and Youth increased \$85,877, and the Confiscated Fund increased \$45,024 in 2018. Fines and costs increased 10.2% or \$32,709 in 2018. The interest and rents decreased \$5,042 or 3.7% in 2018. Operating transfers increased because the County match needed to fund Children and Youth increased by \$1,473,267 in 2018. This was partially offset by decreases in Debt Service and Gas Well Impact transfers.

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

**GOVERNMENTAL FUND EXPENDITURES**

Governmental fund expenditures by function at December 31, 2017 and December 31, 2018 are as follows:

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

	<b>2017</b>	<b>2018</b>	<b>Changes from 2017 to 2018</b>	<b>Percentage Of Change</b>
Expenditures and Other Financing Uses:				
General Government – Administrative	\$ 2,784,642	\$ 2,637,564	\$ (147,078)	-5.3%
General Government – Judicial	3,661,514	3,564,883	(96,631)	-2.6%
Public Safety	8,213,041	6,161,621	(2,051,420)	-25.0%
Public Works	836,258	715,675	(120,583)	-14.4%
Human Services	8,574,541	9,850,140	1,275,599	14.9%
Conservation/Economic Development	842,184	1,103,995	261,811	31.1%
Culture and Recreation	277,018	376,774	99,756	36.0%
Debt Service	1,649,910	1,622,585	(27,325)	-1.7%
Operating Transfers Out	2,592,515	3,650,150	1,057,635	40.8%
 Total Expenditures and Other Financing Uses	 <u>\$ 29,431,623</u>	 <u>\$ 29,683,387</u>	 <u>\$ 251,764</u>	 <u>0.9%</u>

Governmental fund expenditures totaled \$29,683,387 for the year ended December 31, 2018. This represents an increase of \$251,764 or 0.9% from 2017. The main increases in 2018 were Human Services expenditures by \$1,275,599, Conservation and Economic Development expenditures by \$261,811, and Operating Transfers Out by \$1,057,635.

Expenditures decreased in General Government Administration, General Government Judicial, Public Safety, Public Works, and Debt Service. Human Services, Conservation and Economic Development, Culture and Recreation, and Operating Transfers Out increased in 2018.

General government administration expenditures decreased by \$147,078 or 5.3% in 2018. This decrease is largely due to decreases in the following departments: Elections Board decreased \$27,085, Finance Department decreased \$29,059, Human Resources decreased \$51,334, and Central Department decreased \$184,951. These decreases were offset by increases in Tax Assessment/Tax Claim Bureau by \$37,280 and Tax Collectors by \$97,125.

General government judicial expenditures decreased by \$96,631 or 2.6% in 2018. Sheriff expenditures decreased \$139,125, Domestic Relations decreased by \$41,609, and Capital Projects decreased \$34,618 for judicial purchases. These decreases were offset by increases in District Judges by \$32,166, District Attorney by \$26,551, and Public Defender by \$67,181.

Public safety expenditures decreased \$2,051,420 or 25.0% in 2018 which was due to the completion of the Jail Expansion project in 2017. This resulted in a reduction of \$2,194,440 in costs in 2018. Other Capital Project expenditures decreased \$64,974 for public safety purchases, Intermediate Punishment Program expenditures decreased by \$27,667, and Offender Supervision decreased by \$30,105. Jail expenditures increased by \$148,907, Emergency Management increased by \$25,982, and 911 increased by \$74,905 in 2018.

Public works expenditures decreased by \$120,583 or 14.4% in 2018. Solid Waste Authority expenditures decreased in 2018 in the amount of \$268,072, as the Authority had purchased a recycling truck in 2017. This was offset by an increase in Liquid Fuels of \$155,283.

Human services expenditures increased by \$1,275,599 or 14.9% in 2018. Children and Youth expenditures increased from 2017 in the amount of \$1,446,122, largely due to the hiring of a contractor to oversee the program. Children are receiving better services as a result. Independent Living program expenditures decreased in 2018 by \$10,317, and Community Action expenditures decreased in 2018 by \$162,973.

Conservation and economic development program expenditures increased by \$261,811 or 31.1% in 2018. Department of Development Fund expenditures increased by \$14,343 and Community Development Block Grant (CDBG) Fund expenditures increased by \$261,631.

Culture and recreation program expenditures increased by \$99,756 or 36.0% in 2018. This increase was largely due to the increase in Gas Well Impact expenditures of \$96,000.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Debt Service expenditures decreased in 2018 by \$27,325 or 1.7% due to a reduction and principal and interest payments by \$11,358 and \$15,968, respectively.

Operating Transfers increased by \$1,057,635 or 40.8% in 2018. The General Fund County match to Children and Youth Fund increased by \$1,500,006 in 2018 due to the increased costs of the program. Also, transfers to the IPP Fund increased in 2018 by \$54,665. Decreases included transfers to the Independent Living Fund for \$35,426, Capital Projects for \$94,456, and Debt Service Fund for \$195,865.

### Governmental Fund Balances

Table A-10 reflects ending balances for governmental funds at December 31, 2018:

<b>Table A-10</b>	
<b>Ending Fund Balances, Governmental Funds</b>	
<u>Fund</u>	<u>Fund Balance</u>
General Fund	\$ 4,109,871
911 Fund	628,887
Capital Jail Project Fund	1,563,031
Debt Service Fund	590,578
Non-Major Governmental Funds	<u>1,966,575</u>
Total Governmental Fund Balances	<u>\$ 8,858,942</u>

### BUDGETARY HIGHLIGHTS

The COUNTY in 2018 recorded in the General Fund excess revenue and other financing sources under expenditures and other financing uses in the amount of \$903,731. The General Fund's 2018 ending fund balance was \$4,109,871. This decrease was due to the funding provided to support Children and Youth. The non-spendable fund balance amount is \$120,917, which is made of inventories and prepaid expenditures. The restricted fund balance totals \$4,792,136, which is restricted for governmental programs, debt service, and capital projects. The assigned fund balance totals \$3,175,500 which is earmarked for the Children and Youth program, capital projects, and debt service. The unassigned balance for the General Fund is \$770,389. The Children and Youth Fund revenues increased \$23,820 in 2018, but expenditures increased by \$1,497,087 which caused the County to increase the County match to \$1,592,427. The Domestic Relations Fund revenues decreased in 2018 by \$36,081, while expenditures decreased by \$41,608. The General Fund Domestic Relations match decreased by \$8,027 in 2018. The 911 Fund in 2018 stayed within the budget which showed an increase of \$133,372 of revenue over expenditures. The General Fund did not match the 911 Fund in 2018. The Community Action Fund reported a decrease in revenue and expenditures in the amount of \$162,973.

### NEXT YEAR'S BUDGET

The COUNTY adopted a 2019 operating budget prior to December 31, 2018. The budget was based on 100% assessed valuation for real estate taxes. The 2019 real estate tax millage rate did not increase. The 2019 Real Estate millage rate is 12.0 mills. The Hotel Room Tax rate is 5%. \$1,600,000 will be transferred from the General Fund to Debt Service to cover the 2019 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, 2018

	Primary Government		Discretely Presented Component Units
	Governmental Activities	Total	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 8,763,810	\$ 8,763,810	\$ 1,590,068
Investments	53,218	53,218	50,863
Accounts Receivable	401,807	401,807	3,542
Taxes Receivable	1,274,420	1,274,420	-
Due From Other Governments	1,585,758	1,585,758	34,364
Inventory	16,320	16,320	-
Prepaid Assets	104,597	104,597	9,898
Restricted Cash			
Cash for K-9 Dog	11,553	11,553	-
Cash for Debt Service	624,707	624,707	-
Cash for Escheat	31,512	31,512	-
Cash for Revolving Funds	2,082	2,082	-
Capital Assets Not Being Depreciated	453,514	453,514	-
Capital Assets Being Depreciated, Net	35,799,244	35,799,244	9,004
Net Pension Asset	1,757,096	1,757,096	-
Total Assets	<u>50,879,638</u>	<u>50,879,638</u>	<u>1,697,739</u>
<b>Deferred Outflows of Resources</b>			
Pension	876,633	876,633	-
Total Assets and Deferred Outflows of Resources	<u>51,756,271</u>	<u>51,756,271</u>	<u>1,697,739</u>
<b>Liabilities</b>			
Accounts Payable	2,212,040	2,212,040	4,204
Accrued Expenses and Withholdings	351,348	351,348	-
Escheat Payable	31,512	31,512	-
Unearned Revenue	330,874	330,874	4,090
Due to Other Governments	33,228	33,228	-
Interest Payable	8,949	8,949	7,247
Other Current Liabilities	255,279	255,279	-
Current Portions of Long Term Liabilities:			
General Obligation Bonds Payable	110,000	110,000	-
General Obligation Notes Payable	957,546	957,546	10,155
Compensated Absences	233,252	233,252	-
Non-Current Portions of Long Term Liabilities:			
General Obligation Bonds Payable	966,090	966,090	185,934
General Obligation Notes Payable	18,619,562	18,619,562	-
Total Liabilities	<u>24,109,680</u>	<u>24,109,680</u>	<u>211,630</u>
<b>Deferred Inflows of Resources</b>			
Pension	2,398,807	2,398,807	-
<b>Net Position</b>			
Net Investment in Capital Assets	15,599,560	15,599,560	9,004
Restricted Net Position	4,792,136	4,792,136	-
Unrestricted Net Position	4,856,088	4,856,088	1,477,105
Total Net Position	<u>\$ 25,247,784</u>	<u>\$ 25,247,784</u>	<u>\$ 1,486,109</u>

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

COUNTY OF JEFFERSON  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018

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 Governmental Activities	Total	Discretely Presented Component Unit
Primary Government:								
Governmental Activities:								
General Government	\$ 2,586,975	\$ (1,143,331)	\$ 874,398	\$ 370,128	\$ -	\$ (199,118)	\$ (199,118)	
Judicial Government	3,383,575	650,381	1,293,027	587,380	-	(2,153,549)	(2,153,549)	
Public Safety	6,143,893	450,062	954,119	1,675,341	-	(3,964,495)	(3,964,495)	
Public Works	813,033	6,321	94,640	-	449,062	(275,652)	(275,652)	
Human Services	9,652,318	12,610	318,998	7,524,351	-	(1,821,579)	(1,821,579)	
Conservation/Economic Development	1,125,118	23,957	62,677	-	673,008	(413,390)	(413,390)	
Culture/Recreation	525,086	-	-	-	-	(525,086)	(525,086)	
Interest on Long-Term Debt	502,634	-	-	-	-	(502,634)	(502,634)	
Total Governmental Activities	<u>24,732,632</u>	<u>-</u>	<u>3,597,859</u>	<u>10,157,200</u>	<u>1,122,070</u>	<u>(9,855,503)</u>	<u>(9,855,503)</u>	
Total Primary Government	<u>\$ 24,732,632</u>	<u>\$ -</u>	<u>\$ 3,597,859</u>	<u>\$ 10,157,200</u>	<u>\$ 1,122,070</u>	<u>(9,855,503)</u>	<u>(9,855,503)</u>	
Component Unit								
Jefferson County Conservation District	\$ 1,426,134	\$ -	\$ 38,319	\$ 2,003,504	\$ -			\$ 615,689
Jefferson County Fair Authority	339,777	-	324,385	39,364	-			23,972
Total Component Unit	<u>\$ 1,765,911</u>	<u>\$ -</u>	<u>\$ 362,704</u>	<u>\$ 2,042,868</u>	<u>\$ -</u>			<u>639,661</u>
General Revenues:								
Real Estate Tax						10,130,723	10,130,723	-
Hotel Tax						233,889	233,889	-
Unrestricted Investment Earnings						120,429	120,429	4,934
Rents						11,530	11,530	-
Total General Revenues						<u>10,496,571</u>	<u>10,496,571</u>	<u>4,934</u>
Change in Net Position						641,068	641,068	644,595
Net Position - Beginning						<u>24,606,716</u>	<u>24,606,716</u>	<u>841,514</u>
Net Position - Ending						<u>\$ 25,247,784</u>	<u>\$ 25,247,784</u>	<u>\$ 1,486,109</u>

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

COUNTY OF JEFFERSON  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

<u>Assets</u>	General Fund	Children and Youth	Domestic Relations	911 Fund	Community Action Fund	Capital Jail Project Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 2,793,899	\$ -	\$ 1,059,420	\$ 1,010,187	\$ -	\$ 1,671,702	\$ -	\$ 2,228,602	\$ 8,763,810
Investments	-	-	53,218	-	-	-	-	-	53,218
Accounts Receivable	264,741	9,589	-	-	-	-	-	127,477	401,807
Taxes Receivable	1,216,668	-	-	-	-	-	-	57,752	1,274,420
Due From Other Governments	388,550	765,968	87,934	273,622	2,766	-	-	66,918	1,585,758
Due From Other Funds	2,103,066	36,493	-	-	612,690	-	-	109,064	2,861,313
Inventory	16,320	-	-	-	-	-	-	-	16,320
Prepaid Assets	104,597	-	-	-	-	-	-	-	104,597
Restricted Cash									
Cash for General Fund K-9 Dog Dept	11,553	-	-	-	-	-	-	-	11,553
Cash for Debt Service	-	-	-	-	-	-	624,707	-	624,707
Cash for Escheats	31,512	-	-	-	-	-	-	-	31,512
Cash for Revolving Funds	-	-	-	-	-	-	-	2,082	2,082
<b>Total Assets</b>	<b>\$ 6,930,906</b>	<b>\$ 812,050</b>	<b>\$ 1,200,572</b>	<b>\$ 1,283,809</b>	<b>\$ 615,456</b>	<b>\$ 1,671,702</b>	<b>\$ 624,707</b>	<b>\$ 2,591,895</b>	<b>\$ 15,731,097</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable	\$ 654,770	\$ 801,574	\$ 97,049	\$ 7,255	\$ 443,592	\$ 5,620	\$ -	\$ 202,180	\$ 2,212,040
Accrued Expenses and Withholdings	309,155	10,476	4,584	17,376	-	-	-	9,757	351,348
Escheat Payable	31,512	-	-	-	-	-	-	-	31,512
Unearned Revenue	-	-	-	-	171,864	-	-	159,010	330,874
Due to Other Governments	16,228	-	-	-	-	-	-	17,000	33,228
Due to Other Funds	757,530	-	1,098,939	630,291	-	103,051	34,129	237,373	2,861,313
Other Current Liabilities	255,279	-	-	-	-	-	-	-	255,279
<b>Total Liabilities</b>	<b>2,024,474</b>	<b>812,050</b>	<b>1,200,572</b>	<b>654,922</b>	<b>615,456</b>	<b>108,671</b>	<b>34,129</b>	<b>625,320</b>	<b>6,075,594</b>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue - Property Taxes	796,561	-	-	-	-	-	-	-	796,561
<b>Fund Balances</b>									
Nonspendable:	120,917	-	-	-	-	-	-	-	120,917
Restricted:									
General Government	31,512	-	-	-	-	-	-	713,251	744,763
Judicial Government	11,553	-	-	-	-	-	-	225,579	237,132
Public Safety	-	-	-	628,887	-	-	-	190,307	819,194
Public Works	-	-	-	-	-	-	-	782,607	782,607
Conservation/Economic Development	-	-	-	-	-	-	-	17,014	17,014
Culture and Recreation	-	-	-	-	-	-	-	27,555	27,555
Capital Projects	-	-	-	-	-	1,563,031	-	10,262	1,573,293
Debt Service	-	-	-	-	-	-	590,578	-	590,578
Assigned:									
Human Services	1,750,000	-	-	-	-	-	-	-	1,750,000
Capital Projects	775,000	-	-	-	-	-	-	-	775,000
Debt Service	650,500	-	-	-	-	-	-	-	650,500
Unassigned:	770,389	-	-	-	-	-	-	-	770,389
<b>Total Fund Balances</b>	<b>4,109,871</b>	<b>-</b>	<b>-</b>	<b>628,887</b>	<b>-</b>	<b>1,563,031</b>	<b>590,578</b>	<b>1,966,575</b>	<b>8,858,942</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,930,906</b>	<b>\$ 812,050</b>	<b>\$ 1,200,572</b>	<b>\$ 1,283,809</b>	<b>\$ 615,456</b>	<b>\$ 1,671,702</b>	<b>\$ 624,707</b>	<b>\$ 2,591,895</b>	<b>\$ 15,731,097</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, 2018

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

Total Fund Balances of Governmental Funds:	\$ 8,858,942
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Capital assets, including infrastructure assets, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	36,252,758
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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.	796,561
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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 Asset	1,757,096
Deferred Outflows of Resources - Pension	876,633
Deferred Inflows of Resources - Pension	(2,398,807)
General Obligation Bonds Payable	(1,095,000)
General Obligation Note Payable	(19,577,108)
Accrued Interest Payable	(8,949)
Unamortized Bond Discount	18,910
Compensated Absences	(233,252)
	(233,252)

Total Net Position of Governmental Activities	<u>\$ 25,247,784</u>
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COUNTY OF JEFFERSON  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018

	General Fund	Children and Youth Fund	Domestic Relations Fund	911 Fund	Community Action Fund	Capital Jail Project Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>									
Real Estate and Hotel Taxes	\$ 9,871,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,889	\$ 10,105,609
Licenses and Permits	56,387	-	-	-	-	-	-	-	56,387
Grants and Gifts	745,631	5,713,722	294,291	1,107,715	1,596,768	-	-	1,821,143	11,279,270
Charges for Services	2,488,180	250,895	7,091	-	-	7,709	-	433,512	3,187,387
Fines and Costs	354,085	-	-	-	-	-	-	-	354,085
Interest and Rents	114,954	-	7,916	1,947	-	4,157	568	2,417	131,959
<b>Total Revenues</b>	<b>13,630,957</b>	<b>5,964,617</b>	<b>309,298</b>	<b>1,109,662</b>	<b>1,596,768</b>	<b>11,866</b>	<b>568</b>	<b>2,490,961</b>	<b>25,114,697</b>
<b>Expenditures</b>									
General Government	2,501,984	-	-	-	-	-	780	134,800	2,637,564
Judicial Government	3,175,918	-	370,320	-	-	-	-	18,645	3,564,883
Public Safety	4,759,898	-	-	976,290	-	91,976	-	333,457	6,161,621
Public Works	155,000	-	-	-	-	-	-	560,675	715,675
Human Services	453,728	7,557,044	-	-	1,596,768	-	-	242,600	9,850,140
Conservation/Economic Development	179,768	-	-	-	-	-	-	924,227	1,103,995
Culture/Recreation	51,500	-	-	-	-	-	-	325,274	376,774
Debt Service	-	-	-	-	-	-	1,622,585	-	1,622,585
<b>Total Expenditures</b>	<b>11,277,796</b>	<b>7,557,044</b>	<b>370,320</b>	<b>976,290</b>	<b>1,596,768</b>	<b>91,976</b>	<b>1,623,365</b>	<b>2,539,678</b>	<b>26,033,237</b>
Excess of Revenues Over (Under) Expenditures	2,353,161	(1,592,427)	(61,022)	133,372	-	(80,110)	(1,622,797)	(48,717)	(918,540)
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	181,629	1,592,427	61,022	-	-	-	1,516,599	298,473	3,650,150
Operating Transfers (Out)	(3,438,521)	-	-	-	-	-	-	(211,629)	(3,650,150)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,256,892)</b>	<b>1,592,427</b>	<b>61,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,516,599</b>	<b>86,844</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(903,731)	-	-	133,372	-	(80,110)	(106,198)	38,127	(918,540)
Fund Balances - Beginning of Year	5,013,602	-	-	495,515	-	1,643,141	696,776	1,928,448	9,777,482
Fund Balances - End of Year	\$ 4,109,871	\$ -	\$ -	\$ 628,887	\$ -	\$ 1,563,031	\$ 590,578	\$ 1,966,575	\$ 8,858,942

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, 2018

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

Net Change in Fund Balances - Total Governmental Funds \$ (918,540)

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 (\$579,808) and depreciation expense (\$1,452,202) is a reconciling item.

Capital Assets Additions	\$ 579,808	
Depreciation Expense	<u>(1,452,202)</u>	(872,394)

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 increase in revenue is due to an increase in the unavailable revenue - property taxes balance at the end of 2018.

259,003

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	1,121,491
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Governmental funds do not report the changes in pension expense.

1,052,074

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		974
Accrual of interest on long-term debt		561
Amortization of Bond Discount		<u>(2,101)</u>

Change in Net Position of governmental activities

\$ 641,068

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

COUNTY OF JEFFERSON  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2018

	<u>Agency Fund</u>
Assets	
Cash and Cash Equivalents	<u>\$ 748,549</u>
Total Assets	<u><u>\$ 748,549</u></u>
Liabilities	
Funds Held in Fiduciary Capacity	<u>\$ 748,549</u>
Total Liabilities	<u><u>\$ 748,549</u></u>

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

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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, 2018.

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, 2018

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, 2018

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, 2018

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 Jail Project Fund is used to account for the cost on the prison construction.
- 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, 2018

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, 2018

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 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 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 and the net difference between projected and actual earnings on pension plan investments related to pensions. 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. The net difference between projected and actual earnings is amortized over a five-year closed period beginning the year in which the difference occurred.



COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2018

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, 2018

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, 2018

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.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

F) Adoption of Governmental Accounting Standards Board Statements

The County adopted the requirements of GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB Statement No. 85, "*Omnibus 2017*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB Statement No. 86, "*Certain Debt Extinguishment Issues*". The adoption of this statement had no effect on previously reported amounts.

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 2019 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 2019 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 2020 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 2019 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 2020 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 2019 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 2021 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, 2018

## NOTE 2: DEPOSIT AND INVESTMENT RISK

The components of cash, cash equivalents, and investments at December 31, 2018, are as follows:

	Cash and Cash Equivalents	Investments	Total
General Fund	\$ 2,836,964	\$ -	\$ 2,836,964
Domestic Relations Fund	1,059,420	53,218	1,112,638
911 Fund	1,010,187	-	1,010,187
Capital Jail Project Fund	1,671,702	-	1,671,702
Debt Service Fund	624,707	-	624,707
Non-major Funds	2,230,684	-	2,230,684
Fiduciary Funds	748,549	-	748,549
Total	<u>\$ 10,182,213</u>	<u>\$ 53,218</u>	<u>\$ 10,235,431</u>

*Interest Rate Risk* – All of the investments held at December 31, 2018 were in certificates of deposit totaling \$53,218. 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, 2018, the County's cash, restricted cash balances, and certificates of deposit for its governmental activities and fiduciary funds were \$10,235,431 and its bank balances were \$10,453,418. Of those bank balances, \$9,857,709 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, \$595,709 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:

<u>Governmental Funds</u>	<u>Revolving Funds</u>	<u>Escheats Funds</u>	<u>K-9 Dog Dept</u>	<u>Debt Funds</u>	<u>Total</u>
General Fund	\$ -	\$ 31,512	\$ 11,553	\$ -	\$ 43,065
CDBG Fund	2,082	-	-	-	2,082
Debt Service Funds	-	-	-	624,707	624,707
Total Governmental Funds	<u>\$ 2,082</u>	<u>\$ 31,512</u>	<u>\$ 11,553</u>	<u>\$ 624,707</u>	<u>\$ 669,854</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 Sheriff's K-9 dog. The debt funds are restricted for future debt payments.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

## 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 2018 are recorded as receivables, net of estimated uncollectible. The net receivables collected during 2018 and expected to be collected within the first sixty (60) days of 2019 are recognized as revenue in 2018. 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 2018 real estate taxes are based on assessed values established by the County's Bureau of Assessments. The total 2018 real estate tax levied equaled \$10,257,593, based on a total County assessed valuation of \$854,799,430. Based on the 2018 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, 2018 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets not being depreciated (cost):				
Land	\$ 453,514	\$ -	\$ -	\$ 453,514
Total capital assets not being depreciated	<u>453,514</u>	<u>-</u>	<u>-</u>	<u>453,514</u>
Capital assets being depreciated (cost):				
Buildings and improvements	34,564,547	78,236	-	34,642,783
Furniture, fixtures, and equipment	3,008,896	43,565	-	3,052,461
Vehicles	778,271	106,460	(39,918)	844,813
Bridges, roads, and rail trail	25,595,230	351,547	-	25,946,777
Total capital assets being depreciated	<u>63,946,944</u>	<u>579,808</u>	<u>(39,918)</u>	<u>64,486,834</u>
Less accumulated depreciation for:				
Buildings and improvements	14,172,486	748,551	-	14,921,037
Furniture, fixtures, and equipment	2,778,930	91,023	-	2,869,953
Vehicles	694,050	62,426	(39,918)	716,558
Bridges, roads, and rail trail	9,629,840	550,202	-	10,180,042
Total accumulated depreciation	<u>27,275,306</u>	<u>1,452,202</u>	<u>(39,918)</u>	<u>28,687,590</u>
Total capital assets being depreciated, net	<u>36,671,638</u>	<u>(872,394)</u>	<u>-</u>	<u>35,799,244</u>
Total capital assets, governmental activities	<u>\$ 37,125,152</u>	<u>\$ (872,394)</u>	<u>\$ -</u>	<u>\$ 36,252,758</u>

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

## NOTE 5: CAPITAL ASSETS (CONTINUED)

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

<b>Governmental activities</b>	
General Government	\$ 95,754
Judicial Government	151,094
Public Safety	485,558
Public Works	459,333
Human Services	68,336
Conservation/Economic Development	43,815
Culture and Recreation	148,312
Total Depreciation Expense – Governmental Activities	<u>\$ 1,452,202</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 December 31, 2017, 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, 2018

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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017.

*Actuarial assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	5.5% to 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	3.0%

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, 2017 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, 2018

## 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%	5.6%
Domestic equities (small capitalized firms)	15%	7.2%
International equities (international developed markets)	15%	4.6%
International equities (emerging markets)	10%	8.7%
Real estate	20%	6.2%
Fixed income	15%	2.1%
Total Portfolio	<u>100%</u>	<u>5.59500%</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 12/31/2016	\$ 28,427,324	\$ 26,513,905	\$ 1,913,419
Service Cost	1,084,781	-	1,084,781
Interest Cost	1,511,447	-	1,511,447
Changes of Benefits	-	-	-
Changes of Assumptions	-	-	-
Differences Between Expected and Actual Experience	(739,715)	-	(739,715)
Contributions - Employer	-	582,771	(582,771)
Contributions - PMRS assessment	-	640	(640)
Contributions - Member	-	442,714	(442,714)
PMRS Investment Income	-	1,446,225	(1,446,225)
Market Value Investment Income	-	3,126,989	(3,126,989)
Benefit Payments	(1,412,036)	(1,412,036)	-
PMRS Administrative Expense	-	(5,800)	5,800
Additional Administrative expense	-	(66,511)	66,511
Net Changes	<u>444,477</u>	<u>4,114,992</u>	<u>(3,670,515)</u>
Balances at 12/31/2017	<u>\$ 28,871,801</u>	<u>\$ 30,628,897</u>	<u>\$ (1,757,096)</u>

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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	\$ 864,855	\$ (1,757,096)	\$ (3,968,164)

*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, 2018, the County recognized pension expense of \$(1,052,074). At December 31, 2018 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	\$ 561,975	\$ -
Changes in Assumptions	314,658	-
Differences Between Expected and Actual Experience	-	516,957
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,881,850
Total	\$ 876,633	\$ 2,398,807

The \$561,975 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, 2019 financial statements. The other deferred inflows and outflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Governmental Activities
2019	\$ (519,043)
2020	(791,766)
2021	(773,340)
Total	\$ (2,084,149)

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

## 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	\$ 1,205,000	\$ -	\$ (110,000)	\$ 1,095,000	\$ 110,000
General Obligation Notes	20,588,599	-	(1,011,491)	19,577,108	957,546
Total General Obligation Debt	21,793,599	-	(1,121,491)	20,672,108	1,067,546
Bond Discount	(21,011)	-	2,101	(18,910)	-
Net General Obligation Debt	21,772,588	-	(1,119,390)	20,653,198	1,067,546
Compensated Absences	234,226	233,252	(234,226)	233,252	233,252
Total Governmental Activities Long-Term Liabilities	<u>\$ 22,006,814</u>	<u>\$ 233,252</u>	<u>\$ (1,353,616)</u>	<u>\$ 20,886,450</u>	<u>\$ 1,300,798</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
2019	\$ 1,067,546	\$ 632,531	\$ 1,700,077
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
2024-2028	5,622,693	2,611,340	8,234,033
2029-2033	6,551,335	1,684,699	8,236,034
2034-2035	3,048,514	197,302	3,245,816
Total	<u>\$ 20,672,108</u>	<u>\$ 7,380,156</u>	<u>\$ 28,052,264</u>

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

The following is a summary of bonds and loans outstanding as of December 31, 2018:

Year	Amount of Original Issue	Purpose	Balance Outstanding December 31, 2018
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.	\$ 1,095,000
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%.	9,260,514
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.	8,826,577
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.	1,490,017
Total Outstanding Debt:			<u><u>\$ 20,672,108</u></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. The interest rate of this debt is 4.21% annually over the first five years of the loan. 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, 2018, the amount of the County guaranteed debt outstanding is \$196,089. 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, 2018, the County paid insurance premiums of \$92,461 to the Trust.

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

## 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, 2018.

Future minimum lease payment requirements under the various leases are as follows:

2019	\$	79,781
2020		60,719
2021		42,413
2022		43,131
2023		33,989
2024-2026		35,100
Total minimum payments	<u>\$</u>	<u>295,133</u>

Total rental expense for these leases during 2018 was \$176,638.

## NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables balances of each individual fund as of December 31, 2018, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 2,103,066	\$ 757,530
Children and Youth	36,493	-
Domestic Relations Fund	-	1,098,939
911 Fund	-	630,291
Community Action Fund	612,690	-
Capital Jail Project Fund	-	103,051
Debt Services	-	34,129
Non-major Funds	<u>109,064</u>	<u>237,373</u>
Total Interfund Balances	<u>\$ 2,861,313</u>	<u>\$ 2,861,313</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.

## 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, 2018:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 3,438,521	\$ 181,629
Children and Youth Fund	-	1,592,427
Domestic Relations Fund	-	61,022
Debt Service Fund	-	1,516,599
Non-major Funds	<u>211,629</u>	<u>298,473</u>
Total Transfers	<u>\$ 3,650,150</u>	<u>\$ 3,650,150</u>

COUNTY OF JEFFERSON  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2018

## 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. \$ 120,917

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

These funds are restricted for the escheats cash balance. \$ 31,512

**Judicial Government**

These funds are restricted for the Sheriff's K-9 Dog expenditures. 11,553

**Total Restricted Fund Balance**

\$ 43,065

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

Additional county match by the General Fund to support the increased Children and Youth expenditures in 2019. \$ 1,750,000

**Capital Projects**

Funds assigned for the painting of the Courthouse and purchasing of voting machines in 2019. 775,000

**Debt Service**

Funds assigned for debt service expenditures due to the refinancing of debt in 2019. 650,500

**Total Assigned Fund Balance**

\$ 3,175,500

COUNTY OF JEFFERSON  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

## NOTE 13: FUND BALANCES/NET POSITION (CONTINUED)

**911 Fund:**

Restricted Funds:  
This restriction represents the amount to be used for the 911 Public Safety Program. \$ 628,887

**Capital Jail Project Fund:**

Restricted Funds:  
This restriction represents the amount to be used for the Jail Expansion Project. 1,563,031

**Debt Service Funds:**

Restricted Funds:  
This restriction represents the amount to be used for debt service payments for the long-term debt. 590,578

**Non-Major Funds:**

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

General Government	713,251
Judicial Government	225,579
Public Safety	190,307
Public Works	782,607
Conservation/Economic Development	17,014
Culture and Recreation	27,555
Capital Projects	10,262

## 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, 2018 as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>\$ Variance</u>	<u>Percent of Excess over Appropriations</u>
Children and Youth	\$ 5,769,366	\$ 7,557,044	\$ 1,787,678	31.0%

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, 2018

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 Zone ("KOZ").

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 2018, 9 properties received the LERTA exemption from the County's real estate property tax at a total of \$4,836 for various projects.

Keystone Opportunity Zone ("KOZ")

The KOZ 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 KOZ is designated by Executive Order of the Governor and approved by the local communities. A KOZ provides a significant reduction in state and local taxes. During 2018, 11 properties received the KOZ exemption from the County's real estate property tax at a total of \$41,757.



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

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2018

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Real Estate	\$ 10,143,149	\$ 10,458,149	\$ 9,871,720	\$ (586,429)
License and Permits	60,925	60,925	56,387	(4,538)
Grants and Gifts	709,071	709,071	745,631	36,560
Charges for Services	2,072,835	2,072,835	2,488,180	415,345
Fines and Costs	326,100	326,100	354,085	27,985
Interest and Rents	141,025	141,025	114,954	(26,071)
Total Revenues	<u>13,453,105</u>	<u>13,768,105</u>	<u>13,630,957</u>	<u>(137,148)</u>
Expenditures				
General Government	2,592,663	2,956,695	2,501,984	454,711
Judicial Government	2,960,575	2,944,487	3,175,918	(231,431)
Public Safety	4,704,852	4,686,762	4,759,898	(73,136)
Public Works	172,000	172,000	155,000	17,000
Human Services	420,987	425,766	453,728	(27,962)
Conservation/Economic Development	186,122	179,302	179,768	(466)
Culture/Recreation	51,500	52,500	51,500	1,000
Total Expenditures	<u>11,088,699</u>	<u>11,417,512</u>	<u>11,277,796</u>	<u>139,716</u>
Excess of Revenues Over (Under) Expenditures	<u>2,364,406</u>	<u>2,350,593</u>	<u>2,353,161</u>	<u>2,568</u>
Other Financing Sources (Uses)				
Operating Transfer In	176,000	176,000	181,629	5,629
Operating Transfer (Out)	(2,938,405)	(2,938,405)	(3,438,521)	(500,116)
Total Other Financing Sources (Uses)	<u>(2,762,405)</u>	<u>(2,762,405)</u>	<u>(3,256,892)</u>	<u>(494,487)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(397,999)</u>	<u>(411,812)</u>	<u>(903,731)</u>	<u>(491,919)</u>
Fund Balance - Beginning of Year	<u>5,013,602</u>	<u>5,013,602</u>	<u>5,013,602</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,615,603</u>	<u>\$ 4,601,790</u>	<u>\$ 4,109,871</u>	<u>\$ (491,919)</u>

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – CHILDREN AND YOUTH FUND  
 YEAR ENDED DECEMBER 31, 2018

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants and Gifts	\$ 4,655,616	\$ 4,655,616	\$ 5,713,722	\$ 1,058,106
Charges for Service	113,750	113,750	250,895	137,145
Total Revenues	<u>4,769,366</u>	<u>4,769,366</u>	<u>5,964,617</u>	<u>1,195,251</u>
Expenditures				
Human Services	<u>5,769,366</u>	<u>5,769,366</u>	<u>7,557,044</u>	<u>(1,787,678)</u>
Total Expenditures	<u>5,769,366</u>	<u>5,769,366</u>	<u>7,557,044</u>	<u>(1,787,678)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,592,427)</u>	<u>(592,427)</u>
Other Financing Sources (Uses)				
Operating Transfer In	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,592,427</u>	<u>592,427</u>
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,592,427</u>	<u>592,427</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, 2018

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Grants	\$ 300,050	\$ 300,050	\$ 294,291	\$ (5,759)
Charges for Service	13,000	13,000	7,091	(5,909)
Interest	150	150	7,916	7,766
	<hr/>			
Total Revenues	313,200	313,200	309,298	(3,902)
	<hr/>			
Expenditures				
Judicial Government	415,465	415,465	370,320	45,145
	<hr/>			
Total Expenditures	415,465	415,465	370,320	45,145
	<hr/>			
Excess of Revenues Over (Under) Expenditures	(102,265)	(102,265)	(61,022)	41,243
	<hr/>			
Other Financing Sources (Uses)				
Operating Transfer In	120,406	120,406	61,022	(59,384)
	<hr/>			
Total Other Financing Sources (Uses)	120,406	120,406	61,022	(59,384)
	<hr/>			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	18,141	18,141	-	(18,141)
	<hr/>			
Fund Balance - Beginning of Year	-	-	-	-
	<hr/>			
Fund Balance - End of Year	\$ 18,141	\$ 18,141	\$ -	\$ (18,141)
	<hr/>			

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – 911 FUND  
 YEAR ENDED DECEMBER 31, 2018

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants	\$ 1,220,000	\$ 1,220,000	\$ 1,107,715	\$ (112,285)
Interest and Rents	1,900	1,900	1,947	47
Total Revenues	<u>1,221,900</u>	<u>1,221,900</u>	<u>1,109,662</u>	<u>(112,238)</u>
Expenditures				
Public Safety	<u>996,274</u>	<u>996,274</u>	<u>976,290</u>	<u>19,984</u>
Total Expenditures	<u>996,274</u>	<u>996,274</u>	<u>976,290</u>	<u>19,984</u>
Excess of Revenues Over (Under) Expenditures	<u>225,626</u>	<u>225,626</u>	<u>133,372</u>	<u>(92,254)</u>
Fund Balance - Beginning of Year	<u>495,515</u>	<u>495,515</u>	<u>495,515</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 721,141</u>	<u>\$ 721,141</u>	<u>\$ 628,887</u>	<u>\$ (92,254)</u>

COUNTY OF JEFFERSON  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL – COMMUNITY ACTION FUND  
 YEAR ENDED DECEMBER 31, 2018

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Postive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants	\$ 1,754,084	\$ 1,754,084	\$ 1,596,768	\$ (157,316)
Total Revenues	<u>1,754,084</u>	<u>1,754,084</u>	<u>1,596,768</u>	<u>(157,316)</u>
Expenditures				
Human Services	<u>1,754,084</u>	<u>1,754,084</u>	<u>1,596,768</u>	<u>157,316</u>
Total Expenditures	<u>1,754,084</u>	<u>1,754,084</u>	<u>1,596,768</u>	<u>157,316</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**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Total pension liability</b>				
Service cost	\$ 942,881	\$ 983,298	\$ 962,903	\$ 1,084,781
Interest	1,342,962	1,415,620	1,485,979	1,511,447
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(219,384)	-	(739,715)
Changes of assumptions	-	281,214	552,303	-
Transfers	-	-	-	-
Benefit payments, including refunds of member contributions	<u>(963,895)</u>	<u>(1,041,478)</u>	<u>(1,281,852)</u>	<u>(1,412,036)</u>
Net change in total pension liability	1,321,948	1,419,270	1,719,333	444,477
Total pension liability - beginning	<u>\$ 23,966,773</u>	<u>\$ 25,288,721</u>	<u>\$ 26,707,991</u>	<u>\$ 28,427,324</u>
Total pension liability - ending (a)	<u>\$ 25,288,721</u>	<u>\$ 26,707,991</u>	<u>\$ 28,427,324</u>	<u>\$ 28,871,801</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 465,583	\$ 457,349	\$ 554,841	\$ 582,771
Contributions - PMRS assessment	-	580	720	640
Contributions - member	361,209	392,209	404,188	442,714
PMRS investment income	1,332,705	1,387,873	1,449,828	1,446,225
Market value investment income	(116,607)	(1,363,608)	695,941	3,126,989
Transfers	-	-	-	-
Benefit payments, including refunds of member contributions	(963,895)	(1,041,478)	(1,281,852)	(1,412,036)
PMRS administrative expense	(5,900)	(6,000)	(5,380)	(5,800)
Additional administrative expense	<u>(51,110)</u>	<u>(57,857)</u>	<u>(71,029)</u>	<u>(66,511)</u>
<b>Net change in plan fiduciary net position</b>	1,021,985	(230,932)	1,747,257	4,114,992
<b>Plan fiduciary net position - beginning</b>	<u>\$ 23,975,595</u>	<u>\$ 24,997,580</u>	<u>\$ 24,766,648</u>	<u>\$ 26,513,905</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 24,997,580</u>	<u>\$ 24,766,648</u>	<u>\$ 26,513,905</u>	<u>\$ 30,628,897</u>
<b>County's net pension liability - ending (a) - (b)</b>	<u>\$ 291,141</u>	<u>\$ 1,941,343</u>	<u>\$ 1,913,419</u>	<u>\$ (1,757,096)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	98.85%	92.73%	93.27%	106.09%
<b>Covered-employee payroll</b>	\$ 4,857,115	\$ 5,040,959	\$ 5,181,819	\$ 5,603,747
<b>County's net pension liability as a percentage of covered-employee payroll</b>	5.99%	38.51%	36.93%	-31.36%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 456,396	\$ 457,349	\$ 554,867	\$ 582,771
Contributions in relation to the actuarially determined contribution	<u>465,583</u>	<u>457,929</u>	<u>555,561</u>	<u>583,411</u>
Contribution deficiency (excess)	<u>\$ (9,187)</u>	<u>\$ (580)</u>	<u>\$ (694)</u>	<u>\$ (640)</u>
Covered-employee payroll	\$ 4,857,115	\$ 5,040,959	\$ 5,181,819	\$ 5,603,747
Contributions as a percentage of covered-employee payroll	9.59%	9.08%	10.72%	10.41%

**Notes to Schedule**

Valuation date:

Actuarially determined contribution rates are calculated as of January 1 for the even valuation year at least two years prior to the end of the fiscal year in which the contributions were reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar based upon the amortization periods in Act 293
Asset valuation method	Based upon the municipal reserves
Discount Rate	5.50%
Inflation	3.0%
Salary increases	Age related scale with merit and inflation component
COLA increases	3.0% for those eligible for a COLA
Pre-Retirement Mortality	Males - RP 2000 with 1 year set back Females - RP 2000 with 5 year set back
Post-Retirement Mortality	Sex distinct RP-2000 Combined Healthy Mortality

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.



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

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2018

	Special Revenue Funds	Capital Project 75 Fund	Total Non-Major Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 2,130,163	\$ 98,439	\$ 2,228,602
Accounts Receivable	122,992	4,485	127,477
Tax Receivable	57,752	-	57,752
Due From Other Governments	66,918	-	66,918
Due From Other Funds	109,064	-	109,064
Restricted Cash			
Cash for Revolving Funds	2,082	-	2,082
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<b>\$ 2,488,971</b>	<b>\$ 102,924</b>	<b>\$ 2,591,895</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 167,292	34,888	\$ 202,180
Accrued Expenses and Withholdings	9,757	-	9,757
Unearned Revenue	159,010	-	159,010
Due from Other Governments	17,000	-	17,000
Due to Other Funds	179,599	57,774	237,373
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b>532,658</b>	<b>92,662</b>	<b>625,320</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Fund Balances</b>			
Restricted for:			
General Government	713,251	-	713,251
Judicial Government	225,579	-	225,579
Public Safety	190,307	-	190,307
Public Works	782,607	-	782,607
Conservation/Economic Development	17,014	-	17,014
Culture and Recreation	27,555	-	27,555
Capital Projects	-	10,262	10,262
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Fund Balances</b>	<b>1,956,313</b>	<b>10,262</b>	<b>1,966,575</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,488,971</b>	<b>\$ 102,924</b>	<b>\$ 2,591,895</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>

COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2018

	Special Revenue Funds	Capital Project 75 Fund	Total Non-Major Funds
<b>Revenues</b>			
Hotel Taxes	\$ 233,889	\$ -	\$ 233,889
Grants and Gifts			
General Government	248,037	-	248,037
Judicial Government	-	43,409	43,409
Public Safety	193,766	-	193,766
Public Works	449,062	-	449,062
Human Services	213,861	-	213,861
Conservation/Economic Development	673,008	-	673,008
Charges for Services			
General Government	-	7,229	7,229
Judicial Government	86,302	-	86,302
Public Safety	182,664	-	182,664
Public Works	94,640	-	94,640
Conservation/Economic Development	62,677	-	62,677
Interest and Rents	2,380	37	2,417
<b>Total Revenues</b>	<b>2,440,286</b>	<b>50,675</b>	<b>2,490,961</b>
<b>Expenditures</b>			
Program and Operating Expenditures			
General Government	-	134,800	134,800
Judicial Government	18,645	-	18,645
Public Safety	327,457	6,000	333,457
Public Works	560,675	-	560,675
Human Services	242,600	-	242,600
Conservation/Economic Development	924,227	-	924,227
Culture/Recreation	325,274	-	325,274
<b>Total Expenditures</b>	<b>2,398,878</b>	<b>140,800</b>	<b>2,539,678</b>
Excess of Revenues Over (Under) Expenditures	41,408	(90,125)	(48,717)
Other Financing Sources (Uses)			
Operating Transfers In	202,473	96,000	298,473
Operating Transfers (Out)	(211,629)	-	(211,629)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,156)</b>	<b>96,000</b>	<b>86,844</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	32,252	5,875	38,127
Fund Balances - Beginning of Year	1,924,061	4,387	1,928,448
Fund Balances - End of Year	\$ 1,956,313	\$ 10,262	\$ 1,966,575

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2018

	Liquid Fuel Fund	Haz Mat Fund	Human Service Fund	IPP and IPP Expended Fund	Independent Living Fund	Department of Development Fund
<u>Assets</u>						
Cash and Cash Equivalents	\$ 684,341	\$ 69,891	\$ 52,899	\$ -	\$ 66,519	\$ 120,267
Accounts Receivable	-	2,016	-	-	-	13,511
Tax Receivable	-	-	-	-	-	-
Due From Other Governments	-	2,983	-	17,544	-	-
Due From Other Funds	16,035	-	-	9,652	-	-
Restricted Cash						
Cash for Revolving Funds	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 700,376</u></b>	<b><u>\$ 74,890</u></b>	<b><u>\$ 52,899</u></b>	<b><u>\$ 27,196</u></b>	<b><u>\$ 66,519</u></b>	<b><u>\$ 133,778</u></b>
<u>Liabilities and Fund Balances</u>						
<b>Liabilities</b>						
Accounts Payable	\$ 11	\$ -	\$ 3,869	\$ 25,627	\$ 21,570	\$ 18,236
Accrued Expenses and Withholdings	-	265	-	1,569	-	3,468
Unearned Revenue	-	-	17,930	-	-	101,795
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds	-	2,121	31,100	-	44,949	10,279
<b>Total Liabilities</b>	<b>11</b>	<b>2,386</b>	<b>52,899</b>	<b>27,196</b>	<b>66,519</b>	<b>133,778</b>
<b>Fund Balances</b>						
Restricted for:						
General Government	-	-	-	-	-	-
Judicial Government	-	-	-	-	-	-
Public Safety	-	72,504	-	-	-	-
Public Works:						
County Bridges and Road Maintenance	700,365	-	-	-	-	-
Solid Waste	-	-	-	-	-	-
Conservation/Economic Development	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>700,365</u></b>	<b><u>72,504</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 700,376</u></b>	<b><u>\$ 74,890</u></b>	<b><u>\$ 52,899</u></b>	<b><u>\$ 27,196</u></b>	<b><u>\$ 66,519</u></b>	<b><u>\$ 133,778</u></b>

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2018

	CDBG Fund	Solid Waste Authority Fund	Rails to Trails Fund	Hotel Tax Fund	PA Accessible Housing Fund	Gas Well Impact Fund	Record Improvement Fund
<u>Assets</u>							
Cash and Cash Equivalents	\$ 31,420	\$ 69,062	\$ -	\$ 86,764	\$ 4,427	\$ 713,251	\$ -
Accounts Receivable	36,129	7,925	-	-	-	-	936
Tax Receivable	-	-	-	57,752	-	-	-
Due From Other Governments	17,743	28,648	-	-	-	-	-
Due From Other Funds	793	-	-	-	-	-	41,928
Restricted Cash							
Cash for Revolving Funds	2,082	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 88,167</u></b>	<b><u>\$ 105,635</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 144,516</u></b>	<b><u>\$ 4,427</u></b>	<b><u>\$ 713,251</u></b>	<b><u>\$ 42,864</u></b>
<u>Liabilities and Fund Balances</u>							
<b>Liabilities</b>							
Accounts Payable	\$ 35,085	\$ 1,938	\$ -	\$ 53,323	\$ -	\$ -	\$ -
Accrued Expenses and Withholdings	-	4,455	-	-	-	-	-
Unearned Revenue	39,285	-	-	-	-	-	-
Due to Other Governments	-	17,000	-	-	-	-	-
Due to Other Funds	-	-	-	63,638	1,210	-	-
<b>Total Liabilities</b>	<b>74,370</b>	<b>23,393</b>	<b>-</b>	<b>116,961</b>	<b>1,210</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>							
<b>Restricted for:</b>							
General Government	-	-	-	-	-	713,251	-
Judical Government	-	-	-	-	-	-	42,864
Public Safety	-	-	-	-	-	-	-
<b>Public Works:</b>							
County Bridges and Road Maintenance	-	-	-	-	-	-	-
Solid Waste	-	82,242	-	-	-	-	-
Conservation/Economic Development	13,797	-	-	-	3,217	-	-
Culture and Recreation	-	-	-	27,555	-	-	-
<b>Total Fund Balances</b>	<b><u>13,797</u></b>	<b><u>82,242</u></b>	<b><u>-</u></b>	<b><u>27,555</u></b>	<b><u>3,217</u></b>	<b><u>713,251</u></b>	<b><u>42,864</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 88,167</u></b>	<b><u>\$ 105,635</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 144,516</u></b>	<b><u>\$ 4,427</u></b>	<b><u>\$ 713,251</u></b>	<b><u>\$ 42,864</u></b>

COUNTY OF JEFFERSON  
 COMBINING BALANCE SHEET – NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2018

	ROD Improvement Fund	Prothonotary Fund	Confiscated Fund	Offender Supervision Fund	Drug Task Force Fund	Total
<u>Assets</u>						
Cash and Cash Equivalents	\$ 21,949	\$ 68,174	\$ -	\$ 138,178	\$ 3,021	\$ 2,130,163
Accounts Receivable	1,404	410	50,968	9,693	-	122,992
Tax Receivable	-	-	-	-	-	57,752
Due From Other Governments	-	-	-	-	-	66,918
Due From Other Funds	-	-	39,810	-	846	109,064
Restricted Cash						
Cash for Revolving Funds	-	-	-	-	-	2,082
<b>Total Assets</b>	<b><u>\$ 23,353</u></b>	<b><u>\$ 68,584</u></b>	<b><u>\$ 90,778</u></b>	<b><u>\$ 147,871</u></b>	<b><u>\$ 3,867</u></b>	<b><u>\$ 2,488,971</u></b>
<u>Liabilities and Fund Balances</u>						
<b>Liabilities</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,333	\$ 1,300	\$ 167,292
Accrued Expenses and Withholdings	-	-	-	-	-	9,757
Unearned Revenue	-	-	-	-	-	159,010
Due to Other Governments	-	-	-	-	-	17,000
Due to Other Funds	-	-	-	26,302	-	179,599
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,635</b>	<b>1,300</b>	<b>532,658</b>
<b>Fund Balances</b>						
<b>Restricted for:</b>						
General Government	-	-	-	-	-	713,251
Judicial Government	23,353	68,584	90,778	-	-	225,579
Public Safety	-	-	-	115,236	2,567	190,307
<b>Public Works:</b>						
County Bridges and Road Maintenance	-	-	-	-	-	700,365
Solid Waste	-	-	-	-	-	82,242
Conservation/Economic Development	-	-	-	-	-	17,014
Culture and Recreation	-	-	-	-	-	27,555
<b>Total Fund Balances</b>	<b><u>23,353</u></b>	<b><u>68,584</u></b>	<b><u>90,778</u></b>	<b><u>115,236</u></b>	<b><u>2,567</u></b>	<b><u>1,956,313</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 23,353</u></b>	<b><u>\$ 68,584</u></b>	<b><u>\$ 90,778</u></b>	<b><u>\$ 147,871</u></b>	<b><u>\$ 3,867</u></b>	<b><u>\$ 2,488,971</u></b>

COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED DECEMBER 31, 2018

	Liquid Fuel Fund	Haz Mat Fund	Human Service Fund	IPP and IPP Expended Fund	Independent Living Fund	Department of Development Fund
<b>Revenues</b>						
Hotel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Gifts						
General Government	-	-	-	-	-	-
Public Safety	-	9,672	-	165,296	-	-
Public Works	338,858	-	-	-	-	18,205
Human Services	-	-	43,522	-	170,339	-
Conservation/Economic Development	-	-	-	-	-	8,499
Charges for Services						
Judicial Government	-	-	-	-	-	-
Public Safety	-	16,416	-	-	-	-
Public Works	-	-	-	-	-	-
Conservation/Economic Development	-	-	-	-	-	61,811
Interest and Rents	363	40	24	-	11	154
<b>Total Revenues</b>	<b>339,221</b>	<b>26,128</b>	<b>43,546</b>	<b>165,296</b>	<b>170,350</b>	<b>88,669</b>
<b>Expenditures</b>						
Program and Operating Expenditures						
Judicial Government	-	-	-	-	-	-
Public Safety	-	28,059	-	207,915	-	-
Public Works	396,643	-	-	-	-	18,205
Human Services	-	-	43,546	-	199,054	-
Conservation/Economic Development	-	-	-	-	-	201,614
Culture/Recreation	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>396,643</b>	<b>28,059</b>	<b>43,546</b>	<b>207,915</b>	<b>199,054</b>	<b>219,819</b>
Excess of Revenues Over (Under) Expenditures	(57,422)	(1,931)	-	(42,619)	(28,704)	(131,150)
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	42,619	28,704	131,150
Operating Transfers (Out)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,619</b>	<b>28,704</b>	<b>131,150</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(57,422)	(1,931)	-	-	-	-
Fund Balances - Beginning of Year	757,787	74,435	-	-	-	-
Fund Balances - End of Year	<u>\$ 700,365</u>	<u>\$ 72,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2018

	CDBG Fund	Solid Waste Authority Fund	Rails to Trails Fund	Hotel Tax Fund	PA Accessible Housing Fund	Gas Well Impact Fund	Record Improvement Fund
<b>Revenues</b>							
Hotel Taxes	\$ -	\$ -	\$ -	\$ 233,889	\$ -	\$ -	\$ -
Grants and Gifts							
General Government	-	-	-	-	-	248,037	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	91,999	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Conservation/Economic Development	664,509	-	-	-	-	-	-
Charges for Services							
Judicial Government	-	-	-	-	-	-	10,142
Public Safety	-	-	-	-	-	-	-
Public Works	-	94,640	-	-	-	-	-
Conservation/Economic Development	866	-	-	-	-	-	-
Interest and Rents	-	330	-	-	305	821	-
<b>Total Revenues</b>	<b>665,375</b>	<b>186,969</b>	<b>-</b>	<b>233,889</b>	<b>305</b>	<b>248,858</b>	<b>10,142</b>
<b>Expenditures</b>							
Program and Operating Expenditures							
Judicial Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	145,827	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Conservation/Economic Development	665,461	-	-	-	57,152	-	-
Culture/Recreation	-	-	-	224,274	-	101,000	-
<b>Total Expenditures</b>	<b>665,461</b>	<b>145,827</b>	<b>-</b>	<b>224,274</b>	<b>57,152</b>	<b>101,000</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	(86)	41,142	-	9,615	(56,847)	147,858	10,142
<b>Other Financing Sources (Uses)</b>							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers (Out)	-	-	(11)	-	-	(75,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>(75,000)</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(86)	41,142	(11)	9,615	(56,847)	72,858	10,142
Fund Balances - Beginning of Year	13,883	41,100	11	17,940	60,064	640,393	32,722
Fund Balances - End of Year	\$ 13,797	\$ 82,242	\$ -	\$ 27,555	\$ 3,217	\$ 713,251	\$ 42,864



COUNTY OF JEFFERSON  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
 NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2018

	ROD Improvement Fund	Prothonotary Fund	Confiscated Fund	Offender Supervision Fund	Drug Task Force Fund	Total
<b>Revenues</b>						
Hotel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,889
Grants and Gifts						
General Government	-	-	-	-	-	248,037
Public Safety	-	-	-	-	18,798	193,766
Public Works	-	-	-	-	-	449,062
Human Services	-	-	-	-	-	213,861
Economic/Development	-	-	-	-	-	673,008
Charges for Services						
Judicial Government	15,213	9,185	51,762	-	-	86,302
Public Safety	-	-	-	166,248	-	182,664
Public Works	-	-	-	-	-	94,640
Economic/Development	-	-	-	-	-	62,677
Interest and Rents	43	139	-	150	-	2,380
<b>Total Revenues</b>	<b>15,256</b>	<b>9,324</b>	<b>51,762</b>	<b>166,398</b>	<b>18,798</b>	<b>2,440,286</b>
<b>Expenditures</b>						
Program and Operating Expenditures						
Judicial Government	9,230	8,922	493	-	-	18,645
Public Safety	-	-	-	72,605	18,878	327,457
Public Works	-	-	-	-	-	560,675
Human Services	-	-	-	-	-	242,600
Conservation/Economic Development	-	-	-	-	-	924,227
Culture/Recreation	-	-	-	-	-	325,274
<b>Total Expenditures</b>	<b>9,230</b>	<b>8,922</b>	<b>493</b>	<b>72,605</b>	<b>18,878</b>	<b>2,398,878</b>
Excess of Revenues Over (Under) Expenditures	6,026	402	51,269	93,793	(80)	41,408
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	-	-	-	-	-	202,473
Operating Transfers (Out)	-	-	-	(136,618)	-	(211,629)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(136,618)</b>	<b>-</b>	<b>(9,156)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,026	402	51,269	(42,825)	(80)	32,252
Fund Balances - Beginning of Year	17,327	68,182	39,509	158,061	2,647	1,924,061
Fund Balances - End of Year	<u>\$ 23,353</u>	<u>\$ 68,584</u>	<u>\$ 90,778</u>	<u>\$ 115,236</u>	<u>\$ 2,567</u>	<u>\$ 1,956,313</u>

COUNTY OF JEFFERSON  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2018

	(1) Jefferson County Conservation District	(2) Jefferson County Fair Authority	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,511,848	\$ 78,220	\$ 1,590,068
Investments	-	50,863	50,863
Accounts Receivable	-	3,542	3,542
Due From Other Governments	-	34,364	34,364
Prepaid Assets	9,898	-	9,898
Capital Assets, Net of Accumulated Depreciation	-	9,004	9,004
<b>Total Assets</b>	<b>\$ 1,521,746</b>	<b>\$ 175,993</b>	<b>\$ 1,697,739</b>
<b>Liabilities</b>			
Accounts Payable	\$ 4,137	\$ 67	\$ 4,204
Interest Payable	-	7,247	7,247
Unearned Revenue	-	4,090	4,090
Current Portions of Long Term Liabilities:			
General Debt Obligation Payable	-	10,155	10,155
Long Term Portions of Long Term Liabilities			
General Debt Obligation Payable	-	185,934	185,934
<b>Total Liabilities</b>	<b>4,137</b>	<b>207,493</b>	<b>211,630</b>
<b>Net Position</b>			
Net Investment in Capital Assets	-	9,004	9,004
Unrestricted	1,517,609	(40,504)	1,477,105
<b>Total Net Position (Deficit)</b>	<b>1,517,609</b>	<b>(31,500)</b>	<b>1,486,109</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,521,746</b>	<b>\$ 175,993</b>	<b>\$ 1,697,739</b>

(1) Jefferson County Conservation District Fiscal Year Ends - December 31, 2018

(2) Jefferson County Fair Authority Fiscal Year Ends - September 30, 2018

COUNTY OF JEFFERSON  
DISCRETELY PRESENTED COMPONENT UNITS  
COMBINING STATEMENT REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2018

	(1) Jefferson County Conservation District	(2) Jefferson County Fair Authority	Total
Operating Revenues:			
Governmental Grants	\$ 1,919,567	\$ 34,364	\$ 1,953,931
Charges for Services	38,319	-	38,319
Fair Revenue	-	312,725	312,725
Special Events	-	11,660	11,660
Total Operating Revenues	<u>1,957,886</u>	<u>358,749</u>	<u>2,316,635</u>
Operating Expenses:			
Conservation District Program	1,426,134	-	1,426,134
Recreation - Program - Fair Program	-	330,312	330,312
Total Operating Expenses	<u>1,426,134</u>	<u>330,312</u>	<u>1,756,446</u>
Operating Income	531,752	28,437	560,189
Nonoperating Revenue/Income and (Expenses)			
County Contribution	83,937	5,000	88,937
Interest Income	3,600	1,334	4,934
Interest Expense	-	(9,465)	(9,465)
Total Nonoperating Revenues (Expenses), Net	<u>87,537</u>	<u>(3,131)</u>	<u>84,406</u>
Changes in Net Position	619,289	25,306	644,595
Net Position (Deficit) - Beginning of Year	<u>898,320</u>	<u>(56,806)</u>	<u>841,514</u>
Net Position (Deficit) - End of Year	<u>\$ 1,517,609</u>	<u>\$ (31,500)</u>	<u>\$ 1,486,109</u>

(1) Jefferson County Conservation District Fiscal Year Ends - December 31, 2018

(2) Jefferson County Fair Authority Fiscal Year Ends - September 30, 2018