



**Wood County, West Virginia  
Regular Audit  
For the Year Ended June 30, 2018  
RFP #18-259**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

[www.perrycpas.com](http://www.perrycpas.com)

WOOD COUNTY, WEST VIRGINIA  
COUNTY OFFICIALS  
For the Fiscal Year Ended June 30, 2018

OFFICE	NAME	TERM
<u>Elective</u>		
County Commission:	David Blair Couch	01-01-13 / 12-31-18
	Robert K. Tebay	01-01-15 / 12-31-20
	James E. Colombo	01-01-17 / 12-31-22
Clerk of the County Commission:	Mark Rhodes	01-01-17 / 12-31-22
Clerk of the Circuit Court:	Carole Jones	01-01-17 / 12-31-22
Sheriff:	Steve Stephens	01-01-17 / 12-31-20
Prosecuting Attorney:	Patrick Lefebure	01-01-17 / 12-31-20
Assessor:	David C. Nohe	01-01-17 / 12-31-20

WOOD COUNTY, WEST VIRGINIA  
SCHEDULE OF FUNDS INCLUDED IN REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**GOVERNMENTAL FUND TYPES**

**MAJOR FUNDS**

General  
Coal Severance Tax  
Fire Fee  
Special Building  
Building Commission Debt Service  
Emerson Commons Project Debt Service

**NONMAJOR FUNDS**

*Special Revenue Funds*

Dog and Kennel  
General School  
Magistrate Court  
Worthless Check  
Emergency Communication 911  
Home Confinement  
Small Cities Block Grant  
Local Law Enforcement Grant  
Assessor's Valuation  
Concealed Weapons  
Community Criminal Justice  
State Special Law Enforcement  
DOJ Federal Drug Forfeiture  
Teen Drug Court  
Drug Court  
Emerson Commons Project TIF

*Capital Project Funds*

Capital Reserve

WOOD COUNTY, WEST VIRGINIA  
SCHEDULE OF FUNDS INCLUDED IN REPORT (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**FIDUCIARY FUND TYPE**

*Agency Funds*

State  
School  
Municipal  
Other Agency

**DISCRETELY PRESENTED COMPONENT UNITS**

Wood County Development Authority  
Wood County Parks and Recreation Commission

**BLENDED COMPONENT UNITS**

Wood County Building Commission

# WOOD COUNTY, WEST VIRGINA

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Certified Public Accountants, A.C.

[www.perrycpas.com](http://www.perrycpas.com)

313 Second St  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

## INDEPENDENT AUDITOR'S REPORT

June 30, 2020

Wood County Commission  
1 Court Square / PO Box 1474  
Parkersburg, WV 26102

To the Commissioners:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Wood County**, West Virginia (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Wood County Parks and Recreation Commission and the Wood County Development Authority, which represent 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wood County Parks and Recreation Commission and the Wood County Development Authority, is based solely on the report of other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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### **Auditor's Responsibility (continued)**

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Wood County, West Virginia, as of June 30, 2018, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note VIII. to the financial statements the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the County. We did not modify our opinion regarding this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include schedules of net pension and opeb liabilities and pension and opeb contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## **Other Matters**

### *Supplementary and Other Information*

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

The budgetary comparison for the Assessor's Valuation Fund and the introductory section are presented for the purposes of additional analysis and are not required parts of 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 schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF NET POSITION  
June 30, 2018

	Primary Government	Component Units	
	<u>Governmental Activities</u>	<u>Development Authority</u>	<u>Parks And Recreation</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,936,876	\$ 330,848	\$ 291,516
Receivables:			
Taxes	631,987	--	--
Accounts	--	--	36,600
Total current assets	<u>6,568,863</u>	<u>330,848</u>	<u>328,116</u>
Restricted assets:			
Restricted cash	1,270,299	--	--
Capital assets:			
Nondepreciable:			
Land	2,065,178	--	606,089
Depreciable:			
Buildings	6,889,291	--	--
Structures and improvements	9,431,226	--	11,246,529
Machinery and equipment	7,263,143	1,680,000	630,270
Less: accumulated depreciation	( 12,154,543)	( 336,000)	( 10,619,871)
Total noncurrent assets	<u>14,764,594</u>	<u>1,344,000</u>	<u>1,863,017</u>
Total assets	<u>21,333,457</u>	<u>1,674,848</u>	<u>2,191,133</u>
<b>DEFERRED OUTFLOWS</b>			
Changes in proportion and differences between employer contributions and proportionate share contributions	29,571	--	22,165
Employer contributions subsequent to measurement period	1,172,574	--	11,473
Differences between expected and actual experience	228,276	--	2,353
Total deferred outflows of resources	<u>1,430,421</u>	<u>--</u>	<u>35,991</u>
<b>LIABILITIES</b>			
Current liabilities payable			
from current assets:			
Accounts payable	100,522	--	23,369
Interest payable	222,160	--	--
Customer deposits	--	--	500
Bonds payable - due within one year	210,000	--	--
Bonds payable - due in more than one year	9,547,228	--	--
Notes payable - due within one year	--	373,333	44,050
Notes payable - due in more than one year	--	808,889	50,012
Leases payable - due within one year	48,775	--	--
Leases payable - due in more than one year	161,396	--	--
Net pension liability	2,111,758	--	26,436
Net OPEB liability	2,936,949	--	19,107
Compensated absences payable	412,038	--	--
Total liabilities	<u>15,750,826</u>	<u>1,182,222</u>	<u>163,474</u>
<b>DEFERRED INFLOWS</b>			
Net difference between projected and actual earnings on pension investments	655,006	--	6,732
Difference in assumptions	189,692	--	1,371
Changes in proportion and differences between employer contributions and proportionate share of contributions	302,899	--	15,098
Differences between expected and actual experience	292,860	--	122
Total deferred inflows of resources	<u>1,440,457</u>	<u>--</u>	<u>23,323</u>

WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF NET POSITION  
June 30, 2018

	Primary Government	Component Units	
	<u>Governmental Activities</u>	<u>Development Authority</u>	<u>Parks And Recreation</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,284,124	161,778	1,768,955
Restricted for:			
Debt service	1,270,299	- -	- -
Unrestricted	<u>( 8,981,828)</u>	<u>330,848</u>	<u>271,372</u>
Total net position	\$ <u><u>5,572,595</u></u>	\$ <u><u>492,626</u></u>	\$ <u><u>2,040,327</u></u>

The notes to the financial statements are an integral part of this statement.

WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2018

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Development Authority	Parks and Recreation
<b>Functions / Programs</b>							
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 10,371,928	\$ 5,473,391	\$ 25,898	\$ 84,008	\$ ( 4,788,631)		
Public safety	11,112,318	--	782,846	1,446,299	( 8,883,173)		
Health and sanitation	150,928	--	--	--	( 150,928)		
Culture and recreation	1,546,944	--	--	--	( 1,546,944)		
Social services	17,905	--	--	--	( 17,905)		
Capital projects	3,650,691	--	--	--	( 3,650,691)		
Debt service	397,989	--	--	--	( 397,989)		
Interest on long-term debt	389,238	--	--	--	( 389,238)		
Total governmental activities	27,637,941	5,473,391	808,744	1,530,307	( 19,825,499)		
<b>Component units:</b>							
Development Authority	4,581,815	446,892	80,000	--	--	\$ ( 4,054,923)	\$ --
Parks and Recreation	839,705	790,541	149,326	--	--	--	100,162
Total component units	\$ 5,421,520	\$ 1,237,433	\$ 229,326	\$ --	--	( 4,054,923)	100,162
<b>General revenues:</b>							
Ad valorem property taxes					14,667,084	--	--
Alcoholic beverages tax					10,004	--	--
Hotel occupancy tax					630,378	--	--
Gas and oil severance tax					55,325	--	--
Other taxes					1,676,937	--	--
Coal severance tax					110,993	--	--
Licenses and permits					83,040	--	--
Intergovernmental:							
Local					2,564	--	--
Unrestricted investment earnings					34,561	764	--
Refunds					309,637	--	--
Reimbursement					187,090	--	--
Gain on sale of capital assets					41,184	--	--
Miscellaneous					459,233	--	--
Total general revenues					18,268,030	764	--
Change in net position					( 1,557,469)	( 4,054,159)	100,162
Net position - beginning					7,130,064	4,546,785	1,940,165
Net position - ending					\$ 5,572,595	\$ 492,626	\$ 2,040,327

The notes to the financial statements are an integral part of this statement.

WOOD COUNTY, WEST VIRGINIA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2018

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Fire Service Fee</u>	<u>Special Building</u>	<u>Building Commission Debt Service</u>	<u>Emerson Commons Proj Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
<b>Assets:</b>								
<b>Current:</b>								
Cash and cash equivalents	\$ 2,517,575	\$ 87,730	\$ 968,218	\$ 870,982	\$ --	\$ --	\$ 1,492,371	\$ 5,936,876
Receivables:								
Taxes	631,987	--	--	--	--	--	--	631,987
Restricted cash	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>81,225</u>	<u>1,189,074</u>	<u>--</u>	<u>1,270,299</u>
Total assets and deferred outflows of resources	<u>\$ 3,149,562</u>	<u>\$ 87,730</u>	<u>\$ 968,218</u>	<u>\$ 870,982</u>	<u>\$ 81,225</u>	<u>\$ 1,189,074</u>	<u>\$ 1,492,371</u>	<u>\$ 7,839,162</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	100,522	--	--	--	--	--	--	100,522
Interest payable	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>81,160</u>	<u>141,000</u>	<u>--</u>	<u>222,160</u>
Total liabilities	<u>100,522</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>81,160</u>	<u>141,000</u>	<u>--</u>	<u>322,682</u>
<b>Deferred Inflows:</b>								
Unavailable revenue - taxes	<u>449,715</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>449,715</u>
Total liabilities and deferred inflows of resources	<u>550,237</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>81,160</u>	<u>141,000</u>	<u>--</u>	<u>772,397</u>
<b>Fund balances:</b>								
Restricted	--	--	968,218	870,982	65	1,048,074	1,492,371	4,379,710
Committed	831,045	--	--	--	--	--	--	831,045
Assigned	1,323,472	87,730	--	--	--	--	--	1,411,202
Unassigned	<u>444,808</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>444,808</u>
Total fund balances	<u>2,599,325</u>	<u>87,730</u>	<u>968,218</u>	<u>870,982</u>	<u>65</u>	<u>1,048,074</u>	<u>1,492,371</u>	<u>7,066,765</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,149,562</u>	<u>\$ 87,730</u>	<u>\$ 968,218</u>	<u>\$ 870,982</u>	<u>\$ 81,225</u>	<u>\$ 1,189,074</u>	<u>\$ 1,492,371</u>	<u>\$ 7,839,162</u>

The notes to the financial statements are an integral part of this statement.

WOOD COUNTY, WEST VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2018

---

Total fund balances on the governmental fund's balance sheet	\$ 7,066,765
--	--------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. (Note III.C)	13,494,295
--	------------

Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. (Note III.B)	449,715
--	---------

Deferred inflows and outflows related to pension and OPEB activity are not required to be reported in the funds but are required to be reported at the government-wide level (Note V):

Deferred outflow (inflow) - Changes in employer portion and differences between contributions and proportionate share of contributions.	( 273,328)
---	------------

Deferred outflow - Employer contributions after measurement date.	1,172,574
---	-----------

Deferred outflow (inflow) - Differences between projected and actual investment earnings.	( 655,006)
---	------------

Deferred outflow (inflow) - Differences between expected and actual experience.	( 64,584)
---	-----------

Deferred outflow (inflow) - Differences in assumptions.	( 189,692)
---	------------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. These include compensated absences liabilities, net pension liability, and net OPEB liability. (Note III.G)

( 15,428,144)
---------------

Net position of governmental activities	\$ <u>5,572,595</u>
---	---------------------

The notes to the financial statements are an integral part of this statement.

WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2018

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Fire Service Fee</u>	<u>Special Building</u>	<u>Building Commission Debt Service</u>	<u>Emerson Commons Proj Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>								
Taxes:								
Ad valorem property taxes	\$ 14,774,762	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 14,774,762
Alcoholic beverages tax	10,004	--	--	--	--	--	--	10,004
Hotel occupancy tax	630,378	--	--	--	--	--	--	630,378
Gas and oil severance tax	55,325	--	--	--	--	--	--	55,325
Other taxes	653,187	--	--	--	--	--	811,543	1,464,730
Coal severance tax	--	110,993	--	--	--	--	--	110,993
Licenses and permits	83,040	--	--	--	--	--	--	83,040
Intergovernmental:								
Federal	352,044	--	--	--	--	--	--	352,044
State	540,708	--	--	1,446,299	--	--	--	1,987,007
Local	2,564	--	--	--	--	--	--	2,564
Charges for services	647,164	--	1,173,888	230,945	--	--	3,013,362	5,065,359
Fines and forfeits	201,082	--	--	--	--	--	206,950	408,032
Interest and investment earnings	11,733	534	--	3,686	88	14,704	3,816	34,561
Refunds	309,637	--	--	--	--	--	--	309,637
Reimbursements	--	--	--	72,273	--	--	114,817	187,090
Payments in lieu of taxes	212,207	--	--	--	--	--	--	212,207
Contributions and donations	--	--	--	--	--	--	5,882	5,882
Miscellaneous	453,101	--	--	--	250	--	--	453,351
Total revenues	18,936,936	111,527	1,173,888	1,753,203	338	14,704	4,156,370	26,146,966
<b>EXPENDITURES</b>								
Current:								
General government	9,080,940	--	--	1,339,215	--	--	108,043	10,528,198
Public safety	9,673,779	--	732,831	--	--	--	960,668	11,367,278
Health and sanitation	150,928	--	--	--	--	--	--	150,928
Culture and recreation	1,535,932	--	--	--	--	--	--	1,535,932
Social services	17,905	--	--	--	--	--	--	17,905
Capital outlay	13,101	397,930	--	1,650	--	3,309,080	181,598	3,903,359
Debt service:								
Principal	--	--	--	--	5,211,103	--	--	5,211,103
Interest	--	--	--	--	248,238	141,000	--	389,238
Bond issuance costs	--	--	--	--	90,932	216,550	--	307,482
Total expenditures	20,472,585	397,930	732,831	1,340,865	5,550,273	3,666,630	1,250,309	33,411,423
Excess (deficiency) of revenues over expenditures	( 1,535,649)	( 286,403)	441,057	412,338	( 5,549,935)	( 3,651,926)	2,906,061	( 7,264,457)

WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2018

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Fire Service Fee</u>	<u>Special Building</u>	<u>Building Commission Debt Service</u>	<u>Emerson Commons Proj Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	2,912,904	--	--	250,000	331,270	--	454,338	3,948,512
Transfers (out)	( 500,958)	--	--	( 81,160)	--	--	( 3,366,394)	( 3,948,512)
Long-term debt issued (bonds/notes)	--	--	--	--	5,365,000	4,700,000	--	10,065,000
Bond discount/premium	--	--	--	--	( 153,279)	--	--	( 153,279)
Proceeds from the sale of assets	41,184	--	--	--	--	--	--	41,184
Capital leases	--	250,000	--	--	--	--	--	250,000
Total other financing sources (uses)	<u>2,453,130</u>	<u>250,000</u>	<u>--</u>	<u>168,840</u>	<u>5,542,991</u>	<u>4,700,000</u>	<u>( 2,912,056)</u>	<u>10,202,905</u>
Net change in fund balances	917,481	( 36,403)	441,057	581,178	( 6,944)	1,048,074	( 5,995)	2,938,448
Fund balances - beginning	<u>1,681,844</u>	<u>124,133</u>	<u>527,161</u>	<u>289,804</u>	<u>7,009</u>	<u>--</u>	<u>1,498,366</u>	<u>4,128,317</u>
Fund balances - ending	<u>\$ 2,599,325</u>	<u>\$ 87,730</u>	<u>\$ 968,218</u>	<u>\$ 870,982</u>	<u>\$ 65</u>	<u>\$ 1,048,074</u>	<u>\$ 1,492,371</u>	<u>\$ 7,066,765</u>

The notes to the financial statements are an integral part of this statement.

WOOD COUNTY, WEST VIRGINIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$ 2,938,448
Capital outlays are reported as an expenditure in the governmental funds but are considered an asset at the government-wide level. This is the amount of capital assets that were purchased during the fiscal year. (Note III.C)	376,548
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year. (Note III.C)	( 227,081)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between prior and current year unavailable/unearned revenues.	( 107,678)
Prior year unavailable/unearned revenues: \$557,393	
Current year unavailable/unearned revenues: \$449,715	
The issuance of long-term debt (e.g., 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 net position. Also, governmental funds report the effect of 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 long-term debt and related items. (Note III.G)	( 5,041,125)
Certain pension and OPEB expenses in the statement of activities are recognized on the accrual basis of accounting.	
Amount of pension expenditures at fund level (Note V)	906,550
PERS: \$700,029	
DSRS: \$206,521	
Amount of OPEB expenditures at fund level (Note V)	266,024
Amount of pension expenses recognized at government-wide level (Note V)	( 429,245)
PERS: (\$400,054)	
DSRS: (\$29,191)	
Amount of OPEB expenses recognized at government-wide level (Note V)	( 229,475)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note III.G)	( 10,435)
Change in net position of governmental activities	\$ ( 1,557,469)

The notes to the financial statements are an integral part of this statement.



WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Modified</u>	<u>Budget</u>	<u>Budget</u>	<u>Final Budget</u>
			<u>Accrual Basis</u>	<u>Basis</u>	<u>Basis</u>	<u>Positive</u>
						<u>(Negative)</u>
<b>REVENUES</b>						
Taxes:						
Ad valorem property taxes	\$ 13,909,681	14,123,661	\$ 14,774,762	\$ ( 118,534)	\$ 14,656,228	\$ 532,567
Alcoholic beverages tax	12,000	12,000	10,004	--	10,004	( 1,996)
Hotel occupancy tax	531,572	629,772	630,378	--	630,378	606
Gas and oil severance tax	80,000	80,000	55,325	--	55,325	( 24,675)
Other taxes	425,000	599,785	653,187	--	653,187	53,402
Licenses and permits	58,300	58,300	83,040	--	83,040	24,740
Intergovernmental:						
Federal	500,000	500,000	352,044	--	352,044	( 147,956)
State	600,000	600,000	540,708	--	540,708	( 59,292)
Local	--	9,377	2,564	--	2,564	( 6,813)
Charges for services	621,766	621,766	647,164	--	647,164	25,398
Fines and forfeits	15,000	15,000	201,082	--	201,082	186,082
Interest and investment earnings	128,000	128,000	11,733	( 4,044)	7,689	( 120,311)
Refunds	125,000	258,014	309,637	( 28,400)	281,237	23,223
Payments in lieu of taxes	200,000	200,000	212,207	--	212,207	12,207
Miscellaneous	339,300	389,051	453,101	--	453,101	64,050
Total revenues	17,545,619	18,224,726	18,936,936	( 150,978)	18,785,958	561,232
<b>EXPENDITURES</b>						
Current:						
General government	9,747,134	11,062,099	9,080,940	600,848	9,681,788	1,380,311
Public safety	10,083,794	10,042,581	9,673,779	141,469	9,815,248	227,333
Health and sanitation	158,250	158,250	150,928	--	150,928	7,322
Culture and recreation	1,408,720	1,569,050	1,535,932	--	1,535,932	33,118
Social services	20,000	20,000	17,905	--	17,905	2,095
Capital outlay	138,600	138,600	13,101	--	13,101	125,499
Total expenditures	21,556,498	22,990,580	20,472,585	742,317	21,214,902	1,775,678
Excess (deficiency) of revenues over expenditures	( 4,010,879)	( 4,765,854)	( 1,535,649)	( 893,295)	( 2,428,944)	2,336,910
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	3,325,879	3,913,079	2,912,904	528,400	3,441,304	( 471,775)
Transfers (out)	--	--	( 500,958)	250,958	( 250,000)	( 250,000)
Proceeds from the sale of assets	5,000	41,184	41,184	--	41,184	--
Total other financing sources (uses)	3,330,879	3,954,263	2,453,130	779,358	3,232,488	( 721,775)
Net change in fund balance	( 680,000)	( 811,591)	917,481	( 113,937)	803,544	1,615,135
Fund balance - beginning	680,000	811,591	1,681,844	( 905,287)	776,557	( 35,034)
Fund balance - ending	\$ --	\$ --	\$ 2,599,325	\$ ( 1,019,224)	\$ 1,580,101	\$ 1,580,101

The notes to the financial statements are an integral part of this statement.

WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - COAL SEVERANCE TAX FUND  
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budget</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
Coal severance tax	\$ 82,000	\$ 82,000	\$ 110,993	\$ 28,993
Interest and investment earnings	<u>75</u>	<u>75</u>	<u>534</u>	<u>459</u>
Total revenues	<u>82,075</u>	<u>82,075</u>	<u>111,527</u>	<u>29,452</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	<u>200,075</u>	<u>206,208</u>	<u>147,930</u>	<u>58,278</u>
Total expenditures	<u>200,075</u>	<u>206,208</u>	<u>147,930</u>	<u>58,278</u>
Net change in fund balance	( 118,000)	( 124,133)	( 36,403)	87,730
Fund balance - beginning	<u>118,000</u>	<u>124,133</u>	<u>124,133</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 87,730</u>	<u>\$ 87,730</u>

The notes to the financial statements are an integral part of this statement.

WOOD COUNTY, WEST VIRGINIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2018

	Agency <u>Funds</u>
<b>ASSETS</b>	
Non-pooled cash	\$ <u>1,044,236</u>
Receivables:	
Taxes	<u>2,485,490</u>
Total assets and deferred outflows of resources	\$ <u><u>3,529,726</u></u>
<b>LIABILITIES</b>	
Due to: other governments	<u>3,529,726</u>
Total liabilities and deferred inflows of resources	\$ <u><u>3,529,726</u></u>

The notes to the financial statements are an integral part of this statement.

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Wood County, West Virginia (the government), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

**A. Reporting Entity**

Wood 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 Clerk's 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, and other governmental services.

The accompanying financial statements do not present the government's component units 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 the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of: (1) its corporate name, (2) the right to sue and be sued, and (3) the right to buy, sell or lease and mortgage property. Financial accountability is based on: (1) the appointment of the governing authority and (2) the ability to impose will or (3) the providing of specific financial benefit or imposition of specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the County.

*Blended Component Unit*

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

The Wood County Building Commission serves Wood County, West Virginia, and is governed by a board comprised of 3 members appointed by the County Commission for a term of 5 years each. The Building Commission acquires property and debt on behalf of the County.

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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*Discretely Presented Component Units*

Discretely presented component units are entities which are legally separate from the County, but are financially accountable to the County, or whose relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Because of the nature of services they provide and the County's ability to impose its will on them or a financial benefit/burden relationship exists, the following component units are discretely presented in accordance with GASB Statement No. 14 (as amended by GASB Statement 39 and GASB Statement 61). The discretely presented component units are presented on the government-wide statements.

The Wood County Development Authority serves Wood County, West Virginia, and is governed by a board comprised of not more than 31 nor less than 22 members appointed by the County Commission for a term of 3 years each. The Wood County Development Authority was created to promote, develop and advance the business prosperity and economic welfare of the county.

The Wood County Board of Parks and Recreation Commission serves all citizens of Wood County by providing recreation services and is governed by an eleven-member board appointed by the County Commission. The County provides financial support to the Board on an annual basis.

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

*Jointly Governed Organizations*

The County, in conjunction with Wirt County, Roane County, Ritchie County, Calhoun County, and Pleasants County, has created the Mid-Ohio Valley Board of Health. The board is composed of 12 members with 2 members appointed by the Wood County Commission and 10 members from the other counties. The County appropriated \$80,000 for an operating grant for the Mid-Ohio Valley Board of Health for the fiscal year.

The County, in conjunction with Washington County, Ohio, and Roane County, West Virginia, has created the Mid-Ohio Valley Regional Airport Authority. The authority is composed of 8 members with 4 members appointed by the Wood County Commission and 4 members from the other counties. The County appropriated \$50,000 for an operating grant for the Mid-Ohio Valley Regional Airport Authority for the fiscal

*Related Organizations*

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

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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Name of Organization

Mid-Ohio Valley Workforce Investment Authority  
Mid-Ohio Valley Regional Council  
Wood County Community Corrections  
WVU Extension Service Committee  
Wood County Commission on Crime, Delinquency, & Correction  
Fort Boreman Historical Park Commission  
Parkersburg/Wood County Public Library  
Northeastern Area Agency on Aging  
Parkersburg/Wood County Convention & Visitors' Bureau  
Wood-Washington-Wirt Interstate Planning Commission

Name of Organization

West Virginia Little Kanawha River Parkway  
Wood County Community Resources  
Veterans Park Advisory Board  
Downtown Task Force  
E-911 Communications Advisory Board  
Mid-Ohio Valley Regional Airport Committee  
Wood County Recreation Commission  
Wood County Solid Waste Authority  
Wood County Planning Commission

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Combining financial statements for the nonmajor governmental funds are included as supplementary information.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when 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.

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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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 collectible 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, franchise taxes, interest and special assessments 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 government reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.

The *Coal Severance Tax fund*, a special revenue 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 *Fire Service Fee fund*, a special revenue fund, accounts for the revenues and expenditures associated with the fire fee enacted by the Wood County Commission.

The *Special Building fund*, a capital projects fund, accounts for money set aside by the County Commission for special projects and long-term debt payments.

The *Building Commission Debt Service fund*, a debt service fund, accounts for the activity associated with the issuance of bonds for the Wood County Justice Center.

The *Emerson Commons Project Debt Service fund*, a debt service fund, accounts for activity associated with the issuance of TIF revenue bonds for the Emerson Commons Project No. 1.

Additionally, the government reports the following fund types:

The agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the full accrual basis of accounting. These funds are used to account for assets that Wood County, West Virginia holds for others in an agency capacity.

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Deposits and Investments**

Wood County, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the County reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount which reasonably estimates fair value. The composition of investments and fair values are presented in Note IV.A.

If it is determined that the available interest rate offered by an acceptable depository in the county is less than the interest rate, net of administrative fees referred to in article six, chapter twelve of the West Virginia Code, offered it through the state board of investments, the county treasurer may, with the approval of each fiscal body whose funds are involved, make such funds available to the state board of investments for investment in accordance with the provisions of article six, chapter twelve of the code.



**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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State statutes authorize the government to enter into agreements with the State Treasurer for the investment of monies. Authority is provided for investment in the Investment Management Board, the West Virginia Board of Treasury or the Municipal Bond Commission, or to invest such funds in the following classes of securities: Any investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. §80a, the portfolio of which is limited: (i) To obligations issued by or guaranteed as to the payment of both principal and interest by the United States of America or its agencies or instrumentalities; and (ii) to repurchase agreements fully collateralized by obligations of the United States government or its agencies or instrumentalities: Provided, That the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian: Provided, however, That the investment company or investment trust is rated within one of the top two rating categories of any nationally recognized rating service such as Moody's or Standard & Poor's.

## **2. Receivables and Payables**

### *Property Tax Receivable*

The property tax receivable allowance is equal to 20 percent of the property taxes outstanding at June 30,

All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day 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. Taxes paid on or before the due date are allowed a two and one half percent discount. 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. Sixty days of estimated property tax collections are recorded in revenues at the end of each

All counties within the state are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, fourteen and three-tenths cents (14.30 cents); On Class II property, twenty-eight and six-tenths cents (28.60 cents); On Class III property, fifty-seven and two-tenths cents (57.20 cents); On Class IV property, fifty-seven and two-tenths cents (57.20 cents). In addition, counties may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

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

Class of Property	Assessed Valuation For Tax Purposes	Current Expense	Excess Levy
Class I	\$ - -	13.49 cents	.54 cents
Class II	1,859,970,894	26.98 cents	1.08 cents
Class III	807,490,843	53.96 cents	2.16 cents
Class IV	820,634,743	53.96 cents	2.16 cents

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

Wood County, West Virginia held a special election on November 6, 2012. The County was authorized to lay an excess levy to provide approximately \$454,700 annually during the five fiscal years ended June 30, 2014 through June 30, 2018, for the purpose or purposes for which additional funds are needed for the Parkersburg & Wood County Public Library to: build and operate a larger South Parkersburg Library to replace the 1,200 square foot building that has been in use since 1972; move the entrance of the Emerson Library from Emerson Avenue to the side parking lot for increased accessibility for seniors, children, and the disabled; add weekend hours at Williamstown and South Parkersburg Libraries; reinstate cut hours for Waverly and Bookmobile; increase sharing of materials with Vienna library and Wood County Schools; increase staff dedicated to children's services; and contribute to the general operation of the Library.

### **3. Inventories and Prepaid Items**

There are no material inventories maintained; therefore they do not appear on the financial statements.

### **4. Restricted Assets**

Certain assets of the Building Commission Debt Service Fund and the Emerson Commons Project Debt Service fund are classified as restricted assets because their use is restricted by a bond agreement.

### **5. Capital Assets and Depreciation**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities 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

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.

The government depreciates the capital assets using the straight-line method. Capital assets depreciation and capitalization policies are defined by the government as follows:

<u>Asset</u>	<u>Straight-line Years</u>	<u>Inventory Purposes</u>	<u>Capitalize/ Depreciate</u>
Land	not applicable	\$ 1	\$ Capitalize only
Land improvement	20 to 30 years	1	25,000.00
Building	40 years	1	50,000.00
Building improvements	20 to 25 years	1	50,000.00
Construction in progress	not applicable	1	Capitalize only
Equipment	5 to 10 years	1,000	5,000.00
Vehicles	5 to 10 years	1,000	5,000.00
Infrastructure	40 to 50 years	50,000	250,000.00

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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**6. Compensated Absences**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

**7. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**8. Deferred Outflows/inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *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 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 governmental fund financial statements, fund balance is reported in five classifications.

Nonspendable fund balance	Inventories and prepaid amounts represent fund balance amounts that are not in spendable form.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation.

**WOOD COUNTY, WEST VIRGINIA**  
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Committed	The committed category is the portion of fund balance whose use is constrained by limitations have been approved by an order (the highest level of formal action) of the County Commission, and that remain binding unless removed in the same manner. The approval does not automatically lapse at the end of the fiscal year.
Assigned	The assigned category is the portion of fund balance that has been approved by formal action of the County Commission for any amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund

The County Commission is the government's highest level of decision-making authority. The Commission would take formal action to establish, and modify or rescind, a fund balance commitment or to assign fund balance amounts to a specific purpose. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the County.

#### **10. Stabilization Arrangements**

The government has created a stabilization arrangement in accordance with West Virginia Code § 7-21-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for whatever the Commission chooses. The stabilization balance at fiscal year-end was \$831,045.

#### **11. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of Wood County County's Public Employee Retirement System (PERS) and Deputy Sheriffs' Retirement System (DSRS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS and DSRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are

**WOOD COUNTY, WEST VIRGINIA**  
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**12. Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB 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. Change in Accounting Principle**

Effective July 1, 2017, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of the requirements of these statements is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund. All annual appropriations lapse at fiscal

Wood County, West Virginia prepares its budget on the cash less payables basis of accounting except that the budget for the General County fund includes General County cash but not money reserved for the Financial Stabilization fund. Therefore, a reconciliation has been performed on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund.

Prior to March 2nd of each year, the various elected officials submit to the County Commission proposed requests for their respective offices for the fiscal year commencing July 1. Upon review and approval of these requests, 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.

**WOOD COUNTY, WEST VIRGINIA**  
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<u>Description</u>	General Fund <u>Amount</u>	Coal Severance <u>Amount</u>
General government expenditure increase	\$ 1,314,965	\$ - -
Public safety expenditure increase	( 41,213)	- -
Culture and recreation expenditure increase	160,330	- -
Capital projects expenditure increase	- -	6,133

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

At year-end, the government had no investments.

##### *Custodial Credit Risk*

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government's policy for custodial credit risk is to comply with statutory provisions for depository bond coverage, which provides that no public money should be deposited until the banking institution designated executes a bond with good and sufficient sureties which may not be less than the maximum sum that is deposited in the depository at any one time.

At year end, the government's bank balances were \$8,251,411. The bank balance was collateralized by federal depository insurance or with securities held by the pledging financial institution's trust department or agent in the government's name.

A reconciliation of cash and investments as shown on the Statement of Net Position of the primary government and Statement of Net Position of the Fiduciary Funds is as follows:

Cash and cash equivalents	\$ 5,936,876
Cash and cash equivalents-restricted	<u>2,314,535</u>
Total	<u><u>\$ 8,251,411</u></u>

#### B. Receivables

Receivables at year end for the government's individual major and aggregate nonmajor funds, and aggregate fiduciary funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Fiduciary</u>
Receivables:		
Taxes	\$ 789,984	\$ 3,106,865
Less: Allowance		
for Uncollectible	( 157,997)	( 621,375)
Net Total Receivables	<u>\$ 631,987</u>	<u>\$ 2,485,490</u>

**WOOD COUNTY, WEST VIRGINIA**  
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Governmental funds report unavailable/unearned revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows - Unavailable
Delinquent property taxes receivable (General Fund)	\$ 449,715
Total unavailable/unearned revenue for governmental funds	\$ 449,715

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	<b>Primary Government</b>			
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,047,511	\$ 17,667	\$ --	\$ 2,065,178
Total capital assets not being depreciated	2,047,511	17,667	--	2,065,178
Capital assets being depreciated:				
Buildings and improvements	6,889,291	--	--	6,889,291
Structures and improvements	9,263,490	167,736	--	9,431,226
Machinery and equipment	7,999,993	191,145	( 927,995)	7,263,143
Less: Total accumulated depreciation	( 12,855,457)	( 227,081)	927,995	( 12,154,543)
Total capital assets being depreciated, net	11,297,317	131,800	--	11,429,117
Governmental activities capital assets, net	\$ 13,344,828	\$ 149,467	\$ --	\$ 13,494,295

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

Governmental activities:	
General government	\$ 31,786
Public safety	41,816
Culture and recreation	7,437
Capital outlay	146,042
Total depreciation expense-governmental activities	\$ 227,081

**WOOD COUNTY, WEST VIRGINIA**  
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**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of the fiscal year ended June 30, 2018, is as follows:

*Interfund Transfers:*

<u>Transferred from:</u>	<u>Transferred to:</u>	<u>Purpose</u>	<u>Amount</u>
General County	E911	correction	\$ 848
General County	Special Building	bond payments	250,000
General County	Building Commission Debt Service	bond payments	250,110
General School	General School	regional jail	229,316
Magistrate Court	General County	rent and security	53,807
E911	Capital Reserve	savings	345,000
E911	General County	payroll reimbursement	1,904,351
Home Confinement	Community Criminal Justice	drug testing	8,490
Assessor's Valuation	General County	payroll reimbursement	725,430
Capital Reserve	E911	cash flow	100,000
Special Building	Building Commission Debt Service	bond payments	81,160
Total			<u>\$ 3,948,512</u>

**E. Fund Balance Detail**

At year-end, the detail of the government's fund balances is as follows:

	<u>General Fund</u>	<u>Coal Severance Fund</u>	<u>Fire Service Fee</u>	<u>Special Building</u>	<u>Building Commission Debt Service</u>
Restricted:					
Public safety	\$ --	\$ --	\$ 968,218	\$ --	\$ --
Capital projects	--	--	--	870,982	--
Debt service	--	--	--	--	65
Committed:					
Financial stabilization	831,045	--	--	--	--
Assigned:					
Budget carryover	1,323,472	87,730	--	--	--
Unassigned	<u>444,808</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>\$ 2,599,325</u>	<u>\$ 87,730</u>	<u>\$ 968,218</u>	<u>\$ 870,982</u>	<u>\$ 65</u>



**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Emerson Commons Project Debt Service	Non-major Funds	Total
Restricted:			
General government	\$       --	\$    460,725	\$    460,725
Public safety	--	1,031,646	1,999,864
Capital projects	--	--	870,982
Debt service	1,048,074	--	1,048,139
Committed:			
Financial stabilization	--	--	831,045
Assigned:			
Budget carryover	--	--	1,411,202
Unassigned	--	--	444,808
Total fund balances	\$   1,048,074	\$   1,492,371	\$   7,066,765

**F. Leases**

*Capital Leases*

The government has entered into lease agreements as lessee for financing the acquisition of public safety equipment. These lease agreements qualify as capital leases for accounting purposes, and, therefore have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Assets:</u>	<u>Governmental Activities</u>
Machinery, equipment and vehicles	\$   173,677
Less: accumulated depreciation	( 43,421)
Total	\$   130,256

The future minimum lease obligations and the net present value of these minimum lease payments as of the fiscal year ended June 30 were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2019	\$   52,942
2020	52,942
2021	52,942
2022	52,942
2023	8,823
Total minimum lease payments	220,591
Less: amount representing interest	( 10,420)
Present value of minimum lease payments	\$   210,171

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**G. Long-term Debt**

*Revenue Bonds*

The county issues bonds where the government pledges income derived from acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

<b>Governmental Activities</b>					
<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
Justice Center 2010 A	1/1/2021	5.875%	\$ 2,635,000	\$ 2,635,000	\$ --
	1/1/2026	6.750%	1,745,000	1,745,000	--
	1/1/2029	7.375%	1,215,000	1,215,000	--
	1/1/2031	7.500%	895,000	895,000	--
Refunding Series 2017	1/1/2018	2.000%	245,000	245,000	--
	1/1/2019	2.000%	210,000	--	210,000
	1/1/2020	2.000%	210,000	--	210,000
	1/1/2021	2.500%	215,000	--	215,000
	1/1/2022	2.500%	220,000	--	220,000
	1/1/2023	2.500%	230,000	--	230,000
	1/1/2024	2.500%	235,000	--	235,000
	1/1/2025	2.500%	240,000	--	240,000
	1/1/2026	3.000%	245,000	--	245,000
	1/1/2027	3.000%	255,000	--	255,000
	1/1/2028	3.000%	260,000	--	260,000
	1/1/2029	3.000%	270,000	--	270,000
	1/1/2032	4.000%	860,000	--	860,000
	1/1/2037	3.600%	<u>1,670,000</u>	<u>--</u>	<u>1,670,000</u>
Total			<u>\$ 5,365,000</u>	<u>\$ 245,000</u>	<u>\$ 5,120,000</u>

**WOOD COUNTY, WEST VIRGINIA**  
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*Wood County Building Commission Lease Revenue Refunding Bonds, Series 2017 (Bank Qualified-Tax Exempt Bonds)*

On December 20, 2017, the Wood County Building Commission, a blended component unit of Wood County, West Virginia, issued \$5,365,000 of Wood County Building Commission Lease Revenue Refunding Bonds, Series 2017 (Bank Qualified-Tax Exempt Bonds), bearing interest at 2.0% to be adjusted on January 1 in the years 2021, 2026, 2030, and 2033. The proceeds of these bonds are being used to currently refund the Wood County Building Commission's Taxable Lease Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), that were issued in 2010, along with Series 2010 B (Tax-Exempt Bank-Qualified Bonds) which have since been retired, to finance the design, acquisition, renovation, construction, and equipping of the Wood County Judicial Center that houses various public officials and county offices for the County Commission of Wood County, West Virginia and to pay the costs of issuance of the Series 2017 Bonds. The bonds are secured by the Justice Center and an irrevocable pledge of lease payments which are required to be in sufficient amount to pay principal and interest on the bonds when due. The total principal and interest remaining to be paid on the bond is \$7,046,215.

Lease revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2019	\$ 210,000	\$ 162,320
2020	210,000	158,120
2021	215,000	153,920
2022	220,000	148,545
2023	230,000	143,045
2024 - 2028	1,235,000	622,625
2029 - 2033	1,440,000	412,900
2034 - 2038	1,360,000	124,740
Total	<u>\$ 5,120,000</u>	<u>\$ 1,926,215</u>

**WOOD COUNTY, WEST VIRGINIA**  
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*Pledged Revenues - Lease Revenue Refunding Bonds*

The Wood County Building Commission, a blended component unit of Wood County, West Virginia, has pledged future lease rentals to be paid by the Wood County Commission to repay \$5,365,000 in lease revenue refunding bonds issued in 2017. The proceeds of these bonds are being used to currently refund the Wood County Building Commission's Taxable Lease Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), that were issued in 2010, along with Series 2010 B (Tax-Exempt Bank-Qualified Bonds) which have since been retired, to finance the design, acquisition, renovation, construction, and equipping of the Wood County Judicial Center that houses various public officials and county offices for the County Commission of Wood County, West Virginia and to pay the costs of issuance of the Series 2017 Bonds. The bonds are payable solely from lease revenues paid by the County Commission through 2037. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds outstanding is \$7,046,215. Principal and interest paid for the current year and total customer net revenues were \$245,000 and \$5,110, respectively.

*Debt Refunding*

On December 20, 2017, the Wood County Building Commission, a blended component unit of Wood County, West Virginia, issued \$5,365,000 of Wood County Building Commission Lease Revenue Refunding Bonds, Series 2017 (Bank Qualified-Tax Exempt Bonds), bearing interest at 2.0% to be adjusted on January 1 in the years 2021, 2026, 2030, and 2033 to refund \$5,055,000 of outstanding Wood County Building Commission Taxable Lease Revenue Bonds, Series 2010 A (Recovery Zone Economic Development Bonds), bearing interest at 5.875%. The net proceeds of \$5,209,907 (after payment of \$90,711 in underwriting fees, insurance, other issuance costs, and reserve funds) were used to retire the old debt. As a result, the Series 2010 A bonds are defeased and the liability for those bonds has been removed from the Statement of Net Position.

The Wood County Building Commission, a blended component unit of Wood County, West Virginia, completed the refunding to reduce its total debt service payments over the next 20 years by \$485,875.

*Tax Increment Financing (TIF) Revenue Bonds*

The county issues bonds where the government pledges income derived from tax increment financing revenue to pay debt service. Tax increment financing (TIF) revenue bonds currently outstanding are as follows:

Governmental Activities					
Purpose	Maturity Date	Interest Rates	Issued	Retired	Balance June 30, 2018
TIF Emerson Commons 2017 (R-1)	6/1/2046	5.000%	\$ 2,500,000	\$ -	\$ 2,500,000
TIF Emerson Commons 2017 (R-2)	6/1/2046	5.000%	2,200,000	-	2,200,000
Total			<u>\$ 4,700,000</u>	<u>\$ -</u>	<u>\$ 4,700,000</u>

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*Wood County Commission Tax Increment Revenue Bonds (Emerson Commons Project No. 1), Series 2017 (Taxable)*

On July 21, 2017, the Wood County Commission issued Tax Increment Revenue Bonds (Emerson Commons Project No. 1) Series 2017 (Taxable), in the aggregate principal amount of \$4,700,000, bearing interest at an initial rate of 3.00% annum to be adjusted to 5.00% annum on June 1, 2018. The bonds are initially issued in the form of two bonds numbered R-1 and R-2, each payable to the order of the applicable Purchaser. The principal amount of R-1 shall be \$2,500,000, payable to the order of the Developer, and the principal amount of R-2 shall be \$2,200,000, payable to the order of Pope Properties. The proceeds of these bonds are being used to finance the costs of the design, acquisition, construction and equipping of additional infrastructure improvements in the development district known as the "County Commission of Wood County Development District No. 1" (the "Development District") and paying the costs of issuance of the initial bonds. The bonds do not constitute a general obligation, or pledge of the full faith and credit of Wood County. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. Based on projected tax collections, it is anticipated the bonds will be paid in full prior to their maturity date of June 1, 2046. The total principal and interest remaining to be paid on the bond is \$9,025,450.

Estimated annual debt service requirements to maturity for the tax increment financing bonds outstanding are as follows:

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2019	\$ - -	\$ 235,000
2020	- -	235,000
2021	- -	235,000
2022	- -	235,000
2023	- -	235,000
2024 - 2028	203,000	1,175,000
2029 - 2033	1,175,000	1,012,400
2034 - 2038	1,497,000	688,050
2039 - 2043	1,825,000	275,000
Total	\$ <u>4,700,000</u>	\$ <u>4,325,450</u>

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*Pledged Revenues - Tax Increment Financing (TIF) Revenue Bonds*

The County has pledged future tax increment revenue to repay \$4,700,00 in tax increment financing revenue bonds issued in 2017. The proceeds of these bonds are being used to finance the costs of the design, acquisition, construction and equipping of additional infrastructure improvements in the development district known as the "County Commission of Wood County Development District No. 1" (the "Development District") and paying the costs of issuance of the initial bonds. The bonds are payable solely from the tax increment property taxes assessed and are collected in the district area and are payable through 2046. Based on projected tax collections, it is anticipated the bonds will be paid in full prior to their maturity date of June 1, 2046. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total estimated principal and interest remaining to be paid on the bonds is \$9,025,450. Principal and interest paid for the current year and total customer net revenues were \$0 and \$0, respectively.

**Changes in Long-term Liabilities**

	<b>Governmental Activities</b>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease revenue					
bonds payable	\$ 5,055,000	\$ 5,365,000	\$ ( 5,300,000)	\$ 5,120,000	\$ 210,000
Less: unamortized					
bond discount	( 88,897)	( 64,382)	90,507	( 62,772)	--
Tax increment revenue					
bonds payable	--	4,700,000	--	4,700,000	--
Total bonds payable	4,966,103	10,000,618	( 5,209,493)	9,757,228	210,000
Capital leases	--	250,000	( 39,829)	210,171	48,775
Net pension liability	5,272,778	--	( 3,161,020)	2,111,758	--
Net OPEB liability	2,923,747	13,202	--	2,936,949	--
Compensated absences	361,774	50,264	--	412,038	--
Governmental activities					
Long-term liabilities	<u>\$ 13,524,402</u>	<u>\$ 10,314,084</u>	<u>\$ ( 8,410,342)</u>	<u>\$ 15,428,144</u>	<u>\$ 258,775</u>

**H. Restricted Assets**

The balances of the restricted asset accounts for the primary government are as follows:

	<u>Governmental Activities</u>
Revenue bond debt service accounts	\$ 81,225
TIF bond debt service accounts	1,189,074
Total restricted assets	<u>\$ 1,270,299</u>

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**I. Prior Period Adjustment**

The following fund balances required restatement at the beginning of the year as follows:

	Governmental Activities	General Fund
Fund balances (net position), as previously stated	\$ ( 9,329,473)	\$ ( 17,701,440)
OPEB payable balance reported in prior years in accordance with GASB 45. This balance needs to be adjusted at fund level and government-wide level to reflect the beginning balance in accordance with GASB 75.	19,383,284	19,383,284
GASB 75 adjustment Net OPEB Liability	( 2,923,747)	- -
Fund balances (government-wide balance), restated	<u>\$ 7,130,064</u>	<u>\$ 1,681,844</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with West Virginia Counties Risk Pool for umbrella (general liability) insurance for these various risks.

Workers' Compensation Fund (WCF): Private insurance companies could begin to offer workers compensation coverage to government employers beginning July 1, 2010. The WCF risk pool retains the risk related to the compensation of injured employees under the program. Wood County's workers' compensation coverage is currently being provided by WV Corp.

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

**B. Related Party Transaction**

The Mid-Ohio Valley Day Report Center (Day Report Center), an operation of the Wood County Commission, is actively doing business with the West Virginia Drug Testing Laboratories, Inc. (Drug Lab), a nonprofit corporation. The Drug Lab performs drug testing for various departments of the Wood County Commission, and the County provides labor and other services to the Drug Lab. One of the County Commissioners serves on the board and is an officer for the Drug Lab.

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**C. Contingent Liabilities**

Amounts received or receivable from grantor 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 grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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

**D. Deferred Compensation Plan**

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government 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.

**V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

***General Information about the Pension Plans***

Wood County, West Virginia participates in state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of 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 plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at [www.wvretirement.com](http://www.wvretirement.com). The following is a summary of eligibility factors, contribution methods, and benefit provisions:

**Public Employees Retirement System**

Eligibility to participate

All county full-time employees, except those covered by other pension plans



**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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	4.50%
County's contribution rate hired before 7/1/2015	11.00%
Plan member's contribution rate hired after 7/1/2015	6.00%
County's contribution rate hired after 7/1/2015	11.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	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 benefit.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

**West Virginia Deputy Sheriff Retirement System (WVDRS)**

Eligibility to participate	West Virginia deputy sheriffs first employed after the effective date and any deputy sheriffs hired prior to the effective date who elect to become members.
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. The WVDRS is also discussed in West Virginia State Code §7-14d.
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. WVDRS 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 WVDRS members are established and may be amended only by the State of West Virginia Legislature.
Period required to vest	Five years

**WOOD COUNTY, WEST VIRGINIA**  
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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% equals the annual retirement

Deferred retirement option      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*

<u>Fiscal Year</u>	<u>Public Employees Retirement System (PERS)</u>		<u>West Virginia Deputy Sheriff Retirement System (WVDRS)</u>	
	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2018	\$ 1,003,200	100%	\$ 352,670	100%
2017	\$ 1,048,839	100%	\$ 329,443	100%
2016	\$ 1,130,763	100%	\$ 344,444	100%

PERS and WVDRS 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, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

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

At fiscal year-end, the government reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2017, and the total pension liability used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The government's proportion of the net pension liabilities was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. NOTE: These amounts differ from the net pension liability reported on the Statement of Net Position due to rounding and changes to the allocation schedules; however the differences in these amounts are considered immaterial. At June 30, 2017, the government's reported the following proportions and increase/decreases from its proportion measured as of June 30, 2016:

	<u>PERS</u>	<u>WVDRS</u>
Amount for proportionate share of net pension liability	\$ 1,979,752	\$ 119,899
Percentage for proportionate share of net pension liability	0.458653%	3.199864%
Increase/decrease % from prior proportion measured	0.908200%	6.09096%

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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For the fiscal year, the government recognized the following pension expenses.

	PERS	WVDRS
Pension expense	\$ 400,054	\$ 29,191

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

**Public Employees Retirement System**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ 29,571	\$ (14,263)
Net difference between projected and actual investment earnings on pension plan investments	--	(481,310)
Difference between expected and actual experience	176,182	(4,380)
Deferred difference in assumptions	--	(102,688)
Government contributions subsequent to the measurement date	700,029	--
	<u>\$ 905,782</u>	<u>\$ (602,641)</u>

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

Year Ended June 30:

2019	\$ (177,469)
2020	192,544
2021	331
2022	<u>(412,294)</u>
Total	<u>\$ (396,888)</u>

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**West Virginia Deputy Sheriff Retirement System**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ - -	\$ (129,084)
Net difference between projected and actual investment earnings on pension plan investments	- -	(126,811)
Difference between expected and actual experience	52,094	(278,644)
Deferred difference in assumptions	- -	(87,004)
Government contributions subsequent to the measurement date	206,521	- -
	<u>\$ 258,615</u>	<u>\$ (621,543)</u>

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

Year Ended June 30:

2019	\$ (141,553)
2020	(51,701)
2021	(89,076)
2022	(159,297)
2023	(61,280)
Thereafter	<u>(66,542)</u>
Total	<u>\$ (569,449)</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2016 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

**Public Employees Retirement System**

Actuarial assumptions

Inflation rate	3.00%
Salary increases	State 3.0-4.6%, Nonstate 3.35-6.0%
Investment Rate of Return	7.50%
Mortality Rates	Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational
	Retired healthy males - 110% of RP-2000 Healthy Annuitant, Scale AA fully generational
	Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational
	Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational
	Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational

The date range of the most recent experience study was from 2009-2014.

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**West Virginia Deputy Sheriff Retirement System**

Actuarial assumptions

Inflation rate	3.00%
Salary increases	5.0% for first 2 years of service
	4.5% for next 3 years of service
	4.0% for the next 5 years of service, and
	3.5% thereafter
Investment Rate of Return	7.50%

Mortality Rates	Active - 100% of RP-2014 Non-Annuitant tables (sex-distinct), Scale MP-2016 fully generational
	Healthy male retirees - 103% of RP-2014 Male Healthy Annuitant table, Scale MP-2016 fully generational
	Healthy female retirees - 100% of RP-2014 Female Healthy Annuitant tables, Scale MP-2016 fully generational
	Disabled males - 100% of RP-2014 Male Disabled Annuitant table, Scale MP-2016 fully generational
	Disabled females - 100% of RP-2014 Female Disabled Annuitant table, Scale MP-2016 fully generational

The date range of the most recent experience study was from 2011-2016.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class included are summarized in the following chart:

<u>Investment</u>	Long-term Expected Real Rate of Return	PERS Target Asset Allocation	DSRS Target Asset Allocation
US Equity	7.0%	27.5%	27.5%
International Equity	7.7%	27.5%	27.5%
Core Fixed Income	2.7%	15.0%	15.0%
High Yield Fixed Income	5.5%	0.0%	0.0%
TIPS	2.7%	0.0%	0.0%
Real Estate	7.0%	10.0%	10.0%
Private Equity	9.4%	10.0%	10.0%
Hedge Funds	4.7%	10.0%	10.0%
		100.0%	100.0%

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*Discount rate* . The discount rate used to measure the total pension liability was 7.5 percent for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan.

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Government's proportionate share of PERS's net pension liability	\$ 5,480,825	\$ 1,979,752	\$ ( 980,375)
Government's proportionate share of WVDSRS's net pension liability	\$ 1,040,532	\$ 119,899	\$ ( 637,989)

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

## **VI. Postemployment Benefits Other Than Pensions (OPEB)**

### ***General Information about the OPEB Plan***

*Plan description* . The government contributes to the West Virginia Other Postemployment Benefit Plan (the Plan), 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 West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by 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 Plan had approximately 43,000 policyholders and 63,000 covered lives at June 30, 2017. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at [www.peia.wv.gov](http://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.

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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

*Contributions.* Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately \$150 million for both fiscal years ending June 30 2016 and June 30, 2017. Contributions to the OPEB plan from the government were \$245,371 for the current fiscal year.

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

At fiscal year-end, the government reported a liability of \$2,937,534 for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2016, rolled forward to June 30, 2017, which is the measurement date. The government's proportion of the net OPEB liability was based on a projection of the government's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. NOTE: These amounts differ from the net OPEB liability reported on the Statement of Net Position due to rounding and changes to the allocation schedules; however the differences in these amounts are considered immaterial. At June 30, 2017, the government's proportion was 0.119461039%, which was a decrease of .0082% from its proportion measured as of June 30, 2016.

For this fiscal year, the government recognized OPEB expense of \$229,475. The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ --	\$ ( 159,552)
Net difference between projected and actual investment earnings on pension plan investments	--	( 46,885)
Difference between expected and actual experience	--	( 9,836)
Deferred difference in assumptions	--	--
Government contributions subsequent to the measurement date	266,024	--
	<u>\$ 266,024</u>	<u>\$ (216,273)</u>

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

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

Year Ended June 30:

2019	\$ ( 57,330)
2020	( 57,330)
2021	( 57,330)
2022	<u>( 44,284)</u>
Total	<u><u>\$ ( 216,274)</u></u>

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.75%
Salary increases	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation.
Investment Rate of Return	7.15%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.50% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims beginning in 2020 to account for the excise tax.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2000 Healthy Annuitant Mortality Table projected to 2025 with Scale BB for Troopers A and B. Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2000 Non-Annuitant Mortality Table projected to 2020 with Scale BB for Troopers A and B.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015.

The long-term rates of return on OPEB plan investments are determined using a building-block method in which estimates of expected future real rates of 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 real rates of return by the target asset allocation percentages and by adding expected inflation. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10 % real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTL. Best estimates of long-term geometric rates are summarized in the following table:



**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%
Cash	0.0%

*Discount rate.* The discount rate used to measure the OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

*Sensitivity of the government's proportionate share of the net OPEB liability to changes in the discount rate.* The following chart presents the government's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Net OPEB liability	\$ 3,420,421	\$ 2,937,534	\$ 2,536,120

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$ 2,467,570	\$ 2,937,534	\$ 3,512,326

**WOOD COUNTY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2018**

*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](http://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.

**VII. Summary of Deferred Outflow/Inflow Balances**

	<u>Total</u>	<u>PERS</u>	<u>DSRS</u>	<u>OPEB</u>
Difference between expected and actual experience	( 64,584)	171,802	( 226,550)	( 9,836)
Changes of assumptions	( 189,692)	( 102,688)	( 87,004)	- -
Net difference between projected and actual earnings on pension plan investments	( 655,006)	( 481,310)	( 126,811)	( 46,885)
Changes in proportion and differences between government contributions and proportionate share of contributions	( 273,328)	15,308	( 129,084)	( 159,552)
Government contributions subsequent to the measurement date	1,172,574	700,029	206,521	266,024

**VIII. SUBSEQUENT EVENT**

The United States and the State of West Virginia declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures could impact subsequent periods of the County. The County's investment portfolio and investments of the pension and other employee benefit plan in which the County participates have incurred a decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that could be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**WOOD COUNTY, WEST VIRGINIA**  
**SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Fiscal Year Ended June 30, 2018**

**Public Employees Retirement System**  
Last 5 Fiscal Years\*

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Government's proportion of the net pension liability (asset) (percentage)	0.458653%	0.454525%	0.457289%	0.451495%	0.460639%
Government's proportionate share of the net pension liability (asset)	\$ 1,979,752	\$ 4,177,623	\$ 2,553,520	\$ 1,666,311	\$ 4,199,324
Government's covered-employee payroll	\$ 6,296,921	\$ 6,263,319	\$ 6,201,479	\$ 6,046,000	\$ 6,165,336
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.44%	66.70%	41.18%	27.56%	68.11%
Plan fiduciary net position as a percentage of the total pension liability	93.67%	86.11%	91.29%	93.98%	84.58%

\* - Applicable information was available for five years for this schedule.

**WOOD COUNTY, WEST VIRGINIA**  
**SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Fiscal Year Ended June 30, 2018**

**West Virginia Deputy Sheriff Retirement System**  
Last 5 Fiscal Years\*

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Government's proportion of the net pension liability (asset) (percentage)	3.199864%	3.407408%	3.423774%	3.628861%	3.997116%
Government's proportionate share of the net pension liability (asset)	\$ 119,899	\$ 1,084,782	\$ 702,285	\$ 618,757	\$ 1,339,194
Government's covered-employee payroll	\$ 1,600,788	\$ 1,680,217	\$ 1,631,656	\$ 1,681,037	\$ 1,751,167
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.49%	64.56%	43.04%	36.81%	76.47%
Plan fiduciary net position as a percentage of the total pension liability	98.17%	84.48%	89.31%	90.52%	80.20%

\* - Applicable information was available for five years for this schedule.

**WOOD COUNTY, WEST VIRGINIA**  
**SCHEDULE OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**For the Fiscal Year Ended June 30, 2018**

**Public Employees Insurance Agency**  
Two Fiscal Years\*

	<u><b>2018</b></u>	<u><b>2017</b></u>
Government's proportion of the net OPEB liability	0.024137487%	0.127615904%
Government's proportionate share of the net OPEB liability	\$ 2,937,534	\$ 3,169,118
Government's covered-employee payroll	\$ 4,221,808	\$ 3,841,355
Government's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	69.58%	82.50%
Plan fiduciary net position as a percentage of the total OPEB liability	25.10%	21.64%

\* - Applicable information was available for two years for this schedule.

**WOOD COUNTY, WEST VIRGINIA**  
**SCHEDULE OF GOVERNMENT CONTRIBUTIONS**  
**For the Fiscal Year Ended June 30, 2018**

**Public Employees Retirement System**  
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 700,029	\$ 754,839	\$ 845,548	\$ 868,207	\$ 876,670	\$ 863,147	\$ 891,301	\$ 752,174	\$ 647,777	\$ 594,859
Contributions in relation to the contractually required contribution	<u>(700,029)</u>	<u>(754,839)</u>	<u>(845,548)</u>	<u>(868,207)</u>	<u>(876,670)</u>	<u>(863,147)</u>	<u>(891,301)</u>	<u>(752,174)</u>	<u>(647,777)</u>	<u>(594,859)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered-employee payroll	\$ 6,363,900	\$ 6,290,325	\$ 6,263,319	\$ 6,201,479	\$ 6,046,000	\$ 6,165,336	\$ 6,146,905	\$ 6,017,388	\$ 5,888,884	\$ 5,665,327
Plan fiduciary net position as a percentage of the total pension liability	11.00%	12.00%	13.50%	14.00%	14.50%	14.00%	14.50%	12.50%	11.00%	10.50%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**WOOD COUNTY, WEST VIRGINIA**  
**SCHEDULE OF GOVERNMENT CONTRIBUTIONS**  
**For the Fiscal Year Ended June 30, 2018**

**West Virginia Deputy Sheriff Retirement System**  
Last 10 Fiscal Years

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>
Contractually required contribution	\$ 206,521	\$ 192,375	\$ 201,626	\$ 203,957	\$ 218,535	\$ 227,652	\$ 229,840	\$ 188,051	\$ 182,009	\$ 177,617
Contributions in relation to the contractually required contribution	<u>(206,521)</u>	<u>(192,375)</u>	<u>(201,626)</u>	<u>(203,957)</u>	<u>(218,535)</u>	<u>(227,652)</u>	<u>(229,840)</u>	<u>(188,051)</u>	<u>(182,009)</u>	<u>(177,617)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered-employee payroll	\$ 1,721,008	\$ 1,603,125	\$ 1,680,217	\$ 1,631,656	\$ 1,681,037	\$ 1,751,167	\$ 1,768,000	\$ 1,790,958	\$ 1,733,416	\$ 1,691,595
Plan fiduciary net position as a percentage of the total pension liability	12.00%	12.00%	12.00%	12.50%	13.00%	13.00%	13.00%	10.50%	10.50%	10.50%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**WOOD COUNTY, WEST VIRGINIA**  
**SCHEDULE OF GOVERNMENT CONTRIBUTIONS - OPEB**  
**For the Fiscal Year Ended June 30, 2018**

**Public Employees Insurance Agency**  
**Two Fiscal Years\***

	<u><b>2018</b></u>	<u><b>2017</b></u>
Contractually required contribution	\$ 266,024	\$ 245,371
Contributions in relation to the contractually required contribution	<u>(266,024)</u>	<u>(245,371)</u>
Contribution deficiency (excess)	<u>\$ - -</u>	<u>\$ - -</u>
Government's covered-employee payroll	\$ 4,610,468	\$ 4,223,253
Contributions as a percentage of covered-employee payroll	5.77%	5.81%

\* - Applicable information was available for two years for this schedule.



WOOD COUNTY, WEST VIRGINIA  
BUDGETARY COMPARISON SCHEDULE -  
ASSESSOR'S VALUATION FUND  
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budget Basis</u>	<u>Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Other taxes	\$ 731,052	\$ 753,052	\$ 782,135	\$ 29,083
Miscellaneous	--	--	338	338
Map sales	3,600	3,600	26,938	23,338
Interest	300	300	409	109
	<u>734,952</u>	<u>756,952</u>	<u>809,820</u>	<u>52,868</u>
<b>EXPENDITURES:</b>				
Current:				
General government	842,050	792,731	84,602	708,129
Capital outlay	50,000	3,000	--	3,000
	<u>892,050</u>	<u>795,731</u>	<u>84,602</u>	<u>711,129</u>
Excess (deficiency) of revenues over expenditures	<u>( 157,098)</u>	<u>( 38,779)</u>	<u>725,218</u>	<u>763,997</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	--	--	( 725,430)	( 725,430)
	<u>--</u>	<u>--</u>	<u>( 725,430)</u>	<u>( 725,430)</u>
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>( 725,430)</u>	<u>( 725,430)</u>
Net change in fund balance	( 157,098)	( 38,779)	( 212)	38,567
Fund balance at beginning of year	<u>157,098</u>	<u>38,779</u>	<u>38,822</u>	<u>43</u>
Fund balance at end of year	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>38,610</u></u>	\$ <u><u>38,610</u></u>



Certified Public Accountants, A.C.

[www.perrycpas.com](http://www.perrycpas.com)

313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

June 30, 2020

Wood County Commission  
1 Court Square / PO Box 1474  
Parkersburg, WV 26102

To the Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of **Wood County**, West Virginia (the County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report dated June 30, 2020 wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the County. Our report refers to other auditors who audited the financial statements of the Wood County Parks and Recreation Commission and the Wood County Development Authority. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported.

### Internal Control Over Financial Reporting

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

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

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

### **Compliance and Other Matters**

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

We noted certain matters not requiring inclusion on this report that we have reported to management of Wood County Commission in a separate letter dated June 30, 2020.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**WOOD COUNTY, WEST VIRGINIA**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2017-001	Drug Lab – Comingling of Funds	Partially corrected	Finding no longer report level.