

September 27, 2022

WV State Auditors' Office – lgs@wvsao.gov, Attn: Shellie Humphries

WV Joint Committee on Government & Finance – drew.ross@wvlegislature.gov and steve.marsden@wvlegislature.gov

WVACVB – sgill@fulksandassociates.com

Dear WV State Auditor's Office, WV Joint Committee on Government & Finance, and WV Association of Convention & Visitor Bureaus,

As you are aware with the passing of Senate Bill 488 during the 2021 West Virginia Legislature's Regular Session several new requirements have been implemented on CVBs to qualify for distributions of Hotel Occupancy taxes by the county(s) and or the municipality(s) we serve.

In compliance with W.Va. Code §7-18-13a, CVBs are to now report to the WVSAO, the WV Joint Committee on Government & Finance, and the WVACVB 90 days following the end of the CVB's fiscal year the following:

- Balance sheet – annually,
- Income statement - annually, and
- Either an audit or a financial review – triennially W.Va. Code § 7-18-14.

In addition, CVBs are to be accredited by an accrediting body such as the WV Association of Convention and Visitors Bureaus (WVACVB) W.Va. Code §7-18-13a(b) which confirms compliance with the following industry standards as follows:

- Annual budget,
- Budget allocation within the industry standard of 40% - 40% - 20% (Marketing, Personnel, Administrative),
- Marketing plan targeting markets outside of 50 miles of their destination,
- Full time executive director,
- Physical office/ Visitor Center,
- Website, and
- Annual reporting to all the CVBs funding entities.

On behalf of the Board of Directors of the Barboursville CVB, we respectfully submit the required information and confirm that Barboursville CVB is in full compliance with all WV Code 7-18-13 requirements.

If you have any questions, please contact either Brandi Beasley, Executive Director, at bbeasley@barboursville.org or (304) 733-1500 or Chris Tatum, Board Chair, at ctatum@barboursville.org or (304) 736-9820.

Sincerely,



Brandi Beasley, Executive Director

Attachments: Income statement (July 1, 2021 – June 30, 2022), Balance sheet (June 30, 2022), Annual report (FY22), and Annual audit/review (2021).



2021-2022

ANNUAL REPORT

Barboursville 
CONVENTION AND VISITORS BUREAU



Executive Overview

In 2021-2022 the Barbourville Convention and Visitor's Bureau took great strides in stepping back out into the youth sports industry following the COVID restrictions and shutdowns.

Following the Village of Barbourville's nearly 3-million-dollar investment in the Barbourville Sports Complex, the Convention and Visitor's Bureau went to work marketing the upgraded facility to rights holders. We invested in new branding, videography, photography, as well as updated profile sheets and print materials.

In addition to sports advertising, we also participated in advertising in the WV Travel Guide and select print and digital partners.

Looking ahead, we intend to find creative ways to reach our visitors and encourage them to spend more time and money while they are here. Tourism continues to grow in Barbourville, so we look forward to providing the best experience for our guests.

Brandi L. Beasley
Executive Director

Board of Directors

Chris Tatum, Chairman
Village of Barbourville

Paula Seay, Secretary
Village of Barbourville

Jack McKenna
Barbourville Park Representative

Macy Dingess
Delta by Marriott

Jason Taylor
Comfort Inn

Cindy Edmonds
Vintage Pride Tractor Show Event Organizer

Joyce Spencer
Resident

Events & Advertising

Advertising

The Barboursville Convention and Visitors Bureau advertises to promote events, attractions and the Village as a destination. Our advertising partners this fiscal year include:

- WV Travel Guide
- Mason County Visitor's Guide
- Cincinnati Red Yearbook
- HD Media
- WSAZ
- Facebook
- Kindred Communications
- Barboursville Life
- Huntington Chamber of Commerce- Target Marketing
- Marshall University Football Yearbook
- iHeart Media
- WV Outdoor
- Advantage Valley Magazine
- Digital Relativity

Event Sponsorship

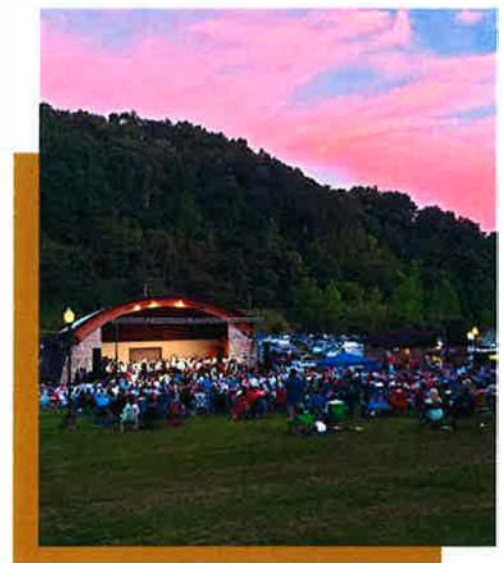
Events and festivals serve as a way to attract weekend leisure travel, as well as improve the stay for our visitors. The Barboursville CVB was involved in the following events:

Primary Organizer:

- Vineyard in the Village
- Village of Lights
- Fall Fest
- Barboursville Farmer's Market/ Food Truck Round up

Event Sponsorship or Planning:

- Civil War Days
- WVSSAC State Cross Country Meet
- Barboursville Park Junior Ranger Program
- Huntington Symphony Orchestra- Picnic with the Pops



By The Numbers:

Hotel Stays:

According to STR reporting, occupancy was up more than 50% over FY21. While some of this could be due to travel changes post COVID, we also hosted two national soccer tournaments, and new travel ball tournaments, helping to improve overnight stay activity. Demand was also up more than 15% over FY21.

Visitor Guide:

In FY2022, we continued our cooperative partnership with the Huntington Area CVB, which includes a joint Visitors Guide. We were able to distribute the Visitors Guide to 28 different states, and 2 countries.

Digital:

Website:

We have made significant improvements to our website, including providing more visually appealing layout, as well as more relevant content for travelers. Our site traffic continues to grow steadily, with more visitors and pages viewed.

Top 5 website visits by state:

1. WV
2. NY
3. DC
4. OH
5. PA

Social Media:

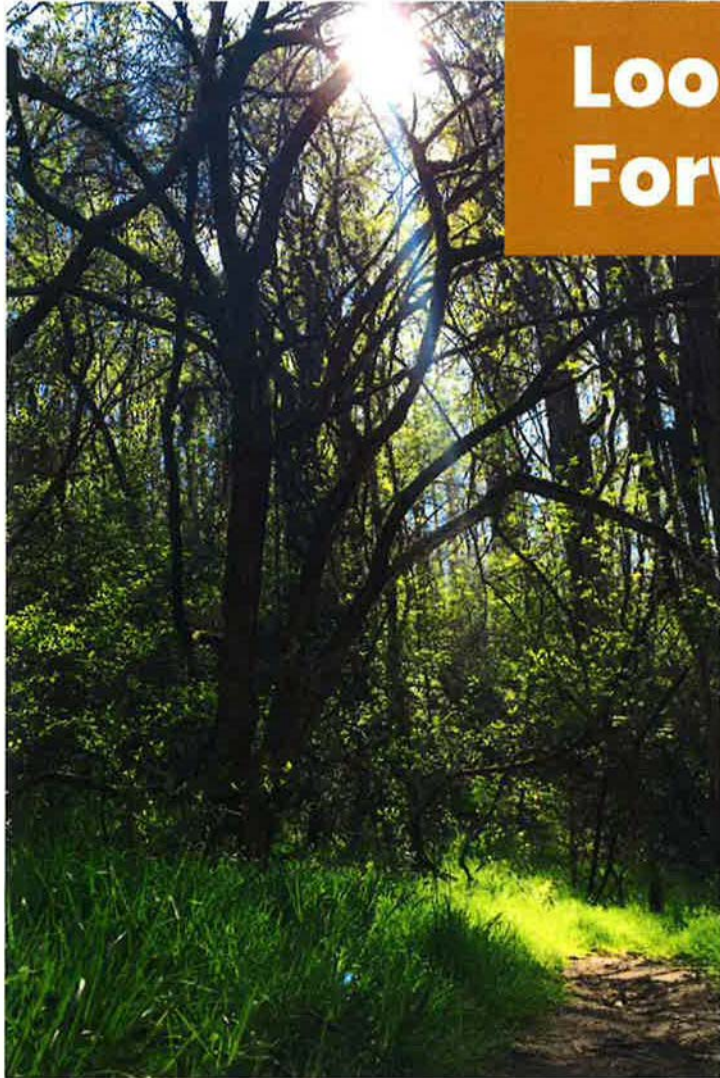
We still continue to see most of our traffic on the Facebook platform but hope to continue to grow on Instagram.

444K Impressions

10K + followers (↑ 13%)

Net page likes ↑ 45%

Post link clicks ↑ 200%



Looking Forward

From reviewing research and exploring the best use of our budget, we've identified the following goals for FY2023:

- Develop a mobile Visitor's Center and a travel kiosk for the Barboursville Sports Complex
- Increase website visits by 10%
- Increase attendance and expand on existing events.
- Place advertisements to reach key markets such as Pittsburgh, Central Ohio, northern West Virginia, and Washington DC.
- Expand photo and video library
- Continue ongoing work with our tourism partners through meetings, workshops, advertising cooperative programs, and social media support.

Financial Overview

Income	
Hotel/Motel Tax Revenue	\$267,781.62
Additional Revenue	\$15,670.40
Total Income:	\$283,452.02
Expenses:	
Advertising:	\$102,265.01
Events/Sponsorships*	\$15,500
Operations:	\$40,061.72
Salary/Wages	\$86,174.83
Total Expenses	\$244,001.56

- *Events and sponsorship expenses include event- specific advertising and marketing*



Barboursville, WV

Balance Sheet

Account Summary

As Of 06/30/2022

Account	Name	Balance	
Fund: 041 - Barboursville CVB			
Assets			
041-101-010-00	Checking	183,304.70	
041-106-000-00	Petty Cash	350.00	
041-125-010-00	Savings Account	231,304.35	
	Total Assets:	<u>414,959.05</u>	<u>414,959.05</u>
Liability			
041-201-010-00	Accounts Payable	15,370.97	
041-215-001-00	Due to General Fund	15,689.64	
	Total Liability:	<u>31,060.61</u>	
Equity			
041-298-000-00	Assigned Fund Balance	344,447.98	
	Total Beginning Equity:	<u>344,447.98</u>	
Total Revenue		283,452.02	
Total Expense		<u>244,001.56</u>	
Revenues Over/Under Expenses		<u>39,450.46</u>	
	Total Equity and Current Surplus (Deficit):	<u>383,898.44</u>	
	Total Liabilities, Equity and Current Surplus (Deficit):		<u><u>414,959.05</u></u>



Barboursville, WV

Income Statement Account Summary

For Fiscal: 2021-2022 Period Ending: 06/30/2022

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 041 - Barboursville CVB						
Revenue						
041-369-000-00	Contributions from Other Funds	0.00	0.00	20,708.82	267,781.62	-267,781.62
041-380-000-00	Interest Earned	0.00	0.00	167.87	1,902.47	-1,902.47
041-384-000-00	Sales - Gift Shop	0.00	0.00	0.00	26.95	-26.95
041-385-010-00	Event 1	0.00	0.00	0.00	6,820.00	-6,820.00
041-399-000-00	Miscellaneous Revenue	0.00	0.00	1,395.00	6,920.98	-6,920.98
	Revenue Total:	0.00	0.00	22,271.69	283,452.02	-283,452.02
Expense						
Department: 901 - Visitors Bureau						
ExpCategory: 10 - Personnel Services						
041-901-103-00	Salaries & Wages	0.00	0.00	6,888.45	60,775.71	-60,775.71
041-901-104-00	FICA Tax - Social Security	0.00	0.00	518.16	4,658.62	-4,658.62
041-901-105-00	Group Insurance	0.00	0.00	1,089.00	13,333.95	-13,333.95
041-901-105-01	Group Dental/Vision	0.00	0.00	0.00	943.68	-943.68
041-901-106-00	Retirement	0.00	0.00	677.31	5,882.50	-5,882.50
041-901-108-00	Overtime	0.00	0.00	0.00	580.37	-580.37
	ExpCategory: 10 - Personnel Services Total:	0.00	0.00	9,172.92	86,174.83	-86,174.83
ExpCategory: 21 - Contractual Services						
041-901-211-00	Telephone & Internet Service	0.00	0.00	260.33	3,137.27	-3,137.27
041-901-214-00	Travel	0.00	0.00	0.00	1,747.29	-1,747.29
041-901-219-00	Rentals	0.00	0.00	465.00	465.00	-465.00
041-901-220-00	Advertising & Legal Publications	0.00	0.00	11,787.68	26,706.80	-26,706.80
041-901-221-00	Training & Education	0.00	0.00	0.00	2,109.00	-2,109.00
041-901-222-00	Dues & Subscriptions	0.00	0.00	894.32	10,389.85	-10,389.85
041-901-223-00	Advertising Co-Op	0.00	0.00	0.00	30,250.00	-30,250.00
041-901-226-10	Insurance	0.00	0.00	0.00	100.00	-100.00
041-901-230-00	Contracted Services	0.00	0.00	2,447.19	33,101.95	-33,101.95
041-901-232-00	Bank Charges	0.00	0.00	40.00	522.34	-522.34
041-901-241-00	Workers' Compensation	0.00	0.00	0.00	880.37	-880.37
	ExpCategory: 21 - Contractual Services Total:	0.00	0.00	15,894.52	109,409.87	-109,409.87
ExpCategory: 34 - Commodities						
041-901-341-00	Supplies & Materials	0.00	0.00	63.59	32,809.36	-32,809.36
041-901-346-00	Purchases For Resale	0.00	0.00	0.00	107.50	-107.50
	ExpCategory: 34 - Commodities Total:	0.00	0.00	63.59	32,916.86	-32,916.86
ExpCategory: 56 - Contributions						
041-901-568-00	Sponsorships	0.00	0.00	1,500.00	15,500.00	-15,500.00
	ExpCategory: 56 - Contributions Total:	0.00	0.00	1,500.00	15,500.00	-15,500.00
	Department: 901 - Visitors Bureau Total:	0.00	0.00	26,631.03	244,001.56	-244,001.56
	Expense Total:	0.00	0.00	26,631.03	244,001.56	-244,001.56
	Fund: 041 - Barboursville CVB Surplus (Deficit):	0.00	0.00	-4,359.34	39,450.46	
	Total Surplus (Deficit):	0.00	0.00	-4,359.34	39,450.46	

Income Statement

For Fiscal: 2021-2022 Period Ending: 06/30/2022

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
041 - Barboursville CVB	0.00	0.00	-4,359.34	39,450.46	-39,450.46
Total Surplus (Deficit):	0.00	0.00	-4,359.34	39,450.46	

VILLAGE OF BARBOURSVILLE

(A CLASS III MUNICIPALITY IN CABELL COUNTY, WEST VIRGINIA)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

YEAR ENDED JUNE 30, 2021

DAVID L. HOWELL, CPA
PO BOX 458
1740 E. DUPONT AVE
BELLE, WEST VIRGINIA 25015

VILLAGE OF BARBOURSVILLE

TABLE OF CONTENTS

Year Ended June 30, 2021

	<u>Page</u>
Municipal Officials	1
Schedule of Funds Included In The Financial Report	2
Independent Auditor's Report	3 - 5
Management's Discussion and Analysis	6 - 9
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	10 - 11
Statement of Activities	12
Balance Sheet - Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	16
Notes to Financial Statements	17 - 42
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - General Fund	43
Budgetary Comparison Schedule - Coal Severance Tax Fund	44
Schedule of Proportionate Share of the Net Pension Liability	45
Schedule of Pension Contributions	46
Schedule of Proportionate Share of the Net OPEB Liability	47
Schedule of OPEB Contributions	48
Notes to Required Supplementary Information	49 - 50
SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet - Non-Major Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	52
Statement of Net Position - Component Unit	53 - 54
Statement of Revenues, Expenses and Changes in Net Position - Component Unit	55
Statement of Cash Flows - Component Unit	56
Schedule of Expenditures of Federal Awards	57 - 58
Notes to Schedule of Expenditures of Federal Awards	59
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60 - 61
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	62 - 63
Schedule of Findings and Questioned Costs	64
Summary Schedule of Prior Year Audit Findings	65

VILLAGE OF BARBOURSVILLE

MUNICIPAL OFFICIALS

Year Ended June 30, 2021

NAME	OFFICE	TERM
Chris Tatum	Mayor	7/1/2019 - 6/30/2023
Paula Seay	Recorder	7/1/2019 - 6/30/2023
Patrick Wagoner	Council Member	7/1/2019 - 6/30/2023
Donnie Plybon	Council Member	7/1/2019 - 6/30/2023
Ann Reed	Council Member	7/1/2019 - 6/30/2023
Necia Freeman	Council Member	7/1/2019 - 6/30/2023
Charlie Pennington	Council Member	7/1/2019 - 6/30/2023
Jon Blatt	Finance Director	Appointed

VILLAGE OF BARBOURSVILLE
SCHEDULE OF FUNDS INCLUDED IN THE FINANCIAL REPORT

Year Ended June 30, 2021

GOVERNMENTAL-TYPE FUNDS

MAJOR

General
Coal Severance Tax
Sales and Use Tax
Civic Improvement
Capital Projects

NON-MAJOR

Police Bond
City Drug
Convention and Visitors Bureau
Senior Center
Drug

COMPONENT UNIT

Discretely Presented

Sanitary



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, Council and Recorder of the
Village of Barboursville
Barboursville, West Virginia 25504

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Barboursville (the "Village") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village'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 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 audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), budgetary comparison schedule - general fund, budgetary comparison schedule - coal severance tax fund, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of proportionate share of the net OPEB liability, schedule of OPEB contributions and notes to required supplementary information 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, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining balance sheet - non-major governmental funds, combining statement of revenues, expenditures and changes in fund balances - non-major governmental funds, statement of net position - component unit, statement of revenues, expenses and changes in net position - component unit, and statement of cash flows - component unit are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are also not a required part of the basic financial statements.

The combining balance sheet - non-major governmental funds, combining statement of revenues, expenditures and changes in fund balances - non-major governmental funds, statement of net position - component unit, statement of revenues, expenses and changes in net position - component unit, statement of cash flows - component unit, schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - non-major governmental funds, combining statement of revenues, expenditures and changes in fund balances - non-major governmental funds, statement of net position - component unit, statement of revenues, expenses and changes in net position - component unit, statement of cash flows - component unit, schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control over financial reporting and compliance.

David L. Howell, CPA

David L Howell, CPA
Belle, West Virginia 25015
April 28, 2022

VILLAGE OF BARBOURSVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

Our discussion and analysis of the Village of Barboursville's (the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Village's net position was \$16,424,040 at the close of business on June 30, 2021. The entire unrestricted funds of \$13,273,463 can be used to meet its ongoing obligations to its citizens and creditors in accordance with the Village's fund designation and fiscal policies.

During the year, the Village had expenses for governmental programs that were \$5,480,616 more than the \$1,003,505 generated by governmental program revenues, which includes fees for services and intergovernmental aid. The remaining cost of governmental activities were financed by Village general revenues of \$11,247,521.

Capital assets increased by \$1,392,389. This was due to the investment in machinery and equipment as well as the construction and improvements made to Village properties.

The costs of the Village's programs decreased by \$72,057 whereas total revenues increased by \$5,371,272.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 through 12) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 13 for governmental activities. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

Our analysis of the Village as a whole begins on page 7. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's net position and changes in them. You can think of the Village's net position (the difference between total assets and deferred outflows and total liabilities and deferred inflows) as one way to measure the Village's financial health, or net position. Over time, increases or decreases in the Village's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the overall health of the Village.

In the Statement of Net Position and the Statement of Activities, we divide the Village into two kinds of activities:

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- *Governmental activities* - Most of the Village's basic services are reported here, including the police, public works, and parks departments, and general administration. Property taxes, franchise fees, business and occupation taxes, and state and federal grants finance most of these activities.
- *Component unit* - The Village includes a separate legal entity in its report "The Village of Barboursville Sanitary Board." Although legally separate, this "component unit" is important because the Village is financially accountable for them.

Reporting the Village's Most Significant Funds

The fund financial statements begin on page 13 and provide detailed information about the most significant funds - not the Village as a whole. Some funds are required to be established by state law. However, the Village's Council establishes many other funds to help it control and manage money for particular purposes (like the Senior Center) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like the Coal Severance Tax Fund). The Village's government uses the following accounting approach:

- *Governmental funds* - Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between *governmental activities* (reported in the Statement of Financial Position and the Statement of Activities) and *governmental funds* in a reconciliation at the bottom of the fund financial statements.

THE VILLAGE AS A WHOLE

The Village's current assets increase by \$4,950,510 from last year.

Capital assets of the Village increased by \$1,392,389.

The current liabilities have increased by \$53,156.

	2021	2020
Current assets	\$ 10,072,680	\$ 5,122,170
Capital assets	8,038,967	6,646,578
Deferred outflows of resources	1,046,693	642,244
Current liabilities	259,612	206,456
Long-term liabilities	1,459,240	1,749,120
Deferred inflows of resources	1,015,448	687,244
Net position	\$ 16,424,040	9,768,172

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Results of the Village's operations were relatively unchanged from the past year.

	<u>2021</u>	<u>2020</u>
Revenues		
Charges for service	\$ 115,408	\$ 187,924
Operating grants and contributions	888,097	725,222
General revenues:		
Taxes	10,150,973	5,298,180
Licenses and permits	501,093	494,648
Interest	43,847	45,575
Miscellaneous	551,608	128,205
Total General revenues	<u>11,247,521</u>	<u>5,966,608</u>
Total revenues	12,251,026	6,879,754
Program expenses		
General government	1,294,402	1,396,807
Public Safety	2,473,021	2,328,003
Streets and transportation	1,299,567	1,299,224
Health and sanitation	344,890	403,117
Culture and recreation	989,736	975,495
Social services	82,505	153,532
Total program expenses	<u>6,484,121</u>	<u>6,556,178</u>
Change in net position	5,766,905	323,576
Net position, beginning, as restated	<u>10,657,135</u>	<u>9,444,596</u>
Net position, ended	<u>\$ 16,424,040</u>	<u>\$ 9,768,172</u>

The Net Cost of Service below presents the net cost (total cost less revenues generated by the activities) of each of the Village's programs general government, public safety, streets and transportation, health and sanitation, social services, culture and recreation and capital improvements. The net cost shows the financial burden that was placed on the Villages taxpayers by each of these functions.

	<u>2021</u>	<u>2020</u>
General government	\$ 382,305	\$ 647,585
Public Safety	2,438,808	2,284,986
Streets and transportation	1,299,567	1,299,224
Health and sanitation	330,104	384,124
Culture and recreation	947,327	880,179
Social services	82,505	146,934
Total net cost of services	<u>\$ 5,480,616</u>	<u>\$ 5,643,032</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the Village had \$8,038,967 invested in capital assets. These capital assets were composed of vehicles, equipment and infrastructure assets.

Debt

At year-end, the Village had \$1,459,240 in long-term liabilities consisting of \$219,606 in compensated absences, \$929,801 in net pension liability and \$309,833 in net OPEB liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2022 budget, tax rates, and fees that will be charged for services. One of those factors is the economy. The Village's increasing population and business and occupation tax base has a direct impact on the Village's economic growth.

The Village has been accepted in the West Virginia Home Rule Program. As a result, the Village has decreased certain Business & Occupation classification rates in order to implement a 1 percent sales and use tax revenue.

The Village is very optimistic about its potential for economic growth in the future.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Village Finance Department Office at 721 Central Avenue, Barboursville, West Virginia 25504-0266.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

STATEMENT OF NET POSITION

June 30, 2021

	Primary Government	Component Unit
	Governmental Activities	Sanitary
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,652,452	384,560
Receivables:		
Taxes	2,389,027	-
Accounts	-	28,464
Interfund receivable	9,824	-
Due from component unit	21,377	-
Restricted:		
Cash	-	149,458
Total current assets	10,072,680	562,482
Capital assets:		
Nondepreciable	4,835,245	220,882
Depreciable, net	3,203,722	1,449,064
Total capital assets, net	8,038,967	1,669,946
Total noncurrent assets	8,038,967	1,669,946
Total Assets	18,111,647	2,232,428
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions	740,944	38,980
Related to OPEB	305,749	19,540
Total deferred outflows of resources	1,046,693	58,520
Total assets and deferred outflows of resources	19,158,340	2,290,948

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

VILLAGE OF BARBOURSVILLE
STATEMENT OF NET POSITION (CONTINUED)

June 30, 2021

	Primary Government	Component Unit
	<u>Governmental Activities</u>	<u>Sanitary</u>
LIABILITIES		
Current liabilities:		
Accounts payable	101,141	2,525
Compensated absences, current	5,000	-
Other accrued expenses	1,197	-
Interfund payable	9,824	-
Due to primary government	-	17,671
Unearned revenue	142,450	-
Payable from restricted assets:		
Customer security deposits	-	50,180
Total current liabilities	259,612	70,376
Long-term liabilities:		
Compensated absences, net	219,606	11,613
Net pension liability	929,801	48,938
Net OPEB liability	309,833	19,776
Total long-term liabilities	1,459,240	80,327
Total liabilities	1,718,852	150,703
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	80,310	4,269
Related to OPEB	935,138	59,686
Total deferred inflows of resources	1,015,448	63,955
Total liabilities and deferred inflows of resources	2,734,300	214,658
NET POSITION		
Invested in capital assets, net of related debt	3,150,577	1,669,946
Restricted for:		
Working capital reserve	-	98,339
Customer deposits	-	51,119
Unrestricted	13,273,463	256,886
Net position	\$ 16,424,040	2,076,290

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

VILLAGE OF BARBOURSVILLE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General	Coal Severance Tax	Sales and Use Tax	Civic Improvement	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 2,147,555	7,409	2,830,906	1,442,848	649,962	573,772	7,652,452
Receivables:							
Taxes	1,039,682	2,256	1,320,240	26,849	-	-	2,389,027
Interfund receivable	9,824	-	-	-	-	-	9,824
Due from component unit	21,377	-	-	-	-	-	21,377
Total assets	\$ 3,218,438	9,665	4,151,146	1,469,697	649,962	573,772	10,072,680
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 96,138	-	-	-	-	5,003	101,141
Other accrued expenses	1,197	-	-	-	-	-	1,197
Compensated absences payable	5,000	-	-	-	-	-	5,000
Interfund payable	-	-	-	-	-	9,824	9,824
Unearned revenue	142,450	-	-	-	-	-	142,450
Total liabilities	244,785	-	-	-	-	14,827	259,612
Deferred Inflows:							
Taxes	53,698	-	-	26,849	-	-	80,547
Total deferred inflows	53,698	-	-	26,849	-	-	80,547
Total liabilities and deferred inflows	298,483	-	-	26,849	-	14,827	340,159
Fund Balances:							
Committed	40,630	9,665	-	-	-	-	50,295
Assigned	-	-	4,151,146	1,442,848	649,962	558,945	6,802,901
Unassigned	2,879,325	-	-	-	-	-	2,879,325
Total fund balances	2,919,955	9,665	4,151,146	1,442,848	649,962	558,945	9,732,521
Total liabilities, deferred inflows and fund balances	\$ 3,218,438	9,665	4,151,146	1,469,697	649,962	573,772	10,072,680

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

VILLAGE OF BARBOURSVILLE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Year Ended June 30, 2021

Total fund balances - governmental funds	\$ 9,722,856
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	8,038,967
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. This is the amount of deferred taxes	80,547
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 outflows - related to pensions	740,944
Deferred outflows - related to OPEB	305,749
Deferred inflows - related to pensions	(80,310)
Deferred inflows - related to OPEB	(935,138)
Long-term liabilities are not payable in the current period and therefore are not reported in the funds:	
Compensated absences	(219,606)
Net pension liability	(929,801)
Net OPEB liability	(309,833)
Net position of governmental activities	<u>\$ 16,414,375</u>

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

VILLAGE OF BARBOURSVILLE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2021

	General	Coal Severance Tax	Sales and Use Tax	Civic Improvement	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
Revenues							
Taxes	\$ 5,501,320	-	4,145,071	560,590	-	-	10,206,981
Licenses and permits	501,093	-	-	-	-	-	501,093
Intergovernmental:							
Federal	853,989	-	-	-	-	-	853,989
State	12,078	7,466	-	-	-	-	19,544
Charges for services	81,195	-	-	-	-	31,923	113,118
Fines and forfeits	19,115	-	-	-	-	-	19,115
Interest	10,793	53	6,075	10,447	14,430	2,291	44,089
Miscellaneous	290,030	-	-	252,055	-	14,483	556,568
Total revenues	<u>7,269,613</u>	<u>7,519</u>	<u>4,151,146</u>	<u>823,092</u>	<u>14,430</u>	<u>48,697</u>	<u>12,314,497</u>
Expenditures							
General government	1,351,903	4,209	-	-	47,943	-	1,404,055
Public safety	2,486,583	-	-	129,414	17,424	15,836	2,649,257
Streets and transportation	1,005,524	-	-	230,794	-	-	1,236,318
Health and sanitation	312,047	-	-	218,006	-	-	530,053
Culture and recreation	613,910	-	-	60,120	1,487,161	182,666	2,343,857
Social services	-	-	-	-	-	79,093	79,093
Total expenditures	<u>5,769,967</u>	<u>4,209</u>	<u>-</u>	<u>638,334</u>	<u>1,552,528</u>	<u>277,595</u>	<u>8,242,633</u>
Excess (deficiency) of revenues over/(under) expenditures	1,499,646	3,310	4,151,146	184,758	(1,538,098)	(228,898)	4,071,864
Other Financing Sources (Uses)							
Transfers in	241,035	-	-	-	-	429,588	670,623
Transfers (out)	(429,588)	-	-	-	(200,000)	(41,035)	(670,623)
Total other financing sources (uses)	<u>(188,553)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>388,553</u>	<u>-</u>
Net change in fund balances	1,311,093	3,310	4,151,146	184,758	(1,738,098)	159,655	4,071,864
Fund balance, beginning, as restated	1,608,862	6,355	-	1,258,090	2,388,060	399,290	5,660,657
Fund balance, ended	<u>\$ 2,919,955</u>	<u>9,665</u>	<u>4,151,146</u>	<u>1,442,848</u>	<u>649,962</u>	<u>558,945</u>	<u>9,732,521</u>

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

VILLAGE OF BARBOURSVILLE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$	4,071,864
Amounts reported for governmental activities in the statement of activities are different because:		
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.		1,805,972
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.		(413,583)
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 in deferred taxes from the prior year.		(63,473)
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 the governmental funds.		
Change in compensated absences		4,168
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		297,747
Amount of OPEB expenditures at fund level		126,079
Amount of pension expenses recognized at the government-wide level		(264,505)
Amount of OPEB expenses recognized at the government-wide level		202,636
Change in net position of governmental activities	\$	<u>5,766,905</u>

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

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Village is a charter municipality in which citizens elect the mayor at large, recorder and five council members. The accompanying financial statements present the Village and its component unit as required by generally accepted accounting principles.

The services provided by the Village and accounted for within these financial statements included law enforcement, health and sanitation, culture and recreation programs, and other governmental services.

The accompanying financial statements present the Village as required by the accounting principles generally accepted in the United States. In determining whether to include a governmental department, agency, commission or organization as a component unit, the Village must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set for 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 Village.

Discretely Presented Component Unit

Discretely presented component units are entities which are legally separate from the Village, but are financially accountable to the Village, or whose relationship with the Village is such that exclusion would cause the Village's financial statements to be misleading or incomplete. Because of the nature of services they provide and the Village'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). The discretely presented component units are presented on the government-wide statements.

The Village of Barboursville Sanitary Board serves the citizens of Barboursville and is governed by a three member board comprised of the Mayor and two members appointed by council. The Board is dependent upon the Village since the Village's council must approve rates for user charges and authorize bond issuances.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants whose purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. 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 share 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 Village 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 or elected to be accounted for in another fund.

The *Coal Severance Tax Fund*, a special revenue fund, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia counties.

The *Sales and Use Tax Fund*, a special revenue fund, accounts for the revenue from an 1% sales and use tax collected in the same manner that state sales and use tax is collected. The revenues shall be used 1) to satisfy any debt service requirements, 2) pay for capital improvement projects, and 3) any unencumbered revenue may be transferred to the General Fund for regular operations.

The *Civic Improvement Fund*, a special revenue fund, accounts for revenues and expenditures related to the excess levy that are dedicated to road and storm drain maintenance, maintenance of facilities and equipment of the Village's street department, providing funding to the Barbooursville Volunteer Fire Department, and the planning, construction, maintenance and development of a multi-purpose recreational facility.

The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary trust funds.

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

The accounts of the Village are organized into funds, each of which is considered to be a separate accounting entity. The major fund categories and account groups for the fund financial statements are:

1. Deposits and Investments

The Village'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. For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal mortgage association; indebtedness or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

State statute §8-13-22c places limitations on the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

2. Receivables and Payables

Interfund Transactions

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

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.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Property Taxes Receivable

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distraint for delinquent taxes any goods and chattels belonging to a person assessed.

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 of the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on 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 paid.

All municipalities 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, twelve and five-tenths cents (12.5 cents); on Class II property, twenty-five cents (25 cents); and on Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the Village per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2021, were as follows:

Property Class	Assessed Valuations for Tax Purposes	Current Expense Levy	Excess Levy
Class II	\$ 76,452,206	25.00 cents	12.50 cents
Class IV	\$ 181,270,590	50.00 cents	25.00 cents

3. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
System infrastructure	35 years
Transmission and distribution equipment	25 years
Office and computer equipment	10 years
Vehicles	5 years

4. Compensated Absences

It is the Village'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 component unit fund financial statements in accordance with GASB Statement No. 16, Accounting for Compensated Absences.

5. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are recognized as an expense in the period incurred.

6. Fund Balance and Equity Classification

In the governmental fund financial statements, fund balance is reported in five classifications:

Nonspendable - Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - Amounts with constraints imposed on their use, either by external creditors, grantors, contributors, or laws and regulations of other governments; or by law through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for purposes pursuant to constraints imposed by formal action of the Board.

Assigned - Amounts that are constrained by the Board's intent to be used for specific purposes.

Unassigned - Residual fund balance that has not been restricted, committed or assigned.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Village Council is the government's highest level of decision-making authority. The Council would take formal action to establish, 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 made from restricted resources 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 Village.

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets, which the Village does not have.

Restricted net position - Consists of net position with constraints placed on the use by either: (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt".

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the 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.

8. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources to pensions, and pension expense, information about the fiduciary net position of the West Virginia Public Employees Retirement System (PERS) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. 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.

10. Stabilization Arrangements

The Village has created a stabilization arrangement in accordance with West Virginia Code §8-37-3. The Village 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 Village's most recent general fund budget. The money may be used for any unforeseen shortfalls. The stabilization balance at fiscal year-end was \$510,868.

11. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Recently Issued Accounting Standards

The Village's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village are discussed below.

During the year ended June 30, 2021, the Village adopted the following GASB statement:

GASB Statement No. 84 - *Fiduciary Activities* - The primary objective of this Statement was to enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities.

The following are recent GASB Pronouncements for which the Village has not adopted as of June 30, 2021:

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

GASB Statement No. 87 - Leases - This Statement's objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the rights to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities.

GASB Statement No. 89 - Accounting for Interest Cost Incurred Before the End of a Construction Period - This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement No. 90 - Majority Equity Interests an amendment of GASB Statement No. 14 and No. 61 - This Statement's objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit.

GASB Statement No. 91 - Conduit Debt Obligations - This Statement's objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92 - Omnibus 2020 - The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions regarding the effective date of GASB Statement 87, Leases and Implementation Guide No. 2019-3, Leases, for interim financial reports; Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; The applicability of GASB Statement 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68; the applicability of certain requirements of GASB Statement 84, Fiduciary Activities; measurement of liabilities

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

GASB Statement No. 93 - *Replacement of Interbank Offered Rates* - Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (LIBOR) - most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an LIBOR.

GASB Statement No. 94 - *Public - Private and Public - Public Partnerships and Availability Payment Arrangements* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* - This Statement provides guidance on the accounting and financial reporting for subscription-based technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits through those plans.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund, except that the amounts held for stabilization are not included for budgeting purposes. All annual appropriations lapse at fiscal year end.

The governing body of the Village is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the Village and to prepare the levy estimate (budget) for the fiscal year commencing July 1. The budget is then forthwith submitted to the State Auditor for approval. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and 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 supplementary budgetary appropriations throughout the year:

<u>General Fund</u>	
<u>Amount</u>	
\$ 505,127	General government expenditure increase
180,000	Public safety expenditure increase

<u>Coal Severance Tax Fund</u>	
<u>Amount</u>	
\$ (375)	General government expenditure decrease

NOTE 3 CASH

Custodial Credit Risk

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Deposits at June 30, 2021, were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Village's name.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 RECEIVABLES

Receivables for the Village's individual major funds, aggregate nonmajor, and discretely presented component unit, including applicable allowances for uncollectible accounts at June 30, 2021, are as follows:

	General	Coal Severance Tax	Sales and Use Tax	Civic Improvement	Total Primary Government	Component Unit Sanitary
Receivables:						
Taxes	\$ 1,094,556	2,256	1,320,240	54,286	2,471,338	\$ -
Accounts	-	-	-	-	-	36,472
Total receivables	1,094,556	2,256	1,320,240	54,286	2,471,338	36,472
Less: allowance for doubtful accounts	(54,874)	-	-	(27,437)	(82,311)	(8,008)
Receivables, net	<u>\$ 1,039,682</u>	<u>2,256</u>	<u>1,320,240</u>	<u>26,849</u>	<u>2,389,027</u>	<u>28,464</u>

Governmental funds report unavailable revenue as deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the composition of deferred inflows in the governmental funds were as follows:

	Deferred Inflows
Property taxes	\$ 80,547
Total	<u>\$ 80,547</u>

NOTE 5 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
Interfund:		
General Fund	Senior Center	\$ 3,486
General Fund	Convention and Visitors Bureau	6,338
		<u>\$ 9,824</u>

Transfers

The composition of interfund transfers as of June 30, 2021 are as follows:

Transfer From	Transfers To	Amount
General Fund	Senior Center	249,588
General Fund	Convention and Visitors Bureau	180,000
Police Bond	General Fund	41,035
Capital Reserve	General Fund	200,000
		<u>\$ 670,623</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 FUND BALANCE DETAIL

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

	General	Coal Severance Tax	Sales and Use Tax	Civic Improvement	Capital Projects	Nonmajor Governmental Funds	Total
Committed:							
General government	\$ 40,630	9,665	-	-	-	-	50,295
Assigned:							
Public safety	-	-	-	-	-	85,691	85,691
Culture and recreation	-	-	-	-	-	344,448	344,448
Civic Improvement	-	-	-	1,442,848	-	-	1,442,848
Social services	-	-	-	-	-	128,806	128,806
Capital projects	-	-	4,151,146	-	649,962	-	4,801,108
Total assigned	-	-	4,151,146	1,442,848	649,962	558,945	6,802,901
Unassigned	2,879,325	-	-	-	-	-	2,879,325
Total fund balance	<u>\$ 2,919,955</u>	<u>9,665</u>	<u>4,151,146</u>	<u>1,442,848</u>	<u>649,962</u>	<u>558,945</u>	<u>9,732,521</u>

NOTE 7 CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ended Balance
Primary Government				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Construction in progress	\$ 1,694,650	1,431,538	-	3,126,188
Land and parks	1,701,932	7,125	-	1,709,057
Total capital assets not being depreciated	3,396,582	1,438,663	-	4,835,245
Capital assets being depreciated:				
Buildings	1,757,674	-	-	1,757,674
Improvements	1,219,932	-	-	1,219,932
Vehicles and equipment	2,943,967	367,309	205,674	3,105,602
Total capital assets being depreciated	5,921,573	367,309	205,674	6,083,208
Less: accumulated depreciation	(2,671,577)	(413,583)	(205,674)	(2,879,486)
Total capital assets being depreciated, net	3,249,996	(46,274)	-	3,203,722
Governmental activities capital assets, net	<u>\$ 6,646,578</u>	<u>1,392,389</u>	<u>-</u>	<u>8,038,967</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense charged to governmental activities as follows:

General government	\$	16,459
Public Safety		127,826
Streets and transportation		150,285
Health and sanitation		13,753
Culture and recreation		98,251
Social services		7,009
		<u>413,583</u>
	\$	<u>413,583</u>

Component Unit	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ended Balance</u>
Capital assets not being depreciated:				
Land	\$ 220,882	-	-	220,882
Total capital assets not being depreciated	220,882	-	-	220,882
Capital assets being depreciated:				
Structures and improvements	382,750	-	-	382,750
Collecting system	3,123,812	-	-	3,123,812
Pumping system	712,885	-	-	712,885
Treatment and disposal	574,817	-	-	574,817
General plant	406,647	2,475	-	409,122
Total capital assets being depreciated	5,200,911	2,475	-	5,203,386
Less: accumulated depreciation	(3,610,384)	(143,938)	-	(3,754,322)
Total capital assets being depreciated, net	1,590,527	(141,463)	-	1,449,064
Component unit capital assets, net	\$ 1,811,409	(141,463)	-	1,669,946

Depreciation expense charged to the component unit activities was \$143,938.

NOTE 8 CHANGES IN LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ended Balance</u>	<u>Amounts Due Within One Year</u>
Primary Government:					
<i>Governmental Activities:</i>					
Compensated absences	\$ 227,923	-	(3,317)	224,606	5,000
Other postemployment benefits	1,140,932	-	(831,099)	309,833	-
Net pension liability	385,265	544,536	-	929,801	-
	<u>\$ 1,754,120</u>	<u>544,536</u>	<u>(834,416)</u>	<u>1,464,240</u>	<u>5,000</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	Beginning Balance	Additions	Reductions	Ended Balance	Amounts Due Within One Year
Component Unit:					
Compensated absences	\$ 15,736	-	(4,123)	11,613	-
Other postemployment benefits	47,539	-	(27,763)	19,776	-
Net pension liability	24,591	24,347	-	48,938	-
	\$ 87,866	24,347	(31,886)	80,327	-

NOTE 9 DEFERRED COMPENSATION PLAN

The Village 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.

NOTE 10 EMPLOYEES RETIREMENT SYSTEM

Plan Descriptions, Contribution Information and Funding Policies

The Village participates in state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of Village employees. The system is administered by an agency of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

The Village's cost-sharing multiple-employer plan is administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues a publicly available report that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com. The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Eligibility to participate	All Village full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State statute
Plan member's contribution rate	4.50% for employees hired before July 1, 2015 6.00% for employees hired on/after July 1, 2015
Village's contribution rate	10.00%
Period required to vest	Five years for employees hired before July 1, 2015 Ten years for employees hired on/after July 1, 2015

See independent auditor's report.

VILLAGE OF BARBOURSVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit. For members joining on or after July 1, 2015, the retirement age is 62 with 10 years of service or age 55 if age plus years of service equals 80. The final average salary for members joining on or after July 1, 2015, is based on the five highest consecutive years in the last 15 years.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

Trend Information

Fiscal Year	Annual Required Pension Contribution	Percentage Contributed
2021	\$ 313,185	100%
2020	\$ 287,442	100%
2019	\$ 279,852	100%
2018	\$ 297,623	100%
2017	\$ 307,878	100%
2016	\$ 307,868	100%
2015	\$ 388,072	100%
2014	\$ 386,176	100%

PERS 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, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the Village reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2020, and the total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2019 and rolled forward to June 30, 2020 using the actuarial assumptions and methods described in the appropriate section of this note. The Village's proportion of the net pension liabilities was based on

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

a projection of its long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Village's reported the following proportions and increase/decreases from its proportion measured as of June 30, 2019:

Amount for proportionate share of net pension (asset) liability	\$	978,739
Percentage for proportionate share of net pension (asset) liability		0.1851320%
Increase/-Decrease % from prior proportion measured		-2.87852%

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

Government-wide pension expense	\$	<u>274,797</u>
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The Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes of assumptions:		
Net difference between projected and actual earnings on pension plan investments	\$ 310,211	-
Difference Between Expected and Actual Experiences	144,394	19,324
Changes in proportion and differences between Village contributions and proportionate share of contributions	12,134	-
Village contributions subsequent to the measurement date	313,185	-
Deferred Difference in Assumptions	-	43,125
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	<u>22,130</u>
	<u>\$ 779,924</u>	<u>84,579</u>

The amount reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2021	\$	101,963
2022		101,963
2023		101,963
2024		<u>76,271</u>
	<u>\$</u>	<u>382,160</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019 and rolled forward to June 30, 2020 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through fiscal year 2029
Actuarial assumptions:	
Investment rate of return	7.50%
Inflation rate	3.00%
Projected salary increases:	
State	3.10 - 5.30%
Non-state	3.35 - 6.50%
Discount rate	7.50%
Mortality Rates:	
	Active-100% of Pub-2010 General Employees table, below-median, headcounted weighted, projected with scale MP-2018
Retired Healthy Males	108% of Pub-2010 General Retiree Male table, below-median, headcounted weighted, projected with scale MP-2018
Retired Healthy Females	122% of Pub-2010 General Retiree Female table, below-median, headcounted weighted, projected with scale MP-2018
Disabled Males	118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcounted weighted, projected with scale MP-2018
Disabled Females	117% of Pub-2010 General/Teachers Disabled Female table, below-median, headcounted weighted, projected with scale MP-2018
Withdrawal rates:	
State	2.275 - 45.630%
Non-state	2.500 - 35.880%
Disability rates	.005 - .054%
Retirement rates	12% - 100%

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

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected 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. Best estimates of long-term geometric rates of return are summarized in the following tables and were used for all defined benefit plans for the year ended June 30, 2020:

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investment	Long-term Expected Real Rate of Return	Target Asset Allocation	Weighted Average Expected Real Rate of Return
Domestic Equity	5.5%	27.5%	1.60%
International Equity	7.0%	27.5%	2.12%
Fixed Income	2.2%	15.0%	0.50%
Real Estate	6.6%	10.0%	0.61%
Private Equity	8.5%	10.0%	0.88%
Hedge Funds	4.0%	10.0%	0.44%
		100.0%	6.15%
Inflation (CPI)			2.00%
			8.15%

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

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

	1.0% Decrease 6.5%	Current Discount Rate 7.5%	1.0% Increase 8.5%
Village's proportionate share of PERS' net pension liability	\$ 2,493,702	\$ 978,739	\$ (302,189)

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.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description. The Village 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 \$152 million for the fiscal year ending June 30, 2020. The paygo rates for June 30, 2020 were:

	<u>2020</u>	<u>2019</u>
Paygo premium	\$ 168	\$ 183

Contributions to the OPEB plan from the Village were \$134,128 for the current fiscal year.

Summary of Membership Information. At June 30, 2020, the Plan's OPEB eligible membership consisted of the following:

Retirees and beneficiaries currently receiving benefit payments	43,269
Inactive plan members entitled to but not yet receiving benefit payments ^a	11,913
Active plan members	<u>34,319</u>
Totals	<u>89,501</u>

^a Inactive plan members excluded 5,013 waived annuitants over the age of 75 in 2020.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Plan is a closed plan to new entrants.

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

At fiscal year-end, the Village reported a liability of \$329,609 for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2020, which is the measurement date. The Village's proportion of the net OPEB liability was based on a projection of the Village's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2020, the Village's proportion was 0.0746243%, which was an increase of 4.17745% from its proportion measured as of June 30, 2019.

For this fiscal year, the Village recognized OPEB expense of \$ (187,484). The Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in proportion and differences between Village contributions and proportionate share of contributions	\$ 155,347	6,786
Difference between expected and actual investment earnings	35,814	11,156
Difference between expected and actual non-investment experience	-	213,713
Changes in assumptions	-	743,997
Reallocation of opt-out employer change in proportionate share	-	19,172
Village contributions subsequent to the measurement date	134,128	-
	\$ 325,289	994,824

The amount reported as deferred outflows of resources related to OPEB resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. 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	\$ (269,851)
2023	(269,851)
2024	(269,851)
2025	5,890
	\$ (803,663)

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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	2.25%
Salary increases	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation
Investment Rate of Return	7.15%, 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.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20-year closed period beginning June 30, 2017
Asset valuation method	Market Value
Wage inflation	2.75% for PERS and TRS, and 3.25% for Troopers
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-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 Non-Annuitant Mortality Table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.

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

The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board ("WVIMB") and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments ("WVBTI").

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions, and forecast returns were provided by the Plan's investment advisors, including WVIMB. The projected return for the Money Market Pool held with the WVBTI was estimated based on WVIMB assumed inflation of 2.0% plus a 25 basis point spread.

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

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	5.8%
International Equity	7.7%
Fixed Income	3.3%
Real Estate	6.1%
Private Equity	8.8%
Hedge Funds	4.4%

Discount rate. A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.13% as of the beginning of the year and 2.45% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2025, 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 Village'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 (5.65%) or 1-percentage point higher (7.65%) than the current discount rate:

	1.0% Decrease 5.65%	Discount Rate 6.65%	1.0% Increase 7.65%
Net OPEB Liability	\$ 470,067	\$ 329,609	\$ 212,028

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 Village'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:

	1.0% Decrease	Healthcare Cost Trend Rates	1.0% Increase
Net OPEB Liability	\$ 198,329	\$ 329,609	\$ 488,170

Opt-Out Employer Balance Reallocation. Certain employers that meet the Plan's opt-out criteria are no longer required to make contributions to the Plan. These opt employers have no continuing involvement with the Plan. Accordingly, the amounts previously allocated to such employers for the net OPEB liability and related deferred inflows and outflows are reallocated to the remaining employers participating in the cost sharing plan. The Plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation..

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

NOTE 12 OTHER INFORMATION

A. Risk Management

The Village 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 a commercial insurance company for umbrella general liability insurance for these various risks.

The Village has obtained coverage for job-related injuries of employees for its employees through Travelers Insurance Company. In exchange for payment of premiums to Travelers Insurance Company, the Village has transferred its risk to job-related injuries and health coverage for employees.

The Village offers health insurance to all eligible employees through the West Virginia Public Employee Insurance Agency (PEIA).

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

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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.

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

NOTE 13 PRIOR PERIOD ADJUSTMENT

The following adjustments to net position and fund balances were performed during the year:

	<u>Governmental Activities</u>	
Net position, as previously stated	\$	9,768,172
Adjustments:		
Taxes receivable		967,212
Allowance for doubtful accounts - property taxes		<u>(78,249)</u>
Net position, restated	\$	<u>10,657,135</u>
	<u>Fund Level</u>	
	<u>General</u>	<u>Coal Severance</u>
Fund balance, as previously stated	\$	865,649
		4,625
Adjustments:		
Taxes receivable	891,195	1,730
Allowance for doubtful accounts - property taxes	(52,166)	-
Deferred inflows - property taxes	<u>(95,816)</u>	<u>-</u>
Fund balance, restated	\$	<u>1,608,862</u>
		<u>6,355</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

NOTE 14 **RISKS AND UNCERTAINTIES**

In early 2020, the World Health Organization declared the COVID-19 (Coronavirus) outbreak to be a pandemic. The U.S. Government's response to the pandemic includes significant limitations on many aspects of Americans' daily lives, including personal mobility and closures of many public facilities. These limitations have caused significant disruption to workflow for U.S. companies and also have negatively impacted the financial markets in the U.S. and around the globe. The Village has not made any adjustments to these financial statements as a result of this uncertainty.

NOTE 15 **SUBSEQUENT EVENTS**

The Village has evaluated events subsequent to the date of the basic financial statements through April 28, 2022, the date the financial statements were available to be issued.

See independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BARBOURSVILLE
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2021

	Budgeted		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 4,413,456	4,413,456	5,501,320	1,087,864
Licenses and permits	343,000	343,000	501,093	158,093
Intergovernmental:				
Federal	-	-	853,989	853,989
State	54,500	554,500	12,078	(542,422)
Charges for services	171,000	171,000	81,195	(89,805)
Fines and forfeits	-	-	19,115	19,115
Interest	3,100	3,100	10,793	7,693
Miscellaneous	74,000	254,000	290,030	36,030
Total revenues	<u>5,059,056</u>	<u>5,739,056</u>	<u>7,269,613</u>	<u>1,530,557</u>
Expenditures				
General government	2,055,995	2,561,122	1,351,903	1,209,219
Public safety	2,600,509	2,780,509	2,486,583	293,926
Streets and transportation	1,198,099	1,198,099	1,005,524	192,575
Health and sanitation	440,761	440,761	312,047	128,714
Culture and recreation	1,073,080	1,073,080	613,910	459,170
Total expenditures	<u>7,368,444</u>	<u>8,053,571</u>	<u>5,769,967</u>	<u>2,283,604</u>
Excess (deficiency) of revenues over (under) expenditures	(2,309,388)	(2,314,515)	1,499,646	3,814,161
Other Financing Sources (Uses)				
Transfers in (out)	2,090,235	2,047,145	(188,553)	(2,235,698)
Total other financing sources (uses)	<u>2,090,235</u>	<u>2,047,145</u>	<u>(188,553)</u>	<u>(2,235,698)</u>
Net Change in fund balance	(219,153)	(267,370)	1,311,093	1,578,463
Fund balance, beginning	219,153	267,370	1,608,862	1,341,492
Fund balance, ended	<u>\$ -</u>	<u>-</u>	<u>2,919,955</u>	<u>2,919,955</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

BUDGETARY COMPARISON SCHEDULE - COAL SEVERANCE TAX FUND

Year Ended June 30, 2021

	Budgeted		Actual	Variance with Final Budget Favorable (Unfavorable)
	Orginial	Final		
Revenues				
Intergovernmental:				
State	\$ 10,000	10,000	7,466	(2,534)
Interest	60	60	53	(7)
Total revenues	10,060	10,060	7,519	(2,541)
Expenditures				
General government	15,060	14,685	4,209	10,476
Total expenditures	15,060	14,685	4,209	10,476
Net Change in fund balance	(5,000)	(4,625)	3,310	7,935
Fund balance, beginning	5,000	4,625	6,355	1,730
Fund balance, ended	\$ -	-	9,665	9,665

See independent auditor's report.

VILLAGE OF BARBOURSVILLE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2021

<u>Public Employees Retirement System (PERS)</u>								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Village's proportion of the net pension liability (asset) (percentage)	0.185132%	0.190619%	0.195906%	0.186764%	0.165549%	0.154598%	0.142491%	0.139698%
Village's proportionate share of the net pension liability (asset)	\$ 978,739	\$ 409,856	\$ 505,932	\$ 806,158	\$ 1,521,588	\$ 863,281	\$ 525,886	\$ 1,273,531
Village's covered-employee payroll	\$ 3,131,850	\$ 2,874,420	\$ 2,798,520	\$ 2,705,664	\$ 2,565,650	\$ 2,280,504	\$ 2,771,943	\$ 2,663,283
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.25%	14.26%	18.08%	29.80%	59.31%	37.85%	18.97%	47.82%
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%	79.70%

See independent auditor's report and notes to required supplementary information.

VILLAGE OF BARBOURSVILLE
SCHEDULE OF PENSION CONTRIBUTIONS

Year Ended June 30, 2021

Public Employees Retirement System (PERS)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 313,185	\$ 287,442	\$ 279,852	\$ 297,623	\$ 307,878	\$ 307,868	\$ 388,072	\$ 386,176
Contributions in relation to the contractually required contribution	<u>(313,185)</u>	<u>(287,442)</u>	<u>(279,852)</u>	<u>(297,623)</u>	<u>(307,878)</u>	<u>(307,868)</u>	<u>(388,072)</u>	<u>(386,176)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 3,131,850	\$ 2,874,420	\$ 2,798,520	\$ 2,705,664	\$ 2,565,650	\$ 2,280,504	\$ 2,771,943	\$ 2,663,283
Contributions as a percentage of covered-employee payroll	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%

See independent auditor's report and notes to required supplementary information.

VILLAGE OF BARBOURSVILLE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Retiree Health Benefit Trust (RHBT)</u>					
Village's proportion of the net OPEB (asset) liability	0.07462433%	0.07163194%	0.06873081%	0.04522700%	0.05598100%
Village's proportionate share of the net OPEB (asset) liability	\$ 329,609	\$ 1,188,469	\$ 1,474,575	\$ 1,112,133	\$ 1,390,186
Village's covered-employee payroll	\$ 3,131,850	\$ 2,874,420	\$ 2,798,520	\$ 2,705,664	\$ 2,565,650
Village's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	10.52%	41.35%	52.69%	41.10%	54.18%
Plan fiduciary net position as a percentage of the total pension (asset) liability	39.69%	39.69%	30.98%	21.64%	21.64%

See independent auditor's report and notes to required supplementary information.

VILLAGE OF BARBOURSVILLE
SCHEDULE OF OPEB CONTRIBUTIONS

Year Ended June 30, 2021

<u>Retiree Health Benefit Trust (RHBT)</u>					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 134,128	\$ 144,245	\$ 147,399	\$ 101,014	\$ 92,896
Contributions in relation to the contractually required contribution	<u>(134,128)</u>	<u>(144,245)</u>	<u>(147,399)</u>	<u>(101,014)</u>	<u>(92,896)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 3,131,850	\$ 2,874,420	\$ 2,798,520	\$ 2,705,664	\$ 2,565,650
Contributions as a percentage of covered-employee payroll	4.28%	5.02%	5.27%	3.73%	3.62%

See independent auditor's report and notes to required supplementary information.

VILLAGE OF BARBOURSVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2021

NOTE 1 PENSIONS

A. Presentation

The information presented in the schedule of proportionate share of the net pension liability and the schedule of pension contributions are only available for the fiscal years ended June 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014. The Village will be adding additional years to the accompanying schedules as information becomes available until a 10 year trend is achieved.

B. Changes in Benefit Terms

Under HB 3095, a minimum monthly benefit of \$750 was established for current pensioners as of June 3, 2019 who had completed at least 25 years of service. A corresponding minimum of \$375 was set for beneficiaries in pay status under the 50% joint-and-survivor annuity options were the original member had completed at least 25 years of services.

C. Changes in Assumptions

Mortality, withdrawal rates, disability rates, retirement rates, salary scales, and non-contributory service loads were changed to reflect the most recent experience study for June 1, 2013 through June 30, 2018.

NOTE 2 OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Presentation

The information presented in the schedule of proportionate share of the net OPEB liability and the schedule of OPEB contributions are only available for the fiscal years ended June 30, 2021, 2020, 2019, 2018 and 2017. The Village will be adding additional years to the accompanying schedules as information becomes available until a 10 year trend is achieved.

B. Changes in Benefit Terms

There were no changes in benefit terms as of the measurement date of June 30, 2020.

C. Changes in Assumptions

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

The assumption changes that most significantly impacted the total OPEB liability were as follows:

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Year Ended June 30, 2021

- 1) General/Price inflation – Decrease price inflation rate from 2.75% to 2.25%.
- 2) Discount Rate – Decrease discount rate from 7.15% to 6.65%.
- 3) Wage inflation – Decrease wage inflation rate from 4.00% to 2.75% for PERS and TRS, and 3.25% for Troopers.
- 4) OPEB Retirement – Develop explicit retirement rates for members who are eligible to retire with healthcare benefits and elect healthcare coverage.
- 5) Waived Annuitant Termination – Develop explicit waived termination rates for members who are eligible to retire with healthcare benefits but waive healthcare coverage.
- 6) SAL Conversion – Develop explicit SAL conversion rates for members who are eligible to convert sick and annual leave (SAL) balances at retirement and convert SAL balances into OPEB benefits.
- 7) Lapse/Re-entry – Develop net lapse/re-entry rates for members who either lapse coverage after electing healthcare coverage or elect healthcare coverage after waiving coverage.
- 8) Other demographic assumptions – develop termination, disability, and mortality rates based on experience specific to OPEB covered group.
- 9) Salary increase – develop salary increase assumptions based on experience specific to the OPEB covered group.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

VILLAGE OF BARBOURSVILLE
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Police Bond	City Drug	Convention and Visitors Bureau	Senior Center	Drug	Total Nonmajor Funds
ASSETS						
Cash and cash equivalents	\$ 22,361	12,161	350,840	133,331	55,079	573,772
Total assets	<u>\$ 22,361</u>	<u>12,161</u>	<u>350,840</u>	<u>133,331</u>	<u>55,079</u>	<u>573,772</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	-	54	1,039	3,910	5,003
Interfund payable	-	-	6,338	3,486	-	9,824
Total liabilities	-	-	6,392	4,525	3,910	14,827
Deferred Inflows:						
Taxes	-	-	-	-	-	-
Total deferred inflows	-	-	-	-	-	-
Total liabilities and deferred inflows	-	-	6,392	4,525	3,910	14,827
Fund Balances:						
Assigned	22,361	12,161	344,448	128,806	51,169	558,945
Total fund balances	<u>22,361</u>	<u>12,161</u>	<u>344,448</u>	<u>128,806</u>	<u>51,169</u>	<u>558,945</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 22,361</u>	<u>12,161</u>	<u>350,840</u>	<u>133,331</u>	<u>55,079</u>	<u>573,772</u>

See independent auditor's report.

VILLAGE OF BARBOURSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2021

	Police Bond	City Drug	Convention and Visitors Bureau	Senior Center	Drug	Total Nonmajor Funds
Revenues						
Charges for services	\$ 13,917	1,181	16,825	-	-	31,923
Interest	-	155	1,540	242	354	2,291
Miscellaneous	3,818	120	-	-	10,545	14,483
Total revenues	17,735	1,456	18,365	242	10,899	48,697
Expenditures						
Public safety	-	11,726	-	-	4,110	15,836
Culture and recreation	-	-	182,666	-	-	182,666
Social services	-	-	-	79,093	-	79,093
Total expenditures	-	11,726	182,666	79,093	4,110	277,595
Excess (deficiency) of revenues over/(under) expenditures	17,735	(10,270)	(164,301)	(78,851)	6,789	(228,898)
Other Financing Sources (Uses)						
Transfers in	-	-	249,588	180,000	-	429,588
Transfers (out)	(41,035)	-	-	-	-	(41,035)
Total other financing sources (uses)	(41,035)	-	249,588	180,000	-	388,553
Net change in fund balances	(23,300)	(10,270)	85,287	101,149	6,789	159,655
Fund balance, beginning, as restated	45,661	22,431	259,161	27,657	44,380	399,290
Fund balance, ended	\$ 22,361	12,161	344,448	128,806	51,169	558,945

See independent auditor's report.

VILLAGE OF BARBOURSVILLE
STATEMENT OF NET POSITION - COMPONENT UNIT

June 30, 2021

	Component Unit
	Sanitary
ASSETS	
Current assets:	
Cash	\$ 384,560
Accounts receivable, net	28,464
Restricted:	
Cash	149,458
Total current assets	562,482
Noncurrent assets:	
Capital assets:	
Nondepreciable	220,882
Depreciable, net	1,449,064
Total capital assets, net	1,669,946
Total noncurrent assets	1,669,946
Total assets	2,232,428
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	38,980
Related to OPEB	19,540
Total deferred outflows of resources	58,520
Total assets and deferred outflows of resources	2,290,948
LIABILITIES	
Current liabilities:	
Accounts payable	2,525
Due to primary government	17,671
Payable from restricted assets:	
Customer security deposits	50,180
Total current liabilities	70,376
Noncurrent liabilities:	
Compensated absences	11,613
Net pension liability	48,938
Net OPEB liability	19,776
Total noncurrent liabilities	80,327
Total liabilities	150,703
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	4,269
Related to OPEB	59,686
Total deferred inflows of resources	63,955
Total liabilities and deferred inflows of resources	214,658

See independent auditor's report and notes to the financial statements.

VILLAGE OF BARBOURSVILLE
STATEMENT OF NET POSITION - COMPONENT UNIT (CONTINUED)

June 30, 2021

	<u>Component Unit Sanitary</u>
NET POSITION	
Invested in capital assets, net of related debt	1,669,946
Restricted for:	
Working capital reserve	98,339
Customer deposits	51,119
Unrestricted	<u>256,886</u>
Total net position	<u>\$ 2,076,290</u>

See independent auditor's report and notes to the financial statements.

VILLAGE OF BARBOURSVILLE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - COMPONENT UNIT

Year Ended June 30, 2021

	Component Unit
	Sanitary
Operating revenues	
Sales and services to customers	\$ 1,006,415
Total operating revenues	1,006,415
Operating expenses	
Collecting	61,483
Pumping	113,860
Treatment and disposal	69,328
Meter reading, billing, collecting and accounting	107,976
Administrative and general	438,698
Depreciation	143,938
Total operating expenses	935,283
Total operating income (loss)	71,132
Nonoperating revenues (expenses)	
Interest income	2,899
Total nonoperating revenues (expenses)	2,899
Income (loss) before capital contributions	74,031
Capital contributions	8,224
Change in net position	82,255
Net position, beginning, as restated	1,994,035
Net position, ended	\$ 2,076,290

See independent auditor's report and notes to the financial statements.

VILLAGE OF BARBOURSVILLE
STATEMENT OF CASH FLOWS - COMPONENT UNIT

Year Ended June 30, 2021

	Component Unit
	Sanitary
Cash flows from operating activities	
Cash from operating revenues	\$ 994,182
Cash paid for operation and maintenance	(792,425)
Net cash provided (used) by operating activities	201,757
Cash flows non-capital financing activities	
Customer deposits received	2,539
Net cash provided (used) by non-capital financing activities	2,539
Cash flows capital and related financing activities	
Acquisition of capital assets	(2,475)
Contributed capital	8,224
Net cash provided (used) by capital and related financing activities	5,749
Cash flows from investing activities	
Investment earnings	2,899
Net cash provided (used) by investing activities	2,899
Net increase (decrease) in cash	212,944
Cash, beginning	321,074
Cash, ended	\$ 534,018
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (loss)	\$ 71,132
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	143,938
(Increase) decrease in accounts receivable	(12,233)
(Increase) decrease in deferred outflows of resources	(24,238)
Increase (decrease) in due to primary government	652
Increase (decrease) in accounts payable	436
Increase (decrease) in compensated absences	(4,123)
Increase (decrease) in net OPEB liability	(27,763)
Increase (decrease) in net pension liability	24,347
Increase (decrease) in deferred inflows of resources	29,609
	\$ 201,757

See independent auditor's report and notes to the financial statements.

VILLAGE OF BARBOURSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor Pass-through Entity Program or Cluster Title	Federal AL Number	Pass-through Grantor Identifying Number	Federal Expenditures
DEPARTMENT OF TRANSPORTATION			
Passed through the West Virginia Department of Transportation			
<u>Highway Planning and Construction Cluster</u>			
<u>Highway Planning and Construction</u>			
Highway Planning and Construction	20.205	F21-HS-02-DOHWZ	\$ 3,470
Total Highway Planning and Construction			<u>3,470</u>
Total Highway Planning and Construction Cluster			<u>3,470</u>
<i>Total Department of Transportation</i>			<u>3,470</u>
DEPARTMENT OF TRANSPORTATION			
Passed through the City of Huntington, WV			
<u>Highway Safety Cluster</u>			
<u>State and Community Highway Safety</u>			
State and Community Highway Safety	20.600	F21-HS-02-402	4,250
State and Community Highway Safety	20.600	F20-HS-02-402	<u>3,213</u>
Total State and Community Highway Safety			<u>7,463</u>
<u>National Priority Safety Programs</u>			
National Priority Safety Programs	20.616	F20-HS-02-405d	897
National Priority Safety Programs	20.616	F21-HS-02-405d	1,200
National Priority Safety Programs	20.616	F20-HS-02-405b	1,828
National Priority Safety Programs	20.616	F21-HS-02-405b	<u>1,570</u>
Total National Priority Safety Programs			<u>5,495</u>
Total Highway Safety Cluster			<u>12,958</u>
<i>Total Department of Transportation</i>			<u>12,958</u>
Other Programs			
EXECUTIVE OFFICE OF THE PRESIDENT			
Passed through the Financial Commission for Appalachia			
<u>High Intensity Drug Trafficking Areas Program</u>			
High Intensity Drug Trafficking Areas Program	95.001	G20/21-AP-0001A	<u>18,985</u>
Total High Intensity Drug Trafficking Areas Program			<u>18,985</u>
<i>Total Executive Office of the President</i>			<u>18,985</u>
UNITED STATES DEPARTMENT OF JUSTICE			
<u>Bulletproof Vest Partnership Program</u>			
Bulletproof Vest Partnership Program	16.607	N/A	<u>884</u>
Total Bulletproof Vest Partnership Program			<u>884</u>
<u>Edward Byrne Memorial Justice Assistance Grant Program</u>			
Passed through the West Virginia Department of Justice and Community Services			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19-JAG-04	15,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-JAG-03	<u>15,000</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>30,000</u>
<i>Total United States Department of Justice</i>			<u>30,884</u>

See independent auditor's report and notes to schedule of expenditures of federal awards.

VILLAGE OF BARBOURSVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended June 30, 2021

Federal Grantor Pass-through Entity Program or Cluster Title	Federal AL Number	Pass-through Grantor Identifying Number	Federal Expenditures
DEPARTMENT OF THE TREASURY			
Passed through the West Virginia Governor's Office			
Coronavirus Relief Fund			
COVID-19 - Coronavirus Relief Fund	21.019	WW Governors Office,N/A	783,381
Total Coronavirus Relief Fund			783,381
Total Department of the Treasury			783,381
Total Other Programs			833,250
Total Expenditures of Federal Awards			\$ 849,678

See independent auditor's report and notes to schedule of expenditures of federal awards.

VILLAGE OF BARBOURSVILLE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

NOTE 1 **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Village of Barboursville (the "Village") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Board.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

NOTE 3 **INDIRECT COST RATE**

The Village elected to use the 10 percent de minimus indirect cost rate allowed under Uniformed Guidance.

NOTE 4 **ASSISTANCE LISTING (CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA))**

Assistance Listing (AL) has replaced the Catalog of Federal Domestic Assistance (CFDA) for identifying federal programs.

See independent auditor's report.

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

The Honorable Mayor, Council and Recorder of the
Village of Barboursville
Barboursville, West Virginia 25504

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Barboursville (the "Village"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the 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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 determination

of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David L. Howell, CPA
Belle, West Virginia 25015
April 28, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor, Council and Recorder of the
Village of Barboursville
Barboursville, West Virginia 25504

Report on Compliance for Each Major Federal Program

We have audited the Village of Barboursville's (the "Village") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Village's major federal programs for the year ended June 30, 2021. The Village's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Village, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Village, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

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

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

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



David L. Howell, CPA
Belle, West Virginia 25015
April 28, 2022

VILLAGE OF BARBOURSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficienc(ies) identified that are not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficienc(ies) identified that is/are not considered to be material weakness(es)?	No

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?	No
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Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
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Did auditee qualify as low-risk auditee?	No
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Section II - Financial Statement Findings

No findings reported.

Section III - Federal Award Findings and Questioned Costs

No findings or questioned costs reported.

Section IV - Corrective Action Plan

NA

VILLAGE OF BARBOURSVILLE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2021

There were no findings reported in the prior year.