



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

KANAWHA COUNTY COMMISSION
KANAWHA COUNTY, WEST VIRGINIA

REGULAR AUDIT

For the Year Ended June 30, 2019
Fiscal Year Audited Under GAGAS: 2019

KANAWHA COUNTY, WEST VIRGINIA
FOR THE YEAR ENDED JUNE 30, 2019
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FOR THE YEAR ENDED JUNE 30, 2019
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**KANAWHA COUNTY, WEST VIRGINIA
LIST OF ELECTED OFFICIALS**

June 30, 2019

OFFICE	NAME
	<u>Elective</u>
County Commission:	W. Kent Carper Benjamin Salango Henry C. Shores
County Clerk:	Vera J. McCormick
Circuit Clerk:	Cathy S. Gatson
Sheriff:	Michael Rutherford
Prosecuting Attorney:	Charles Miller
Assessor:	Sallie Robinson



Independent Auditor's Report

Kanawha County Commission
407 Virginia St. East
Charleston, WV 25301

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Kanawha County, West Virginia, (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance accounting principles generally accepted in the United States of America; this includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Kanawha County Emergency Ambulance Authority (KCEAA), Metro Emergency Operations Center of Kanawha County (the Center), and Kanawha County Parks and Recreation Commission (the Parks Commission). Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the KCEAA, Center, and Parks Commission, is based solely on the reports of other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control.

Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, based on our report and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Kanawha County Commission, West Virginia as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The County has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting standards Board (GASB) 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. Our opinion on the financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America requires that the information related to the net pension liabilities and pension contributions, schedule of changes in total OPEB liability and required budgetary comparisons for the General Operating, Coal Severance and Assessor's Valuation Funds, as listed in the table of contents, 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 procedure to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 statement, 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.

Supplemental and Other Information

Our audit was conducted to opine on the County's basic financial statements taken as a whole.

The combining fund financial statements provide additional analysis and are not a required part of the basic financial statements. The Budgetary Comparison Schedule – Assessor's Valuation Fund, the (Schedule) presents additional analysis and is not a required part of the basic financial statements.

The statements and schedule are management's responsibility and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the statements and schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedule directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2020, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



BHM CPA Group Inc.
Huntington, West Virginia
February 7, 2020

FINANCIAL SECTION

**KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION**

June 30, 2019

	Primary	Component Units			
	Government	Kanawha County	Metro Emergency	Regional Development	Kanawha County
	Governmental	Emergency	Operations Center	Authority of	Parks and
	Activities	Ambulance	of Kanawha	Charleston-	Recreation
		Authority	County	Kanawha	Commission
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 22,814,267	\$ 7,941,148	\$ 5,394,583	\$ 282,368	\$ 263,755
Restricted cash and cash equivalents	-	-	-	213,449	68,199
Investments	-	771,085	-	-	-
Taxes receivable, net	6,371,846	825,602	-	-	-
Accounts receivable, net	-	2,478,202	61,626	-	-
Others	1,067,985	453,342	258,209	223,776	31,593
Noncurrent assets:					
Net pension asset	596,051	252,229	-	-	-
Capital assets:					
Capital assets, net	46,549,583	4,462,075	4,677,745	5,280,700	3,903,827
Total assets	77,399,732	17,183,683	10,392,163	6,000,293	4,267,374
DEFERRED OUTFLOWS					
Accumulated changes in fair value of					
hedging derivative instrument	\$ 17,274	\$ -	\$ -	\$ -	\$ -
Related to loss on debt refunding	-	-	24,208	-	-
Related to post-employment benefits	336,705	371,487	-	-	105,950
Related to pensions	2,517,971	1,376,574	492,537	-	86,163
Total deferred outflows of resources	2,871,950	1,748,061	516,745	-	192,113
LIABILITIES:					
Current liabilities payable from current assets:					
Accounts payable	2,319,260	488,273	180,752	420,450	126,772
Other	55,801	1,635,328	163,688	-	198,189
Fair value of hedging derivative instrument	17,274	-	-	-	-
Noncurrent liabilities:					
Due within one year	2,706,246	-	495,196	216,856	161,882
Due in more than one year	27,418,228	3,992,780	1,222,241	6,640,598	472,652
Total liabilities	32,516,809	6,116,381	2,061,877	7,277,904	959,495
DEFERRED INFLOWS:					
Related to postemployment benefits other than pensions	1,143,325	1,261,114	-	-	92,176
Related to pensions	3,478,053	1,455,142	422,308	-	78,824
Total deferred inflows of resources	4,621,378	2,716,256	422,308	-	171,000
NET POSITION:					
Net investment in capital assets	31,794,890	4,413,303	3,912,699	(1,544,743)	3,712,190
Restricted fund balance	514,702	-	-	213,449	68,199
Unrestricted	10,823,903	5,685,804	4,512,024	53,683	(451,397)
Total net position	\$ 43,133,495	\$ 10,099,107	\$ 8,424,723	\$ (1,277,611)	\$ 3,328,992

See accompanying notes to the basic financial statements.

KANAWHA COUNTY, WEST VIRGINIA
BALANCE SHEET- GOVERNMENTAL FUNDS

June 30, 2019

	General	Coal Severance	Parks and Recreation	Assessors Valuation	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 16,887,036	\$ 786,599	\$ 1,330,433	\$ 1,062,185	\$ 2,748,014	\$ 22,814,267
Taxes receivable, net	6,036,818	-	-	-	335,028	6,371,846
Due from other funds	62,725	1,541	375,119	24,014	7,605	471,004
Other	636,096	403,720	6,042	-	22,126	1,067,984
	<u>23,622,675</u>	<u>1,191,860</u>	<u>1,711,594</u>	<u>1,086,199</u>	<u>3,112,773</u>	<u>30,725,101</u>
Total Assets and deferred outflows of resources	<u>\$ 23,622,675</u>	<u>\$ 1,191,860</u>	<u>\$ 1,711,594</u>	<u>\$ 1,086,199</u>	<u>\$ 3,112,773</u>	<u>\$ 30,725,101</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 2,104,130	\$ 14,548	\$ 125,253	\$ 30,648	\$ 44,681	\$ 2,319,260
Due to other funds	408,278	62,500	-	190	35	471,003
Other	34,302	80	-	94	509	34,985
	<u>2,546,710</u>	<u>77,128</u>	<u>125,253</u>	<u>30,932</u>	<u>45,225</u>	<u>2,825,248</u>
Total Liabilities	<u>2,546,710</u>	<u>77,128</u>	<u>125,253</u>	<u>30,932</u>	<u>45,225</u>	<u>2,825,248</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	4,989,160	-	-	-	276,058	5,265,218
	<u>4,989,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,058</u>	<u>5,265,218</u>
Total liabilities and deferred inflows of resources	<u>7,535,870</u>	<u>77,128</u>	<u>125,253</u>	<u>30,932</u>	<u>321,283</u>	<u>8,090,466</u>
Fund balances:						
Restricted	448,719	-	-	1,055,267	2,462,319	3,966,305
Committed	6,102,302	1,114,732	1,586,341	-	329,171	9,132,546
Assigned	95,471	-	-	-	-	95,471
Unassigned	9,440,313	-	-	-	-	9,440,313
	<u>16,086,805</u>	<u>1,114,732</u>	<u>1,586,341</u>	<u>1,055,267</u>	<u>2,791,490</u>	<u>22,634,635</u>
Total Fund Balances	<u>16,086,805</u>	<u>1,114,732</u>	<u>1,586,341</u>	<u>1,055,267</u>	<u>2,791,490</u>	<u>22,634,635</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,622,675</u>	<u>\$ 1,191,860</u>	<u>\$ 1,711,594</u>	<u>\$ 1,086,199</u>	<u>\$ 3,112,773</u>	<u>\$ 30,725,101</u>

See accompanying notes to the basic financial statements.

KANAWHA COUNTY, WEST VIRGINIA
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balances on governmental fund balance sheet	\$ 22,634,635
Amounts reported for governmental activities in the statement of net position are different due to:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	46,549,583
Deferred revenue relates to long-term receivables that are not available for expenditure at year end, and is reported as a liability in the governmental funds balance sheet	5,265,218
Long-term liabilities, including Bonds, are not due and payable in the current period and therefore are not reported in the governmental fund balance sheet.	(21,012,449)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet.	(5,629,018)
Deferred outflows of resources related to pensions are applicable to future periods and therefore, not reported in the governmental funds balance sheet.	2,517,971
Deferred outflows of resources related to postemployment benefits other than pensions are applicable to future periods and, therefore, not reported in the governmental funds balance sheet.	336,705
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, not reported in the governmental funds balance sheet.	(3,478,053)
Deferred inflows of resources related to postemployment benefits other than pensions are applicable to future periods and, therefore, not reported in the governmental funds balance sheet.	(1,143,325)
Liability for health claims incurred but not reported, as of year end, are not due and payable in the current period and therefore are not reported in the government funds balance sheet	(783,967)
Compensated absences not due and payable in the current period and are not reported in the governmental funds balance sheet.	<u>(2,123,805)</u>
Net Position of Governmental Activities	<u><u>\$ 43,133,495</u></u>

See accompanying notes to the basic financial statements.

KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General	Coal Severance	Parks and Recreation	Assessors Valuation	Total Nonmajor Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 44,494,001	\$ -	\$ -	\$ 2,434,669	\$ 1,484,238	\$ 48,412,908
Other taxes	2,648,265	1,372,668	-	-	621,507	4,642,440
Licenses and permits	77,166	-	-	-	129,135	206,301
Intergovernmental						
Federal	1,562,268	-	-	-	-	1,562,268
State	260,335	-	-	-	-	260,335
Local	291,088	-	-	-	-	291,088
Charges for services	1,302,654	-	195,592	67,545	1,022,691	2,588,482
Fines and forfeitures	226,389	-	-	-	63,994	290,383
Interest	278,207	-	53,985	-	667	332,859
Miscellaneous	4,938,818	21,956	976,530	-	365,054	6,302,358
Total Revenues	56,079,191	1,394,624	1,226,107	2,502,214	3,687,286	64,889,422
EXPENDITURES:						
General government	31,174,706	228,217	-	2,136,716	1,020,254	34,559,893
Public safety	16,621,635	488,485	-	-	1,815,191	18,925,311
Health and sanitation	492,412	-	-	-	-	492,412
Culture and recreation	5,473,776	50,000	11,030,786	-	-	16,554,562
Social services	-	80,000	-	-	-	80,000
Capital projects	1,093,614	-	-	-	-	1,093,614
Total Expenditures	54,856,143	846,702	11,030,786	2,136,716	2,835,445	71,705,792
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,223,048</u>	<u>547,922</u>	<u>(9,804,679)</u>	<u>365,498</u>	<u>851,841</u>	<u>(6,816,370)</u>
OTHER FINANCING SOURCES AND USES:						
Operating transfers in	13,775,828	-	1,441,447	-	328,975	15,546,250
Operating transfers out	(13,818,556)	(22,477)	(63,038)	(393,532)	(1,248,647)	(15,546,250)
Issuance of long term debt	-	-	6,000,000	-	-	6,000,000
Total Other Financing Sources and Uses	<u>(42,728)</u>	<u>(22,477)</u>	<u>7,378,409</u>	<u>(393,532)</u>	<u>(919,672)</u>	<u>6,000,000</u>
<i>Net Change in Fund Balances</i>	1,180,320	525,445	(2,426,270)	(28,034)	(67,831)	(816,370)
<i>Fund Balances at Beginning of Year</i>	<u>14,906,485</u>	<u>589,287</u>	<u>4,012,611</u>	<u>1,083,301</u>	<u>2,859,321</u>	<u>23,451,005</u>
Fund Balance at End of Year	<u>\$ 16,086,805</u>	<u>\$ 1,114,732</u>	<u>\$ 1,586,341</u>	<u>\$ 1,055,267</u>	<u>\$ 2,791,490</u>	<u>\$ 22,634,635</u>

See accompanying notes to the basic financial statements.

KANAWHA COUNTY, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	\$ (816,370)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while the cost of capital assets is allocated over their useful lives in the statement of activities	11,982,363
Gain on transfer of capital assets from component unit is not reported in the governmental funds	(27,516)
Governmental funds report issuance of long-term debt as revenue.	(6,000,000)
Depreciation expenses related to capital assets which is not reported in the governmental funds because it does not affect current financial resources.	(3,090,555)
Revenue that is not available at year end for expenditure is not reported in the governmental funds	(230,340)
Governmental funds report pension contributions as expenditures while the cost of pension benefits earned net of employee contributions is allocated based on pension expense determined WV public Employees' Retirement System.	130,103
Governmental funds report postemployment benefits other pensions payments as expenditures while the cost of these benefits is allocated based on actuarial evaluation.	1,735,195
Governmental funds report principal payments on long-term debt as expenditures while the repayment of such principal does not effect the statement of activities.	1,762,214
Certain health claims reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(83,963)
Compensated absences reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.	<u>68,278</u>
 Net Change in Net Position of Governmental Activities	 <u>\$ 5,429,409</u>

See accompanying notes to the basic financial statements.

KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Sheriff's Fiduciary Fund Private-Purpose Trust Fund	Agency
ASSETS:		
Cash and cash equivalents	\$ 1,983,412	\$ 12,579,185
Taxes receivable, net	-	3,453,883
Trust and investments	3,240,133	-
Real and personal property	2,162,599	-
Other	259,591	-
Total assets	<u>\$ 7,645,735</u>	<u>\$ 16,033,068</u>
LIABILITIES :		
Due to other governmental entities	\$ -	\$ 11,910,930
Due to third parties	383,954	4,122,138
Total liabilities	<u>383,954</u>	<u>\$ 16,033,068</u>
NET POSITION :		
Net position, held for individuals	<u>\$ 7,261,781</u>	

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

KANAWHA COUNTY, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Sheriff's Fiduciary Fund Private-Purpose Trust Fund
Additions:	
Contributions	\$ 5,096,025
Deductions:	
Benefits for beneficiaries	4,129,850
Changes in net position	966,175
Net position, beginning of year	6,679,560
Net position, end of year	\$ 7,645,735

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

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kanawha County, West Virginia (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) prescribes the accounting principles generally accepted in the United States of America for state and local governmental entities.

The County is a local government corporation governed by an elected three-member commission and various other elected officials with various responsibilities. GAAP requires the financial statements to present the financial information of the primary government and its component units. Component units are entities for which the government is considered financially accountable, or whose exclusion may be misleading to the users of the financial statements. Blended component units, although legally separate entities are, in substance, part of the government's operations. For financial reporting purposes, in accordance with accounting principles generally accepted in the United States of America, data from these units should be combined with data of the primary government. Discretely presented component units, on the other hand, should be reported in a separate column on the government-wide statements to emphasize they are legally separate from the government.

Discretely Presented Component Units

The County has determined that the following four entities meet the criteria established by GASB for a discretely presented component unit of the government. The County either appoints the board or members of the County to serve on the board, a financial benefit/burden relationship exists, or the component unit is fiscally dependent upon the County.

The Regional Development Authority of Charleston-Kanawha County was formed to promote, develop, and advance the economic welfare and business prosperity and the environmental, educational, cultural and recreation growth of the metropolitan region. The County Commission appoints all nineteen members on the board.

The Kanawha County Emergency Ambulance Authority was formed to provide emergency ambulance service to all residents of the County as well as provide basic life support and medical transport services. There are fourteen board members, all appointed by the County.

Metro Emergency Operations Center of Kanawha County was formed to provide an emergency telephone operations center for the County. The County Commission appoints all eighteen members on the board for a term of six years.

Kanawha County Parks and Recreation Commission was formed to establish, develop, improve, operate and maintain a public park and recreation system for the County. There are eleven members, all members, are appointed by the County Commission for a six year term.

Complete financial statements for each of the individual component units can be obtained at the entity's administrative offices.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Blended Component Unit

The entity below is legally separate from the County and meets GASB criteria for component units. This entity is blended with the primary government because it provides services entirely or almost entirely to the County.

The Kanawha County Building Commission serves Kanawha County, West Virginia, and is governed by a board comprised of five members appointed by the County Commission. The Building Commission acquires property and debt on behalf of the County and is reported as part of the General Fund.

Related Organizations

The County's officials are also responsible for appointing the members of board of other organizations, but the County's accountability for this organization does not extend beyond making the appointments. The County Commission appoints board members to the following organizations:

Board of Appeals under the Adult Entertainment Ordinance

Planning Commission

Kanawha Enforcement Agency

Charleston Area Alliance

Charleston Kanawha Housing

Central Regional Airport Authority

Central West Virginia Convention Visitor's Bureau

Clay Center

Elk Public Service District

Enact

Greater Saint Albans Public Service District

Hatfield McCoy Trail

Kanawha Charleston Health Department

Deputy Sheriff's Civil Service Commission

Kanawha County Extension Services

Public Safety Grant Committee

Kanawha Public Service District

Kanawha Valley Regional Transportation Authority

Malden Public Service District

Regional Intergovernmental Council

Sissonville Public Service District

Union Public Service District

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The effect of Interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The accompanying financial statements do not report any business type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset 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 revenue.

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 government funds are reported as separate columns in the fund financial statements.

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 a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Within the governmental fund financial statements, property taxes, licenses, permits and interest associated with the current fiscal period are all 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 cash is received by the government.

The Center and the Parks Commission are proprietary funds special purpose governments engaged in business type activities while the Authority and KCAA are enterprise funds. In accordance with GASB Statement No. 34 and GAAP, the financial statements are reported using the economic resources focus and the accrual basis of accounting.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports the following major government funds:

The *General Fund* accounts for the County's operation funds. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. In accordance with generally accepted accounting principles, certain previously reported special revenue governmental funds have been combined within the County's general fund on the Balance Sheet – Governmental Funds (see Combining Balance Sheet – General Fund included with supplementary information).

The *Coal Severance Fund* accounts for the revenues derived from taxes levied on the extraction of coal. This fund is established by the West Virginia Code.

The *Parks and Recreation Fund* accounts for the revenues derived from the Shawnee bond and fees collected from the Shawnee Park Complex. This Fund is established by a court order issued by the Kanawha County Commission.

The *Assessors Valuation Fund* accounts for the revenues derived from taxes levied on property and are associated with the revaluation of property. This fund is established by the West Virginia Code.

Additionally, the County reports the following fund types:

The *Private-Purpose Trust Fund* is used to account for resources legally held in trust by the Sheriff's Department for the benefit of individuals whose finances have been remanded to the Sheriff's Department by court order. All resources of the fund, including any earnings on invested resources must be used to support the beneficiaries. There is no requirement that any portion of these resources be preserved as capital.

The *Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. The fund is used to account for assets that the County holds for others.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues included all taxes.

Budgetary Compliance and Accountability

Annual budgets are adopted on a basis consistent with the modified accrual basis of accounting for the general, coal severance, and assessor's valuation funds. The budgets are then submitted for approval by the West Virginia State Auditor's Office. All annual appropriations lapse at fiscal yearend.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The appropriated budget is prepared by function and department for each budgeted fund. Transfers of appropriations budget classifications require the approval of the County Commission. The legal level of budgetary control is the budgetary fund and function. Transfers of appropriations between budget classifications require the approval of the Commission and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statement reflect only such approved amounts. The Commission made the following budgetary transfers throughout the year:

Description	General Operating Fund Amount	Coal Severance Amount	Assessors Valuation Amount
General government expenditure increase	\$ 582,231	\$ 211,061	\$ 153,301
Public safety expenditure increase	241,455	74,722	-
Culture and recreation expenditure increase	75,000	-	-
Social services expenditure increase	-	-	-
Capital outlay expenditure increase	232,819	-	-

Cash Equivalents

Cash equivalents include amounts in demand deposit accounts as well as short-term investments which have maturity dates within three months of the County’s fiscal year and are readily convertible to cash.

Deferred Outflows/Inflows of Resources

The statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position Liability

For purposes of measuring the net pension liability, deferred outflows/inflows of the resources related to pensions, and pension expenses, information about the fiduciary net position of the County’s Public Employee Retirement System (PERS) and Deputy Sheriffs’ Retirement System (DSRS) and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the PERS and DSRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information on investment valuation can be found in the plans’ financial statements.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net OPEB Liability

For purposes of measuring the net OPEB liability and deferred outflows/inflows of the resources related to other post-employment benefits, and other post-employment benefit expenses, information about the fiduciary net position of the County's Other Post-Employment Benefits Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBTF) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the RHBTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information on the investment valuation can be found in the plans' financial statements.

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of individual assets are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure	15-40
Improvements	3-25
Vehicles	3-10
Equipment	5-15
Computer Equipment	5

Interfund Transactions

During the normal course of operations of the County, certain transactions, including expenditures and transfer of resources to provide services, take place between funds. Interfund transactions are recorded as operating transfers in the fund financial statements and have been eliminated in the governmentwide financial statements.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Transfers In					Total Transfers Out
	General	Coal Severance Tax	Parks and Recreation	Assessor's Valuation	Nonmajor Governmental	
Transfers out:						
General	\$ 12,048,134	\$ 22,477	\$ 63,038	\$ 393,532	\$ 1,248,647	\$ 13,775,828
Nonmajor Governmental	-	-	1,441,447	-	328,975	1,770,422
Total Transfers In	<u>\$ 12,048,134</u>	<u>\$ 22,477</u>	<u>\$ 1,504,485</u>	<u>\$ 393,532</u>	<u>\$ 1,577,622</u>	<u>\$ 15,546,250</u>

The composition of interfund balances as of June 30, 2019 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
General	Assessor's	Reimbursement	\$ 190
General	Coal Severance	Reimbursement	62,500
General	Nonmajor Fund	Reimbursement	35
Coal Severance	General	Reimbursement	1,541
Parks and Recreation	General	Reimbursement	375,119
Nonmajor Fund	General	Reimbursement	4,960
Nonmajor Fund	General	Reimbursement	2,609
Assessor's Valuation Fund	General	Reimbursement	24,014
			<u>\$ 470,968</u>

Approximately \$239,778 in interfund transfers has been eliminated from the table above.

Fund Balance

The county has classified in the governmental fund financial statements its fund balances in the following categories: nonspendable, restricted, committed, assigned and unassigned as applicable.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The County has no nonspendable fund balances as of June 30, 2019.

Restricted fund balance includes amounts that can be spent only for specified purposes stipulated by outside parties, such as creditors, grantors, or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes self-imposed by a formal action of the Kanawha County Commission (the Commission). Those committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned fund balances include amounts intended to be used for specific purposes but that do not meet the criteria for Restricted or Committed fund balance. The Commission and other elected officials or their representatives will have the responsibility to assign fund balances for specific purposes.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unassigned fund balance is the residual classification for the general fund. It is available for any purpose and is not subject to any constraints.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it shall be the policy of the County to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance category could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

It shall be the objective of the County to maintain a minimum unassigned fund balance in the general fund of ten percent of the subsequent year's budgeted expenditures and outgoing transfers. Should the unassigned fund balance in the general fund exceed the maximum thirty percent allowable by the State Code, the County will ensure that the financial stabilization fund has cash reserves of twenty percent of the budget before considering nonrecurring expenditures which will not require future outlays for maintenance, staffing, or any other recurring expenditure.

As of June 30, 2019, the County's fund balances are composed of the following:

	General Fund	Coal Severance Fund	Parks and Recreation Fund	Assessors Valuation Fund	Nonmajor Governmental Fund	Total Governmental Fund
Restricted:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,823,780	\$ 1,823,780
Debt service	404,573	-	-	-	-	404,573
Dog license	-	-	-	-	17,218	17,218
Capital projects	-	-	-	352,172	-	352,172
Other purposes	44,146	-	-	703,095	621,321	1,368,562
Committed:						
Public safety	-	219,612	-	-	-	219,612
Economic stabilization	4,121,725	-	-	-	-	4,121,725
Community development	1,052,003	895,120	-	-	329,171	2,276,294
Capital projects	889,722	-	-	-	-	889,722
Other purposes	38,852	-	1,586,341	-	-	1,625,193
Assigned:						
Encumbrances	95,471	-	-	-	-	95,471
Unassigned	9,440,313	-	-	-	-	9,440,313
Total fund balances	<u>\$ 16,086,805</u>	<u>\$ 1,114,732</u>	<u>\$ 1,586,341</u>	<u>\$ 1,055,267</u>	<u>\$ 2,791,490</u>	<u>\$ 22,634,635</u>

Net Position

Net Position is presented as unrestricted, restricted, invested in capital assets net of related debt and net assets held for individuals.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

Management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenditures during the period reported. These estimates may include the collectability of taxes receivable and the useful lives or impairment of both tangible and intangible assets. Any estimates or assumptions are periodically reviewed and any revisions are reflected in the financial statements in the period determined to be necessary. Actual results may differ from these estimates.

Taxes Receivable

The allowance for uncollectable is six percent of the total current, approximately ninety percent greater than one year but less than five, and one hundred percent greater than five years of delinquent taxes receivable at June 30, 2019. The total allowance represents approximately 2.01% of the original levy call for all open years.

	General	Nonmajor	Agency
Gross taxes receivable	\$ 6,084,787	\$ 336,721	\$ 3,605,769
Allowance for uncollectible	(47,969)	(1,693)	(151,886)
Net taxes receivable	\$ 6,036,818	\$ 335,028	\$ 3,453,883

2- DEPOSITS AND INVESTMENTS

Concentration of Credit Risk - Cash Deposits – As of June 30, 2019, the County had deposits reported as cash and cash equivalents with carrying balances of \$40,600,158, of which bank balances are \$25,358,821 and \$5,223,545 was held in the Sheriff’s Fiduciary Private Purpose Trust Fund. All deposits are either insured by FDIC or are collateralized with securities held by the County’s agent in the County’s name.

Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit.

At June 30, 2019, the County had investments shown as cash and cash equivalents invested in a certificate of deposit with United Bank for approximately \$2,000,000. Additionally, \$5,223,545 included in cash and cash equivalents was held at various local financial institutions and brokerage firms by the Sheriff in his capacity as fiduciary agent. No one investment or group of investments held in this fiduciary capacity represents a significant concentration of credit risk.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

3- CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental activities:				
Capital assets being depreciated:				
Land	\$ 1,723,778	\$ -	\$ -	\$ 1,723,778
Construction in progress	7,583,882	-	(7,583,882)	-
Total capital assets not being depreciated	<u>9,307,660</u>	<u>-</u>	<u>(7,583,882)</u>	<u>1,723,778</u>
Capital assets being depreciated:				
Buildings	27,551,398	-	-	27,551,398
Building improvements	15,489,163	18,783,788	-	34,272,951
Furniture, fixtures, and equipment	13,024,886	558,762	(405,304)	13,178,344
Infrastructure	276,119	-	-	276,119
Total capital assets being depreciated	<u>56,341,566</u>	<u>19,342,550</u>	<u>(405,304)</u>	<u>75,278,812</u>
Less accumulated depreciation for:				
Buildings	(13,337,861)	(468,620)	-	(13,806,481)
Building improvements	(6,430,133)	(1,133,925)	-	(7,564,058)
Furniture and fixtures	(7,804,629)	(1,476,775)	371,142	(8,910,262)
Infrastructure	(160,972)	(11,234)	-	(172,206)
Total accumulated depreciation	<u>(27,733,595)</u>	<u>(3,090,554)</u>	<u>371,142</u>	<u>(30,453,007)</u>
Total capital assets being depreciated, net	<u>28,607,971</u>	<u>16,251,996</u>	<u>(34,162)</u>	<u>44,825,805</u>
Governmental activities capital assets, net	<u>\$ 37,915,631</u>	<u>\$ 16,251,996</u>	<u>\$ (7,618,044)</u>	<u>\$ 46,549,583</u>

For the year ended June 30, 2019, depreciation expense for the governmental activities in the governmentwide financial statements was \$3,090,554, comprised of \$1,450,990 charged to general government, \$949,148 charged to public safety, and \$690,416 charged to culture and recreation.

4- LONG-TERM DEBT

Revenue Bonds

On February 15, 2011, the County issued \$8,121,600 of variable rate Kanawha County Building Commission Lease Revenue Refunding Bonds (Kanawha County Judicial Annex Project and Parking Garage) Series 2011, for the purpose of currently refunding the County's series 2003A and 2003B bonds. The 2011 Series bonds mature through February 15, 2021 with a variable interest rate equal to 65% of the One Month LIBOR, plus 2%. The variable rate is adjusted monthly and has a floor of 2.6% for the first thirty-six months of the agreement. The refunding did not result in any gain or loss.

The proceeds of the Series 2003A bonds were used to finance a portion of the costs of acquiring, constructing, and equipping the improvements to the Kanawha County Judicial Annex. The proceeds of the Series 2003B bonds were used to currently refund the outstanding balance of the Series 1996 bonds.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

4- LONG-TERM DEBT (continued)

Upon expiration of the lease term, title to the parking garage facility will pass from the Kanawha County Building Commission to the County. Accordingly, the parking garage facility is recorded as an asset of the County, and the related obligation for repayment of the bonds recorded as a liability.

Principal and interest paid on the Series 2011 bonds for the year ended June 30, 2019 was \$865,653 and \$179,670, respectively.

The County has an interest rate swap derivative instrument to synthetically fix, on a current basis, the Series 2011 Lease Revenue Refunding Bonds in order to hedge interest rate fluctuations. The key provisions of the instrument are:

Type:	Pay-fixed interest rate swap
Objective:	Hedge changes in cash flows on the Series 2011 variable rate Lease Revenue Refunding Bonds
National Amount:	\$ 8,121,600
Effective Date:	February 15, 2011
Maturity Date:	February 15, 2021
Terms:	Synthetically fixed rate of 3.79%

The fair value of this interest rate swap is estimated using the zero-coupon method. This method calculated the future net settlement payments required by the swap, assuming that the current forward rate implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rate implied by the current yield curve for hypothetical zero coupon bonds due on the date of the future net settlement on the swap.

The fair value balance of the hedging derivative instrument outstanding is \$17,274 at June 30, 2019, and is classified as a liability in the Statement of Net Position. The change in fair value of the hedging derivative instrument for the year ended June 30, 2019, is \$10,666. The accumulated changes in fair value of the hedging derivatives instrument is \$17,274 at June 30, 2019, and is classified as a deferred outflow of resources in the Statement of Net Position.

Risks

Credit Risk

The credit ratings of the counterparty to the interest rate swap are Baa2 from Moody's, A-from Standards & Poors, and A+ from Fitch. The interest rate swap agreement requires certain collateralization if the credit rating of the counterparty falls below specific levels. As of June 30, 2019, no collateralization was required by the interest rate swap agreement.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

4- LONG-TERM DEBT (continued)

Interest Rate Risk

The County is not exposed to interest rate risk on this interest rate swap.

Basis Risk

The County is exposed to basis risk on the fixed interest rate swap because the variable rate payments received by the County on this hedging derivative instrument are based on an index other than interest rates the County pays on the hedged variable rate of debt, which are remarketed every week. As of June 30, 2019, the weighted-average interest rate on the County's hedged variable rate debt was 3.30%, while 65% on the one month LIBOR was 1.30%.

Termination Risk

The interest rate swap agreement provides for certain events that could cause the counterparty or the County to terminate the swap. The swap may be terminated by the counterparty or the County if the other party fails to make payments when due, there is a material breach of representations and warranties, an event of illegality occurs, and failure to comply with any other provisions of the agreement after a specified notice period.

The County has the right to optionally terminate the swap agreement at any time. The termination amount owed by either the County or the counterparty may be determined by market quotation. If at the time of termination, the swap has a negative fair value, the County would owe the counterparty a payment equal to the swap's fair value.

Rollover Risk

The County is exposed to rollover risk on the hedging interest rate swap that may be terminated prior to the maturity of the hedged debt.

Swap Payments and Associated Debt

Using rates as of June 30, 2019, debt service requirements of the variable rate debt net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Interest Rate Swap, Net	Total
	Principal	Interest		
2020	\$ 933,895	\$ 41,108	\$ 3,144	\$ 978,147
2021	638,442	9,047	195	647,684
	<u>\$ 1,572,337</u>	<u>\$ 50,155</u>	<u>\$ 3,339</u>	<u>\$ 1,625,831</u>

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

4- LONG-TERM DEBT (continued)

On December 19, 2008, The Kanawha County Commission issued \$10,000,000 of the Kanawha County Building Commission Lease Revenue Bonds (Kanawha County Office Building Project) Series 2008. The proceeds of these bonds were used for renovation of the building located at 301 Virginia Street in Charleston, West Virginia. The bonds mature through December 10, 2023, with interest at 2.45%. There was no gain or loss on the refinance of the bonds. Upon expiration of the lease term, the building title will pass to the County. Accordingly, the building is recorded as an asset of the County, and the related obligation for repayment of the bonds is recorded as a liability.

Total debt service costs of the Kanawha County Commission Office Building Project Series 2008 revenue bonds for each of the next five years and thereafter, is as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 763,087	\$ 79,454	\$ 842,541
2021	763,087	60,758	823,845
2022	763,087	42,063	805,150
2023	763,087	23,367	786,454
2024	381,783	4,670	386,453
	<u>\$ 3,434,131</u>	<u>\$ 210,312</u>	<u>\$ 3,644,443</u>

On December 20, 2017, the County issued \$10,000,000 of fixed rate Kanawha County Building Commission Lease Revenue Bonds (Shawnee Multiple Sports Complex) Series 2017, for the purpose of financing the costs of constructing, renovating, improving, and equipping the real estate together with the related facilities located at 2000 WV-25 in Institute, Kanawha County, West Virginia to provide a multiple sports complex and other facilities for the County.

The Series 2017 bonds mature through December 1, 2032, with an interest rate 2.65%. Upon expiration of the lease term, title to the sporting complex facility will pass from Kanawha County Building Commission to the County. Accordingly, the sporting complex facility is recorded as an asset of the County, and the related obligation for repayment of the bonds is recorded as a liability.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

4- LONG-TERM DEBT (continued)

Total debt service costs of the Shawnee Multiple Sports Complex Series 2017 revenue bonds for each of the next five years and thereafter, are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 200,000	\$ 261,025	\$ 461,025
2021	550,000	256,387	806,387
2022	1,000,000	235,850	1,235,850
2023	1,000,000	208,350	1,208,350
2024	930,000	181,525	1,111,525
2025-2030	3,505,000	620,034	4,125,034
2031-2032	2,715,000	145,551	2,860,551
	<u>\$ 9,900,000</u>	<u>\$ 1,908,722</u>	<u>\$ 11,808,722</u>

On January 11, 2019, the County issued \$600,000 of fixed rate Kanawha County Building Commission Lease Revenue Bonds (Shawnee Multiple Sports Complex) Series 2019, for the purpose of financing the costs of constructing, renovating, improving, and equipping the real estate together with the related facilities located at 2000 WV-25 in Institute, Kanawha County, West Virginia to provide a multiple sports complex and other facilities for the County.

The Series 2019 bonds mature through December 1, 2033, with an interest rate of 4.18%. Upon expiration of the lease term, title to the sporting complex facility will pass from the Kanawha County Building Commission to the County. Accordingly, the sporting complex facility is recorded as an asset of the County, and the related obligation for repayment of the bonds is recorded as a liability.

Total debt services costs of the Shawnee Multiple Sports Complex Series 2019 revenue bonds for each of the next five years and thereafter, are as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ -	\$ 250,800	\$ 250,800
2021	100,000	250,800	350,800
2022	230,000	244,321	474,321
2023	270,000	234,289	504,289
2024	364,000	222,585	586,585
2025-2030	2,405,000	834,851	3,239,851
2031-2032	2,631,000	282,526	2,913,526
	<u>\$ 6,000,000</u>	<u>\$ 2,320,172</u>	<u>\$ 8,320,172</u>

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

4- LONG-TERM DEBT (continued)

Total debt service costs for all revenue bonds for the next five years and thereafter, is as follows:

Year Ending June 30	Principal	Interest	Total
2020	\$ 1,896,981	\$ 635,531	\$ 2,532,512
2021	2,051,529	577,187	2,628,716
2022	1,993,087	522,234	2,515,321
2023	2,033,087	466,006	2,499,093
2024	1,675,783	408,780	2,084,563
2025-2030	5,910,000	1,454,885	7,364,885
2031-2032	5,346,000	428,077	5,774,077
	<u>\$ 20,906,467</u>	<u>\$ 4,492,700</u>	<u>\$ 25,399,167</u>

Capital Lease Obligation

On March 20, 2019, The County entered into a capital lease-purchase agreement with PNC Equipment Finance in the amount of \$113,684 to lease 30 golf carts. The lease term was for 37 months with monthly payments of \$2,117, an interest rate of 3.13%, and balloon payment of \$42,000 due in April 2021.

The cost of the equipment under the lease is included in the statement of net position as capital assets, net of \$83,247 at June 30, 2019. Accumulated depreciation of the leased equipment at June 30, 2019, was \$40,110. Depreciation of the assets under the capital lease is included in depreciation expense for culture and recreation. The future minimum lease payments required under the capital lease as of June 30, 2019 are as follows:

Year Ending June 30	Amount Due
2020	\$ 25,404
2021	61,053
	<u>\$ 86,457</u>

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

4- LONG-TERM DEBT (continued)

The following is a summary of the long-term debt activity for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental activities:					
Revenue bonds payable	\$ 16,668,681	\$ 6,000,000	\$ (1,762,214)	\$ 20,906,467	\$ 1,896,982
Capital lease obligation	105,982	-	(20,816)	85,166	25,297
Net OPEB liability	4,224,132	-	(672,220)	3,551,912	-
Net Pension liability PERS	4,403,314	-	(1,730,157)	2,673,157	-
Net pension liability DSRS	419,925	-	(1,015,976)	(596,051)	-
Compensated absences	2,192,083	1,320,350	(1,388,628)	2,123,805	-
Health Claims	700,004	783,967	(700,004)	783,967	783,967
Total governmental activity					
Long-term liabilities	<u>\$ 28,714,121</u>	<u>\$ 8,104,317</u>	<u>\$ (7,290,015)</u>	<u>\$ 29,528,423</u>	<u>\$ 2,706,246</u>

Total cash paid for interest for the year ended June 30, 2019, on outstanding debt was \$597,656.

5- PROPERTY TAXES

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property; however, statutes provide that the sheriff of the county may distrain for delinquent taxes any good and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on the first day of September in the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day of the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

All counties within the state are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, fourteen and thirty-tenths cents (14.30C); on Class II property, twenty-eight and sixty-tenths cents (28.60C); and on Class III and IV property, fifty-seven and twenty-tenths cents (57.20C). In addition, counties may provide for an election to lay an excess levy, the rates of which are not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy. An excess levy has been approved by the voters of the County to provide additional funding for the Kanawha Valley Regional Transit Authority and the Kanawha County Emergency Ambulance Authority.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

5- PROPERTY TAXES (continued)

The rates levied (including the excess levy) by the County per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2019, were as follows:

	Assessed Valuations for Tax Purposes	Current Expense	Excess
\$	-	14.3 ¢	6.09 ¢
\$	3,784,736,888	28.6 ¢	12.18 ¢
\$	2,766,089,147	57.2 ¢	24.36 ¢
\$	3,288,341,947	57.2 ¢	24.36 ¢

6- RETIREMENT SYSTEMS

West Virginia Public Employees' Retirement System

The County participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf on County employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

All of the County's cost-sharing, multiple-employer plans are administered by the West Virginia Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com. The following is a summary of eligibility factors, contribution methods, and benefits provisions:

Benefits are provided through PERS using a two-tiered system. Effective July 1, 2015, PERS implemented the second tier, Tier II. Employees hired, for the first time, on or after July 1, 2015 are considered Tier II members. Tier I and Tier II members are subject to different regulations.

TIER I:

Plan member's contribution rate:	4.5%
County's contribution rate:	13.5%
Period required to vest:	Five years

Benefits and eligibility for distribution: A member who has attained age 60 and has earned 5 years of contributing service or age 55 if the sum of age plus years of credited service is equal to or greater than 80. The final average salary (3 highest consecutive years in the last 15) times the years of service times

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2019

6- RETIREMENT SYSTEMS (continued)

Eligibility to participate: 2% equals the annual retirement benefit.
All county full-time employees, except those covered by other pension plans.

Authority establishing contribution
Obligations and benefit provisions: State Statue
Deferred retirement portion: No
Provisions for -
Cost of living: No
Death benefits: Yes

TIER II:

Plan member's contribution rate: 6.0%
County's contribution rate: 13.5%
Period required to vest: Five years

Benefits and eligibility for distribution: A member who has attained age 62 and has earned 10 years of contributing service. The final average salary (5 highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.

Eligibility to participate: All county full-time employees, except those covered by other pension plans, hired after July 1, 2015.

Authority establishing contribution
Obligations and benefit provisions: State Statue
Deferred retirement portion: No
Provisions for -
Cost of living: No
Death benefits: Yes

West Virginia Deputy Sheriff Retirement Fund (DSRS)

Plan member's contribution rate: 8.5%
County's contribution rate: 12% plus certain fees for reports generated by the Sheriff's office.
Period required to vest: Five years

Benefits and eligibility for distribution: A member who has attained age 60 and has earned 5 years of contributing service or age 50 if the sum of age plus years of credited service is equal to or greater than 70. The final average salary (5 highest consecutive years in the last 10) times the years of service times 2.25% equals the annual retirement benefit.

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2019

6- RETIREMENT SYSTEMS (continued)

Eligibility to participate: Deputy sheriff's first employed after the effective date and any deputy sheriff hired prior to the effective date who elect to become members.

Authority establishing contribution: State Statue
 Obligations and benefit provisions: State Statue
 Deferred retirement portion: No
 Provisions for -
 Cost of living: No
 Death benefits: Yes

Trend Information

Fiscal Year	Public Employees Retirement System (PERS)		Deputy Sheriff Retirement System (DSRS)	
	Annual Pension Cost	Percentage Contributed	Annual Pension Cost	Percentage Contributed
	2019	\$ 2,138,697	100%	\$ 1,249,041
2018	\$ 2,240,530	100%	\$ 1,176,720	100%
2017	\$ 2,326,149	100%	\$ 1,153,314	100%
2016	\$ 2,545,213	100%	\$ 1,135,850	100%
2015	\$ 2,599,625	100%	\$ 1,165,797	100%
2014	\$ 2,547,639	100%	\$ 1,161,353	100%
2013	\$ 2,378,516	100%	\$ 1,100,446	100%

PERS and DSRS issue a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Consolidated Public Employees Retirement Board, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the County reported the following liabilities for its proportionate share of the net pension liabilities. The County's proportion of the net pension liability was based on a projection of the long-term share of the contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

6- RETIREMENT SYSTEMS (continued)

At June 30, 2019, the County reported the following proportions and increases/decreases from its proportion measure:

	PERS	DSRS
Amount for proportionate share of net pension liability	\$ 2,673,157	\$ (596,051)
Percentage for proportionate share of net pension liability	1.0350960%	11.103794%
Increase/(decrease)% from prior proportion measured	0.014961%	-0.103216%

		PERS		DSRS
Government-wide pension expense	\$	385,927	\$	(224,470)

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Public Employees Retirement System (PERS)		
Changes of assumptions:		
Net differences between projected and actual earnings on pension plan investments	\$ -	\$ 1,573,036
Difference between expected and actual experience	132,606	6,614
Deferred difference in assumption	-	-
Changes in proportion and differences between government contributions and proportionate share of contributions	58,119	31,369
Government contributions subsequent to the measurement date	1,454,856	-
	\$ 1,645,581	\$ 1,611,019
Deputy Sheriffs Retirement System (DSRS)		
Changes of assumptions:		
Net differences between projected and actual earnings on pension plan investments	\$ -	\$ 601,715
Difference between expected and actual experience	-	251,390
Deferred difference in assumption	141,244	935,050
Changes in proportion and differences between government contributions and proportionate share of contributions	-	78,879
Government contributions subsequent to the measurement date	731,146	-
	\$ 872,390	\$ 1,867,034

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

6 - RETIREMENT SYSTEMS (continued)

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

PERS		DSRS	
Year ended June 30:		Year ended June 30:	
2020	\$ 204,128	2020	\$ (200,692)
2021	(220,325)	2021	(330,386)
2022	(1,137,817)	2022	(620,583)
2023	(266,280)	2023	(320,166)
Thereafter	-	Thereafter	(253,963)
	\$ (1,420,294)		\$ (1,725,790)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employees Retirement System (PERS)

Actuarial assumptions:

Inflation Rate	1.90%
Salary Increases	3.0% - 6.0%
Investment Rate of Return	7.50%
Mortality Rates	Healthy males - 1983 GAM Healthy females - 1971 GAM Disabled males - 1971 GAM Disabled females - Revenue reling 96-7

The actuarial assumptions used in the July 1, 2015 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2004 to June 30, 2009.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

6— RETIREMENT SYSTEMS (continued)

Deputy Sheriffs Retirement System (DSRS)

Actuarial assumptions:

Inflation Rate	2.20%
Salary Increases	5.0% for first 2 years of service
	4.5% for next 3 years of service
	4.0% for the next 5 years of service, and
	3.5% thereafter
Investment Rate of Return	7.50%
Mortality Rates	Based on the RP-2000 Non-annuitant mortality table, scale BB
	Retired and disable RP-2000 health annuitant mortality table, scale BB

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimated of expected real rates of returns (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. Rates summarized in the following table include the inflation component and were used for the following defined benefit plans:

<u>Investment</u>	<u>Long-term Expected Real Rate of Return</u>	<u>PERS Target Asset Allocation</u>	<u>DSRS Target Asset Allocation</u>
US Equity	7.0%	27.5%	27.5%
International Equity	7.7%	27.5%	27.5%
Core Fixed Income	2.7%	7.5%	7.5%
High Yield Fixed Income	5.5%	7.5%	7.5%
Real Estate	7.0%	10.0%	10.0%
Private Equity	9.4%	10.0%	10.0%
Hedge Funds	4.7%	10.0%	10.0%

**KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended June 30, 2019

6- RETIREMENT SYSTEMS (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.5% for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan 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 liabilities of each plan.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
PERS net pension liability share	(10,765,340)	2,673,157	4,172,720
DSRS net pension liability share	(2,726,537)	(596,051)	3,333,359

Pension plans' fiduciary net position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained in writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

7— OTHER POST EMPLOYMENT BENEFITS

The County participates in the West Virginia Other Post-Employment Benefit Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBTF), a cost sharing multiple-employer defined benefit post-employment healthcare plan for eligible employees administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. Employees hired prior to July 1, 1985 are the only employees eligible to participate.

The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit plans to the WVPEIA Board of Trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB plan. That report may be obtained by writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, Charleston, WV 25304, or by calling 1-888-680-7342.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

7 - OTHER POST EMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the County reported the following liabilities for its proportionate share of the net OPEB liabilities. The net OPEB liabilities were measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The County's proportion of the net OPEB liability was based on a projection of the long-term share of the contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2019, the County reported the following proportion and decrease from its proportion measured.

Amount of proportionate share of net OPEB liability	\$	3,551,912
Percentage for proportionate share of net OPEB liability		0.165557%
Increase/(decrease)% from prior proportion measure		-0.006226%

For the year ended June 30, 2019, the County recognized OPEB expense of \$(130,103).

The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Differences between projected and actual earnings on pension plan investments	\$ -	\$ 65,745
Differences between expected and actual expiries	-	52,540
Changes in proportion and differences between government contributions and proportionate share of contributions	-	670,387
Deferred difference in assumption	-	354,653
Government contributions subsequent to the measurement date	336,705	-
	\$ 336,705	\$ 1,143,325

The amount report as deferred outflows of resources related to OPEB resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

7 - OTHER POST EMPLOYMENT BENEFITS (continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2020	\$ (369,169)
2021	(369,168)
2022	(310,130)
2023	(94,858)
	<u>\$ (1,143,325)</u>

Actuarial assumptions. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75 percent
Salary Increases	Dependent upon pension system, ranging from 3.00% to 6.5%, including inflation
Investment rate of return	7.15%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	Actual trend used for fiscal year 2017. For fiscal years on an after 2018, trend starts at 8.50% and 9.75% for pre and post-medicare, respectively, and gradually decreases to an ultimate trend of 4.5%
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 21 year closed period
Remaining amortization period	20 years closed as of June 30, 2017

The long-term rates of return on OPEB plan investments are determined using a building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB 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 percentages and by adding expected inflation.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

7— OTHER POST EMPLOYMENT BENEFITS (continued)

Best estimates of long-term geometric rates are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Reta Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%

The discount rate used to measure the OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. The OPEB plan's 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 of OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the County's net OPEB liability, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point lower than the current rate:

	<u>1% Decrease 6.15%</u>	<u>Current Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Net OPEB Liability	4,174,565	3,551,912	3,032,863

Sensitivity of the net OPEB liability to changes in the health care cost trend rates.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

7— OTHER POST EMPLOYMENT BENEFITS (continued)

The following presents the County's net OPEB liability, as well as what the County's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current rate:

	1% Decrease -1.00%	Current Rate 0.00%	1% Increase 1.00%
Net OPEB Liability	2,939,016	3,551,912	6,828,078

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report.

8 - DEFERRED COMPENSATION PLAN

The County offers two deferred compensation plans to its employees created in accordance with Internal Revenue Code Section 457. The plans, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The plans are controlled and handled through Nationwide Insurance and the State of West Virginia and are funded by voluntary contributions by the employees with no employer matching contributions.

9 - COMMITMENTS AND CONTINGENCIES

The County is self-insured for employee health claims with a stop-loss insurance policy which covers health claims in excess of \$90,000 individually and \$2,000,000 in the aggregate. Claims of \$700,004 have been accrued in the Statement of Net Position for claims incurred prior to June 30, 2019 and paid as of September 30, 2019. Changes in the balances of claims liability during the past two years are as follows:

	June 30, 2019	June 30, 2018
Unpaid claims, beginning of fiscal ye: \$	700,004	\$ 644,655
Incurred claims (including IBNRS)	8,558,353	8,277,863
Claims paid	(8,474,390)	(8,222,514)
Unpaid claims, end of fiscal year	\$ 783,967	\$ 700,004

The County has pledged funding for various purposes under nonbinding letters of intent, subject to meeting certain criteria, to fund various projects. Because of the nonbinding nature of these letters of intent, the County has not committed fund balances or recorded a liability for these commitments.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

9 - COMMITMENTS AND CONTINGENCIES (continued)

The Kanawha County Metro Emergency Operations Center entered into a lease agreement with the Kanawha County Building Commission effective August 1, 2001 to lease a building in which the Metro Emergency Operations Center is located. The lease is subject to annual renewals through August 1, 2024, at which point the deed to the premises will pass to the Kanawha County Metro Emergency Operations Center. The annual lease payment is variable, and corresponds to the repayment of bonds used to finance the project as defined in Note 11. The Kanawha County Commission is obligated as guarantor of the lease payments should the Metro Emergency Operations Center fail to meet its payment obligations.

10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; public officials and law enforcement actions and other acts of the County or its representatives. The County has transferred its risks in exchange for premiums to purchase general liability, property loss, law enforcement liability, employee practice liability and workers compensation coverage insurance, from various high credit quality insurance companies which carry various deductibles and aggregates per year. Additionally, the County is self-insured for employee health claims and has purchased stop-loss coverage to mitigate the risk of exposure. The amounts of stop-loss coverage are discussed in Note 9.

11 - CONDUIT DEBT OBLIGATIONS

From time to time, the County has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying leases. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the County, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2019, there have been 136 series of Industrial Revenue Bonds, one series of local government Lease Revenue Bonds, and one series of Student Housing Revenue Bonds issued by the Kanawha County Commission. The aggregate principal amount payable for the one local government series issued after June 1, 1995 (Metro Emergency Operations Center, originally issued November 2004 - \$4,500,000 authorized, and refunded in 2011 with Series A) was \$1,102,211 at June 30, 2018. The aggregate principal amount payable for the one student revenue bond series issued after July 1, 1995 (West Virginia State Student Housing Revenue Bonds, originally issued September 2013 - \$25,305,000 authorized) was \$24,990,000. The aggregate principal amount payable for the two industrial revenue bonds issued after July 1995, could not be determined; however, that original authorized amount totaled \$797,940,000.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

12— EFFECT OF NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has also issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO5). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This issue arises when a government has legal obligations to perform future asset retirement activities related to its tangible capital assets. The adoption of GASB Statement No. 83 had no impact on the June 30, 2019 financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption of GASB Statement No. 84 had no impact on the June 30, 2019.

The Governmental Accounting Standards Board has also issued Statement No. 87, *Leases*, effective for the fiscal years beginning after December 15, 2019. The objective of this Statement is to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities that were previously classified as operating leases. The County has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for the fiscal years beginning after June 15, 2018. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It requires that additional essential information related to debt be disclosed in notes to financial statements. The County has not yet determined the effect that the adopting of GASB Statement No. 88 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the fiscal years beginning after December 15, 2019. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. It also seeks to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus method. The County has not yet determined the effect that the adoption of GASB Statement No. 89 may have on its financial statements.

The Government Accounting Standards Board has also issued Statement No. 90, *Majority Equity Interests*, effective for the fiscal years beginning after December 15, 2018. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in legally separate organizations and to improve the relevance of financial statement information for certain component units. It requires reporting certain holdings as investments and others as component units.

KANAWHA COUNTY, WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

12— EFFECT OF NEW ACCOUNTING PRONOUNCEMENTS (continued)

The requirements will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests. The County has not yet determined the effect that the adoption of GASB Statement No. 90 may have on its financial statements.

The Government Accounting Standards Board has issued Statement No. 91, *Conduit Debt Obligations*, effective for the fiscal years beginning after December 15, 2020. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The County has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES:						
Taxes:						
Ad valorem property taxes	\$ 44,795,432	\$ 44,795,432	\$ 44,494,001	\$ -	44,494,001	\$ (301,431)
Other taxes	2,377,345	2,452,345	2,648,265	-	2,648,265	195,920
Licenses and Permits	8,000	8,000	2,975	-	2,975	(5,025)
Intergovernmental						
Federal	542,475	961,016	740,624	(74,887)	665,737	(295,279)
State	120,000	141,663	260,335	(39,259)	221,076	79,413
Local	344,000	344,000	291,088	-	291,088	(52,912)
Charges for services	1,166,000	1,207,809	1,302,654	-	1,302,654	94,845
Fines and forfeitures	350,000	350,000	226,389	-	226,389	(123,611)
Interest	30,000	30,000	238,952	-	238,952	208,952
Miscellaneous	1,714,627	1,742,027	1,268,247	-	1,268,247	(473,780)
<i>Total Revenues</i>	<u>51,447,879</u>	<u>52,032,292</u>	<u>51,473,530</u>	<u>(114,146)</u>	<u>51,359,384</u>	<u>(672,908)</u>
EXPENDITURES:						
Current:						
General government	24,216,145	24,798,376	20,023,116	-	20,023,116	4,775,260
Public safety	18,447,839	18,689,294	16,613,035	-	16,613,035	2,076,259
Health and sanitation	393,468	393,468	283,962	-	283,962	109,506
Culture and recreation	5,226,000	5,301,000	5,004,881	-	5,004,881	296,119
Capital outlay	100,000	332,819	232,819	-	232,819	100,000
<i>Total Expenditures</i>	<u>48,383,452</u>	<u>49,514,957</u>	<u>42,157,813</u>	<u>-</u>	<u>42,157,813</u>	<u>7,357,144</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,064,427</u>	<u>2,517,335</u>	<u>9,315,717</u>	<u>(114,146)</u>	<u>9,201,571</u>	<u>6,684,236</u>
OTHER FINANCING SOURCES AND USES:						
Operating transfers in	1,366,667	3,353,671	2,887,588	(2,600,000)	287,588	(3,066,083)
Operating transfers out	(8,401,094)	(10,429,357)	(10,189,521)	-	(10,189,521)	239,836
<i>Total Other Financing Sources and Uses</i>	<u>(7,034,427)</u>	<u>(7,075,686)</u>	<u>(7,301,933)</u>	<u>(2,600,000)</u>	<u>(9,901,933)</u>	<u>(2,826,247)</u>
<i>Net Change in Fund Balance</i>	<u>(4,000,000)</u>	<u>(4,558,351)</u>	<u>2,013,784</u>	<u>(2,714,146)</u>	<u>(700,362)</u>	<u>3,857,989</u>
<i>Fund Balance at Beginning of Year</i>	<u>4,000,000</u>	<u>4,558,351</u>	<u>7,220,564</u>	<u>(2,662,213)</u>	<u>4,558,351</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,234,348</u>	<u>\$ (5,376,359)</u>	<u>\$ 3,857,989</u>	<u>\$ 3,857,989</u>

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - COAL SEVERANCE TAX FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES:						
Taxes	\$ 930,700	\$ 972,050	\$ 1,372,668	\$ -	1,372,668	\$ 400,618
Interest	150	150	-	-	-	(150)
Miscellaneous	-	9,806	21,956	-	21,956	12,150
Total Revenues	930,850	982,006	1,394,624	-	1,394,624	412,618
EXPENDITURES:						
Current:						
General Government	127,285	338,346	228,217	-	228,217	110,129
Public Safety	678,565	753,287	488,486	-	488,486	264,801
Culture and Recreation	50,000	50,000	50,000	-	50,000	-
Social Services	80,000	80,000	80,000	-	80,000	-
Total Expenditures	935,850	1,221,633	846,703	-	846,703	374,930
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,000)</u>	<u>(239,627)</u>	<u>547,921</u>	<u>-</u>	<u>547,921</u>	<u>37,688</u>
Other financing sources (uses):						
Operating transfers out	-	-	(22,477)	22,477	-	-
Total other financing sources and uses	-	-	(22,477)	22,477	-	-
Net Change in Fund Balance	(5,000)	(239,627)	525,444	22,477	547,921	37,688
Fund Balance at Beginning of Year	5,000	239,627	589,287	-	589,287	(349,660)
Fund Balance at End of Year	\$ -	\$ -	\$ 1,114,731	\$ 22,477	\$ 1,137,208	\$ (311,972)

KANAWHA COUNTY, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ASSESSOR'S FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance With Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes	\$ 2,301,821	\$ 2,301,821	\$ 2,434,669	\$ -	\$ 2,434,669	\$ 132,848
Interest	660	660	-	-	-	(660)
Charges for services	45,000	45,000	67,545	-	67,545	22,545
Total Revenues	<u>2,347,481</u>	<u>2,347,481</u>	<u>2,502,214</u>	<u>-</u>	<u>2,502,214</u>	<u>154,733</u>
Expenditures:						
General government	<u>3,277,481</u>	<u>3,430,782</u>	<u>2,136,716</u>	<u>-</u>	<u>2,136,716</u>	<u>1,294,066</u>
<i>Total Expenditures</i>	<u>3,277,481</u>	<u>3,430,782</u>	<u>2,136,716</u>	<u>-</u>	<u>2,136,716</u>	<u>1,294,066</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(930,000)</u>	<u>(1,083,301)</u>	<u>365,498</u>	<u>-</u>	<u>365,498</u>	<u>(1,139,333)</u>
Other financing sources (uses):						
Operating transfers In	-	-	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>(393,532)</u>	<u>393,532</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources and uses</i>	<u>-</u>	<u>-</u>	<u>(393,532)</u>	<u>393,532</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>(930,000)</u>	<u>(1,083,301)</u>	<u>(28,034)</u>	<u>393,532</u>	<u>365,498</u>	<u>(1,139,333)</u>
<i>Fund Balance at Beginning of Year</i>	<u>930,000</u>	<u>1,083,301</u>	<u>1,083,301</u>	<u>-</u>	<u>1,083,301</u>	<u>-</u>
<i>Fund Balance at End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,267</u>	<u>\$ 393,532</u>	<u>\$ 1,448,799</u>	<u>\$ (1,139,333)</u>

See accompanying notes to the basic financial statements.

KANAWHA COUNTY, WEST VIRGINIA
*Schedule of Retirement Contributions for the Last Five Fiscal Years**

June 30, 2019

Public Employees Retirement System					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,454,856	\$ 1,578,824	\$ 1,677,161	\$ 1,903,779	\$ 1,967,281
Contribution in relation to the contractually required contribution	<u>1,454,856</u>	<u>1,578,824</u>	<u>1,677,161</u>	<u>1,903,779</u>	<u>1,967,281</u>
Contribution excess (deficiency)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 14,548,548	\$ 14,352,956	\$ 14,014,838	\$ 14,102,016	\$ 14,052,002
Contributions as a percentage of covered-employee payroll	10.00%	11.00%	12.00%	13.50%	14.00%
Deputy Sheriff's Retirement System					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 731,146	\$ 688,812	\$ 675,111	\$ 664,888	\$ 693,927
Contribution in relation to the contractually required contribution	<u>731,146</u>	<u>688,812</u>	<u>675,111</u>	<u>664,888</u>	<u>693,927</u>
Contribution excess (deficiency)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 6,092,882	\$ 5,740,096	\$ 5,625,920	\$ 5,540,730	\$ 5,551,410
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	12.00%	12.50%

* Data prior to 2015 is unavailable.

KANAWHA COUNTY, WEST VIRGINIA
Schedule of the Proportionate Share of the Net Pension Liabilities

June 30, 2019

Public Employees Retirement System					
	2018	2017	2016	2015	2014
Proportion percentage of net pension liability	1.035096%	1.023137%	1.023137%	1.036176%	1.001338%
Proportion dollar share of net pension liability	2,673,157	9,403,833	9,403,833	5,786,048	3,695,713
Covered employee payroll	14,548,548	14,014,838	14,102,016	14,052,002	13,432,419
Proportionate share of net pension liability as percentage of covered employee payroll	67.10%	67.10%	66.68%	41.18%	27.51%
Plan fiduciary net position as a percentage of total pension liability	96.33%	93.67%	86.11%	91.29%	93.98%
Deputy Sheriff's Retirement System					
	2018	2017	2016	2015	2014
Proportion percentage of net pension liability	11.103795%	11.207011%	11.236356%	11.648759%	11.672465%
Proportion dollar share of net pension liability	(596,051)	419,925	3,577,208	2,389,393	1,991,016
Covered employee payroll	6,092,882	5,625,920	5,540,730	5,551,410	5,401,638
Proportionate share of net pension liability as percentage of covered employee payroll	-9.78%	7.46%	64.56%	43.04%	36.86%
Plan fiduciary net position as a percentage of total pension liability	102.16%	98.17%	84.48%	89.31%	90.52%

KANAWHA COUNTY, WEST VIRGINIA
*Schedule of Other Post-employment Benefit Plan Contributions for the Last Four Fiscal Years**

June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 338,314	\$ 367,356	\$ 352,783	\$ 358,589
Contribution in relation to the contractually required contribution	<u>338,314</u>	<u>367,356</u>	<u>352,783</u>	<u>358,589</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Data prior to 2016 is unavailable

KANAWHA COUNTY, WEST VIRGINIA
Schedule of the Proportionate Share of the Net OPEB Liability

June 30, 2019

	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	0.165556640%	0.171783271%
Employer contribution	3,551,912	4,224,132
State contribution	30.980%	25.10%

Fiscal year 2018 is the first year of implementation for the West Virginia Retiree Benefit Trust Fund, therefore only one year is shown.

KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	General School	Dog and Kennel	Magistrate Court	Worthless Check	Home Confinement
Assets:					
Cash and cash equivalents	\$ 189,574	\$ 51,149	\$ 27,802	\$ 5,104	\$ 49,753
Taxes receivable	-	-	-	-	-
Estimated uncollectible taxes	-	-	-	-	-
Due from other funds	-	35	-	-	4,960
Grants and other receivables	-	-	-	-	-
Total Assets and deferred outflows of resources	<u>\$ 189,574</u>	<u>\$ 51,184</u>	<u>\$ 27,802</u>	<u>\$ 5,104</u>	<u>\$ 54,713</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 433	\$ -	\$ 6,545
Due to other funds	-	-	-	-	-
Other	-	-	-	-	367
Total Liabilities	<u>-</u>	<u>-</u>	<u>433</u>	<u>-</u>	<u>6,912</u>
Deferred inflows resources:					
Unavailable revenue - property taxes	-	-	-	-	-
Fund Balances:					
Restricted	189,574	-	27,369	5,104	47,801
Committed	-	51,184	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>189,574</u>	<u>51,184</u>	<u>27,369</u>	<u>5,104</u>	<u>47,801</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 189,574</u>	<u>\$ 51,184</u>	<u>\$ 27,802</u>	<u>\$ 5,104</u>	<u>\$ 54,713</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	<u>Fiduciary</u>	<u>Accident Photo</u>	<u>Worthless Check Restitution</u>	<u>Special Law Enforcement Investigations</u>	<u>Public Safety Levy</u>
Assets:					
Cash and cash equivalents	\$ 179,813	\$ 155,328	\$ 21,673	\$ 65,983	\$ 787,463
Taxes receivable	-	-	-	-	335,028
Estimated uncollectible taxes	-	-	-	-	-
Due from other funds	2,610	-	-	-	-
Grants and other receivables	-	-	-	-	-
Total Assets and deferred outflows of resources	<u>\$ 182,423</u>	<u>\$ 155,328</u>	<u>\$ 21,673</u>	<u>\$ 65,983</u>	<u>\$ 1,122,491</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 4,875	\$ 1,082	\$ -	\$ -	\$ 29,708
Due to other funds	-	-	-	-	-
Other	142	-	-	-	-
Total Liabilities	<u>5,017</u>	<u>1,082</u>	<u>-</u>	<u>-</u>	<u>29,708</u>
Deferred inflows resources:					
Unavailable revenue - property taxes	-	-	-	-	276,058
Fund Balances:					
Restricted	177,406	154,246	21,673	65,983	816,725
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>177,406</u>	<u>154,246</u>	<u>21,673</u>	<u>65,983</u>	<u>816,725</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 182,423</u>	<u>\$ 155,328</u>	<u>\$ 21,673</u>	<u>\$ 65,983</u>	<u>\$ 1,122,491</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	<u>Coal Reallocated Severance Tax</u>	<u>Table Games</u>	<u>Assessor's Dog</u>	<u>Concealed Weapons</u>
Assets:				
Cash and cash equivalents	\$ 183,252	\$ 255,861	\$ 17,267	\$ 270,046
Taxes receivable	-	-	-	-
Estimated uncollectible taxes	-	-	-	-
Due from other funds	-	-	-	-
Grants and other receivables	-	22,126	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and deferred outflows of resources	<u>\$ 183,252</u>	<u>\$ 277,987</u>	<u>\$ 17,267</u>	<u>\$ 270,046</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 13	\$ 2,025
Due to other funds	-	-	35	-
Other	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>48</u>	<u>2,025</u>
Deferred inflows resources:				
Unavailable revenue - property taxes	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Restricted	183,252	-	17,219	268,021
Committed	-	277,987	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>183,252</u>	<u>277,987</u>	<u>17,219</u>	<u>268,021</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 183,252</u>	<u>\$ 277,987</u>	<u>\$ 17,267</u>	<u>\$ 270,046</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Day Reporting Collections	Special Law Enforcement	Special Prosecuting Attorney	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	\$ 5,574	\$ 240,045	\$ 242,327	\$ 2,748,014
Taxes receivable	-	-	-	335,028
Estimated uncollectible taxes	-	-	-	-
Due from other funds	-	-	-	7,605
Grants and other receivables	-	-	-	22,126
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and deferred outflows of resources	<u>\$ 5,574</u>	<u>\$ 240,045</u>	<u>\$ 242,327</u>	<u>\$ 3,112,773</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 44,681
Due to other funds	-	-	-	35
Other	-	-	-	509
	<u>-</u>	<u>-</u>	<u>-</u>	<u>509</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,225</u>
Deferred inflows resources:				
Unavailable revenue - property taxes	-	-	-	276,058
	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,058</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,058</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,283</u>
Fund Balances:				
Restricted	5,574	240,045	242,327	2,462,319
Committed	-	-	-	329,171
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,574</u>	<u>240,045</u>	<u>242,327</u>	<u>2,791,490</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,574</u>	<u>\$ 240,045</u>	<u>\$ 242,327</u>	<u>\$ 3,112,773</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General School	Dog and Kennel	Magistrate Court	Worthless Check	Home Confinement
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	500	-	-	-
Licenses and permits	-	-	-	-	-
Charges for services	411,475	-	66,111	5,079	177,920
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	411,475	500	66,111	5,079	177,920
EXPENDITURES:					
General government	24,200	-	38,323	-	-
Public safety	-	-	-	-	493,564
Total Expenditures	24,200	-	38,323	-	493,564
<i>Excess (deficiency) of revenues over expenditures</i>	<u>387,275</u>	<u>500</u>	<u>27,788</u>	<u>5,079</u>	<u>(315,644)</u>
OTHER FINANCING SOURCES AND USES:					
Operating transfers in	-	22,846	-	-	304,840
Operating transfers out	(375,679)	(55)	(33,154)	(6,973)	(98,321)
Total Other Financing Sources and Uses	<u>(375,679)</u>	<u>22,791</u>	<u>(33,154)</u>	<u>(6,973)</u>	<u>206,519</u>
Net Change in Fund Balances	11,596	23,291	(5,366)	(1,894)	(109,125)
Fund Balances at Beginning of Year	<u>177,978</u>	<u>27,893</u>	<u>32,735</u>	<u>6,998</u>	<u>156,926</u>
Fund Balance at End of Year	<u>\$ 189,574</u>	<u>\$ 51,184</u>	<u>\$ 27,369</u>	<u>\$ 5,104</u>	<u>\$ 47,801</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	<u>Fiduciary</u>	<u>Accident Photo</u>	<u>Worthless Check Restitution</u>	<u>Special Law Enforcement Investigations</u>	<u>Public Safety Levy</u>
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,484,238
Other taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Charges for services	175,000	167,819	1,500	-	1,923
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	667
Miscellaneous	-	-	-	767	-
Total Revenues	<u>175,000</u>	<u>167,819</u>	<u>1,500</u>	<u>767</u>	<u>1,486,828</u>
EXPENDITURES:					
General government	277,969	-	-	-	220
Public safety	-	87,188	-	-	996,013
Total Expenditures	<u>277,969</u>	<u>87,188</u>	<u>-</u>	<u>-</u>	<u>996,233</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(102,969)</u>	<u>80,631</u>	<u>1,500</u>	<u>767</u>	<u>490,595</u>
OTHER FINANCING SOURCES AND USES:					
Operating transfers in	1,234	-	-	-	-
Operating transfers out	(39,458)	-	-	-	(241,667)
Total Other Financing Sources and Uses	<u>(38,224)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(241,667)</u>
Net Change in Fund Balances	<u>(141,193)</u>	<u>80,631</u>	<u>1,500</u>	<u>767</u>	<u>248,928</u>
Fund Balances at Beginning of Year	<u>318,599</u>	<u>73,615</u>	<u>20,173</u>	<u>65,216</u>	<u>567,797</u>
Fund Balance at End of Year	<u>\$ 177,406</u>	<u>\$ 154,246</u>	<u>\$ 21,673</u>	<u>\$ 65,983</u>	<u>\$ 816,725</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Coal Reallocated Severance Tax	Table Games	Assessor's Dog	Concealed Weapons
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	584,105	-	36,902	-
Licenses and permits	-	-	-	129,135
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	10,175	298,743	-	-
Total Revenues	594,280	298,743	36,902	129,135
EXPENDITURES:				
General government	470,176	191,481	10,245	-
Public safety	-	-	-	200,661
Total Expenditures	470,176	191,481	10,245	200,661
<i>Excess (deficiency) of revenues over expenditures</i>	<u>124,104</u>	<u>107,262</u>	<u>26,657</u>	<u>(71,526)</u>
OTHER FINANCING SOURCES AND USES:				
Operating transfers in	-	-	55	-
Operating transfers out	(400,000)	-	(26,517)	-
Total Other Financing Sources and Uses	<u>(400,000)</u>	<u>-</u>	<u>(26,462)</u>	<u>-</u>
Net Change in Fund Balances	(275,896)	107,262	195	(71,526)
Fund Balances at Beginning of Year	<u>459,148</u>	<u>170,725</u>	<u>17,024</u>	<u>339,547</u>
Fund Balance at End of Year	<u>\$ 183,252</u>	<u>\$ 277,987</u>	<u>\$ 17,219</u>	<u>\$ 268,021</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Day Reporting Collection	Special Law Enforcement	Special Prosecuting Attorney	Total Nonmajor Governmental Funds
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 1,484,238
Other taxes	-	-	-	621,507
Licenses and permits	-	-	-	129,135
Charges for services	15,864	-	-	1,022,691
Fines and forfeitures	-	63,994	-	63,994
Interest	-	-	-	667
Miscellaneous	-	-	55,369	365,054
	<u>15,864</u>	<u>63,994</u>	<u>55,369</u>	<u>3,687,286</u>
EXPENDITURES:				
General government	-	-	7,640	1,020,254
Public safety	-	37,765	-	1,815,191
	<u>-</u>	<u>37,765</u>	<u>7,640</u>	<u>2,835,445</u>
<i>Total Expenditures</i>	<u>-</u>	<u>37,765</u>	<u>7,640</u>	<u>2,835,445</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>15,864</u>	<u>26,229</u>	<u>47,729</u>	<u>851,841</u>
OTHER FINANCING SOURCES AND USES:				
Operating transfers in	-	-	-	328,975
Operating transfers out	(26,823)	-	-	(1,248,647)
	<u>(26,823)</u>	<u>-</u>	<u>-</u>	<u>(919,672)</u>
<i>Total Other Financing Sources and Uses</i>	<u>(26,823)</u>	<u>-</u>	<u>-</u>	<u>(919,672)</u>
<i>Net Change in Fund Balances</i>	(10,959)	26,229	47,729	(67,831)
<i>Fund Balances at Beginning of Year</i>	<u>16,533</u>	<u>213,816</u>	<u>194,598</u>	<u>2,859,321</u>
<i>Fund Balance at End of Year</i>	<u>\$ 5,574</u>	<u>\$ 240,045</u>	<u>\$ 242,327</u>	<u>\$ 2,791,490</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
June 30, 2019

	Delinquent and Non-Entered Lands	Sale of Lien Surplus	Board of Health	School
Assets:				
Cash and cash equivalents	\$ 1,190,528	\$ 2,754,392	\$ 1,784,728	\$ 2,057,144
Taxes receivable	-	-	-	2,601,289
	<u>\$ 1,190,528</u>	<u>\$ 2,754,392</u>	<u>\$ 1,784,728</u>	<u>\$ 4,658,433</u>
Liabilities:				
Due to other governmental entities	\$ 1,190,528	\$ 2,754,392	\$ 1,784,728	\$ 4,658,433
Due to other third parties	-	-	-	-
	<u>\$ 1,190,528</u>	<u>\$ 2,754,392</u>	<u>\$ 1,784,728</u>	<u>\$ 4,658,433</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
June 30, 2019

	State	Municipal	Kanawha County Emergency Ambulance Authority	Kanawha Valley Regional Transit Authority	Circuit Clerk
Assets:					
Cash and cash equivalents	\$ 13,193	\$ 313,275	\$ 168,344	\$ 168,344	\$ 2,291,717
Taxes receivable	18,307	447,741	193,273	193,273	-
Total Assets and deferred outflows of resources	<u>\$ 31,500</u>	<u>\$ 761,016</u>	<u>\$ 361,617</u>	<u>\$ 361,617</u>	<u>\$ 2,291,717</u>
Liabilities:					
Due to other governmental entities	\$ 31,500	\$ 761,016	\$ 361,617	\$ 361,617	\$ -
Due to other third parties	-	-	-	-	2,291,717
Total Liabilities	<u>\$ 31,500</u>	<u>\$ 761,016</u>	<u>\$ 361,617</u>	<u>\$ 361,617</u>	<u>\$ 2,291,717</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
 June 30, 2019

	Records Office	Clerk's Delinquent Land	Domestic Violence	Deputy Retirement
Assets:				
Cash and cash equivalents	\$ 909,579	\$ 502,452	\$ 5,675	\$ 6,783
Taxes receivable	-	-	-	-
	<u>\$ 909,579</u>	<u>\$ 502,452</u>	<u>\$ 5,675</u>	<u>\$ 6,783</u>
Total Assets and deferred outflows of resources	<u>\$ 909,579</u>	<u>\$ 502,452</u>	<u>\$ 5,675</u>	<u>\$ 6,783</u>
Liabilities:				
Due to other governmental entities	\$ -	\$ -	\$ -	\$ 6,783
Due to other third parties	909,579	502,452	5,675	-
	<u>909,579</u>	<u>502,452</u>	<u>5,675</u>	<u>-</u>
Total Liabilities	<u>\$ 909,579</u>	<u>\$ 502,452</u>	<u>\$ 5,675</u>	<u>\$ 6,783</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
June 30, 2019

	Enhanced 911 System	Writ of Execution	Evidence Fund	Fire Insurance Recovery	Total Agency Funds
Assets:					
Cash and cash equivalents	\$ 316	\$ 8,042	\$ 387,833	\$ 16,840	\$ 12,579,185
Taxes receivable	-	-	-	-	3,453,883
	<u>\$ 316</u>	<u>\$ 8,042</u>	<u>\$ 387,833</u>	<u>\$ 16,840</u>	<u>\$ 16,033,068</u>
Liabilities:					
Due to other governmental entities	\$ 316	\$ -	\$ -	\$ -	\$ 11,910,930
Due to other third parties	-	8,042	387,833	16,840	4,122,138
	<u>\$ 316</u>	<u>\$ 8,042</u>	<u>\$ 387,833</u>	<u>\$ 16,840</u>	<u>\$ 16,033,068</u>

**KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- GENERAL FUND**

June 30, 2019

	<u>General Operating</u>	<u>Federal Grants</u>	<u>County Manager's</u>
Assets:			
Cash and cash equivalents	\$ 8,855,039	\$ 38,878	\$ 526,695
Taxes receivable	6,036,818	-	-
Due from other funds	302,469	-	-
Grants and other receivables	114,146	521,950	-
	<u>\$ 15,308,472</u>	<u>\$ 560,828</u>	<u>\$ 526,695</u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 674,653	\$ 521,950	\$ -
Due to other funds	376,009	-	-
Other	34,302	-	-
	<u>1,084,964</u>	<u>521,950</u>	<u>-</u>
 Deferred inflows resources:			
Unavailable revenue - property taxes	4,989,160	-	-
 Fund Balances:			
Restricted	-	38,878	-
Committed	-	-	526,695
Assigned	95,471	-	-
Unassigned	9,138,877	-	-
	<u>9,234,348</u>	<u>38,878</u>	<u>526,695</u>
<i>Total Fund Balances</i>	<u>9,234,348</u>	<u>38,878</u>	<u>526,695</u>
 <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	 <u>\$ 15,308,472</u>	 <u>\$ 560,828</u>	 <u>\$ 526,695</u>

**KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- GENERAL FUND**

June 30, 2019

	Emergency Response	Building Demolition	Capital Maintenance	Records Management & Preservation
Assets:				
Cash and cash equivalents	\$ 527,770	\$ 452,200	\$ 12,621	\$ 2,148
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Grants and other receivables	-	-	-	-
	<u>527,770</u>	<u>452,200</u>	<u>12,621</u>	<u>2,148</u>
Total Assets and deferred outflows of resources	<u>\$ 527,770</u>	<u>\$ 452,200</u>	<u>\$ 12,621</u>	<u>\$ 2,148</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,462	\$ 1,580	\$ -	\$ -
Due to other funds	-	-	-	-
Other	-	-	-	-
	<u>2,462</u>	<u>1,580</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,462</u>	<u>1,580</u>	<u>-</u>	<u>-</u>
Deferred inflows resources:				
Unavailable revenue - property taxes	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted	-	-	-	-
Committed	525,308	-	12,621	2,148
Assigned	-	-	-	-
Unassigned	-	450,620	-	-
	<u>-</u>	<u>450,620</u>	<u>-</u>	<u>-</u>
<i>Total Fund Balances</i>	<u>525,308</u>	<u>450,620</u>	<u>12,621</u>	<u>2,148</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 527,770</u>	<u>\$ 452,200</u>	<u>\$ 12,621</u>	<u>\$ 2,148</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- GENERAL FUND
June 30, 2019

	<u>Financial Stabilization</u>	<u>Voters Registration</u>	<u>Unemployment Compensation</u>	<u>Drug Court Program</u>
Assets:				
Cash and cash equivalents	\$ 4,121,725	\$ 5,268	\$ 44,945	\$ 1
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Grants and other receivables	-	-	-	-
Total Assets and deferred outflows of resources	<u>\$ 4,121,725</u>	<u>\$ 5,268</u>	<u>\$ 44,945</u>	<u>\$ 1</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 8,242	\$ -
Due to other funds	-	-	-	-
Other	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>8,242</u>	<u>-</u>
Deferred inflows resources:				
Unavailable revenue - property taxes	-	-	-	-
Fund Balances:				
Restricted	-	5,268	-	-
Committed	4,121,725	-	36,703	1
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>4,121,725</u>	<u>5,268</u>	<u>36,703</u>	<u>1</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,121,725</u>	<u>\$ 5,268</u>	<u>\$ 44,945</u>	<u>\$ 1</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING BALANCE SHEET- GENERAL FUND
June 30, 2019

	Capital Equipment	Debt Service	Special Health Insurance	Total General Funds *
Assets:				
Cash and cash equivalents	\$ 935,629	\$ 404,573	\$ 959,545	\$ 16,887,037
Taxes receivable	-	-	-	6,036,818
Due from other funds	-	-	-	302,469
Grants and other receivables	-	-	-	636,096
	<u>\$ 935,629</u>	<u>\$ 404,573</u>	<u>\$ 959,545</u>	<u>\$ 23,862,420</u>
Total Assets and deferred outflows of resources				
	<u>\$ 935,629</u>	<u>\$ 404,573</u>	<u>\$ 959,545</u>	<u>\$ 23,862,420</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 56,886	\$ -	\$ 838,357	\$ 2,104,130
Due to other funds	1,642	-	270,372	648,023
Other	-	-	-	34,302
	<u>58,528</u>	<u>-</u>	<u>1,108,729</u>	<u>2,786,455</u>
Total Liabilities				
	<u>58,528</u>	<u>-</u>	<u>1,108,729</u>	<u>2,786,455</u>
Deferred inflows resources:				
Unavailable revenue - property taxes	-	-	-	4,989,160
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,989,160</u>
Fund Balances:				
Restricted	-	404,573	-	448,719
Committed	877,101	-	-	6,102,302
Assigned	-	-	-	95,471
Unassigned	-	-	(149,184)	9,440,313
	<u>-</u>	<u>-</u>	<u>(149,184)</u>	<u>9,440,313</u>
Total Fund Balances				
	<u>877,101</u>	<u>404,573</u>	<u>(149,184)</u>	<u>16,086,805</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
	<u>\$ 935,629</u>	<u>\$ 404,573</u>	<u>\$ 959,545</u>	<u>\$ 23,862,420</u>

* The due to/from amounts have not been reduced for intrafund activity.

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND

For the Year Ended June 30, 2019

	General Operating	Federal Grants	County Manager's
REVENUES:			
Taxes	\$ 44,494,001	\$ -	\$ -
Other taxes	2,648,265	-	-
Licenses and permits	2,975	-	-
Intergovernmental			
Federal	740,624	821,644	-
State	260,335	-	-
Local	291,088	-	-
Charges for services	1,302,654	-	-
Fines and forfeitures	226,389	-	-
Interest	238,952	-	-
Miscellaneous	1,268,247	-	415,149
Total Revenues	51,473,530	821,644	415,149
EXPENDITURES:			
General government	20,023,116	786,629	167,419
Public safety	16,613,035	-	-
Health and sanitation	283,962	-	-
Culture and recreation	5,004,881	-	-
Social services	-	-	-
Capital projects	232,819	-	-
Total Expenditures	42,157,813	786,629	167,419
<i>Excess (deficiency) of revenues over expenditures</i>	<i>9,315,717</i>	<i>35,015</i>	<i>247,730</i>
OTHER FINANCING SOURCES AND USES:			
Operating transfers in	2,887,588	-	-
Operating transfers out	(10,189,521)	(35,500)	-
Total Other Financing Sources and Uses	(7,301,933)	(35,500)	-
Net Change in Fund Balances	2,013,784	(485)	247,730
Fund Balances at Beginning of Year	7,220,564	39,363	278,965
Fund Balance at End of Year	\$ 9,234,348	\$ 38,878	\$ 526,695

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
For the Year Ended June 30, 2019

	<u>Emergency Response</u>	<u>Building Demolition</u>	<u>Capital Maintenance</u>	<u>Records Management & Preservation</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	74,191	-	-
Intergovernmental				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	439,665	42,025	-	-
Total Revenues	<u>439,665</u>	<u>116,216</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	100,040	-	-	-
Public safety	-	-	-	-
Health and sanitation	-	208,450	-	-
Culture and recreation	-	-	-	-
Social services	-	-	-	-
Capital projects	-	-	-	-
Total Expenditures	<u>100,040</u>	<u>208,450</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>339,625</u>	<u>(92,234)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES AND USES:				
Operating transfers in	-	35,500	-	-
Operating transfers out	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>35,500</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	339,625	(56,734)	-	-
Fund Balances at Beginning of Year	<u>185,683</u>	<u>507,354</u>	<u>12,621</u>	<u>2,148</u>
Fund Balance at End of Year	<u>\$ 525,308</u>	<u>\$ 450,620</u>	<u>\$ 12,621</u>	<u>\$ 2,148</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
For the Year Ended June 30, 2019

	<u>Financial Stabilization</u>	<u>Voters Registration</u>	<u>Unemployment Compensation</u>	<u>Drug Court Program</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Interest	39,255	-	-	-
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	39,255	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Current:				
General government	-	-	35,826	-
Public safety	-	-	-	-
Health and sanitation	-	-	-	-
Culture and recreation	-	-	-	-
Social services	-	-	-	-
Capital projects	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	35,826	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	39,255	-	(35,826)	-
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES AND USES:				
Operating transfers in	3,000,000	-	-	-
Operating transfers out	(3,593,535)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and Uses	(593,535)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(554,280)	-	(35,826)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances at Beginning of Year	4,676,005	5,268	72,529	1
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$ 4,121,725</u>	<u>\$ 5,268</u>	<u>\$ 36,703</u>	<u>\$ 1</u>

KANAWHA COUNTY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
For the Year Ended June 30, 2019

	<u>Capital Equipment</u>	<u>Debt Service</u>	<u>Special Health Insurance</u>	<u>Total General Fund</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 44,494,001
Other taxes	-	-	-	2,648,265
Licenses and permits	-	-	-	77,166
Intergovernmental				
Federal	-	-	-	1,562,268
State	-	-	-	260,335
Local	-	-	-	291,088
Charges for services	-	-	-	1,302,654
Fines and forfeitures	-	-	-	226,389
Interest	-	-	-	278,207
Miscellaneous	-	183,000	2,590,732	4,938,818
	<u>-</u>	<u>183,000</u>	<u>2,590,732</u>	<u>56,079,191</u>
EXPENDITURES:				
Current:				
General government	524,879	978,444	8,558,353	31,174,706
Public safety	8,600	-	-	16,621,635
Health and sanitation	-	-	-	492,412
Culture and recreation	7,650	461,245	-	5,473,776
Social services	-	-	-	-
Capital projects	-	860,795	-	1,093,614
	<u>541,129</u>	<u>2,300,484</u>	<u>8,558,353</u>	<u>54,856,143</u>
<i>Total Expenditures</i>				
	<u>541,129</u>	<u>2,300,484</u>	<u>8,558,353</u>	<u>54,856,143</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(541,129)</u>	<u>(2,117,484)</u>	<u>(5,967,621)</u>	<u>1,223,048</u>
OTHER FINANCING SOURCES AND USES:				
Operating transfers in	541,580	2,272,674	5,038,486	13,775,828
Operating transfers out	-	-	-	(13,818,556)
	<u>541,580</u>	<u>2,272,674</u>	<u>5,038,486</u>	<u>(42,728)</u>
<i>Total Other Financing Sources and Uses</i>				
	<u>541,580</u>	<u>2,272,674</u>	<u>5,038,486</u>	<u>(42,728)</u>
<i>Net Change in Fund Balances</i>	451	155,190	(929,135)	1,180,320
<i>Fund Balances at Beginning of Year</i>	<u>876,650</u>	<u>249,383</u>	<u>779,951</u>	<u>14,906,485</u>
<i>Fund Balance at End of Year</i>	<u>\$ 877,101</u>	<u>\$ 404,573</u>	<u>\$ (149,184)</u>	<u>\$ 16,086,805</u>



**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards***

Kanawha County Commission
407 Virginia St. East
Charleston, West Virginia 25301

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kanawha County, West Virginia (the County), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 7, 2020. Our report refers to other auditors who audited the financial statements of Kanawha Emergency Ambulance Authority, Metro Emergency Operations Center of Kanawha County, and Kanawha County Parks and Recreation Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control over Financial Reporting

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.
Huntington, West Virginia
February 7, 2020