

Ohio County, West Virginia

Audited Financial Statements
and Supplementary Information
Year Ended June 30, 2022



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

Capital Projects Funds - Included in Nonmajor Governmental Funds

Capital Improvement

Airport 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

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Introductory Section

**Ohio County, West Virginia
County Officials
For the Year Ended June 30, 2022**

OFFICE	NAME	TERM
<u>Elective</u>		
County Commission	Peter R. Wharton	01/01/17 - 12/31/22
	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	01/01/17 - 12/31/22
Clerk of the Circuit Court	Brenda L. Miller	01/01/17 - 12/31/22
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	Douglas W. McCroskey Jr.	01/01/21 - 11/05/21
Dog Warden	Chester R. Bise	03/03/22 - 12/31/22
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, 2022, 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 units, each major fund, and the aggregate remaining fund information of Ohio County, West Virginia, as of June 30, 2022, 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 March 24, 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 P.C.

Wheeling, West Virginia,
March 24, 2023.

Ohio County, West Virginia
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Ohio County Development Authority
Assets				
Cash and cash equivalents	\$ 16,757,880	\$ 189,864	\$ 16,947,744	\$ 4,742,944
Receivables (net):				
Taxes	3,405,015	-	3,405,015	-
Grants	402,844	12,500	415,344	-
Rents	-	-	-	204,305
Internal balances	5,474	(5,474)	-	-
CAM fees	-	-	-	631,248
Other fees	2,831,578	66,207	2,897,785	312,843
Construction advance	-	-	-	360,000
Lease	-	-	-	5,354,265
Due from primary government	-	-	-	24,517
Due from component unit	44,924	-	44,924	-
Prepaid assets	-	-	-	356,967
Inventory	-	64,100	64,100	41,092
Net investment in direct financing lease	-	-	-	205,621
Restricted assets:				
Cash and cash equivalents	27,076,323	-	27,076,323	679,147
SDEX tax receivable	3,001,798	-	3,001,798	-
Interest receivable	12,072	-	12,072	-
Debt service-current	-	-	-	1,119,798
Debt service-noncurrent	-	-	-	2,250,433
Construction-current	-	-	-	-
Net pension asset	2,785,869	146,861	2,932,730	680,893
Net OPEB asset	16,896	3,963	20,859	-
Lease receivable - net of current portion	-	-	-	25,856,665
Net investment in direct financing lease - net of current portion	-	-	-	505,970
Construction advance - net of current portion	-	-	-	3,629,325
Capital assets (net):				
Land and improvements	6,499,880	2,516,078	9,015,958	59,733,954
Other improvements	-	5,935,283	5,935,283	-
System infrastructure	-	-	-	2,560,152
Buildings and improvements	4,542,861	621,111	5,163,972	110,691,146
Right to use leased asset - building	-	-	-	110,347
Machinery, equipment and vehicles	3,036,208	357,987	3,394,195	4,084,679
Right to use lease assets - equipment and vehicles	3,765,853	-	3,765,853	16,146
Construction in progress	1,096,720	1,247,425	2,344,145	6,166,886
Total assets	<u>75,282,195</u>	<u>11,155,905</u>	<u>86,438,100</u>	<u>230,319,343</u>
Deferred Outflows of Resources				
OPEB items	202,710	39,937	242,647	-
Pension items	2,340,725	79,908	2,420,633	315,609
Total deferred outflows of resources	<u>2,543,435</u>	<u>119,845</u>	<u>2,663,280</u>	<u>315,609</u>

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

Ohio County, West Virginia
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Ohio County Development Authority
Liabilities				
Accounts and contracts payable	833,627	77,896	911,523	251,814
Construction related payables	-	-	-	20,205
Accrued payroll and benefits	260,607	9,303	269,910	164,304
Other accrued payables	-	-	-	72,025
Due to component unit (net)	24,517	-	24,517	-
Due to primary government	-	-	-	44,924
Unearned revenue	7,786,995	-	7,786,995	339,075
Notes payable - current	-	-	-	2,652,791
Accrued interest payable - current	-	-	-	717,482
Lease liabilities - current	798,165	-	798,165	11,914
Accrued bond interest payable - current	2,318,453	-	2,318,453	-
Revenue bonds payable (net of discount and premium) - current	5,313,153	-	5,313,153	616,467
Compensated absences	495,384	29,113	524,497	-
Notes payable - noncurrent	-	-	-	38,426,691
Lease liabilities - noncurrent	3,536,957	-	3,536,957	108,765
Advances payable primary government - noncurrent	-	-	-	997,000
Revenue bonds payable (net of discount and premium) - noncurrent	141,202,378	-	141,202,378	27,833,593
Total liabilities	162,570,236	116,312	162,686,548	72,257,050
Deferred Inflows of Resources				
Leases	-	-	-	30,571,161
OPEB items	601,446	141,080	742,526	-
Pension items	4,913,612	191,360	5,104,972	888,778
Total deferred inflows of resources	5,515,058	332,440	5,847,498	31,459,939
Net Position				
Invested in capital assets	14,606,400	10,677,884	25,284,284	113,707,275
Restricted for fire departments	1,451,390	-	1,451,390	-
Restricted for pensions	212,982	35,409	248,391	107,724
Restricted for debt service	(126,635,343)	-	(126,635,343)	3,370,231
Restricted for other purposes	2,204,074	-	2,204,074	1,324,730
Unrestricted	17,900,833	113,705	18,014,538	8,408,003
Total net position	\$ (90,259,664)	\$ 10,826,998	\$ (79,432,666)	\$ 126,917,963

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

Ohio County, West Virginia
Statement of Activities
For the Year Ended June 30, 2022

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	\$ 6,964,548	\$ 703,991	\$ 186,515	\$ 1,186,718	\$ (4,887,324)	\$ -	\$ (4,887,324)	\$ -
Public safety	10,002,961	3,490,646	598,018	-	(5,914,297)	-	(5,914,297)	-
Economic development	2,485,607	-	-	-	(2,485,607)	-	(2,485,607)	-
Health and sanitation	291,445	-	-	-	(291,445)	-	(291,445)	-
Culture and recreation	3,402,540	-	-	-	(3,402,540)	-	(3,402,540)	-
Interest on long-term debt	7,877,621	-	-	-	(7,877,621)	-	(7,877,621)	-
Total governmental activities	\$ 31,024,722	\$ 4,194,637	\$ 784,533	\$ 1,186,718	\$ (24,858,834)	\$ -	\$ (24,858,834)	\$ -
Business-type activities								
Public improvement	\$ 1,714,916	\$ 715,234	\$ -	\$ 21,574	\$ -	\$ (978,108)	\$ (978,108)	\$ -
Total business-type activities	\$ 1,714,916	\$ 715,234	\$ -	\$ 21,574	\$ -	\$ (978,108)	\$ (978,108)	\$ -
Total primary government	\$ 32,739,638	\$ 4,909,871	\$ 784,533	\$ 1,208,292	\$ (24,858,834)	\$ (978,108)	\$ (25,836,942)	\$ -
Component Unit								
Development Authority	\$ 13,976,216	\$ 14,270,134	\$ -	\$ 2,179,147	\$ -	\$ -	\$ -	\$ 2,473,065
Total component unit	\$ 13,976,216	\$ 14,270,134	\$ -	\$ 2,179,147	\$ -	\$ -	\$ -	\$ 2,473,065
General revenues:								
Property taxes					\$ 14,339,284	\$ -	\$ 14,339,284	\$ -
Other taxes					5,704,236	-	5,704,236	-
Special district excise tax					15,786,569	-	15,786,569	-
Unrestricted interest					1,730	149	1,879	48,604
Miscellaneous					7,302,519	655	7,303,174	102,798
Video lottery and table gaming proceeds					1,420,756	-	1,420,756	-
Restricted interest/investment income					21,694	-	21,694	-
Gain (loss) on sale of capital assets					(172,663)	-	(172,663)	1,340,711
Transfers					(1,582,533)	1,582,533	-	-
Total general revenues and transfers					\$ 42,821,592	\$ 1,583,337	\$ 44,404,929	\$ 1,492,113
Net change in position					17,962,758	605,229	18,567,987	3,965,178
Net position - beginning, as restated					(108,222,422)	10,221,769	(98,000,653)	122,952,785
Net position - ending					\$ (90,259,664)	\$ 10,826,998	\$ (79,432,666)	\$ 126,917,963

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

Ohio County, West Virginia
Balance Sheet - Governmental Funds
June 30, 2022

	General Fund	Coal Severance	Property TIF Tax	Special District Excise Tax	Development District Debt Service	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 12,043,243	\$ 910,477	\$ -	\$ -	\$ -	\$ -	\$ 3,804,160	\$ 16,757,880
Receivables, net of allowances:								
Taxes	2,646,093	466,738	-	-	-	-	292,184	3,405,015
Grants	104,793	-	-	-	-	-	298,051	402,844
Other fees	2,163,050	-	-	-	-	-	668,528	2,831,578
Prepaid expenses	-	-	-	-	-	-	-	-
Due from other funds	475,306	-	-	-	-	-	5,561	480,867
Due from component unit	44,924	-	-	-	-	-	-	44,924
Restricted cash and cash equivalents	-	-	24,513	2,077,283	17,082,975	7,891,552	-	27,076,323
Restricted interest receivable	-	-	10	1,322	10,740	-	-	12,072
Restricted SDEX tax receivable	-	-	-	3,001,798	-	-	-	3,001,798
Total assets	<u>\$ 17,477,409</u>	<u>\$ 1,377,215</u>	<u>\$ 24,523</u>	<u>\$ 5,080,403</u>	<u>\$ 17,093,715</u>	<u>\$ 7,891,552</u>	<u>\$ 5,068,484</u>	<u>\$ 54,013,301</u>
Liabilities, deferred inflows of resources and fund balances								
Liabilities								
Accounts payable	\$ 545,430	\$ -	\$ -	\$ 2,550	\$ -	\$ 14,941	\$ 270,706	\$ 833,627
Wages and benefits payable	256,323	-	-	-	-	-	4,284	260,607
Due to other funds	87	-	-	-	-	89,245	386,061	475,393
Due to component unit	23,763	-	-	-	-	-	754	24,517
Unearned revenue	-	-	-	-	-	7,786,995	-	7,786,995
Total liabilities	<u>825,603</u>	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>-</u>	<u>7,891,181</u>	<u>661,805</u>	<u>9,381,139</u>
Deferred inflows of resources								
Taxes	<u>252,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,023</u>
Total deferred inflows of resources	<u>252,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,023</u>
Total liabilities and deferred inflows of resources	<u>1,077,626</u>	<u>-</u>	<u>-</u>	<u>2,550</u>	<u>-</u>	<u>7,891,181</u>	<u>661,805</u>	<u>9,633,162</u>
Fund balances								
Restricted	-	-	24,523	5,077,853	17,093,715	-	3,655,464	25,851,555
Assigned	13,551,908	1,377,215	-	-	-	371	57,674	14,987,168
Unassigned	2,847,875	-	-	-	-	-	693,541	3,541,416
Total fund balances	<u>16,399,783</u>	<u>1,377,215</u>	<u>24,523</u>	<u>5,077,853</u>	<u>17,093,715</u>	<u>371</u>	<u>4,406,679</u>	<u>44,380,139</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,477,409</u>	<u>\$ 1,377,215</u>	<u>\$ 24,523</u>	<u>\$ 5,080,403</u>	<u>\$ 17,093,715</u>	<u>\$ 7,891,552</u>	<u>\$ 5,068,484</u>	<u>\$ 54,013,301</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, 2022

Total Fund Balance - Total Governmental Funds	\$ 44,380,139
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets of \$42,008,360 net of accumulated depreciation and amortization of \$23,066,838 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.	18,941,522
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.	252,023
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 \$4,335,122, revenue bonds payable of \$147,925,000 (net of unamortized debt discounts and premiums of \$1,409,469) and accrued bond interest payable of \$2,318,453.	(153,169,106)
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 \$202,710, net OPEB asset of \$16,896 and deferred inflows of \$601,446.	(381,840)
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 \$2,340,725, net pension asset of \$2,785,869 and deferred inflows of \$4,913,612.	212,982
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.	(495,384)
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ (90,259,664)</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, 2022

	<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>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
Taxes (including interest and penalties)	\$ 11,082,965	\$ -	\$ 2,714,313	\$ -	\$ -	\$ -	\$ 655,748	\$ 14,453,026
Other taxes	3,755,894	1,186,918	-	-	-	-	761,424	5,704,236
Special District Excise Tax	-	-	-	15,786,569	-	-	-	15,786,569
Licenses and permits	-	-	-	-	-	-	16,666	16,666
Intergovernmental:								
Federal	295,018	-	-	-	-	256,606	1,076,972	1,628,596
State	18,000	-	-	-	-	-	5,561	23,561
Local	180,000	-	-	-	-	-	-	180,000
Charges for services	3,094,754	-	-	-	-	-	850,216	3,944,970
Fines and forfeits	44,463	-	-	-	-	-	188,538	233,001
Interest	429	500	-	-	-	371	430	1,730
Restricted investment income	-	-	24	3,898	17,772	-	-	21,694
Video lottery and table gaming proceeds	1,420,756	-	-	-	-	-	-	1,420,756
Miscellaneous	7,046,092	-	-	-	255,041	-	1,386	7,302,519
Contributions	-	-	-	-	-	-	120,000	120,000
Total revenues	<u>\$ 26,938,371</u>	<u>\$ 1,187,418</u>	<u>\$ 2,714,337</u>	<u>\$ 15,790,467</u>	<u>\$ 272,813</u>	<u>\$ 256,977</u>	<u>\$ 3,676,941</u>	<u>\$ 50,837,324</u>
Expenditures								
Current:								
General government	\$ 6,496,903	\$ -	\$ -	\$ -	\$ -	\$ 2,420	\$ 606,213	\$ 7,105,536
Public safety	8,519,707	-	-	-	-	104,186	400,435	9,024,328
Health and sanitation	145,848	-	-	-	-	-	-	145,848
Economic development	-	-	5,839	1,707,525	685,397	-	-	2,398,761
Culture and recreation	3,402,540	-	-	-	-	-	-	3,402,540
Capital projects	906,362	-	-	-	-	150,000	-	1,056,362
Debt Service:								
Principal	1,127,293	-	-	-	9,865,000	-	-	10,992,293
Interest	111,105	-	-	-	7,888,939	-	-	8,000,044
Total expenditures	<u>\$ 20,709,758</u>	<u>\$ -</u>	<u>\$ 5,839</u>	<u>\$ 1,707,525</u>	<u>\$ 18,439,336</u>	<u>\$ 256,606</u>	<u>\$ 1,006,648</u>	<u>\$ 42,125,712</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 6,228,613</u>	<u>\$ 1,187,418</u>	<u>\$ 2,708,498</u>	<u>\$ 14,082,942</u>	<u>\$ (18,166,523)</u>	<u>\$ 371</u>	<u>\$ 2,670,293</u>	<u>\$ 8,711,612</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, 2022

	<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>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):								
Operating transfers in	\$ 696,454	\$ -	\$ 10,000	\$ 1,250	\$ 17,964,362	\$ -	\$ 369,561	\$ 19,041,627
Operating transfers out	(864,000)	-	(2,714,105)	(15,250,257)	(11,250)	-	(1,784,549)	(20,624,161)
Total other financing sources (uses)	<u>\$ (167,546)</u>	<u>\$ -</u>	<u>\$ (2,704,105)</u>	<u>\$ (15,249,007)</u>	<u>\$ 17,953,112</u>	<u>\$ -</u>	<u>\$ (1,414,988)</u>	<u>\$ (1,582,534)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ 6,061,067	\$ 1,187,418	\$ 4,393	\$ (1,166,065)	\$ (213,411)	\$ 371	\$ 1,255,305	\$ 7,129,078
Fund balance - beginning, as restated	10,338,716	189,797	20,130	6,243,918	17,307,126	-	3,151,374	37,251,061
Fund balances - ending	<u><u>\$ 16,399,783</u></u>	<u><u>\$ 1,377,215</u></u>	<u><u>\$ 24,523</u></u>	<u><u>\$ 5,077,853</u></u>	<u><u>\$ 17,093,715</u></u>	<u><u>\$ 371</u></u>	<u><u>\$ 4,406,679</u></u>	<u><u>\$ 44,380,139</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, 2022

Net change in fund balances - total governmental funds:		\$ 7,129,078
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 \$2,108,560 and net disposals of \$172,663 exceeded capital outlays of \$506,157 in the current period.		(1,775,066)
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 an increase in property tax revenue.		(113,742)
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.		11,027,870
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	107,961	
Amount of OPEB expenses recognized at government-wide level	<u>295,175</u>	403,136
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	764,658	
Amount of pension expenses recognized at government-wide level	<u>542,729</u>	1,307,387
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 increase in compensated absences.		(15,905)
Change in net position of governmental activities		<u><u>\$ 17,962,758</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, 2022

	Enterprise Fund
	Public Improvement
Assets	
Current assets:	
Cash and cash equivalents	\$ 189,864
Grant receivable	12,500
Accounts receivable, net	66,207
Inventories	64,100
Total current assets	<u>332,671</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation):	
Land and improvements	2,516,078
Other improvements	5,935,283
Buildings and improvements	621,111
Machinery, equipment and vehicles	357,987
Construction in progress	1,247,425
Net OPEB asset	3,963
Net pension asset	146,861
Total noncurrent assets	<u>10,828,708</u>
Total assets	<u>11,161,379</u>
Deferred Outflows	
OPEB items	39,937
Pension items	79,908
Total deferred outflows of resources	<u>119,845</u>
Liabilities	
Current liabilities:	
Accounts payable	77,896
Accrued liabilities	9,303
Due to other funds	5,474
Total current liabilities	<u>92,673</u>
Noncurrent liabilities:	
Compensated absences	29,113
Total noncurrent liabilities	<u>29,113</u>
Total liabilities	<u>121,786</u>
Deferred Inflows	
OPEB items	141,080
Pension items	191,360
Total deferred inflows of resources	<u>332,440</u>
Net Position	
Invested in capital assets	10,677,884
Pension	35,409
Unrestricted	113,705
Total net position	<u>\$ 10,826,998</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, 2022

	Enterprise Fund
	Public Improvement
Operating revenues	
Sales and services to customers	\$ 715,234
Total operating revenues	<u>715,234</u>
Operating expenses	
Personnel	417,208
Contractual	68,607
Materials and supplies	33,986
Fuel and oil	524,130
Depreciation	670,985
Total operating expenses	<u>1,714,916</u>
Operating income (loss)	<u>(999,682)</u>
Nonoperating revenues	
Interest income	149
State grant	12,500
Miscellaneous income	655
Total nonoperating revenues	<u>13,304</u>
Income (loss) before contributions and transfers	(986,378)
Contributions and transfers	
Transfers in	500,000
Transfers out	(5,561)
Capital contribution	1,097,168
Total contributions and transfers	<u>1,591,607</u>
Change in net position	605,229
Beginning net position	10,221,769
Ending net position	<u><u>\$ 10,826,998</u></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, 2022

	<u>Enterprise Fund</u> <u>Public Improvement</u>
Cash flows from operating activities:	
Cash received from customers	\$ 699,412
Cash paid for goods and services	(673,382)
Cash / benefits paid to / for employees	<u>(483,638)</u>
Net cash used by operating activities	<u>(457,608)</u>
Cash flows from noncapital financing activities:	
Transfers in, net	554,733
State grant	12,500
Miscellaneous	<u>655</u>
Net cash provided by noncapital financing activities	<u>567,888</u>
Cash flows from investing activities:	
Interest received	<u>148</u>
Net cash provided by investing activities	<u>148</u>
Net increase in cash and cash equivalents	110,428
Cash and cash equivalents, June 30, 2021	79,436
Cash and cash equivalents, June 30, 2022	<u><u>\$ 189,864</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, 2022

	<u>Enterprise Fund</u> <u>Public Improvement</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (999,682)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	670,985
(Increase) decrease in assets and deferred outflows of resources:	
Operating accounts receivable	(15,823)
Inventory	(32,480)
Net OPEB asset	(3,963)
Net pension asset	(146,861)
Deferred outflows	6,142
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	52,036
Payroll and compensated absences payable	6,160
Due to other funds	5,475
Net OPEB liability	(57,683)
Net pension liability	(77,223)
Deferred inflows	135,309
Net cash used by operating activities	<u><u>\$ (457,608)</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, 2022

	<u>Custodial Funds</u>
Assets	
Cash	<u>\$ 2,335,515</u>
Total assets	<u><u>\$ 2,335,515</u></u>
Liabilities	
Due to:	
Other governmental entities	<u>\$ 2,335,515</u>
Total liabilities	<u><u>\$ 2,335,515</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
June 30, 2022

	<u>Custodial Funds</u>
Additions:	
Property tax collections for other governments	\$ 50,066,686
Miscellaneous	<u>5,711,309</u>
Total additions	<u>55,777,995</u>
Deductions:	
Payments of property taxes to other systems	50,101,250
Administrative expense	<u>5,676,745</u>
Total deductions	<u>55,777,995</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
For the Year Ended June 30, 2022

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.

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
For the Year Ended June 30, 2022**

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
O V R T A (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
For the Year Ended June 30, 2022

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
For the Year Ended June 30, 2022

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's Capital Improvement Fund and Airport Capital Improvement Fund are included within nonmajor governmental funds. 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. 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.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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)

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 35 percent of the total property taxes outstanding at June 30, 2022. 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.

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-tenth cents (28.60 cents); on Class III property, fifty-seven and two-tenth cents (57.20 cents); on Class IV property, fifty-seven and two-tenth 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.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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)

The rates levied by the County per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2022 were as follows:

Assessed Class of Property	Valuation for Tax Purposes	Current Expense
Class I	\$ -	12.77¢
Class II	\$ 980,611,636	25.54¢
Class III	\$ 1,216,288,451	51.08¢
Class IV	\$ 751,576,009	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 lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, 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.

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.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

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

The County and OCDA recorded the right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service.

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%
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%

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (Continued)

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

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.

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 assets, 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.

**Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022**

I. Summary of Significant Accounting Policies (Continued)

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

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 assets, liability 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.

14. Change in accounting principle

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 statement users by improving accounting and financial reporting for leases by governments. There is no effect on beginning net position.

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. The details of these differences are as follows:

Capital assets	\$ 40,911,640
Accumulated depreciation	(23,066,838)
Construction work in progress	<u>1,096,720</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position of governmental activities	<u><u>\$ 18,941,522</u></u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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)

Deferred outflows – OPEB items	\$ 202,710
Deferred outflows – pension items	<u>2,340,725</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position of governmental activities	<u>\$ 2,543,435</u>
Deferred property taxes	<u>\$ 252,023</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position of governmental activities	<u>\$ 252,023</u>
Lease liabilities	\$ (4,335,122)
Revenue bonds payable	(147,925,000)
Discounts and premiums on revenue bonds payable	1,409,469
Accrued bond interest payable	(2,318,453)
Compensated absences	(495,384)
Net OPEB asset	2,785,869
Net pension asset	16,896
Deferred inflows – OPEB items	(4,913,612)
Deferred inflows – pension items	<u>(601,446)</u>
Net adjustment to decrease fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ (156,376,783)</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. The details of the difference are as follows:

Capital outlays	\$ 506,127
Net disposals	(172,663)
Depreciation and amortization expense	<u>(2,108,560)</u>
Net adjustment to decrease net change in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ (1,775,066)</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>\$ (15,905)</u>
Net adjustment to decrease net change in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ (15,905)</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

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:

Deferred debt discount and premiums (net):	
Revenue bonds	\$ (86,846)
Principal repayments:	
Revenue bond payments	9,865,000
Lease payments	1,127,293
Accrued bond interest	<u>122,423</u>
Net adjustment to increase net change in fund balances-total governmental funds to arrive at change in net position of governmental activities	<u>\$ 11,027,870</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.

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	\$ 2,521,859
Public Safety Expenditure Increase	1,302,871
Health and Sanitation Expenditure Increase	28,500
Culture and Recreation Expenditure Increase	215,000
Capital Projects Expenditures Increase	<u>7,827,424</u>
Total	<u>\$ 11,895,654</u>

**Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022**

III. Stewardship, Compliance and Accountability (Continued)

A. Budgetary Information (Continued)

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	\$ 19,082,742	<1 year	AAAm	Aaa-mf

Custodial Credit Risk

At June 30, 2022, the County's total bank balances were \$27,178,393. 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, \$19,082,742 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.

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, 2022, 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, 2022.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

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	\$ 19,082,742	\$ 19,082,742

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.

B. Receivables

<u>Receivable</u>	<u>General</u>	<u>Coal Severance</u>	<u>TIF</u>	<u>Special District Excise Tax</u>	<u>Development District Debt Service</u>
Property and other taxes	\$ 2,820,006	\$ 466,738	\$ -	\$ -	\$ -
Special district excise tax	-	-	-	3,001,798	-
Accrued interest	-	-	10	1,322	10,740
Grants	104,793	-	-	-	-
Other fees	2,163,050	-	-	-	-
Gross receivables	\$ 5,090,596	\$ 466,738	\$ 10	\$ 3,003,120	\$ 10,740
Less: Allowances for uncollectible	(173,913)	-	-	-	-
Net total receivables	<u>\$ 4,913,936</u>	<u>\$ 466,738</u>	<u>\$ 10</u>	<u>\$ 3,003,120</u>	<u>\$ 10,740</u>

<u>Receivable</u>	<u>Nonmajor Government Funds</u>	<u>Total Governmental Funds</u>	<u>Public Improvement</u>	<u>Total Proprietary Funds</u>
Property and other taxes	\$ 292,184	\$ 3,581,675	\$ -	\$ -
Special district excise tax	-	3,001,798	-	-
Accrued interest	-	12,072	-	-
Grants	298,051	402,844	12,500	12,500
Other fees	1,785,456	3,948,506	66,207	66,207
Gross receivables	\$ 2,375,691	\$ 10,946,895	\$ 78,707	\$ 78,707
Less: Allowances for uncollectible	(1,116,928)	(1,293,588)	-	-
Net total receivables	<u>\$ 1,258,763</u>	<u>\$ 9,653,307</u>	<u>\$ 78,707</u>	<u>\$ 78,707</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

C. Component Unit - OCDA - Leases Receivable

The OCDA has entered into lease agreements for various properties within the Highlands with tenants operating commercial activities at the Highlands. These leases may include land only or both building and land. The lease receivables are measured at the present value of the future minimum rent payments expected to be received during the lease term 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%	\$ 54,909	\$ 81,017	\$ 3,484
WVU Medical Corp.	7/31/2024	4.0%	114,785	54,206	5,165
Sleep Outfitters	5/31/2024	4.0%	169,369	86,936	7,749
Panera Bread	10/18/2027	4.0%	673,311	124,259	26,739
Starbucks Corporation	2/28/2030	3.8%	438,401	55,905	16,053
Jersey Mike's Subs	12/31/2031	3.8%	323,248	16,869	5,222
Comcast Cable Com. Management	8/31/2026	3.8%	450,804	105,574	17,333
Sport Clips	9/30/2027	3.8%	107,723	5,386	-
Chipotle Mex. Grill of Co. LLC	8/31/2030	3.8%	476,560	57,117	17,396
Retina Vitreous Consultants	12/31/2032	3.8%	521,591	26,080	-
Darden	12/1/2032	4.2%	1,058,325	-	-
Aspen Dental	12/31/2030	3.8%	848,125	97,811	30,913
Wesbanco Bank	11/30/2026	4.2%	401,789	89,460	17,042
Bob Evans	3/31/2026	4.2%	276,636	72,537	11,944
JC Penney	1/31/2028	4.0%	1,253,873	213,447	48,683
Kohls	1/31/2028	4.2%	993,876	175,081	41,265
Lamar Advertising	7/31/2032	4.2%	98,504	9,615	3,942
East Coast Metal Systems	3/31/2037	3.9%	3,065,097	204,851	112,293
Silgan Plastics	7/31/2027	4.3%	2,188,236	423,204	93,742
GJR Enterprises Inc.	2/28/2039	4.0%	2,143,319	126,764	80,227
Books A Million	1/31/2028	4.0%	1,219,094	214,916	48,228
Petco	1/31/2028	4.0%	1,319,041	232,536	52,182
TJ Maxx	9/30/2027	4.0%	1,137,179	213,194	45,221
Lane Bryant	1/31/2026	4.0%	237,424	65,666	9,860
Shoe Show	2/29/2028	4.0%	793,174	137,295	31,282
Vacant (Old BB & B Final)	10/30/2022	4.0%	92,228	264,862	8,178
Bath & Body Works	4/30/2029	4.0%	36,497	10,635	1,397
Old Navy	4/30/2026	4.0%	546,530	140,301	22,428
Once Upon A Child	4/30/2025	4.0%	218,509	74,375	9,238
Quaker Steak & Lube	12/31/2029	4.2%	1,777,636	231,569	72,005
Best Buy	1/31/2024	4.2%	298,203	185,134	14,941
ICB Holdings LLC (Bannan)	10/31/2025	4.0%	291,069	84,015	11,998
Marra Knee & Shoulder Center	12/31/2025	4.0%	185,876	52,259	7,711
Highmark	12/31/2022	4.0%	179,609	353,337	13,023
Blue Racer Midstream, LLC	8/31/2024	4.0%	394,094	178,951	17,602
Hahn Medical	10/31/2023	4.0%	196,327	144,851	9,794
Bubba's Burgers	4/30/2026	4.0%	341,897	85,260	13,807
AT&T Call Center	6/30/2023	4.0%	228,221	224,500	12,417
Equinor USA Onshore Prop. Inc.	1/31/2024	4.0%	59,829	36,900	2,843
Amedisys	4/30/2025	4.0%	158,863	55,169	6,784
Marquee Cinemas	8/7/2028	4.0%	3,460,610	448,886	133,837
TSG	10/31/2027	4.2%	345,556	63,724	14,402
Sokolin	2/28/2027	4.2%	165,617	34,565	6,950
Cardinal Pediatrics	10/31/2026	4.2%	97,457	21,831	4,112
Howards Diamond Center	11/30/2026	4.2%	225,792	50,274	9,577
Army National Guard	11/30/2023	4.2%	63,271	43,642	3,247
Dicarlos	11/30/2025	4.2%	95,330	27,434	4,163
H&R Block	4/30/2024	4.2%	42,723	22,998	2,037
West Liberty University	6/30/2024	4.2%	418,394	205,650	19,918
First Settlement PT, Inc.	2/28/2025	4.2%	128,448	47,356	5,810
Tony's Spa	6/30/2028	4.2%	305,914	49,567	12,550
The Bower Decor Market, LLC	10/31/2027	4.2%	163,865	29,452	6,736
NiNi's Treasures	6/30/2027	4.2%	257,417	50,187	10,738

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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
Fore Seasons Golf, LLC	3/31/2025	4.2%	70,755	24,852	3,153
Cricket	N/A - Sale		-	4,461	39
Jimmy Johns	N/A - Sale		-	2,802	220
Coldstone	N/A - Sale		-	4,854	280
Wendy's	N/A - Sale		-	22,998	3,814
Taco Bell	N/A - Sale		-	2,678	-
			<u>\$ 31,210,930</u>	<u>\$ 6,170,055</u>	<u>\$ 1,191,714</u>

The OCDA recognized \$6,170,055 of lease revenue and \$1,191,714 of interest revenue under the leases during the year, reported in the rental and lease fees on the Statement of Revenues, Expenses and Changes in Net Position.

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 immediate termination if annual state funding is not appropriated at levels sufficient to fund the related lease obligations and co-tenancy agreement violations remaining uncured where specific neighboring businesses at the Highlands are to remain actively open for business.

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

Year Ended	Interest	Lease	Total Lease
2023	\$ 1,125,799	\$ 5,354,265	\$ 6,480,064
2024	950,474	4,877,114	5,827,588
2025	763,708	4,354,579	5,118,287
2026	588,370	4,203,926	4,792,296
2027	427,071	3,736,180	4,163,251
2028-2032	904,001	6,371,760	7,275,761
2033-2037	251,379	2,029,149	2,280,528
2038-2039	10,043	283,957	294,000
Total	<u>\$ 5,020,845</u>	<u>\$ 31,210,930</u>	<u>\$ 36,231,775</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital assets as of June 30, 2022 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	636,944	459,776	-	1,096,720
Total capital assets not being depreciated	<u>\$ 7,136,824</u>	<u>\$ 459,776</u>	<u>\$ -</u>	<u>\$ 7,596,600</u>
Capital assets being depreciated and amortized:				
Building and improvements	\$ 10,432,281	\$ 7,100	\$ -	\$ 10,439,381
Machinery, equipment and vehicles	13,660,650	39,281	(1,151,086)	23,972,379
Right to use leased asset – equipment and vehicles	11,423,534	-	-	11,423,534
Total accumulated depreciation	(15,448,759)	(929,822)	978,423	(15,400,158)
Total accumulated amortization	<u>(6,487,942)</u>	<u>(1,178,738)</u>	<u>-</u>	<u>(7,666,680)</u>
Total capital assets being depreciated and amortized, net	<u>\$ 13,579,764</u>	<u>\$ (2,062,179)</u>	<u>\$ (172,663)</u>	<u>\$ 11,344,922</u>
Total	<u>\$ 20,716,588</u>	<u>\$ (1,602,403)</u>	<u>\$ (172,663)</u>	<u>\$ 18,941,522</u>

Depreciation and Amortization Expense –Current

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

General government	\$ 363,747
Public safety	<u>1,744,813</u>
Total	<u>\$ 2,108,560</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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	159,331	1,088,094	-	1,247,425
Total capital assets not being depreciated:	<u>\$ 2,667,972</u>	<u>\$ 1,088,094</u>	<u>\$ -</u>	<u>\$ 3,756,066</u>
Capital assets being depreciated:				
Land improvements	\$ 53,475	\$ -	\$ -	\$ 53,475
Buildings and improvements	1,484,650	-	-	1,484,650
Other improvements	15,567,425	-	-	15,567,425
Machinery, equipment, and vehicles	885,126	9,073	-	864,199
Total accumulated depreciation	<u>(10,376,946)</u>	<u>(670,985)</u>	<u>-</u>	<u>(11,047,931)</u>
Total capital assets being depreciated, net	<u>\$ 7,583,730</u>	<u>\$ (661,912)</u>	<u>\$ -</u>	<u>\$ 6,921,818</u>
Totals	<u>\$ 10,251,702</u>	<u>\$ (426,182)</u>	<u>\$ -</u>	<u>\$ 10,677,884</u>

Depreciation Expense – Current

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

Public Improvement	<u>\$ 670,985</u>
Total current depreciation	<u>\$ 670,985</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

	OCDA - Component Unit			
	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Component unit:				
Capital assets not being depreciated:				
Land	\$ 52,584,987	\$ 1,500,000	\$ (799,643)	\$ 53,285,344
Construction in progress	8,766,770	598,998	(3,198,882)	6,166,886
Total capital assets not being depreciated:	<u>\$ 61,351,757</u>	<u>\$ 2,098,998</u>	<u>\$ (3,998,525)</u>	<u>\$ 59,452,230</u>
Capital assets being depreciated:				
Buildings	\$ 130,890,805	\$ 3,139,374	\$ (1,196,825)	\$ 132,833,354
Right to use leased asset - building	-	115,043	-	115,043
Land improvements	17,305,651	-	(362,133)	16,943,518
Infrastructure	6,590,361	-	-	6,590,361
Equipment and vehicles	6,159,873	74,439	-	6,234,312
Right to use leased asset - equipment	42,120	-	-	42,120
Total accumulated depreciation	(35,407,767)	(3,938,990)	529,799	(38,816,958)
Total accumulated amortization	<u>(17,550)</u>	<u>(13,120)</u>	<u>-</u>	<u>(30,670)</u>
Total capital assets being depreciated and amortized, net	<u>\$ 125,563,493</u>	<u>\$ (623,254)</u>	<u>\$ (1,029,159)</u>	<u>\$ 123,911,080</u>
Totals	<u>\$ 186,915,250</u>	<u>\$ 1,475,744</u>	<u>\$ (5,027,684)</u>	<u>\$ 183,363,310</u>

Depreciation and Amortization Expense – Current

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

Economic development fund	\$ 2,790,094
Sports venues fund	<u>1,162,016</u>
Total	<u>\$ 3,952,110</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

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.

Construction in progress assets at year-end include:

Governmental activities)

Project	Description	Spent-to-Date	Funding
Building projects	Portico / HVAC / Lighting	\$ 961,329	Local/Bond funds
Radio tower	Tower upgrades	\$ 15,261	Local
EMS trailer	EMS Mobile home	\$ 30,885	Local
Communications	911 Upgrades	\$ 89,245	ARPA funds

Business-type activities

Project	Description	Spent-to-Date	Funding
Other improvements	Airport runway rehab	\$ 1,247,425	Federal / State / Local Funds

Component unit

The OCDA has active construction projects as of June 30, 2022. The projects include 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. At June 30, 2022, the amounts for component unit activities spent-to-date are as follows:

Project	Spent-to-Date	Additional committed
Access roads and site work	\$ 4,300,691	\$ -
Buildings	406,582	321,546
Recreation Center	245,599	-
Site work	586,964	-
WVNCC Parking Lot	627,050	-
	<u>\$ 6,166,886</u>	<u>\$ 321,546</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Due from/to other funds:		
Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 386,061
General fund	ARPA	89,245
Public improvement	General fund	87
Public improvement	Nonmajor governmental funds	5,561
		<u>\$ 480,954</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

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

The composition of interfund transfers as of June 30, 2022, is as follows:

Interfund Transfers:		
Fund transferred in to:	Fund transferred out of:	Amount
General Fund	Nonmajor governmental fund	\$ 696,454
Public Improvement	General Fund	500,000
Public Improvement	Nonmajor governmental fund	1,088,095
Develop district debt service	Develop district excise tax	17,964,362
Property Tif Tax	Develop district debt service	10,000
Develop district excise	Develop district debt service	1,250
Nonmajor governmental fund	General Fund	364,000
Nonmajor governmental fund	Public Improvement	5,561
	Total	<u>\$ 20,629,722</u>

F. Lease liabilities

The County has entered into the following lease agreements:

Collateral	Maturity Date	Interest Rate	Issued	Balance at June 30, 2022
Communication Radios	2/13/2027	6.95%	\$ 400,000	\$ 171,620
Communication Radios	2/13/2027	4.75%	\$ 800,000	312,852
Law Enforcement Vehicles	12/7/2023	3.69%	\$ 583,421	185,440
Law Enforcement Vehicles	7/23/2025	1.44%	\$ 750,000	527,120
Law Enforcement Vehicles	2/19/2026	2.95%	\$ 66,130	53,677
Equipment	11/1/2028	1.62%	\$ 4,303,720	3,084,413
				<u>\$ 4,335,122</u>

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

Year	Amount
2023	\$ 887,295
2024	821,641
2025	758,265
2026	676,581
2027	548,409
2028-2029	939,284
Total minimum lease payments	<u>4,631,475</u>
Less: Amount representing interest	<u>(296,353)</u>
Present value of minimum lease payments	<u>\$ 4,335,122</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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, 2023 and March 1, 2035 and bear an interest rate of 8.25%. The outstanding balances at June 30, 2022 were \$30,585,000 and \$5,975,000, 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, 2022 balance of the 2016 Property TIF Bonds is \$19,025,000 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, 2022 balance of the SDEX Series 2018 Bonds is \$34,080,000 maturing between March 1, 2023 and March 1, 2036 with interest rates ranging from 3.63% 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, 2022 balance of the SDEX Series 2019 A and B Bonds were \$32,825,000 and 25,435,000, respectively maturing between March 1, 2023 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
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Revenue Bonds – Primary Government – Governmental Activities (Continued)

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

Description	Primary Government			Balance June 30, 2022
	Balance June 30, 2021	Issued	Retired	
2006A-1 SDEX Bonds	\$ 32,130,000	\$ -	\$ (1,545,000)	\$ 30,585,000
2006A-2 SDEX Bonds	6,160,000	-	(185,000)	5,975,000
2016 Property TIF Bonds	20,295,000	-	(1,270,000)	19,025,000
2018 SDEX Bonds	35,965,000	-	(1,885,000)	34,080,000
2019A SDEX Bonds	32,825,000	-	-	32,825,000
2019B SDEX Bonds	30,415,000	-	(4,980,000)	25,435,000
Primary Government	157,790,000	-	(9,865,000)	147,925,000
Total Revenue Bonds				
Debt discounts	(1,789,452)	-	108,860	(1,680,772)
Debt premiums	293,137	-	(21,834)	271,303
Primary Government				
Total Revenue Bonds, net	\$ 156,293,685	\$ -	\$ (9,778,154)	\$ 146,515,531

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.

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities	
	Principal	Interest
2023	\$ 5,400,000	\$ 7,493,091
2024	5,670,000	7,222,720
2025	5,960,000	6,931,683
2026	6,275,000	6,614,533
2027	6,615,000	6,277,533
2028-2032	39,435,000	25,017,588
2033-2037	46,165,000	12,215,378
2038-2041	32,405,000	2,628,622
Totals	\$ 147,925,000	\$ 74,401,148

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

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%

Component Unit				
Description	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
Series 2018-Sports Complex	\$ 29,050,000	\$ -	\$ (540,000)	\$ 28,510,000
Series 2011 A- Water	815,789	-	(290,733)	525,057
Total Revenue Bonds	<u>\$ 29,865,789</u>	<u>\$ -</u>	<u>\$ (830,733)</u>	<u>\$ 29,035,057</u>

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 on June 30, 2022 was \$584,997 and is included on the Statement of Net Position, netted against the current and long term bonds payable.

Revenue Bonds Lease Pledged 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.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

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

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 \$51,433,588. The debt service requirements for the bond for the current period were \$1,918,973 which is comprised of \$560,000 of principal and \$1,358,973 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 Utility Pledged Revenue

The OCDA has pledged future lease revenue, net of specified operating expenses and the debt service requirement for a previously issued note (prior obligation since modified) with an outstanding principal amount of \$9,671,239 secured by the same lease revenue, to repay \$1,600,000 in water revenue bonds issued in 2011. In addition, a line of credit of up to \$2,000,000 is available. The proceeds provided financing for the construction of additions, betterments and improvements to the buildings, water lines, a water storage tank, and pumping station to support the businesses at The Highlands. The notes and bonds are secured through certain lease revenue and are payable through September, 2034 and December, 2032, respectively. Annual principal and interest payments on the bonds 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 \$652,754. The debt service requirements for the bond and note for the current period were \$1,489,978 which is comprised of \$773,908 of principal and \$466,073 of interest plus an additional \$247,996 (20% of the debt service for the bonds and the prior obligations are required per the bond ordinance).

Direct Placement Placed Bonds - West Virginia Water Development Authority

The OCDA also has bonds outstanding that are privately placed with the WV Water Development Authority. The loan shares a first lien with Wesbanco front lots and is secured by real property and certain rents, leases and other revenue associated with the development district. 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 \$652,754. The debt service requirements for the bond and note for the current period were \$1,489,978 which is comprised of \$773,908 of principal and \$466,073 of interest plus an additional \$247,996 (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 shared lien loan and full payment may be a remedy for default.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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 Bond		Revenue Bond	
	Principal	Interest	Principal	Interest
2023	\$ 78,824	\$ 27,852	\$ 560,000	\$ 1,358,973
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	1,287,773
2028-2032	106,287	13,087	3,715,000	5,843,808
2033-2037	-	-	4,665,000	4,873,115
2038-2042	-	-	5,940,000	3,561,250
2043-2047	-	-	7,570,000	1,880,500
2048	-	-	3,590,000	181,750
Totals	<u>\$ 525,057</u>	<u>\$ 127,697</u>	<u>\$ 28,510,000</u>	<u>\$ 22,923,588</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, 2022
Wesbanco Bank- New Front Lots	9/30/2034	Variable - SWAP rate plus 2.75%	\$ 13,400,000	\$ 3,728,761	\$ 9,671,239
Wesbanco Bank- Silgan Warehouse	11/27/2032	Variable - Prime rate reported daily in the Wall Street Journal	5,000,000	2,487,007	2,512,993
Wesbanco Bank- ECM	4/3/2032	Variable SWAP rate plus 3.64%	3,054,000	721,973	2,332,027
Wesbanco Bank- ECM Equipment	9/19/2024	Variable - Prime rate reported daily in the WSJ, plus .95% per annum	1,149,989	730,692	419,297
Wesbanco Bank- OCDA IV	10/29/2041	Variable – Five (5) year treasury plus 3.20% annum	2,160,000	48,610	2,111,390
Wesbanco Bank- OCDA V	10/29/2041	Variable – Five (5) year treasury plus 3.20% annum	1,840,000	41,400	1,798,600
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	233,032	18,666,968

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Notes Payable – Direct Borrowing – Component Unit (Continued)

Truist Bank - JC Penney	9/15/2022	Variable - Bank's prime rate adjusted monthly.	1,464,000	1,464,000	-
Truist Bank - OCDA III	9/15/2022	Variable - Bank's prime rate adjusted monthly.	2,632,000	2,632,000	-
Truist Bank - Power Center A	9/15/2022	Variable - Bank's prime rate adjusted monthly.	17,261,431	17,261,431	-
Truist Bank - Power Center B	9/15/2022	Variable - Bank's prime rate adjusted monthly.	3,472,000	3,472,000	-
Truist Bank - Town Center I	9/15/2022	Variable - Bank's prime rate adjusted monthly.	16,690,012	16,690,012	-
Truist Bank - Marquee Cinemas	9/15/2022	Variable - Bank's prime rate adjusted monthly.	5,980,675	5,980,675	-
Community- Construction	7/28/2037	Variable - Prime rate reported daily in the WSJ, plus .5% per annum	2,799,398	482,533	2,316,865
WV Infrastructure Council	6/1/2029	Fixed 3.00%	<u>3,000,000</u>	<u>1,749,897</u>	<u>1,250,103</u>
Total notes payable			<u>\$ 98,803,505</u>	<u>\$ 57,724,023</u>	<u>\$ 41,079,482</u>

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

<u>Year Ended</u>	<u>Principal</u>	<u>Interest*</u>
2023	\$ 2,652,791	\$ 1,650,919
2024	2,765,934	1,537,480
2025	2,736,577	1,415,637
2026	2,819,345	1,287,692
2027	2,849,436	1,255,802
2028-2032	15,582,363	4,352,143
2033-2037	10,559,524	1,337,439
2038-2042	1,113,512	92,806
Totals	<u>\$ 41,079,482</u>	<u>\$ 12,929,918</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, 2022.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Notes Payable – Direct Borrowing – Component Unit (Continued)

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).

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.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Notes Payable – Direct Borrowing – Component Unit (Continued)

Wesbanco Bank (Continued)

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

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 24 properties in the area along with assignment of sublease rents of 4 properties.

Silgan Warehouse- 5.22 acres of property in the development area known as phase 6 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 property related to the project. Assignment of all leases and rents relating to the project and any future leases of the real property.

ECM Equipment - UCC-1 on Equipment to be 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.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Notes Payable – Direct Borrowing – Component Unit (Continued)

Community Bank

The note with Community Bank, with a balance of \$2,316,865, 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 real property related to the tenant's site 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 \$1,250,103 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 of housing and retail outlets. The collateral is shared first with Wesbanco.

Changes in General Long-Term Liabilities

	Primary Government - Governmental Activities – Revenue Bonds				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable					
Bonds payable	\$ 157,790,000	\$ -	\$ (9,865,000)	\$ 147,925,000	\$ 5,400,000
Premiums	293,137	-	(21,834)	271,303	21,835
Discounts	(1,798,452)	-	108,680	(1,680,772)	(108,682)
Total bonds payable, net	<u>156,293,685</u>	<u>-</u>	<u>(9,778,154)</u>	<u>146,515,531</u>	<u>5,313,153</u>
Governmental activities revenue bond debt	<u>\$ 156,293,685</u>	<u>\$ -</u>	<u>\$ (9,778,154)</u>	<u>\$ 146,515,531</u>	<u>\$ 5,313,153</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

G. Long-Term Debt (Continued)

Changes in General Long-Term Liabilities (Continued)

	Primary Government - Governmental Activities – Other Long-term Liabilities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net OPEB liability	\$ 245,912	\$ -	\$ (245,912)	\$ -	\$ -
Compensated absences	479,479	56,217	(40,312)	495,384	-
Lease liabilities	5,462,415	-	(1,127,293)	4,335,122	798,165
Net pension liability	2,776,927	-	(2,776,927)	-	-
Governmental activities other long-term liabilities	<u>\$ 8,964,733</u>	<u>\$ 56,217</u>	<u>\$ (4,190,444)</u>	<u>\$ 4,830,506</u>	<u>\$ 798,165</u>

	Primary Government - Business-type Activities – Other Long-term Liabilities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net OPEB liability	\$ 57,683	\$ -	\$ (57,683)	\$ -	\$ -
Compensated absences	29,391	-	(278)	29,113	-
Net pension liability	77,223	-	(77,223)	-	-
Business-type activities other long-term liabilities	<u>\$ 164,297</u>	<u>\$ -</u>	<u>\$ (135,184)</u>	<u>\$ 29,113</u>	<u>\$ -</u>

	Component Unit - Ohio County Development Authority (OCDA)				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable – direct borrowings	\$ 44,629,690	\$ 22,900,000	\$ (26,450,208)	\$ 41,079,482	\$ 2,652,791
Revenue bonds – privately placed	815,790	-	(290,733)	525,057	78,824
Bonds payable	29,050,000	-	(540,000)	28,510,000	560,000
Bonds payable discount	(607,354)	-	22,357	(584,997)	(22,357)
Component unit long- term liabilities related to borrowings	<u>\$ 73,888,126</u>	<u>\$ 22,900,000</u>	<u>\$ (27,258,584)</u>	<u>\$ 69,529,542</u>	<u>\$ 3,269,258</u>

	Component Unit - Ohio County Development Authority (OCDA)				
	Beginning Balance (Restated)	Additions	Reductions	Balance	Due Within One Year
Lease liabilities	\$ 134,348	\$ -	\$ (13,669)	\$ 120,679	\$ 11,914
Net pension liability	430,174	-	(430,174)	-	-
Long term advance	997,000	-	-	997,000	-
Component unit long- term liabilities related to other liabilities	<u>\$ 1,561,522</u>	<u>\$ -</u>	<u>\$ (443,843)</u>	<u>\$ 1,117,679</u>	<u>\$ 11,914</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

H. Line of Credit – Component Unit

During the year, the OCDA 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 New Front Lots note payable described in Note IV. F. The balance is payable on demand. The interest rate is the prime rate reported in the Wall Street Journal, fluctuating monthly.

Changes in short term debt related to borrowings are as follows:

Component Unit - Ohio County Development Authority (OCDA)				
	Beginning Balance	Additions	Reductions	Balance
				Due Within One Year
Line of credit payable	\$ 1,839,300	\$ -	\$ (1,839,300)	\$ -

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, 2022 outstanding balance on the Series 2012 is \$2,906,161. 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, 2022 outstanding balance for the 2015 Series Bonds is \$3,999,976. 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 \$3,488,338 and \$1,079,579 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 \$48,250.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ 94,748	\$ 22,225	\$ 116,973
Governmental contributions subsequent to the measurement date	107,962	17,712	125,674
OPEB items	<u>\$ 202,710</u>	<u>\$ 39,937</u>	<u>\$ 242,647</u>
Deferred Inflows of Resources	Governmental Activities	Business-type Activities	Total OPEB Items
Net difference between projected and actual earnings on OPEB plan investments	\$ 116,600	\$ 27,351	\$ 143,951
Difference between expected and actual experience	116,384	27,300	143,684
Changes of assumptions	357,515	83,861	441,376
Changes in proportion and differences between government contributions and proportionate share of contributions	5,395	1,265	6,660
Reallocation of opt-out employer change in proportionate share	5,552	1,303	6,855
OPEB items	<u>\$ 601,446</u>	<u>\$ 141,080</u>	<u>\$ 742,526</u>

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

Deferred Outflows of Resources	Governmental Activities	Business-type Activities	Total Pension Items
Difference between expected and actual experience	\$ 527,848	\$ 16,761	\$ 544,609
Changes in proportion and differences between government contributions and proportionate share of contributions	106,507	5,547	112,054
Changes of assumptions	941,712	27,943	969,655
Government contributions subsequent to the measurement date	764,658	29,657	794,315
	<u>\$ 2,340,725</u>	<u>\$ 79,908</u>	<u>\$ 2,420,633</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

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
Net difference between projected and actual earnings on pension plan investments	\$ 4,655,962	\$ 188,105	\$ 4,844,067
Difference between expected and actual experience	126,778	557	127,335
Changes of assumptions	51,118	1,190	52,308
Changes in proportion and differences between government contributions and proportionate share of contributions	79,754	1,508	81,262
Pension items	\$ 4,913,612	\$ 191,360	\$ 5,104,972

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
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

L. Fund Balance (Continued)

Fund Balances	<u>General</u>	<u>Coal Severance</u>	<u>TIF</u>	<u>SDEX</u>	<u>Debt Service</u>	<u>ARPA</u>	<u>Nonmajor Government</u>	<u>Total</u>
<u>Restricted for:</u>								
Animal control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,319	\$ 369,319
Coal reallocation	-	-	-	-	-	-	1,811,886	1,811,886
Fire department	-	-	-	-	-	-	1,451,390	1,451,390
Law enforcement	-	-	-	-	-	-	20,862	20,862
Debt service	-	-	24,523	5,077,853	17,093,715	-	-	22,196,091
Magistrate court	-	-	-	-	-	-	2,007	2,007
<u>Total Restricted:</u>	<u>-</u>	<u>-</u>	<u>24,523</u>	<u>5,077,853</u>	<u>17,093,715</u>	<u>-</u>	<u>3,655,464</u>	<u>25,851,555</u>
<u>Assigned to:</u>								
Capital projects	13,551,908	-	-	-	-	371	57,674	13,609,953
Economic development	-	1,377,215	-	-	-	-	-	1,377,215
<u>Total Assigned:</u>	<u>13,551,908</u>	<u>1,377,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371</u>	<u>57,674</u>	<u>14,987,168</u>
Unassigned:	<u>2,847,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>693,541</u>	<u>3,541,416</u>
<u>Total Fund Balances:</u>	<u>\$ 16,399,783</u>	<u>\$ 1,377,215</u>	<u>\$ 24,523</u>	<u>\$ 5,077,853</u>	<u>\$ 17,093,715</u>	<u>\$ 371</u>	<u>\$ 4,406,679</u>	<u>\$ 44,380,139</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.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

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:

Operating Contributions - The County passes through operational funding from the Wheeling Convention and Visitor's Bureau, Inc. for The Highlands. During the year, \$85,000 was contributed.

Capital Contributions - The County contributed \$2,179,147 to the OCDA. This was comprised of \$679,147 in excess TIF revenue and \$1,500,000 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 ending June 30, 2022, \$1,931,439 was received by the OCDA from the primary government to cover the principal and interest payments on the Sports Complex bonds.

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, 2022 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 deputy sheriff wages for officers at The Highlands as well as licenses and computer services. The balance at June 30, 2022 was \$44,924. The County reimburses the OCDA for construction project costs, as they arise. This balance at June 30, 2022 was \$24,517. The net balance due from the OCDA is \$20,407.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

IV. Detailed Notes on All Funds (Continued)

N. Prior Period Restatement

Primary Government

The following is the impact of the prior period adjustment on the governmental activities and governmental funds to reconcile fire board receivables:

	Statement of Activities	
	Governmental Activities	Total
Net position, as previously stated	\$ (107,523,272)	\$ (97,301,503)
Reduction in fire board receivable	(699,150)	(699,150)
Net position, as restated	<u>\$ (108,222,422)</u>	<u>\$ (98,000,653)</u>

	Statement of Revenues, Expenses and Changes in Fund Balance	
	Nonmajor Governmental Funds	Total Governmental Funds
Fund balance, as previously stated	\$ 3,850,524	\$ 37,950,211
Reduction in fire board receivable	(699,150)	(699,150)
Fund balance, as restated	<u>\$ 3,151,374</u>	<u>\$ 37,251,061</u>

Component Unit

While reconciling construction work in progress, the OCDA identified projects that were finished from the prior year. Additionally, the OCDA identified additional reconciling balances that required adjustments to the prior period. The following is the impact of the prior period adjustments.

	Highlands Economic Development	Highlands Sports Venues	Totals
Statement of Net Position - Proprietary Fund			
Net position, as previously stated	\$ 110,311,583	\$ 12,821,228	\$ 123,132,811
Reconciliation of accounts receivable	(39,184)	-	(39,184)
Reconciliation of due from primary government	(26,189)	-	(26,189)
Reconciliation of inventory	-	(74,654)	(74,654)
Reconciliation of accrued benefits payable	39,375	3,997	43,372
Reconciliation of construction in progress	(83,371)	-	(83,371)
Net position, as restated	<u>\$ 110,202,214</u>	<u>\$ 12,750,571</u>	<u>\$ 122,952,785</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
For the Year Ended June 30, 2022

V. Other Information (Continued)

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by 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 grant or 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.

SWN 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.

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
For the Year Ended June 30, 2022

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.

Nicole Seifert, et al. v. The Ohio County Commission, Civil Action No. CC-35-2022-C-211, Nicole Seifert, et al. v. The Ohio County Commission, Civil Action No. CC-35-2022-C-211, and Nathan Dober, et al. v. The Ohio County Commission, Civil Action No. CC-35-2022-C-210. Subsequent to the year end, these legal actions were filed by Ohio County Sheriff's deputies and staff claiming loss of pay for (1) Covid-19 pandemic work, (2) a change in pay structure from wages paid in advance to wages paid in arrears & the discontinuance of some "extra duty pay" and change in process of other "extra duty pay" to be done through a 1099 compensation process instead of through the County's payroll (3) sick leave pay policy during the Covid-19 pandemic. The claims of undetermined amounts consist of compensatory damages (lost wages) and general damages including attorney fees. During a March 2023 hearing, the judge referred all three legal actions to mediation. The County can make no assurances of the outcome of pending litigation/mediation. Any judgements for lost wages would not be covered by insurance and would be the liability of the Ohio County Commission.

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

On December 1, 2022, the County through the Ohio County Building Commission issued lease revenue bonds in the amount of \$12,000,000 to finance the costs of the construction, renovation, improvements, and equipping the City-County Building with, but not limited to, upgrades to the HVAC system, roofing, windows, fire suppression system and electrical system.

Component Unit - The OCDA purchased approximately 20 acres of land with capital contributions obtained from the primary government (SDEX Bond Proceeds) and remaining TIF excess funds available.

**Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022**

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 – 10.0%
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
For the Year Ended June 30, 2022**

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
2022	\$ 538,164	100%
2021	\$ 497,325	100%
2020	\$ 464,019	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
For the Year Ended June 30, 2022

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
2022	\$ 256,151	100%
2021	\$ 243,882	100%
2020	\$ 244,819	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 Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the County reported the following assets for its proportionate share of the net pension assets. The net pension assets were measured as of June 30, 2021, and the total pension asset used to calculate the net pension assets were determined by an actuarial valuation as of July 1, 2020 and rolled forward to June 30, 2021 using the actuarial assumptions and methods described in the appropriate section of this note.

The County's proportion of the net pension assets 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, 2022, the County reported the following proportions and increases/decreases from its proportion measured as of June 30, 2021:

	PERS	DSRS
Amount for proportionate share of net pension asset	\$ 2,730,451	\$ 202,279
Percentage for proportionate share of net pension asset	0.31101%	3.35677%
Increase % from prior proportion measured	0.012400%	0.20080%

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

VI. Employee Retirement Systems and Plans (Continued)

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

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

For the year ended June 30, 2022, the County recognized the following pension expense:

	<u>PERS</u>	<u>DSRS</u>
Government-wide pension expense	\$ (492,929)	\$ (77,075)

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	\$ -	\$ 3,309,158	\$ -	\$ 188,105
Differences between expected and actual experience with regard to economic or demographic factors	294,854	9,794	16,761	557
Changes in actuarial assumptions	491,569	20,941	27,943	1,190
Net changes in proportion and differences between employer contributions and proportionate share of contributions	39,071	7,832	5,547	1,508
Employer contributions to pension plan subsequent to the measurement date	<u>508,507</u>	<u>-</u>	<u>29,657</u>	<u>-</u>
	<u>\$ 1,334,001</u>	<u>\$ 3,347,725</u>	<u>\$ 79,908</u>	<u>\$ 191,360</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 asset in the year ended June 30, 2023.

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>
2023	\$ (488,073)
2024	(428,297)
2025	(716,888)
2026	<u>(1,030,082)</u>
Total	<u>\$ (2,663,340)</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

VI. Employee Retirement Systems and Plans (Continued)

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

Pension Assets, 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	\$ -	\$ 1,346,804
Differences between expected and actual experience with regard to economic or demographic factors	232,994	116,984
Changes in actuarial assumptions	450,143	30,177
Net changes in proportion and differences between employer contributions and proportionate share of contributions	67,436	71,922
Employer contributions to pension plan subsequent to the measurement date	256,151	-
	<u>\$ 1,006,724</u>	<u>\$ 1,565,887</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 asset in the year ended June 30, 2022.

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>
2023	\$ (244,281)
2024	(232,148)
2025	(200,083)
2026	(267,166)
2027	102,072
2028	26,292
Total	<u>\$ (815,314)</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, 2022, based on the measurement date June 30, 2021.	<u>32.02%</u>	<u>32.07%</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

VI. Employee Retirement Systems and Plans (Continued)

Actuarial Assumptions

The total pension (asset) liability was determined by an actuarial valuation as of July 1, 2020 and rolled forward to June 30, 2021 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, 2018 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
For the Year Ended June 30, 2022

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, 2020 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%	5.5%	1.51%
International Equity	27.5%	7.0%	1.93%
Fixed Income	15.0%	2.2%	0.33%
Real Estate	10.0%	6.6%	0.66%
Private Equity	10.0%	8.5%	0.85%
Hedge Funds	10.0%	4.0%	0.40%
Total	100%		5.68%
Inflation			2.10%
			7.78%

Discount Rate:

The discount rate used to measure the total pension (asset) liability 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 (asset) liability for the plan.

**Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022**

VI. Employee Retirement Systems and Plans (Continued)

Actuarial Assumptions (Continued)

The following table presents the sensitivity of the net pension asset (liability) to changes in the discount rate, calculated using the current discount rate as used in the actuarial evaluation, and what the net pension asset (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 rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
County's proportionate share of PERS net pension asset (liability)	\$ (31,200)	\$ 2,730,451	\$ 5,061,418
County's proportionate share of DSRS net pension asset (liability)	\$(1,250,196)	\$ 202,279	\$ 1,399,404

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).

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
For the Year Ended June 30, 2022

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	\$ 107,962
Public improvement	17,712
Total	<u>\$ 125,674</u>

OPEB Asset, 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 asset 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 asset, the related State support, and the total portion of the net OPEB asset that was associated with the County were as follows:

County's proportionate share of net OPEB asset	\$ 20,859
State's proportionate share of the net OPEB asset associated with the County	4,107
Total proportionate share of the net OPEB asset	<u>\$ 24,966</u>

At fiscal year-end, the County reported an asset of \$20,859 for its proportionate share of the net OPEB asset. The net OPEB asset, deferred inflows, and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2020, rolled forward to June 30, 2021, which is the measurement date.

The County's proportion of the net OPEB asset 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 asset, deferred inflows, and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2020 and was based on a measurement date of June 30, 2021. The County's proportion of the net OPEB asset 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 amounts may differ from the net OPEB asset reported on the Statement of Net Position due to rounding and changes to the allocation schedules. At June 30, 2021 measurement date, the County's proportionate share and change from the prior proportion measured is as follows:

Percentage for proportionate share of net OPEB asset	0.07015%
Increase/(decrease) % from prior proportion measured	0.001416%

For the year ended June 30, 2022, the County recognized support provided by the State revenue of \$19,095 and the following OPEB expense:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Government – wide OPEB expense	<u>\$ (295,175)</u>	<u>\$ (70,315)</u>

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

VII. Other Postemployment Benefits (OPEB) (Continued)

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

OPEB Assets, 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	\$ -	\$ 116,600	\$ 6,331	\$ 27,351
Difference between expected and actual experience	-	116,384	-	27,300
Changes in assumptions	-	357,515	-	83,861
Changes in proportion and differences between employer contributions and proportionate share of contributions	94,748	5,395	22,225	1,265
Employer contributions subsequent to the measurement date	107,962	-	17,712	-
Reallocation of opt-out employer change in proportionate share	-	5,552	-	1,303
	<u>\$ 202,710</u>	<u>\$ 601,446</u>	<u>\$ 39,937</u>	<u>\$ 141,080</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 asset in the year ended June 30, 2023.

Ohio County, West Virginia
Notes to the Financial Statements
For the Year Ended June 30, 2022

VII. Other Postemployment Benefits (OPEB) (Continued)

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

OPEB Asset, 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>
2023	\$ (317,643)
2024	(227,895)
2025	(43,110)
2026	(35,997)
2027	<u>(908)</u>
Total	<u>\$ (625,553)</u>

Actuarial assumptions

The total OPEB asset was determined by an actuarial valuation as of June 30, 2020 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
For the Year Ended June 30, 2022**

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 2020, 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 31.1% for plan year end 2022. 9.15% for plan year end 2023 decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
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, 2020 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, 2020 measured as of June 30, 2020 to a roll-forward measurement date of June 30, 2021.

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
For the Year Ended June 30, 2022**

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 asset. 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 asset. Discount rates are subject to change between measurement dates.

Sensitivity of the County's proportionate share of the net OPEB asset to changes in the discount rate:

The following chart presents the County's proportionate share of the net OPEB asset (liability), as well as what the proportionate share of the net OPEB asset (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 asset (liability)	\$ (111,932)	\$ 20,859	\$ 131,113

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 asset (liability), as well as what the proportionate share of the net OPEB asset (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 asset (liability)	\$ (154,012)	\$ 20,859	\$ 141,336

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, 2022

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 9 Fiscal Years*

	<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)	0.311008%	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)	\$ (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	\$ 5,381,640	\$ 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	(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	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 9 Fiscal Years*

	<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)	3.356773%	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)	\$ (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	\$ 1,970,389	\$ 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	(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	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. 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.

**Ohio County, West Virginia
Cost Sharing Multi-Employer Pension Plan
For the Year Ended June 30, 2022**

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

	<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>	<u>2013</u>
Contractually required contribution	\$ 538,164	\$ 497,325	\$ 464,019	\$ 439,800	\$ 459,055	\$ 466,558	\$ 514,157	\$ 500,127	\$ 465,101	\$ 432,819
Contributions in relation to the contractually required contribution	<u>(538,164)</u>	<u>(497,325)</u>	<u>(464,019)</u>	<u>(439,800)</u>	<u>(459,055)</u>	<u>(466,558)</u>	<u>(514,157)</u>	<u>(500,127)</u>	<u>(465,101)</u>	<u>(432,819)</u>
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	\$ 5,381,640	\$ 4,952,659	\$ 4,640,177	\$ 4,398,000	\$ 4,173,219	\$ 3,887,983	\$ 3,808,017	\$ 3,572,334	\$ 3,207,593	\$ 3,091,564
Contributions as a percentage of covered-employee payroll	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%	14.00%

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

	<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>	<u>2013</u>
Contractually required contribution	\$ 256,151	\$ 243,882	\$ 244,819	\$ 227,883	\$ 239,489	\$ 224,705	\$ 204,759	\$ 188,904	\$ 201,909	\$ 193,039
Contributions in relation to the contractually required contribution	<u>(256,151)</u>	<u>(243,882)</u>	<u>(244,819)</u>	<u>(227,883)</u>	<u>(239,489)</u>	<u>(224,705)</u>	<u>(204,759)</u>	<u>(188,904)</u>	<u>(201,909)</u>	<u>(193,039)</u>
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	\$ 1,970,389	\$ 2,032,350	\$ 2,040,162	\$ 1,899,026	\$ 1,995,745	\$ 1,872,541	\$ 1,706,326	\$ 1,511,232	\$ 1,553,146	\$ 1,484,915
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.50%	13.00%	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, 2022**

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 6 Years*

	<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)	0.070150%	0.068730%	0.061680%	0.058296%	0.060270%	0.076020%
County's proportionate share of the net OPEB liability (asset)	\$ (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**
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**
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	36.69%	30.98%	25.10%	21.64%

II. Schedule of Government OPEB Contributions - Last 6 Years*

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

* - 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, 2022

	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	\$ 10,263,306	\$ 10,898,306	\$ 11,086,129	\$ (3,164)	\$ 11,082,965
Other taxes	1,158,000	2,201,000	2,280,416	1,475,478	3,755,894
Intergovernmental:					
Federal	121,500	391,737	316,270	(21,252)	295,018
State	10,000	18,000	18,000	-	18,000
Local	-	180,000	180,000	-	180,000
Charges for services	2,265,500	2,869,450	3,054,981	39,773	3,094,754
Fines and forfeits	35,000	32,800	49,606	(5,143)	44,463
Interest	15,000	5,000	429	-	429
Video Lottery / Table Gaming Proceeds	1,100,000	1,277,500	1,419,452	1,304	1,420,756
Miscellaneous	421,100	7,035,140	7,231,598	(185,506)	7,046,092
Total revenues	<u>\$ 15,389,406</u>	<u>\$ 24,908,933</u>	<u>\$ 25,636,880</u>	<u>\$ 1,301,491</u>	<u>\$ 26,938,371</u>
Expenditures:					
General government	\$ 6,685,681	\$ 9,093,202	\$ 6,583,487	\$ (86,584)	\$ 6,496,903
Public safety	8,744,500	9,108,345	9,484,165	(964,458)	8,519,707
Economic development	-	-	-	-	-
Health and sanitation	167,000	195,500	147,627	(1,779)	145,848
Culture and recreation	3,290,580	3,505,580	3,396,115	6,425	3,402,540
Capital projects	1,374,239	8,916,629	1,544,869	(638,507)	906,362
Debt Service:					
Principal	-	1,127,293		1,127,293	1,127,293
Interest	-	111,105		11,105	111,105
Total expenditures	<u>\$ 20,262,000</u>	<u>\$ 32,057,654</u>	<u>\$ 21,156,262</u>	<u>\$ (446,505)</u>	<u>\$ 20,709,758</u>
Excess (deficiency) of revenues over expenditures	\$ (4,872,594)	\$ (7,148,721)	\$ 4,480,618	\$ 1,747,996	\$ 6,228,613
Other financing sources (uses):					
Operating transfers in	724,355	719,855	692,779	3,675	696,454
Operating transfers (out)	(788,000)	(888,000)	(864,000)	-	(864,000)
Total other sources (uses)	<u>\$ (63,645)</u>	<u>\$ (168,145)</u>	<u>\$ (171,221)</u>	<u>\$ 3,675</u>	<u>\$ (167,546)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (4,936,239)	\$ (7,316,866)	\$ 4,309,397	\$ 1,751,671	\$ 6,061,067
Fund balance - beginning	4,936,239	7,316,866	8,411,248	2,074,904	10,338,716
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,720,645</u>	<u>\$ 3,826,575</u>	<u>\$ 16,399,783</u>

Ohio County, West Virginia
Budgetary Comparison Statement
Coal Severance Fund
For the Year Ended June 30, 2022

	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	\$ 1,186,918	\$ -	1,186,918
Interest	-	-	500	-	500
Total revenues	<u>\$ 599,000</u>	<u>\$ 599,000</u>	<u>\$ 1,187,418</u>	<u>-</u>	<u>\$ 1,187,418</u>
Expenditures:					
Economic Development	\$ 600,000	\$ 655,000	\$ -	-	\$ -
Total expenditures	<u>\$ 600,000</u>	<u>\$ 655,000</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	\$ (1,000)	\$ (56,000)	\$ 1,187,418	-	\$ 1,187,418
Fund balance at beginning of year	<u>1,000</u>	<u>56,000</u>	<u>189,797</u>	<u>-</u>	<u>189,797</u>
Fund balance at end of year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,377,215</u></u>	<u><u>-</u></u>	<u><u>1,377,215</u></u>

Supplementary Information

Ohio County, West Virginia
Budgetary Comparison Statement
Assessor's Valuation Fund
For the Year Ended June 30, 2022

	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	\$ 531,587	\$ 531,587	\$ 655,748	\$ -	655,748
Charges for services	12,400	12,400	15,600	-	15,600
Miscellaneous	-	-	551	-	551
Total revenues	<u>\$ 543,987</u>	<u>\$ 543,987</u>	<u>\$ 671,899</u>	<u>\$ -</u>	<u>\$ 671,899</u>
Expenditures:					
General government	\$ 73,373	\$ 73,373	\$ 81,878	\$ (59)	81,819
Capital projects	207,000	207,000	-	-	-
Total expenditures	<u>\$ 280,373</u>	<u>\$ 280,373</u>	<u>\$ 81,878</u>	<u>\$ (59)</u>	<u>\$ 81,819</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 263,614</u>	<u>\$ 263,614</u>	<u>\$ 590,021</u>	<u>\$ 59</u>	<u>\$ 590,080</u>
Other financing sources (uses):					
Operating transfers (out)	<u>\$ (463,614)</u>	<u>\$ (463,614)</u>	<u>\$ (511,633)</u>	<u>\$ (4,984)</u>	<u>(516,617)</u>
Total other sources (uses)	<u>\$ (463,614)</u>	<u>\$ (463,614)</u>	<u>\$ (511,633)</u>	<u>\$ (4,984)</u>	<u>\$ (516,617)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ 78,388</u>	<u>\$ (4,925)</u>	<u>\$ 73,463</u>
Fund balance at beginning of year	<u>200,000</u>	<u>200,000</u>	<u>621,289</u>	<u>(45,881)</u>	<u>575,408</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 699,677</u></u>	<u><u>\$ (50,806)</u></u>	<u><u>\$ 648,871</u></u>

Ohio County, West Virginia
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2022

State Grantor/Pass-through Grantor/Program	Identification Number	State Expenditures
Department of Transportation - Aeronautics Commission		
Airport Improvement Program	3-54-0030-3422	\$ 5,561
Aeronautics Commission General Revenue Grant	OHCO0222020	12,500
Total Department of Transportation - Aeronautics Commission		<u>\$ 18,061</u>
Division of Culture and History		
Document Preservation Program	RMPB2221	<u>\$ 10,000</u>
Secretary of State		
Election Assistance Commission	Redistricting	<u>\$ 5,000</u>
Division of Emergency Management		
Homeland Security Emergency Management	EMA - SECR	<u>\$ 3,000</u>
Total Expenditures of State Awards		<u><u>\$ 36,061</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, 2022, 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 March 24, 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 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 2022-001 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,
March 24, 2023.

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

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

Jaytee 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, 2022. 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, 2022.

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,
March 24, 2023.

Ohio County, West Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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				
Bulletproof Vest Partnership Program	16.738		\$ -	\$ 2,676
<u>West Virginia Department of Military Affairs & Public Safety</u>				
Crime Victim Assistance	16.575	212964	-	40,111
Edward Bryne Memorial Justice Assistance Grant Program	16.738	212964	23,750	71,879
Violence Against Women Formula Grants	16.588	212964	25,605	69,442
Total Department of Justice			\$ 49,355	\$ 184,108
Department of Transportation				
Airport Improvement Program	20.106		\$ -	\$ 1,076,972
Total Department of Transportation			\$ -	\$ 1,076,972
Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ -	\$ 256,606
Total Department of Treasury			\$ -	\$ 256,606
Executive Office of the President				
<u>Laurel County Fiscal Court</u>				
High Intensity Drug Trafficking Areas Program	95.001	G21AP0001A	\$ -	\$ 8,855
High Intensity Drug Trafficking Areas Program	95.001	G22AP0001A	-	8,236
Total Executive Office of the President			\$ -	\$ 17,091
Department of Homeland Security				
<u>West Virginia Division of Homeland Security and Emergency Management</u>				
Emergency Management Performance Grants	97.042	212964	\$ -	53,500
Homeland Security Grant Program	97.067	212964	-	42,824
Total Department of Homeland Security			\$ -	\$ 96,324
Total Expenditures of Federal Awards			\$ 49,355	\$ 1,631,101

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, 2022

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, 2022. 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, 2022

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:

Airport Improvement Program – AL 20.106
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The County was determined to be a high-risk auditee.

Findings - Financial Statement Audit

Significant Deficiency – Ohio County

2022-001 – 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, 2022

Findings - Financial Statement Audit (Continued)

Significant Deficiency – Ohio County (Continued)

2021-001 – 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, 2022**

Status of Prior Year Financial Statement Findings

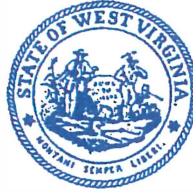
<i>2021-001</i> – Personnel Policies	Resolved
2021-002 – Segregation of Duties - Sports Complex	Resolved
<i>2021-003</i> – Debt Service Cash Flow Coverage	Resolved

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



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

Findings - Financial Statement Audit Significant Deficiency – Ohio County

Finding Number 2022-001 – 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 the financial statement, as required. All lease transaction 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.

A handwritten signature in blue ink, reading "Randel A. Russell".

Randel A Russell, Administrator

A handwritten signature in blue ink, reading "Rodd Archey".

Rodd Archey, Finance Director