

**AUDIT REPORT OF
CALHOUN COUNTY, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This audit has been conducted pursuant to the authority and duty of the State Auditor as Chief Inspector and Supervisor of Public Offices to conduct an annual inspection of all political subdivisions of the State of West Virginia and any agency created by these subdivisions. This power is granted by West Virginia Code §6-9-1 et seq.

**CALHOUN COUNTY, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General
Coal Severance Tax
Emergency Communication 911
County Excess Levy
American Rescue Plan

NONMAJOR FUNDS

Special Revenue Funds

Dog and Kennel
General School
Magistrate Court
Worthless Check
Home Confinement
Concealed Weapons
Assessor's Valuation
Jury and Witness
Prosecuting Attorney Forfeiture
Sheriff's Drug
Canine
COVID-19

FIDUCIARY FUND TYPE

Custodial Funds

State
School
Municipal
Other Custodial

DISCRETELY PRESENTED COMPONENT UNIT

Calhoun County Public Library
Calhoun County Building Commission

**CALHOUN COUNTY, WEST VIRGINIA
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INTRODUCTORY SECTION

**CALHOUN COUNTY, WEST VIRGINIA
COUNTY OFFICIALS
For the Fiscal Year Ended June 30, 2021**

OFFICE	NAME	TERM
<u>Elective</u>		
County Commission:	Scottie Westfall II	01-01-15 / 12-31-20
	Michael Hicks	01-01-17 / 12-31-22
	Kevin Helmick	01-01-19 / 12-31-24
	Matthew Walker	01-01-21 / 12-31-26
Clerk of the County Commission:	Jean Simers	01-01-17 / 12-31-22
Clerk of the Circuit Court:	Sheila R. Garretson	01-01-17 / 12-31-22
Sheriff:	Jeffrey Starcher	01-01-17 / 12-31-20
	J. Warren Basnett	01-01-21 / 12-31-24
Prosecuting Attorney:	Shannon Johnson	01-01-17 / 12-31-20
	Nigel Jeffries	01-01-21 / 12-31-24
Assessor:	Jason Nettles	01-01-17 / 12-31-20
	Jason Nettles	01-01-21 / 12-31-24

FINANCIAL SECTION



State of West Virginia

John B. McCuskey

State Auditor and
Chief Inspector

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Calhoun County Commission
Grantsville, West Virginia 26147

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 Calhoun County, West Virginia (the County), as of and for the year ended June 30, 2021, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Calhoun County Public Library, which represents 100 percent of the assets, net position, and revenues of the aggregate 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 Calhoun County Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Basis for Qualified Opinion on the Governmental Activities

Management has not adopted a methodology for capitalizing and depreciating capital assets. Accounting principles generally accepted in the United States of America require that capital assets be capitalized and depreciated over the estimated useful life of the asset, which would increase the assets and net position and change the expenditures in the governmental activities. The amount by which this departure would affect the assets, net position, and expenditures has not been determined.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion on the Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities for Calhoun County, West Virginia, as of June 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component units, each major fund, and the aggregate remaining fund information of Calhoun County, West Virginia, as of June 30, 2021, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note I.D.12, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement Number 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As discussed in Note IV.G, the prior year financial statements have been restated due to the implementation of the provisions of Governmental Accounting Standards Board (GASB) Statement Number 84, *Fiduciary Activities* and to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of the Government's Proportionate Share of the Net Pension Liability, Schedule of the Government's Proportionate Share of the Net OPEB Liability, Schedules of Government Contributions - Retirement Systems, and Schedule of Government Contributions - OPEB on pages 45-50 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The County has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The budgetary comparison for the Assessor's Valuation Fund and the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

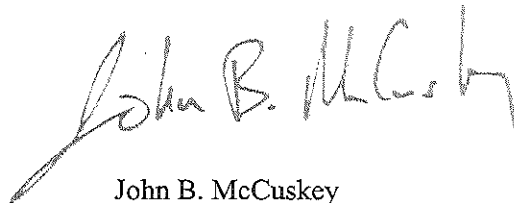
The budgetary comparison for the Assessor's Valuation Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison for the Assessor's Valuation Fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the County's 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.

Respectfully submitted,

A handwritten signature in black ink that reads "John B. McCuskey". The signature is written in a cursive style with a long, sweeping underline.

John B. McCuskey
West Virginia State Auditor
Charleston, West Virginia

April 13, 2023

CALHOUN COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2021

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Public Library</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,812,278	\$ 163,960
Investments	--	123,665
Receivables:		
Taxes	75,944	--
Accounts	2,610	--
Grants	2,400	--
Noncurrent assets:		
Capital assets:		
Nondepreciable:		
Land	86,800	--
Depreciable:		
Buildings	1,052,781	--
Contents	231,259	36,349
Machinery and equipment	1,000,174	15,690
Books	--	51,756
Less: accumulated depreciation	(1,418,216)	(58,731)
Total assets	2,846,030	332,689
DEFERRED OUTFLOWS		
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,041	--
Employer contributions subsequent to measurement period	117,958	--
Difference between expected and actual experience	56,997	--
Net difference between projected and actual investment earnings on plan investments	98,746	--
Total deferred outflows of resources	291,742	--
LIABILITIES		
Current liabilities payable		
from current assets:		
Accounts payable	586,495	187
Due to:		
Service Center	--	5,210
Unearned revenues:		
Federal grants	787,472	--
Noncurrent liabilities:		
Net pension liability	333,349	--
Net OPEB liability	75,265	--
Compensated absences payable	3,423	--
Total liabilities	1,786,004	5,397

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

CALHOUN COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2021

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Public Library</u>
DEFERRED INFLOWS		
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 118,592	\$ --
Deferred difference in assumptions	184,035	--
Difference between expected and actual experience	65,392	--
Total deferred inflows of resources	368,019	--
NET POSITION		
Net investment in capital assets	952,798	45,064
Unrestricted	30,951	282,228
Total net position	\$ 983,749	\$ 327,292

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

CALHOUN COUNTY, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

	Program Revenues			Primary Governmental Activities	Component Unit Public Library
	Charges for Services		Operating Grants and Contributions		
	Expenses				
Functions / Programs					
Primary government:					
Governmental activities:					
General government	\$ 1,140,633	\$ 90,297	\$ 86,851	\$ (963,485)	
Public safety	1,410,340	620,999	364,246	(425,095)	
Health and sanitation	2,440	--	--	(2,440)	
Administrative and general	--	51,680	--	51,680	
Culture and recreation	1,033	--	--	(1,033)	
Social services	19,200	--	--	(19,200)	
Total governmental activities	2,573,646	762,976	451,097	(1,359,573)	
Component unit:					
Public Library	89,047	1,523	40,438	--	(47,086)
Total component unit	\$ 89,047	\$ 1,523	\$ 40,438	--	(47,086)
General revenues:					
Ad valorem property taxes				1,583,777	--
Alcoholic beverages tax				147	--
Animal tax				2,583	--
Gas and oil severance tax				23,138	--
Other taxes				91,236	60,149
Coal severance tax				16,393	--
Licenses and permits				7,755	--
Unrestricted investment earnings				89	6,441
Refunds				309,341	--
Contributions from other entities				63,946	--
Miscellaneous				71,310	--
Total general revenues				2,169,715	66,590
Change in net position				810,142	19,504
Net position - beginning (restated, Note IV.G.)				173,607	307,788
Net position - ending				\$ 983,749	\$ 327,292

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

CALHOUN COUNTY, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2021

	General Fund	Coal Severance	Emergency Communication 911	County Excess Levy	American Rescue Plan	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ 426,737	\$ 1	\$ 471,338	\$ 8,274	\$ 690,420	\$ 215,508	\$ 1,812,278
Receivables:							
Taxes	54,652	4,021	--	17,271	--	--	75,944
Accounts	2,610	--	--	--	--	--	2,610
Grants	2,400	--	--	--	--	--	2,400
Total assets and deferred outflows of resources	\$ 486,399	\$ 4,022	\$ 471,338	\$ 25,545	\$ 690,420	\$ 215,508	\$ 1,893,232
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	586,495	--	--	--	--	--	586,495
Unearned revenue:							
Federal grants	--	--	--	--	690,420	97,052	787,472
Total liabilities	586,495	--	--	--	690,420	97,052	1,373,967
Deferred Inflows:							
Unavailable revenue - taxes	45,457	--	--	14,081	--	--	59,538
Total deferred inflows of resources	45,457	--	--	14,081	--	--	59,538
Total liabilities and deferred inflows of resources	631,952	--	--	14,081	690,420	97,052	1,433,505
Fund balances:							
Restricted	--	3,922	471,338	11,464	--	118,881	605,605
Assigned	--	100	--	--	--	--	100
Unassigned	(145,553)	--	--	--	--	(425)	(145,978)
Total fund balances	(145,553)	4,022	471,338	11,464	--	118,456	459,727
Total liabilities, deferred inflows and fund balances	\$ 486,399	\$ 4,022	\$ 471,338	\$ 25,545	\$ 690,420	\$ 215,508	\$ 1,893,232

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

CALHOUN COUNTY, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balances on the governmental fund's balance sheet	\$	459,727
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 IV.C.)		952,798
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. (Note II.B.)		59,538
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (Note II.A and Note IV.F.)		(412,037)
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:		
Deferred outflow (inflow) - Changes in employer portion and differences between contributions and proportionate share of contributions. (Note II.A.)		(100,551)
Deferred outflow (inflow) - Employer contributions after measurement date. (Note II.A.)		117,958
Deferred outflow (inflow) - Differences between projected and actual investment earnings. (Note II.A.)		98,746
Deferred outflow (inflow) - Differences between expected and actual experience. (Note II.A.)		(8,395)
Deferred outflow (inflow) - Difference in assumptions. (Note II.A.)		<u>(184,035)</u>
Net position of governmental activities	\$	<u><u>983,749</u></u>

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

CALHOUN COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	General Fund	Coal Severance	Emergency Communication 911	County Excess Levy	American Rescue Plan	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem property taxes	\$ 1,199,104	\$ --	\$ --	\$ 393,554	\$ --	\$ --	\$ 1,592,658
Alcoholic beverages tax	147	--	--	--	--	--	147
Animal tax	--	--	--	--	--	2,583	2,583
Gas and oil severance tax	23,138	--	--	--	--	--	23,138
Other taxes	41,945	--	--	--	--	49,291	91,236
Coal severance tax	--	16,393	--	--	--	--	16,393
Licenses and permits	3,030	--	--	--	--	4,725	7,755
Intergovernmental:							
Federal	227,674	--	197,091	--	--	1,287	426,052
State	25,045	--	--	--	--	--	25,045
Charges for services	82,424	--	583,529	8,160	--	88,638	762,751
Fines and forfeits	--	--	--	--	--	225	225
Interest and investment earnings	5	--	--	--	--	84	89
Refunds	309,341	--	--	--	--	--	309,341
Miscellaneous	50,036	--	--	--	--	21,274	71,310
Total revenues	1,961,889	16,393	780,620	401,714	--	168,107	3,328,723
EXPENDITURES							
Current:							
General government	1,244,387	12,434	--	--	--	6,498	1,263,319
Public safety	997,134	--	500,389	361,018	--	37,473	1,896,014
Health and sanitation	2,440	--	--	--	--	--	2,440
Social services	19,200	--	--	--	--	--	19,200
Total expenditures	2,263,161	12,434	500,389	361,018	--	43,971	3,180,973
Excess (deficiency) of revenues over expenditures	(301,272)	3,959	280,231	40,696	--	124,136	147,750
OTHER FINANCING SOURCES (USES)							
Transfers in	428,546	--	--	--	--	--	428,546
Transfers (out)	--	--	(279,283)	(40,314)	--	(108,949)	(428,546)
Total other financing sources (uses)	428,546	--	(279,283)	(40,314)	--	(108,949)	--
Net change in fund balances	127,274	3,959	948	382	--	15,187	147,750
Fund balances - beginning (restated, Note IV-G)	(272,827)	63	470,390	11,082	--	103,269	311,977
Fund balances - ending	\$ (145,553)	\$ 4,022	\$ 471,338	\$ 11,464	\$ --	\$ 118,456	\$ 459,727

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

CALHOUN 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, 2021

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

Net change in fund balances - total governmental funds		\$ 147,750
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 IV.C.)		562,037
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 IV.C.)		(59,087)
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. (Note IV.B.)		(8,881)
Prior year unavailable/unearned revenues:	68,419	
Current year unavailable/unearned revenues:	59,538	
Certain pension and OPEB expenses in the Statement of Activities are recognized on the accrual basis of accounting.		
Amount of pension expenditures at fund level. (Note VI)		89,638
PERS: <u>74,917</u>		
DSRS: <u>14,721</u>		
Amount of OPEB expenditures at fund level. (Note VII)		28,320
Amount of pension expenses recognized at government-wide level. (Note VI)		(66,383)
PERS: <u>(47,580)</u>		
DSRS: <u>(18,803)</u>		
Amount of OPEB expenses recognized at government-wide level, net of special funding support provided by the State. (Note VI)		116,292
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note II.B. and Note IV.F.)		<u>456</u>
Change in net position of governmental activities		<u>\$ 810,142</u>

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

CALHOUN COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Modified Accrual Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Amounts Budget Basis</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Budget Basis</u>	<u>Budget Basis</u>	
REVENUES							
Taxes:							
Ad valorem property taxes	\$ 1,143,086	\$ 1,143,086	\$ 1,199,104	\$ 2,314	\$ 1,201,418	\$	58,332
Alcoholic beverages tax	50	50	147	--	147		97
Utility services tax	5,000	5,000	--	--	--		(5,000)
Gas and oil severance tax	25,000	25,000	23,138	--	23,138		(1,862)
Other taxes	15,000	15,000	41,945	--	41,945		26,945
Licenses and permits	200	200	3,030	--	3,030		2,830
Intergovernmental:							
Federal	--	135,184	227,674	(2,400)	225,274		90,090
State	67,203	152,203	25,045	--	25,045		(127,158)
Charges for services	53,000	53,000	58,944	--	58,944		5,944
Fines and forfeits	10,000	10,000	--	--	--		(10,000)
Interest and investment earnings	--	--	5	--	5		5
Refunds	--	19,910	309,341	--	309,341		289,431
Miscellaneous	66,000	70,652	73,516	--	73,516		2,864
Total revenues	1,384,539	1,629,285	1,961,889	(86)	1,961,803		332,518
EXPENDITURES							
Current:							
General government	1,113,885	1,331,758	1,244,387	16,998	1,261,385		70,373
Public safety	1,082,871	1,170,433	997,134	1,942	999,076		171,357
Health and sanitation	2,440	2,440	2,440	--	2,440		--
Social services	19,200	19,200	19,200	--	19,200		--
Capital outlay	42,203	--	--	--	--		--
Total expenditures	2,260,599	2,523,831	2,263,161	18,940	2,282,101		241,730
Excess (deficiency) of revenues over expenditures	(876,060)	(894,546)	(301,272)	(19,026)	(320,298)		574,248
OTHER FINANCING SOURCES (USES)							
Transfers in	851,060	851,060	428,546	100,000	528,546		(322,514)
Total other financing sources (uses)	851,060	851,060	428,546	100,000	528,546		(322,514)
Net change in fund balance	(25,000)	(43,486)	127,274	80,974	208,248		251,734
Fund balance - beginning (restated, Note IV-G)	25,000	43,486	(272,827)	316,313	43,486		--
Fund balance - ending	\$ --	\$ --	\$ (145,553)	\$ 397,287	\$ 251,734	\$	\$ 251,734

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

CALHOUN 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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Modified Accrual Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Amounts Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES						
Taxes:						
Coal severance tax	\$ 9,000	\$ 9,000	\$ 16,393	\$ (4,021)	\$ 12,372	\$ 3,372
Total revenues	9,000	9,000	16,393	(4,021)	12,372	3,372
EXPENDITURES						
Current:						
General government	10,000	9,063	12,434	--	12,434	(3,371)
Total expenditures	10,000	9,063	12,434	--	12,434	(3,371)
Net change in fund balance	(1,000)	(63)	3,959	(4,021)	(62)	1
Fund balance - beginning	1,000	63	63	--	63	--
Fund balance - ending	\$ --	\$ --	\$ 4,022	\$ (4,021)	\$ 1	\$ 1

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

CALHOUN COUNTY, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Non-pooled cash	\$ <u>169,480</u>
Total cash	<u>169,480</u>
Receivables:	
Taxes	<u>95,083</u>
Total receivables	<u>95,083</u>
Total assets	<u>264,563</u>
LIABILITIES	
Due to: other governments	<u>264,063</u>
Total liabilities	<u>264,063</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>500</u>
Total net position	<u><u>\$ 500</u></u>

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

CALHOUN COUNTY, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

		Custodial Funds
ADDITIONS		
Property tax collections for other governments	\$	3,021,694
County office collections		148,629
License fee collections		117,910
Miscellaneous		62,213
Total additions		3,350,446
 DEDUCTIONS		
Payments of property tax to other governments		3,021,694
Payment of county office collections to other governments		198,547
Payment of license fee collections to other governments		117,910
Miscellaneous		13,815
Total deductions		3,351,966
Net increase (decrease) in fiduciary net position		(1,520)
Net position - beginning (restated, Note IV-G)		2,020
Net position - ending	\$	500

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

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Calhoun 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 generally accepted accounting principles. In determining whether to include a governmental department, agency, commission or organization as a component unit, the government must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set forth by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of: (1) its corporate name, (2) the right to sue and be sued, and (3) the right to buy, sell or lease and mortgage property. Financial accountability is based on: (1) the appointment of the governing authority, and (2) the ability to impose will, or (3) the providing of specific financial benefit or imposition of specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the County.

Discretely Presented Component Unit

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 No. 39 and GASB Statement No. 61). The discretely presented component units are presented on the government-wide statements.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

The *Calhoun County Public Library* serves all citizens of Calhoun County and is governed by a five member board appointed by the County Commission. The County provides financial support to the library annually.

The *Calhoun County Building Commission* serves Calhoun County, West Virginia, and is governed by a board comprised of five members appointed by the County Commission for a term of five years each. The Building Commission acquires property and debt on behalf of the County and also provides services to external parties. The Building Commission did not have any activity during the fiscal year ended June 30, 2021.

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

Jointly Governed Organization

The County, in conjunction with Wood County, Wirt County, Roane County, Ritchie County, and Pleasants County, has created the Mid-Ohio Valley Board of Health. The board is composed of 12 members with two members appointed by the Calhoun County Commission and 10 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

Little Kanawha Transit Authority
Little Kanawha Research Conservation and Development Council
Calhoun County Committee on Aging

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

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.

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.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 *Emergency Communication 911 fund*, a special revenue fund, accounts for revenues and expenditures from a fee established to provide emergency services to the residents of the County.

The *County Excess Levy fund*, a special revenue fund, was established by the County to account for the revenues and expenditures from the excess levy and voted by the residents of the County to provide additional monies to the operations of the County.

The *American Rescue Plan fund*, a special revenue fund, accounts for revenues awarded to the County by the federal government as part of the American Rescue Plan Act legislation.

Additionally, the government reports the following fund types:

The *custodial funds* are fiduciary funds and are accounted for using the full accrual basis of accounting. These funds are used to account for assets that Calhoun County, West Virginia holds for others in a custodial 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

Calhoun 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.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

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

2. Receivables and Payables

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables or payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Trade Receivables

All trade receivables are shown at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Property Tax Receivable

The property tax receivable allowance is equal to 10 percent of the property taxes outstanding at June 30, 2021.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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>Excess Levy</u>
Class II	\$ 101,752,797	28.60 cents	9.94 cents
Class III	131,854,443	57.20 cents	19.88 cents
Class IV	11,474,360	57.20 cents	19.88 cents

Calhoun County, West Virginia held an election on May 8, 2018. The County was authorized to lay an excess levy to provide approximately \$312,296 annually during the five fiscal years beginning July 1, 2019 through June 30, 2024, for the purpose of adding additional funds that are needed to provide emergency medical services, law enforcement, fire protection, funds for the office of emergency services and for the expenses of the special election to the citizens of Calhoun County.

3. Inventories

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

4. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$7,500 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.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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
Building	40 years	1	25,000
Building improvements	20 to 25 years	1	15,000
Construction in progress	not applicable	1	Capitalize only
Equipment	5 to 10 years	1,000	7,500
Vehicles	5 to 10 years	1,000	17,500
Infrastructure	40 to 50 years	50,000	100,000

5. 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 and fiduciary fund financial statements in accordance with GASB Statement No.16, *Accounting for Compensated Absences*. The compensated absences liability is liquidated using funds to which the liability accrued as the accumulated leave is used.

No liability is reported for unpaid accumulated sick leave.

6. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 Net 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.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

8. 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, 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.

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.

9. Stabilization Arrangements

The government has created a stabilization arrangement in accordance with West Virginia Code §7-21-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The stabilization balance at fiscal year-end was \$175,003.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

10 Pensions

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

11. 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.

12. Change in Accounting Principle

Effective July 1, 2020, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The objective of the requirements of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The effect on beginning fiduciary net position is disclosed in Note IV.G.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund Balance Sheet includes a reconciliation between fund balance total governmental funds and net position-governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that, "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Compensated absences	\$ (3,423)
Net pension liability	(333,349)
Net OPEB liability	<u>(75,265)</u>
 Net adjustment to decrease fund balance- total governmental funds to arrive at net assets-governmental activities	 <u>\$ (412,037)</u>

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Another element of that reconciliation explains that, "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." The details of this difference are as follows:

Summary of Deferred Outflow / Inflow of Resources (See Notes VI and VII for additional information)

	<u>PERS</u>	<u>WVDSRS</u>	<u>RHBT</u>	<u>Total</u>
Changes in employer portion and differences between contributions and proportionate share of contributions.	\$ (19,960)	\$ 11,654	\$ (92,245)	\$ (100,551)
Employer contributions subsequent to the measurement date.	74,917	14,721	28,320	117,958
Differences between projected and actual investment earnings.	80,383	12,652	5,711	98,746
Difference between expected and actual experience	32,094	8,299	(48,788)	(8,395)
Difference in assumptions	(11,175)	(3,016)	(169,844)	(184,035)

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation states that, "some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences	\$ <u>456</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ <u><u>456</u></u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Calhoun County, West Virginia prepares its budget on the cash basis of accounting except the General Fund does not include the \$175,003 set aside for financial stabilization. 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. All annual appropriations lapse at fiscal year end.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 28th 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> Amount	<u>Coal Severance</u> Amount
General government expenditure increase/(decrease)	\$ 217,873	\$ (937)
Public safety expenditure increase	87,562	--
Capital projects expenditure (decrease)	(42,203)	--

B. Excess of Expenditures Over Appropriations

For this fiscal year, expenditures exceeded appropriations in the Coal Severance Tax Fund by \$3,371. This over expenditure was funded by revenues in excess of projected budgeted amounts.

C. Deficit Fund Equity

The General fund had a deficit fund balance of \$145,553 as of June 30, 2021. The deficit fund balance was caused by an accounts payable of \$586,495.

The Worthless Check fund had a deficit fund balance of \$374 as of June 30, 2021. The deficit fund balance was caused by excess expenditures over revenue.

The Concealed Weapons fund had a deficit fund balance of \$51 as of June 30, 2021. The deficit fund balance was caused by excess expenditures over revenues.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year-end, the government had no investments.

Custodial Credit Risk

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

At year end, the government's bank balances were \$1,981,758. 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	\$ 1,981,758
 Total	 \$ 1,981,758
 Cash and cash equivalents	 \$ 1,812,278
Cash and cash equivalents-restricted	169,480
 Total	 \$ 1,981,758

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:

	General	Coal Severance Tax	County Excess Levy	Total	Fiduciary
Receivables:					
Taxes	\$ 60,725	\$ 4,021	\$ 19,190	\$ 83,936	\$ 105,647
Accounts	2,610	--	--	2,610	--
Grants	2,400	--	--	2,400	--
Gross receivables	65,735	4,021	19,190	88,946	105,647
Less: Allowance for uncollectible	(6,073)	--	(1,919)	(7,992)	(10,564)
Net total receivables	\$ 59,662	\$ 4,021	\$ 17,271	\$ 80,954	\$ 95,083

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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:

	Liabilities Unearned	Deferred Inflows - Unavailable
Delinquent property taxes receivable (General Fund)	\$ --	\$ 45,457
Delinquent property taxes receivable (County Excess Levy Fund)	--	14,081
Grant drawdowns prior to meeting all eligibility requirements (COVID-19)	97,052	--
Grant drawdowns prior to meeting all eligibility requirements (American Rescue Plan)	690,420	--
 Total unavailable/unearned revenue for governmental funds	 \$ 787,472	 \$ 59,538

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 30,000	\$ 56,800	\$ --	\$ 86,800
 Total capital assets not being depreciated	 30,000	 56,800	 --	 86,800
Capital assets being depreciated:				
Buildings	1,052,781	--	--	1,052,781
Contents	231,259	--	--	231,259
Machinery and equipment	494,937	505,237	--	1,000,174
Less: Total accumulated depreciation	(1,359,129)	(59,087)	--	(1,418,216)
 Total capital assets being depreciated, net	 419,848	 446,150	 --	 865,998
 Governmental activities capital assets, net	 \$ 449,848	 \$ 502,950	 \$ --	 \$ 952,798

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

Governmental activities:		
General government		\$ 25,674
Public safety		32,380
Culture and recreation		<u>1,033</u>
Total depreciation expense-governmental activities		<u>\$ 59,087</u>

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 School	General County	reimbursement	\$ 44,190
Worthless Check	General County	reimbursement	600
Emergency Communication 911	General County	reimbursement	279,283
Home Confinement	General County	reimbursement	19,515
County Excess Levy	General County	Deputy Sheriff salary & wages/ election supplies	40,314
Assessor's Valuation	General County	salary reimbursement	<u>44,644</u>
Total			<u>\$ 428,546</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>Emergency Communication 911</u>	<u>County Excess Levy</u>
Restricted:				
General government	\$ --	\$ 3,922	\$ --	\$ --
Public safety	--	--	471,338	11,464
Assigned:				
Budget Carryover	--	100	--	--
Unassigned	<u>(145,553)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>\$ (145,553)</u>	<u>\$ 4,022</u>	<u>\$ 471,338</u>	<u>\$ 11,464</u>

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

	Non-major Funds	Total
Restricted:		
General government	\$ 69,491	\$ 73,413
Public safety	49,390	532,192
Assigned:		
Budget Carryover	--	100
Unassigned	(425)	(145,978)
Total fund balances	\$ 118,456	\$ 459,727

F. Changes in Other Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	
Net pension liability	\$ 146,161	\$ 187,188	\$ --	\$ 333,349	\$ --
Net OPEB liability	333,279	--	(258,014)	75,265	--
Compensated absences	3,879	--	(456)	3,423	--
Governmental activities					
Other long-term liabilities	\$ 483,319	\$ 187,188	\$ (258,470)	\$ 412,037	\$ --

G. Prior Period Adjustment

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

	General	COVID-19	Governmental Activities	Custodial Funds
Fund balances (Net position), as previously stated	\$ 293,403	\$ 98,339	\$ 838,176	\$ --
Add:				
Non-pooled cash (effect of change in accounting principle)	--	--	--	2,020
Less:				
Accounts payable	(566,230)	--	(566,230)	--
Unearned Revenue- Federal Grant	--	(98,339)	(98,339)	--
Fund balances (Net position), restated	\$ (272,827)	\$ --	\$ 173,607	\$ 2,020

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

V. 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 State Board of Risk and Insurance Management for umbrella (general liability) insurance for these various risks.

Workers' Compensation Fund (WCF): Workers Compensation Coverage is provided for this entity by WVCORP.

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

B. 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.

It is the opinion of the government's counsel that there are no pending lawsuits or unasserted claims against Calhoun County, West Virginia.

C. 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.

**CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

VI. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

General Information about the Pension Plans

Calhoun 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.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees Retirement System (PERS)

Eligibility to participate	All county full-time employees, except those covered by other pension plans.	
Authority establishing contribution obligations and benefit provisions	West Virginia State Code §5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the State of West Virginia.	
Plan member's contribution rate	<u>Tier I</u>	<u>Tier II</u>
County's contribution rate	4.50%	6.00%
Period required to vest	10.00%	
Benefits and eligibility for distribution	<p style="margin-left: 20px;"><u>Tier I</u> Normal retirement if 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.</p> <p style="margin-left: 20px;"><u>Tier II</u> Normal retirement if member who has attained age 62 and has earned 10 years or more of contributing service. The final average salary (five highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.</p>	
Deferred retirement portion	No	
Provisions for:		
Cost of living	No	
Death benefits	Yes	

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

West Virginia Deputy Sheriff Retirement System (WVDSRS)

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. WVDSRS members are required to contribute 8.5% of their annual covered salary and the county is required to contribute 12%. The contribution requirements of WVDSRS 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.
Annual pension cost and amount contributed:	For the current fiscal year ended, the annual cost was \$14,721 for all covered employees with a contributed percentage of 100%.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Trend Information

<u>Fiscal Year</u>	Public Employees Retirement System (PERS)		West Virginia Deputy Sheriff Retirement System (WVDSRS)	
	Annual Pension Cost	Percentage Contributed	Annual Pension Cost	Percentage Contributed
	2021	\$ 74,917	100%	\$ 14,721
2020	\$ 74,546	100%	\$ 15,329	100%
2019	\$ 76,159	100%	\$ 11,558	100%

PERS and WVDSRS 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 and assets for its proportionate share of the net pension liabilities and net pension assets. The net pension liabilities and net pension assets were measured as of June 30, 2020, and the total pension liability and total pension asset used to calculate the net pension liabilities and net pension assets were determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The government's proportion of the net pension liabilities and net pension assets was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. Note: these amounts differ from the net pension liability and net pension asset 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, 2020, the government reported the following proportions, per the actuarial valuation, and increase/decreases from its proportion measured as of June 30, 2019:

	PERS	WVDSRS
Amount for proportionate share of net pension liability (asset)	\$ 253,614	\$ 79,862
Percentage for proportionate share of net pension liability or net pension asset	0.047972%	0.222749%
Increase/decrease % from prior proportion measured	-7.52386%	29.28725%

For the year ended June 30, 2021, the government recognized the following pension expenses.

	PERS	WVDSRS
Pension expense	\$ 47,580	\$ 18,803

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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

Public Employees 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	\$ --	\$ (19,960)
Net difference between projected and actual investment earnings on pension plan investments	80,383	--
Difference between expected and actual experience	37,322	(5,228)
Deferred difference in assumptions	--	(11,175)
Government contributions subsequent to the measurement date	<u>74,917</u>	<u>--</u>
	<u>\$ 192,622</u>	<u>\$ (36,363)</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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$	(22,894)
2023		30,957
2024		44,346
2025		<u>28,933</u>
Total	\$	<u>81,342</u>

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

West Virginia Deputy Sheriffs 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	\$ 14,337	\$ (2,683)
Net difference between projected and actual investment earnings on pension plan investments	12,652	--
Difference between expected and actual experience	19,675	(11,376)
Deferred difference in assumptions	--	(3,016)
Government contributions subsequent to the measurement date	<u>14,721</u>	<u>--</u>
	<u>\$ 61,385</u>	<u>\$ (17,075)</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 an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$	(1,660)	
2023		5,949	
2024		7,366	
2025		9,816	
2026		5,310	
Thereafter		<u>2,808</u>	
Total	\$	<u>29,589</u>	

Actuarial assumptions. Net pension liability and net pension asset were determined by actuarial valuations as of June 30, 2019 rolled forward to June 30, 2020 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Public Employees Retirement System

Actuarial assumptions

Inflation rate	3.00%
Salary increases	State 3.1-5.3%, Nonstate 3.35-6.5%
Investment Rate of Return	7.50%

Mortality Rates	Active - 100% of Pub-2010 General Employee Tables, below-median, headcount-weighted, projected generationally with scale MP-2018
	Retired Healthy Males - 108% of Pub-2010 General Retiree Male Table, below-median, headcount-weighted, projected generationally with scale MP-2018
	Retired Healthy Females - 122% of Pub-2010 General Retiree Female Table, below-median, headcount-weighted, projected generationally with scale MP-2018
	Disabled Males - 118% of Pub-2010 General / Teachers Disabled Male Table, headcount-weighted, projected generationally with scale MP-2018
	Disabled Females - 117% of Pub-2010 General / Teachers Disabled Female Table, headcount-weighted, projected generationally with scale MP-2018

The date range of the most recent experience study was from 2013-2018.

West Virginia Deputy Sheriffs 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 Employee Mortality Tables, rolled back to 2006 and projected with Scale MP-2016 fully generational
	Healthy Male Retirees - 103% of RP-2014 Male Healthy Annuitant Table, rolled back to 2006 and projected with Scale MP-2016 fully generational
	Healthy Female Retirees - 100% of RP-2014 Female Healthy Annuitant Table, rolled back to 2006 and projected with Scale MP-2016 fully generational
	Disabled Males - 100% of RP-2014 Male Disabled Retiree Table, rolled back to 2006 and projected with Scale MP-2016 fully generational
	Disabled Females - 100% of RP-2014 Female Disabled Retiree Table, rolled back to 2006 and projected with Scale MP-2016 fully generational

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

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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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 geometric real rates of return for each major asset class included are summarized in the following chart:

<u>Investment</u>	Long-term Expected Real Rate of Return	PERS Target Asset Allocation	DSRS Target Asset Allocation
Domestic Equity	5.5%	27.5%	27.5%
International Equity	7.0%	27.5%	27.5%
Fixed Income	2.2%	15.0%	15.0%
Real Estate	6.6%	10.0%	10.0%
Private Equity	8.5%	10.0%	10.0%
Hedge Funds	4.0%	10.0%	10.0%
		<u>100.0%</u>	<u>100.0%</u>

Discount rate. The discount rate used to measure the total pension liability or total pension asset 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 or total pension assets of each plan.

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

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Entity's proportionate share of PERS's net pension liability (asset)	\$ 646,176	\$ 253,614	\$ (78,304)
Entity's proportionate share of WVDSRS's net pension liability (asset)	\$ 164,462	\$ 79,862	\$ 10,082

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.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

VII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description. The government contributes to the West Virginia Other Postemployment Benefit Plan (the Plan), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan. The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. The four remaining members represent the public at large. The Plan had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2020. 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 \$142 million for the fiscal year ended June 30, 2020.

Contributions to the OPEB plan from the government were \$28,320 for the current fiscal year.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the government. The amount recognized by the government as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the government were as follows:

Government's proportionate share of the net OPEB liability	\$ 75,245
State's proportionate share of the net OPEB liability associated with the government	16,638
Total proportionate share of the net OPEB liability	<u>\$ 91,883</u>

The net OPEB liability, deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2020, 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, 2020, the government's proportion was 0.017035703%, which was a decrease of 15.19% from its proportion measured as of June 30, 2019.

For this fiscal year, the government recognized OPEB expense of (\$109,146) and for support provided by the State, revenue of \$7,146. The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<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	\$ 3,704	\$ (95,949)
Net difference between projected and actual investment earnings on OPEB plan investments	5,711	--
Difference between expected and actual experience	--	(48,788)
Deferred difference in assumptions	--	(169,844)
Government contributions subsequent to the measurement date	<u>28,320</u>	<u>--</u>
	<u>\$ 37,735</u>	<u>\$ (314,581)</u>

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2022. 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:

2022	\$	(131,940)
2023		(98,185)
2024		(73,500)
2025		<u>(1,541)</u>
Total	\$	<u><u>(305,166)</u></u>

Actuarial assumptions . The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.25%
Salary increases	Ranging from 2.75% to 5.18%, including inflation.
Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
Mortality rates:	<p>Post Retirement TRS: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females.</p> <p>Post Retirement PERS: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females.</p> <p>Post Retirement Troopers A and B: Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2019 and scaling factors of 100% for males and females.</p> <p>Pre-Retirement TRS: Pub-2010 General Employee Mortality Tables projected with MP-2019.</p> <p>Pre-Retirement PERS: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019.</p> <p>Pre-Retirement Troopers A and B: Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2019.</p>

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

The long-term rates of return on OPEB plan investments are determined using a building-block method in which estimates of expected future 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 weighing the expected future real rates of return by the target asset allocation percentages. The target allocation and estimates of annualized long-term expected real returns are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Asset Allocation</u>
Global Equity	6.8%	55.0%
Core Plus Fixed Income	4.1%	15.0%
Core Real Estate	6.1%	10.0%
Hedge Fund	4.4%	10.0%
Private Equity	8.8%	10.0%
		<u>100.0%</u>

Discount rate. The discount rate used to measure the OPEB liability was 6.65%. 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 5.65%</u>	<u>Discount Rate 6.65%</u>	<u>1% Increase 7.65%</u>
Net OPEB liability	\$ 107,310	\$ 75,245	\$ 48,403

**CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

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	\$ 45,276	\$ 75,245	\$ 111,442

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 Employees Insurance Agency's website at peia.wv.gov. That information can also be obtained by writing to the West Virginia Public Employees Insurance Agency, 601 57th. Street, Suite 2, Charleston, WV, 25304.

REQUIRED SUPPLEMENTARY INFORMATION

CALHOUN COUNTY, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

For the Fiscal Year Ended June 30, 2021

Public Employees Retirement System
 Last 8 Fiscal Years

	<u>2021</u>	<u>2020</u>	<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)	0.047972%	0.051875%	0.056046%	0.058872%	0.060613%	0.059121%	0.057635%	0.058540%
Government's proportionate share of the net pension liability (asset)	\$ 253,614	\$ 111,538	\$ 144,741	\$ 254,116	\$ 557,108	\$ 330,134	\$ 212,710	\$ 533,666
Government's covered payroll	\$ 745,464	\$ 761,586	\$ 774,373	\$ 808,242	\$ 835,244	\$ 801,757	\$ 771,795	\$ 797,092
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.02%	14.65%	18.69%	31.44%	66.70%	41.18%	27.56%	66.95%
Plan fiduciary net position as a percentage of the total pension liability	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	84.58%

The notes to the required supplementary information are an integral part of this schedule.

CALHOUN COUNTY, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2021

West Virginia Deputy Sheriff Retirement System
 Last 8 Fiscal Years

	<u>2021</u>	<u>2020</u>	<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)	0.222749%	0.172290%	0.174418%	0.169402%	0.160412%	0.160130%	0.223044%	0.127809%
Government's proportionate share of the net pension liability (asset)	\$ 79,862	\$ 34,623	\$ (9,363)	\$ 6,347	\$ 51,069	\$ 32,846	\$ 38,031	\$ 42,821
Government's covered payroll	\$ 127,741	\$ 96,313	\$ 90,625	\$ 84,767	\$ 79,100	\$ 76,314	\$ 103,321	\$ 55,995
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	62.52%	35.95%	(10.33%)	7.49%	64.56%	43.04%	36.81%	76.47%
Plan fiduciary net position as a percentage of the total pension liability	87.01%	92.08%	102.50%	98.17%	84.48%	89.31%	90.52%	80.20%

The notes to the required supplementary information are an integral part of this schedule.

CALHOUN COUNTY, WEST VIRGINIA
SCHEDULE OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
For the Fiscal Year Ended June 30, 2021

West Virginia Retiree Health Benefit Trust Fund
 Five Fiscal Year

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Government's proportion of the net OPEB liability (asset) (percentage)	0.017035703%	0.020087541%	0.021195071%	0.020768424%	0.027984797%
Government's proportionate share of the net OPEB liability (asset)	\$ 75,245	\$ 333,279	\$ 454,727	\$ 510,693	\$ 694,954
State's proportionate share of the net OPEB liability (asset) associated with the government	<u>16,638</u>	<u>68,204</u>	<u>93,980</u>	<u>104,897</u>	<u>--</u>
Total	<u>\$ 91,883</u>	<u>\$ 401,483</u>	<u>\$ 548,707</u>	<u>\$ 615,590</u>	<u>\$ 694,954</u>
Government's covered payroll	\$ 614,149	\$ 640,958	\$ 732,036	\$ 691,902	\$ 772,698
Government's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.25%	52.00%	62.12%	73.81%	89.94%
Plan fiduciary net position as a percentage of the total OPEB liability	73.49%	39.69%	30.98%	25.10%	21.64%

The notes to the required supplementary information are an integral part of this schedule.

CALHOUN COUNTY, WEST VIRGINIA
SCHEDULES OF GOVERNMENT CONTRIBUTIONS - RETIREMENT SYSTEMS
For the Fiscal Year Ended June 30, 2021

Public Employees Retirement System.
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 74,917	\$ 74,546	\$ 76,159	\$ 85,181	\$ 96,989	\$ 112,758	\$ 112,246	\$ 111,910	\$ 111,593	\$ 121,554
Contributions in relation to the contractually required contribution	<u>(74,917)</u>	<u>(74,546)</u>	<u>(76,159)</u>	<u>(85,181)</u>	<u>(96,989)</u>	<u>(112,758)</u>	<u>(112,246)</u>	<u>(111,910)</u>	<u>(111,593)</u>	<u>(121,554)</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 payroll	\$ 749,172	\$ 745,464	\$ 761,586	\$ 774,373	\$ 808,242	\$ 835,244	\$ 801,757	\$ 771,795	\$ 797,092	\$ 838,305
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%	14.00%	14.50%

The notes to the required supplementary information are an integral part of this schedule.

CALHOUN COUNTY, WEST VIRGINIA
SCHEDULES OF GOVERNMENT CONTRIBUTIONS - RETIREMENT SYSTEMS
For the Fiscal Year Ended June 30, 2021

West Virginia Deputy Sheriff Retirement System
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 14,721	\$ 15,329	\$ 11,558	\$ 10,875	\$ 10,172	\$ 9,492	\$ 9,539	\$ 13,432	\$ 7,279	\$ 6,869
Contributions in relation to the contractually required contribution	<u>(14,721)</u>	<u>(15,329)</u>	<u>(11,558)</u>	<u>(10,875)</u>	<u>(10,172)</u>	<u>(9,492)</u>	<u>(9,539)</u>	<u>(13,432)</u>	<u>(7,279)</u>	<u>(6,869)</u>
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Government's covered payroll	\$ 122,672	\$ 127,741	\$ 96,313	\$ 90,625	\$ 84,767	\$ 79,100	\$ 76,314	\$ 103,321	\$ 55,995	\$ 52,837
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.50%	13.00%	13.00%	13.00%

The notes to the required supplementary information are an integral part of this schedule.

CALHOUN COUNTY, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS - OPEB
For the Fiscal Year Ended June 30, 2021

West Virginia Retiree Health Benefit Trust Fund
Last Five Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 28,320	\$ 32,928	\$ 41,386	\$ 43,312	\$ 42,658
Contributions in relation to the contractually required contribution	<u>(28,320)</u>	<u>(32,928)</u>	<u>(41,386)</u>	<u>(43,312)</u>	<u>(42,658)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered payroll	\$ 511,684	\$ 614,149	\$ 640,958	\$ 732,036	\$ 691,902
Contributions as a percentage of covered payroll	5.53%	5.36%	6.46%	5.92%	6.17%

The notes to the required supplementary information are an integral part of this schedule.

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021

Public Employees Retirement System (PERS)

Changes of benefit terms. Legislation passed during the 2015 Legislative session created a second tier of retirement benefits for those hired for the first time and first become a member of PERS on or after July 1, 2015 (Tier II). For tier II employees, normal retirement if member who has attained age 62 and has earned 10 years or more of contributing service. The final average salary (five highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.

Changes of assumptions:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Inflation	3.0%	3.0%	3.0%
Salary Increases	State: 3.1% - 5.3%; Nonstate: 3.35% - 6.5%	State: 3.00% - 4.60%; Nonstate: 3.35% - 6.00%	State: 3.00% - 4.60%; Nonstate: 3.35% - 6.00%
Investment Rate of Return	7.50%	7.50%	7.50%
Mortality	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired Healthy Males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired Healthy Females - 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled Males - 118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018; Disabled Females - 118% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018.	Active - 100% RP-2000 Non-Annuitant, scale AA fully generational; Retired healthy males – 110% RP-2000 Healthy Annuitant, scale AA fully generational; Retired healthy females – 101% RP-2000 Healthy Annuitant, scale AA fully generational; Disabled males – 96% RP-2000 Disabled Annuitant, scale AA fully generational; Disabled females – 107% RP-2000 Disabled Annuitant, scale AA fully generational.	Active - 100% RP-2000 Non-Annuitant, scale AA fully generational; Retired healthy males – 110% RP-2000 Healthy Annuitant, scale AA fully generational; Retired healthy females – 101% RP-2000 Healthy Annuitant, scale AA fully generational; Disabled males – 96% RP-2000 Disabled Annuitant, scale AA fully generational; Disabled females – 107% RP-2000 Disabled Annuitant, scale AA fully generational.
Discount Rate	7.5%	7.5%	7.5%

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Inflation	3.0%	3.0%	3.0%
Salary Increases	State: 3.00% - 4.60%; Nonstate: 3.35% - 6.00%	4.25% - 6.00%	4.25% - 6.00%
Investment Rate of Return	7.50%	7.50%	7.50%
Mortality	Healthy males – 110% RP-2000 Non-Annuitant, scale AA fully generational; Healthy females – 101% RP-2000 Non-Annuitant, scale AA fully generational; Disabled males – 96% RP-2000 Disabled Annuitant, scale AA fully generational; Disabled females – 107% RP-2000 Disabled Annuitant, scale AA fully generational.	Healthy males - 1983 GAM; Healthy females - 1971 GAM, set back 1 year; Disabled males - 1971 GAM, set forward 8 years; Disabled females - revenue ruling 96-7.	Healthy males - 1983 GAM; Healthy females - 1971 GAM, set back 1 year; Disabled males - 1971 GAM, set forward 8 years; Disabled females - revenue ruling 96-7.
Discount Rate	7.5%	7.5%	7.5%
<u>2014</u>			
Inflation	3.0%		
Salary Increases	4.25% - 6.00%		
Investment Rate of Return	7.50%		
Mortality	Healthy males - 1983 GAM; Healthy females - 1971 GAM, set back 1 year; Disabled males - 1971 GAM, set forward 8 years; Disabled females - revenue ruling 96-7.		
Discount Rate	7.5%		

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021

West Virginia Deputy Sheriff Retirement System (WVDSRS)

Changes of assumptions:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Inflation	3.0%	3.0%	3.0%
Salary Increases	5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter.	5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter.	5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter.
Investment Rate of Return	7.50%	7.50%	7.50%
Mortality	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.	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.	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.
Discount Rate	7.5%	7.5%	7.5%

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Inflation	3.0%	3.0%	3.0%
Salary Increases	5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter.	5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter.	5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter.
Investment Rate of Return	7.50%	7.50%	7.50%
Mortality	Active - RP-2000 Annuitant, scale BB projected to 2020; Retired - RP-2000 Healthy Annuitant, scale BB projected to 2025; Disabled - RP-2000 Healthy Annuitant, scale BB projected to 2025, set forward 1 year.	Active - RP-2000 Annuitant, scale BB; Retired - RP-2000 Healthy Annuitant, scale BB; Disabled - RP-2000 Healthy Annuitant, scale BB, set forward 1 year.	Active - RP-2000 Annuitant, scale BB; Retired - RP-2000 Healthy Annuitant, scale BB; Disabled - RP-2000 Healthy Annuitant, scale BB, set forward 1 year.
Discount Rate	7.5%	7.5%	7.5%
 <u>2014</u> 			
Inflation	3.0%		
Salary Increases	5.00% for first 2 years; 4.50% next 3 years; 4.00% next 5 years and 3.50% thereafter.		
Investment Rate of Return	7.50%		
Mortality	Active - RP-2000 Annuitant, scale BB; Retired - RP-2000 Healthy Annuitant, scale BB; Disabled - RP-2000 Healthy Annuitant, scale BB, set forward 1 year.		
Discount Rate	7.5%		

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021

West Virginia Retiree Health Benefit Trust Fund

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Inflation	2.75%	2.75%	2.75%
Salary Increases	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation.	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation.	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.	7.15%, net of OPEB plan investment expense, including inflation.	7.15%, net of OPEB plan investment expense, including inflation.
Healthcare Cost Trend Rate	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 10.00% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the excise tax.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.00% and 10.00% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the excise tax.
Mortality	Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with Scale MP-2016 on a fully generational basis 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-2014 Employee Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.	Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with Scale MP-2016 on a fully generational basis 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-2014 Employee Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.	Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with Scale MP-2016 on a fully generational basis 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-2014 Employee Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.
Discount Rate	7.15%	7.15%	7.15%

CALHOUN COUNTY, WEST VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021

	<u>2017</u>	<u>2016</u>
Inflation	2.75%	2.75%
Salary Increases	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation.	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.	7.15%, net of OPEB plan investment expense, including inflation.
Healthcare Cost Trend Rate	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.	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	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.	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.
Discount Rate	7.15%	7.15%

SUPPLEMENTARY INFORMATION

**CALHOUN COUNTY, WEST VIRGINIA
BUDGETARY COMPARISON SCHEDULE -
ASSESSOR'S VALUATION FUND
For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance with
	Original	Final	Modified Accrual Basis	Budget Basis	Budget Basis	Final Budget Positive (Negative)
REVENUES:						
Other taxes	\$ 43,997	\$ 43,997	\$ 49,291	\$ --	\$ 49,291	\$ 5,294
Map sales	500	500	2,560	--	2,560	2,060
Interest	--	--	84	--	84	84
Total revenues	44,497	44,497	51,935	--	51,935	7,438
EXPENDITURES:						
Current:						
General government	74,497	74,497	481	44,644	45,125	29,372
Capital outlay	10,000	10,000	--	--	--	10,000
Total expenditures	84,497	84,497	481	44,644	45,125	39,372
Excess (deficiency) of revenues over expenditures	(40,000)	(40,000)	51,454	(44,644)	6,810	46,810
OTHER FINANCING SOURCES (USES)						
Transfers (out)	--	--	(44,644)	44,644	--	--
Total other financing sources (uses)	--	--	(44,644)	44,644	--	--
Net change in fund balance	(40,000)	(40,000)	6,810	--	6,810	46,810
Fund balance at beginning of year	40,000	40,000	57,349	--	57,349	17,349
Fund balance at end of year	\$ --	\$ --	\$ 64,159	\$ --	\$ 64,159	\$ 64,159

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

ACCOMPANYING INFORMATION



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

Honorable Members of the
Calhoun County Commission
Grantsville, West Virginia 26147

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Calhoun County, West Virginia (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 13, 2023. In that report, our opinion was qualified on the governmental activities because management has not adopted a methodology for adequately capitalizing and depreciating all capital assets. Our report includes a reference to other auditors who audited the financial statements of Calhoun County Public Library, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2021-004 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2021-001 and 2021-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2021-003.

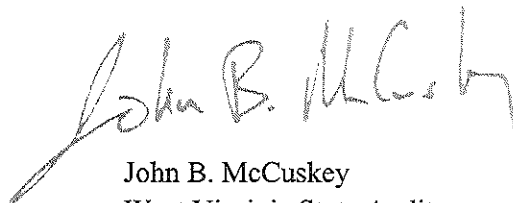
Entity's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John B. McCuskey". The signature is written in a cursive style with a long, sweeping underline.

John B. McCuskey
West Virginia State Auditor
Charleston, West Virginia

April 13, 2023

**CALHOUN COUNTY, WEST VIRGINIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Cash Drawers
2021-001**

CONDITION:

We determined during our audit that multiple individuals work out of a single cash drawer in the offices of the Calhoun County Assessor, Calhoun County Circuit Clerk, and Calhoun County Sheriff.

CRITERIA:

Proper internal controls dictate that a separate cash drawer be utilized by individual personnel.

CAUSE:

The Calhoun County Assessor, Calhoun County Circuit Clerk, and Calhoun County Sheriff do not have a system to ensure that all individual personnel are properly maintaining a separate cash drawer.

EFFECT:

Internal control elements do not reduce to a relative low level of risk that errors and/or irregularities could occur and not be detected in a timely manner.

RECOMMENDATION:

The Calhoun County Assessor, Calhoun County Circuit Clerk, and Calhoun County Sheriff should implement systems to ensure that individual cash drawers are maintained.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

All offices are working on having different cash drawers, but until then each office balances every day with the drawers. Receipts balance to transactions on a daily basis.

**CALHOUN COUNTY, WEST VIRGINIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Segregation of Duties
2021-002**

CONDITION:

We noted during our audit that there is an insufficient segregation of duties in the offices of the Calhoun County Clerk, Calhoun County Circuit Clerk, Calhoun County Assessor, and Calhoun County Sheriff. Specifically, we noted that the same employees can many times prepare checks, reconcile bank accounts, prepare and make deposits, collect fees and other revenues, and prepare the monthly reports in the respective offices.

CRITERIA:

Proper internal control procedures require that various duties be segregated among different employees, to make the likelihood of an improper use of monies less possible. The duties of collecting, recording, depositing, reconciling, and disbursing of monies should be separated. A proper segregation of duties can also make it more likely that errors made can be discovered and corrected in a timely fashion.

CAUSE:

The Calhoun County Clerk's, Calhoun County Circuit Clerk's, Calhoun County Assessor's, and Calhoun County Sheriff's offices have not implemented proper control procedures to sufficiently segregate duties.

EFFECT:

The possibility of discrepancies occurring without being detected, or of an improper use of funds, is greatly increased.

RECOMMENDATION:

The duties of writing receipts, preparing and making deposits, issuing checks, reconciling bank accounts, and preparing the monthly statements for the Calhoun County Clerk's, Calhoun County Circuit Clerk's, Calhoun County Assessor's, and Calhoun County Sheriff's offices should be segregated among different employees.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

All elected officials' offices are still working on segregation of duties. In small counties, with limited number of employees we strive to segregate as many duties as possible. Each office does balance receipts and deposits on a daily basis.

**CALHOUN COUNTY, WEST VIRGINIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Expenditures in Excess of Amounts Allocated in the Levy Estimate- Coal Severance Tax Fund
2021-003**

CONDITION:

We noted during our audit that the Calhoun County Commission incurred expenditures for certain items in the Coal Severance Tax Fund in excess of the amounts allocated for that item in the official levy estimate (budget) as last revised. Specifically, expenditures in the following budget category exceeded the approved amount:

<u>Account</u> <u>Number</u>	<u>Line Item</u>		<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
424	Courthouse	\$	9,063	\$	12,434	\$	(3,371)

CRITERIA:

West Virginia Code §11-8-26 states, in part, that:

"...a local fiscal body shall not expend money or incur obligations:

- (1) In an unauthorized manner;
- (2) For an unauthorized purpose;
- (3) In excess of the amount allocated to the fund in the levy order;
- (4) In excess of the funds available for current expenses."

CAUSE:

The Calhoun County Commission and the Calhoun County Clerk did not have a policy in place to accurately monitor compliance with this statute.

EFFECT:

The Calhoun County Commission, Calhoun County elected officials, and/or department heads incurred expenditures and/or encumbrances that were in excess of the amount allocated in their various budget line items.

RECOMMENDATION:

The Calhoun County Commission, Calhoun County elected officials, and/or department heads are directed to implement effective budgetary controls to ensure that actual expenditures and/or encumbrances do not exceed the amounts allocated for these expenditures in the official levy estimate (budget) as approved by the State Auditor. Revisions are authorized with prior written approval if submitted prior to the end of the fiscal year.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The Coal Severance Fund should have had a budget revision to reflect additional monies received. Procedures have been established to assure this doesn't happen in the future.

**CALHOUN COUNTY, WEST VIRGINIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Detailed Capital Assets and Depreciation Schedules
2021-004**

CONDITION:

We noted during our audit that Calhoun County Commission failed to maintain adequate detailed capital asset and depreciation schedules.

CRITERIA:

Generally accepted accounting principles dictate that depreciation be charged against operations over the estimated useful lives of the capital asset.

CAUSE:

Calhoun County Commission has no controls in place to ensure that a particular asset is included on an asset listing and depreciated properly.

EFFECT:

The Commission could lose custodial control over certain assets that are susceptible to theft. Additionally, capital assets may be under reported on the annual financial statements. This prompted a qualification of opinion.

RECOMMENDATION:

The Commission should take an inventory to determine what capital assets can be properly identified and included on a detailed capital asset schedule. The Commission should continue to update this schedule as purchases and deletions occur. In addition, the Commission should depreciate these assets using a methodology in accordance with generally accepted accounting principles.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The County is working on an inventory system and a file has been created to track any new purchases and deletions. We will be working with the person who does the financial statement to assure that depreciation of assets occurs in accordance with accepted principles.

**CALHOUN COUNTY, WEST VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2021**

Status of Prior Year Audit Findings

<u>Finding Number</u>	<u>Title</u>	<u>Status</u>
2020-001	Cash Drawers	Repeated
2020-002	Segregation of Duties	Repeated
2020-003	Expenditures in Excess of Amounts Allocated in the Levy Coal Severance Tax	Repeated