

COURT TERMS:
SECOND THURSDAY
IN JANUARY, APRIL
JULY AND OCTOBER

The County Commission of Jefferson County

JENNIFER S. MAGHAN, COUNTY CLERK

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DEPUTY CLERKS:
GAIL D. MAGAHA
MARY E. HARDER
CHERYL N. BARKER
LANA J. MALLOW
SARAH C. FOWLER
MATTHEW BARNEY
KAREN OLDEN

November 1, 2005

Honorable Members of the
Jefferson County Commission
Charles Town, WV 25414

The Jefferson County Clerk's Office is pleased to submit to the Jefferson County Commission the Annual Financial Report for Jefferson County, West Virginia for the fiscal year ended June 30, 2005.

These statements are published to provide the County Commission, taxpayers, and other interested parties with detailed information concerning the financial condition and activities of the County government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County.

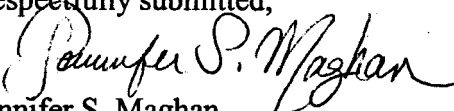
The Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, and a list of funds included in this report. The financial section includes the general-purpose financial statements and schedules, both on the Fund Level and Governmental Level. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Schedule of Vendor's List is also included in this report.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operation of the County as measured by the financial activity of its various funds and account groups. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

These financial statements are prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional associations as applicable.

The general-purpose financial statements, along with the Vendor's List are published annually in the local newspaper as a Class I-0 legal advertisement in compliance with West Virginia Code 7-5-16. These statements along with the Annual Financial Report are available for public inspection in the Jefferson County Clerk's office during regular business hours.

Respectfully submitted,


Jennifer S. Maghan
Clerk of County Commission

GOVERNMENTAL FUND TYPES

Major Funds

General County
Coal Severance Tax
Capital Outlay Fund

Special Revenue Funds

General School Justice
Magistrate Court
Worthless Check
Dog and Kennel
Federal Grant
State Grant
Jury and Witness
Home Detention
Flood Hazard Mitigation
Assessor Valuation
Farmland Protection/Preservation
Concealed Weapons
Voter Registration
Unemployment Compensation
Prosecuting Attorney Drug Forfeiture
Sub-Division Bond Forfeiture
Project Impact - FEMA Reimbursed
Undistributed Tax Interest
Undistributed Tax Interest
Impact Fee Fund

Capital Projects Funds

Emergency Services Capital Outlay
Optical Scanning/Imaging
Bardane Offices/Other Building

FIDUCIARY FUND TYPES

Agency Funds

State
School
Municipal
County Offices
Other Agency

**Jefferson County, West Virginia
County Officials**

For the Fiscal Year Ended June 30, 2005

OFFICE:	NAME:	TERM:	
Elective:			
County Commission:	<u>Albert G. Hooper</u>	Ended 12/31/2004	6 Yr.
	<u>James G. Knode</u>	Ended 12/31/2004	6 Yr.
	<u>Archibald M.S. Morgan, III</u>	Ends 12/31/2010	6 Yr.
	<u>Gregory A. Corliss</u>	Ends 12/31/2010	6 Yr.
	<u>Jane M. Tabb</u>	Ends 12/31/2010	6 Yr.
	<u>C. Dale Manuel</u>	Ends 12/31/2010	6 Yr.
	<u>James T. Surkamp</u>	Ends 12/31/2010	6 Yr.
Clerk of the County Commission:	<u>Jennifer S. Maghan</u>	Ends 12/31/2010	6 Yr.
	<u>John E. Ott</u>	Ended 12/31/2004	6 Yr.
Clerk of the Circuit Court:	<u>Patsy A. Noland</u>	Ends 12/31/2010	
Sheriff:	<u>Everett W. Boober</u>	Ends 12/31/2010	
Prosecuting Attorney:	<u>Michael D. Thompson</u>	Ends 12/31/2010	6 Yr.
Assessor:	<u>Mary R. Bordier</u>	Ends 12/31/2010	
Appointive:			
Administrator:	<u>Leslie D. Smith</u>	Ends 12/31/2010	

Jefferson County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year ended June 30, 2005

Our discussion and analysis of Jefferson County's Financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2005. Please read it in conjunction with the County's financial statements which follow immediately after this discussion.

Part 1. Overview of the Financial Statements

This annual report consists of three parts - Introductory Section, (that includes this management discussion and analysis), the Basic Financial Statements and the Supplementary Information Section (which is optional) that presents the combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the county:

- * The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- * The fund financial statements are financial statements that focus on individual parts of The County Government, reporting the County's operations in more detail than the government-wide by providing information about the County's most significant funds.
- The governmental fund statements tell how general government services were financed in the short term as well as what remains for future spending.
- Fiduciary fund statements provide information about the financial relationship in which the county acts solely as an agent.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The County has opted to place the budget comparison statements for major funds at the fund financial statement section, instead of the Required Supplementary Information section, therefore the notes are followed by the Supplementary Information section. Included in the Supplementary Information section are combining statements that provide details about the non-major governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Government-wide Statements

The government-wide statements report information about the county as a whole using accounting methods similar to those used by the private-sector companies. The statement of net assets includes all the government's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Jefferson County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year ended June 30, 2005

The two government-wide statements report the County's net assets and how they have changed. Net assets (the difference between the County's assets and liabilities) is one way to measure the County's financial health, or position.

Generally, government-wide financial statements are divided into three categories, which the County only has the categories of governmental activities. Governmental activities category contains most of the County's basic services, such as police, health and general administration. Property taxes and state and federal grants finance most of these activities.

The other two categories, Business-type activities and Component Units, do not exist in this county.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds and not the county as a whole. Funds are accounting devices that the County uses to keep track of specific sources and spending for particular purposes.

West Virginia Code requires counties to maintain certain basic funds, and allows the County to create funds for specific revenues.

The County has two kinds of funds:

* *Governmental Funds* - Most of the County's basic services are included in governmental funds which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship between them.

* *Fiduciary funds (Agency Funds)* - The County is the fiduciary for several other entities. The County is responsible for other assets that can be used only for their intended purpose. All the County's fiduciary activities are reported in separate statements of fiduciary net assets and changes in Fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Jefferson County, West Virginia
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year ended June 30, 2005

Part 2. The County as a whole

The county as a whole saw normal capital growth with an increase in revenue, due to the expected normal increase in tax revenue.

Above-average increases within our revenue included:

- Wine and Liquor Tax
- License and Decal Fees
- Reimbursements
- Filing Fees
- Video Lottery
- Building Permit Fees

Parts 3, 4 and 5 Listed in Statement following the Government-Wide Statements