



**Wood County, West Virginia
Single Audit
For the Year Ended June 30, 2020**

RFP #20-470

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

WOOD COUNTY, WEST VIRGINIA
COUNTY OFFICIALS
For the Fiscal Year Ended June 30, 2020

OFFICE	NAME	TERM
<u>Elective</u>		
County Commission:	David Blair Couch	01-01-19 / 12-31-25
	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 / 01/15/20
	Celeste Ridgway	01-15-20 / 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 VIRGINA

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet - Governmental Funds	7
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	12
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Coal Severance Tax Fund	13
Statement of Fiduciary Net Position– Fiduciary Funds	14
Notes to the Financial Statements	15
Required Supplementary Information:	
Schedules of the Government's Proportionate Share of the Net Pension Liability	44
Schedules of the Government's Proportionate Share of the OPEB Liability	46
Schedule of Government Contributions – Net Pension Liability	47
Schedule of Government Contributions – OPEB Liability	49
Notes to the Required Supplementary Information	50
Supplementary Information:	
Budgetary Comparison Schedule – Assessor's Valuation Fund	51
Schedule of Expenditures of Federal Awards	52
Notes to the Schedule of Expenditures of Federal Awards	54

WOOD COUNTY, WEST VIRGINA

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	55
Independent Auditor's Report on Compliance with Requirements Applicable to The Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	57
Schedule of Audit Findings	59

INDEPENDENT AUDITOR'S REPORT

November 19, 2021

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, 2020, 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
Members: American Institute of Certified Public Accountants
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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, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include schedules of net pension liabilities and pension 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.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated 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, 2020

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Development Authority</u>	<u>Parks and Recreation</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,706,399	\$ 95,332	\$ 427,908
Receivables:			
Taxes	953,142	--	27,875
Accounts	--	--	--
Grants	--	--	--
Special assessments	--	--	--
Loans	--	--	--
Accrued interest	--	--	--
Lease	--	--	--
Contributions	--	--	--
Other fees	--	--	--
Insurance premium surtax	--	--	--
Internal balances	--	--	--
Due from:			
Other governments	--	--	7,096
Component units	--	--	--
Primary government	--	--	--
Advances to other funds	--	--	--
Inventory, at cost	--	--	--
Prepaid expenses	--	--	--
Total current assets	<u>10,659,541</u>	<u>95,332</u>	<u>462,879</u>
Restricted assets:			
Restricted cash	84,241	--	--
Capital assets:			
Nondepreciable:			
Land	2,065,178	--	606,089
Depreciable:			
Buildings	6,889,291	--	--
Structures and improvements	10,296,984	--	11,281,602
Machinery and equipment	7,679,055	--	630,270
Less: accumulated depreciation	(12,718,257)	--	(10,757,529)
Total noncurrent assets	<u>14,296,492</u>	<u>--</u>	<u>1,760,432</u>
Total assets	<u>24,956,033</u>	<u>95,332</u>	<u>2,223,311</u>
DEFERRED OUTFLOWS			
Changes in proportion and differences between employer contributions and proportionate share contributions	408,624	--	8,550
Employer contributions subsequent to measurement period	1,169,108	--	10,968
Net difference between projected and actual investment earnings on pension plan		--	76
Differences between expected and actual experience	<u>142,865</u>	<u>--</u>	<u>539</u>
Total deferred outflows of resources	<u>1,720,597</u>	<u>--</u>	<u>20,133</u>

WOOD COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2020

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Development Authority</u>	<u>Parks and Recreation</u>
LIABILITIES			
Current liabilities payable			
from current assets:			
Accounts payable	522,047	- -	4,337
Accrued interest payable	326,960	- -	- -
Noncurrent liabilities:			
Bonds payable - due within one year	215,000	- -	16,773
Bonds payable - due in more than one year	9,128,666	- -	- -
Leases payable - due within one year	106,382	- -	- -
Leases payable - due in more than one year	197,268	- -	- -
Net pension liability	1,565,123	- -	13,937
Net OPEB liability	2,359,503	- -	12,852
Compensated absences payable	376,843	- -	- -
	<hr/>	<hr/>	<hr/>
Total liabilities	14,797,792	- -	47,899
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS			
Net difference between projected and actual			
earnings on pension investments	438,488	- -	5,250
Difference in assumptions	702,264	- -	5,166
Changes in proportion and differences between			
employer contributions and proportionate share			
of contributions	339,649	- -	2,405
Differences between expected and actual			
experience	581,274	- -	2,716
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	2,061,675	- -	15,537
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net investment in capital assets	4,564,935	- -	1,743,659
Unrestricted	5,252,228	95,332	436,349
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Total net position	\$ 9,817,163	\$ 95,332	\$ 2,180,008
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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, 2020

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Governmental Activities	Development Authority	Parks and Recreation
Primary government:							
Governmental activities:							
General government	\$ 10,797,439	\$ 670,255	\$ 47,425	\$ 445,636	\$ (9,634,123)		
Public safety	9,844,763	4,882,634	407,099	174,842	(4,380,188)		
Health and sanitation	172,371	--	--	--	(172,371)		
Administrative and general	1,760	--	--	--	(1,760)		
Culture and recreation	1,704,577	77,622	--	6,567	(1,620,388)		
Social services	17,756	--	--	--	(17,756)		
Capital projects	901,072	196,819	--	--	(704,253)		
Debt service	3,219	--	--	--	(3,219)		
Interest on long-term debt	441,649	--	--	--	(441,649)		
Total governmental activities	23,884,606	5,827,330	454,524	627,045	(16,975,707)		
Total primary government	\$ 23,884,606	\$ 5,827,330	\$ 454,524	\$ 627,045	(16,975,707)		
Component units:							
Development Authority	568,517	--	323,488	--	--	\$ (245,029)	\$ --
Parks and Recreation	855,923	736,377	--	--	--	--	(119,546)
Total component units	\$ 1,424,440	\$ 736,377	\$ 323,488	\$ --	--	(245,029)	(119,546)
General revenues:							
Ad valorem property taxes					14,430,382	--	--
Alcoholic beverages tax					9,652	--	--
Hotel occupancy tax					485,889	--	--
Gas and oil severance tax					101,245	--	--
Other taxes					1,799,865	--	--
Coal severance tax					127,933	--	--
Licenses and permits					89,444	--	--
Intergovernmental:							
Local					6,004	--	94,223
Unrestricted investment earnings					93,583	1,702	34
Refunds					195,380	--	--
Reimbursement					43,135	--	--
Miscellaneous					350,005	--	38,792
Total general revenues					17,726,513	1,702	133,049
Change in net position					750,806	(243,327)	13,503
Net position - beginning (Note III.H.)					9,066,357	338,659	2,166,505
Net position - ending					\$ 9,817,163	\$ 95,332	\$ 2,180,008

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

WOOD COUNTY, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	<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>E-911</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS									
Assets:									
Current:									
Cash and cash equivalents	\$ 4,926,076	\$ 196,067	\$ 1,338,289	\$ 1,148,141	\$ --	\$ --	\$ 450,190	\$ 1,647,636	\$ 9,706,399
Receivables:									
Taxes	953,142	--	--	--	--	--	--	--	953,142
Restricted cash	--	--	--	--	77,418	6,823	--	--	84,241
Total assets and deferred outflows of resources	<u>\$ 5,879,218</u>	<u>\$ 196,067</u>	<u>\$ 1,338,289</u>	<u>\$ 1,148,141</u>	<u>\$ 77,418</u>	<u>\$ 6,823</u>	<u>\$ 450,190</u>	<u>\$ 1,647,636</u>	<u>\$ 10,743,782</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable	503,001	--	--	--	--	--	--	19,046	522,047
Accrued interest payable	--	--	--	--	76,960	250,000	--	--	326,960
Total liabilities	<u>503,001</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>76,960</u>	<u>250,000</u>	<u>--</u>	<u>19,046</u>	<u>849,007</u>
Deferred Inflows:									
Unavailable revenue - taxes	<u>667,199</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>667,199</u>
Total deferred inflows of resources	<u>667,199</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>667,199</u>
Total liabilities and deferred inflows of resources	<u>1,170,200</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>76,960</u>	<u>250,000</u>	<u>--</u>	<u>19,046</u>	<u>1,516,206</u>
Fund balances:									
Restricted	--	--	1,338,289	1,148,141	458	--	450,190	1,628,590	4,565,668
Committed	1,579,704	--	--	--	--	--	--	--	1,579,704
Assigned	3,129,314	196,067	--	--	--	--	--	--	3,325,381
Unassigned	--	--	--	--	--	(243,177)	--	--	(243,177)
Total fund balances	<u>4,709,018</u>	<u>196,067</u>	<u>1,338,289</u>	<u>1,148,141</u>	<u>458</u>	<u>(243,177)</u>	<u>450,190</u>	<u>1,628,590</u>	<u>9,227,576</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,879,218</u>	<u>\$ 196,067</u>	<u>\$ 1,338,289</u>	<u>\$ 1,148,141</u>	<u>\$ 77,418</u>	<u>\$ 6,823</u>	<u>\$ 450,190</u>	<u>\$ 1,647,636</u>	<u>\$ 10,743,782</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, 2020

Total fund balances on the governmental fund's balance sheet	\$ 9,227,576
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.)	14,212,251
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. (Note III.B.)	667,199
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 (Notes V & VI):	
Deferred outflow (inflow) - Changes in employer portion and differences between contributions and proportionate share of contributions.	68,975
Deferred outflow - Employer contributions after measurement date.	1,169,108
Deferred outflow (inflow) - Differences between projected and actual investment earnings.	(438,488)
Deferred outflow (inflow) - Differences between expected and actual experience.	(438,409)
Deferred outflow (inflow) - Differences in assumptions.	(702,264)
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.)	<u>(13,948,785)</u>
Net position of governmental activities	<u>\$ 9,817,163</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, 2020

	<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 Project Debt Service</u>	<u>E-911</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES									
Taxes:									
Ad valorem property taxes	\$ 14,396,915	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 10,807	\$ 14,407,722
Alcoholic beverages tax	9,652	--	--	--	--	--	--	--	9,652
Hotel occupancy tax	485,889	--	--	--	--	--	--	--	485,889
Gas and oil severance tax	101,245	--	--	--	--	--	--	--	101,245
Other taxes	749,648	--	--	--	--	--	--	850,650	1,600,298
Coal severance tax	--	127,933	--	--	--	--	--	--	127,933
Licenses and permits	89,444	--	--	--	--	--	--	--	89,444
Intergovernmental:							--		
Federal	255,596	--	--	--	--	--	--	100,000	355,596
State	571,952	--	--	--	--	--	--	--	571,952
Local	6,004	--	--	--	--	--	--	--	6,004
Charges for services	638,457	--	1,030,240	196,819	--	--	2,540,387	1,122,377	5,528,280
Fines and forfeits	158,116	--	--	--	--	--	--	140,934	299,050
Interest and investment earnings	53,165	1,703	--	8,314	143	20,333	5,073	4,852	93,583
Refunds	194,862	--	--	--	--	--	--	518	195,380
Reimbursements	--	--	--	--	--	--	4,005	39,130	43,135
Payments in lieu of taxes	199,567	--	--	--	--	--	--	--	199,567
Contributions and donations	--	--	--	--	--	--	--	11,793	11,793
Miscellaneous	338,212	--	--	--	--	--	--	--	338,212
Total revenues	<u>18,248,724</u>	<u>129,636</u>	<u>1,030,240</u>	<u>205,133</u>	<u>143</u>	<u>20,333</u>	<u>2,549,465</u>	<u>2,281,061</u>	<u>24,464,735</u>

WOOD COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	<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 Project Debt Service</u>	<u>E-911</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
EXPENDITURES									
Current:									
General government	10,185,168	--	--	--	--	--	--	321,437	10,506,605
Public safety	8,058,085	--	887,785	--	--	--	428,665	1,040,000	10,414,535
Health and sanitation	172,371	--	--	--	--	--	--	--	172,371
Administrative and general	--	--	--	--	--	1,760	--	--	1,760
Culture and recreation	1,680,101	--	--	--	--	--	--	--	1,680,101
Social services	17,756	--	--	--	--	--	--	--	17,756
Capital outlay	1,129,156	262,197	--	--	--	479,165	--	16,320	1,886,838
Debt service:							--		
Principal	--	--	--	--	210,000	--	--	--	210,000
Interest	--	--	--	--	160,603	281,046	--	--	441,649
Total expenditures	<u>21,242,637</u>	<u>262,197</u>	<u>887,785</u>	<u>--</u>	<u>370,603</u>	<u>761,971</u>	<u>428,665</u>	<u>1,377,757</u>	<u>25,331,615</u>
Excess (deficiency) of revenues over expenditures	<u>(2,993,913)</u>	<u>(132,561)</u>	<u>142,455</u>	<u>205,133</u>	<u>(370,460)</u>	<u>(741,638)</u>	<u>2,120,800</u>	<u>903,304</u>	<u>(866,880)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	2,987,047	--	--	250,000	291,560	10,807	--	325,000	3,864,414
Transfers (out)	(651,983)	--	--	(291,560)	--	--	(2,020,210)	(900,661)	(3,864,414)
Proceeds from the sale of assets	18,372	--	--	--	--	--	--	--	18,372
Capital leases	<u>--</u>	<u>200,412</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>200,412</u>
Total other financing sources (uses)	<u>2,353,436</u>	<u>200,412</u>	<u>--</u>	<u>(41,560)</u>	<u>291,560</u>	<u>10,807</u>	<u>(2,020,210)</u>	<u>(575,661)</u>	<u>218,784</u>
Net change in fund balances	(640,477)	67,851	142,455	163,573	(78,900)	(730,831)	100,590	327,643	(648,096)
Fund balances - beginning (Note III.H.)	<u>5,349,495</u>	<u>128,216</u>	<u>1,195,834</u>	<u>984,568</u>	<u>79,358</u>	<u>487,654</u>	<u>349,600</u>	<u>1,300,947</u>	<u>9,875,672</u>
Fund balances - ending	<u>\$ 4,709,018</u>	<u>\$ 196,067</u>	<u>\$ 1,338,289</u>	<u>\$ 1,148,141</u>	<u>\$ 458</u>	<u>\$ (243,177)</u>	<u>\$ 450,190</u>	<u>\$ 1,628,590</u>	<u>\$ 9,227,576</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, 2020

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

Net change in fund balances - total governmental funds	\$ (648,096)
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.)	924,280
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.).	(844,617)
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.	194,824
Prior year unavailable/unearned revenues: \$472,375	
Current year unavailable/unearned revenues: \$667,199	
Certain pension and OPEB expenses in the statement of activities are recognized on the accrual basis of accounting.	<u>1,124,415</u>
Change in net position of governmental activities	<u>\$ 750,806</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 BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	Modified	<u>Budget</u>	Final Budget
			<u>Accrual Basis</u>	<u>Basis</u>	Positive
					<u>(Negative)</u>
REVENUES					
Taxes:					
Ad valorem property taxes	\$ 14,607,606	\$ 14,607,606	\$ 14,396,915	\$ 14,396,915	\$ (210,691)
Alcoholic beverages tax	12,000	12,000	9,652	9,652	(2,348)
Hotel occupancy tax	581,896	581,896	485,889	485,889	(96,007)
Gas and oil severance tax	50,000	50,000	101,245	101,245	51,245
Other taxes	500,000	500,000	749,648	749,648	249,648
Licenses and permits	61,500	61,500	89,444	89,444	27,944
Intergovernmental:					
Federal	500,000	500,000	255,596	255,596	(244,404)
State	600,000	600,000	571,952	571,952	(28,048)
Local	--	--	6,004	6,004	6,004
Charges for services	638,637	638,637	638,457	638,457	(180)
Fines and forfeits	11,000	11,000	158,116	158,116	147,116
Interest and investment earnings	6,000	6,000	53,165	53,165	47,165
Refunds	175,000	175,000	194,862	194,862	19,862
Payments in lieu of taxes	200,000	200,000	199,567	199,567	(433)
Miscellaneous	150,452	150,452	338,212	338,212	187,760
Total revenues	<u>18,094,091</u>	<u>18,094,091</u>	<u>18,248,724</u>	<u>18,248,724</u>	<u>154,633</u>
EXPENDITURES					
Current:					
General government	10,382,233	11,623,017	10,185,168	10,185,168	1,437,849
Public safety	9,731,725	9,462,460	8,058,085	8,058,085	1,404,375
Health and sanitation	183,250	391,495	172,371	172,371	219,124
Culture and recreation	1,752,905	1,752,905	1,680,101	1,680,101	72,804
Social services	20,000	20,000	17,756	17,756	2,244
Capital outlay	588,916	1,738,699	1,129,156	1,129,156	609,543
Total expenditures	<u>22,659,029</u>	<u>24,988,576</u>	<u>21,242,637</u>	<u>21,242,637</u>	<u>3,745,939</u>
Excess (deficiency) of revenues over expenditures	<u>(4,564,938)</u>	<u>(6,894,485)</u>	<u>(2,993,913)</u>	<u>(2,993,913)</u>	<u>3,900,572</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,127,460	3,127,460	2,987,147	2,987,147	(140,313)
Transfers (out)	--	--	(651,983)	(651,983)	(651,983)
Proceeds from the sale of assets	--	--	18,372	18,372	18,372
Total other financing sources (uses)	<u>3,127,460</u>	<u>3,127,460</u>	<u>2,353,536</u>	<u>2,353,536</u>	<u>(773,924)</u>
Net change in fund balance	<u>(1,437,478)</u>	<u>(3,767,025)</u>	<u>(640,377)</u>	<u>(640,377)</u>	<u>3,126,648</u>
Fund balance - beginning	<u>800,000</u>	<u>800,000</u>	<u>5,349,495</u>	<u>5,349,495</u>	<u>4,549,495</u>
Fund balance - ending	<u>\$ (637,478)</u>	<u>\$ (2,967,025)</u>	<u>\$ 4,709,118</u>	<u>\$ 4,709,118</u>	<u>\$ 7,676,143</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 BALANCE - BUDGET AND ACTUAL - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Actual Amounts</u>	<u>Variance with</u>
	<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>
REVENUES						
Taxes:						
Coal severance tax	\$ 120,000	120,000	127,933	--	\$ 127,933	\$ 7,933
Interest and investment earnings	510	510	1,703	--	1,703	1,193
Total revenues	120,510	120,510	129,636	--	129,636	9,126
EXPENDITURES						
Current:						
Capital outlay	198,310	248,726	262,197	(200,412)	61,785	186,941
Total expenditures	198,310	248,726	262,197	(200,412)	61,785	186,941
Excess (deficiency) of revenues over expenditures	(77,800)	(128,216)	(132,561)	200,412	67,851	196,067
OTHER FINANCING SOURCES (USES)						
Capital leases	--	--	200,412	(200,412)	--	--
Total other financing sources (uses)	--	--	200,412	(200,412)	--	--
Net change in fund balance	(77,800)	(128,216)	67,851	--	67,851	196,067
Fund balance - beginning	77,800	128,216	128,216	--	128,216	--
Fund balance - ending	\$ --	\$ --	\$ 196,067	\$ --	\$ 196,067	\$ 196,067

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, 2020

	<u>Agency Funds</u>
ASSETS	
Non-pooled cash	\$ 7,829,733
Receivables:	
Taxes	<u>3,902,232</u>
Total assets and deferred outflows of resources	\$ <u><u>11,731,965</u></u>
LIABILITIES	
Due to: other governments	<u>11,322,082</u>
Total liabilities and deferred inflows of resources	\$ <u><u>11,731,965</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, 2020

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 present the government and its component units as required by

Blended Component Unit

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

The 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.

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.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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 \$85,000 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.

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:

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

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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, 2020

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:

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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.

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 III.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, 2020

State statutes authorize the government to enter into agreements with the State Treasurer for the investment of

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, 2020.

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 fiscal year.

All counties within the state are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, fourteen and three-tenths cents (14.30 cents); On Class II property, twenty-eight and six-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:

<u>Class of Property</u>	<u>Assessed Valuation For Tax Purposes</u>	<u>Current Expense</u>	<u>Library Excess Levy</u>
Class I	\$ - -	13.64 cents	.54 cents
Class II	1,975,582,244	27.28 cents	1.08 cents
Class III	844,849,587	54.56 cents	2.16 cents
Class IV	840,187,797	54.56 cents	2.16 cents

Wood County, West Virginia held a special election on May 10, 2016. The County was authorized to lay an excess levy to provide approximately \$487,227 annually during the five fiscal years ended June 30, 2020 through June 30, 2023, for the purpose or purposes for which additional funds are needed for the Parkersburg & Wood County Public Library to: pay for the bond for building the South Parkersburg Library; move the entrance of the Emerson Library from Emerson Avenue to the side parking lot for increased accessibility for seniors, children, and the disabled; and contribute to the general operation of the Library.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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 donation.

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

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

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, proprietary, and fiduciary fund financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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.
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.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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 balance.

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

11. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to

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.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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 year end.

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 both the General and Coal Severance Tax Funds.

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.

<u>Description</u>	<u>General Fund</u> <u>Amount</u>	<u>Coal Severance</u> <u>Amount</u>
General government expenditure increase	\$ 1,240,784	\$ - -
Public safety expenditure increase	269,265	50,416
Health and sanitation expenditure increase	208,245	- -
Capital projects expenditure increase	1,149,783	- -

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year-end, the government had no investments.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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 \$17,713,227. 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	\$ 17,536,132
Cash and cash equivalents-restricted	<u>84,241</u>
Total	<u><u>\$ 17,620,373</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	<u>\$ 1,143,770</u>	<u>\$ 4,682,678</u>
Gross Receivables	<u>1,143,770</u>	<u>4,682,678</u>
Less: Allowance for Uncollectible	<u>(190,628)</u>	<u>(780,446)</u>
Net Total Receivables	<u><u>\$ 953,142</u></u>	<u><u>\$ 3,902,232</u></u>

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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)	\$ 667,199
Total unavailable/unearned revenue for governmental funds	<u>\$ 667,199</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Primary Government		
	Beginning Balance	Increases	Decreases
Governmental activities:			
Capital assets, not being depreciated:			Ending Balance
Land	\$ 2,065,178	\$ --	\$ --
Total capital assets not being depreciated	<u>2,065,178</u>	<u>--</u>	<u>2,065,178</u>
Capital assets being depreciated:			
Buildings and improvements	6,889,291	--	6,889,291
Structures and improvements	9,431,226	865,758	10,296,984
Machinery and equipment	7,744,547	58,522	(124,014)
Less: Total accumulated depreciation	<u>(11,997,654)</u>	<u>(844,617)</u>	<u>124,014</u>
Total capital assets being depreciated, net	<u>12,067,410</u>	<u>79,663</u>	<u>--</u>
Governmental activities capital assets, net	<u>\$ 14,132,588</u>	<u>\$ 79,663</u>	<u>\$ --</u>

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

Governmental activities:	
General government	\$ 686,889
Public safety	127,980
Culture and recreation	<u>29,748</u>
Total depreciation expense-governmental activities	<u>\$ 844,617</u>

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

D. Interfund Receivables, Payables, and Transfers

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

Interfund Transfers:

<u>Transferred from:</u>	<u>Transferred to:</u>	<u>Purpose</u>	<u>Amount</u>
General County	Special Building	bond payments	\$ 250,000
General School	General County	care for prisoners	157,593
Magistrate Court	General County	rent	45,836
E-911	General County	payroll reimbursement	1,718,024
Assessor's Valuation	General County	payroll reimbursement	665,488
Concealed Weapons	General County	payroll reimbursement	17,181
Community Criminal Justice	General County	payroll reimbursement	382,925
E-911	Capital Reserve	savings	325,000
Emerson Commons TIF	Emerson Project Debt Service	TIF bond payments	10,807
Special Building	Building Commission Debt Service	bond payments	291,560
Total			<u>\$ 3,864,414</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:					
General government	\$ --	\$ --	\$ --	\$ --	\$ --
Public safety	--	--	1,338,289	--	--
Capital projects	--	--	--	1,148,141	--
Debt service	--	--	--	--	458
Committed:					
Financial stabilization	1,579,704	--	--	--	--
Assigned:					
Budget carryover	3,129,314	196,067	--	--	--
Unassigned	--	--	--	--	--
Total fund balances	<u>\$ 4,709,018</u>	<u>\$ 196,067</u>	<u>\$ 1,338,289</u>	<u>\$ 1,148,141</u>	<u>\$ 458</u>

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

	E-911	Emerson Commons Proj Debt Service	Non-major Funds	Total
Restricted:				
General government	\$ --	\$ --	\$ 1,069,099	\$ 1,069,099
Public safety	450,190	--	--	1,788,479
Capital projects	--	--	559,491	1,707,632
Debt service	--	--	--	458
Committed:				
Financial stabilization	--	--	--	1,579,704
Assigned:				
Budget carryover	--	--	--	3,325,381
Unassigned	--	(243,177)	--	(243,177)
Total fund balances	\$ 450,190	\$ (243,177)	\$ 1,628,590	\$ 9,227,576

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 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>
2021	\$ 105,625
2022	87,957
2023	61,507
2024	61,507
2025	8,780
Total minimum lease payments	325,376
Less: amount representing interest	(21,726)
Present value of minimum lease payments	\$ 303,650

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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:

Governmental Activities					
Purpose	Maturity Date	Interest Rates	Issued	Retired	Balance June 30, 2020
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%	1,670,000	--	1,670,000
Total			<u>\$ 5,365,000</u>	<u>\$ 665,000</u>	<u>\$ 4,700,000</u>

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 \$6,673,895.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2021	\$ 215,000	\$ 153,920
2022	220,000	148,545
2023	230,000	143,045
2024	235,000	137,295
2025 - 2029	1,270,000	587,950
2030 - 2034	1,490,000	359,240
2035 - 2038	1,040,000	75,780
Total	<u>\$ 4,700,000</u>	<u>\$ 1,605,775</u>

Pledged Revenues - Lease Revenue Refunding Bonds

The Wood County Building Commission, a blended component unit of Wood County, West Virginia, has

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, 2020
TIF Emerson Commons 2017	6/1/2046	5.000%	2,500,000	--	2,500,000
TIF Emerson Commons 2017	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 Commission Tax Increment Revenue Bonds (Emerson Commons Project No. 1), Series 2017 (Taxable)

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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 \$8,555,450.

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

Year Ended	Governmental Activities	
	Principal	Interest
2021	\$ --	\$ 235,000
2022	--	235,000
2023	--	235,000
2024	--	235,000
2025 - 2029	416,000	1,164,850
2030 - 2034	1,233,000	953,650
2035 - 2039	1,571,000	613,200
2040 - 2043	1,480,000	183,750
Totals	\$ 4,700,000	\$ 3,855,450

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 \$8,790,450. Principal and interest paid for the current year and total customer net revenues were \$10,870 (interest only) and \$10,870, respectively.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Changes in Long-term Liabilities

	Governmental Activities				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease revenue					
bonds payable	\$ 4,910,000	\$ --	\$ (210,000)	\$ 4,700,000	\$ 215,000
Less: unamortized					
bond discount	(59,553)	--	3,219	(56,334)	--
Tax increment revenue					
bonds payable	<u>4,700,000</u>	<u>--</u>	<u>--</u>	<u>4,700,000</u>	<u>--</u>
Total bonds payable	9,550,447	--	(206,781)	9,343,666	215,000
Capital leases	365,436	--	(61,786)	303,650	106,382
Net pension liability	1,025,008	540,115	--	1,565,123	--
Net OPEB liability	2,787,259	--	(427,756)	2,359,503	--
Compensated absences	<u>499,126</u>	<u>--</u>	<u>(122,372)</u>	<u>376,754</u>	<u>--</u>
Governmental activities					
Long-term liabilities	<u>\$ 14,227,276</u>	<u>\$ 540,115</u>	<u>\$ (818,695)</u>	<u>\$ 13,948,696</u>	<u>\$ 321,382</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	\$ 77,418
TIF bond debt service accounts	<u>6,823</u>
Total restricted assets	<u>\$ 84,241</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.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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.

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.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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. 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
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	10.00%
Plan member's contribution rate hired after 7/1/2015	6.00%
County's contribution rate hired after 7/1/2015	10.00%
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

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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
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 benefit.
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>
2019	\$ 897,041	100%	\$ 387,862	100%
2018	\$ 1,003,200	100%	\$ 352,670	100%
2017	\$ 1,048,839	100%	\$ 329,443	100%

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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

	PERS	WVDRS
Amount for proportionate share of net pension liability	\$ 885,499	\$ 679,624
Percentage for proportionate share of net pension liability	0.411835%	3.381885%
Increase/decrease % from prior proportion measured	0.48760%	0.06951%

For the fiscal year, the government recognized the following pension expenses.

	PERS	WVDRS
Pension expense	<u>\$ 377,406</u>	<u>\$ 882,376</u>

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	\$ 11,273	\$ (138,137)
Net difference between projected and actual investment earnings on pension plan investments	--	(320,066)
Difference between expected and actual experience	34,273	(77,338)
Deferred difference in assumptions	--	(162,560)
Government contributions subsequent to the measurement date	<u>623,517</u>	<u>--</u>
	<u>\$ 669,063</u>	<u>\$ (698,101)</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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Year Ended June 30:

2021	\$ (145,932)
2022	(518,667)
2023	(80,876)
2024	<u>92,920</u>
Total	\$ <u><u>(652,555)</u></u>

West Virginia Deputy Sheriff Retirement System

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ 19,461	\$ (64,400)
Net difference between projected and actual investment earnings on pension plan investments	--	(92,968)
Difference between expected and actual experience	108,592	(228,751)
Deferred difference in assumptions	--	(61,178)
Government contributions subsequent to the measurement date	<u>242,413</u>	<u>--</u>
	<u>\$ 370,466</u>	<u>\$ (447,297)</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, 2020. 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:

2021	\$ (86,133)
2022	(161,033)
2023	(58,139)
2024	(36,005)
2025	11,590
Thereafter	<u>10,476</u>
Total	\$ <u><u>(319,244)</u></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.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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.

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:

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

<u>Investment</u>	Long-term Expected	PERS	DSRS
	Real Rate <u>of Return</u>	Target Asset <u>Allocation</u>	Target Asset <u>Allocation</u>
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%

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	\$ 4,124,721	\$ 885,499	\$ (1,854,682)
Government's proportionate share of WVDSRS's net pension liability	\$ 1,868,119	\$ 679,624	\$ 299,973

Pension plans' fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained 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

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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 64,000 covered lives at June 30, 2019. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th. Street, SE, Suite 2, Charleston, WV, 25304.

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

Contributions. 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 \$149 million for the fiscal year ending June 30, 2019. Contributions to the OPEB plan from the government were \$303,178 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 \$2,359,503 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, 2017, rolled forward to June 30, 2019, 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, 2019, the government's proportion was 0.142213054%, which was a increase of .012032099% from its proportion measured as of June 30, 2018.

For this fiscal year, the government recognized OPEB expense of \$272,220. The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ 377,890	\$ (137,112)
Net difference between projected and actual investment earnings on pension plan investments	--	(25,454)
Difference between expected and actual experience	--	(275,185)
Deferred difference in assumptions	--	(478,526)
Government contributions subsequent to the measurement date	303,178	--
	<u>\$ 681,068</u>	<u>\$ (916,277)</u>

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, 2020. 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:

2021	\$ (204,810)
2022	(190,771)
2023	(120,877)
2024	(21,929)
Total	<u>\$ (538,387)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, 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.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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

<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:

	<u>1% Decrease 6.15%</u>	<u>Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
Net OPEB liability	\$ 2,815,997	\$ 2,359,503	\$ 1,977,494

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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	\$ 1,902,598	\$ 2,359,503	\$ 2,913,956

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

VII. Summary of Deferred Outflow/Inflow Balances

	Total	PERS	DSRS	OPEB
Difference between expected and actual experience	(222,051)	56,064	(236,802)	(41,313)
Changes of assumptions	(353,864)	- -	(74,992)	(278,872)
Net difference between projected and actual earnings on pension plan investments	(931,161)	(699,966)	(179,498)	(51,697)
Changes in proportion and differences between government contributions and proportionate share of contributions	25,455	15,255	(79,961)	90,161
Government contributions subsequent to the measurement date	1,174,593	604,534	277,060	292,999

WOOD COUNTY, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2020

Public Employees Retirement System
Last 6 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Government's proportion of the net pension liability (asset) (percentage)	0.411835%	0.460595%	0.458653%	0.454525%	0.457289%	0.451495%
Government's proportionate share of the net pension liability (asset)	\$ 885,499	\$ 1,189,495	\$ 1,979,752	\$ 4,177,623	\$ 2,553,520	\$ 1,666,311
Government's covered-employee payroll	\$ 6,045,340	\$ 6,363,900	\$ 6,290,325	\$ 6,263,319	\$ 6,201,479	\$ 6,046,000
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	14.65%	18.69%	31.47%	66.70%	41.18%	27.56%
Plan fiduciary net position as a percentage of the total pension liability	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%

* - Applicable information was available for six 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, 2020

West Virginia Deputy Sheriff Retirement System
Last 6 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Government's proportion of the net pension liability (asset) (percentage)	3.381885%	3.312378%	3.199864%	3.407408%	3.423774%	3.628861%
Government's proportionate share of the net pension liability (asset)	\$ 679,624	\$ 177,808	\$ 119,899	\$ 1,084,782	\$ 702,285	\$ 618,757
Government's covered-employee payroll	\$ 1,721,008	\$ 1,721,008	\$ 1,603,125	\$ 1,680,217	\$ 1,631,656	\$ 1,681,037
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	39.49%	10.33%	7.48%	64.56%	43.04%	36.81%
Plan fiduciary net position as a percentage of the total pension liability	92.08%	102.50%	98.17%	84.48%	89.31%	90.52%

* - Applicable information was available for six 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, 2020

Public Employees Insurance Agency
Three Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Government's proportion of the net OPEB liability	0.14221305%	0.130180955%	0.024137487%	0.127615904%
Government's proportionate share of the net OPEB liability	\$ 2,359,503	\$ 2,792,949	\$ 2,937,534	\$ 3,169,118
Government's covered-employee payroll	0 \$	0 \$	0 \$	0
Government's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB	39.69%	30.98%	25.10%	21.64%

* - Applicable information was available for three years for this schedule.

WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2020

Public Employees Retirement System
Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 623,517	\$ 604,534	\$ 700,029	\$ 754,839	\$ 845,548	\$ 868,207	\$ 876,670	\$ 863,147	\$ 891,301	\$ 752,174
Contributions in relation to the contractually required contribution	<u>(623,517)</u>	<u>(604,534)</u>	<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>
Contribution deficiency (excess)	\$ <u>0</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>
Government's covered-employee payroll	\$ 6,235,170	\$ 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
Plan fiduciary net position as a percentage of the total pension liability	10.00%	9.50%	11.13%	12.05%	13.63%	14.36%	14.22%	14.04%	14.81%	12.77%

WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2020

West Virginia Deputy Sheriff Retirement System
Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 242,413	\$ 227,060	\$ 206,521	\$ 192,375	\$ 201,626	\$ 203,957	\$ 218,535	\$ 227,652	\$ 229,840	\$ 188,051
Contributions in relation to the contractually required contribution	<u>(242,413)</u>	<u>(227,060)</u>	<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>
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	\$ 2,020,108	\$ 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
Plan fiduciary net position as a percentage of the total pension liability	12.00%	13.19%	12.88%	11.45%	12.36%	12.13%	12.48%	12.88%	12.83%	10.85%

WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS - OPEB
For the Fiscal Year Ended June 30, 2020

Public Employees Insurance Agency
Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 303,178	\$ 292,999	\$ 266,024
Contributions in relation to the contractually required contribution	<u>(303,178)</u>	<u>(292,999)</u>	<u>(266,024)</u>
Contribution deficiency (excess)	\$ <u> -- </u>	\$ <u> -- </u>	\$ <u> -- </u>
Government's covered-employee payroll	\$ 0	\$ 0	\$ 0
Contributions as a percentage of covered-employee payroll	-	-	-

* - Applicable information was available for three years for this schedule.

WOOD COUNTY, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2020

Public Employees Insurance Agency - Government's Covered Employee Payroll. Wood County Commission is a non-participating entity. Therefore, they do not make any annual contributions to the Public Employees Insurance Agency for employees. All contributions made are for retirees' benefits; therefore, the covered employee payroll amounts are shown as 0 in the "Schedule of the Government's Proportionate Share of the Net OPEB Liability" and the "Schedule of Contributions - OPEB".

WOOD COUNTY, WEST VIRGINIA
BUDGETARY COMPARISON SCHEDULE -
ASSESSOR'S VALUATION FUND
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Budget Basis</u>	<u>Final Budget Positive (Negative)</u>
REVENUES:				
Other taxes	\$ 748,986	\$ 748,986	\$ 828,178	\$ 79,192
Charges for services	22,000	22,000	24,873	2,873
Interest	--	--	2,218	2,218
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	770,986	770,986	855,269	84,283
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Current:				
General government	808,769	783,379	63,544	719,835
Capital outlay	26,217	26,217	--	26,217
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	834,986	809,596	63,544	746,052
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(64,000)	(38,610)	791,725	830,335
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	--	--	(651,187)	(651,187)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	--	--	(651,187)	(651,187)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(64,000)	(38,610)	140,538	179,148
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	64,000	38,610	96,891	58,281
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ --	\$ --	\$ 237,429	\$ 237,429
	<hr/>	<hr/>	<hr/>	<hr/>

WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Number</u>	<u>Total Expenditures</u>
U. S. Department of Justice			
Pass-through Programs From:			
West Virginia Division of			
Justice and Community Services			
COPS/PRO GRANT	16.579	19-JAG-41	\$ 10,000
Crime Victim Assistance	16.575	17-VA-36	5,290
Pass-through Programs From:			
City of Parkersburg	95.001	Appalachia HIDTA	13,515
Pass-through Programs From:			
City of Parkersburg			
Edward Byrne Memorial Justice Assistance Grant	16.738	BPV	1,575
Program			
Total U. S. Department of Justice			<u>30,380</u>
U. S. Department of Transportation			
<i><u>Highway Safety Program Cluster:</u></i>			
Pass-through Programs From:			
West Virginia Department of			
Motor Vehicles			
State and Community Highway Safety	20.600	Pickens	8,184
Total U.S. Department of Transportation			8,184

WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

	<u>Federal Center Number</u>	<u>Pass-Through Entity Number</u>	<u>Total Grantor Expenditures</u>
US Department of the Interior Bureau of Land Management			
Payments in Lieu of Taxes			345
Total U.S. Department of Interior			345
U.S. Election Assistance Commission Pass-through Programs From: West Virginia Secretary of State			
HAVA Election Security Grants	90.404	Not available	8,000
Total U.S. Election Assistance Commission			8,000
U.S. Department of Homeland Security Pass-through Programs From: West Virginia Office of Homeland Security and Emergency Management COVID	21.019	2020	957,656
Emergency Management Performance Grants	97.042	EMPG	101,141
Total U.S. Department of Homeland Security			1,058,797
TOTAL FEDERAL AWARDS EXPENDITURES			\$ 1,105,706

The accompanying notes are an integral part of this schedule.

WOOD COUNTY, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



Certified Public Accountants, A.C.

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
740.695.1589

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

November 19, 2021

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report dated November 19, 2021. 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants, A.C.

313 Second St.
Marietta, OH 45750
740 373 0056

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

November 19, 2021

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

To the Commissioners:

Report on Compliance for The Major Federal Program

We have audited the **Wood County's**, Parkersburg, West Virginia (the Board) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Board's major federal program for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the County's major federal programs.

Management's Responsibility

The County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for the County's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect the major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

We believe our audit provides a reasonable basis for our compliance opinion on the County's major program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect the major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



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

**WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF AUDIT FINDINGS
2CFR 200.515
FOR THE YEAR ENDED JUNE 30, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Covid - #21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR§ 200.520 ?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

2020-001 Financial Reporting

CONDITION:

We noted during our audit of Wood County there was a significant deficiency in the financial statement preparation process.

CRITERIA:

The State Auditor as the ex officio Chief Inspector and Supervisor of Public Offices has directed all counties throughout the state to maintain their financial records of all funds on the GAAP basis of accounting. The Governmental Accounting Standards Board (GASB) is recognized as the authoritative source on generally accepted accounting principles for governmental entities. Pronouncements of the (GASB) apply to the financial reports of all state and local governmental entities. These pronouncements require all accounts to be properly reconciled and balanced on the annual financial statement and be presented with required disclosures.

**WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF AUDIT FINDINGS
2CFR 200.515
FOR THE YEAR ENDED JUNE 30, 2020**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

2020-001 Financial Reporting (Continued)

CAUSE:

The Wood County Clerk's Office did not properly adjust and compile the accounting records to present a full and accurate financial report. This in turn caused the annual financial statements to be materially misstated.

EFFECT:

Numerous adjustments were required to be made by the auditors to correctly state many financial statements, required supplementary information and footnote disclosures.

RECOMMENDATION:

To help ensure the County's financial statements and notes to the financial statements are complete and accurate, the County should adopt policies and procedures to help identify and correct errors and omissions. In addition, the County should review the financial statements and notes prior to submission for audit.

AUDITED AGENCY'S RESPONSE:

The County had difficulty in hiring an outside financial expert team to assist with the preparation of the financial report. In the future, procedures will be in place to ensure financially reporting accuracy and completeness.

Cash and Account Reconciliations 2020-002

CONDITION:

We noted during our audit that the Wood County Sheriff's Tax Office is reconciling bank accounts however, there were several account reconciliations with unreconciled difference between the bank reconciliation balances and the accounting system balances maintained by the Clerk's office. Management could not explain the differences.

CRITERIA:

Proper internal control procedures dictate that a policy be adopted and adhered to in regards to the maintenance of cash accounts. Proper internal controls require that accounting controls are established and maintained to identify and correct all differences in timely manner. A necessary step in the internal control over financial reporting is to reconcile the bank balance to the accounting record's cash balance.

CAUSE:

The Sheriff's Tax Office and the Clerk's Office did not have proper internal control procedures in place for account reconciliations.

EFFECT:

Discrepancies were not discovered and corrected in a timely manner. Unreconciled balances are being held several accounts.

RECOMMENDATION:

The Wood County Sheriff's Tax Office and Clerk's Office should perform and complete monthly bank reconciliations in a timely manner. All unreconciled differences should be resolved as quickly as possible so

**WOOD COUNTY, WEST VIRGINIA
SCHEDULE OF AUDIT FINDINGS
2CFR 200.515
FOR THE YEAR ENDED JUNE 30, 2020**

they are not carried forward month-to-month and all reconciling matters should be appropriately documented.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Cash and Account Reconciliations 2020-002 (Continued)

AUDITED AGENCY'S RESPONSE:

The County has had turnover in key positions who perform the reconciliations. In the future, procedures will be in place to ensure proper reconciling procedures occur.

3. FINDINGS FOR FEDERAL AWARDS

None