



OHIO AUDITOR OF STATE
KEITH FABER



**OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION
PIKE COUNTY
DECEMBER 31, 2022**

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**OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION
PIKE COUNTY
DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ohio Valley Regional Development Commission
Pike County
73 Progress Drive
Waverly, Ohio 45690

To the Executive Committee:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ohio Valley Regional Development Commission, Pike County, Ohio (Commission), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ohio Valley Regional Development Commission, Pike County, Ohio as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, during 2022 the Commission adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is 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 August 7, 2023, on our consideration of the Commission's internal control over financial reporting and 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 Commission'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 Commission's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
August 7, 2023

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Ohio Valley Regional Development Commission

Management's Discussion and Analysis

For the Year Ended December 31, 2022

(Unaudited)

The discussion and analysis of the Ohio Valley Regional Development Commission's (the Commission) financial performance provides an overall review of the Commission's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- Net position of governmental activities increased by \$477,453.
- General revenue accounted for \$128,009 or 7% of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$1,726,345 or 93% of total revenues of \$1,854,354.
- The Commission had \$1,193,993 in expenses and \$182,908 in indirect costs related to governmental activities; \$1,726,345 of these expenses and indirect costs were offset by program specific charges for services, grants, contributions, and interest. General revenues and beginning net position were sufficient to cover the remainder of the expenses and indirect costs.
- The General Fund, one of the Commission's major funds, had \$128,452 in revenues and \$62,909 in expenditures.

Using This Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Commission as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The statement of net position and statement of activities provide information about the activities of the whole agency, presenting both an aggregate view of the Commission's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the Commission's most significant funds with all other non-major funds presented in total in one column.

Reporting the Commission as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the Commission to provide programs and activities for citizens, the view of the Commission as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, and deferred inflows and outflows of resources using the accrual basis of accounting similar to the accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Commission's net position and changes in net position. This change in net position is important because it tells the reader whether, for the Commission as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the availability of federal and state grant funding, continued support from member governments, and other factors.

Ohio Valley Regional Development Commission
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

Reporting the Commission's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Commission's major funds. The Commission uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Commission's most significant funds. The Commission's major governmental funds are the General Fund, Economic Development Administration-Economic Development District Fund, Appalachian Regional Commission-Local Development District and Regional Work Plan Fund, Local Development District-Workforce Development Fund, Appalachian Regional Commission Contract Fund, ODOT Rural Transportation Planning Organization Fund, Economic Development Administration-Revolving Loan Fund, Economic Development Administration-CARES Act Revolving Loan Fund, and Appalachian Regional Commission-Revolving Loan Fund. The Commission has only governmental funds.

Governmental Funds – The Commission's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. 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 Commission's general operations and the basic services it provides. Governmental fund statements help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The Commission as a Whole

Recall that the statement of net position provides the perspective of the Commission as a whole. Table 1 provides a summary of the Commission's net position as of December 31, 2022, compared to December 31, 2021.

Table 1
Net Position

	2022	Restated 2021
Assets		
Current and Other Assets	\$736,773	\$613,646
Loans Receivable	1,856,766	1,574,965
Capital Assets, Net	747,005	773,242
Total Assets	3,340,544	2,961,853
Deferred Outflows of Resources	180,814	185,766
Liabilities		
Current and Other Liabilities	71,409	47,825
Long-Term Liabilities	516,573	737,377
Total Liabilities	587,982	785,202
Deferred Inflows of Resources	486,115	392,609

Ohio Valley Regional Development Commission

Management's Discussion and Analysis

For the Year Ended December 31, 2022

(Unaudited)

Table 1
Net Position (Continued)

	2022	2021
Net Position		
Net Investment in Capital Assets	\$557,229	\$561,743
Restricted	2,167,479	1,823,566
Unrestricted (Deficit)	(277,447)	(415,501)
Total Net Position	<u>\$2,447,261</u>	<u>\$1,969,808</u>

Total assets increased \$378,691. Loans receivable increased \$281,801 between years due primarily to \$459,500 in new loans being issued which was offset by \$177,699 for repayments received. There were no write-offs of existing loans during the year. Current and other assets increased \$123,127 due primarily to an increase in cash and cash equivalents. Capital assets, net decreased \$26,237 due to depreciation expense.

Deferred outflows of resources decreased \$4,952 due to decreases in actuarially-determined amounts related to the Commission's proportionate share of the state-wide net pension liability.

Total liabilities decreased \$197,220. Current and other liabilities increased by \$23,584 due primarily to increases in accounts payable. Long-term liabilities decreased \$220,804 due primarily to the decrease in the Commission's proportionate share of the state-wide net pension liability, which was partially offset by principal payments on the Commission's financed purchase agreement.

Deferred inflows of resources increased \$93,506 due to increases in actuarially-determined amounts related to the Commission's proportionate share of the state-wide net pension liability.

The net pension liability is the largest liability reported by the Commission at December 31, 2022 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The Commission also reports a net OPEB asset at December 31, 2022 pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of these financial statements will gain a clearer understanding of the Commission's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund the plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset to equal the Commission's proportionate share of the plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service,
2. Minus plan assets available to pay these benefits.

Ohio Valley Regional Development Commission

Management's Discussion and Analysis

For the Year Ended December 31, 2022

(Unaudited)

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Commission is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement system to provide healthcare to eligible benefit recipients. The retirement system may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Commission’s statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of the plan’s *change* in net pension liability and net OPEB liability asset, respectively, not accounted for as deferred inflows/outflows.

Table 2 shows the changes in net position for the year ended December 31, 2022, compared to the year ended December 31, 2021.

Table 2
Change in Net Position

	2022	2021
Revenues		
Program Revenues:		
Charges for Services	\$32,839	\$16,817
Operating Grants, Contributions and Interest	1,693,506	1,903,865
Total Program Revenues	1,726,345	1,920,682
General Revenues:		
Membership Fees	126,166	126,167
Investment Earnings	916	841
Miscellaneous	927	265
Total General Revenues	128,009	127,273
Total Revenues	1,854,354	2,047,955

Ohio Valley Regional Development Commission
Management's Discussion and Analysis
For the Year Ended December 31, 2022
(Unaudited)

Table 2
Change in Net Position
(Continued)

	2022	2021
Expenses		
Economic and Community Development	\$1,032,551	\$1,190,203
Transportation Planning	153,390	118,854
Indirect Costs	182,908	223,697
Debt Service:		
Interest and Fiscal Charges	8,052	8,535
Total Expenses	1,376,901	1,541,289
Change in Net Position	477,453	506,666
Net Position, Beginning of Year	1,969,808	1,463,142
Net Position, End of Year	\$2,447,261	\$1,969,808

Program revenues decreased \$194,337. The Commission saw a decrease in funding of certain programs, with the Economic Development Administration-CARES Act and PPE for Rural Stakeholders programs experiencing the most significant decreases. Charges for services increased between years due to increased contractual revenues. General revenues also remained relatively consistent between years.

Economic and community development activities account for 75 percent of total program expenses. These expenses decreased due primarily to the Commission's Economic Development Administration-CARES Act and PPE for Rural Stakeholders programs experiencing the significant decreases in funding. Transportation planning expenses account for 11 percent of total program expenses. These expenses increased by \$34,536, due to a reduction in the gain recognized for the net OPEB asset for the year. Indirect costs account for 14 percent of total program expenses. These costs decreased \$40,789 between years due to decreases in fringe benefits, travel, computer/networking, and desktop supplies costs. Interest expense accounts for less than 1 percent of program expenses and also remained relatively consistent between years.

The Commission's Funds

The Commission's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$1,925,977 and expenditures and other financing uses of \$1,592,419, resulting in an increase in total fund balance. The Commission's major funds were the General Fund, Economic Development Administration-Economic Development District Fund, Appalachian Regional Commission-Local Development District and Regional Work Plan Fund, Local Development District-Workforce Development Fund, Appalachian Regional Commission Contract Fund, ODOT Rural Transportation Planning Organization Fund, Economic Development Administration-Revolving Loan Fund, Economic Development Administration-CARES Act Revolving Loan Fund, and Appalachian Regional Commission-Revolving Loan Fund.

Fund balances changed most significantly in the Appalachian Regional Commission-Local Development District and Regional Work Plan and Economic Development Administration-CARES Act Revolving Loan Funds. The Appalachian Regional Commission-Local Development District and Regional Work Plan Fund carried a cash balance from prior years that was significantly utilized during the year, resulting in a significant decrease in fund balance. The Economic Development Administration-CARES Act Revolving Loan Funds received a large grant during the year that was used to issue \$389,500 in new revolving loans, resulting in a large increase in loans receivable and a corresponding increase in fund balance. Fund balances remained relatively consistent for all remaining major funds.

Ohio Valley Regional Development Commission

Management's Discussion and Analysis

For the Year Ended December 31, 2022

(Unaudited)

Capital Assets and Long-Term Debt

Capital Assets

At December 31, 2022, the Commission had \$747,005 invested in land, building and improvements, furniture and equipment, and intangible right to use leased assets. Table 3 shows the December 31, 2022 balances as compared to the December 31, 2021 balances.

Table 3
Capital Assets
(Net of Accumulated Depreciation)
Governmental Activities

	2022	Restated 2021
Land	\$62,500	\$62,500
Building and Improvements	655,916	672,110
Furniture and Equipment	8,528	12,553
Intangible Right to Use Leased Assets	20,061	26,079
Net Capital Assets	<u>\$747,005</u>	<u>\$773,242</u>

Changes in capital assets from the prior year resulted from depreciation expense during 2022. See note 6 of the notes to the basic financial statements for more detailed information on the Commission's capital assets.

Long-Term Liabilities

The Commission has one outstanding financed purchase, with a balance of \$169,159 at year-end, \$14,248 due within one year. The Commission also has two leases payable outstanding in the total amount of \$20,617, \$5,736 due within one year. These leases are for the intangible right to use leased assets for office equipment. See note 10 of the notes to the basic financial statements for additional information on long-term liabilities.

Economic Factors

The Commission is currently operating within its means. However, the Commission's ability to attract administrative and program funds for its projects is heavily dependent upon the federal and state governments and the availability of grant funds. Nearly all of the Commission's funds come from federal and state grants. The Commission operates within a designated twelve-county area of Southern Ohio. Loans made through the revolving loan funds are to businesses within this area. The ability of borrowers to repay these loans is largely contingent upon the business economy in the twelve-county area.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Juanita Bragg, Finance Director, 73 Progress Drive, Waverly, Ohio 45690.

Ohio Valley Regional Development Commission
Statement of Net Position
December 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$114,037
Loans Receivable	1,856,766
Interest Receivable	8,280
Grants/Contracts Receivable	257,863
Prepaid Items	20,017
Restricted Assets:	
Temporarily Restricted:	
Cash and Cash Equivalents	231,993
Net OPEB Asset	104,583
Nondepreciable Capital Assets	62,500
Depreciable Capital Assets, Net	684,505
 Total Assets	 3,340,544
Deferred Outflows of Resources	
Pension	167,815
OPEB	12,999
 Total Deferred Outflows of Resources	 180,814
Liabilities	
Accounts Payable	63,065
Accrued Wages and Fringe Benefits	8,334
Intergovernmental Payable	10
Long-Term Liabilities:	
Due Within One Year	34,697
Due in More Than One Year	169,792
Net Pension Liability	312,084
 Total Liabilities	 587,982
Deferred Inflows of Resources	
Pension	378,057
OPEB	108,058
 Total Deferred Inflows of Resources	 486,115
Net Position	
Net Investment in Capital Assets	557,229
Restricted For:	
Loans	1,856,766
Other Purposes	310,713
Unrestricted (Deficit)	(277,447)
 Total Net Position	 \$2,447,261

See the accompanying notes to the basic financial statements.

Ohio Valley Regional Development Commission
Statement of Activities
For the Year Ended December 31, 2022

	Expenses	Indirect Costs	Program Revenues		Net Revenues (Expenses) and Changes in Net Position
			Charges for Services	Operating Grants, Contributions and Interest	
Governmental Activities					
Economic and Community Development	\$1,032,551	\$146,285	\$32,839	\$1,484,626	\$338,629
Transportation Planning	153,390	36,623	0	208,880	18,867
Debt Service:					
Interest and Fiscal Charges	8,052	0	0	0	(8,052)
Total Governmental Activities	\$1,193,993	\$182,908	\$32,839	\$1,693,506	349,444
General Revenue					
Membership Fees					126,166
Investment Earnings					916
Miscellaneous					927
Total General Revenues Change in Net					128,009
Position					477,453
Net Position, Beginning of Year					1,969,808
Net Position, End of Year					\$2,447,261

See the accompanying notes to the basic financial statements.

Ohio Valley Regional Development Commission
Balance Sheet
Governmental Funds
December 31, 2022

	General	Economic Development Administration-Economic Development District	Appalachian Regional Commission-Local Development District and Regional Work Plan	Local Development District-Workforce Development	Appalachian Regional Commission Contract	ODOT Rural Transportation Planning Organization	Economic Development Administration-Revolving Loan	Economic Development Administration-CARES Act Revolving Loan	Appalachian Regional Commission-Revolving Loan	Other Governmental Funds	Total Governmental Funds
Assets											
Equity in Pooled Cash and Cash Equivalents	\$51,089	\$0	\$0	\$0	\$0	\$0	\$2,154	\$0	\$40,477	\$20,317	\$114,037
Loans Receivable	0	0	0	0	0	0	424,543	440,746	795,981	195,496	1,856,766
Interest Receivable	0	0	0	0	0	0	1,178	5,324	1,499	279	8,280
Interfund Receivable	198,060	0	0	0	0	0	0	0	0	0	198,060
Grants/Contracts Receivable	0	33,172	48,606	0	80,194	65,158	0	0	0	30,733	257,863
Prepaid Items	14,277	1,635	2,803	0	0	936	47	272	47	0	20,017
Restricted Cash and Cash Equivalents	0	0	0	0	0	0	83,717	21,940	104,053	22,283	231,993
Total Assets	\$263,426	\$34,807	\$51,409	\$0	\$80,194	\$66,094	\$511,639	\$468,282	\$942,057	\$269,108	\$2,687,016
Liabilities											
Accounts Payable	\$3,865	\$7,981	\$81	\$0	\$46,111	\$5,000	\$0	\$27	\$0	\$0	\$63,065
Accrued Wages and Fringe Benefits	4,979	1,454	732	0	0	835	114	15	205	0	8,334
Intergovernmental Payable	10	0	0	0	0	0	0	0	0	0	10
Interfund Payable	0	26,037	53,302	0	34,230	61,088	533	1,692	1,724	19,454	198,060
Total Liabilities	8,854	35,472	54,115	0	80,341	66,923	647	1,734	1,929	19,454	269,469
Fund Balances											
Nonspendable	14,277	1,635	2,803	0	0	936	47	272	47	0	20,017
Restricted	0	0	0	0	0	0	510,945	466,276	940,081	249,811	2,167,113
Unassigned (Deficit)	240,295	(2,300)	(5,509)	0	(147)	(1,765)	0	0	0	(157)	230,417
Total Fund Balances	254,572	(665)	(2,706)	0	(147)	(829)	510,992	466,548	940,128	249,654	2,417,547
Total Liabilities and Fund Balances	\$263,426	\$34,807	\$51,409	\$0	\$80,194	\$66,094	\$511,639	\$468,282	\$942,057	\$269,108	\$2,687,016

See the accompanying notes to the basic financial statements.

Ohio Valley Regional Development Commission
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2022*

Fund Balances - Total Governmental Funds	\$2,417,547
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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 therefore are not reported in the funds.	747,005
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The net pension/OPEB liability (asset) is not due and payable in the current period. Therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows-Pension	167,815	
Deferred Outflows-OPEB	12,999	
Deferred Inflows-Pension	(378,057)	
Deferred Inflows-OPEB	(108,058)	
Net OPEB Asset	104,583	
Net Pension Liability	<u>(312,084)</u>	(512,802)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Financed Purchase	(169,159)	
Leases Payable	(20,617)	
Compensated Absences	<u>(14,713)</u>	(204,489)

Net Position of Governmental Activities	<u><u>\$2,447,261</u></u>
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See the accompanying notes to the basic financial statements.

Ohio Valley Regional Development Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2022

	General	Economic Development Administration-Economic District	Appalachian Regional Commission-Local Development District and Regional Work Plan	Local Development District-Workforce Development	Appalachian Regional Commission Contract	ODOT Rural Transportation Planning Organization	Economic Development Administration-Revolving Loan	Economic Development Administration-CARES Act Revolving Loan	Appalachian Regional Commission-Revolving Loan	Other Governmental Funds	Total Governmental Funds
Revenues											
Intergovernmental	\$0	\$105,227	\$371,611	\$293,165	\$137,981	\$208,880	\$0	\$400,454	\$0	\$132,481	\$1,649,799
Membership Fees	126,166	0	0	0	0	0	0	0	0	0	126,166
Interest	916	0	0	0	0	0	9,981	6,971	22,480	4,275	44,623
Fees	1,370	0	0	0	18,102	0	0	350	500	12,517	32,839
Miscellaneous	0	0	0	0	0	0	0	0	0	927	927
Total Revenues	128,452	105,227	371,611	293,165	156,083	208,880	9,981	407,775	22,980	150,200	1,854,354
Expenditures:											
Current:											
Economic and Community Development:											
Personnel	111,516	54,628	217,339	0	13,588	0	1,523	5,406	7,322	20,708	432,030
Fringe Benefits	38,018	21,589	65,302	0	5,608	0	920	3,041	4,243	7,166	145,887
Travel	1,581	3,999	10,956	0	608	0	27	170	321	413	18,075
Supplies	4,681	565	2,542	0	0	0	0	0	0	397	8,185
Contractual	15,479	31,600	0	296,374	127,162	0	1,829	0	1,829	108,037	582,310
Other	72,736	11,403	23,747	0	1,885	0	826	1,295	1,864	301	114,057
Transportation Planning:											
Personnel	0	0	0	0	0	66,200	0	0	0	0	66,200
Fringe Benefits	0	0	0	0	0	40,414	0	0	0	0	40,414
Travel	0	0	0	0	0	3,394	0	0	0	0	3,394
Supplies	0	0	0	0	0	3,863	0	0	0	0	3,863
Contractual	0	0	0	0	0	69,899	0	0	0	0	69,899
Other	0	0	0	0	0	6,707	0	0	0	0	6,707
Indirect Costs	(182,908)	26,165	96,518	0	6,585	36,623	841	2,905	3,973	9,298	0
Debt Service:											
Principal Retirement	1,318	2,939	11,102	0	574	4,179	74	253	402	882	21,723
Interest and Fiscal Charges	488	1,089	4,113	0	213	1,550	27	94	149	329	8,052
Total Expenditures	62,909	153,977	431,619	296,374	156,223	232,829	6,067	13,164	20,103	147,531	1,520,796
Revenues Over (Under) Expenditures	65,543	(48,750)	(60,008)	(3,209)	(140)	(23,949)	3,914	394,611	2,877	2,669	333,558
Other Financing Sources (Uses)											
Transfers In	0	48,182	0	0	0	23,209	0	232	0	0	71,623
Transfers Out	(71,623)	0	0	0	0	0	0	0	0	0	(71,623)
Total Other Financing Sources (Uses)	(71,623)	48,182	0	0	0	23,209	0	232	0	0	0
Net Change in Fund Balances	(6,080)	(568)	(60,008)	(3,209)	(140)	(740)	3,914	394,843	2,877	2,669	333,558
Fund (Deficit) Balances, Beginning of Year	260,652	(97)	57,302	3,209	(7)	(89)	507,078	71,705	937,251	246,985	2,083,989
Fund (Deficit) Balances, End of Year	\$254,572	(\$665)	(\$2,706)	\$0	(\$147)	(\$829)	\$510,992	\$466,548	\$940,128	\$249,654	\$2,417,547

See the accompanying notes to the basic financial statements.

Ohio Valley Regional Development Commission
*Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022*

Net Change in Fund Balances - Total Governmental Funds \$333,558

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation (26,237)

Repayments of financed purchase and leases payable principal are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position and do not result in an expense in the statement of activities. 21,723

Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.

Pension 75,727

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense in the statement of activities.

Pension (1,368)
OPEB 69,757

Some expenses reported in the statement of activities do not require the use of current financial resources when due.

Decrease in Compensated Absences 4,293

Change in Net Position of Governmental Activities \$477,453

See the accompanying notes to the basic financial statements.

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Ohio Valley Regional Development Commission (the Commission) is a regional planning and economic development agency which coordinates federal, state and local resources to encourage development in 12 southern Ohio counties: Adams, Brown, Clermont, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto and Vinton.

Established in 1967 as a not-for-profit corporation, the Commission was designated by the State of Ohio in 1977 as a Regional Planning and Development Organization under Ohio Revised Code Section 1702.01, et. seq., and Section 713.21. The Commission also serves as a Local Development District for the Appalachian Regional Commission; an Economic Development District for the U.S. Department of Commerce, Economic Development Administration; and a Regional Transportation Planning Organization for the Ohio Department of Transportation.

The Commission is governed by a Full Commission of more than 167 officials who meet semi-annually. Members include representatives of county and local governments, social agencies, minorities and the private sector. The aggregate membership from each county is referred to as a County Caucus.

Routine oversight of the Commission is provided by an Executive Committee with representation from all 12 member counties from both the public and private sectors, including the mayor or an elected representative from one city in each county in the region having at least 5,000 population within the region based on the latest decennial U.S. Census; and the business, education and minority community. The Executive Committee's monthly meetings are open to the public.

The Commission receives financial support from a combination of federal and state grants and local service contracts. Member counties also pay annual contributions to the Commission, with contributions based on each county's estimated population according to the Bureau of the Census.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus-An Amendment to GASB Statements No. 14 and 34." The financial statements include all organizations, activities, and functions that comprise the Commission. Component units are legally separate entities for which the Commission (the primary government) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Commission's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Commission. Using these criteria, the Commission has no component units.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

During the fiscal year, the Commission segregates transactions related to certain Commission functions or activities into separate funds (projects) in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Commission at this more detailed level. The focus of governmental fund financial statements is reporting on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when payable from current resources.

Grants and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Commission receives cash.

Fund Accounting

The Commission uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Commission only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities, and deferred inflows and outflows of resources is reported as fund balance.

The Commission reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the Commission except those required to be accounted for in another fund. The General Fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio and the bylaws of the Commission.

Economic Development Administration-Economic Development District – This fund accounts for an Economic Development District grant to provide funding to the Commission to serve as the area's economic development district.

Appalachian Regional Commission-Local Development District and Regional Work Plan Fund – This fund accounts for an Appalachian Regional Commission grant used to provide funding for the Commission serving as a Local Development District for the region.

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Local Development District-Workforce Development Fund – This fund accounts for grant revenue from the Ohio Development Services Agency for the purpose of administering regional job training programs.

Appalachian Regional Commission Contract Fund – This fund accounts for grants awarded to entities from the Appalachian Regional Commission in which the Commission has been assigned as administrator.

ODOT Rural Transportation Planning Organization Fund – This fund accounts for resources from the Ohio Department of Transportation to fund an RTPO program to enhance project prioritization and improve the overall statewide transportation planning process by strengthening its preexisting partnerships with rural planning agencies.

Economic Development Administration-Revolving Loan Fund – This fund accounts for loans which offer gap financing for small businesses seeking to start up or expand in the district. Initial funding for the revolving loan fund came from grants from the Economic Development Administration.

Economic Development Administration-CARES Act Revolving Loan Fund – This fund accounts for loans which offer financing to small businesses in an effort to help alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic. Initial funding for the revolving loan fund came from a grant from the Economic Development Administration.

Appalachian Regional Commission-Revolving Loan Fund – This fund offers gap financing for small businesses seeking to start up or expand in the district. Initial funding for the revolving loan fund came from grants from the Appalachian Regional Commission.

The other governmental funds of the Commission account for grants and other resources whose use is restricted to a particular purpose.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Commission, available means expected to be received within 60 days of fiscal year-end.

Nonexchange transactions, in which the Commission receives value without directly giving equal value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Cash, Cash Equivalents, and Investments

To improve cash management, all cash received by the Commission is pooled, with exceptions required by grant agreements. Monies for most funds are maintained in this pool. Individual fund integrity is maintained through the Commission's records. Interest in the pool is presented at "equity in pooled cash and cash equivalents" on the financial statements.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Commission are presented on the financial statements as "investments." The Commission had no investments as of December 31, 2022.

The Ross County Treasurer holds cash on behalf of the Commission within its cash and investment pool from which the Commission may withdraw in accordance with its by-laws. This balance is reported as "cash with fiscal agents" on the financial statements. Ross County held \$0 in cash for the Commission as of December 31, 2022.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets on the financial statements represent cash balances that are required to be segregated from the Commission's cash and cash equivalent pool by grant agreements.

Interfund Transactions

During the course of normal operations, the Commission has transactions between funds. On the governmental funds balance sheet, receivables and payables resulting from short-term interfund loans are classified as an "interfund receivable" or an "interfund payable". These amounts are eliminated on the statement of net position.

The statements report transfers between funds as revenues in the seller funds and as expenditures in the purchasing funds. Subsidies from one fund to another without requirement for repayment are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs. Transfers among governmental activities are eliminated in the government-wide statement of activities.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as contributions awarded on a nonreimbursement basis, are recorded as receivables and revenues when measurable and available.

Capital Assets

General capital assets consist primarily of land, building and improvements, office furnishings, and equipment, and generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Commission maintains a capitalization threshold of \$5,000. The Commission does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Lives</u>
Building and Improvements	50 years
Furniture and Equipment	5 years

Amortization of intangible right to use leased assets is computed using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – This fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Commission's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by the Commission's Board.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows and outflows of resources in the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by Commission legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Commission applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. None of the Commission's restricted net position is restricted by enabling legislation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has deferred outflows of resources related to pensions and other postemployment benefits, which are further discussed in notes 4 and 5.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has deferred inflows of resources related to pensions and other postemployment benefits, which are further discussed in notes 4 and 5.

Unearned Revenue

The Commission reports unearned revenue on the government-wide and fund financial statements when monies have been received prior to being earned. The Commission reported no unearned revenue at December 31, 2022.

Budgetary Process

Although a legal budget is not required, nor is a budgetary statement, budgets for expenditure of federal grants are submitted to and approved by the federal government agencies at the time the grants are awarded.

The Commission's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ended December 31st.

The Commission's primary funding sources are federal and state grants which have grant periods that may or may not coincide with the Commission's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Because of the Commission's dependency of federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Commission's annual budget differs from that of most local governments in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimates;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

Management utilizes budgets for monitoring financial activity, but budgets are not formally approved by the Board. Therefore, budgetary comparison schedules are not presented.

Cost Allocation

Uniform Guidance (2 CFR 200) provides for the establishment of cost pools which are to be distributed over the benefiting activity in some rational and equitable manner. The concept of indirect costs is introduced and defined as follows in Uniform Guidance (2 CFR 200): "Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited without effort disproportionate to the results achieved."

Uniform Guidance (2 CFR 200) also provides options for the allocation of indirect costs accumulated in an indirect cost pool.

The Commission chose the direct salary cost method because management has determined that this is the most equitable allocation method. Management and administrative salaries and indirect costs are allocated to the various programs using the actual rate as determined by the method shown in the Commission's cost allocation plan. The Commission's indirect cost rate for 2022 was 38.6843%.

Compensated Absences

The Commission reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

Vacation time benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported in the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The Commission had no matured compensated absences payable at December 31, 2022.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension and OPEB liabilities that will be paid from governmental funds are reported

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Financed purchases are recognized as a liability on the fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Note 2 – Deposits and Investments

The deposits and investments of the Commission are governed by provisions of the Ohio Revised Code. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. The statutes also permit the Commission to invest monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer’s investment pool (STAR Ohio) and obligations of the United States government or certain agencies thereof. The Commission may also enter into repurchase agreements with any eligible depository for a period not exceeding 30 days. Public depositories must give security for all public funds on deposit. Deposits are either insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Commission, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require that securities maintained for public deposits and investments be held in the Commission’s name. The Commission is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a “derivative”). The Commission is also prohibited from investing in reverse repurchase agreements.

Cash with Fiscal Agents

The Ross County Treasurer holds cash on behalf of the Commission within its cash and investment pool from which the Commission may withdraw in accordance with its by-laws. The amount held by the Ross County Treasurer at December 31, 2022 was \$0.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Commission will not be able to recover deposits or collateral securities that are in the possession of an outside party. The bank balance of \$373,610 at December 31, 2022 was covered by either federal depository insurance or OPCS.

The Commission has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the Commission and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Note 3 – Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains commercial insurance covering each of the above risks of loss.

During 2022, the Commission contracted with Western Reserve for building, business personal property insurance, business automobiles, liability and medical expense coverage. Business personal property is insured with varying coverage dependent upon the specific property.

The office building is insured up to \$866,500. The Commission also has a fire legal liability limit of \$50,000 in place. Business personal property coverage is insured up to \$161,000. Business automobiles are insured up to \$1,000,000 per accident. Liability and medical coverage has a \$1,000,000 per occurrence and \$2,000,000 aggregate limit.

Professional and general liability is protected by the Old Republic Insurance Company with a \$1,000,000 single occurrence and aggregate limit with a \$5,000 deductible per claim.

The Commission pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the Commission. Settled claims have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

Note 4 – Defined Benefit Pension Plan

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the statement of net position represents a liability to (asset for) employees for pensions/OPEB. Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents the Commission's proportionate share of the pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Commission's obligation for this liability to annually required payments. The Commission cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Commission does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement system may allocate a portion of the employer contributions to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement system to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, the retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement system to provide health care to eligible benefit recipients.

The proportionate share of the plan's unfunded benefits is presented as a long-term *net pension liability* or *net OPEB liability* on the financial statements. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on the financial statements.

The remainder of this note includes the pension disclosures. See note 5 for the OPEB disclosures.

Ohio Public Employees Retirement System

Plan Description - Commission employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS annual comprehensive financial report referenced above for additional information, including requirements for reduced and unreduced benefits):

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

	<u>State and Local</u>
<i>Statutory Maximum Contribution Rates</i>	
Employer	14.0 %
Employee*	10.0 %
 <i>Actual Contribution Rates</i>	
Employer:	
Pension**	14.0 %
Post-Employment Health Care Benefits**	<u>0.0</u>
 Total Employer	 <u>14.0 %</u>
 Employee	 <u>10.0 %</u>

*Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Commission's contractually required contribution was \$75,727 for 2022.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of the respective measurement date. The Commission's proportion of the net pension liability (asset) was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Proportionate Share of the Net Pension Liability:	
Current Measurement Date	0.00358700%
Prior Measurement Date	<u>0.00342300%</u>
 Change in Proportionate Share	 <u>0.00016400%</u>
 Proportionate Share of the:	
Net Pension Liability	\$312,084
Pension Expense	1,368

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Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

At December 31, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Deferred Outflows of Resources</i>	
Differences between expected and actual experience	\$15,910
Changes of assumptions	39,025
Changes in proportion and differences between Commission's contributions and proportionate share of contributions	37,153
Commission contributions subsequent to the measurement date	<u>75,727</u>
Total Deferred Outflows of Resources	<u>\$167,815</u>
<i>Deferred Inflows of Resources</i>	
Differences between expected and actual experience	\$6,844
Net difference between projected and actual earnings on pension plan investments	<u>371,213</u>
Total Deferred Inflows of Resources	<u>\$378,057</u>

\$75,727 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement dates as of December 31, 2022 will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension for the year ended December 31, 2022 will be recognized in pension expense as follows:

Year Ending December 31:	
2023	(\$17,742)
2024	(121,890)
2025	(87,286)
2026	<u>(59,051)</u>
Total	<u>(\$285,969)</u>

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable

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For the Year Ended December 31, 2022

being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or AdHoc COLA:		
Pre-January 7, 2013 retirees:	3 percent, simple	3 percent, simple
Post-January 7, 2013 retirees:	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 retirees:	3 percent, simple	3 percent, simple
Post-January 7, 2013 retirees:	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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For the Year Ended December 31, 2022

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

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For the Year Ended December 31, 2022

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	\$822,822	\$312,084	(\$112,919)

Note 5 – Postemployment Benefits

See note 4 for a description of the net pension liability (asset).

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022,

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For the Year Ended December 31, 2022

with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' annual comprehensive financial report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the traditional pension plan and combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Commission's contractually required contribution was \$0 for 2022.

OPEB Liabilities (Assets), OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Commission's proportion of the net OPEB liability (asset) was based on the Commission's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

Proportionate Share of the Net OPEB Liability (Asset):	
Current Measurement Date	0.003339%
Prior Measurement Date	<u>0.003188%</u>
Change in Proportionate Share	<u>0.0001510%</u>
Proportionate Share of the:	
Net OPEB Asset	(\$104,583)
OPEB Expense (Gain)	(69,757)

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At December 31, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	
Changes in proportion and differences between Commission contributions and proportionate share of contributions	<u>\$12,999</u>
Total Deferred Outflows of Resources	<u><u>\$12,999</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$15,866
Net difference between projected and actual earnings on OPEB plan investments	49,857
Changes of assumptions	<u>42,335</u>
Total Deferred Inflows of Resources	<u><u>\$108,058</u></u>

\$0 reported as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2023. 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 Ending December 31:	
2023	(\$54,524)
2024	(22,478)
2025	(10,895)
2026	<u>(7,162)</u>
Total	<u><u>(\$95,059)</u></u>

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

Ohio Valley Regional Development Commission

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For the Year Ended December 31, 2022

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.5 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

the Board’s investment consultant. For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) 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 that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Commission’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Commission’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Commission’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Commission's proportionate share of the net OPEB asset	(\$61,504)	(\$104,583)	(\$140,338)

Sensitivity of the Commission’s Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Commission's proportionate share of the net OPEB asset	(\$105,713)	(\$104,583)	(\$103,242)

Note 6 – Capital Assets

Capital asset activity for the Commission for the year ended December 31, 2022 was as follows:

	Restated Balance 12/31/21	Additions	Disposals	Balance 12/31/22
Nondepreciable Capital Assets:				
Land	\$62,500	\$0	\$0	\$62,500
Total Nondepreciable Capital Assets	62,500	0	0	62,500
Capital Assets, Being Depreciated:				
Building and Improvements	809,708	0	0	809,708
Furniture and Equipment	107,794	0	(13,074)	94,720
Intangible Right to Use Leased Assets	26,079	0	0	26,079
Total Capital Assets Being Depreciated	943,581	0	(13,074)	930,507
Less Accumulated Depreciation For:				
Building and Improvements	(137,598)	(16,194)	0	(153,792)
Furniture and Equipment	(95,241)	(4,025)	13,074	(86,192)
Intangible Right to Use Leased Assets	0	(6,018)	0	(6,018)
Total Accumulated Depreciation	(232,839)	(26,237)	13,074	(246,002)
Total Capital Assets Being Depreciated	710,742	(26,237)	0	684,505
Total Capital Assets, Net	\$773,242	(\$26,237)	0	\$747,005

Of the current year depreciation total of \$26,237, \$6,018 is presented as various expenses on the statement of activities related to the Commission's intangible copier and postage machine assets, which are included as an Intangible Right to Use Leased Assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset. See note 13 for additional information.

\$1,567 of depreciation expense was allocated to transportation planning expense on the statement of activities. The remainder was allocated to economic and community development expense.

Note 7 – Deferred Compensation

Commission employees may participate in the Ohio Public Employees Deferred Compensation Plan. The Plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis.

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

The Plan permits deferral of compensation until future years. According to the Plan, deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

Note 8 – Interfund Activity

The Commission had the following interfund transfers during the year ended December 31, 2022.

	Transfers	
	Out	Transfers In
<i>Major Funds:</i>		
General	\$71,623	\$0
EDA-Economic Development District	0	48,182
ODOT-Rural Transportation Planning Organization	0	23,209
EDA-CARES Act RLF	0	232
Total All Funds	\$71,623	\$71,623

The General Fund provided funds to the EDA-Economic Development District Fund, ODOT Rural Transportation Planning Organization Fund, and EDA CARES Act RLF Fund as matching funds in accordance with grant agreements.

The Commission had the following interfund receivables and payables at December 31, 2022.

	Receivables	Payables
	<i>Major Funds:</i>	
General	\$198,060	\$0
EDA – Economic Development District	0	26,037
ARC – Local Development District	0	53,302
ARC Contracts	0	34,230
ODOT Rural Transportation Planning Organization	0	61,088
EDA – Revolving Loan Fund	0	533
EDA – CARES Act Revolving Loan Fund	0	1,692
ARC – Revolving Loan	0	1,724
<i>Nonmajor Funds:</i>		
EDA – CARES Act	0	80
EDA Contracts	0	18,962
NRAC Administration	0	77
USDA Revolving Loan	0	335
Total Nonmajor Funds	0	19,454
Total All Funds	\$198,060	\$198,060

Interfund receivables and payables exist because obligations of other funds were paid by the General Fund in anticipation of receipt of grants or other funds after year-end.

Note 9 – Contingencies

Grants

The Commission receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

disallowed claims will not have a material adverse effect on the overall financial position of the Commission at December 31, 2022.

Litigation

The Commission is not currently party to legal proceedings.

Note 10 – Long-Term Liabilities

Changes in the Commission’s long-term obligations during 2022 were as follows:

	Restated Amount Outstanding 12/31/21	Additions	Deductions	Amount Outstanding 12/31/22	Due Within One Year
<i>Governmental Activities:</i>					
Financed Purchase	\$185,420	\$0	(\$16,261)	\$169,159	\$14,248
Leases Payable	26,079	0	(5,462)	20,617	5,736
Compensated Absences	19,006	78,466	(82,759)	14,713	14,713
Net Pension Liability	506,872	0	(194,788)	312,084	0
Total	\$737,377	\$78,466	(\$299,270)	\$516,573	\$34,697

Beginning amounts have been restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, “Leases”. See note 13 for additional information.

The financed purchase and lease obligations will be paid from various funds in accordance with the Commission’s cost allocation plan. Compensated absences will be paid from the funds from which employees’ salaries are paid. The Commission pays obligations related to employee compensation from the fund benefitting from their service.

Financed Purchase

The Commission entered into a lease purchase agreement on November 27, 2012 to finance the construction of a building. The proceeds from this lease were received in 2013 in the amount of \$300,000. This agreement meets the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. Principal payments in 2022 totaled \$16,261.

The agreement provides for minimum annual financed purchase payments as follows:

Year	Principal	Interest
2023	\$14,248	\$5,221
2024	16,073	5,166
2025	16,645	4,594
2026	17,237	4,002
2027	17,850	3,389
2028-2032	87,106	7,060
Total	\$169,159	\$29,432

If the Commission is in default of the lease purchase agreement of more than ten (10) days after written notice from the Southern Ohio Diversification Initiative (SODI) (provided, however, that SODI shall not be required to give such written notice more than twice during any year) or if the Commission shall default on any of the other covenants within the lease purchase agreement, and should such default continue for thirty (30) days after receipt by the Commission of written notice thereof (or if the default is of such nature as to require more than thirty (30) days, and

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

the Commission fails to use reasonable diligence in curing such default) then SODI may, at any time after such default, reenter and take possession of the building being leased without such reentry working a forfeiture of the payments to be paid and the covenants, agreements, and conditions to be kept and performed by the Commission for the full term of the lease purchase agreement and, in such event, SODI shall have the right to relet the same for such periods of time and at such rentals and for such use and upon such covenants and conditions as SODI may reasonably elect. Nothing contained within the lease purchase agreement shall limit the right of SODI to pursue any remedy available pursuant to applicable law.

Leases Payable

In February 2021, the Commission entered into a lease agreement for a Xerox Work Center copier. The terms of this lease call for 60 monthly payments of \$392 beginning in May 2021 and ending April 2026. Additionally, the equipment can be purchased at fair market value at the end of the lease. In May 2021, the Commission entered into a lease agreement with Pitney Bowes for a postage machine. The terms of the lease call for 60 monthly payments of \$172 beginning in July 2021 and ending June 2026. In accordance with GASB Statement No. 87, these leases have met the criteria of leases thus requiring them to be recorded by the Commission. Lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds.

The agreements provide for minimum annual lease payments as follows:

Year	Principal	Interest
2023	\$5,736	\$1,030
2024	6,022	744
2025	6,323	443
2026	2,536	63
Total	\$20,617	\$2,280

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	EDA- Economic Development District	ARC- LDDRWP	LDD- WD	ARC Contracts	ODOT- RTPO
<i>Nonspendable</i>						
Prepays	\$14,277	\$1,635	\$2,803	\$0	\$0	\$936
<i>Restricted</i>						
RFL Programs	0	0	0	0	0	0
Community Development Administration	0	0	0	0	0	0
Total Restricted	0	0	0	0	0	0
<i>Unassigned (Deficit)</i>	240,295	(2,300)	(5,509)	0	(147)	(1,765)
Total Fund Balances	\$254,572	(\$665)	(\$2,706)	\$0	(\$147)	(\$829)

Ohio Valley Regional Development Commission

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

	EDA- RLF	EDA- CARES Act RLF	ARC- RLF	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>					
Prepays	\$47	\$272	\$47	\$0	\$20,017
<i>Restricted</i>					
RFL Programs	510,945	466,276	940,081	225,627	2,142,929
Community Development Administration	0	0	0	24,184	24,184
Total Restricted	510,945	466,276	940,081	249,811	2,167,113
<i>Unassigned (Deficit)</i>	0	0	0	(157)	230,417
Total Fund Balances	\$510,992	\$466,548	\$940,128	\$249,654	\$2,417,547

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Commission received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Commission. The impact on the Commission's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Commission's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

Note 13 – New Accounting Pronouncement

For fiscal year 2022, the Commission implemented GASB Statement No. 87, "Leases". GASB Statement 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 right to use an underlying asset. These changes were incorporated in the Commission's fiscal year 2022 financial statements.

The restatement for the implementation of GASB No. 87 had the following effect on net position as of December 31, 2021:

Net Position, As Reported, December 31, 2021	Governmental Activities <u>\$1,969,808</u>
<i>Adjustments:</i>	
GASB 87	
Intangible Right to Use Leased Asset	26,079
Leases Payable	<u>(26,079)</u>
Net Position, As Restated, January 1, 2022	<u>\$1,969,808</u>

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Ohio Valley Regional Development Commission
Required Supplementary Information
Schedule of the Commission's Proportionate Share of the Net Pension Liability
Last Nine Years (1)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>Ohio Public Employees Retirement System</i>									
Commission's proportion of the net pension liability	0.002607%	0.002607%	0.002759%	0.002939%	0.002769%	0.002934%	0.003057%	0.003423%	0.003587%
Commission's proportionate share of the net pension liability	\$307,330	\$314,432	\$477,894	\$667,397	\$434,402	\$803,563	\$604,237	\$506,872	\$312,084
Commission's covered-employee payroll	\$320,254	\$354,150	\$418,900	\$427,600	\$411,985	\$410,171	\$430,107	\$482,100	\$520,643
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	95.96%	88.78%	114.08%	156.08%	105.44%	195.91%	140.49%	105.14%	59.94%
Plan fiduciary net position as a percentage of the total pension	86.36%	86.45%	81.08%	77.25%	84.66%	74.70%	82.17%	86.88%	92.62%

The amounts presented for each year were determined as of December 31 of the previous year, which is the Commission's measurement date.

(1) Information not available prior to 2014.

See accompanying notes to the required supplementary information.

Ohio Valley Regional Development Commission
Required Supplementary Information
Schedule of the Commission's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Years (1)

	2017	2018	2019	2020	2021	2022
<i>Ohio Public Employees Retirement System</i>						
Commission's proportion of the net OPEB liability (asset)	0.002939%	0.002910%	0.002828%	0.002847%	0.003188%	0.003339%
Commission's proportionate share of the net OPEB liability (asset)	\$296,849	\$316,005	\$368,704	\$393,245	(\$56,797)	(\$104,583)
Commission's covered-employee payroll	\$427,600	\$411,985	\$410,171	\$430,107	\$482,100	\$520,643
Commission's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	69.42%	76.70%	89.89%	91.43%	-11.78%	-20.09%
liability	54.05%	54.14%	46.33%	47.80%	115.57%	128.23%

The amounts presented for each year were determined as of December 31 of the previous year, which is the Commission's measurement date.

(1) Information not available prior to 2017.

See accompanying notes to the required supplementary information.

Ohio Valley Regional Development Commission
Required Supplementary Information
Schedule of Commission Contributions
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>Ohio Public Employees Retirement System</i>										
Contractually required contribution - pension	\$41,633	\$42,498	\$50,268	\$51,312	\$53,558	\$57,424	\$60,215	\$67,494	\$72,890	\$75,727
Contractually required contribution - OPEB	3,203	7,083	8,378	8,552	4,123	0	0	0	0	0
Contractually required contribution - total	44,836	49,581	58,646	59,864	57,681	57,424	60,215	67,494	72,890	75,727
Contributions in relation to the contractually required contribution	41,633	42,498	50,268	51,312	53,558	57,424	60,215	67,494	72,890	75,727
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commission's covered-employee payroll	\$320,254	\$354,150	\$418,900	\$427,600	\$411,985	\$410,171	\$430,107	\$482,100	\$520,643	\$540,907
Contributions as a percentage of covered-employee payroll - pension	13.00%	12.00%	12.00%	12.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	2.00%	2.00%	2.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

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Ohio Valley Regional Development Commission
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Ohio Public Employees Retirement System

Pension

Changes in benefit terms

There were no significant changes in benefit terms for 2015 through 2017.

For 2018, COLAs provided up to December 31, 2018 will be based upon a simple, 3 percent COLA. COLAs provided after December 31, 2018 continue to be simple, but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3 percent.

There were no significant changes in benefit terms for 2019 or 2020.

For 2021, in October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 percent simple to .5 percent simple through 2021 then 2.15 percent simple.

For 2022, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from .5 percent simple through 2021 then 2.15 percent simple to 3 percent simple through 2022 then 2.05 percent simple.

Changes in assumptions

There were no significant changes in assumptions for 2015 through 2018.

For 2018, the employer contribution rate allocated to pensions increased from 13.00 percent to 14.00 percent.

For 2019, the investment rate of return decreased from 7.5 percent to 7.2 percent.

There were no significant changes in assumptions for 2020 or 2021.

For 2022, the investment rate of return decreased from 7.2 percent to 6.9 percent.

OPEB

Changes in benefit terms

There were no significant changes in benefit terms for 2018 through 2022.

Changes in assumptions

Changes in assumptions for 2018 were as follows:

- The single discount rate decreased from 4.23 percent to 3.85 percent.
- The employer contribution rate allocated to health care decreased from 1.00 percent to 0.00 percent.

For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

Ohio Valley Regional Development Commission
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.

For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.50 percent to 8.50 percent.

For 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The wage inflation rate decreased from 3.25 percent to 2.75 percent.
- The municipal bond rate decreased from 2.00 percent to 1.84 percent.
- The initial health care cost trend rate decreased from 8.50 percent to 5.50 percent.

**OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

Federal grantor Pass-through grantor Program title	Federal Assistance Listing Number	Direct Grant or Pass-through Number	Federal Expenditures
U.S. Department of Agriculture			
Rural Development			
Rural Business Enterprise Grant			
USDA RD RBEG (RLF)	10.351	257266271	<u>\$ 215,606</u>
Total U.S. Department of Agriculture			\$ 215,606
U.S. Department of Commerce			
Economic Development Administration			
Economic Development- Support for Planning Organizations	11.302	ED22CHI3020011	\$ 71,385
Economic Development Cluster:			
COVID-19 -EDA CARES Act Recovery Assistance	11.307	ED20CHI3070048	\$ 121,790
EDA ODOT ARPA Statewide Planning	11.307	EDA-OV-22-1	\$ 33,842
COVID-19 - EDA CARES Act Revolving Loan Fund (RLF)	11.307	06-79-06234	<u>\$ 475,806</u>
Total Economic Development Cluster			<u>\$ 631,438</u>
Total U.S. Department of Commerce			\$ 702,823
U.S. Department of Transportation			
Federal Highway Administration			
Passed through by Ohio Department of Transportation			
Highway Planning and Construction Cluster:			
Rural Transportation Planning Organization (RTPO) 1'22 - 12'22	20.205	114263	\$ 136,570
Rural Transportation Planning Organization (RTPO) 7'22 - 12'22	20.205	114263	<u>\$ 49,101</u>
Total Highway Planning and Construction Cluster			<u>\$ 185,671</u>
Total U.S. Department of Transportation			\$ 185,671
Appalachian Regional Commission			
Local Development District Assistance	23.009	OH-0707-D-C49-22	\$ 239,400
Investments Supporting Partnerships in Recovery Ecosystems (INSPIRE)	23.009	IS-20245-21	\$ 94,989
Appalachian Research, Technical Assistance, and Demonstration Project (RLF)	23.011	85-97 OH-9322-99	\$ 914,732
Total Appalachian Regional Commission			<u>\$ 1,249,121</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,353,221</u></u>

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

**OHIO VALLEY REGIONAL DEVELOPMENT
COMMISSION PIKE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS 2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Ohio Valley Regional Development Commission** (the Commission) under programs of the federal government for the year ended **December 31, 2022**. The information on this Schedule is prepared 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 Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Commission has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The Commission has established a revolving loan program to provide low-interest loans to businesses to create jobs in the region. The Appalachian Regional Commission (ARC) and the Economic Development Administration (EDA) have granted money for these loans to the Commission. The initial loan of this money is recorded as a disbursement on the accompanying schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by the grantors. Such loans are included as expenditures on the schedule.

In 2016 the Commission took over the revolving loan program from Ohio Valley Resource Conservation & Development Council (OVRCD) who had decided to end operations. This loan program was funded by the United States Department of Agriculture, Rural Development, Rural Business Enterprise Grant (USDA RD RBEG).

Collateral for these loans is determined on a case-by-case basis, but includes mortgages on the real estate and liens on business equipment and inventory.

2022 revolving loan fund expenditures are based upon the following calculations, per ARC, EDA and USDA RD guidance.

**OHIO VALLEY REGIONAL DEVELOPMENT
COMMISSION PIKE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS 2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

US Dept. of Agriculture, Rural Development (USDA RD) CFDA #10.351

Outstanding loan balance at the end of the prior year	\$ 215,000
New loans disbursed during year	0
Total expended on eligible admin.	<u>606</u>
	\$ 215,606

The outstanding loan balance for the year ended December 31, 2022 for USDA RD Revolving Loan was \$215,000.

As of September 2021, EDA released its federal interest in OVRDC's EDA/RLF award #06-39-02181.

Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security (CARES) Act CFDA #11.307

Outstanding loan balance at the end of the year	\$ 440,746
Cash and investment balance in the RLF at the end of the year	21,940
Administrative expenses paid out of the RLF income during the year	<u>13,120</u>
	\$ 475,806

The outstanding loan balance for the year ended December 31, 2022 for EDA CARES Revolving Loan was \$440,746.

Appalachian Regional Commission (ARC) CFDA #23.011

Outstanding loan balance at the end of the prior year	\$ 824,702
New loans disbursed during year	70,000
Total expended on eligible admin. costs	<u>20,030</u>
	\$ 914,732

The outstanding loan balance for the year ended December 31, 2022 for ARC Revolving Loan was \$824,702.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the Commission to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Commission has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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OHIO AUDITOR OF STATE KEITH FABER



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

Ohio Valley Regional Development Commission
Pike County
73 Progress Drive
Waverly, Ohio 45690

To the Executive Committee:

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ohio Valley Regional Development Commission, Pike County, (the Commission) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated August 7, 2023. We noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Commission. We also noted the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
August 7, 2023



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

Ohio Valley Regional Development Commission
Pike County
73 Progress Drive
Waverly, Ohio 45690

To the Executive Committee:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ohio Valley Regional Development Commission's (Commission) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Ohio Valley Regional Development Commission's major federal programs for the year ended December 31, 2022. Ohio Valley Regional Development Commission's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Ohio Valley Regional Development Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Commission's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Keith Faber
Auditor of State
Columbus, Ohio
August 7, 2023

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**OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION
PIKE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	23.011 Appalachian Research, Technical Assistance and Demonstration Projects 11.307 Economic Development Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



OHIO VALLEY REGIONAL DEVELOPMENT COMMISSION

PIKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/31/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov