

Ohio County, West Virginia

Audited Financial Statements
and Supplementary Information
Year Ended June 30, 2023



Ohio County, West Virginia
Schedule of Funds included in Report

Governmental Funds

General Fund

Special Revenue Funds - Major Funds

Coal Severance

Property TIF Tax

Special District Excise Tax

American Rescue Plan Act (ARPA)

Special Revenue Funds - Included in Nonmajor Governmental Funds

Dog and Kennel

General School

Magistrate Court

Worthless Check

Home Detention

C C B M C

Fire Board

Animal Shelter Trust

Assessor's Valuation

Concealed Weapon

Coal Reallocation

Justice Equitable Sharing

Capital Projects Funds - Major Funds

Airport Capital Improvement

Ohio County Building Commission

Capital Projects Funds - Included in Nonmajor Governmental Funds

Capital Improvement

Debt Service Fund - Major Fund

Development District Debt Service

Proprietary Fund

Enterprise Fund - Major Fund

Public Improvement

Ohio County, West Virginia
Schedule of Funds included in Report

Component Unit

Enterprise Fund

Ohio County Development Authority

Fiduciary Funds

Custodial Funds

Health

Delinquent Nonentered Lands

Tax Refund

Tax Lien Surplus

State

School

Municipal

WV Deputy Sheriff Retirement Fund

DARE Program

County Offices

Certified to the State

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Introductory Section

**Ohio County, West Virginia
County Officials
For the Year Ended June 30, 2023**

OFFICE	NAME	TERM
<u>Elective</u>		
County Commission	Peter R. Wharton	01/01/23 - 12/31/28
	Donald A. Nickerson, Jr.	01/01/19 - 12/31/24
	Zachary Abraham	01/01/21 - 12/31/26
Clerk of the County Commission	Michael E. Kelly	01/01/23 - 12/31/28
Clerk of the Circuit Court	Brenda L. Miller	01/01/23 - 12/31/28
Sheriff	Thomas J. Howard	01/01/21 - 12/31/24
Prosecuting Attorney	Scott R. Smith	01/01/21 - 12/31/24
Assessor	Tiffany L. Hoffman	01/01/21 - 12/31/24
<u>Appointive</u>		
Administrator	Randel A. Russell	
Solicitor	Donald Tennant	
Dog Warden	Chester R. Bise	
Airport Manager	Russell Escue	

Financial Section

Dan Wilson, CPA, MBA
(deceased)
1955-2013

Dennis Kozicki, CPA
Nancy Hughes, CPA
Aimee Tickerhoof, CPA

Jayetee Herron, CPA



CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Honorable Members of the Ohio County Commission:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ohio County, West Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise Ohio County, West Virginia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Ohio County, West Virginia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Ohio County Development Authority (OCDA), the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the OCDA, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ohio County, West Virginia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Ohio County, West Virginia's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio County, West Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ohio County, West Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio County, West Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the cost sharing multi – employer pension plan, cost sharing multi – employer OPEB plan and the budgetary comparison statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require 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 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ohio County, West Virginia's basic financial statements. The introductory section, the budgetary comparison statement – assessor's valuation fund, the schedule of expenditures of state awards and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of state awards and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the budgetary comparison statement – assessor's valuation fund have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of Ohio County, West Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Ohio County, West Virginia's internal control over financial reporting and compliance.

Kozicki Hughes Sickenroff PLLC

Wheeling, West Virginia,
December 29, 2023.

Ohio County, West Virginia
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Ohio County Development Authority
Assets				
Cash and cash equivalents	\$ 24,568,003	\$ 167,740	\$ 24,735,743	\$ 3,742,982
Receivables (net):				
Taxes	3,181,573	-	3,181,573	-
Grants	1,233,036	185,162	1,418,198	-
Rents	-	-	-	107,757
Internal balances	61,684	(61,684)	-	-
CAM fees	-	-	-	443,831
Other fees	1,995,836	43,145	2,038,981	161,087
Construction advance	-	-	-	360,000
Leases	-	1,036	1,036	4,574,100
Due from primary government	-	-	-	8,161
Due from component unit	67,390	-	67,390	-
Prepaid assets	-	-	-	342,650
Inventory	-	38,886	38,886	130,567
Net investment in direct financing lease	-	-	-	217,349
Restricted assets:				
Cash and cash equivalents	33,932,737	-	33,932,737	717,967
SDEX tax receivable	3,245,432	-	3,245,432	-
Interest receivable	102,405	-	102,405	-
Debt service-current	-	-	-	1,967,289
Debt service-noncurrent	-	-	-	2,129,069
Leases receivable - net of current portion	-	556,560	556,560	22,705,416
Net investment in direct financing lease - net of current portion	-	-	-	288,621
Construction advance - net of current portion	-	-	-	3,269,325
Capital assets (net):				
Land and improvements	6,499,880	2,515,252	9,015,132	49,372,319
Other improvements	-	5,333,125	5,333,125	-
System infrastructure	-	-	-	2,364,124
Buildings and improvements	4,441,393	604,103	5,045,496	108,795,251
Right to use leased asset - building	-	-	-	105,651
Machinery, equipment and vehicles	3,027,082	390,988	3,418,070	3,559,132
Right to use lease assets - equipment and vehicles	2,577,004	-	2,577,004	-
Construction in progress	1,504,306	2,622,397	4,126,703	5,573,059
Total assets	<u>86,437,761</u>	<u>12,396,710</u>	<u>98,834,471</u>	<u>210,935,707</u>
Deferred Outflows of Resources				
OPEB items	448,815	93,058	541,873	-
Pension items	<u>2,361,409</u>	<u>72,923</u>	<u>2,434,332</u>	<u>284,551</u>
Total deferred outflows of resources	<u>2,810,224</u>	<u>165,981</u>	<u>2,976,205</u>	<u>284,551</u>

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

Ohio County, West Virginia
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Ohio County Development Authority
Liabilities				
Accounts and contracts payable	1,868,712	82,174	1,950,886	187,822
Construction related payables	-	-	-	218,488
Accrued payroll and benefits	316,693	14,135	330,828	186,964
Other accrued payables	-	-	-	58,532
Due to component unit (net)	8,161	-	8,161	-
Due to primary government	-	-	-	67,390
Unearned revenue	5,992,688	-	5,992,688	762,089
Notes payable - current	-	-	-	2,511,123
Accrued interest payable - current	-	-	-	727,763
Lease liabilities - current	750,983	-	750,983	2,977
Accrued bond interest payable - current	2,222,525	-	2,222,525	-
Revenue bonds payable (net of discount and premium) - current	5,663,421	-	5,663,421	638,858
Net OPEB liability	96,362	22,603	118,965	-
Compensated absences	456,341	17,117	473,458	-
Net pension liability	1,701,307	25,390	1,726,697	105,473
Notes payable - noncurrent	-	-	-	36,122,107
Lease liabilities - noncurrent	2,783,360	-	2,783,360	106,072
Advances payable primary government - noncurrent	-	-	-	997,000
Revenue bonds payable (net of discount and premium) - noncurrent	141,069,225	-	141,069,225	27,194,734
Total liabilities	162,929,778	161,419	163,091,197	69,887,392
Deferred Inflows of Resources				
Leases	-	539,867	539,867	26,064,868
OPEB items	367,932	86,305	454,237	-
Pension items	167,169	23	167,192	5,026
Total deferred inflows of resources	535,101	626,195	1,161,296	26,069,894
Net Position				
Invested in capital assets	14,515,322	11,465,865	25,981,187	103,197,063
Restricted for fire departments	1,567,498	-	1,567,498	-
Restricted for pensions	492,933	47,510	540,443	174,052
Restricted for leases	-	17,729	17,729	1,211,250
Restricted for debt service	(117,605,839)	-	(117,605,839)	4,096,358
Restricted for other purposes	2,908,643	-	2,908,643	717,967
Unrestricted	23,904,549	243,973	24,148,522	5,866,282
Total net position	\$ (74,216,894)	\$ 11,775,077	\$ (62,441,817)	\$ 115,262,972

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

Ohio County, West Virginia
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Ohio County Development Authority
Primary government								
Governmental activities:								
General government	\$ 7,413,937	\$ 800,269	\$ 131,169	\$ 1,369,350	\$ (5,113,149)	\$ -	\$ (5,113,149)	\$ -
Public safety	12,343,018	3,462,069	831,876	413,131	(7,635,942)	-	(7,635,942)	-
Economic development	3,126,539	-	-	-	(3,126,539)	-	(3,126,539)	-
Health and sanitation	1,246,741	-	1,167,417	-	(79,324)	-	(79,324)	-
Culture and recreation	3,555,255	-	-	-	(3,555,255)	-	(3,555,255)	-
Social services	246,078	-	30,000	-	(216,078)	-	(216,078)	-
Interest on long-term debt	7,661,968	-	-	-	(7,661,968)	-	(7,661,968)	-
Total governmental activities	<u>\$ 35,593,536</u>	<u>\$ 4,262,338</u>	<u>\$ 2,160,462</u>	<u>\$ 1,782,481</u>	<u>\$ (27,388,255)</u>	<u>\$ -</u>	<u>\$ (27,388,255)</u>	<u>\$ -</u>
Business-type activities								
Public improvement	<u>\$ 1,910,998</u>	<u>\$ 910,889</u>	<u>\$ -</u>	<u>\$ 185,162</u>	<u>\$ -</u>	<u>\$ (814,947)</u>	<u>\$ (814,947)</u>	<u>\$ -</u>
Total business-type activities	<u>\$ 1,910,998</u>	<u>\$ 910,889</u>	<u>\$ -</u>	<u>\$ 185,162</u>	<u>\$ -</u>	<u>\$ (814,947)</u>	<u>\$ (814,947)</u>	<u>\$ -</u>
Total primary government	<u><u>\$ 37,504,534</u></u>	<u><u>\$ 5,173,227</u></u>	<u><u>\$ 2,160,462</u></u>	<u><u>\$ 1,967,643</u></u>	<u><u>\$ (27,388,255)</u></u>	<u><u>\$ (814,947)</u></u>	<u><u>\$ (28,203,202)</u></u>	<u><u>\$ -</u></u>
Component Unit								
Development Authority	<u>\$ 15,223,422</u>	<u>\$ 13,533,051</u>	<u>\$ -</u>	<u>\$ 2,797,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,106,931</u>
Total component unit	<u><u>\$ 15,223,422</u></u>	<u><u>\$ 13,533,051</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,797,302</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,106,931</u></u>
General revenues:								
Property taxes					\$ 14,355,868	\$ -	\$ 14,355,868	\$ -
Other taxes					6,763,626	-	6,763,626	-
Special district excise tax					16,243,547	-	16,243,547	-
Unrestricted interest					43,232	223	43,455	119,034
Miscellaneous					5,345,506	2,248	5,347,754	-
Video lottery and table gaming proceeds					1,509,654	-	1,509,654	-
Restricted interest/investment income					935,170	-	935,170	-
Gain (loss) on sale of capital assets					(5,023)	-	(5,023)	-
Transfers					(1,760,555)	1,760,555	-	-
Total general revenues and transfers					<u>\$ 43,431,025</u>	<u>\$ 1,763,026</u>	<u>\$ 45,194,051</u>	<u>\$ 119,034</u>
Net change in position					16,042,770	948,079	16,990,849	1,225,965
Net position - beginning, as restated					<u>(90,259,664)</u>	<u>10,826,998</u>	<u>(79,432,666)</u>	<u>114,037,007</u>
Net position - ending					<u>\$ (74,216,894)</u>	<u>\$ 11,775,077</u>	<u>\$ (62,441,817)</u>	<u>\$ 115,262,972</u>

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

Ohio County, West Virginia
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Coal Severance	Property TIF Tax	Special District Excise Tax	Development District Debt Service	ARPA	Airport Capital Improvement	Ohio County Building Commission	Nonmajor Governmental Funds	Total Governmental Funds
Assets										
Cash and cash equivalents	\$ 16,915,223	\$ 2,773,991	\$ -	\$ -	\$ -	\$ -	\$ 75,637	\$ -	\$ 4,803,152	\$ 24,568,003
Receivables, net of allowances:										
Taxes	2,961,020	146,307	-	-	-	-	-	-	74,246	3,181,573
Grants	56,963	-	-	-	-	-	1,176,073	-	-	1,233,036
Other fees	1,285,027	-	-	-	-	-	-	-	710,809	1,995,836
Due from other funds	486,921	-	-	-	-	-	61,634	-	6	548,561
Due from component unit	67,390	-	-	-	-	-	-	-	-	67,390
Restricted cash and cash equivalents	-	-	32,901	16,876	18,057,445	5,931,241	-	9,887,626	6,648	33,932,737
Restricted interest receivable	-	-	123	65	64,157	-	-	38,060	-	102,405
Restricted SDEX tax receivable	-	-	-	3,245,432	-	-	-	-	-	3,245,432
Total assets	<u>\$ 21,772,544</u>	<u>\$ 2,920,298</u>	<u>\$ 33,024</u>	<u>\$ 3,262,373</u>	<u>\$ 18,121,602</u>	<u>\$ 5,931,241</u>	<u>\$ 1,313,344</u>	<u>\$ 9,925,686</u>	<u>\$ 5,594,861</u>	<u>\$ 68,874,973</u>
Liabilities, deferred inflows of resources and fund balances										
Liabilities										
Accounts payable	\$ 605,522	\$ -	\$ -	\$ 2,550	\$ -	\$ 2,400	\$ 1,132,334	\$ -	\$ 125,906	\$ 1,868,712
Wages and benefits payable	311,652	-	-	-	-	-	-	-	5,041	316,693
Due to other funds	7	-	-	-	-	1,890	180,000	-	304,980	486,877
Due to component unit	5,877	-	-	-	-	-	-	-	2,284	8,161
Unearned revenue	66,805	-	-	-	-	5,925,883	-	-	-	5,992,688
Total liabilities	<u>989,863</u>	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>-</u>	<u>5,930,173</u>	<u>1,312,334</u>	<u>-</u>	<u>438,211</u>	<u>8,673,131</u>
Deferred inflows of resources										
Taxes	93,235	-	-	-	-	-	-	-	-	93,235
Total deferred inflows of resources	<u>93,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,235</u>
Total liabilities and deferred inflows of resources	<u>1,083,098</u>	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>-</u>	<u>5,930,173</u>	<u>1,312,334</u>	<u>-</u>	<u>438,211</u>	<u>8,766,366</u>
Fund balances										
Restricted	-	-	33,024	3,259,823	18,121,602	-	-	9,925,686	4,475,224	35,815,359
Assigned	16,273,065	2,920,298	-	-	-	1,068	1,010	-	56,753	19,252,194
Unassigned	4,416,381	-	-	-	-	-	-	-	624,673	5,041,054
Total fund balances	<u>20,689,446</u>	<u>2,920,298</u>	<u>33,024</u>	<u>3,259,823</u>	<u>18,121,602</u>	<u>1,068</u>	<u>1,010</u>	<u>9,925,686</u>	<u>5,156,650</u>	<u>60,108,607</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,772,544</u>	<u>\$ 2,920,298</u>	<u>\$ 33,024</u>	<u>\$ 3,262,373</u>	<u>\$ 18,121,602</u>	<u>\$ 5,931,241</u>	<u>\$ 1,313,344</u>	<u>\$ 9,925,686</u>	<u>\$ 5,594,861</u>	<u>\$ 68,874,973</u>

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

Ohio County, West Virginia
Reconciliation of the Balance Sheet-Governmental Funds
to the Statement of Net Position
June 30, 2023

Total Fund Balance - Total Governmental Funds	\$ 60,108,607
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$42,993,333 net of accumulated depreciation and amortization of \$24,943,668 used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	18,049,665
Certain other long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund financial statement. This consists of deferred property taxes.	93,235
Certain long term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. These include leases payable of \$3,534,343, revenue bonds payable of \$148,055,268 (net of unamortized debt discounts and premiums of \$1,322,622) and accrued bond interest payable of \$2,222,525.	(152,489,514)
Certain deferred outflows, long term liabilities and deferred inflows related to OPEB activity are not required to be reported in the funds but are required to be reported at the government-wide level. These include the amount of deferred outflows of \$448,815, net OPEB liability of \$96,362 and deferred inflows of \$367,932.	(15,479)
Certain deferred outflows, long term liabilities and deferred inflows related to pension activity are not required to be reported in the funds but are required to be reported at the government-wide level. These include the amount of deferred outflows of \$2,361,409, net pension liability of \$1,701,307 and deferred inflows of \$167,169.	492,933
Certain other long-term liabilities are not used to pay current period expenditures and, therefore, are deferred in the fund financial statement. This consists of compensated absences.	(456,341)
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ (74,216,894)</u></u>

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

Ohio County, West Virginia
Statement of Revenues, Expenditures
and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Coal Severance</u>	<u>Property TIF Tax</u>	<u>Special District Excise Tax</u>	<u>Development District Debt Service</u>	<u>ARPA</u>	<u>Airport Capital Improvement</u>	<u>Ohio County Building Commission</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues										
Taxes (including interest and penalties)	\$ 11,132,297	\$ -	\$ 2,720,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 662,252	\$ 14,514,655
Other taxes	4,264,876	1,565,107	-	-	-	-	-	-	933,643	6,763,626
Special District Excise Tax	-	-	-	16,243,547	-	-	-	-	-	16,243,547
Licenses and permits	-	-	-	-	-	-	-	-	18,024	18,024
Intergovernmental:										
Federal	344,434	-	-	-	-	1,911,112	1,261,331	-	5,648	3,522,525
State	27,500	-	-	-	-	-	49,224	-	-	76,724
Local	164,946	-	-	-	-	-	-	-	-	164,946
Charges for services	3,258,718	-	-	-	-	-	-	-	790,266	4,048,984
Fines and forfeits	44,851	-	-	-	-	-	-	-	150,479	195,330
Interest	39,939	1,976	-	-	-	696	-	-	621	43,232
Restricted investment income	-	-	853	53,255	659,379	-	-	221,683	-	935,170
Video lottery and table gaming proceeds	1,509,654	-	-	-	-	-	-	-	-	1,509,654
Miscellaneous	5,343,413	-	-	-	-	-	-	-	2,093	5,345,506
Contributions	-	-	-	-	-	-	-	-	47,580	47,580
Total revenues	<u>\$ 26,130,628</u>	<u>\$ 1,567,083</u>	<u>\$ 2,720,959</u>	<u>\$ 16,296,802</u>	<u>\$ 659,379</u>	<u>\$ 1,911,808</u>	<u>\$ 1,310,555</u>	<u>\$ 221,683</u>	<u>\$ 2,610,606</u>	<u>\$ 53,429,503</u>
Expenditures										
Current:										
General government	\$ 6,673,671	\$ -	\$ -	\$ -	\$ -	\$ 48,794	\$ 48	\$ -	\$ 613,831	\$ 7,336,344
Public safety	9,546,876	-	-	-	-	349,407	-	-	417,688	10,313,971
Health and sanitation	79,325	-	-	-	-	1,167,416	-	-	-	1,246,741
Economic development	-	24,000	2,500	2,287,725	725,467	-	-	-	-	3,039,692
Culture and recreation	3,473,148	-	-	-	-	-	-	-	-	3,473,148
Social services	5,000	-	-	-	-	25,000	-	-	-	30,000
Capital projects	1,162,293	-	-	-	-	320,494	-	10,919	342,434	1,836,140
Debt Service:										
Principal	800,779	-	-	-	9,950,000	-	-	-	-	10,750,779
Interest	86,387	-	-	-	7,671,509	-	-	-	-	7,757,896
Cost of issuance	-	-	-	-	-	-	-	236,037	-	236,037
Total expenditures	<u>\$ 21,827,479</u>	<u>\$ 24,000</u>	<u>\$ 2,500</u>	<u>\$ 2,287,725</u>	<u>\$ 18,346,976</u>	<u>\$ 1,911,111</u>	<u>\$ 48</u>	<u>\$ 246,956</u>	<u>\$ 1,373,953</u>	<u>\$ 46,020,748</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 4,303,149</u>	<u>\$ 1,543,083</u>	<u>\$ 2,718,459</u>	<u>\$ 14,009,077</u>	<u>\$ (17,687,597)</u>	<u>\$ 697</u>	<u>\$ 1,310,507</u>	<u>\$ (25,273)</u>	<u>\$ 1,236,653</u>	<u>\$ 7,408,755</u>

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

Ohio County, West Virginia
Statement of Revenues, Expenditures
and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Coal Severance</u>	<u>Property TIF Tax</u>	<u>Special District Excise Tax</u>	<u>Development District Debt Service</u>	<u>ARPA</u>	<u>Airport Capital Improvement</u>	<u>Ohio County Building Commission</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):										
Bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,080,268	\$ -	\$ 10,080,268
Operating transfers in	831,565	-	10,000	-	18,725,484	-	64,417	-	395,051	20,026,517
Operating transfers out	(845,051)	-	(2,719,958)	(15,827,107)	(10,000)	-	(1,374,972)	(129,309)	(880,675)	(21,787,072)
Total other financing sources (uses)	<u>\$ (13,486)</u>	<u>\$ -</u>	<u>\$ (2,709,958)</u>	<u>\$ (15,827,107)</u>	<u>\$ 18,715,484</u>	<u>\$ -</u>	<u>\$ (1,310,555)</u>	<u>\$ 9,950,959</u>	<u>\$ (485,624)</u>	<u>\$ 8,319,713</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ 4,289,663	\$ 1,543,083	\$ 8,501	\$ (1,818,030)	\$ 1,027,887	\$ 697	\$ (48)	\$ 9,925,686	\$ 751,029	\$ 15,728,468
Fund balance - beginning	16,399,783	1,377,215	24,523	5,077,853	17,093,715	371	1,058	-	4,405,621	44,380,139
Fund balances - ending	<u><u>\$ 20,689,446</u></u>	<u><u>\$ 2,920,298</u></u>	<u><u>\$ 33,024</u></u>	<u><u>\$ 3,259,823</u></u>	<u><u>\$ 18,121,602</u></u>	<u><u>\$ 1,068</u></u>	<u><u>\$ 1,010</u></u>	<u><u>\$ 9,925,686</u></u>	<u><u>\$ 5,156,650</u></u>	<u><u>\$ 60,108,607</u></u>

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

Ohio County, West Virginia
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds:		\$ 15,728,468
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets estimated useful lives as depreciation expense for the period.		
Depreciation and amortization of \$1,976,063 and net disposals of \$5,223 exceeded capital outlays of \$1,089,429 in the current period.		(891,857)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. This is a decrease in property tax revenue.		(158,788)
The issuance of long term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, government funds report the effect of bond charges on refundings, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of certain long-term debt and related items.		679,592
Certain OPEB expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 75:		
Amount of OPEB expenditures at fund modified accrual level	110,511	
Amount of OPEB expenses recognized at government-wide level	<u>255,850</u>	366,361
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68:		
Amount of pension expenditures at fund modified accrual level	707,684	
Amount of pension expenses recognized at government-wide level	<u>(427,733)</u>	279,951
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This is the amount of the decrease in compensated absences.		39,043
Change in net position of governmental activities		<u><u>\$ 16,042,770</u></u>

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

Ohio County, West Virginia
Statement of Net Position
Proprietary Fund
June 30, 2023

	Enterprise Fund
	Public Improvement
Assets	
Current assets:	
Cash and cash equivalents	\$ 167,740
Grant receivable	185,162
Accounts receivable, net	43,145
Leases receivable	1,036
Inventories	38,886
Total current assets	<u>435,969</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation):	
Land and improvements	2,515,252
Other improvements	5,333,125
Buildings and improvements	604,103
Machinery, equipment and vehicles	390,988
Construction in progress	2,622,397
Leases receivable - net of current portion	556,560
Total noncurrent assets	<u>12,022,425</u>
Total assets	<u>12,458,394</u>
Deferred Outflows of Resources	
OPEB items	93,058
Pension items	72,923
Total deferred outflows of resources	<u>165,981</u>
Liabilities	
Current liabilities:	
Accounts payable	82,174
Accrued liabilities	14,135
Due to other funds	61,684
Total current liabilities	<u>157,993</u>
Noncurrent liabilities:	
Compensated absences	17,117
Net OPEB liability	22,603
Net pension liability	25,390
Total noncurrent liabilities	<u>65,110</u>
Total liabilities	<u>223,103</u>
Deferred Inflows of Resources	
Leases	539,867
OPEB items	86,305
Pension items	23
Total deferred inflows of resources	<u>626,195</u>
Net Position	
Invested in capital assets	11,465,865
Leases	17,729
Pension	47,510
Unrestricted	243,973
Total net position	<u>\$ 11,775,077</u>

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

Ohio County, West Virginia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Enterprise Fund
	Public Improvement
Operating revenues	
Sales and services to customers	\$ 910,889
Total operating revenues	<u>910,889</u>
Operating expenses	
Personnel	489,015
Contractual	59,620
Materials and supplies	41,485
Fuel and oil	652,378
Depreciation	668,500
Total operating expenses	<u>1,910,998</u>
Operating income (loss)	<u>(1,000,109)</u>
Nonoperating revenues	
Interest income	223
Federal grant	185,162
Miscellaneous income	2,248
Total nonoperating revenues	<u>187,633</u>
Income (loss) before contributions and transfers	(812,476)
Contributions and transfers	
Transfers in	450,000
Transfers out	(64,417)
Capital contribution	1,374,972
Total contributions and transfers	<u>1,760,555</u>
Change in net position	948,079
Beginning net position	10,826,998
Ending net position	<u>\$ 11,775,077</u>

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

Ohio County, West Virginia
Statement of Cash Flows - Proprietary Fund
For the Year Ended June 30, 2023

	<u>Enterprise Fund</u> <u>Public Improvement</u>
Cash flows from operating activities:	
Cash received from customers	\$ 916,223
Cash paid for goods and services	(731,399)
Cash / benefits paid to / for employees	<u>(525,992)</u>
Net cash used by operating activities	<u>(341,168)</u>
Cash flows from noncapital financing activities:	
Transfers in, net	385,583
State grant	12,500
Miscellaneous	<u>2,248</u>
Net cash provided by noncapital financing activities	<u>400,331</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	<u>(81,510)</u>
Net cash used by capital and related financing activities:	<u>(81,510)</u>
Cash flows from investing activities:	
Interest received	<u>223</u>
Net cash provided by investing activities	<u>223</u>
Net decrease in cash and cash equivalents	(22,124)
Cash and cash equivalents, June 30, 2022	189,864
Cash and cash equivalents, June 30, 2023	<u><u>\$ 167,740</u></u>

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

Ohio County, West Virginia
Statement of Cash Flows - Proprietary Fund
For the Year Ended June 30, 2023

	<u>Enterprise Fund</u> <u>Public Improvement</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (1,000,109)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	668,500
(Increase) decrease in assets and deferred outflows of resources:	
Operating accounts receivable	23,062
Leases receivable	(557,596)
Inventory	25,214
Net OPEB asset	3,963
Net pension asset	146,861
Deferred outflows	(46,135)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	4,278
Payroll and compensated absences payable	(7,164)
Due to other funds	56,210
Net OPEB liability	22,603
Net pension liability	25,390
Deferred inflows	293,755
Net cash used by operating activities	<u><u>\$ (341,168)</u></u>

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

Ohio County, West Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
Assets	
Cash	<u>\$ 2,140,354</u>
Total assets	<u><u>\$ 2,140,354</u></u>
Liabilities	
Due to:	
Other governmental entities	<u>\$ 2,140,354</u>
Total liabilities	<u><u>\$ 2,140,354</u></u>

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

Ohio County, West Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
Additions:	
Property tax collections for other governments	\$ 49,869,926
Miscellaneous	<u>4,592,586</u>
Total additions	<u>54,462,512</u>
Deductions:	
Payments of property taxes to other systems	49,736,823
Administrative expense	<u>4,725,689</u>
Total deductions	<u>54,462,512</u>
Change in net position	<u>-</u>
Net Position	
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

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

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies

The accounting policies and the presentation of the financial report of Ohio County, West Virginia (the County), have been designed with the guidance of the West Virginia Auditor's office to conform to generally accepted accounting principles as applicable to government units, in accordance with the Governmental Accounting Standards Board (GASB).

A. Reporting

The County is one of fifty-five counties established under the Constitution and the Laws of the State of West Virginia. There are six offices elected county-wide, which are: County Commission, County Clerk, Circuit Clerk, Assessor, Sheriff, and Prosecuting Attorney.

The County Commission is the legislative body for the government, and as such budgets and provides all the funding used by the separate Constitutional offices except for the offices of the Assessor and the Sheriff, which also have additional revenue sources. The County Commission office maintains the accounting system for the County's operations. The operations of the County as a whole, however, including all the Constitutional offices have been combined in these financial statements.

The services provided by the government and accounted for within these financial statements include law enforcement for unincorporated areas of the county, health and social services, cultural and recreational programs, economic development, and other governmental services.

The accompanying financial statements present the government and its component unit as required by generally accepted accounting principles. In determining whether to include a governmental department, agency, commission or organization as a component unit, the government must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set forth by GASB. Legal separateness is evaluated on the basis of (1) its corporate name, (2) the right to sue or be sued and (3) the right to buy, sell or lease or mortgage property. Financial accountability is based on (1) the appointment of the governing authority and (2) the ability to impose will or (3) provide specific financial benefit or imposition of specific financial burden. Another factor to consider in the evaluation is whether an entity is fiscally dependent on the County. The Ohio County Building Commission is reported as a blended component unit as a special revenue fund.

Discretely Presented Component Unit

The OCDA services the County and is governed by a board comprised of 18 members appointed by the County Commission for a term of 3 years each. The OCDA develops property on behalf of the County and provides services to external parties. Complete financial statements for this component unit can be obtained at the OCDA's administrative office and on online at www.wvsao.gov.

Jointly Governed Organizations

The County, in conjunction with Brooke, Hancock and Marshall counties created the Northern Panhandle Community Criminal Justice Board. The board is composed of 15 members with 4 members appointed each by the Ohio, Brooke and Hancock County Commissions and 3 members appointed from the Marshall County Commission. An operating grant of \$30,000 has been appropriated to the Day Report Center for this board.

Related Organizations

The County's officials are responsible for appointing the members to boards of other organizations. Except for the following noted organizations, the County's accountability for these organizations does not extend beyond making the appointments.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

A. Reporting (Continued)

The County appoints board members and makes contributions or pays dues to the following organizations:

<u>Name of Organization</u>	<u>Contribution/Dues</u>
Bel-O-Mar Regional Council (Dues)	\$ 3,892
OVRTA (Dues)	\$ 500
Wheeling-Ohio County Board of Health (Contribution)	\$ 67,000

The County also appoints board members to the following: City County Building Security Board, Deputy Sheriff's Civil Service Commission, Fiduciary Commissioners, Home Consortium Board, Workforce Investment Board, Ohio County Animal Shelter Board, Ohio County Extension Service Committee, Ohio County Fire Board, Ohio County Public Service District, Ohio County Solid Waste Authority, Regional Economic Development Corporation, West Virginia EMS Technical Support Network, Wheeling Creek Watershed Commission, and the Ohio County Building Commission.

B. 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 of the nonfiduciary activities of the primary government and its component units. For the most part, 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and 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 and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The fiduciary fund financial statement consists only of custodial funds.

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 program revenues. Likewise, general revenues include all taxes.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 are collected within 60 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 judgments, are recorded only when payment is due.

Property taxes, special district excise taxes, hotel/motel taxes, property transfer excise taxes, charges for services, video lottery/table gaming proceeds, and interest are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following governmental fund types and funds:

General Fund - The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County reports the following as major special revenue funds:

The *Coal Severance Fund*, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia counties. The State Auditor's office requires an annual budget be submitted for approval for this fund.

The *Property TIF Tax (TIF) Fund*, accounts for legally restricted property tax revenue generated at the Highlands Economic Development District. Additionally, the fund reports the bond proceeds and the related development contributions and debt service transfers associated with ongoing capital expansion in the area.

The *Special District Excise Tax (SDEX) Fund*, accounts for legally restricted district excise tax revenue generated at the Highlands Economic Development District. Additionally, the fund reports the bond proceeds and the related development contributions and debt service transfers associated with ongoing capital expansion in the area.

The *American Rescue Plan Act (ARPA) Fund*, this special revenue fund accounts for the federal funding received under the American Rescue Plan Act of 2021 for COVID-19 expenses and for necessary investments in infrastructure.

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. The County reports the following as a major debt service fund:

The *Development District Debt Service Fund*, accounts for the resources accumulated and payments made for principal and interest on limited obligation debt from revenue bonds issued.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

Capital Projects Funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The County reports the following as major capital improvement funds:

The *Capital Improvement Fund*, this fund accounts for the capital projects primarily at the Ohio County Airport funded through federal and state grants and local contributions.

The *Ohio County Building Commission Fund*, this fund accounts for the capital project at the Ohio County Courthouse funded through bond proceeds.

Additionally, the County reports all remaining nonmajor governmental funds combined.

The government reports the following proprietary fund type and fund:

Enterprise Funds – Enterprise funds are employed to report on activities financed primarily by revenues generated by the activities themselves. *Proprietary Funds* distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The County reports the following major proprietary fund:

The *Public Improvement Fund*, accounts for the charges and activity of the Ohio County Airport. The operating revenue of the Public Improvement fund, an enterprise fund, are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government reports the following fiduciary fund type:

Custodial Funds - The *Custodial Funds* are fiduciary funds and are accounted for using the cash basis of accounting. These funds are used to account for assets that Ohio County, West Virginia holds for others in a custodial capacity.

Component unit - the OCDA reports the following major proprietary funds:

The *Highlands Economic Development Fund*, accounts for the revenues, expenses, capital assets and related debt associated with commercial activity within The Fort Henry economic opportunity development district (the Highlands).

The *Highlands Sports Venues Fund*, accounts for the financial activity related to the construction and operation of a sports complex located in the Highlands.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments (including repurchase agreements and money markets) with original maturities of less than three months from the date of acquisition.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Continued)

1. Deposits and Investments (Continued)

The County reports its investments at fair value as determined primarily by quoted market prices and matrix pricing of similar debt securities, except for 1) non-participating investment contracts (nonnegotiable certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair market value and 2) investments held by 2a-7 like external investment pools such as the WV Money Market and WV Government Money Market pools, which are measured at amortized cost, as permissible under Governmental Accounting Standards Board (GASB) Statement No. 31, as amended by GASB Statements No. 72 and 79.

All investment income, including changes in fair market value of investments, are recognized as revenue in the operating statement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The County has not adopted a formal policy regarding limitations on allowable deposits or investments beyond state statute. State statute limitations concerning the investments include the following; at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

2. Receivables and Payables

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables or payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Property Tax Receivable

The property tax receivable, net of uncollectibles, is approximately 48 percent of the total property taxes outstanding at June 30, 2023. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on or before September first of the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on or before 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 the taxes are not paid on or before the date in 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 the date they are paid. A tax lien is issued for all unpaid real estate taxes as of the date of the sheriff's sale and these liens are sold between October 14th and November 23rd of each year. Net property tax receivables not collected within sixty days after year end are recorded as deferred inflows in the fund financial statements at the end of each fiscal year.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Continued)

2. Receivables and Payables (Continued)

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 three-tenths cents (14.30 cents); on Class II property, twenty-eight and six-tenths cents (28.60 cents); on Class III property, fifty-seven and two-tenths cents (57.20 cents); on Class IV property, fifty-seven and two-tenths cents (57.20 cents). In addition, counties may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the County per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2023 were as follows:

Assessed Class of Property	Valuation for Tax Purposes	Current Expense
Class I	\$ -	12.77¢
Class II	\$ 1,006,050,752	25.54¢
Class III	\$ 1,178,442,212	51.08¢
Class IV	\$ 766,238,748	51.08¢

Component unit – OCDA - Common Area Maintenance(CAM)/Rent Fees Receivable

All CAM and Rent Fees Receivables are shown at their net value after an allowance for uncollectable accounts.

Component unit – OCDA - Lease Receivable/Deferred Inflow of resources

The OCDA's leases receivable are measured at the present value of lease payments expected to be received during the respective lease terms. Under certain lease agreements, the OCDA may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

3. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. However, as a proprietary fund, the airport's fuel on hand is recorded as inventory. The inventory is recorded at the lower of cost or market on a first in, first out basis.

4. Restricted Assets

Restricted assets are generally segregated by fund. These amounts have been restricted because the proceeds of specific revenue sources are legally or contractually limited to expenditures for which the fund was created. The County's restricted assets include cash and cash equivalents, interest receivable, and SDEX receivable.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Continued)

4. Restricted Assets (Continued)

Restricted cash and cash equivalents set aside in the TIF fund, SDEX fund, and Development District Debt Service fund are restricted for the purpose of the collection and debt service of amounts relating to the TIF and SDEX revenue bonds, respectively.

The SDEX receivable represents amounts due to the SDEX fund from excise taxes generated at the Highlands Economic District and are restricted for the purpose of debt service on the revenue bonds. Unrestricted assets, when available and allowable, are used only when restricted assets have been fully exhausted.

5. Capital Assets, Right to Use Assets, Depreciation and Amortization

Capital assets, right to use assets, property, plant and equipment, and other improvements, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial individual cost of \$5,000 or more and estimated to have a 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 market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital improvements are recorded as construction in progress while in the process of being constructed.

Right to Use Leased Assets

Right to use leased assets are recorded when the County and OCDA enter into a lease over the course of an agreed upon term. The County and OCDA's right to use leased assets include equipment and a building measured at an amount equal to the initial measurement of the related lease liabilities plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the leases into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

Capital and right to use assets of the primary government, as well as the component unit, are depreciated and amortized using the straight line method using the following estimated useful lives and salvage percentage:

Assets	Years	Salvage Percentage
Furniture, office equipment	5	10%
Computer hardware	5	0%
Telephone equipment	10	5%
Motor vehicles:		
Cars, light trucks	5	5%
Fire truck	15	15%
Buildings	40	20%
Temporary (portable buildings)	25	20%
HVAC systems	20	20%
Roofing	20	10%
Carpet replacement	7	10%
Electrical plumbing	30	20%
Kitchen equipment	12	20%

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Continued)

5. Capital Assets, Right to Use Assets, Depreciation and Amortization (Continued)

Heavy equipment	5-12	5%
Engineering, scientific equipment	10	5%
Firefighting equipment	10	5%
Police special equipment	10	5%
Medical equipment	5	5%
Traffic control equipment	10	5%
Radio, communication equipment	10	5%
Recreational athletic equipment	10	5%
Outdoor equipment	20	5%
Custodial equipment	12	5%
Ground equipment	15	5%
Landfill disposal systems	25	5%
Land	None	100%

6. Compensated Absences

The compensated absence liability reported in the government-wide financial statements consists of unpaid accumulated annual leave and compensatory balances. County policy permits employees to accumulate a limited amount of annual and compensatory time, which will be paid upon termination. County budgeting policy does not provide for termination costs in excess of current operating expense budgets. Accordingly, this entire liability is considered non-current. Unused sick leave can accumulate and can only be used toward eligible state funded benefits upon termination.

7. Long-Term Obligations

In the government-wide financial statements, long term obligations consist of revenue bonds, compensated absences, and lease liabilities. Although all leases contain a clause indicating their continuation is subject to continuing appropriation by the County, these lease liabilities are considered non-cancelable for financial reporting purposes. Current portions of long term obligations are amounts due within one year, while amounts due after one year are considered long term. Revenue bond premiums and discounts are deferred and amortized over the life of the revenue bonds using the straight line method. Revenue bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and or balance sheet will sometimes report 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance (Continued)

9. Fund Balances

In the fund financial statements, governmental funds report fund balances for amounts as non-spendable, restricted, committed, assigned, and unassigned.

10. Pensions

For purposes of measuring the net pension liabilities and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of Ohio County's Public Employee Retirement System (PERS) and Deputy Sheriff 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.

11. Unearned Revenue and Grant Advances

Governmental funds report advance payments in connection with resources that have been received, but not yet earned. Grant advances represent drawdowns prior to meeting all eligibility requirements.

12. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liabilities and deferred outflows/inflows of the resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Retiree Health Benefits Trust Fund (RHBT) and additions to/deductions from the RHBT's fiduciary net position have been determined on the same basis as they are reported by the RHBT. RHBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Net Position

Net position presents the difference between assets and deferred outflows and liabilities and deferred inflows in the statement of net position. Net position is reported as restricted when there are legal limitations imposed on their use by external restrictions by creditors, grantors, laws or regulations of other governments. Net position is reported as invested in capital assets for the portion of net position related to the historical cost of capital assets less any accumulated depreciation and less any debt that remains outstanding that was used to finance those capital assets. All other net position is reported as unrestricted. When an expense is incurred that can be paid using either restricted or unrestricted resources, the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between the fund balance total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. Elements of that reconciliation indicate that certain long-term assets, deferred outflows, liabilities, and deferred inflows are not available or due and payable in the current period and therefore are not reported in the funds.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

II. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (Continued)

The details of these differences are as follows:

Capital assets	\$ 41,489,027
Accumulated depreciation	(24,943,668)
Construction work in progress	<u>1,504,306</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position of governmental activities	<u>\$ 18,049,665</u>
Deferred outflows – OPEB items	\$ 448,815
Deferred outflows – pension items	<u>2,361,409</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position of governmental activities	<u>\$ 2,810,224</u>
Deferred property taxes	<u>\$ 93,235</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position of governmental activities	<u>\$ 93,235</u>
Lease liabilities	\$ (3,534,343)
Revenue bonds payable	(148,055,268)
Discounts and premiums on revenue bonds payable	1,322,622
Accrued bond interest payable	(2,222,525)
Compensated absences	(456,341)
Net OPEB liability	(96,362)
Net pension liability	(1,701,307)
Deferred inflows – OPEB items	(367,932)
Deferred inflows – pension items	<u>(167,169)</u>
Net adjustment to decrease fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ (155,278,625)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation indicates that “Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets estimated useful lives as depreciation expense for the period.” This is the amount that depreciation and amortization expense and net disposals exceeded capital outlays for the current period.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

II. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

The details of the difference are as follows:

Capital outlays	\$ 1,089,429
Net disposals	(5,223)
Depreciation and amortization expense	<u>(1,976,063)</u>
Net adjustment to decrease net change in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ (891,857)</u>

Another element of that reconciliation indicates that “Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	<u>\$ (39,043)</u>
Net adjustment to decrease net change in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ (39,043)</u>

Another element of that reconciliation indicates that “The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the change in net position. Also, governmental funds report the effect of bond charges on refundings, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Bond proceeds:	
Revenue bonds	\$ (10,080,268)
Deferred debt discount and premiums (net):	
Revenue bonds	(86,847)
Principal repayments:	
Revenue bond payments	9,950,000
Lease payments	800,779
Accrued bond interest	<u>95,928</u>
Net adjustment to increase net change in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ 679,592</u>

III. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis mainly consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund. Some differences do exist between the budgetary basis and GAAP mainly related to the recording of certain receivables and wage and benefit accruals. All annual appropriations lapse at fiscal year end. Therefore, reconciliations have been performed on the Budgetary Comparison Statements – General Fund and Coal Severance Fund.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

III. Stewardship, Compliance and Accountability (Continued)

A. Budgetary Information (Continued)

Prior to March 2nd of each year, the various elected officials submit to the County Commission requests for their respective offices for the fiscal year commencing July 1. Upon review and approval of this request, the County Commission prepares proposed budgets on forms prescribed by the State Auditor and submits them to the State Auditor by March 28 for approval. The County Commission then reconvenes on the third Tuesday in April to hear objections from the public and to formally lay the levy.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year.

<u>Description</u>	<u>Amount</u>
General Governmental Expenditure Increase	\$ 2,070,040
Public Safety Expenditure Increase	1,104,693
Culture and Recreation Expenditure Increase	330,000
Social Services Expenditure Increase	5,000
Capital Projects Expenditures Increase	<u>13,112,855</u>
Total	<u>\$ 16,922,588</u>

Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances (i.e., purchase orders, contracts) do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The County's deposits are as follows:

<u>Primary Government</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>S&P</u>	<u>Moody's</u>
Money market funds	<u>\$ 27,992,598</u>	<u><1 year</u>	<u>AAAm</u>	<u>Aaa-mf</u>

Custodial Credit Risk

At June 30, 2023, the County's total bank balances were \$32,816,235. The entire amount of the bank balances were covered by either federal depository insurance or by collateral held by the government's agent but not in the government's name.

Of the remaining balance of investments, \$27,992,598 are securities held by the government's agent in the name of the government.

The County had \$100,000 on deposit as a statutory lien with the State Treasurer related to the Special District Excise Tax revenue in compliance with WV State Code 7-22-17.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

Credit Risk

It is the County's policy to limit its investments as stated in the West Virginia State Code. The specific investments allowed for investments are described with all applicable limitations in Note I.D.1. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2023, the government's investments were rated using Standard & Poor's and Moody's Investment Services.

Interest Rate Risk

The County has adopted the applicable provisions of the West Virginia Code as its investment policy, the specific provisions of which are described in Note I.D.1. The government does not have a policy for interest rate risk in addition to the governing West Virginia statutes.

Concentration of Credit Risk

The government has adopted the provisions contained in the West Virginia Code as its investment policy. Limitations on investments are described in Note I.D.1. The government does not have a policy for concentration of credit risk in addition to governing West Virginia statutes. Any investment in one issuer of five percent or greater must be disclosed in accordance with generally accepted accounting principles. The County did not have any investments in one issuer that were five percent or greater at June 30, 2023.

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

<u>Primary Government</u>	<u>Fair Value</u>	<u>Level 1</u>
Money market funds	\$ 27,992,598	\$ 27,992,598

Valuation Methodologies

The following is a description of the valuation methodologies used by the County. There have been no changes in the methodologies of the County's investments.

Money market funds: Valued at \$1 per share.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

B. Receivables

Receivable	General	Coal Severance	TIF	Special District Excise Tax	Development District Debt Service	Airport Capital Improvements
Property and other taxes	\$ 3,227,062	\$ 146,307	\$ -	\$ -	\$ -	\$ -
Special district excise tax	-	-	-	3,245,432	-	-
Accrued interest	-	-	123	65	64,157	-
Grants	56,963	-	-	-	-	1,176,073
Other fees	1,285,027	-	-	-	-	-
Leases	-	-	-	-	-	-
Gross receivables	4,569,052	146,307	123	3,245,497	64,157	1,176,073
Less: Allowances for uncollectible	(266,042)	-	-	-	-	-
Net total receivables	<u>\$ 4,303,010</u>	<u>\$ 146,307</u>	<u>\$ 123</u>	<u>\$ 3,245,497</u>	<u>\$ 64,157</u>	<u>\$ 1,176,073</u>

Receivable	Ohio County Building Commission	Nonmajor Government Funds	Total Government Funds	Public Improvement	Total Proprietary Funds
Property and other taxes	\$ -	\$ 74,246	\$ 3,447,615	\$ -	\$ -
Special district excise tax	-	-	3,245,432	-	-
Accrued interest	38,060	-	102,405	-	-
Grants	-	-	1,233,036	185,162	185,162
Other fees	-	1,842,923	3,127,950	43,145	43,145
Leases	-	-	-	557,596	557,596
Gross receivables	38,060	1,917,169	11,156,438	785,903	785,903
Less: Allowances for uncollectible	-	(1,132,114)	(1,398,156)	-	-
Net total receivables	<u>\$ 38,060</u>	<u>\$ 785,055</u>	<u>\$ 9,758,282</u>	<u>\$ 785,903</u>	<u>\$ 785,903</u>

C. Leases Receivable

Primary Government - Business-Type Activities

The County has entered into lease agreements for properties at the Ohio County Airport with tenants operating commercial activities. The leases receivable is measured at the present value of the future minimum rent payments expected to be received during the estimated lease term, at an implied discount rate. The implied discount rate was determined based on an average of available financing during the year.

Details of the County's leases receivable and revenue for the year are as follows:

Tenant	Lease ending	Discount Rate	Lease Receivable	Lease Revenue	Interest Revenue
Superior Helicopter Services and Skyward Aviation	1/1/2049	4.5%	\$ 305,458	\$ 11,538	\$ 12,602
Fulcrum 29, LLC	7/31/2050	4.5%	252,138	9,035	10,414
			<u>\$ 557,596</u>	<u>\$ 20,573</u>	<u>\$ 23,016</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

C. Leases Receivable (Continued)

Primary Government - Business-Type Activities (Continued)

The County recognized \$20,573 of lease revenue and \$23,016 of interest revenue under the leases during the year, reported in the Sales and services to customers on the Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.

The schedule of future payments due to the County is as follows:

Year Ended	Interest	Lease	Total Lease
2024	\$ 25,074	\$ 1,036	\$ 26,110
2025	25,014	1,696	26,710
2026	24,923	2,387	27,310
2027	24,801	3,109	27,910
2028	24,646	3,864	28,510
2029-2033	118,929	43,121	162,050
2034-2038	104,385	86,990	191,375
2039-2043	79,234	139,856	219,090
2044-2048	40,447	210,823	251,270
2049-2051	2,596	64,715	67,310
Total	<u>\$ 470,049</u>	<u>\$ 557,596</u>	<u>\$ 1,027,645</u>

Component Unit - OCDA

The OCDA has entered into lease agreements for various properties within the Highlands with tenants operating commercial activities. These leases may include land only or both building and land. The leases receivable is measured at the present value of the future minimum rent payments expected to be received during the estimated lease term, excluding any lease extension options unless elected during the year, at an implied discount rate. The implied discount rate was determined based on the related property's existing debt agreements.

Details of the OCDA's leases receivable and revenue for the year are as follows:

Tenant	Lease ending	Discount Rate	Lease Receivable	Lease Revenue	Interest Revenue
Verizon	2/28/2023	4.0%	\$ -	\$ 54,011	\$ 827
WVU Medical Corp.	7/31/2024	4.0%	60,879	54,206	3,610
Sleep Outfitters	5/31/2024	4.0%	82,620	86,936	5,196
Panera Bread	10/18/2027	4.0%	557,740	124,259	24,829
Starbucks Corporation	2/28/2030	3.8%	392,100	55,905	15,858
Jersey Mike's Subs	12/31/2031	3.8%	296,342	33,739	11,818
Comcast Cable	8/31/2026	3.8%	354,269	105,574	15,461
Sport Clips	9/30/2027	3.8%	88,470	21,545	2,482

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

C. Leases Receivable (Continued)

Component Unit – OCDA (Continued)

Tenant	Lease ending	Discount Rate	Lease Receivable	Lease Revenue	Interest Revenue
Chipotle Mex. Grill	8/31/2030	3.8%	429,451	57,117	17,294
Retina Vitreous Consultants	12/31/2032	3.8%	499,730	52,159	8,073
Darden	12/1/2032	6.4%	766,953	97,811	30,825
Aspen Dental	12/31/2030	3.8%	305,840	87,454	18,369
Wesbanco Bank	11/30/2026	6.4%	925,158	48,004	30,071
Bob Evans	3/31/2026	6.4%	200,995	71,243	12,415
JC Penney	1/31/2028	4.0%	1,101,246	213,447	47,377
Kohls	1/31/2028	6.4%	793,358	169,751	46,272
Lamar Advertising	7/31/2032	6.4%	82,633	9,039	4,636
East Coast Metal Systems	3/31/2037	6.4%	2,503,549	198,458	114,829
Silgan Plastics	7/31/2027	8.5%	1,651,134	423,204	86,397
GJR Enterprises Inc.	2/28/2039	5.3%	1,881,194	116,683	92,366
Books A Million	1/31/2028	4.0%	1,020,242	214,916	45,144
Petco	1/31/2028	4.0%	1,103,887	232,536	48,846
TJ Maxx	9/30/2027	4.0%	938,547	213,194	41,872
Lane Bryant	1/31/2026	4.0%	174,285	65,666	8,325
Shoe Show	2/29/2028	4.0%	667,983	137,295	29,465
Rally House	12/31/2028	4.0%	442,513	47,281	9,274
Vacant (Old BB & B Final)	10/31/2022	4.0%	-	88,287	797
Habor Freight	3/31/2033	4.0%	1,745,466	14,846	-
Bath & Body Works	4/30/2029	4.0%	375,666	62,198	16,249
Old Navy	4/30/2026	4.0%	411,922	140,301	19,411
Once Upon A Child	4/30/2025	4.0%	145,924	74,375	7,419
Play It Again Sports	12/31/2027	4.0%	303,177	39,725	6,427
Quaker Steak & Lube	12/31/2029	6.4%	1,481,894	221,245	83,965
Best Buy	1/31/2024	6.4%	111,376	184,421	10,629
ICB Holdings LLC (Bannan)	10/31/2025	4.0%	211,310	84,015	10,241
Marra Knee & Shoulder	12/31/2025	4.0%	145,369	55,193	6,996
Highmark	12/31/2022	4.0%	-	176,668	2,101
Blue Racer Midstream, LLC	8/31/2024	4.0%	216,436	178,951	12,530
Hahn Medical	10/31/2023	4.0%	50,066	144,851	5,191
Bubba's Burgers	4/30/2026	4.0%	282,492	85,260	12,595
AT&T Call Center	6/30/2023	4.0%	-	224,500	4,975
Equinor USA Onshore Prop. Inc.	1/31/2024	4.0%	22,733	36,900	1,724
Amedisys	4/30/2025	4.0%	104,835	55,169	5,371
Marquee Cinemas	8/7/2028	4.0%	2,781,882	443,288	128,992
TSG	10/31/2027	6.4%	273,705	61,893	16,042
Sokolin	2/28/2027	6.4%	129,468	33,691	7,654
Cardinal Pediatrics	10/31/2026	6.4%	75,331	21,336	4,487
Howards Diamond Center	11/30/2026	6.4%	171,872	49,146	10,323

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

C. Component Unit - OCDA - Leases Receivable (Continued)

Tenant	Lease ending	Discount Rate	Lease Receivable	Lease Revenue	Interest Revenue
Army National Guard	11/30/2023	6.4%	19,012	43,511	2,138
Dicarlos	11/30/2025	6.4%	67,039	27,007	4,223
H&R Block	4/30/2024	6.4%	21,615	23,721	1,747
West Liberty University	4/30/2024	6.4%	-	168,750	6,215
First Settlement PT, Inc.	2/28/2025	6.4%	80,448	46,857	5,437
Tony's Spa	6/30/2028	6.4%	204,891	42,413	12,918
The Bower Decor Market	10/31/2027	6.4%	131,184	28,574	7,675
NiNi's Treasures	6/30/2027	6.4%	201,434	48,379	12,930
Clutch Gaming	7/1/2028	6.4%	145,662	-	-
Fore Seasons Golf, LLC	3/31/2025	6.4%	46,189	24,566	3,057
			<u>\$ 27,279,516</u>	<u>\$ 5,921,470</u>	<u>\$ 1,202,390</u>

The OCDA recognized \$5,921,470 of lease revenue and \$1,202,390 of interest revenue under the leases during the year, reported in the charges for services on the Statement of Activities.

Lease termination for most tenants is generally limited to uncured performance failures, insufficient repairs and other required items not being provided and then going uncured for a defined time period, as stated in each lease.

Other termination options include certain leases requiring annual termination option from industry regulators and co-tenancy violations allowing the tenant to have an option to terminate.

The schedule of future payments due to the OCDA is as follows:

Year Ended	Interest	Lease	Total Lease
2024	\$ 1,265,189	\$ 4,574,100	\$ 5,839,289
2025	1,040,476	4,545,623	5,586,099
2026	814,178	4,444,730	5,258,908
2027	599,331	4,029,320	4,628,651
2028	420,232	2,730,499	3,150,731
2029-2033	1,034,069	5,181,556	6,215,625
2034-2038	249,630	1,658,370	1,908,000
2039	2,282	115,318	117,600
Total	<u>\$ 5,425,387</u>	<u>\$ 27,279,516</u>	<u>\$ 32,704,903</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital assets as of June 30, 2023 are as follows:

	Primary Government			
	Beginning balance	Increases	Decreases	Ending balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,499,880	\$ -	\$ -	\$ 6,499,880
Construction in progress	1,096,720	560,962	(153,376)	1,504,306
Total capital assets not being depreciated	<u>\$ 7,596,600</u>	<u>\$ 560,962</u>	<u>\$ (153,376)</u>	<u>\$ 8,004,186</u>
Capital assets being depreciated and amortized:				
Building and improvements	\$ 10,439,381	\$ 60,458	\$ -	\$ 10,499,839
Machinery, equipment and vehicles	12,548,845	621,385	(104,456)	13,065,774
Right to use leased asset – equipment and vehicles	11,423,534	-	-	11,423,534
Total accumulated depreciation	(15,400,158)	(787,214)	99,233	(16,088,139)
Total accumulated amortization	<u>(7,666,680)</u>	<u>(1,188,849)</u>	<u>-</u>	<u>(8,855,529)</u>
Total capital assets being depreciated and amortized, net	<u>\$ 11,344,922</u>	<u>\$ (1,294,220)</u>	<u>\$ (5,223)</u>	<u>\$ 10,045,479</u>
Total	<u><u>\$ 18,941,522</u></u>	<u><u>\$ (733,258)</u></u>	<u><u>\$ (158,599)</u></u>	<u><u>\$ 18,049,665</u></u>

Depreciation and Amortization Expense –Current

Depreciation and amortization expense was charged to governmental activities of the County as follows:

General government	\$ 365,534
Public safety	<u>1,610,529</u>
Total	<u><u>\$ 1,976,063</u></u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

	Primary Government			
	Beginning balance	Increases	Decreases	Ending balance
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 2,508,641	\$ -	\$ -	\$ 2,508,641
Construction in progress	1,247,425	1,374,972	-	2,622,397
Total capital assets not being depreciated	<u>\$ 3,756,066</u>	<u>\$ 1,374,972</u>	<u>\$ -</u>	<u>\$ 5,131,038</u>
Capital assets being depreciated:				
Land improvements	\$ 53,475	\$ -	\$ -	\$ 53,475
Buildings and improvements	1,484,650	17,580	-	1,502,230
Other improvements	15,567,425	12,903	-	15,580,328
Machinery, equipment, and vehicles	864,199	51,026	-	915,225
Total accumulated depreciation	<u>(11,047,931)</u>	<u>(668,500)</u>	<u>-</u>	<u>(11,716,431)</u>
Total capital assets being depreciated, net	<u>\$ 6,921,818</u>	<u>\$ (586,991)</u>	<u>\$ -</u>	<u>\$ 6,334,827</u>
Total	<u>\$ 10,677,884</u>	<u>\$ 787,981</u>	<u>\$ -</u>	<u>\$ 11,465,865</u>

Depreciation Expense – Current

Depreciation expense was charged to business-type activities of the County as follows:

Public Improvement	<u>\$ 668,500</u>
Total	<u>\$ 668,500</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

	Component Unit - OCDA			
	Beginning balance - as restated	Increases	Decreases	Ending balance
Component Unit:				
Capital assets not being depreciated:				
Land	\$ 41,439,054	\$ 2,400,000	\$ -	\$ 43,839,054
Construction in progress	5,539,836	884,271	(851,048)	5,573,059
Total capital assets not being depreciated	<u>\$ 46,978,890</u>	<u>\$ 3,284,271</u>	<u>\$ (851,048)</u>	<u>\$ 49,412,113</u>
Capital assets being depreciated and amortized:				
Buildings	\$ 132,833,354	\$ 862,477	\$ -	\$ 133,695,831
Right to use leased asset - building	115,043	-	-	115,043
Land improvements	16,943,518	-	-	16,943,518
Infrastructure	6,590,361	-	-	6,590,361
Equipment and vehicles	6,234,312	6,650	-	6,240,962
Right to use leased asset - equipment	42,120	-	(42,120)	-
Total accumulated depreciation	(38,816,958)	(4,401,942)	-	(43,218,900)
Total accumulated amortization	<u>(30,670)</u>	<u>(13,120)</u>	<u>34,398</u>	<u>(9,392)</u>
Total capital assets being depreciated and amortized, net	<u>\$ 123,911,080</u>	<u>\$ (3,545,935)</u>	<u>\$ (7,722)</u>	<u>\$ 120,357,423</u>
Total	<u>\$ 170,889,970</u>	<u>\$ (261,664)</u>	<u>\$ (858,770)</u>	<u>\$ 169,769,536</u>

Depreciation and Amortization Expense – Current

Depreciation and amortization expense was charged to component unit activities of the County as follows:

Economic development fund	\$ 3,239,461
Sports venues fund	<u>1,175,601</u>
Total	<u>\$ 4,415,062</u>

Construction in Progress

The County utilizes construction in progress for unfinished projects. In addition to ongoing construction projects, the County includes equipment for cruisers as construction in progress if the cruisers have not arrived and the equipment is not in use. Once the cruisers have arrived and all equipment has been installed, the cruisers will be booked as a permanent asset and depreciated as one unit according to the depreciation schedule.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

Construction in progress assets at year-end include:

Governmental activities

Project/Description	Spent-to-Date	Additional commitment	Funding
Energy savings building project – Portico/HVAC/Lighting	\$ 1,238,155	\$ 12,000,000	Local/Bond funds
Radio tower – Tower upgrades	\$ 4,300	\$ 20,000	Local
Animal shelter roof – Roof Replacement	\$ 232,791	\$ 2,200	Local/ ARPA
Cruisers – Cruiser purchase and equipment	\$ 29,060	\$ 44,000	Local

Business-type activities

Project/Description	Spent-to-Date	Additional commitment	Funding
Other improvements – Airport runway rehab	\$ 2,622,397	\$ 1,700,000	Federal/State/Local

Component unit

The OCDA has active construction projects including the development of property for commercial use in the area known as the Highlands. These projects were funded by contributions from the County, loan proceeds and the proceeds from the issuance of revenue bonds. The amounts for component unit activities spent-to-date are as follows:

Project	Spent-to-Date	Additional commitment
Buildings	\$ 434,030	\$ -
Recreation center	251,374	-
Site work	586,964	-
Access roads	4,300,691	-
	<u>\$ 5,573,059</u>	<u>\$ -</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due from/to other funds: Receivable Fund	Payable Fund	Amount
General fund	ARPA	\$ 1,890
General fund	Airport capital improvement	180,000
General fund	Nonmajor governmental funds	304,980
General fund	Public improvement	50
Nonmajor governmental funds	General fund	7
Airport capital improvement fund	Public improvement	61,634
		<u>\$ 548,561</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

The composition of interfund transfers as of June 30, 2023, is as follows:

Interfund Transfers:		
Fund transferred in to:	Fund transferred out of:	Amount
General fund	Nonmajor governmental fund	\$ 702,257
General fund	Ohio County building commission	129,309
Airport capital improvement	Public improvement	64,417
Public improvement	General fund	450,000
Public Improvement	Airport capital improvement	1,374,972
Develop district debt service	Develop district excise tax	15,827,108
Develop district debt service	TIF	2,719,958
Develop district debt service	Develop district debt service	10,000
TIF	General Fund	395,051
Nonmajor governmental fund	Nonmajor governmental fund	178,418
	T	<u>\$ 21,851,490</u>

F. Lease liabilities

The County has entered into the following lease agreements:

Collateral	Maturity Date	Interest Rate	Issued	Balance at June 30, 2023
Communication Radios	2/13/2027	6.95%	\$ 400,000	\$ 137,083
Communication Radios	2/13/2027	4.75%	\$ 800,000	251,121
Law Enforcement Vehicles	12/7/2023	3.69%	\$ 583,421	62,327
Law Enforcement Vehicles	7/23/2025	1.44%	\$ 750,000	378,224
Law Enforcement Vehicles	2/19/2026	2.95%	\$ 66,130	40,849
Equipment	11/1/2028	1.62%	\$ 4,303,720	2,664,739
				<u>\$ 3,534,343</u>

The County's minimum lease payment obligations are as follows:

Year	Amount
2024	\$ 820,096
2025	756,720
2026	675,036
2027	548,895
2028	939,284
Total minimum lease payments	<u>3,740,031</u>
Less: Amount representing interest	<u>(205,688)</u>
Present value of minimum lease payments	<u>\$ 3,534,343</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt

Revenue Bonds – Primary Government – Governmental Activities

The County issued direct placement revenue bonds for the purpose of financing economic development within the County. The County issued two types of bonds that reflect the income used to pay the debt service of the bonds.

The first type issued was the SDEX bonds in which a district excise tax assessed on retail sales (excise tax simply replaces sales tax) within the Highlands Economic Development District is used to make debt service payments.

The second type issued was a property tax increment financing (TIF) bond, where property tax assessed on parcels located in and around the Highlands are used to make the debt service payments. Both types of bonds are a limited obligation of the County and the County has no obligation to pay any of the debt service in the event that the SDEX tax and TIF property tax revenues are not sufficient to pay debt service. The district excise tax and the property TIF revenue have been pledged to secure the SDEX and TIF debt. The accounting for these revenue bonds has resulted in negative total net position on the Statement of Net Position, primarily because the proceeds of the bond issues have been expensed as Economic Development Contributions as they have been contributed to the Ohio County Development Authority in prior periods.

These revenue bonds are special, limited obligations of the County and are payable solely from the revenue sources that have been pledged. The bonds do not constitute general obligations of the County and therefore are payable only if the pledged tax revenue is collected.

The County's revenue bonds from direct placement contain a no acceleration clause that does not allow the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurred.

The SDEX Series 2006 A-1 and A-2 Bonds mature between March 1, 2024 and March 1, 2035 and bear an interest rate of 8.25%. The outstanding balances at June 30, 2023 were \$28,930,000 and \$5,760,000, respectively.

In August 2016, the County issued Property TIF bonds to refund outstanding bonds and fund additional projects. The issuance totaling \$26,455,000 was an advanced refunding of the 2005A Property TIF, the 2007A Property TIF bonds and the 2008A Property TIF bonds. The June 30, 2023 balance of the 2016 Property TIF Bonds is \$17,715,000 maturing between June 1, 2025 and June 1, 2034 with interest rates ranging from 3.00% to 6.5%.

In March 2018, the County issued additional SDEX bonds in the amount of \$40,495,000 to refinance \$18,600,000 of the SDEX Series 2011 A bonds and \$19,340,000 of the SDEX Series 2012 A bonds. For accounting purposes, the bonds are shown as defeased due to the funding being held in a restricted escrow account for the sole purpose to extinguish the debt. The June 30, 2023 balance of the SDEX Series 2018 Bonds is \$32,125,000 maturing between March 1, 2024 and March 1, 2036 with interest rates ranging from 3.83% to 5.25%.

In September 2019, the County issued additional SDEX bonds in the amount of \$67,975,000 to refinance \$2,590,000 of the SDEX Series 2011 B bonds, \$11,530,000 of the SDEX Series 2014 A bonds, \$7,700,000 of the SDEX series 2016 A bonds, \$16,425,000 of the SDEX Series 2016 B bonds, \$7,700,000 of the SDEX Series 2015 A BANs and \$3,620,000 of the SDEX Series 2015 B BANs and fund additional projects. The June 30, 2023 balance of the SDEX Series 2019 A and B Bonds were \$32,825,000 and \$20,620,000, respectively maturing between March 1, 2024 and March 1, 2041 with interest rates ranging from 2.20% to 4.00%. The SDEX 2019 A bonds are subject to extraordinary mandatory redemption that requires certain payments on certain series of bonds, based on annual debt service ratio calculations.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Revenue Bonds – Primary Government – Governmental Activities (Continued)

In December 2022, the Ohio County Building Commission issued Series 2022A and Series 2022B Lease Revenue Bonds in the amount of \$12,000,000 to finance the energy savings building project of the Ohio County-City Building. The Lease Revenue Bonds Series 2022A and 2022B mature between December 1, 2026 and December 1, 2037 and bear interest rates of 4% and 4.94%, respectively. The outstanding balances at June 30, 2023 were \$10,000,000 and \$80,268, respectively.

Revenue Bonds outstanding at year end and activity during the year are as follows:

Description	Primary Government			Balance June 30, 2023
	Balance June 30, 2022	Issued	Retired	
2006A-1 SDEX Bonds	\$ 30,585,000	\$ -	\$ (1,655,000)	\$ 28,930,000
2006A-2 SDEX Bonds	5,975,000	-	(215,000)	5,760,000
2016 Property TIF Bonds	19,025,000	-	(1,310,000)	17,715,000
2018 SDEX Bonds	34,080,000	-	(1,955,000)	32,125,000
2019A SDEX Bonds	32,825,000	-	-	32,825,000
2019B SDEX Bonds	25,435,000	-	(4,815,000)	20,620,000
Lease Revenue Bonds 2022A	-	10,000,000	-	10,000,000
Lease Revenue Bonds 2022B	-	80,268	-	80,268
Primary Government	147,925,000	10,080,268	(9,950,000)	148,055,268
Total Revenue Bonds				
Debt discounts	(1,680,772)	-	108,680	(1,572,092)
Debt premiums	271,303	-	(21,833)	249,470
Primary Government				
Total Revenue Bonds, net	<u>\$ 146,515,531</u>	<u>\$ 10,080,268</u>	<u>\$ (9,863,153)</u>	<u>\$ 146,732,646</u>

Unamortized Debt Discount and Premium

The SDEX Series 2006 A-1 and A-2, and SDEX Series 2019 A and B bonds were issued at a discount. The 2016 Property TIF and SDEX Series 2018 bonds were issued at a premium. These amounts are being amortized on the outstanding principal balance method. The unamortized debt discounts and premiums are included on the Statement of Net Position, netted against the current and long term revenue bonds payable.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Revenue Bonds – Primary Government – Governmental Activities (Continued)

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities			
	Privately Placed Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 5,670,000	\$ 7,074,845	\$ 80,268	\$ 401,983
2025	5,960,000	6,783,808	-	400,000
2026	6,275,000	6,466,658	-	400,000
2027	6,615,000	6,129,658	383,000	400,000
2028	6,980,000	5,765,783	752,000	373,500
2029-2033	41,860,000	21,851,460	4,249,000	1,383,280
2034-2038	46,385,000	9,229,873	4,616,000	450,970
2039-2041	18,230,000	1,015,400	-	-
Totals	<u>\$137,975,000</u>	<u>\$ 64,317,482</u>	<u>\$ 10,080,268</u>	<u>\$ 3,809,733</u>

Revenue Bonds and Privately Placed Bonds – Component Unit

The OCDA issued bonds where the OCDA pledges income derived from lease payments to pay debt service.

Series 2011 A Water

The proceeds of these bonds are being used to construct additions, betterments and improvements to the water lines, a water storage tank and pumping station to support the businesses of The Highlands. The bonds are secured by the pledge of lease payments, which are required to be in sufficient amount to pay principal and interest on the bonds. The debt service schedule for these bonds is presented with the other direct borrowings of the OCDA since these are privately placed bonds. The bonds mature on December 1, 2032 with an interest rate of 3.0%

Series 2018 Sports Complex

The proceeds of these bonds are being used to construct a public sports complex at The Highlands. The bonds are secured by an agreement with the Primary Government to make annual lease payments, which are required to be in an amount sufficient to pay the principal and interest on the bonds. The bonds mature between September 1, 2023 and 2048 with interest rates ranging between 4.00% and 5.00%

Description	Component Unit			Balance June 30, 2023
	Balance June 30, 2022	Issued	Retired	
Series 2018-Sports Complex	\$ 28,510,000	\$ -	\$ (560,000)	\$ 27,950,000
Series 2011 A- Water	525,057	-	(78,824)	446,233
Total Revenue Bonds	<u>\$ 29,035,057</u>	<u>\$ -</u>	<u>\$ (638,824)</u>	<u>\$ 28,396,233</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Revenue Bonds and Privately Placed Bonds – Component Unit (Continued)

Unamortized Debt Discount

The Series 2018 - Sports Complex bonds were issued at a discount. These amounts are being amortized on the outstanding principal balance method. The unamortized debt discount was \$562,641 and is included on the Statement of Net Position, netted against the current and long term bonds payable.

Revenue Bonds – Pledged Lease Revenue

In 2018, the OCDA entered into a lease agreement with the Primary Government in order to secure the principal and interest payments to repay \$30,000,000 in Sports Complex bonds. The agreement provides that the OCDA has retained the right to operate the Sports Complex. As a result, the lease agreement does not meet lease recognition standards as promulgated by GASB (as the Primary Government does not have the right to use the facilities). No lease receivable has been recorded by the OCDA. However, based on the agreement, the Primary Government has agreed to make annual payments (subject to an appropriation approved by the County Commission) to the OCDA. Although referred to as lease payments under the agreement the payments are considered under GASB to be operating contributions to the OCDA.

The bond proceeds provide financing to construct a public sports complex at The Highlands. The bonds are secured through the annual payments mentioned above and are payable through September 1, 2048. The total principal and interest remaining to be paid on the bonds is \$49,488,096. The debt service requirements for the bond for the current period are \$1,916,173 which is comprised of \$580,000 of principal and \$1,336,173 of interest. Contributions in the form of monthly payments, described in the agreement as lease payments, from the primary government to the OCDA covered the debt service requirements for the current period.

Revenue Bond – Pledged Lease Revenues

The Series 2011 A - Water bonds were privately placed with the WV Water Development Authority for \$1,600,000. The loan shares a first lien with Wesbanco Bank front lots and is secured by real property and certain rents, leases and other revenue associated with the Highlands. The same pledged future lease revenue, net of specific operating expenses, is also securing a previously issued note (prior obligation since modified) with an outstanding principal of \$9,091,503 along with a line of credit with \$2,000,000 available. Annual principal and interest payments on the bond and associated note are expected to require less than 75% of the assigned rent revenues. The total principal and interest remaining to be paid on the bonds is \$548,242. The debt service requirements for the bond and note for the current period are \$1,496,242 which is comprised of \$658,560 of principal and \$588,308 of interest plus an additional \$249,374 (20% of the debt service for the bonds and the prior obligations are required per the bond ordinance). Default conditions include the failure to pay an installment when due to the WV WDA or Wesbanco Bank shared lien loan and full payment may be a remedy for default.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Revenue Bonds and Privately Placed Bonds – Component Unit (Continued)

Privately placed bond and revenue bond debt service requirements to maturity are as follows:

Year Ended	Component Unit			
	Privately Placed Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 81,215	\$ 25,461	\$ 580,000	\$ 1,336,173
2025	83,679	22,997	605,000	1,312,473
2026	86,218	20,458	630,000	1,287,773
2027	88,834	17,842	655,000	1,261,254
2028	91,528	15,147	680,000	1,232,885
2029-2033	14,759	104	3,885,000	5,672,683
2034-2038	-	-	4,890,000	4,639,480
2039-2043	-	-	6,235,000	3,256,875
2044-2048	-	-	9,790,000	1,538,500
Totals	<u>\$ 446,233</u>	<u>\$ 102,009</u>	<u>\$ 27,950,000</u>	<u>\$ 21,538,096</u>

Notes Payable – Direct Borrowing – Component Unit

The OCDA entered into loan agreements with local banks and governmental agencies to finance various economic development activities. A description of this loan activity is as follows:

Purpose	Maturity Date	Interest Rates	Issued	Retired	Balance June 30, 2023
Wesbanco Bank- New Front Lots	9/30/2034	Variable - SWAP rate plus 2.75%	\$ 13,400,000	\$ 4,308,497	\$ 9,091,503
Wesbanco Bank- Silgan Warehouse	11/27/2032	Variable - Prime rate reported daily in the Wall Street Journal	5,000,000	2,656,485	2,343,515
Wesbanco Bank- ECM	4/3/2032	Variable SWAP rate plus 3.64%	3,054,000	862,633	2,191,367
Wesbanco Bank- ECM Equipment	9/19/2024	Variable - Prime rate reported daily in the WSJ, plus .95% per annum	1,149,989	915,492	234,497
Wesbanco Bank- OCDA IV	10/29/2041	Variable – Five (5) year treasury plus 3.20% annum	2,160,000	123,777	2,036,223
Wesbanco Bank- OCDA V	10/29/2041	Variable – Five (5) year treasury plus 3.20% annum	1,840,000	105,428	1,734,572
Wesbanco Bank-New Group Loan	3/28/2037	Fixed 3.99% (Year 1-3) Five (5) year treasury rate plus 3.20% annum (Years 4 – Final)	18,900,000	1,195,470	17,704,530

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Notes Payable – Direct Borrowing – Component Unit (Continued)

Community- Construction	7/28/2037	Variable - Prime rate reported daily in the WSJ, plus .5% per annum	2,799,398	587,559	2,211,839
WV Infrastructure Council	6/1/2029	Fixed 3.00%	3,000,000	1,914,816	1,085,184
Total notes payable			<u>\$ 51,303,387</u>	<u>\$ 12,670,157</u>	<u>\$ 38,633,230</u>

Notes payable – direct borrowings debt service requirements to maturity are as follows:

Year Ended	Principal	Interest*
2024	\$ 2,511,123	\$ 1,949,965
2025	2,462,180	1,822,076
2026	2,573,930	1,676,366
2027	2,626,792	1,623,208
2028	2,773,300	1,476,479
2029-2033	15,341,875	4,881,308
2034-2038	9,477,562	1,048,389
2039-2042	866,468	54,900
Totals	<u>\$ 38,633,230</u>	<u>\$ 14,532,691</u>

* The interest portion of the debt service requirements to maturity (as noted above) is based on the bank's interest rates in effect as of June 30, 2023.

Collateral and significant default and termination events with finance related consequences.

The above listed notes and loans contain provisions in their agreements with lenders which provide for the security (collateral) for the borrowing as well as default provisions and/or termination events with finance-related consequences for the government. Furthermore, agreements may have subjective loan acceleration clauses. The following provides a description of the significant conditions present in the agreements.

Wesbanco Bank

The following default events are present for loan and note agreements with Wesbanco Bank.

Nonpayment - Borrower fails to make a payment when due and such default is not cured within 10 days.

Representation and Warranty - Any representation or warranty made by the borrower shall prove to be false or misleading.

Affirmative and Negative Covenant's - Borrower shall default in the performance of term, covenant, agreement or condition contained in portions of the agreement.

Bankruptcy or Other Insolvency - Borrower is subject to any bankruptcy, insolvency, reorganization, arrangement, debt adjustment or liquidation proceedings.

Debt Service Account/ Ratios - Borrower is required to maintain a debt service account or maintain specific debt service ratios.

Adverse Change - A material adverse change occurs in the Borrower's financial Condition, or Lender believes the prospect of payment or performance of the Loan is impaired (subjective acceleration clause).

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Notes Payable – Direct Borrowing – Component Unit (Continued)

Wesbanco Bank (Continued)

The following chart list the Wesbanco individual loans and which default events apply to the loans:

	New Front Lots	Silgan Warehouse	ECM/ ECM Equipment	OCDA IV and OCDA V	New Group Loan
Nonpayment	Yes	Yes	Yes	Yes	Yes
Representation and Warranty	Yes	Yes	Yes	Yes	Yes
Affirmative and Negative Covenants	Yes	Yes	Yes/No	No	No
Bankruptcy or Other Insolvency	Yes	Yes	Yes	Yes	Yes
Debt Service Account/Ratios	Yes	Yes	No/Yes	Yes	Yes
Adverse Change	No	No	No/Yes	Yes	Yes

The adverse change language has a default event which is considered a subjective acceleration clause.

Debt Service Accounts/Ratios - The following debt service accounts/ratios are present in the agreements:

New Front Lots- Debt service coverage ratio of 1.20 to 1.0 for the duration of the loan. Real Estate Project Specific Debt Service Coverage ratio of 1.15 to 1.0, which is specific to the project financed.

Silgan Warehouse - Debt service coverage ratio of 1.40 to 1.0 for the duration of the loan.

ECM Equipment - Debt service coverage ratio of 1.20 (rental income from tenant) to annual debt service.

OCDA IV and OCDA V – Debt service coverage ratio of 1.20 (rental income from tenant) to annual debt service.

New Group Loan – Debt service coverage ratio of 1.20 (rental income from tenant; global Highlands) to annual debt service.

The following default remedies are present for loan and note agreements with Wesbanco Bank:

Default Interest Rate - Note interest rate shall be increased by 2% until the default is cured.

Accelerated Payment - All remaining principal and accrued interest on the loan may be declared due by the Bank.

Set-Off - Any and all moneys in the hands of the bank on deposit or otherwise belonging to OCDA shall be subject to set-off by the Bank against any of the indebtedness of the Borrower.

Collateral Rights - Bank may exercise rights associated with collateral assignments made by the borrower including, but not limited to, the assignment of leases and rent and liens on real and personal property.

The following chart list the Wesbanco Bank individual loans and which default remedies apply:

	New Front Lots	Silgan Warehouse	ECM/ EMC Equipment	OCDA IV and OCDA V	New Group Loan
Default Interest Rate	Yes	Yes	Yes	Yes	Yes
Accelerated Payment	Yes	Yes	Yes	Yes	Yes
Set-Off	Yes	Yes	Yes	Yes	Yes
Collateral Rights	Yes	Yes	Yes	Yes	Yes

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Notes Payable – Direct Borrowing – Component Unit (Continued)

Wesbanco Bank (Continued)

The following chart denotes the collateral associated with the individual loans:

New Front Lots- 36.565 acres of property including developed property and Lot 5, which is 14.3 acres of undeveloped property held by the OCDA in the development area. Assignment of lease, rents and accounts receivable of 23 properties in the area along with assignment of sublease rents of 4 properties.

Silgan Warehouse- 5.22 acres of industrial property and the building constructed there. Assignment of all leases and rents relating to the project and any future leases of the real property.

ECM - 6 acres of industrial property. Assignment of all leases and rents relating to the project and any future leases of the real property.

ECM Equipment - UCC-1 on Equipment Purchased. Assignment of Equipment Lease.

OCDA IV – Retail Commercial Building IV. Assignment of all leases and rents relating to the project and any future leases of the real property.

OCDA V – Retail Commercial Building V. Assignment of all leases and rents relating to the project and any future leases of the real property.

New Group Loan - Assignment of lease, rents and accounts receivable of the following: OCDA "JC Penney" area which is approximately 6.94 acres of property, OCDA "Building III" area which is approximately 17,800 square feet of retail outlets, OCDA "Power Center" area which is approximately 153,225 square feet of retail outlets, and OCDA "Town Center" area which is approximately 19 acres consisting of retail shopping, office space and medical offices.

Community Bank

The note with Community Bank, with a balance of \$2,211,839, provides that in the event of default all indebtedness may become due at the bank's discretion. The bank may also exercise its collateral rights with respect to the indebtedness. Default events include the failure to make a payment when due; insolvency conditions; false statements; and the failure to comply with a term, covenant, or condition of the agreement. The agreement also contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become due immediately if the lender determines that a material adverse change occurs. If a default occurs the Bank may increase the interest rate of the loan by 10% until the default is cured. The loan is secured by 5 acres of industrial property, primarily the Kalkreuth warehouse, and the assignment of all lease, rent or other revenue in the developed area.

WV Infrastructure Council

The loan with the WV Infrastructure Council, with a balance of \$1,085,184, provides that in the event of default all indebtedness may become due at the Council's discretion. The Council may also exercise its collateral rights with respect to the indebtedness. Default events include the failure to make a payment when due; insolvency conditions; false statements; and the failure to comply with a term, covenant, or condition of the agreement. The note with the WV Infrastructure Council is secured through the assignment of leases, rents and accounts receivable in the "town center" area which is approximately 19 acres consisting of retail shopping, office space and medical offices. The collateral is shared first with Wesbanco.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Changes in General Long-Term Liabilities

Primary Government - Governmental Activities - Revenue Bonds					
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Bonds payable					
Bonds payable	\$ 147,925,000	\$ 10,080,268	\$ (9,950,000)	\$ 148,055,268	\$ 5,750,268
Premiums	271,303	-	(21,833)	249,470	21,835
Discounts	(1,680,772)	-	108,680	(1,572,092)	(108,682)
Total bonds payable, net	146,515,531	10,080,268	(9,863,153)	146,732,646	5,663,421
Governmental activities revenue bond debt	<u>\$ 146,515,531</u>	<u>\$ 10,080,268</u>	<u>\$ (9,863,153)</u>	<u>\$ 146,732,646</u>	<u>\$ 5,663,421</u>

Primary Government - Governmental Activities - Other Long-term Liabilities					
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Net OPEB liability	\$ -	\$ 96,362	\$ -	\$ 96,362	\$ -
Compensated absences	495,384	44,306	(83,349)	456,341	-
Lease liabilities	4,335,122	-	(800,779)	3,534,343	750,983
Net pension liability	-	1,701,307	-	1,701,307	-
Governmental activities other long-term liabilities	<u>\$ 4,830,506</u>	<u>\$ 1,841,975</u>	<u>\$ (884,128)</u>	<u>\$ 5,788,353</u>	<u>\$ 750,983</u>

Primary Government - Business-Type Activities - Other Long-term Liabilities					
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Net OPEB liability	\$ -	\$ 22,603	\$ -	\$ 22,603	\$ -
Compensated absences	29,113	-	(11,996)	17,117	-
Net pension liability	-	25,390	-	25,390	-
Business-type activities other long-term liabilities	<u>\$ 29,113</u>	<u>\$ 47,993</u>	<u>\$ (11,996)</u>	<u>\$ 65,110</u>	<u>\$ -</u>

Component Unit - Ohio County Development Authority (OCDA)					
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Notes payable - direct borrowings	\$ 41,079,482	\$ -	\$ (2,446,252)	\$ 38,633,230	\$ 2,511,123
Revenue bonds - privately placed	525,057	-	(78,824)	446,233	81,215
Bonds payable	28,510,000	-	(560,000)	27,950,000	580,000
Bonds payable discount	(584,997)	-	22,356	(562,641)	(22,357)
Component unit long- term liabilities related to borrowings	<u>\$ 69,529,542</u>	<u>\$ -</u>	<u>\$ (3,062,720)</u>	<u>\$ 66,466,822</u>	<u>\$ 3,149,981</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Changes in General Long-Term Liabilities (Continued)

	Component Unit - Ohio County Development Authority (OCDA)				
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Lease liabilities	\$ 120,679	\$ -	\$ (11,630)	\$ 109,049	\$ 2,977
Net pension liability	-	105,473	-	105,473	-
Long term advance	997,000	-	-	997,000	-
Component unit long-term liabilities related to other liabilities	\$ 1,117,679	\$ 105,473	\$ (11,630)	\$ 1,211,522	\$ 2,977

H. Line of Credit – Component Unit

The Authority entered into a line of credit agreement with a local bank for \$2,000,000 to finance various economic development activities. The collateral pledged on the line of credit is shared with the Wesbanco Bank New Front Lots note payable described in Note IV. G. The balance is payable on demand. The interest rate is the prime rate reported in the Wall Street Journal, fluctuating monthly. As of June 30, 2023 there was no outstanding balance on the line of credit.

I. Conduit Debt

The County is the conduit issuer of bonds held on behalf of Linsly School. The outstanding Series consists of the Series 2012 Educational Facilities Revenue Bonds. These bonds were issued for the acquisition, construction, and equipping of various new facilities, the renovation of certain facilities, the repair of certain roadways, and certain other capital improvements, together with all appurtenant facilities, for Linsly School. The June 30, 2023 outstanding balance on the Series 2012 is \$2,549,259. The County has no obligation for this debt.

The County also issued bonds on behalf of Welty Village, LC. The purpose of these funds was to design, acquire, construct, and equip a townhome development for the elderly. The June 30, 2023 outstanding balance for the 2015 Series Bonds is \$3,499,972. The County has no obligation for this debt.

J. Standby Letters of Credit

The County has two irrevocable standby letters of credit in the amounts of \$3,283,318 and \$1,029,119 to replace the balances in the reserve accounts for the SDEX Series 2006 A Bonds, the SDEX Series 2018 Bonds and the SDEX 2019 A and B Bonds. The substituted standby letters of credit permitted the County to use the reserve accounts for project costs within the Development District. Both standby letters of credit contain provisions that allow for the automatic extension of the letters unless at least 60 days notice is provided by the financial institution. Both standby letters of credit automatically renew each year. Any advances made would bear an interest rate equal to the prime rate. Advances made on the letters of credit would be necessary in the event that there was not sufficient special district excise tax revenue to make scheduled debt service payments. No draws were made on these letters of credit during the year or up to the date of our report. Fees paid to renew the standby letters of credit totaled \$45,669.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

K. Deferred Outflows/Inflows of Resources

OPEB items – Below summarizes the deferred outflows/inflows of resources:

Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total OPEB Items
Net difference between projected and actual earnings on OPEB plan investments	\$ 14,957	\$ 3,509	\$ 18,466
Changes in proportion and differences between government contributions and proportionate share of contributions	261,550	61,351	322,901
Changes of assumptions	61,797	14,496	76,293
Governmental contributions subsequent to the measurement date	110,511	13,702	124,213
OPEB items	<u>\$ 448,815</u>	<u>\$ 93,058</u>	<u>\$ 541,873</u>

Deferred Inflows of Resources	Governmental Activities	Business-Type Activities	Total OPEB Items
Difference between expected and actual experience	\$ 122,928	\$ 28,835	\$ 151,763
Changes of assumptions	244,838	57,431	302,269
Reallocation of opt-out employer change in proportionate share	166	39	205
OPEB items	<u>\$ 367,932</u>	<u>\$ 86,305</u>	<u>\$ 454,237</u>

Pension items – Below summarizes the deferred outflows/inflows of resources:

Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total Pension Items
Net difference between projected and actual earnings on pension plan investments	\$ 407,176	\$ 15,310	\$ 422,486
Difference between expected and actual experience	542,501	9,741	552,242
Changes in proportion and differences between government contributions and proportionate share of contributions	57,530	3,030	60,560
Changes of assumptions	646,518	16,712	663,230
Governmental contributions subsequent to the measurement date	707,684	28,130	735,814
Pension items	<u>\$ 2,361,409</u>	<u>\$ 72,923</u>	<u>\$ 2,434,332</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

K. Deferred Outflows/Inflows of Resources (Continued)

Deferred Inflows of Resources	Governmental Activities	Business-Type Activities	Total Pension Items
Difference between expected and actual experience	\$ 56,558	\$ -	\$ 56,558
Changes of assumptions	13,790	-	13,790
Changes in proportion and differences between government contributions and proportionate share of contributions	96,821	23	96,844
Pension items	<u>\$ 167,169</u>	<u>\$ 23</u>	<u>\$ 167,192</u>

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to remain intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provision or enabling legislation.

Committed - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners remove or change the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the County Commissioners separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by County Commissioners or a County official delegated that authority by County Charter or ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

L. Fund Balance (Continued)

Fund Balances	General	Coal Severance	TIF	SDEX	Debt Service	ARPA	Airport Capital Improvement	Ohio County Building Commission	Nonmajor Government	Total
Restricted for:										
Animal control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,158	\$ 150,158
Coal reallocation	-	-	-	-	-	-	-	-	2,745,530	2,745,530
Capital projects	-	-	-	-	-	-	-	9,925,686	-	9,925,686
Fire department	-	-	-	-	-	-	-	-	1,567,498	1,567,498
Law enforcement	-	-	-	-	-	-	-	-	10,569	10,569
Debt service	-	-	33,024	3,259,823	18,121,602	-	-	-	-	21,414,449
Magistrate court	-	-	-	-	-	-	-	-	1,469	1,469
Total Restricted:	-	-	33,024	3,259,823	18,121,602	-	-	9,925,686	4,475,224	35,815,359
Assigned to:										
Capital projects	16,273,065	-	-	-	-	1,068	1,010	-	56,753	16,331,896
Economic development	-	2,920,298	-	-	-	-	-	-	-	2,920,298
Total Assigned:	16,273,065	2,920,298	-	-	-	1,068	1,010	-	56,753	19,252,194
Unassigned:	4,416,381	-	-	-	-	-	-	-	624,673	5,041,054
Total Fund Balances:	<u>\$20,689,446</u>	<u>\$2,920,298</u>	<u>\$33,024</u>	<u>\$3,259,823</u>	<u>\$18,121,602</u>	<u>\$1,068</u>	<u>\$ 1,010</u>	<u>\$9,925,686</u>	<u>\$5,156,650</u>	<u>\$ 60,108,607</u>

The County policy is to use committed, assigned, and finally unassigned amounts in that order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

M. Related Party Transactions

The County engages in various transactions with the discretely presented component unit, the OCDA. While the County and OCDA are governed by separate boards, the management responsible for the day to day operations is the same. The County has issued Special District Excise Tax Bonds (SDEX) and Tax Increment Financing (TIF) Bonds in prior years to finance economic development within The Highlands Economic Development District. The proceeds of these bonds, in large part, were transferred to the OCDA. The tax revenue pledged to support these bonds is reflected on the County financial statements along with the applicable debt. The assets acquired with these capital contributions are reported on the financial statements of the OCDA.

The following transactions occurred during the current fiscal year:

Capital Contributions - The County contributed \$2,797,302 to the OCDA. This was comprised of \$717,967 in excess TIF revenue and \$2,079,335 in SDEX bond draw downs.

Other Operating Contributions – Sports Complex Agreement – In 2018, the OCDA entered into a lease agreement with the primary government for the lease of the public sports complex. The agreement provides that the OCDA has retained the right to operate the Sports Complex. As a result, the lease agreement does not meet lease recognition standards as promulgated by GASB (as the primary government does not have the right to use the facilities). No lease receivable has been recorded by the OCDA. However, based on the agreement, the County has agreed to make annual payments (subject to an appropriation approved by the County Commission) to the OCDA. Although referred to as lease payments under the agreement, the payments are considered under GASB to be contributions to the OCDA. During the year, \$1,928,123 was received by the OCDA from the primary government to cover the principal and interest payments on the Sports Complex bonds.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

IV. Detailed Notes on All Funds (Continued)

M. Related Party Transactions (Continued)

The agreement stipulates the primary government to make lease payments to the OCDA equal to the debt service on the Sports Complex bonds. There is a non-appropriation clause in the agreement that terminates the County's obligation in the event the funds are not appropriated by the governing body.

Long Term Advances to Component Unit - The County has advanced the OCDA funds in prior years with no stipulated repayment schedule or interest rate. The balance at June 30, 2023 is \$997,000. An allowance has been established for the remaining \$997,000 of the advances due to the financial position of the OCDA.

Reimbursement Payable – The OCDA reimburses the County for insurances, licenses and computer services. The County reimburses the OCDA for project costs, as they arise and shared phone and internet services. The balance due from the OCDA to the County was \$59,229. This amount is shown net of the following amounts:

Project costs	\$ 2,284
Phone and internet services	5,877
Liability and workers compensation insurance	(51,569)
Computer services and licenses	(15,821)
	<u>\$ (59,229)</u>

N. Prior Period Restatement

Component Unit

The OCDA identified additional reconciling balances that required adjustments to the prior period. The following is the impact of the prior period adjustment.

	Highlands Economic Development	Highlands Sports Venues	Totals
Statement of Net Position - Proprietary Fund			
Net position, as previously stated	\$ 114,646,403	\$ 12,271,560	\$ 126,917,963
Reconciliation of accounts receivable and unearned revenue	(407,616)	-	(407,616)
Reconciliation of land	(11,846,290)	-	(11,846,290)
Reconciliation of construction in progress	(627,050)	-	(627,050)
Net position, as restated	<u>\$ 101,765,447</u>	<u>\$ 12,271,560</u>	<u>\$ 114,037,007</u>

V. Other Information

A. 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; and natural disasters. The County carries insurance with the West Virginia Board of Risk and Insurance Management for these various risks.

County liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

V. Other Information (Continued)

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County had been named as a defendant in the following lawsuits:

Statoil USA Onshore Properties, Inc. v The Honorable Mark Matkovich, WV State Tax Commissioner, et al., Circuit Court of Ohio County, West Virginia, Civil Action No. 16-C-246. On September 29, 2016, Statoil USA Onshore Properties, Inc filed an action in the Ohio County Circuit Court against The Honorable Mark Matkovich, WV State Tax Commissioner, The Honorable Kathie Hoffman, Assessor of Ohio County and The Ohio County Commission to appeal the denial of a request for exoneration on self-reported "property value" related to Statoil's "take-in-kind" interest in oil and gas leases in Ohio County. Statoil claimed it made a non-negligent inadvertent clerical error in over reporting its 2015 property value resulting in an over payment of approximately \$2.9 million in taxes. Any outcome in favor of the defendant would be result in future credits against the entities that originally received the tax proceeds. The largest portion of this (approximately 77%) would be absorbed by the Ohio County Board of Education. Statoil has filed similar lawsuits against other counties in West Virginia. The County believes the complaint is without merit and intends to defend it vigorously but can make no assurances as to the outcome of the pending litigation. There are no updates on this issue.

Southwestern Production Company, LLC v The Honorable Dale Steager, WV State Tax Commissioner, et al., Circuit Court of Ohio County, West Virginia, Civil Action No. 17-C-319. On November 14, 2017, SWN Production Company, LLC, a gas & oil producer in the State of West Virginia filed an action against The Honorable Dale Steager, WV State Tax Commissioner, The Honorable Tiffany Hoffman, Assessor of Ohio County and The Ohio County Commission, sitting as the Board of Assessment Appeals, to appeal the denial for a request for exoneration which would include future tax credits in the amount of \$2,238,353 for the alleged 2017 tax year over assessment and \$2,811,540 for the alleged 2018 tax year over assessment. SWN contends that the WV State Tax Department's mass appraisal system over assessed the property values for tax year 2017 and 2018 by failing to consider its actual operating expenses when reducing property value by operating expenses. SWN subsequently filed an action contesting the values of the 2019 tax year. Any outcome in favor of the defendant would be result in future credits against the entities that originally received the tax proceeds. The largest portion of this (approximately 77%) would be absorbed by the Ohio County Board of Education. SWN has filed similar appeals in other counties in West Virginia. UPDATE: A recent decision by the WV Supreme Court of Appeals in a similar case affirmed that the WV State Tax department's calculations were mostly correct but needed slight modifications. The County has received revised values from the WV State Tax Department for tax years 2017, 2018 and 2019 as required by the WV Supreme Court decision. From these adjusted values, the Ohio County Commission is awaiting SWN's approval of a proposed order to refund its portion of the adjusted taxes in August 2022 in the amount of \$206,192 for tax years 2017 and 2018 plus a refund of \$253,382 in August 2023 for tax year 2019. The Ohio County School Board has been notified of this order and has agreed in form to the refunds over 2 fiscal periods. There are no updates on this issue.

McCroskey v. The County Commission of Ohio County, Circuit Court of Ohio County, Civil Action No. 22-C-37. In March 2022, a retired employee of the County filed a complaint that during the course of his employment, the Ohio County Commission violated the Fair Labor Standards Act and the West Virginia Wage and Payment and Collection Act by failing to pay overtime wages.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

V. Other Information (Continued)

B. Contingent Liabilities (Continued)

The claim consists of overtime wages and attorney fees totaling more than \$250,000 plus interest. The County believes this complaint is without merit and intends to defend it vigorously but can make no assurances of the outcome of pending litigation. The claim is not covered by insurance and any judgements would be the liability of the Ohio County Commission. There are no updates on this issue.

The County is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that other than the preceding items, resolution of these matters will not have a material effect on the financial condition of the County.

C. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held for the exclusive benefit of the participants and their beneficiaries.

D. Subsequent Events

The County entered into an agreement with the City of Wheeling and West Virginia United Health Systems, Inc to contribute \$2,000,000 in project costs for the demolition of the old OVMC site in order to construct a Regional Cancer Center. This contribution is the sole contribution from the County and serves the totality of the County's participation on the project.

The County has collaborated with the OCDA, the City of Wheeling, the Wheeling Park Commission, the Wheeling Area Chamber of Commerce, the Community Foundation for the Ohio Valley, and the Regional Economic Development Partnership in the creation of a Growth and Retention Team for the purpose of growing the communities of Ohio County and Wheeling and to generate new businesses to locate in Ohio County and Wheeling. Although no formal agreement has been finalized, each entity has agreed in principle to assist in funding the project.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans

1. Plan Descriptions, Contribution Information and Funding Policies

The County participates in state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of general 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 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 plan 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 benefit provisions:

A. Public Employee Retirement System (PERS)

Eligibility to participate	All County full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefit provisions	West Virginia State Code §5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia.
Plan member's contribution rate hired before 7/1/2015	Tier I - 4.50%
Plan member's contribution rate hired after 7/1/2015	Tier II - 6.00%
County contribution rate	Tier I and II – 9.0%
Period required to vest for plan members hired before 7/1/2015	Tier I - Five years
Period required to vest for plan members hired after 7/1/2015	Tier II - Ten years
Benefits and eligibility for distribution for plan members hired before 7/1/2015	Tier I - A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefits.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans (Continued)

1. Plan Descriptions, Contribution Information and Funding Policies (Continued)

A. Public Employee Retirement System (PERS) (Continued)

Benefits and eligibility for distribution for plan members hired after 7/1/2015

Tier II - A member who has (1) attained age 62 and has earned 10 years or more of contributing service or (2) is between the age of 60 and 62 with reduced benefits if he or she has 10 or more years of contributing service or (3) is between the ages of 57 and 62 with reduced benefits if he or she has 20 or more years of service or (4) is between the ages of 55 and 62 with reduced benefits if he or she has 30 or more years of contributing service. The final average salary (five highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefits.

Deferred retirement portion

No

Provisions for:

Cost of living

No

Death benefits

Yes

Trend Information

Fiscal Year	Annual Pension Cost	Percentage Contributed
2023	\$ 515,027	100%
2022	\$ 538,164	100%
2021	\$ 497,325	100%

B. Deputy Sheriff Retirement System (DSRS)

Eligibility to participate

West Virginia deputy sheriffs first employed after July 1, 1997 and any deputy sheriffs hired prior to that date who elect to become members.

Authority establishing contribution obligations and benefit provisions

State Statute

Funding policy and contributions

Certain fees for reports generated by sheriff's offices are paid to this plan in accordance with West Virginia State Code. DSRS members are required to contribute 8.5% of their annual covered salary and the county is required to contribute 12.0%. The contribution requirements of DSRS members are established and may be amended only by the State of West Virginia Legislature.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans (Continued)

1. Plan Descriptions, Contribution Information and Funding Policies (Continued)

B. Deputy Sheriff Retirement System (DSRS) (Continued)

Period required to vest	Five years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 or more years of contributing service or age 50 and if the sum of his/her age plus years of credited service is equal to or greater than 70. The final average salary (five highest consecutive years in the last ten years) times the years of service times 2.25% equal the annual retirement benefit.
Deferred retirement portion	No deferred retirement option is available.
Provisions for cost of living adjustments or death benefits	This plan has no provisions for cost of living adjustments. There are provisions for death benefits.

Trend Information

Fiscal Year	Annual Pension Cost	Percentage Contributed
2023	\$ 220,787	100%
2022	\$ 256,151	100%
2021	\$ 243,882	100%

PERS and DSRS issue a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, Building 5, Room 1000, 1900 Kanawha Boulevard East, Charleston, WV 25305.

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

At fiscal year-end, the County reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022 using the actuarial assumptions and methods described in the appropriate section of this note.

The County's proportion of the net pension liabilities was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2023, the County reported the following proportions and increases/decreases from its proportion measured as of June 30, 2022:

	PERS	DSRS
Amount for proportionate share of net pension liability	\$ 493,178	\$ 1,233,519
Percentage for proportionate share of net pension liability	0.33117%	3.10585%
Increase % from prior proportion measured	0.020164%	(0.25092)%

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans (Continued)

1. Plan Descriptions, Contribution Information and Funding Policies (Continued)

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

For the year ended June 30, 2023, the County recognized the following pension expense:

	<u>PERS</u>	<u>DSRS</u>
Government-wide pension expense	\$ 266,038	\$ 176,000

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

Public Employees Retirement System (PERS)

	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 282,072	\$ -	\$ 15,310	\$ -
Differences between expected and actual experience with regard to economic or demographic factors	179,458	-	9,741	-
Changes in actuarial assumptions	307,887	-	16,712	-
Net changes in proportion and differences between employer contributions and proportionate share of contributions	18,355	2,181	3,030	23
Employer contributions to pension plan subsequent to the measurement date	486,897	-	28,130	-
	<u>\$ 1,274,669</u>	<u>\$ 2,181</u>	<u>\$ 72,923</u>	<u>\$ 23</u>

The amount reported as deferred outflows of resources related to results 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, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Pension expense</u>
2024	\$ 335,020
2025	29,880
2026	(312,979)
2027	778,440
Total	<u>\$ 830,361</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans (Continued)

1. Plan Descriptions, Contribution Information and Funding Policies (Continued)

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

Deputy Sheriffs' Retirement System (DSRS)

	Governmental activities	
	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ 125,104	\$ -
Differences between expected and actual experience with regard to economic or demographic factors	363,043	56,558
Changes in actuarial assumptions	338,631	13,790
Net changes in proportion and differences between employer contributions and proportionate share of contributions	39,175	94,640
Employer contributions to pension plan subsequent to the measurement date	220,787	-
	<u>\$ 1,086,740</u>	<u>\$ 164,988</u>

The amount reported as deferred outflows of resources related to results 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, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Pension expense</u>
2024	\$ 90,729
2025	119,692
2026	57,574
2027	399,367
2028	24,441
2029	9,162
Total	<u>\$ 700,965</u>

Annual money-weighted rate of return

	<u>PERS</u>	<u>DSRS</u>
Money-weighted rate of return, net of investment expenses, for the year ended June 30, 2023, based on the measurement date June 30, 2022.	<u>(6.25)%</u>	<u>(6.37)%</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022 for the pension plans, using the following actuarial assumptions, applied to all pensions included in the measurement.

Public Employees Retirement System (PERS)

Actuarial cost method	Individual entry age normal cost with level percentage of payroll	
Asset valuation method	Fair value	
Amortization method	Level dollar, fixed period	
Amortization period	Through fiscal year 2035	

Inflation rate	2.75%	
Discount rate	7.25%	
Salary increases	State	2.75% - 5.55%
	Nonstate	3.60% - 6.75%
Investment Rate of Return	7.25%	

Mortality Rates:

Active – 100% of Pub-2010 General Employees table, below median, headcount weighted, projected with scale MP-2018.

Retired healthy males – 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018.

Retired healthy females – 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018.

Disabled males – 118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018.

Disabled females – 117% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018.

The actuarial assumptions used for July 1, 2021 PERS valuation were based on the results of the actuarial experience study for the period of July 1, 2013 to June 30, 2018.

Deputy Sheriffs' Retirement System (DSRS)

Actuarial cost method	Individual entry age normal cost with level percentage of payroll	
Asset valuation method	Fair value	
Amortization method	Level dollar, fixed period	
Amortization period	Through fiscal year 2029	

Inflation rate	2.75%	
Discount rate	7.25%	
Salary increases	Nonstate	3.75% - 5.0%
Investment Rate of Return	7.25%	

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans (Continued)

Actuarial Assumptions (Continued)

Mortality Rates:

Active – 100% of Pub-2010 Safety Employee Table, Amount-weighted projected generationally with Scale MP-2020.

Retired healthy males – 98% of Pub-2010 Safety Retiree Male table, Amount-weighted projected generationally with Scale MP-2020.

Retired healthy females – 99% of Pub-2010 Safety Retiree Female table, Amount-weighted projected generationally with Scale MP-2020.

Disabled males – 124% of Pub-2010 Safety Disabled Male table, Amount-weighted projected generationally with Scale MP-2020.

Disabled females – 100% of Pub-2010 Safety Disabled Female table, Amount-weighted projected generationally with Scale MP-2020.

The actuarial assumptions used for July 1, 2021 DSRS valuation were based on the results of the actuarial experience study for the period of July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate rates of expected future 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:

Investment	PERS/DSRS Target Asset Allocation	Long – term Expected Real Rate of Return	Weighted Average Expected Real Rate of Return
Domestic Equity	27.5%	5.3%	1.46%
International Equity	27.5%	6.1%	1.68%
Fixed Income	15.0%	2.2%	0.33%
Real Estate	10.0%	6.5%	0.65%
Private Equity	10.0%	9.5%	0.95%
Hedge Funds	10.0%	3.8%	0.38%
	<u>100%</u>		<u>5.45%</u>
Inflation (CPI)			<u>1.80%</u>
Total			<u>7.25%</u>

Discount Rate:

The discount rate used to measure the total pension liability (asset) was 7.25% for the pension plan. The projection of the cash flows used to determine the discount rate assumed that employer contributions will continue to follow in the current funding policies. Based on those assumptions, the fiduciary net position for the pension plan was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability (asset) for the plan.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VI. Employee Retirement Systems and Plans (Continued)

Actuarial Assumptions (Continued)

The following table presents the sensitivity of the net pension liability (asset) to changes in the discount rate, calculated using the current discount rate as used in the actuarial evaluation, and what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
County's proportionate share of PERS net pension liability (asset)	\$ 3,489,632	\$ 493,178	\$ (2,071,355)
County's proportionate share of DSRS net pension liability (asset)	\$ 2,682,149	\$ 1,233,519	\$ 40,656

VII. Other Postemployment Benefits (OPEB)

West Virginia Public Employees Insurance Agency (WV PEIA)

General Information about the OPEB Plan

Plan description – The County participates in PERS. Although the County is a non-participating agency with the WV Public Employees Insurance Agency, eligible retirees have the option of obtaining health insurance benefits through WV PEIA under PERS. The West Virginia Other Postemployment Benefit Plan (the Plan) is a cost-sharing, multiple-employer defined benefit postemployment healthcare plan. The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the WV PEIA and the RHBT staff. Plan benefits are established and revised by WV PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees, and public retirees. The four remaining members represent the public at large.

The RHBT audited financial statements and actuarial reports can be found on the WV PEIA website at www.peia.wv.gov. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th. Street, SE, Suite 2, Charleston, WV, 25304.

Benefits provided - The Plan provides medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options: 1) Self-Insured Preferred Provider Benefit Plan (primarily for non-Medicare-eligible retirees and spouses) and 2) External Managed Care Organizations (primarily for Medicare-eligible retirees and spouses).

Contributions - As noted above, because the County participates in the PERS, retirees have the option of choosing to participate in the WV PEIA. The retiree's insurance premium is dependent on the number of years worked. Since the County is not a participant in PEIA, a fee is charged for each of the retirees who choose this option. This fee also is based on the number of years worked. The State of West Virginia bears the remaining costs to fund this program. The County's retirees' insurance fees were as follows:

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VII. Other Postemployment Benefits (OPEB) (Continued)

West Virginia Public Employees Insurance Agency (WV PEIA) (Continued)

General Information about the OPEB Plan (Continued)

<u>Fund</u>	<u>Amount</u>
General	\$ 110,511
Public improvement	13,702
Total	<u>\$ 124,213</u>

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

At fiscal year-end, the County reported an asset for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the County. The amount recognized by the County as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the County were as follows:

County's proportionate share of net OPEB liability	\$ 118,965
State's proportionate share of the net OPEB liability associated with the County	40,753
Total proportionate share of the net OPEB liability	<u>\$ 159,718</u>

At fiscal year-end, the County reported a liability of \$118,965 for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows, and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2021, rolled forward to June 30, 2022, which is the measurement date.

The County's proportion of the net OPEB liability was based on a projection of the County's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined.

The net OPEB liability, deferred inflows, and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2021 and was based on a measurement date of June 30, 2022. The amounts may differ from the net OPEB liability reported on the Statement of Net Position due to rounding and changes to the allocation schedules. At the June 30, 2022 measurement date, the County's proportionate share and change from the prior proportion measured is as follows:

Percentage for proportionate share of net OPEB liability	0.10698%
Increase/(decrease) % from prior proportion measured	0.036738%

For the year ended June 30, 2023, the County recognized support provided by the State revenue of \$131,168 and the following OPEB expense:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Government – wide OPEB expense	<u>\$ (255,850)</u>	<u>\$ (61,454)</u>

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VII. Other Postemployment Benefits (OPEB) (Continued)

West Virginia Public Employees Insurance Agency (WV PEIA) (Continued)

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

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

	Governmental activities		Business-type activities	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources,	Deferred inflows of resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 14,957	\$ -	\$ 3,509	\$ -
Difference between expected and actual experience	-	122,928	-	28,835
Changes in assumptions	61,797	244,838	14,496	57,431
Changes in proportion and differences between employer contributions and proportionate share of contributions	261,550	-	61,351	-
Employer contributions subsequent to the measurement date	110,511	-	13,702	-
Reallocation of opt-out employer change in proportionate share	-	166	-	39
	<u>\$ 448,815</u>	<u>\$ 367,932</u>	<u>\$ 93,058</u>	<u>\$ 86,305</u>

The amount reported as deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VII. Other Postemployment Benefits (OPEB) (Continued)

West Virginia Public Employees Insurance Agency (WV PEIA) (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	<u>OPEB expense</u>
2024	\$ (215,850)
2025	83,590
2026	50,639
2027	<u>45,044</u>
Total	<u>\$ (36,577)</u>

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal Cost Method.
Amortization method	Level percentage of payroll over a 20 year closed period, beginning June 30, 2017.
Amortization period	20 years closed as of June 30, 2017.
Asset valuation method	Market value.
Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation.
Inflation rate	2.25%
Wage inflation	2.75%
Salary increases	Ranging from 2.75% to 5.18%, including inflation.
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for June 30, 2020 actuarial valuation.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VII. Other Postemployment Benefits (OPEB) (Continued)

West Virginia Public Employees Insurance Agency (WV PEIA) (Continued)

Actuarial assumptions (Continued)

Mortality	Post-Retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females. Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. There were no assumption changes from the actuarial valuation as of June 30, 2021 measured as of June 30, 2021 to a roll-forward measurement date of June 30, 2022.

The long-term rates of return on OPEB plan investments are determined using a building-block method in which estimates of expected future rates of returns (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 rates of return by the target asset allocation percentages. Target asset allocations, capital market assumptions and a forecast of returns were provided by the plan's investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (WV-BTI) was estimated based on the WV-IMB assumed inflation of 2.0% plus a 25 basis point spread.

The target allocation and estimates of annualized long-term expected returns assuming a 10-year horizon are summarized below:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Global equity	4.8%	55%
Core plus fixed income	2.1%	15%
Core real estate	4.1%	10%
Hedge fund	2.4%	10%
Private equity	6.8%	10%

Real returns by asset class, as shown in the above table, were estimated using a static inflation assumption of 2.0%. Consequently, real returns may not reflect the potential volatility of inflation by asset class.

Ohio County, West Virginia
Notes to the Financial Statements
June 30, 2023

VII. Other Postemployment Benefits (OPEB) (Continued)

West Virginia Public Employees Insurance Agency (WV PEIA) (Continued)

Actuarial assumptions (Continued)

Single Discount rate:

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on those assumptions, 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 on 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 chart presents the County's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 5.65%	Current Discount Rate 6.65%	1% Increase 7.65%
County's proportionate share of net OPEB liability (asset)	\$ 305,786	\$ 118,965	\$ (41,306)

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates:

The following chart presents the County's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates described in the actuarial assumptions:

	1% Decrease	Health Care Cost Trend Rates	1% Increase
County's proportionate share of net OPEB liability (asset)	\$ (67,634)	\$ 118,965	\$ 339,761

OPEB plan fiduciary net position:

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report available at the West Virginia Public Employee Insurance Agency's website at peia.wv.gov. That information can also be obtained by writing to the West Virginia Public Employee Insurance Agency, 601 57th Street, Suite 2, Charleston, WV, 25304.

Required Supplementary Information

Ohio County, West Virginia
Cost Sharing Multi - Employer Pension Plan
For the Year Ended June 30, 2023

Cost Sharing Multi - Employer Pension Plan

West Virginia Public Employees Retirement System (PERS)

I. Schedule of Government's Proportionate Share of the Net Pension Liability (Asset) - Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (percentage)	0.331172%	0.311008%	0.298577%	0.288633%	0.302042%	0.283198%	0.276387%	0.263256%	0.239695%	0.230910%
County's proportionate share of the net pension liability (asset)	\$ 493,178	\$ (2,730,451)	\$ 1,578,653	\$ 620,598	\$ 780,030	\$ 1,222,406	\$ 2,540,318	\$ 1,470,766	\$ 884,630	\$ 2,105,045
County's covered-employee payroll	\$ 5,699,658	\$ 5,381,640	\$ 4,952,659	\$ 4,640,177	\$ 4,398,000	\$ 4,173,219	\$ 3,887,983	\$ 3,808,017	\$ 3,572,334	\$ 3,207,593
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.65%	(50.74%)	31.87%	13.37%	17.74%	29.29%	65.34%	38.62%	24.76%	65.63%
Plan fiduciary net position as a percentage of the total pension liability	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	84.58%

West Virginia Deputy Sheriff Retirement Plan (DSRS)

I. Schedule of Government's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (percentage)	3.105850%	3.356773%	3.557574%	3.397097%	3.872170%	3.742176%	3.460350%	3.171078%	3.352780%	3.389381%
County's proportionate share of the net pension liability (asset)	\$ 1,233,519	\$ (202,279)	\$ 1,275,497	\$ 682,681	\$ (207,858)	\$ 140,219	\$ 1,101,638	\$ 650,452	\$ 571,683	\$ 1,135,578
County's covered-employee payroll	\$ 1,698,370	\$ 1,970,389	\$ 2,032,350	\$ 2,040,162	\$ 1,899,026	\$ 1,995,745	\$ 1,872,541	\$ 1,706,326	\$ 1,511,232	\$ 1,553,146
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.63%	(10.27%)	62.76%	33.46%	(10.95%)	7.03%	58.83%	38.12%	37.83%	73.11%
Plan fiduciary net position as a percentage of the total pension liability	88.11%	101.95%	87.01%	92.08%	102.50%	98.17%	84.48%	89.31%	90.52%	90.52%

* - The amounts presented for each fiscal year were determined as of June 30th.

**Ohio County, West Virginia
Cost Sharing Multi-Employer Pension Plan
For the Year Ended June 30, 2023**

**Cost Sharing Multi - Employer Pension Plan
West Virginia Public Employees Retirement System (PERS)
I. Schedule of Government Contributions - Last 10 Fiscal Years***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 512,970	\$ 538,164	\$ 497,325	\$ 464,019	\$ 439,800	\$ 459,055	\$ 466,558	\$ 514,157	\$ 500,127	\$ 465,101
Contributions in relation to the contractually required contribution	(512,970)	(538,164)	(497,325)	(464,019)	(439,800)	(459,055)	(466,558)	(514,157)	(500,127)	(465,101)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 5,699,658	\$ 5,381,640	\$ 4,952,659	\$ 4,640,177	\$ 4,398,000	\$ 4,173,219	\$ 3,887,983	\$ 3,808,017	\$ 3,572,334	\$ 3,207,593
Contributions as a percentage of covered-employee payroll	9.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%

**West Virginia Deputy Sheriff Retirement Plan (DSRS)
I. Schedule of Government Contributions - Last 10 Fiscal Years***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 220,788	\$ 256,151	\$ 243,882	\$ 244,819	\$ 227,883	\$ 239,489	\$ 224,705	\$ 204,759	\$ 188,904	\$ 201,909
Contributions in relation to the contractually required contribution	(220,788)	(256,151)	(243,882)	(244,819)	(227,883)	(239,489)	(224,705)	(204,759)	(188,904)	(201,909)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,698,370	\$ 1,970,389	\$ 2,032,350	\$ 2,040,162	\$ 1,899,026	\$ 1,995,745	\$ 1,872,541	\$ 1,706,326	\$ 1,511,232	\$ 1,553,146
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.50%	13.00%

* - The amounts presented for each fiscal year were determined as of June 30th .

Ohio County, West Virginia
Cost Sharing Multi - Employer OPEB Plan
For the Year Ended June 30, 2023

Cost Sharing Multi - Employer OPEB Plan

West Virginia Public Employees Insurance Agency (WV PEIA)

I. Schedule of Government's Proportionate Share of the Net OPEB Liability - Last 7 Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability (asset) (percentage)	0.106890%	0.070150%	0.068730%	0.061680%	0.058296%	0.060270%	0.076020%
County's proportionate share of the net OPEB liability (asset)	\$ 118,965	\$ (20,859)	\$ 303,595	\$ 1,023,416	\$ 1,250,698	\$ 1,481,966	\$ 1,887,813
County's covered-employee payroll	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**
Plan fiduciary net position as a percentage of the total OPEB liability	93.59%	101.81%	73.49%	36.69%	30.98%	25.10%	21.64%

II. Schedule of Government OPEB Contributions - Last 7 Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 124,213	\$ 125,674	\$ 127,922	\$ 132,856	\$ 126,532	\$ 123,788	\$ 130,044
Contributions in relation to the contractually required contribution	<u>(124,213)</u>	<u>(125,674)</u>	<u>(127,922)</u>	<u>(132,856)</u>	<u>(126,532)</u>	<u>(123,788)</u>	<u>(130,044)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**
Contributions as a percentage of covered-employee payroll	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**

* - The amounts presented for each fiscal year were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, County's should present information for those years for which information is available.

** - The County does not have covered-employee payroll as the participants of the plan are retired.

Changes of assumptions

Certain assumptions have been changed since the prior actuarial valuation of June 30, 2018, and June 30, 2020 valuation. The net effect of the assumption changes was approximately \$1,147 million.

- General/price inflation - Decrease price inflation rate from 2.75% to 2.25%.
- Discount rate - Decrease discount rate from 7.15% to 6.65%.
- Wage inflation - Decrease wage inflation rate from 4.00% to 2.75%.
- OPEB retirement - Develop explicit retirement rates for members who are eligible to retire with health care benefits and elect health care coverage.
- Waived annuitant termination - develop explicit waived termination rates for members who are eligible to retire with health care benefits but waive health care coverage.
- SAL conversion - Develop explicit SAL conversion rates for members who are eligible to convert sick and annual leave (SAL) balances at retirement and convert SAL balances into OPEB benefits.
- Lapse/re-entry - Develop net lapse/re-entry for members who either lapse coverage after electing health care coverage or elect health coverage after waiving coverage.
- Other demographic assumptions - Develop termination, disability, and mortality rates based on experience specific to OPEB covered groups.
- Salary increase - Develop salary increase assumptions based on experience specific to the OPEB covered group.

Ohio County, West Virginia
Budgetary Comparison Statement
General Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amount	Modified	Actual Amount
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Accrual</u>	<u>Modified Accrual</u>
				<u>Adjustments</u>	<u>Basis</u>
Revenues:					
Ad valorem property taxes	\$ 10,373,054	\$ 10,452,054	\$ 11,130,995	\$ 1,302	\$ 11,132,297
Other taxes	1,215,500	3,682,200	3,792,731	472,145	4,264,876
Intergovernmental:					
Federal	141,000	307,693	329,380	15,054	344,434
State	10,000	45,071	27,500	-	27,500
Local	180,000	180,000	180,000	(15,054)	164,946
Charges for services	2,824,000	3,071,150	3,286,313	(27,595)	3,258,718
Fines and forfeits	35,000	35,000	43,426	1,425	44,851
Interest	15,000	15,000	39,939	-	39,939
Video Lottery / Table Gaming Proceeds	1,162,000	1,305,500	1,512,521	(2,867)	1,509,654
Miscellaneous	782,800	6,209,525	6,226,918	(883,505)	5,343,413
Total revenues	\$ 16,738,354	\$ 25,303,193	\$ 26,569,723	\$ (439,095)	\$ 26,130,628
Expenditures:					
General government	\$ 6,942,696	\$ 9,082,436	\$ 7,028,107	\$ (354,435)	\$ 6,673,672
Public safety	9,350,500	9,568,009	9,676,015	(129,139)	9,546,876
Health and sanitation	157,000	157,000	79,325	-	79,325
Culture and recreation	3,462,304	3,792,304	3,468,164	4,984	3,473,148
Social services	-	5,000	5,000	-	5,000
Capital projects	449,500	13,562,355	1,357,327	(195,034)	1,162,293
Debt Service:					
Principal	-	800,784	-	800,779	800,779
Interest	-	86,400	-	86,387.00	86,387
Total expenditures	\$ 20,362,000	\$ 37,054,288	\$ 21,613,937	\$ 213,542	\$ 21,827,480
Excess (deficiency) of revenues over expenditures	\$ (3,623,646)	\$ (11,751,095)	\$ 4,955,786	\$ (652,637)	\$ 4,303,148
Other financing sources (uses):					
Operating transfers in	731,646	781,646	829,738	1,828	831,566
Operating transfers (out)	(788,000)	(1,018,300)	(845,051)	-	(845,051)
Total other sources (uses)	\$ (56,354)	\$ (236,654)	\$ (15,313)	\$ 1,828	\$ (13,485)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (3,680,000)	\$ (11,987,749)	\$ 4,940,473	\$ (650,809)	\$ 4,289,663
Fund balance - beginning, as adjusted	3,680,000	11,987,749	11,990,518	4,409,264	16,399,783
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,930,991</u>	<u>\$ 3,758,455</u>	<u>\$ 20,689,446</u>

Note A - Explanation of Budgetary Overage - Cash basis budget to actual modified accrual basis

Differences - Budget to Actual:

The County received additional revenue in excess of the cash basis budget to cover the excess in actual modified accrual expenses.

Ohio County, West Virginia
Budgetary Comparison Statement
Coal Severance Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amount	Modified	Actual Amount
	<u>Original</u>	<u>Final</u>	Budget	Accrual	Modified Accrual
			<u>Basis</u>	<u>Adjustments</u>	<u>Basis</u>
Revenues:					
Taxes	\$ 599,000	\$ 599,000	\$ 1,565,107	\$ -	1,565,107
Interest	-	-	1,976	-	1,976
Total revenues	<u>\$ 599,000</u>	<u>\$ 599,000</u>	<u>\$ 1,567,083</u>	<u>\$ -</u>	<u>\$ 1,567,083</u>
Expenditures:					
Economic Development	\$ 600,000	\$ 1,594,403	\$ 24,000	\$ -	\$ 24,000
Total expenditures	<u>\$ 600,000</u>	<u>\$ 1,594,403</u>	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ 24,000</u>
Excess (deficiency) of revenues over expenditures	\$ (1,000)	\$ (995,403)	\$ 1,543,083	\$ -	\$ 1,543,083
Fund balance at beginning of year	<u>1,000</u>	<u>995,403</u>	<u>1,377,215</u>	<u>-</u>	<u>1,377,215</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,920,298</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,920,298</u></u>

Supplementary Information

Ohio County, West Virginia
Budgetary Comparison Statement
Assessor's Valuation Fund
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amount	Modified	Actual Amount
	<u>Original</u>	<u>Final</u>	<u>Budget</u>	<u>Accrual</u>	<u>Modified Accrual</u>
			<u>Basis</u>	<u>Adjustments</u>	<u>Basis</u>
Revenues:					
Ad valorem property taxes	\$ 606,032	\$ 606,032	\$ 662,252	\$ -	\$ 662,252
Charges for services	15,020	15,020	11,963	(23)	11,940
Miscellaneous	-	-	1,070	23	1,093
Total revenues	<u>\$ 621,052</u>	<u>\$ 621,052</u>	<u>\$ 675,285</u>	<u>\$ -</u>	<u>\$ 675,285</u>
Expenditures:					
General government	\$ 118,255	\$ 118,255	\$ 53,343	\$ 1,049	\$ 54,392
Capital projects	622,187	671,865	95,440	-	95,440
Total expenditures	<u>\$ 740,442</u>	<u>\$ 790,120</u>	<u>\$ 148,783</u>	<u>\$ 1,049</u>	<u>\$ 149,832</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (119,390)</u>	<u>\$ (169,068)</u>	<u>\$ 526,502</u>	<u>\$ (1,049)</u>	<u>\$ 525,453</u>
Other financing sources (uses):					
Operating transfers (out)	<u>\$ (530,610)</u>	<u>\$ (530,610)</u>	<u>\$ (504,751)</u>	<u>\$ (52,858)</u>	<u>\$ (557,609)</u>
Total other sources (uses)	<u>\$ (530,610)</u>	<u>\$ (530,610)</u>	<u>\$ (504,751)</u>	<u>\$ (52,858)</u>	<u>\$ (557,609)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ (650,000)</u>	<u>\$ (699,678)</u>	<u>\$ 21,751</u>	<u>\$ (53,907)</u>	<u>\$ (32,156)</u>
Fund balance at beginning of year	<u>650,000</u>	<u>699,678</u>	<u>699,678</u>	<u>(50,807)</u>	<u>648,871</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 721,429</u></u>	<u><u>\$ (104,714)</u></u>	<u><u>\$ 616,715</u></u>

Ohio County, West Virginia
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2023

State Grantor/Pass-through Grantor/Program	Identification Number	State Expenditures
Department of Transportation - Aeronautics Commission		
Airport Improvement Program	3-54-0030-3622	\$ 45,462
Airport Improvement Program	3-54-0030-3823	3,762
Total Department of Transportation - Aeronautics Commission		<u>\$ 49,224</u>
Division of Culture and History		
Document Preservation Program	RMPB2023	<u>\$ 10,000</u>
Division of Justice and Community Services		
Election Assistance Commission	23-CS-12	<u>\$ 12,500</u>
West Virginia Governor's Office		
Local Economic Development Assistance Program		<u>\$ 5,000</u>
Total Expenditures of State Awards		<u><u>\$ 76,724</u></u>

Accompanying Information

Dan Wilson, CPA, MBA
(deceased)
1955-2013

Dennis Kozicki, CPA
Nancy Hughes, CPA
Aimee Tickerhoof, CPA

Jayetee Herron, CPA



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CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Honorable Members of the Ohio County Commission:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ohio County, West Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Ohio County, West Virginia's basic financial statements, and have issued our report thereon dated December 29, 2023. Our report includes a reference to other auditors who audited the financial statements of the Ohio County Development Authority, as described in our report on Ohio County, West Virginia's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ohio County, West Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ohio County, West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Ohio County, West Virginia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Ohio County, West Virginia's financial statements will not be prevented, or detected and corrected on a timely basis. 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ohio County, West Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Ohio County, West Virginia's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Ohio County, West Virginia's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Ohio County, West Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ohio County, West Virginia's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ohio County, West Virginia's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kozicki Hughes Sickenroff PLLC

Wheeling, West Virginia,
December 29, 2023.

Dan Wilson, CPA, MBA
(deceased)
1955-2013

Dennis Kozicki, CPA
Nancy Hughes, CPA
Aimee Tickerhoof, CPA

Jayetee Herron, CPA



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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Members of the Ohio County Commission:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ohio County, West Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Ohio County, West Virginia's major federal programs for the year ended June 30, 2023. Ohio County, West Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Ohio County, West Virginia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ohio County, West Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ohio County, West Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ohio County, West Virginia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ohio County, West Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ohio County, West Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ohio County, West Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ohio County, West Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ohio County, West Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kozicki Hughes Sickenroff PLLC

Wheeling, West Virginia,
December 29, 2023.

Ohio County, West Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Justice				
Equitable Sharing	16.922		\$ -	\$ 5,648
<u>West Virginia Department of Military Affairs & Public Safety</u>				
Crime Victim Assistance	16.575	212964	-	37,839
Edward Byrne Memorial Justice Assistance Grant Program	16.738	212964	30,381	73,718
Violence Against Women Formula Grants	16.588	212964	18,750	104,625
<u>City of Wheeling</u>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0937	-	13,428
Total Department of Justice			\$ 49,131	\$ 235,258
Department of Transportation				
Airport Improvement Program	20.106		\$ -	\$ 1,446,493
<u>City of Wheeling</u>				
Highway Planning and Construction Cluster	20.205	DOWHWZ		1,010
Total Department of Transportation			\$ -	\$ 1,447,503
Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ -	\$ 1,911,111
Total Department of Treasury			\$ -	\$ 1,911,111
Executive Office of the President				
<u>Laurel County Fiscal Court</u>				
High Intensity Drug Trafficking Areas Program	95.001	G23AP0001A	\$ -	\$ 11,425
High Intensity Drug Trafficking Areas Program	95.001	G22AP0001A	-	10,083
Total Executive Office of the President			\$ -	\$ 21,508
Department of Homeland Security				
<u>West Virginia Division of Homeland Security and Emergency Management</u>				
Emergency Management Performance Grants	97.042	212964	\$ -	\$ 75,000
Homeland Security Grant Program	97.067	212964	-	17,305
Total Department of Homeland Security			\$ -	\$ 92,305
Total Expenditures of Federal Awards			\$ 49,131	\$ 3,707,685

See accompanying notes to schedule of expenditures of federal awards.

Ohio County, West Virginia
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. Indirect Cost Rate

The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the County it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

Ohio County, West Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the County were prepared in accordance with GAAP.
2. No material weaknesses and one significant deficiency disclosed during the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instance of noncompliance material to the financial statements of the County, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No material weaknesses or significant deficiencies in internal control over major federal award programs disclosed during the audit are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the County expresses an unmodified opinion on all major federal programs.
6. No audit findings are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was:

Coronavirus State and Local Fiscal Recovery Funds – AL 21.027
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The County was determined to be a low-risk auditee.

Findings - Financial Statement Audit

Significant Deficiency – Ohio County

2023-001 – Recognition and recording of lease agreements

Condition: Effective July 1, 2021, the County adopted GASB Statement No. 87, Leases. The objective of the requirements of this statement is to better meet the information needs of the financial statements users by improving accounting and financial reporting for leases by governments. The County did not apply GASB 87 to all lease agreements.

Criteria: Proper internal controls require management to follow accounting procedures to track, maintain and record all County lease agreements within the financial statements.

Cause: A complete listing to properly track and record all County leases was not maintained or performed.

**Ohio County, West Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Findings - Financial Statement Audit (Continued)

Significant Deficiency – Ohio County (Continued)

2023-001 – Recognition and recording of lease agreements (Continued)

Effect: The County did not apply the objectives of GASB 87 to all lease agreements in place at the County. Lease receivables, interest income and deferred inflows of resources for leases were not recorded in the County financial statements for the lease agreements in place for certain properties.

Recommendation: Management of the County has already taken steps to track and record all County leases.

Views of Responsible Officials and Planned Corrective Actions: Management is in agreement with the finding above. See Corrective Action Plan.

Findings and Questioned Costs – Major Federal Award Programs Audit

None noted.

**Ohio County, West Virginia
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023**

Status of Prior Year Financial Statement Findings

2022-001 – Recognition and recording of lease agreements	Repeated
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Status of Prior Year Major Federal Award Programs Findings

None noted.

THE OHIO COUNTY COMMISSION

1500 Chapline Street
215 City County Building
Wheeling, West Virginia
26003



Randy Wharton, President
Don Nickerson
Zachary T. Abraham
Phone: (304) 234-3628
Fax: (304) 234-3827

Findings - Financial Statement Audit Significant Deficiency – Ohio County

Finding Number 2023-001 – Recognition and recording of lease agreements.

Condition: Effective July 1, 2021, the County adopted GASB Statement No. 87, Leases. The objective of the requirements of this statement is to better meet the information needs of the financial statements users by improving accounting and financial reporting for leases by governments. The County did not apply GASB 87 to all lease agreements.

Criteria: Proper internal controls require management to follow accounting procedures to track, maintain and record all County lease agreements within the financial statements.

Cause: A complete listing to properly track and record all County leases was not maintained or performed.

Effect: The County did not apply the objectives of GASB 87 to all lease agreements in place at the County. Lease receivables, interest income and deferred inflows of resources for leases were not recorded in the County financial statements for the lease agreements in place for certain properties.

Recommendation: Management of the County has already taken steps to track and record all County leases.

Views of Responsible Officials: Management is in agreement with the finding above. See management's Corrective Action Plan.

Corrective Action Plan: Prior to the 2022 financial statement preparation, the filing system of the County's lease transactions was not sufficient to accurately review and properly record for financial statement purposes, as required. All lease transactions will be scanned and stored on the County's file server for access by the County's accounting and administrative staff. In addition, hard copies of all leases will be printed and filed in a specified area of the County's vault for physical access if the digital format is not available. This should be a priority for the Accounting staff.

A handwritten signature in blue ink, appearing to read "Randel A Russell", written over a horizontal line.

Randel A Russell, Administrator

A handwritten signature in blue ink, appearing to read "Rodd Archey", written over a horizontal line.

Rodd Archey, Finance Director