



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

RFP #23-264  
Randolph County

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AUDIT REPORT OF  
THE CITY OF ELKINS, WEST VIRGINIA

SINGLE AUDIT

For the Year Ended June 30, 2023  
Fiscal Year Audited Under GAGAS: 2023

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**City of Elkins, West Virginia**  
**Table of Contents**  
**For The Fiscal Year Ended June 30, 2023**

TITLE	PAGE
<b>Introductory Section</b>	
Index of Funds .....	1
<b>Financial Section</b>	
Independent Auditor’s Report.....	2
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position .....	5
Statement of Activities.....	6
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds .....	8
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities .....	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	11
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual (Budgetary Basis) – General Fund .....	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual (Budgetary Basis) – Coal Severance Tax Fund .....	14
Statement of Net Position – Proprietary Funds.....	15
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	16
Statement of Cash Flows – Proprietary Funds.....	17
Statement of Fiduciary Net Position – Fiduciary Funds .....	18
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	19
Notes to the Financial Statements .....	20
<b>Required Supplementary Information</b>	
Schedule of City’s Proportionate Share of Net Pension Liability (Assets) – West Virginia’s Firemen’s Pension and Relief Fund.....	79
Schedule of City’s Proportionate Share of Net Pension Liability – West Virginia’ Policemen’s Pension and Relief Fund.....	80
Schedule of City’s Proportionate Share of Net Pension Liability – West Virginia Public Employees Retirement System .....	81
Schedule of City’s Proportionate Share of Net Pension Liability – West Virginia Municipal Police Officers and Firefighters Retirement System .....	82
Schedule of City Contributions – West Virginia’s Firemen’s Pension and Relief Fund .....	83
Schedule of City Contributions – West Virginia’s Policemen’s Pension and Relief Fund.....	84
Schedule of City Contributions – West Virginia Public Employees Retirement System .....	85
Schedule of City Contributions – West Virginia Municipal Police Officers and Firefighters Retirement System .....	86

**City of Elkins, West Virginia**  
**Table of Contents**  
**For The Fiscal Year Ended June 30, 2023**  
**(Continued)**

Schedule of Changes in Net Pension Liability and Related Ratios – West Virginia’s Firemen’s Pension and Relief Fund .....	87
Schedule of Changes in Net Pension Liability and Related Ratios – West Virginia’s Policemen’s Pension and Relief Fund.....	88
Schedule of City’s Proportionate Share of Net OPEB Liability – West Virginia Retiree Health Benefits Trust Fund.....	89
Schedule of City Contributions – West Virginia Retiree Health Benefits Trust Fund.....	90

**Supplementary Information**

Schedule of Expenditures of Federal Awards .....	91
Notes to the Schedule of Expenditures of Federal Awards .....	92

**Accompanying Information**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	93
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Programs and on Internal Control Over Compliance Required by the Uniform Guidance .....	95
Schedule of Findings 2 <i>CRT § 200.515</i> .....	98

## **INTRODUCTORY SECTION**

**City of Elkins, West Virginia**  
**Index of Funds**  
**June 30, 2023**

**GOVERNMENTAL FUND TYPES**

***MAJOR FUNDS***

General  
Coal Severance  
Financial Stabilization  
Capital Projects  
American Rescue Plan

**PROPRIETARY FUND TYPE**

***MAJOR FUNDS***

Sanitation  
Landfill  
Water  
Sewer

**FIDUCIARY FUND TYPES**

***Pension Trust Funds***

Policemen's Pension and Relief  
Firemen's Pension and Relief

**COMPONENT UNIT**

***Blended***

Municipal Building Commission

***Discretely Presented***

Parks and Recreation Board

## **FINANCIAL SECTION**



**Independent Auditor's Report**

City of Elkins  
Randolph County, West Virginia  
401 Davis Avenue  
Elkins, West Virginia 26241

To the Mayor and Members of Council:

***Report on the Audit of the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elkins, Randolph County, West Virginia (the City), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City'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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elkins, Randolph County, West Virginia as of June 30, 2023, and the respective changes in financial position, cash flows thereof and the respective budgetary comparisons for the General and Coal Severance Tax Fund 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 City, 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.

***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 City'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 City'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 City'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 information related to the defined benefit pension plan and OPEB liabilities to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.



We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Management has omitted the *management's discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Our opinion is not modified with respect to this matter.

### **Supplementary Information**

Our audit was conducted to opine on the City's financial statements taken as a whole. The introductory section presents additional analysis and is not a required part of the 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 purpose of additional analysis is not a required part of 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Matters**

Management is responsible for the other information included in the annual report. The other information comprises the introductory but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, on our consideration of the City'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



BHM CPA Group Inc.  
Huntington, West Virginia  
February 20, 2024

**City of Elkins, West Virginia**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit Parks and Recreation Board</b>
<b>Assets:</b>				
Cash and investments	\$ 4,005,255	\$ 1,716,637	\$ 5,721,892	\$ 996,411
Receivables (net)				
Taxes	989,521	-	989,521	-
Accounts	-	689,485	689,485	181
Other receivables	47,575	-	47,575	-
Due to/from other activities	486,150	(504,135)	(17,985)	17,985
Prepaid Services	9,684	9,870	19,554	5
Inventory	-	319,018	319,018	-
Restricted Assets	-	4,586,003	4,586,003	-
Net pension assets	536,058	-	536,058	-
Right of Use Asset (net of accumulated amortization)	504,714	57,698	562,412	-
Capital assets not being depreciated	1,056,724	121,826	1,178,550	-
Capital assets being depreciated (net of accumulated depreciation)	3,131,565	46,574,879	49,706,444	450,426
<i>Total assets</i>	10,767,246	53,571,281	64,338,527	1,465,008
<b>Deferred Outflows of Resources:</b>				
Pensions	1,181,145	302,751	1,483,896	-
Other post employment benefits (OPEB)	86,039	61,539	147,578	-
<i>Total deferred outflows of resources</i>	1,267,184	364,290	1,631,474	-
<b>Liabilities:</b>				
Accounts payable	326,716	255,455	582,171	8,666
Accrued wages and benefits	271,556	177,945	449,501	27,793
Accrued interest payable	-	29,191	29,191	-
Long-term liabilities				
Due within one year	282,577	1,788,447	2,071,024	-
Due in more than one year				
Pensions	627,085	94,448	721,533	-
Other post employment benefits (OPEB)	46,327	33,135	79,462	-
Other long-term liabilities	1,065,355	41,869,177	42,934,532	-
<i>Total liabilities</i>	2,619,616	44,247,798	46,867,414	36,459
<b>Deferred inflows of resources:</b>				
Pensions	236,940	20,746	257,686	-
Other post employment benefits (OPEB)	214,191	153,202	367,393	-
<i>Total deferred inflows of resources</i>	451,131	173,948	625,079	-
<b>Net Position:</b>				
Net investment in capital assets	3,345,071	3,096,779	6,441,850	450,426
Restricted for:				
Other purposes	157,833	-	157,833	-
Debt service	-	849,993	849,993	-
Capital expenditures	1,398,908	1,010,282	2,409,190	-
Unrestricted	4,061,871	4,556,771	8,618,642	978,123
<i>Total net position</i>	\$8,963,683	\$9,513,825	\$18,477,508	\$1,428,549

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

**City of Elkins, West Virginia**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,147,928	\$ 409,120	\$ -	\$ -
Public safety	2,194,380	911,636	3,467	-
Highway and Streets	1,238,712	-	-	-
Culture and recreation	315,025	-	-	-
Health and Sanitation	303,652	-	-	-
Contribution Expense	305,796	-	-	-
Public Utility Expense	582,354	-	-	-
Interest and fiscal charges	50,264	-	-	-
Total governmental activities	<u>7,138,111</u>	<u>1,320,756</u>	<u>3,467</u>	<u>-</u>
Business-type activities:				
Sanitation	1,487,263	1,491,177	-	-
Landfill	12,723	50	-	-
Water	4,321,362	4,327,804	-	-
Sewer	2,242,390	2,450,410	-	71,107
Total business-type activities	<u>8,063,738</u>	<u>8,269,441</u>	<u>-</u>	<u>71,107</u>
Total primary government	<u>15,201,849</u>	<u>9,590,197</u>	<u>3,467</u>	<u>71,107</u>
<b>Component unit:</b>				
Parks and Recreation Board	478,028	6,981	348,950	40,000
Total component unit	<u>478,028</u>	<u>6,981</u>	<u>348,950</u>	<u>40,000</u>

General revenues:

- Taxes:
  - Ad valorem property taxes
  - Business and occupation taxes
  - Alcoholic beverage tax
  - Utility service tax
  - Animal control
  - Hotel occupancy
  - Gas and oil Severance
  - Sales Tax
- Licenses and permits
- Franchise fees
- Intergovernmental - state
- Reimbursements
- Video lottery and gaming income
- Rents and concessions
- Investment income
- Gain on disposal of capital assets
- Miscellaneous
  - Total general revenues
  - Changes in net position
  - Net position, beginning of the year
  - Net position, end of the year

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

**Net Revenue (Expense) and  
Changes in Net Position**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Parks & Recreation Board
\$ (1,738,808)	\$ -	\$ (1,738,808)	\$ -
(1,279,277)	-	(1,279,277)	-
(1,238,712)	-	(1,238,712)	-
(315,025)	-	(315,025)	-
(303,652)	-	(303,652)	-
(305,796)	-	(305,796)	-
(582,354)	-	(582,354)	-
(50,264)	-	(50,264)	-
(5,813,888)	-	(5,813,888)	-
-	3,914	3,914	-
-	(12,673)	(12,673)	-
-	6,442	6,442	-
-	279,127	279,127	-
-	276,810	276,810	-
(5,813,888)	276,810	(5,537,078)	-
			(82,097)
			(82,097)
1,109,581	-	1,109,581	-
1,835,466	-	1,835,466	-
83,441	-	83,441	-
359,027	-	359,027	-
1,655	-	1,655	-
264,217	-	264,217	-
40,324	-	40,324	-
1,512,269	-	1,512,269	-
138,356	-	138,356	-
69,736	-	69,736	-
79,803	-	79,803	-
69,600	-	69,600	-
40,485	-	40,485	-
66,713	-	66,713	-
60,590	149,673	210,263	22,800
-	25,000	25,000	-
38,339	-	38,339	-
5,769,602	174,673	5,944,275	22,800
(44,286)	451,483	407,197	(59,297)
9,007,969	9,062,342	18,070,311	1,487,846
\$ 8,963,683	\$ 9,513,825	\$ 18,477,508	\$ 1,428,549

**City of Elkins, West Virginia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General	Coal Severance	Financial Stabilization	American Rescue Plan	Fire Department	Other Governmental	Total Governmental Funds
<b>Assets:</b>							
Cash and investments	\$ 1,312,746	\$ 149,810	\$ 1,136,423	\$ 905,504	\$ 472,351	\$ 28,421	\$ 4,005,255
Receivables (net of allowances for uncollectibles)							
Taxes	989,521	-	-	-	-	-	989,521
Other receivables	39,552	8,023	-	-	-	-	47,575
Due from:							
Other funds	416,321	-	262,485	-	-	-	678,806
Component unit	765	-	-	-	-	-	765
Prepaid Services	9,684	-	-	-	-	-	9,684
<i>Total assets</i>	<u>2,768,589</u>	<u>157,833</u>	<u>1,398,908</u>	<u>905,504</u>	<u>472,351</u>	<u>28,421</u>	<u>5,731,606</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	303,836	-	-	12,495	10,385	-	326,716
Accrued wages and benefits	201,588	-	-	-	69,968	-	271,556
Interfund payable	174,671	-	-	-	-	-	174,671
Due to component unit	18,750	-	-	-	-	-	18,750
<i>Total liabilities</i>	<u>698,845</u>	<u>-</u>	<u>-</u>	<u>12,495</u>	<u>80,353</u>	<u>-</u>	<u>791,693</u>
<b>Deferred Inflows of Resources:</b>							
Property taxes not levied to finance current year operations	159,205	-	-	-	-	-	159,205
<i>Total deferred inflows of resources</i>	<u>159,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,205</u>
<b>Fund Balances:</b>							
Restricted for Capital Outlay	-	-	1,398,908	-	-	-	1,398,908
Restricted	-	157,833	-	893,009	391,998	28,421	1,471,261
Unassigned	1,910,539	-	-	-	-	-	1,910,539
<i>Total fund balances</i>	<u>1,910,539</u>	<u>157,833</u>	<u>1,398,908</u>	<u>893,009</u>	<u>391,998</u>	<u>28,421</u>	<u>4,780,708</u>
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 2,768,589</u>	<u>\$ 157,833</u>	<u>\$ 1,398,908</u>	<u>\$ 905,504</u>	<u>\$ 472,351</u>	<u>\$ 28,421</u>	<u>\$ 5,731,606</u>

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

City of Elkins, West Virginia  
**Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities**  
 June 30, 2023

<b>Total Governmental Fund Balances</b>		\$ 4,780,708
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.		4,693,003
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	159,205	
Total		159,205
The net pension/OPEB liabilities (assets) are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds.		
Deferred outflows of resources related to pensions	1,181,145	
Deferred outflows of resources related to OPEB	86,039	
Deferred inflows of resources related to pensions	(236,940)	
Deferred inflows of resources related to OPEB	(214,191)	
Net Pension Assets	536,058	
Net Pension Liabilities	(627,085)	
Net OPEB Liability	(46,327)	
Total		678,699
Long-term liabilities, including notes payable and bonds payable are not due and payable in the current period and are not reported in the funds.		
Revenue Bonds Payable	(790,758)	
Leases Payable	(481,883)	
Notes Payable	(75,291)	
Total		(1,347,932)
<b>Net Position of Governmental Activities</b>		<b>\$ 8,963,683</b>

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

**City of Elkins, West Virginia**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	General	Coal Severance	Financial Stabilization	American Rescue Plan	Fire Department	Other Governmental	Total Governmental Funds
<b>Revenues:</b>							
Taxes (including interest and penalties)							
Ad valorem	\$ 1,079,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,079,785
Business and occupation	1,835,466	-	-	-	-	-	1,835,466
Alcoholic beverage	83,441	-	-	-	-	-	83,441
Utility services	359,027	-	-	-	-	-	359,027
Animal control	1,655	-	-	-	-	-	1,655
Hotel occupancy	264,217	-	-	-	-	-	264,217
Gas and Oil Severance	40,324	-	-	-	-	-	40,324
Sales Tax	1,512,269	-	-	-	-	-	1,512,269
Licenses and permits	138,356	-	-	-	-	-	138,356
Franchise fees	69,736	-	-	-	-	-	69,736
Intergovernmental revenue							
Federal	3,467	-	-	-	-	-	3,467
State	47,407	32,396	-	-	-	-	79,803
Charges for services	312,735	-	-	-	-	-	312,735
Investment earnings	34,557	3,787	7,037	2,750	12,375	84	60,590
Fire service fees and penalties	-	-	-	-	911,636	-	911,636
Reimbursements	62,019	-	-	7,581	-	-	69,600
Rents and concessions	66,713	-	-	-	-	-	66,713
Parking revenues	7,898	-	-	-	-	-	7,898
Court costs and fees	88,487	-	-	-	-	-	88,487
Video lottery and gaming income	40,485	-	-	-	-	-	40,485
Miscellaneous revenue	30,331	-	-	-	927	7,081	38,339
<i>Total revenues</i>	<u>6,078,375</u>	<u>36,183</u>	<u>7,037</u>	<u>10,331</u>	<u>924,938</u>	<u>7,165</u>	<u>7,064,029</u>
<b>Expenditures:</b>							
Current:							
General government	1,928,705	-	200,000	-	-	-	2,128,705
Public safety	1,277,588	39,557	-	-	1,013,155	20,261	2,350,561
Highway and Streets	1,247,002	-	-	-	-	-	1,247,002
Culture and recreation	269,164	-	-	-	-	-	269,164
Health and Sanitation	28,072	-	-	275,580	-	-	303,652
Capital outlay	211,699	-	-	894,634	25,239	-	1,131,572
Debt service:							
Principal retirement	226,698	-	-	-	49,060	-	275,758
Interest and fiscal charges	48,242	-	-	-	2,022	-	50,264
<i>Total expenditures</i>	<u>5,237,170</u>	<u>39,557</u>	<u>200,000</u>	<u>1,170,214</u>	<u>1,089,476</u>	<u>20,261</u>	<u>7,756,678</u>
<i>Excess of revenues over (under) expenditures</i>	841,205	(3,374)	(192,963)	(1,159,883)	(164,538)	(13,096)	(692,649)
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	14,883	-	-	-	-	-	14,883
Transfers in	62,748	-	205,072	-	556,536	1,182	825,538
Transfers out	(761,608)	-	(63,930)	-	-	-	(825,538)
Contributions to Park Board	(305,796)	-	-	-	-	-	(305,796)
<i>Total other financing sources (uses)</i>	<u>(989,773)</u>	<u>-</u>	<u>141,142</u>	<u>-</u>	<u>556,536</u>	<u>1,182</u>	<u>(290,913)</u>
Net change in fund balance	(148,568)	(3,374)	(51,821)	(1,159,883)	391,998	(11,914)	(983,562)
Fund balance, January 1	2,059,107	161,207	1,450,729	2,052,892	-	40,335	5,764,270
Fund balance, December 31	<u>\$ 1,910,539</u>	<u>\$ 157,833</u>	<u>\$ 1,398,908</u>	<u>\$ 893,009</u>	<u>\$ 391,998</u>	<u>\$ 28,421</u>	<u>\$ 4,780,708</u>

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

**City of Elkins, West Virginia**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ (983,562)
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. This is the amount by which capital asset additions exceeded depreciation in the current period.		
Capital Asset Additions	549,218	
Current Year Depreciation	<u>(512,632)</u>	
Total		36,586
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the proceeds from the sale of capital assets and the loss on the disposal of capital assets.		
Proceeds from Disposal of Capital Assets	(14,883)	
Loss on Disposal of Capital Assets	<u>(133,614)</u>	
Total		(148,497)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes		21,645
Repayments of bond and note principal are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.		
		275,758
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		480,243
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB (assets) liabilities are reported as pension/OPEB expense (gain) in the statement of activities.		
		273,541
<b>Net Change in Net Position of Governmental Activities</b>		<u>\$ (44,286)</u>

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



**City of Elkins, West Virginia**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes (including interest and penalties)				
General property tax	\$ 1,094,407	\$ 1,094,407	\$ 1,079,785	\$ (14,622)
Gas and oil severance tax	12,000	12,000	40,324	28,324
Sales Tax	1,400,000	1,400,000	1,512,269	112,269
Business and occupation tax	1,305,000	1,631,401	1,835,466	204,065
Alcoholic beverage tax	95,000	95,000	83,441	(11,559)
Utility services tax	357,000	357,000	359,027	2,027
Hotel occupancy tax	160,100	160,100	264,217	104,117
Animal control tax	1,500	1,500	1,655	155
Total taxes	<u>4,425,007</u>	<u>4,751,408</u>	<u>5,176,184</u>	<u>424,776</u>
Licenses and permits	114,200	114,200	138,356	24,156
Franchise fees	80,000	80,000	69,736	(10,264)
Intergovernmental:				
Federal	-	-	3,467	3,467
State	-	-	47,407	47,407
Charges for services	298,163	298,163	312,735	14,572
Interest	2,000	2,000	34,557	32,557
Parking revenues	18,400	18,400	7,898	(10,502)
Court costs and fees	59,500	59,500	88,487	28,987
Video lottery and gaming income	34,000	34,000	40,485	6,485
Rents and concessions	26,500	26,500	66,713	40,213
Reimbursements	8,800	40,800	62,019	21,219
Miscellaneous	44,100	1,647,836	30,331	(1,617,505)
Total revenues	<u>5,110,670</u>	<u>7,072,807</u>	<u>6,078,375</u>	<u>(994,432)</u>
<b>Expenditures</b>				
General government	1,780,354	4,465,333	1,928,705	2,536,628
Public safety	1,548,479	1,583,479	1,277,588	305,891
Highways and streets	1,445,630	1,509,630	1,247,002	262,628
Health and sanitation	11,000	57,000	28,072	28,928
Culture and recreation	595,261	705,105	269,164	435,941
Debt service	-	-	274,940	(274,940)
Capital projects	-	-	211,699	(211,699)
Total expenditures	<u>5,380,724</u>	<u>8,320,547</u>	<u>5,237,170</u>	<u>3,083,377</u>
(Deficiency) excess of revenues				
(under) over expenditures	(270,054)	(1,247,740)	841,205	2,088,945

**City of Elkins, West Virginia**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund - Budgetary Basis (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	14,883	14,883
Transfers In	-		62,748	62,748
Transfers Out	-		(761,608)	(761,608)
Contributions to Park Board	-		(305,796)	(305,796)
Total other financing sources (uses)	-	-	(989,773)	(989,773)
Net change in fund balance	(270,054)	(1,247,740)	(148,568)	1,099,172
Fund balance at beginning of year	270,054	1,247,740	2,059,107	811,367
Fund balance at end of year	\$ -	\$ -	\$ 1,910,539	\$ 1,910,539

**Explanation of Differences:**

The City budgets for capital expenditures as a current period expenditure rather than a capital expenditure on the modified accrual basis of accounting.

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

**City of Elkins, West Virginia**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**Coal Severance Fund - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental:				
State	\$ 15,000	\$ 15,000	\$ 32,396	\$ 17,396
Interest	-	-	3,787	3,787
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>36,183</u>	<u>21,183</u>
Expenditures				
Public safety	<u>159,660</u>	<u>167,056</u>	<u>39,557</u>	<u>127,499</u>
Total expenditures	<u>159,660</u>	<u>167,056</u>	<u>39,557</u>	<u>127,499</u>
Net change in fund balance	(144,660)	(152,056)	(3,374)	148,682
Fund balance at beginning of year	<u>144,660</u>	<u>152,056</u>	<u>161,207</u>	<u>9,151</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,833</u>	<u>\$ 157,833</u>

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

**City of Elkins, West Virginia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Sanitation</b>	<b>Landfill</b>	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>Assets:</b>					
<b>Current assets:</b>					
Equity in pooled cash and investments	\$ 1,283,284	\$ 124,228	\$ 160,916	\$ 148,209	\$ 1,716,637
Receivables (net of allowances for uncollectibles)	109,476	53	375,372	204,584	689,485
Due from other funds	-	-	22,875	-	22,875
Prepaid services	3,285	-	3,290	3,295	9,870
Materials and supplies inventory	-	-	218,173	100,845	319,018
<i>Total current assets</i>	<u>1,396,045</u>	<u>124,281</u>	<u>780,626</u>	<u>456,933</u>	<u>2,757,885</u>
<b>Restricted assets:</b>					
Reserve account	-	-	801,223	715,881	1,517,104
Revenue account	-	-	73,127	134,112	207,239
Depreciation account	-	-	123,776	229,117	352,893
Renewal and replacement account	-	-	317,354	340,035	657,389
Landfill escrow	-	1,851,378	-	-	1,851,378
<i>Total restricted assets</i>	<u>-</u>	<u>1,851,378</u>	<u>1,315,480</u>	<u>1,419,145</u>	<u>4,586,003</u>
<b>Noncurrent assets:</b>					
Right of Use Asset (Net of Accumulated Amortization)	-	-	24,514	33,184	57,698
Net Pension Asset	-	-	-	-	-
OPEB Asset	-	-	-	-	-
<i>Total Noncurrent assets</i>	<u>-</u>	<u>-</u>	<u>24,514</u>	<u>33,184</u>	<u>57,698</u>
<b>Capital Assets</b>					
Land	-	-	9,766	57,034	66,800
Structures and improvements	-	42,600	23,075,652	10,705,612	33,823,864
Treatment and distribution system	-	-	20,800,784	-	20,800,784
Collecting system	-	-	-	12,464,304	12,464,304
Pumping system	-	-	-	712,682	712,682
Treatment and disposal system	-	-	-	2,959,468	2,959,468
General plant	-	-	-	1,403,001	1,403,001
Machinery and equipment	1,877,267	1,255,183	1,028,858	-	4,161,308
Landfill cell	-	2,918,670	-	-	2,918,670
Construction in progress	55,026	-	-	-	55,026
Less: accumulated depreciation and amortization	(1,357,667)	(4,216,453)	(12,103,965)	(14,991,117)	(32,669,202)
<i>Total capital assets</i>	<u>574,626</u>	<u>-</u>	<u>32,811,095</u>	<u>13,310,984</u>	<u>46,696,705</u>
<i>Total assets</i>	<u>1,970,671</u>	<u>1,975,659</u>	<u>34,931,715</u>	<u>15,220,246</u>	<u>54,098,291</u>
<b>Deferred Outflows of Resources:</b>					
Pensions	72,985	-	133,253	96,513	302,751
OPEB	11,658	-	29,811	20,070	61,539
<i>Total deferred outflows of resources</i>	<u>84,643</u>	<u>-</u>	<u>163,064</u>	<u>116,583</u>	<u>364,290</u>
<b>Liabilities:</b>					
<b>Current liabilities (payable from current assets):</b>					
Accounts payable	64,665	3	110,647	80,140	255,455
Accrued wages, benefits and vacation	39,223	-	88,606	50,116	177,945
Due to other funds	440,091	-	86,919	-	527,010
Contracts payable	-	-	-	-	-
Notes payable - current portion	54,971	-	-	61,052	116,023
Current portion of financed purchase obligations	59,678	-	5,867	60,484	126,029
<i>Total current liabilities (payable from current assets)</i>	<u>658,628</u>	<u>3</u>	<u>292,039</u>	<u>251,792</u>	<u>1,202,462</u>
<b>Current liabilities (payable from restricted assets):</b>					
Revenue bonds payable	-	-	751,012	795,383	1,546,395
Accrued interest	-	-	29,191	-	29,191
<i>Total current liabilities (payable from restricted assets)</i>	<u>-</u>	<u>-</u>	<u>780,203</u>	<u>795,383</u>	<u>1,575,586</u>
<b>Noncurrent liabilities:</b>					
Notes payable-noncurrent	-	-	-	-	-
Financed purchase obligations-noncurrent	135,196	-	17,096	449,416	601,708
Accrued other post employment benefits	6,277	-	16,051	10,807	33,135
Net pension liability	22,769	-	41,570	30,109	94,448
Revenue bonds payable-noncurrent	-	-	32,205,586	9,061,883	41,267,469
<i>Total noncurrent liabilities</i>	<u>164,242</u>	<u>-</u>	<u>32,280,303</u>	<u>9,552,215</u>	<u>41,996,760</u>
<i>Total liabilities</i>	<u>822,870</u>	<u>3</u>	<u>33,352,545</u>	<u>10,599,390</u>	<u>44,774,808</u>
<b>Deferred Inflows of Resources:</b>					
Pensions	6,660	-	3,268	10,818	20,746
OPEB	29,024	-	74,213	49,965	153,202
<i>Total deferred inflows of resources</i>	<u>35,684</u>	<u>-</u>	<u>77,481</u>	<u>60,783</u>	<u>173,948</u>
<b>Net Position:</b>					
Net investment in capital assets	324,781	-	(143,952)	2,915,950	3,096,779
<b>Restricted:</b>					
Debt service	-	-	-	849,993	849,993
Depreciation and replacement	-	-	123,776	569,152	692,928
Capital acquisition	-	-	317,354	-	317,354
Unrestricted	871,979	1,975,656	1,367,575	341,561	4,556,771
<i>Total net position</i>	<u>\$1,196,760</u>	<u>\$1,975,656</u>	<u>\$1,664,753</u>	<u>\$4,676,656</u>	<u>\$9,513,825</u>

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

**City of Elkins, West Virginia**  
**Statement of Revenues, Expenses and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Sanitation</b>	<b>Landfill</b>	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
Operating revenues:					
Charges for services	\$ 1,467,762	\$ 49	\$ 4,204,766	\$ 2,172,355	\$ 7,844,932
Discounts and penalties	16,262	-	33,761	20,419	70,442
Lab analysis charges	-	-	-	143,185	143,185
Tap fees	-	-	15,667	14,129	29,796
Total operating revenues	1,484,024	49	4,254,194	2,350,088	8,088,355
Operating expenses:					
Personal services	446,026	-	891,335	638,139	1,975,500
Contractual services	666,788	100	252,013	216,581	1,135,482
Administrative and general	16,322	-	107,278	26,665	150,265
Rents	21,600	-	12,542	-	34,142
Miscellaneous	-	-	21,584	74,740	96,324
Fuel and oil	-	-	45,955	37,119	83,074
Liability insurance	15,499	5,953	19,847	22,294	63,593
Materials and supplies	114,930	-	409,969	77,613	602,512
Utilities	9,743	133	252,334	262,454	524,664
Depreciation	141,626	6,537	1,332,701	469,798	1,950,662
Maintenance	51,216	-	322,741	172,841	546,798
Total operating expenses	1,483,750	12,723	3,668,299	1,998,244	7,163,016
Operating income (loss)	274	(12,674)	585,895	351,844	925,339
Nonoperating revenues (expenses):					
Interest income	29,100	49,776	31,599	39,198	149,673
Miscellaneous income	7,153	1	73,610	100,322	181,086
Capital Grant	-	-	-	71,107	71,107
Sale of Fixed Asset	25,000	-	-	-	25,000
Interest expense	(3,513)	-	(653,063)	(244,146)	(900,722)
Total nonoperating revenues (expenses)	57,740	49,777	(547,854)	(33,519)	(473,856)
Changes in net position	58,014	37,103	38,041	318,325	451,483
Net position, beginning of the year	1,138,746	\$ 1,938,553	1,626,712	4,358,331	9,062,342
Net position, end of the year	<u>\$ 1,196,760</u>	<u>\$ 1,975,656</u>	<u>\$ 1,664,753</u>	<u>\$ 4,676,656</u>	<u>\$ 9,513,825</u>

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

**City of Elkins, West Virginia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Sanitation</b>	<b>Landfill</b>	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
Cash flows from operating activities:					
Cash received from customers	\$ 1,483,176	\$ 53	\$ 4,141,272	\$ 2,309,771	\$ 7,934,272
Cash received from tap fees	-	-	15,667	14,129	29,796
Cash paid to suppliers	(899,166)	(6,194)	(1,416,790)	(1,016,482)	(3,338,632)
Cash paid to employees and for fringe benefits	(503,507)	-	(949,610)	(705,529)	(2,158,646)
Net cash provided by (used for) operating activities	80,503	(6,141)	1,790,539	601,889	2,466,790
Cash flows from non-capital financing activities:					
Transfer of monies to/from restricted cash	-	(46,886)	(369,467)	(297,280)	(713,633)
Miscellaneous non-operating receipts	7,153	1	73,610	100,322	181,086
Net cash provided by non-capital financing activities	7,153	(46,885)	(295,857)	(196,958)	(532,547)
Cash flows from capital and related financing activities:					
Principal payments - capital lease	(58,823)	-	(5,591)	(11,937)	(76,351)
Interest paid	(3,513)	-	(653,646)	(244,146)	(901,305)
Proceeds from issuance of debt and purchase lease obligations	-	-	-	623,420	623,420
Purchases of assets	(55,608)	-	-	(573,330)	(628,938)
Cash Received Sale of Assets	25,000	-	-	-	25,000
Principal payments - bonds and notes payable	-	-	(742,149)	(853,772)	(1,595,921)
Net cash used for capital and related financing activities	(92,944)	-	(1,401,386)	(1,059,765)	(2,554,095)
Cash flows from investing activities:					
Interest received	29,100	49,776	31,599	39,198	149,673
Net cash provided by investing activities	29,100	49,776	31,599	39,198	149,673
Net increase (decrease) in cash and cash equivalents	23,812	(3,250)	124,895	(615,636)	(470,179)
Cash and cash equivalents, beginning of the year	1,259,472	127,478	36,021	763,845	2,186,816
Cash and cash equivalents, end of the year	<u>\$ 1,283,284</u>	<u>\$ 124,228</u>	<u>\$ 160,916</u>	<u>\$ 148,209</u>	<u>\$ 1,716,637</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ 274	\$ (12,674)	\$ 585,895	\$ 351,844	\$ 925,339
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	141,626	6,537	1,332,701	469,798	1,950,662
(Increase) decrease in operating assets and deferred outflows:					
Accounts receivable	(848)	4	(97,255)	(26,188)	(124,287)
Inventory	-	-	(7,623)	(7,147)	(14,770)
Prepaid Services	12,385	-	22,275	16,610	51,270
Net OPEB Asset	2,152	-	3,961	3,159	9,272
Net Pension Asset	107,162	-	233,642	174,156	514,960
Deferred outflows - pension	(13,942)	-	(4,523)	(558)	(19,023)
Deferred outflows - OPEB	479	-	(7,474)	(2,252)	(9,247)
Increase (decrease) in operating liabilities and deferred inflows:					
Accounts payable	(3,068)	(8)	35,096	(7,150)	24,870
Contracts Payable	-	-	-	(111,878)	(111,878)
Accrued wages, benefits and vacation	633	-	14,826	2,866	18,325
Net pension liability	22,769	-	41,570	30,109	94,448
Net OPEB liability	6,277	-	16,051	10,807	33,135
Deferred inflows - pension	(144,838)	-	(306,351)	(235,418)	(686,607)
Deferred inflows - OPEB	(50,558)	-	(72,252)	(66,869)	(189,679)
Total adjustments	<u>80,229</u>	<u>6,533</u>	<u>1,204,644</u>	<u>250,045</u>	<u>1,541,451</u>
Net cash provided by (used for) operating activities	<u>\$ 80,503</u>	<u>\$ (6,141)</u>	<u>\$ 1,790,539</u>	<u>\$ 601,889</u>	<u>\$ 2,466,790</u>

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

**City of Elkins, West Virginia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	<b>Pension Trust Fund</b>
<b>Assets:</b>	
Current assets:	
Segregated cash accounts	\$ 1,930,214
Segregated investments	4,759,952
<i>Total assets</i>	6,690,166
 <b>Net Position:</b>	
Held in trust for pension benefits	6,690,166
<i>Total net position</i>	\$ 6,690,166

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

**City of Elkins, West Virginia**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2023**

	<b>Pension Trust Fund</b>
Additions	
Contributions:	
Employer	\$ 73,125
Employees	30,097
Premium surtax allocation	132,554
Total contributions	235,776
Investment income (loss)	648,292
Total additions	884,068
Deductions:	
General and administrative	19,253
Benefit payments	391,719
Total deductions	410,972
Changes in net position	473,096
Net position, beginning of the year	6,217,070
Net position, end of the year	\$ 6,690,166

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



**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**1. Summary of Significant Accounting Policies**

The City of Elkins, West Virginia is incorporated under the provisions of the State of West Virginia. The City is governed by an elected mayor and a ten member council, which provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, water, waste, recreation, education, public improvements, planning and zoning, and general administrative services.

The remainder of the notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2023.

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

**Basic Financial Statements – Government Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks, public works and general administrative services are classified as governmental activities. The City's sanitation, water, sewer and landfill are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets, receivables, and deferred outflows of resources as well as long-term debt, obligations, and deferred inflows of resources. The City's net position is reported in three parts – net invested in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (taxes, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

**(a) Reporting Entity**

The City of Elkins is a municipal corporation governed by an elected mayor and ten member council. The accompanying financial statements present the government and its component units as required by generally accepted accounting principles.

The services provided by the government and accounted for within these financial statements include law enforcement for the City, health and sanitation services, cultural and recreation programs, and other governmental services.

The City complies with GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". This statement established standards for defining and reporting component units in the financial statements of the reporting entity. It defines component units as legally separate organizations for which the component unit not only has a fiscal dependency on the reporting entity but also a financial benefit or burden relationship must be present between the reporting entity and the entity that is to be included as a component unit. In addition, an entity may be included as a component unit in the financial statements of the reporting entity, if the reporting entity's management determines that it would be misleading to exclude them.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

***Blended Component Units***

The entities below are legally separate from the City and meet GAAP criteria for component units. These entities are blended with the primary government because they provide services entirely or almost entirely to the City.

The *Elkins Building Commission* serves the City of Elkins, West Virginia, and is governed by a board comprised of three members appointed by the City for a term of five years each. The Building Commission acquires property and debt on behalf of the City. The City of Elkins Building Commission is reported within the General Fund.

***Discretely Presented Component Units***

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

The *Elkins Parks and Recreation Board* serves all citizens of the City of Elkins by providing recreational services and is governed by a five member board appointed by Council. The City provides financial support to the Board on an annual basis.

***Jointly Governed Organizations***

The City, in conjunction with the Randolph County Commission has created the Elkins-Randolph County Library and the Elkins-Randolph County Airport Authority. The Library Board is composed of five members with three appointed by the City and two appointed by the Randolph County Commission. The Airport Authority is composed of five members with two members appointed by the City of Elkins and three members from the Randolph County Commission. The City expended \$19,000 for an operating grant for the Airport Authority and \$22,500 for the Library Board for the fiscal year.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**(b) Government-Wide Financial Statements**

The government-wide financial statements report information on all the nonfiduciary activities of the government. For the most part, the effect of internal activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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 whose purchase, use or direct benefit from goods, 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**(c) Funds – Fund Financial Statements**

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types”. Governmental funds are used to account for governmental activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public through service charges or user fees. Fiduciary funds are used to account for assets held by the City in a trustee or agency capacity. The fund types used by the City of Elkins are described as follows:

***Governmental Fund Types***

Governmental funds are accounted for using the current financial resources measurement focus. Only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

***General Fund:*** The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

***Special Revenue Funds:*** Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

***Capital Project Funds:*** Capital project funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary trust funds.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

The City of Elkins reports the following major governmental funds:

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

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

The *Financial Stabilization Fund* accounts for monies specifically set aside for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary trust funds.

The *American Rescue Plan Act Fund* accounts for monies acquired through the American Rescue Plan Act.

The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects being funded by a debt issue.

***Proprietary Fund Types***

Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are determination of net income, financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund's activities are included on its balance sheet.

***Enterprise Funds:*** Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following major proprietary funds:

The *Water fund* serves the citizens of the City of Elkins by providing water services to the community. This fund accounts for the receipts and expenses of operating this facility. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

The *Sewer fund* services the citizens of the City of Elkins by providing sewer services to the community. This fund accounts for the receipts and expenses of operating this facility. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

The *Sanitation fund* serves the citizens of the City of Elkins by providing health and sanitation services, including garbage pickup, to the community. This fund accounts for the receipts and expenses of operating this facility. The rates for user charges are approved by the government's elected council.

The *Landfill fund* had served the citizens of the City of Elkins by providing landfill services to the community. This fund accounts for the receipts and expenses of operating this facility. The Landfill is now closed. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

***Fiduciary Funds***

Fiduciary funds account for assets held by the City in a trustee or agency capacity. Pension trust funds are accounted for in essentially the same manner as proprietary funds.

Additionally, the City reports the following fund types:

The *Pension Trust funds* account for the activities of the Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified public safety employees. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

**(d) Cash, Cash Equivalents and Investments**

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash and cash equivalent in the accompanying financial statements.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: (a) obligations of the United States or any agency thereof, (b) certificates of deposit (which mature in less than one year), (c) general and direct obligations of the State of West Virginia, (d) obligations of the Federal National Mortgage Association, (e) indebtedness secured by first lien deed of trust for property situated within the State if the payment is substantially insured or guaranteed by the federal government, (f) pooled mortgage trusts (subject to limitations), (g) indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades, (h) interest earning deposits which are fully insured or collateralized, and (i) mutual funds registered with the Security and Exchange Commission which have fund assets over three hundred million dollars. State statute limitations concerning the aforementioned investments include the following:

- (1) at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporations nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year.
- (2) at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association.
- (3) at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Investment risk is categorized as follows:

**Interest rate risk** – The risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit risk** – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**Custodial credit risk** – The risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

**(e) Receivables**

All receivables are shown net of allowance for uncollectible accounts.

**(f) Capital Assets**

The accounting and reporting treatment applied to capital assets and long-term liabilities associated with a fund are determined by its measurement focus. The City of Elkins records the purchase of capital assets used in governmental fund type operations as expenditures in the governmental funds. The government-wide financial statements of the City of Elkins are accounted for on a cost of service or “capital maintenance” measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on the statement of net position.

All proprietary funds and pension trust funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on the statement of net position. The reported fund equity (net position) is segregated into net position components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the statements of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Asset	Straight-line Years
<b><u>Governmental Funds:</u></b>	
Buildings & Improvements	20 to 50 years
Infrastructure	20 to 65 years
Machinery & Equipment	5 to 25 years
Vehicles	5 years
<b><u>Proprietary Funds:</u></b>	
Buildings	25 to 50 years
Improvements	10 to 20 years
Utility Plant	10 to 20 years
Equipment	5 to 25 years

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**(g) Basis of Accounting**

**Fund Financial Statements**

**Modified Accrual Basis of Accounting**

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 government considers revenues to be available if they are collected within 60 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Accrual Basis of Accounting**

The accrual basis of accounting is used in proprietary fund types and the pension trust funds. The accrual basis of accounting recognized revenues when earned. Expenses are recorded when incurred. Plan member contributions to the pension trust funds are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Government-Wide Financial Statements**

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

**(h) Budgets and Budgetary Accounting**

All municipalities within West Virginia, are required by statute to prepare annual budgets (levy estimates) on prescribed forms for the General and Coal Severance Funds and submit these for approval to the State Tax Commissioner. These budgets are prepared in accordance with the following procedures:

1. The governing body of the municipality is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the municipality and to prepare the levy estimate (budget) for the fiscal year commencing July 1.



**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

2. The budget is then forthwith submitted to the State Tax Commissioner for approval.
3. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and to formally lay the levy.

Revisions are authorized only with the prior written approval of the State Tax Commissioner. The budgeted amounts reflected in the accompanying financial statements are such approved amounts.

- A) Unused appropriations for all of the above annually budgeted funds lapse at the year end.
- B) The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

**(i) Encumbrances – Fund Financial Statements**

Encumbrances accounting is used for the General Fund and special revenue funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward as restricted, committed or assigned fund balance until liquidated.

**(j) Inventories**

The City considers inventories of materials and supplies utilized in governmental fund types operations as expended at the time of purchase therefore, they do not appear in the City's financial statements. Inventories of materials and supplies utilized in the proprietary fund type operation, are considered expended at the time of consumption; therefore, balances on hand at year end, valued at cost (first-in, first-out) are presented in the City's financial statements.

**(k) Compensated Absences**

The liability for compensated absences reported in the government-wide financial statements consists of unpaid and accrued vacations. The liability has been calculated using the vesting method, in which leave amounts for only employees who currently are eligible to receive termination payments are included.

The City's accounting policies related to compensated absences are summarized below:

**Accumulated Vacation**

For governmental funds, the cost of accumulated vacation pay expected to be paid within the next twelve months is recorded as a fund liability. Any amount that is expected to be paid after twelve months should be reflected in the general long-term debt account; however, the City considers the entire vacation liability as a fund liability. For proprietary funds, the cost of vacation leave is recorded as a liability when earned.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**(l) Pension Plans**

The City provides separate defined benefit pension plans for uniformed police and fire department personnel. It is the City's policy to fund the normal cost and amortization of the unfunded prior service cost.

All other eligible employees are covered under the West Virginia Public Employee Retirement System due to the City's electing to be a participating public employer.

**(m) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(n) Equity Classification**

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," established standards for accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent.

**GASB 54 – "Fund Balance Reporting and Governmental Fund Type Definitions" –** divided fund balance for governmental fund financial statements into five components:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of the City's code, state or federal laws, or externally imposed conditions by grantors or creditors.
- c. Committed – Amounts that can be used only for specific purposes determined by a formal action by the City's council.
- d. Assigned – Amounts that are designed by the City's council for a particular purpose but are not spendable until there is a majority vote approval by the City's council.
- e. Unassigned – All amounts not included in other spendable classifications.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Net Position Classifications:

**GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position** – divided net position for Government-wide net position into three components:

- a. Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- b. Restricted net position – consists of net position that is restricted by the City's creditors (for example through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- c. Unrestricted – all other net position is reported in this category

**(o) Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**(p) Restricted Assets**

Certain proceeds of the water and sewer enterprise fund revenue bonds, as well as certain proceeds set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

**(q) Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, the statement of financial position may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City recorded a deferred outflow of resources for pensions and OPEB in the amounts of \$1,483,896 and \$147,578, respectively, as of June 30, 2023. The deferred outflows of resources related to the pension are explained in Note 6 and Note 9 and the deferred outflows of resources related to OPEB are explained in Note 9. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For 2023, the City reported a total of \$257,686 and \$367,393 of deferred inflows related to pensions and OPEB, respectively, on the statement of financial position. The deferred inflows of resources related to the pension are explained in Note 6 and Note 9 and the deferred inflows of resources related to OPEB are explained in Note 9.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**(r) Pensions**

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

**(s) Other Post-Employment Benefits**

Net OPEB Liability – For purposes of measuring the net OPEB liability (asset) and deferred outflows/inflows of the resources related to other post-employment benefits, and other post-employment benefit expenses, information about the fiduciary net position of the County’s Other Post-Employment Benefits Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBTF) and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the RHBTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information on the investment valuation can be found in the plans’ financial statements.

**2. Reconciliation of Government-Wide and Fund Financial Statements**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported on the government-wide statement of net assets. The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances – total governmental fund and changes in net assets of governmental activities as reported in the government – wide statement of activities. The individual elements of those reconciliations are included with the statements.

**3. Deposits and Investments**

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Exceptions include the Firemen's Pension and Relief Fund and the Policemen's Pension and Relief Fund which classify only cash as cash equivalents in order to appropriately report investment activity.

**Deposits**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

It is the City's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The City's deposits are categorized to give an indication of the level of risk assumed by the City at June 30, 2023. The categories are described as follows:

**Category 1** - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

**Category 2** - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

**Category 3** - Uncollateralized.

	Bank	Category			Carrying
	Balance	<u>1</u>	<u>2</u>	<u>3</u>	Amount
Primary Government	\$ 8,684,263	\$ 8,684,263	\$ -	\$ -	\$ 8,583,552
Component Unit	996,411	996,411	-	-	996,411
Total Deposits					<u>\$ 9,579,963</u>

	Bank	Category			Carrying
	Balance	<u>1</u>	<u>2</u>	<u>3</u>	Amount
Fiduciary Funds	\$ 310,475	\$ 310,475	\$ -	\$ -	\$ 310,475
Total Deposits					<u>\$ 310,475</u>

**Investments and Restricted Assets**

Investment pools are under the custody of the City. Investing is performed in accordance with investment policies complying with State Statutes and the City Charter. Pooled funds may be invested in the State Investment Pool or the Municipal Bond Commission for investment purposes, or invested in the following classes of securities: Commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements and reverse repurchase agreements. The pension trust fund is also authorized to invest in corporate bonds rated AA or better by Standard & Poor's Corporation or AA or better by Moody's Bond Rating.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The tables on the following pages identify the City's recurring fair value measurements as of June 30, 2023. All investments of the City are valued using quoted market prices (Level 1 inputs).

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Investments made by the City are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below.

**Category 1** - Insured or registered, securities held by the City or its agent in the entity's name.

**Category 2** - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.

**Category 3** - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

	Category			Market Value	Market Cost	Unrecognized Gain/(Loss)
	<u>1</u>	<u>2</u>	<u>3</u>			
<b>Restricted</b>						
Municipal Bond Commission	\$ 1,724,543	\$ -	\$ -	\$ 1,724,543	\$ 1,724,543	\$ -
	<u>\$ 1,724,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,724,543</u>	<u>\$ 1,724,543</u>	<u>\$ -</u>

Total deposits and investments are presented on the Statement of Net Position as follows:

Total deposits	\$ 9,579,963
Investments - restricted	1,724,343
Total deposits and investments	<u>\$ 11,304,306</u>
Statement of Net Position:	
Cash	\$ 6,718,303
Restricted Assets	4,586,003
Total deposits and investments	<u>\$ 11,304,306</u>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Fiduciary Funds**

<u>Investment Type</u>	Category			Market Value	Market Cost	Unrecognized Gain/(Loss)
	<u>1</u>	<u>2</u>	<u>3</u>			
Certificates of Deposit	\$ 1,619,738	\$ -	\$ -	\$ 1,619,738	\$ 1,725,000	\$ (105,262)
US Government Agencies	895,781	-	-	895,781	969,948	(74,167)
Mutual Funds	3,864,172	-	-	3,864,172	1,394,257	2,469,915
	<u>\$ 6,379,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,379,691</u>	<u>\$ 4,089,205</u>	<u>\$ 2,290,486</u>

**Credit Risk:** State law limits investments in corporate debt to commercial paper rated AA or better by Standard & Poor's Corporation of AA or better by Moody's Bond Rating. It is the government's policy that no investment be purchased which does not conform to the State of West Virginia Code Chapter 8. As of June 30, 2023, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

**Interest Risk:** The pension investments are at risk of declines in market value due to interest rate risk.

**Custodial Credit Risk:** The City's investments were 100% insured by brokerage insurance and were not subject to custodial credit risk.

As of June 30, 2023, the City had the following investments:

<u>Investment Type</u>	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Certificates of Deposit	\$ 1,619,738	N/A	N/A
US Government Agencies	895,781	AA	AA
Mutual Funds	3,864,172	Not Rated	Not Rated
	<u>\$ 6,379,691</u>		

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Interest Rate Risk**

As of June 30, 2023, the City had the following investments and maturities exposed to interest rate risk.

<u>Investment Type</u>	Fair Value	Less than 1	1-5	6-10	More than 10
Certificates of Deposit	\$ 1,619,738	\$ 78,912	\$ 1,540,826	\$ -	-
US Government Agencies	895,781	-	895,781	-	-
	<u>\$ 2,515,519</u>	<u>\$ 78,912</u>	<u>\$ 2,436,607</u>	<u>\$ -</u>	<u>-</u>

**4. Accounts Receivable, Business-Type Activities**

Accounts receivable and its allowance at June 30, 2023 are as follows:

	<u>Sanitation</u> <u>Fund</u>	<u>Landfill</u> <u>Fund</u>	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>
Accounts receivable	\$ 144,062	\$ 899	\$ 446,000	\$ 254,917
Less: Allowance for doubtful accounts	34,586	846	70,628	50,333
	<u>\$ 109,476</u>	<u>\$ 53</u>	<u>\$ 375,372</u>	<u>\$ 204,584</u>

**5. Property Taxes**

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property; however, statutes provide that the sheriff of a county may distraint for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

All municipalities within the state are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5¢); on Class II property, twenty-five cents (25.0¢); and on Class IV property, fifty cents (50.0¢). In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.



**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

The levy rates levied by the City of Elkins, West Virginia, per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2023 were as follows:

<u>Class of Property</u>	<u>Assessed Valuations</u> <u>For Tax Purposes</u>	<u>Expense</u>	<u>Current</u>
Class I	\$	-	\$ 0.125
Class II	\$	121,241,022	\$ 0.250
Class IV	\$	178,513,697	\$ 0.500

**6. Employee Retirement System – Single Employer Plans**

**Plan Description, Contribution Information, and Funding Policies**

The City of Elkins, West Virginia participates in two single employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees hired before March 11, 2015. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021 and projected to the measurement date of June 30, 2022.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees hired before March 11, 2015. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021 and projected to the measurement date of June 30, 2022.

The City is authorized in accordance with West Virginia State Code Section 8-22 to establish and maintain these plans.

The investment policies of the PPRF and the FPRF are established by the Board of Trustees and is subject to the limitations defined in West Virginia Code 8-22-22 and 8-22-22a. Additional information relating to the basis of accounting and reported investment values are in the respective sections of the Notes.

Memberships of the plans are as follows:

<u>Group</u>	<u>PPRF</u>	<u>FPRF</u>	<u>Totals</u>
Active Employees	3	3	6
Retirees & Beneficiaries currently receiving benefits	11	1	12
Total	14	4	18

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

These plans are defined benefit plans. The following is a summary of funding policies, contribution methods and benefit provisions for both plans.

Determination of contribution requirements	The City finances benefits using the optional funding policy as defined in state statutes. City contributions are equal to the normal cost, net of employee contributions, plus an amortization of the unfunded actuarial liability net of the premium tax allocation applicable to the plan year. The amortization is based upon a 40-year closed amortization period, commencing on July 1, 1991, with level dollar payments for PPRF and commencing on July 1, 2010, with level dollar payments for FPRF. The plan also receives state contributions based on an allocation of premium tax that depends on the number of active and retired members. Projected sponsor, state and member contributions along with projected investment earnings are expected to fully fund the projected actuarial liability for current plan members by 2023 for PPRF and FPRF is fully funded as of year end.
Rate of employee contribution	7% of covered payroll for members hired prior to January 1, 2010. 9.5% of covered payroll for member hires after January 1, 2010.
Vesting period for normal retirement	Earlier of age 50 with 20 years of credited service or age 65.
Benefits	60% of average compensation, but not less than \$6,000, plus an additional percentage of average annual compensation for service over 20 years equal to 2% for each year of service between 20 and 25 and 1% for each year of service between 25 and 30 years. Employees serving in the military are eligible for an additional 1% of average annual compensation for each year of military service up to four years. The maximum benefit is limited to 75% of average annual compensation. Benefits continue for life.
Provisions for:	
Disability Benefits	Yes
Death Benefits	Yes

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Actuarial Assumptions and Rate of Return**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021 and projected to the June 30, 2022 measurement date for both plans, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2014, through July 1, 2017. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate rates of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022 are summarized in the following chart:

Inflation rate	2.5% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years.
Salary increases	Service based increases ranging from 0% to 20% based on years of service
Investment Rate of Return	6.25 % for PPRF and 6.0 % for FPRF

Mortality rates were based on the SOA PubS-2012(B) Mortality Tables with generational projecting using Scale MP-2019.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 6.25 percent for the PPRF and 6.0 percent for the FPRF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Changes in Net Pension Liability**

	PPRF		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2021	\$ 4,525,934	\$ 4,694,723	\$ (168,789)
Service Cost	39,832	-	39,832
interest Cost	271,641	-	271,641
Difference in expected and actual experience	20,339	-	20,339
Assumption Changes	-	-	-
Contributions - Employer	-	170,414	(170,414)
Contributions - Employee	-	14,841	(14,841)
Net Investment Income	-	(523,349)	523,349
Benefits Paid	(359,367)	(359,367)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
<b>Net Changes</b>	<b>(27,555)</b>	<b>(697,461)</b>	<b>669,906</b>
Balances At June 30, 2022	<b>\$ 4,498,379</b>	<b>\$ 3,997,262</b>	<b>\$ 501,117</b>

	FPRF		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2021	\$ 1,892,548	\$ 2,425,041	\$ (532,493)
Service Cost	75,087	-	75,087
Interest Cost	112,887	-	112,887
Difference in expected and actual experience	(89,392)	-	(89,392)
Assumption Changes	-	-	-
Contributions - Employer	-	57,000	(57,000)
Contributions - Employee	-	13,754	(13,754)
Net Investment Income	-	(253,779)	253,779
Benefits Paid	(22,208)	(22,208)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
<b>Net Changes</b>	<b>76,374</b>	<b>(205,233)</b>	<b>281,607</b>
Balances At June 30, 2022	<b>\$ 1,968,922</b>	<b>\$ 2,219,808</b>	<b>\$ (250,886)</b>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the City, calculated using the discount rate of 6.0 percent for FPRF and 6.25 percent for PPRF, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 – percentage-point lower (5.0 percent for FPRF and 5.25 percent for PPRF) or 1 – percentage point higher (7.0 percent for FPRF and 7.25 percent for PPRF) than the current rate:

	<u>1% Decrease</u>	<u>Current Interest Rate</u>	<u>1% Increase</u>
	5.25% - PPRF	6.25% - PPRF	7.25% - PPRF
	5.0% - FPRF	6.0% - FPRF	7.0% - FPRF
Net Pension Liability (Asset) - PPRF	\$ 993,575	\$ 501,117	\$ 91,898
Net Pension Liability (Asset) - FPRF	\$ 35,869	\$ (250,886)	\$ (483,547)

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to PPRF and FPRF pensions from the following sources:

	<u>PPRF</u>	<u>FPRF</u>
<b>Deferred Outflows of Resources:</b>		
Differences between expected and actual economic expense	\$ 10,169	\$ -
Differences between projected and actual investment earnings	250,612	159,694
Changes of assumptions	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
Differences between projected and actual investment earnings	-	-
City contributions subsequent to the measurement date	156,056	49,623
Total	\$ 416,837	\$ 209,317
	<u>PPRF</u>	<u>FPRF</u>
<b>Deferred Inflows of Resources:</b>		
Differences between expected and actual economic expense	\$ -	\$ 192,257
Differences between projected and actual investment earnings	-	-
Changes of assumptions	-	6,906
Total	\$ -	\$ 199,163

\$205,679 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

	<b>PPRF</b>	<b>FPRF</b>
Fiscal Year Ending June 30:		
2024	\$ 37,854	\$ (73,046)
2025	32,129	(71,956)
2026	28,534	25,387
2027	162,264	80,146
Total	\$ 260,781	\$ (39,469)

**Pension plan fiduciary net position**

Detailed information about the pension plans' fiduciary net position is available in the separately issued City of Elkins, West Virginia Policemen's Pension and Relief Fund and West Virginia Firemen's Pension and Relief Fund, GASB Statement Nos. 67 and 68 Plan Reporting and Accounting Schedules. These reports can be obtained by visiting GRS Retirement Consulting at [www.grsconsulting.com](http://www.grsconsulting.com).

For the year ended June 30, 2023, the City recognized a gain of (\$203,407) related to PPRF and pension expense of \$36, 585 related to FPRF.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Pension Trust Funds Financial Statements**

	<u>Policeman's</u> <u>Pension Trust</u> <u>Fund</u>	<u>Fireman's</u> <u>Pension Trust</u> <u>Fund</u>
<b>Assets:</b>		
Segregated cash accounts	\$ 982,700	\$ 947,514
Segregated investments	<u>3,245,247</u>	<u>1,514,705</u>
Total assets	<u>\$ 4,227,947</u>	<u>\$ 2,462,219</u>
<b>Net Position:</b>		
Held in trust for pension benefits	\$ 4,227,947	\$ 2,462,219
Total net position	<u>\$ 4,227,947</u>	<u>\$ 2,462,219</u>
<b>Additions</b>		
Contributions:		
Employer	\$ 23,502	\$ 49,623
Employees	16,412	13,685
Premium surtax allocation	<u>132,554</u>	<u>-</u>
Total contributions	172,468	63,308
Investment income	<u>438,725</u>	<u>209,567</u>
Total additions	<u>611,193</u>	<u>272,875</u>
<b>Deductions:</b>		
General and administrative	11,804	7,449
Benefit payments	<u>368,704</u>	<u>23,015</u>
Total deductions	<u>380,508</u>	<u>30,464</u>
Changes in net position	230,685	242,411
Net position, beginning of the year	<u>3,997,262</u>	<u>2,219,808</u>
Net position, end of the year	<u>\$ 4,227,947</u>	<u>\$ 2,462,219</u>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**7. Capital Assets and Capital Assets Net of Depreciation**

Capital asset activity for the year ended June 30, 2023 was as follows:

<u>Governmental Activities</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<b>Nondepreciable Assets</b>				
Land	\$ 81,000	\$ -	\$ -	\$ 81,000
Construction in progress	975,724	-	-	975,724
Total nondepreciable assets	<u>1,056,724</u>	-	-	<u>1,056,724</u>
<b>Right of Use Assets</b>				
Vehicles	844,344	-	-	844,344
Totals at historical cost	<u>844,344</u>	-	-	<u>844,344</u>
Less: Accumulated Amortization :				
Vehicles	(170,762)	(168,870)	-	(339,632)
Total Accumulated amortization	<u>(170,762)</u>	<u>(168,870)</u>	-	<u>(339,632)</u>
Right of Use assets - net	673,582	(168,870)	-	504,712
<b>Depreciable Assets</b>				
Buildings & Improvements	4,350,155	30,181	-	4,380,336
Machinery & Equipment	3,832,081	519,037	(221,388)	4,129,730
Totals at historical cost	<u>8,182,236</u>	<u>549,218</u>	<u>(221,388)</u>	<u>8,510,066</u>
Less: Accumulated depreciation:				
Buildings & Improvements	(2,140,793)	(142,570)	-	(2,283,363)
Machinery & Equipment	(2,966,837)	(201,192)	72,891	(3,095,138)
Total Accumulated depreciation	<u>(5,107,630)</u>	<u>(343,762)</u>	<u>72,891</u>	<u>(5,378,501)</u>
Total depreciable assets - net	3,074,606	205,456	(148,497)	3,131,565
<b>Governmental Activities:</b>				
Capital assets - net	<u>\$ 4,804,912</u>	<u>\$ 36,586</u>	<u>\$ (148,497)</u>	<u>\$ 4,693,001</u>



**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Component Unit - Parks & Recreation Fund**

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<b>Nondepreciable Assets</b>				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total nondepreciable assets	-	-	-	-
<b>Depreciable Assets</b>				
Buildings & Improvements	827,093	40,000	-	867,093
Machinery & Equipment	267,297	13,000	(8,000)	272,297
Totals at historical cost	1,094,390	53,000	(8,000)	1,139,390
Less: Accumulated depreciation:				
Buildings & Improvements	(449,454)	(36,383)	-	(485,837)
Machinery & Equipment	(197,215)	(13,912)	8,000	(203,127)
Total Accumulated depreciation	(646,669)	(50,295)	8,000	(688,964)
Total depreciable assets - net	447,721	2,705	-	450,426
Parks & Recreation Fund:				
Capital assets - net	\$ 447,721	\$ 2,705	\$ -	\$ 450,426

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

<b>Business-Type Activities</b>				<u>Ending</u>
<u>Landfill</u>	<u>Beginning</u>		<u>Deletions</u>	<u>Balance</u>
	<u>Balance</u>	<u>Additions</u>		
<b>Nondepreciable Assets</b>				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total nondepreciable assets	-	-	-	-
<b>Depreciable Assets</b>				
Structures & Improvements	42,600	-	-	42,600
Machinery & Equipment	1,276,683	-	21,500	1,298,183
Landfill Cell	2,918,670	-	-	2,918,670
Totals at historical cost	4,237,953	-	21,500	4,259,453
Less: Accumulated depreciation:				
Structures & Improvements	(42,600)	-	-	(42,600)
Machinery & Equipment	(1,270,146)	(6,537)	(21,500)	(1,298,183)
Landfill Cell	(2,918,670)	-	-	(2,918,670)
Total Accumulated depreciation	(4,231,416)	(6,537)	(21,500)	(4,259,453)
Total depreciable assets - net	6,537	6,537	-	-
Landfill Fund:				
Capital assets - net	\$ 6,537	\$ 6,537	\$ -	\$ -

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

<b>Business-Type Activities</b>				<u>Ending</u>
<u>Sanitation</u>	<u>Beginning</u>		<u>Deletions</u>	<u>Balance</u>
	<u>Balance</u>	<u>Additions</u>		
<b>Nondepreciable Assets</b>				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	55,026	-	-	55,026
Total nondepreciable assets	<u>55,026</u>	<u>-</u>	<u>-</u>	<u>55,026</u>
<b>Depreciable Assets</b>				
Structures & Improvements	-	-	-	-
Machinery & Equipment	1,941,162	55,608	(119,503)	1,877,267
Totals at historical cost	<u>1,941,162</u>	<u>55,608</u>	<u>(119,503)</u>	<u>1,877,267</u>
Less: Accumulated depreciation:				
Structures & Improvements	-	-	-	-
Machinery & Equipment	(1,335,544)	(141,626)	119,503	(1,357,667)
Total Accumulated depreciation	<u>(1,335,544)</u>	<u>(141,626)</u>	<u>119,503</u>	<u>(1,357,667)</u>
Total depreciable assets - net	605,618	(86,018)	-	519,600
<b>Sanitation Fund:</b>				
Capital assets - net	<u>\$ 660,644</u>	<u>\$ (86,018)</u>	<u>\$ -</u>	<u>\$ 574,626</u>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Business-Type Activities**  
**Sewer**

	<u><b>Beginning</b></u> <u><b>Balance</b></u>	<u><b>Additions</b></u>	<u><b>Deletions</b></u>	<u><b>Ending</b></u> <u><b>Balance</b></u>
<b>Nondepreciable Assets</b>				
Land	57,034	-	-	57,034
Construction in Progress	4,703,992	21,291	(4,725,283)	-
<b>Total nondepreciable assets</b>	<b>4,761,026</b>	<b>21,291</b>	<b>(4,725,283)</b>	<b>57,034</b>
Right of Use Assets (Vehicles)	63,088	-	-	63,088
Less Accumulated Amortization:	(17,286)	(12,618)	-	(29,904)
Total Right of Use Assets (Net)	45,802	(12,618)	-	33,184
Structures and Improvements	10,638,491	67,121	-	10,705,612
Collecting System	7,223,770	5,240,534	-	12,464,304
Pumping System	712,682	-	-	712,682
Treatment and Disposal System	2,918,694	40,774	-	2,959,468
General Plant	1,403,001	-	-	1,403,001
Totals at historical cost	<b>22,896,638</b>	<b>5,348,429</b>	<b>-</b>	<b>28,245,067</b>
Less: Accumulated depreciation				
Structures and Improvements	(6,881,617)	(176,992)	-	(7,058,609)
Collecting System	(3,320,968)	(196,659)	-	(3,517,627)
Pumping System	(633,622)	(16,821)	-	(650,443)
Treatment and Disposal System	(2,451,348)	(46,544)	-	(2,497,892)
General Plant	(1,246,382)	(20,164)	-	(1,266,546)
Totals Accumulated depreciation	<b>(14,533,937)</b>	<b>(457,180)</b>	<b>-</b>	<b>(14,991,117)</b>
Total depreciable assets - net	8,362,701	4,891,249	-	13,253,950
Sewer Fund:				
Capital assets - net	<b>13,169,529</b>	<b>4,899,922</b>	<b>(4,725,283)</b>	<b>13,344,168</b>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

<b>Business-Type Activities</b> <b><u>Water</u></b>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
<b>Nondepreciable Assets</b>				
Land	\$ 9,766	\$ -	\$ -	\$ 9,766
Construction in progress	-	-	-	-
Total nondepreciable assets	<u>9,766</u>	<u>-</u>	<u>-</u>	<u>9,766</u>
<b>Right of use Assets</b>				
Vehicles	32,685	-	-	32,685
Totals:	<u>32,685</u>	<u>-</u>	<u>-</u>	<u>32,685</u>
Less accumulated amortization:				
Vehicles	(1,634)	(6,537)	-	(8,171)
Total accumulated amortization	<u>(1,634)</u>	<u>(6,537)</u>	<u>-</u>	<u>(8,171)</u>
Total Right of use assets- net	31,051	(6,537)	-	24,514
<b>Depreciable Assets</b>				
Structures & Improvements	23,075,652	-	-	23,075,652
Treatment & Distribution System	20,800,783	-	-	20,800,783
Machinery & Equipment	1,121,184	-	92,326	1,028,858
Totals at historical cost	<u>44,997,619</u>	<u>-</u>	<u>92,326</u>	<u>44,905,293</u>
Less: Accumulated depreciation:				
Structures & Improvements	(4,496,202)	(450,294)	-	(4,946,496)
Treatment & Distribution System	(5,611,977)	(799,884)	-	(6,411,861)
Machinery & Equipment	(761,948)	(75,985)	(92,326)	(745,607)
Total Accumulated depreciation	<u>(10,870,127)</u>	<u>(1,326,163)</u>	<u>(92,326)</u>	<u>(12,103,964)</u>
Total depreciable assets - net	34,127,492	(1,326,163)	-	32,801,329
Water Fund:				
Capital assets - net	<u>\$ 34,168,309</u>	<u>\$ (1,332,700)</u>	<u>\$ -</u>	<u>\$ 32,835,609</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Business-Type Activities**  
**Total Enterprise**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Nondepreciable Assets</b>				
Land	66,800	-	-	66,800
Construction in Progress	4,759,018	21,291	(4,725,283)	55,026
Total nondepreciable assets	<u>4,825,818</u>	<u>21,291</u>	<u>(4,725,283)</u>	<u>121,826</u>
<b>Right of Use Assets</b>				
Vehicles	95,773	-	-	95,773
Total Right of Use Assets	<u>95,773</u>	<u>-</u>	<u>-</u>	<u>95,773</u>
Less Accumulated Amortization				
Vehicles	(18,920)	(19,155)	-	(38,075)
Total accumulated amortization	<u>(18,920)</u>	<u>(19,155)</u>	<u>-</u>	<u>(38,075)</u>
Total Right of Use Assets	76,853	(19,155)	-	57,698
<b>Depreciable Assets</b>				
Structures and Improvements	33,756,743	67,121	-	33,823,864
Collecting System	7,223,770	5,240,534	-	12,464,304
Pumping System	712,682	-	-	712,682
Treatment and Distribution System	20,800,783	-	-	20,800,783
Treatment and Disposal System	2,918,694	40,774	-	2,959,468
General Plant	1,403,001	-	-	1,403,001
Machinery and Equipment	4,339,030	55,608	(233,329)	4,161,309
Landfill Cell	2,918,670	-	-	2,918,670
Totals at historical cost	<u>74,073,373</u>	<u>5,404,037</u>	<u>(233,329)</u>	<u>79,244,081</u>
Less: Accumulated depreciation				
Structures and Improvements	(11,420,420)	(627,286)	-	(12,047,706)
Collecting System	(3,320,968)	(196,659)	-	(3,517,627)
Pumping System	(633,622)	(16,821)	-	(650,443)
Treatment and Distribution System	(5,611,977)	(799,885)	-	(6,411,862)
Treatment and Disposal System	(2,451,348)	(46,544)	-	(2,497,892)
General Plant	(1,246,382)	(20,164)	-	(1,266,546)
Machinery and Equipment	(3,367,638)	(224,147)	233,329	(3,358,456)
Landfill Cell	(2,918,670)	-	-	(2,918,670)
Total Accumulated depreciation:	<u>(30,971,025)</u>	<u>(1,931,506)</u>	<u>233,329</u>	<u>(32,669,202)</u>
Total depreciable assets - net	43,102,348	3,472,531	-	46,574,879
<b>Total Business-Type Activities:</b>				
Capital assets - net	<u>48,005,019</u>	<u>3,474,667</u>	<u>(4,725,283)</u>	<u>46,754,403</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Depreciation and amortization expense were charged to governmental activities as follows:

	<b>Depreciation</b>	<b>Amortization</b>
General Government	\$ 38,645	\$ 6,294
Public Safety	187,701	23,023
Highways & Streets	36,225	139,553
Culture & Recreation	81,191	-
Total Depreciation Expense	\$ 343,762	\$ 168,870

## 8. Long-Term Debt

The following is a summary of long-term debt for the year ended June 30, 2023:

	Balance at 06/30/22	Additions	Reductions	Balance at 06/30/23	Amounts Due in One Year	Amounts Due after One Year
<b>Governmental Activities:</b>						
Notes Payable	\$ 124,351	\$ -	\$ (49,060)	\$ 75,291	\$ 50,039	\$ 25,252
Right of Use Obligations (1)	\$ 628,477	\$ -	\$ (146,594)	\$ 481,883	\$ 150,837	\$ 331,046
Revenue Bonds Payable	870,862	-	(80,104)	790,758	81,701	709,057
Net Pension Liabilities *	-	627,085	-	627,085	-	627,085
Other Post-employment Benefit (OPEB) Liabilities	-	46,327	-	46,327	-	46,327
Subtotal Governmental Activities	1,623,690	673,412	(275,758)	2,021,344	282,577	1,738,767
<b>Business-type Activities:</b>						
Purchase Lease Obligations	287,037	490,251	(105,470)	671,818	107,776	564,042
Right of Use Obligations (1)	73,447	-	(17,528)	55,919	18,253	37,666
Notes Payable	145,762	-	(29,739)	116,023	116,023	-
Revenue Bonds Payable	44,200,230	133,169	(1,519,535)	42,813,864	1,546,395	41,267,469
Net Pension Liabilities *	-	94,448	-	94,448	-	94,448
Other Post-employment Benefit (OPEB) Liabilities *	-	33,135	-	33,135	-	33,135
Subtotal Business-type Activities	44,706,476	751,003	(1,672,272)	43,785,207	1,788,447	41,996,760
<b>Total</b>	\$46,330,166	\$1,424,415	(\$1,948,030)	\$45,806,551	\$2,071,024	\$43,735,527

\* During 2023 changes in actuarial calculations resulted in a net pension asset for the pension systems in the amount of \$536,058 which are not included in the above schedule but are reported on the Statement of Net Position.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Purchasing Obligations:**

**BB&T Governmental Finance**

The Sewer Fund of the City of Elkins entered into a lease agreement on September 27, 2016 to finance the acquisition of sewer aeration equipment. This lease qualifies as a purchasing obligation for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of its inception. The following is a schedule of future payments required under this agreement at June 30, 2023:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,771.00	\$ 6,745.00	\$ 26.00
	<u>\$ 6,771</u>	<u>\$ 6,745</u>	<u>\$ 26</u>

**BB&T Governmental Finance**

The Sewer Fund of the City of Elkins entered into a lease agreement on December 9, 2022 to finance the acquisition of sewer cleaner truck. This lease qualifies as a purchasing obligation for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of its inception. The following is a schedule of future payments required under this agreement at June 30, 2023:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
		<b>20052</b>	
2024	59,815	41,353	18,462
2025	59,815	43,076	16,739
2026	59,815	44,872	14,943
2027	59,815	46,742	13,073
2028	59,815	48,690	11,125
2029-2033	269,166	245,466	23,700
	<u>\$ 568,241</u>	<u>\$ 470,199</u>	<u>\$ 98,042</u>

**BB & T Governmental Finance**

The Sanitation Fund of the City of Elkins entered into a lease agreement on January 24, 2020 to finance the acquisition of a 2020 International garbage truck. This lease qualifies as a purchasing obligation for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of its inception. The following is a schedule of future payments required under this agreement at June 30, 2023:



**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	31,152	29,495	1,657
2025	31,152	30,235	917
2026	9,769	9,250	519
	<u>\$ 72,073</u>	<u>\$ 68,980</u>	<u>\$ 3,093</u>

**BB & T Governmental Finance**

The Sanitation Fund of the City of Elkins entered into a lease agreement during 2023 to finance the acquisition of a garbage truck. This lease qualifies as a purchasing obligation for accounting purposes. The maturity of this obligation is detailed below:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	30,183	1,536	31,719
2025	30,600	1,120	31,720
2026	31,021	698	31,719
2027	31,449	270	31,719
2028	2,641	2	2,643
Totals	\$ 125,894	\$ 3,626	\$ 129,520

**Lease Revenue Bond, Series 2006**

3.50%, Lease Revenue Bond due 7/10/2027. Monthly payments are \$3,484. Secured by real estate. Paid from General Fund.

\$125,738

Future debt maturity retirement based on current financing arrangements is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 41,805	37,479	4,326
2025	\$ 41,805	38,928	2,877
2026	\$ 41,805	38,928	2,877
2027	\$ 15,132	10,403	4,729
2028			-
	<u>\$ 140,547</u>	<u>\$ 125,738</u>	<u>\$ 14,809</u>

**Lease Revenue Bond, Series 2019**

2.13%, Lease Revenue Bond effective 11/20/2019 (Reissued 8/15/2021). Monthly payments are \$4,833. Secured by real estate. Paid from General Fund. \$665,020

Reissued the amount of the bond during FY 2023. Future debt maturity retirement is as follows:

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 57,998	\$ 44,222	\$ 13,776
2025	57,998	45,208	12,790
2026	57,998	46,180	11,818
2027	57,998	47,173	10,825
2028	57,988	48,162	9,826
2029-2033	289,992	204,247	85,745
2034-2037	241,660	229,828	11,832
	<u>\$ 821,632</u>	<u>\$ 665,020</u>	<u>\$ 156,612</u>

**Sewer Revenue Bonds – Bond Issue of 2009-Series A**

0.00% interest, Sewer Revenue Bonds due 9/1/2040. Quarterly payments are \$7,361. Secured by physical assets and revenue of the sewerage system.

\$507,359

Future debt maturity retirement based on current financing arrangements is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	29,444	29,444	-
2025	29,444	29,444	-
2026	29,444	29,444	-
2027	29,444	29,444	-
2028	29,444	29,444	-
2029-2033	147,220	147,220	-
2034-2038	147,220	147,220	-
2039-2041	65,699	65,699	-
	<u>\$ 507,359</u>	<u>\$ 507,359</u>	<u>\$ -</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Sewer Revenue Bonds - Bond Issue of 2006**

2.00%, Sewer Revenue Bonds due 9/1/2028. Quarterly payments are \$130,518. Secured by physical assets and revenue of the sewerage system. \$2,580,866

Future debt maturity retirement based on current financing arrangements is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	522,072	473,695	48,377
2025	522,072	483,242	38,830
2026	522,072	492,978	29,094
2027	522,027	502,912	19,115
2028	522,072	513,047	9,025
2029	118,491	114,992	3,499
	<u>\$ 2,728,806</u>	<u>\$ 2,580,866</u>	<u>\$ 147,940</u>

**Sewer Revenue Bonds – Supplemental Subordinate Bond Issue of 1986**

0.00% interest, Sewer Revenue Bonds due 10/1/2025. Annual payments are \$12,925. Secured by physical assets and revenue of the sewerage system.

\$38,775

Future debt maturity retirement based on current financing arrangements is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	12,925	12,925	-
2025	12,925	12,925	-
2026	12,925	12,925	-
	<u>\$ 38,775</u>	<u>\$ 38,775</u>	<u>\$ -</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Sewer Revenue Bonds – Bond Issue of 2015-Series 2015 A**

1.00% interest, Sewer Revenue Bonds due 3/1/2055.

Quarterly payments will be \$21,765. Secured by physical assets and revenue of the sewerage system.

\$ 2,241,818

Future debt maturity retirement based on current financing arrangements is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 87,057	63,638	23,419
2025	87,058	64,277	22,781
2026	87,057	64,922	22,135
2027	87,058	65,574	21,484
2028	87,058	66,232	20,826
2029-2033	435,287	341,267	94,020
2034-2038	435,291	358,745	76,546
2039-2043	435,287	377,111	58,176
2044-2048	435,289	396,422	38,867
2049-2053	435,288	416,721	18,567
2054-2055	28,422	26,909	1,513
	<u>\$ 2,640,152</u>	<u>\$ 2,241,818</u>	<u>\$ 398,334</u>

**Sewer Revenue Bonds – Bond Issue of 2020-Series 2020 A**

2.24% interest, Sewer Revenue Bonds due 3/1/2055.

Quarterly payments will be \$78,605. Secured by physical assets and revenue of the sewerage system.

\$ 4,488,448

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 320,772	215,681	105,091
2025	320,771	220,552	100,219
2026	320,771	225,534	95,237
2027	320,771	230,629	90,142
2028	320,771	235,840	84,931
2029-2033	1,603,856	1,261,553	342,303
2034-2038	1,603,859	1,410,625	193,234
2039-2043	721,736	688,034	33,702
	<u>\$ 5,533,307</u>	<u>\$ 4,488,448</u>	<u>\$ 1,044,859</u>

**Water Revenue Bonds – Bond Issue of 2017-Series 2015 A-1**

2.625% interest, Water Revenue Bonds due 12/9/2055.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Monthly payments are estimated to be \$27,760. Secured by physical assets and revenue of the water system. \$ 7,272,078

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 333,120	143,425	189,695
2025	333,120	147,755	185,365
2026	333,120	151,681	181,439
2027	333,120	155,711	177,409
2028	333,120	159,372	173,748
2029-2033	1,665,600	864,739	800,861
2034-2038	1,665,600	985,925	679,675
2039-2043	1,665,600	1,124,098	541,502
2044-2048	1,665,600	1,281,467	384,133
2049-2053	1,665,600	1,461,339	204,261
2054-2055	823,589	796,566	27,023
	<u>\$ 10,817,189</u>	<u>\$ 7,272,078</u>	<u>\$ 3,545,111</u>

**Water Revenue Bonds – Bond Issue of 2017-Series 2015 A-2**

2.625% interest, Water Revenue Bonds due 12/9/2055.

Monthly payments are estimated to be \$26,025. Secured by physical assets and revenue of the water system. \$6,817,565

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 312,300	\$ 134,461	\$ 177,839
2025	312,300	138,521	173,779
2026	312,300	142,201	170,099
2027	312,300	145,979	166,321
2028	312,300	149,412	162,888
2029-2033	1,561,500	810,694	750,806
2034-2038	1,561,500	924,307	637,193
2039-2043	1,561,500	1,053,843	507,657
2044-2048	1,561,500	1,201,378	360,122
2049-2053	1,561,500	1,370,007	191,493
2054-2055	748,366	746,762	1,604
	<u>\$ 10,117,366</u>	<u>\$ 6,817,565</u>	<u>\$ 3,299,801</u>

**Water Revenue Bonds – Bond Issue of 2019-Series 2015 B**

2.625% interest, Water Revenue Bonds due 12/9/2055.

Monthly payments are estimated to be \$21,074. Secured by physical assets and revenue of the water system. \$5,238,562

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 252,888	\$ 116,395	\$ 136,493
2025	252,888	119,861	133,027
2026	252,888	123,046	129,842
2027	252,888	126,315	126,573
2028	252,888	129,333	123,555
2029-2033	1,264,440	701,544	562,896
2034-2038	1,264,440	799,862	464,578
2039-2043	1,264,440	911,959	352,481
2044-2048	1,264,440	1,039,680	224,760
2049-2053	1,246,447	1,170,567	75,880
2054-2055	-	-	-
	<u>\$ 7,568,647</u>	<u>\$ 5,238,562</u>	<u>\$ 2,330,085</u>

**Water Revenue Bonds – Bond Issue of 2017-Series 2015 C**

1.00% interest, Water Revenue Bonds due 12/1/2055.

Quarterly payments are estimated to be \$122,920. Secured by physical assets and revenue of the water system.

\$13,628,393

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 491,680	\$ 356,731	\$ 134,949
2025	491,680	360,312	131,368
2026	491,681	363,929	127,752
2027	491,682	367,583	124,099
2028	491,682	371,273	120,409
2029-2033	2,458,408	1,913,015	545,393
2034-2038	2,458,408	2,010,972	447,436
2039-2043	2,458,408	2,113,948	344,460
2044-2048	2,458,408	2,222,190	236,218
2049-2053	2,458,408	2,335,981	122,427
2054-2055	1,229,086	1,212,459	16,627
	<u>\$ 15,979,531</u>	<u>\$ 13,628,393</u>	<u>\$ 2,351,138</u>

**Sewer Fund – Vehicle with camera**

The Sewer Fund acquired \$178,046 in notes payable which had been issued during 2020 to finance the purchase of a 2019 Ford van and camera. The note was issued at a 3.16% interest rate. The outstanding balance at June 30, 2023 was \$61,052.

**Water Fund – Vehicle**

The Water Fund acquired \$36,516 in notes payable during 2017 to finance the purchase of a 2017 Ford F550 truck. The note was issued at a 2.64% interest rate. The note was paid off during fiscal year 2023.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Sanitation Fund – Line of Credit**

The Sanitation Fund originally acquired a Line of Credit for \$100,000 during 2020. The Fund had no draws of on this Line of Credit during the fiscal year. The note was issued at a 3.15% interest rate. The outstanding balance at June 30, 2023 was \$54,921.

**General Fund – Vehicle - Fire**

The General Fund acquired \$333,634 in notes payable during 2017 to finance the purchase of a 2019 International fire truck. The note was issued at a 1.98% interest rate. The outstanding balance at June 30, 2023 was \$75,291.

**Right of Use Obligations**

During FY2023, Governmental Activities and Business Activities had \$481,883 and \$55,919 outstanding Obligations from Enterprise for various vehicles. The maturity of this activity is as follows:

	Governmental Activities		
	Principal	Interest	Total
2024	150,837	21,116	171,953
2025	153,055	13,607	166,662
2026	129,389	6,252	135,641
2027	48,602	643	49,245
Totals	\$ 481,883	\$ 41,618	\$ 523,501
	Business Activities		
	Principal	Interest	Total
2024	18,253	1,989	20,242
2025	19,008	1,475	20,483
2026	13,615	541	14,156
2027	5,043	83	5,126
Totals	\$ 55,919	\$ 4,088	\$ 60,007

**9. Employees Retirement System**

**Net Pension Liability**

The net pension liability has been disclosed below. The net pension liability reported on the statement of net position represents a liability to employees for pensions.

Pensions 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.

**City of Elkins, West Virginia  
Notes to The Financial Statements  
For The Fiscal Year Ended June 30, 2023**

The net pension liability represents the City’s proportionate share of the pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension plan’s fiduciary net position. The net pension liability 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 proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting.

**Public Employee Retirement System (PERS)**

The City participates in a statewide, cost-sharing multiple employer defined benefit plan on behalf of the City employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

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

Eligibility to participate	All City full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions:	State statute
Plan member’s contribution rate:	4.50% for employees hired before July 1, 2015 and 6.00% for employees hired after July 1, 2015.
City’s contribution rate:	10.00%
Period required to vest:	5 years
Benefits and eligibility for distribution:	A member hired on or before July 1, 2015 who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. A member hired after July 1, 2015 who has attained age 62 and has earned 10 or more years of contributing service. For members hired on or before July 1, 2015, the calculation for final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit. For members hired after July 1, 2015, the calculation for final average salary (60 highest consecutive months in the last 15) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion Provision for:	No



**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Cost of living	No
Death benefits	Yes

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

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

At fiscal year-end, the City reported the following liabilities for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2022, and the total pension liability used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The City's proportion of the net pension liabilities was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2023, the City reported the following proportions and increase/decreases from its proportion measured as of June 30, 2022:

	<u>PERS</u>
<b>Proportionate Share of the Net Pension Liability (Asset)</b>	<b>\$ 220,416</b>
<b>Proportion of the Net Pension Liability (Asset) - Current Year</b>	<b>0.148010%</b>
<b>Proportion of the Net Pension Liability (Asset)- Prior Year</b>	<b>0.146691%</b>
<b>% Change in Proportion of the Net Pension Liability (Asset)</b>	<b>0.001319%</b>
<b>Pension Expense</b>	<b>\$ 112,627</b>

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

	<b>PERS</b>
<b>Deferred Outflows of Resources:</b>	
Differences between expected and actual economic experience	\$ 84,558
Differences between projected and actual investment earnings	132,909
Changes of assumptions	145,072
Changes in proportion and differences between City contributions and proportionate share of contributions	20,183
City contributions subsequent to the measurement date	344,000
Total	\$ 726,722

	<b>PERS</b>
<b>Deferred Inflows of Resources:</b>	
Changes in proportion	\$ 20,746
Total	\$ 20,746

\$344,000 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b>PERS</b>
Fiscal Year Ending June 30:	
2024	142,586
2025	11,378
2026	(139,894)
2027	347,906
	\$ 361,976

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employees Retirement System

Inflation rate	2.75%
Projected salary increases:	
State	2.75% - 5.55%
Non-state	3.60%-6.75%
Investment rate of return	7.25%
Withdrawal rate:	
State	2.28% - 45.63%
Non-state	2.50% - 35.88%

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Disability rate 0.005% - 0.54%  
 Retirement rate 12% - 100%

**Mortality Rates**

Active – 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018  
 Retired Healthy Males – 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018  
 Retired Healthy Females – 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018  
 Disabled Males – 118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018  
 Disabled Females – 117% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018

The actuarial assumptions used in the June 30, 2021 PERS valuation were based on the results of an actuarial experience study for the period June 1, 2013 to June 30, 2018.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic Equity	27.50%	5.3%
International Equity	27.50%	6.1%
Fixed Income Securities	15.00%	2.2%
Real Estate	10.00%	6.5%
Private Equity	10.00%	9.5%
Hedge Funds	10.00%	3.8%
<b>Total</b>	<b>100.00%</b>	

**Discount rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

projected benefit payments to determine the total pension liabilities of each plan.

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the City, calculated using the discount rate of 7.25 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1 – percentage-point lower (6.25 percent) or 1 – percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Interest Rate	1% Increase
	6.25%	7.25%	8.25%
Proportionate Share of Net Pension Liability	\$1,559,614	\$220,416	\$925,746

**Pension plans’ fiduciary net position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued West Virginia Consolidated Public Retirement Board (WVCPRB) Comprehensive Annual Financial Report. That report can be obtained by visiting the WVCPRB website at [www.wvretirement.com](http://www.wvretirement.com).

**Municipal Police Officers & Firefighters Retirement System (MPFRS)**

The City participates in a statewide, cost-sharing multiple employer defined benefit plan on behalf of hired Municipal public safety employees after January 1, 2010. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

MPFRS is a multiple employer defined benefit retirement system administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at [www.wvretirement.com](http://www.wvretirement.com). The following is a summary of eligibility factors, contribution methods, and benefit provisions:

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Eligibility to participate	City public safety employees not covered under other pension plans.
Authority establishing contribution obligations and benefit provisions:	State statute; Chapter 8, Article 22A
Plan member's contribution rate:	8.5%
City's contribution rate:	8.5%
Period required to vest:	5 years
Benefits and eligibility for distribution:	A member who has attained age 60 and has earned 10 years or more of contributing service or age 50 if the sum of his/her age plus years of credited service is equal to or greater than 70 or age 62 with 5 years of service. The final average salary (five of the last ten highest consecutive years) times the years of service times applicable benefit percentage (2.6%, 2% or 1%) equals the annual retirement benefit.
Deferred retirement portion	No
Provision for:	
Cost of living	No
Death benefits	Yes

MPFRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the West Virginia Municipal Police Officers & Firefighters Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

**Net Pension Assets, Pension Gain, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At fiscal year-end, the City reported the following liabilities for its proportionate share of the net

	<u>MPFRS</u>
Proportionate Share of the Net	
Pension Liability (Assets)	\$ (285,172)
Proportion of the Net Pension	
Liability - Current Year	2.918257000%
Proportion of the Net Pension	
Liability - Prior Year	2.703520000%
% Change in Proportion of the	
Net Pension Liability	0.214737%
Pension Expense (Gain)	\$ 2,495

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

pension liability. The net pension liabilities were measured as of June 30, 2021 rolled forward to June 30, 2022, and the total pension liability used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The City's proportion of the net pension liabilities was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2023, the City reported the following proportions and increase/decreases from its proportion measured as of the prior period:

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>MPFRS</b>
<b>Deferred Outflows of Resources:</b>	
Differences between expected and actual economic experience	\$ 20,515
Differences between projected and actual investment earnings	27,023
Changes of assumptions	29,504
Changes in proportion and differences between City contributions and proportionate share of contributions	23,848
City contributions subsequent to the measurement date	30,130
Total	<b>\$ 131,020</b>
	<b>MPFRS</b>
<b>Deferred Inflows of Resources:</b>	
Differences between expected and actual economic experience	\$ 5,632
Differences between projected and actual investment earnings	\$ -
Deferred difference in assumptions	408
Differences between City contributions and Changes in proportion	31,737
Total	<b>\$ 37,777</b>

\$30,130 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b>MPFRS</b>
Fiscal Year Ending June 30:	
2024	\$ 12,957
2025	11,352
2026	5,574
2027	21,032
2028	7,412
Thereafter	4,786
	<b>\$ 63,113</b>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

**Public Employees Retirement System**

Inflation rate 2.75%

Salary increases By age – from 4.75% at age 30 declining to 3.25% at age 65

Investment rate of return 7.25%

Withdrawal rate 3.00% - 21.00%

Disability rate 0.03% - 0.40%

Retirement rate 25% - 100%

**Mortality Rates**

Active – 100% of Pub-2010 Safety Employee Table, Amount weighted, projected generationally with Scale MP-2020

Retired Healthy Males – 98% of Pub-2010 Safety Retiree Male Table, Amount Weighted, projected generationally with MP-2020

Retired Healthy Females – 99% of Pub-2010 Safety Retiree Female Table, Amount Weighted, projected generationally with MP-2020

Disabled Males – 124% of Pub—2010 Male Disable Annuitant table, Scale MP-2020 fully generational

Disabled Females – 100% of Pub-2010 Female Disabled Annuitant table, Scale MP-2020 fully generational

The actuarial assumptions used in the June 30, 2021 MPFRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic Equity	27.50%	5.3%
International Equity	27.50%	6.1%
Fixed Income Securities	15.00%	2.2%
Real Estate	10.00%	6.5%
Private Equity	10.00%	9.5%
Hedge Funds	10.00%	3.8%
<b>Total</b>	<b>100.00%</b>	

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Discount rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan.

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the City, calculated using the discount rate of 7.25 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1 – percentage-point lower (6.25 percent) or 1 – percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Interest Rate	1% Increase
	6.25%	7.25%	8.25%
Proportionate Share of MPFRS Net Pension Asset (Liability)	\$ 147,897	\$ 285,172	\$ 388,712

**Pension plans’ fiduciary net position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued West Virginia Consolidated Public Retirement Board (WVCPRB) Comprehensive Annual Financial Report. That report can be obtained by visiting the WVCPRB website at [www.wvretirement.com](http://www.wvretirement.com).

**Other Post Employment Benefits**

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



**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2022. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at [www.peia.wv.gov](http://www.peia.wv.gov). You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th. Street, SE, Suite 2, Charleston, WV, 25304.

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

**Contributions.** Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately \$75 million for the fiscal year ended June 30, 2022.

Contributions to the OPEB plan from the City were \$82,055 for the current fiscal year.

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

The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of the net OPEB liability does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial estimated liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. However, the preparation of any estimate of future post-employment costs requires consideration of a broad array of complex social and economic events. Future changes in the healthcare reform, changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs option, changes in the investment rate of return and other matters increase the level of uncertainty of such estimates. As such, the estimate of post-employment program costs contains considerable uncertainty and variability and actual experience may vary significantly by the current estimated net OPEB liability.

At fiscal year-end, the City reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City as its proportionate share of the net OPEB liability, the

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

related State support, and the total portion of the net OPEB liability that was associated with the City were as follows:

Government's proportionate share of the net OPEB liability (Asset)	\$ 79,462
State's proportionate share of the net OPEB Liability (Asset) associated with the government	<u>20,275</u> <u>\$ 99,737</u>

The net OPEB liability reported as of June 30, 2023 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share as well as the OPEB expense:

Proportionate Share of the Net OPEB – Current Year	0.071395444%
Proportionate Share of the Net OPEB – Prior Year	0.076994725%
Change in Proportionate Share Proportion of the Net OPEB Liability(Asset)	( 0.005599281%) \$79,462
OPEB Expense (Gain)	(\$313.279)

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Deferred Outflows of Resources:**

Differences between projected and actual investment earnings	\$ 12,334
Changes of assumptions	50,959
Changes in proportion and differences between City contributions and proportionate share of contributions	2,230
City contributions subsequent to the measurement date	82,055
Total	<u>\$ 147,578</u>

**Deferred Inflows of Resources:**

Differences between expected and actual economic experience	\$ 101,370
Deferred difference in assumptions	201,900
Differences between City contributions and Changes in proportion	<u>\$ 64,123</u>
Total	<u>\$ 367,393</u>

\$82,055 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	
2024	(275,017)
2025	(39,679)
2026	(18,057)
2027	30,883
	<u>\$ (301,870)</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 , using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases from	Dependent upon pension system ranging from
Investment rate of return	2.75% to 5.18%, including inflation 6.65%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, .50% for two years, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023. decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20 year closed period
Asset valuation method	Market value
Wage inflation	2.75% for PERS and TRS, and 3.25% for Troopers
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021 actuarial valuation.
Aging factors	Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”
Expenses	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
Mortality Post Retirement	TRS: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. PERS: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Mortality Pre-Retirement	Troopers A and B: Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2019 and scaling factors of 100% for males and females. TRS: Pub-2010 General Employee Mortality Tables projected with MP-2019. PERS: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP- 2019. Troopers A and B: Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2019.
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The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

The actuarial valuation as of June 30, 2021, reflects updates to various assumptions; projected capped subsidies, per capita claim costs, healthcare trend rates, coverage and continuance, percentage eligible for tobacco-free premium discount, and retired employee assistance program participation.

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

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

The long-term rates of return on OPEB plan investments are determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (“CMA”), and forecast returns were provided by the Plan’s investment advisors, including West Virginia Investment Management Board (“WV-IMB”). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (“WV-BTI”) was estimated based on WV-IMB assumed inflation of 2.0% plus a 25-basis point spread.

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

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

Asset Class	Long-Term Expected Real Rate of Return
Global Equity	4.8%
Core Plus Fixed Income	2.1%
Core Real Estate	4.1%
Hedge Fund	2.4%
Private Equity	6.8%

Discount rate

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.13% as of the beginning of the year and 2.45% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2025, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the RHBT, as well as what the RHBT's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.65%) or 1-percentage-point higher (7.65%) than the current rate:

	<u>1% Decrease</u> <u>(5.65%)</u>	<u>Discount Rate</u> <u>(6.65%)</u>	<u>1% Increase</u> <u>(7.65%)</u>
Proportionate Share of the Net OPEB liability (Asset)	\$204,248	\$79,462	( \$27,590)

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.**

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or higher than the current rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Proportionate Share of the Net OPEB liability	( \$45,176)	\$79,462	\$226,942

**10. Interfund Balances**

Individual fund interfund receivable and payable balances at June 30, 2023 are as follows:

	<u>Due from (to) Component Unit</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from (to) General Fund</u>
General Fund	\$ 765	\$ 416,321	\$ 174,671	\$ 18,750
Financial Stabilization Fund	-	262,485	-	-
Sanitation Fund	-	-	440,091	-
Water Fund	-	22,875	86,919	-
Parks & Recreation - Component Unit	(18,750)	-	-	(765)
	<u>\$ (17,985)</u>	<u>\$ 701,681</u>	<u>\$ 701,681</u>	<u>\$ 17,985</u>

**11. Restricted Assets**

Certain enterprise fund assets are restricted for repayment of long-term debt and for capital expenditures.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

	<u><i>Business-type</i></u> <u><i>Activities</i></u>
Reserve account	\$ 1,517,104
Revenue account	207,239
Depreciation account	352,893
Renewal and replacement account	657,389
Landfill escrow	1,851,378
	<u>\$ 4,586,003</u>

**12. Landfill Closure and Post-closure Care Costs**

The City turned over certain obligations related to the closure and post-closure costs of the landfill to the State of West Virginia. The City is still required to maintain trust funds which originally were established to fund closure and post-closure care. The balances of \$1,802,690 and \$48,688, respectively at June 30, 2023 are reported as restricted assets until a final determination has been made regarding the disposition of these assets.

**13. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in a few lawsuits arising in the normal course of business. In the aggregate, these claims are not likely to have a material adverse impact on the affected funds of the City.



**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**14. Debt Covenant Compliance**

**Sewer**

The City of Elkins, West Virginia is subject to rate covenant compliance associated with the issuance of the Series 2009 A bonds. Specifically, the City must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond document as follows:

"...The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder...the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2009 A Bonds, and all other obligations... including Prior Bonds: provided that, in the event that, an amount equal to or in excess of Reserve Requirements is on deposit in the Series 2009 A Bonds Reserve Account and any reserve accounts for obligations on a parity with, or subordinate to, the Series 2009 A Bonds are funded at least at the requirement therefore, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2009 A Bonds, and all other obligations..."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2023.

<u>Net Gross</u> <u>Revenues</u>	<u>Amount of</u> <u>Annual Debt</u> <u>Service</u>	<u>Percentage</u>	<u>Maximum</u> <u>Percentage</u> <u>Required</u>
<u>\$ 918,556</u>	<u>\$ 1,099,909</u>	84%	110%

As of June 30, 2023, the City was not in compliance with the provisions of the Series 2009 A revenue bond covenant which require revenues to be 110% or above the amount of the highest principal payment plus interest due in any given year.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**Water**

The City of Elkins, West Virginia is subject to rate covenant compliance associated with the issuance of the Series 2015 A bonds. Specifically, the City must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond document as follows:

"...The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder...the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2015 A Bonds, and all other obligations... including Prior Bonds: provided that, in the event that, an amount equal to or in excess of Reserve Requirements is on deposit in the Series 2015 A Bonds Reserve Account and any reserve accounts for obligations on a parity with, or subordinate to, the Series 2015 A Bonds are funded at least at the requirement therefore, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2015 A Bonds, and all other obligations..."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2023.

<u>Net Gross</u> <u>Revenues</u>	<u>Amount of</u> <u>Annual Debt</u> <u>Service</u>	<u>Percentage</u>	<u>Maximum</u> <u>Percentage</u> <u>Required</u>
<u>\$ 1,960,523</u>	<u>\$ 1,389,988</u>	141%	110%

As of June 30, 2023, the City was in compliance with the provisions of the Series 2015 A revenue bond covenant which require revenues to be 110% or above the amount of the highest principal payment plus interest due in any given year.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2023**

**15. Subsequent Events**

The City of Elkins, West Virginia's management evaluated the effect that subsequent events would have on financial statements through February 20, 2024, which is the date the financial statements were available to be released.

**16. Fund Balance**

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

<u>Fund Balance</u>	<u>General</u>	<u>Coal Severance</u>	<u>Financial Stabilization</u>	<u>American Rescue Plan</u>	<u>Fire Department</u>
Restricted for:					
Capital Projects	\$ -	\$ -	\$ 1,398,908	\$ 893,009	\$ -
Fire	-	-	-	-	391,998
Committed for:					
Safety	-	157,833	-	-	-
Unassigned	1,910,539	-	-	-	-
	<u>\$ 1,910,539</u>	<u>\$ 157,833</u>	<u>\$ 1,398,908</u>	<u>\$ 893,009</u>	<u>\$ 391,998</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)*  
*West Virginia Firemen's Pension and Relief Fund*  
*Last Nine Years \**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total plan pension liability	\$ 1,968,922	\$ 1,892,548	\$ 1,999,781	\$ 1,585,062	\$ 1,498,344	\$ 1,420,338	\$ 1,704,797	\$ 1,388,824	\$ 1,441,318
Plan net position	2,219,808	2,425,041	1,919,756	1,788,546	1,658,046	1,489,384	1,307,000	1,244,804	1,163,258
Net pension liability (asset)	(250,886)	(532,493)	80,025	(203,484)	(159,702)	(69,046)	397,797	144,020	278,060
Plan net position as a % of total pension liability	112.74%	128.14%	96.00%	112.84%	110.66%	104.86%	76.67%	89.63%	80.71%
Covered payroll	\$ 192,839	\$ 188,194	\$ 192,149	\$ 145,017	\$ 167,273	\$ 163,492	\$ 163,506	\$ 161,535	\$ 164,553
Net pension liability (asset) as a % of Covered Payrol	-130.10%	-282.95%	41.65%	-140.32%	-95.47%	-42.23%	243.29%	89.16%	168.98%

\* - Information for years prior to 2015 was not available

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)*  
*West Virginia Policemen's Pension and Relief Fund*  
*Last Nine Years \**

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total plan pension liability	\$ 4,498,379	\$ 4,525,934	\$ 4,803,097	\$ 4,933,354	\$ 5,152,162	\$ 5,296,956	\$ 5,239,162	\$ 5,065,118	\$ 5,041,872
Plan net position	<u>3,997,262</u>	<u>4,694,723</u>	<u>3,893,791</u>	<u>3,691,416</u>	<u>3,520,541</u>	<u>3,273,105</u>	<u>3,004,879</u>	<u>2,794,044</u>	<u>2,383,232</u>
Net pension liability (Asset)	501,117	(168,789)	909,306	1,241,938	1,631,621	2,023,851	2,234,283	2,271,074	2,658,640
Plan net position as a % of total pension liability	88.86%	103.73%	81.07%	74.83%	68.33%	61.79%	57.35%	55.16%	47.27%
Covered payroll	\$ 166,821	\$ 168,436	\$ 134,849	\$ 230,738	\$ 220,641	\$ 336,918	\$ 336,918	\$ 489,755	\$ 479,174
Net pension liability as a % of Covered Payroll	300.39%	-100.21%	674.31%	538.25%	739.49%	600.70%	663.15%	463.72%	554.84%

\* - Information for years prior to 2015 was not available.

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)*  
*West Virginia Public Employees Retirement System*  
*Last Ten Years \**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total plan pension liability	\$ 8,150,369,000	\$ 7,927,948,000	\$ 7,431,924,000	\$ 7,140,467,000	\$ 7,027,806,000	\$ 6,816,742,000	\$ 6,616,588,000	\$ 6,130,174,000	\$ 6,130,174,000	\$ 6,130,174,000
Plan net position	8,001,450,000	8,805,884,000	6,903,253,000	6,925,454,000	6,769,554,000	6,385,097,000	5,697,470,000	5,761,109,000	5,761,109,000	5,761,109,000
Net pension liability (asset)	\$ 148,919,000	\$ (877,936,000)	\$ 528,671,000	\$ 215,013,000	\$ 258,252,000	\$ 431,645,000	\$ 919,118,000	\$ 558,404,000	\$ 369,065,000	\$ 369,065,000
City's proportion of the net pension liability	0.14801000%	0.14669100%	0.14612000%	0.14896100%	0.15609000%	0.15791000%	0.15494900%	0.14885800%	0.15295500%	0.14740600%
City's proportionate share of the net pension liability (asset)	\$ 220,416	\$ (1,287,853)	\$ 772,494	\$ 320,286	\$ 403,106	\$ 681,611	\$ 1,424,164	\$ 831,229	\$ 564,503	\$ 544,024
City's covered payroll	\$ 3,440,000	\$ 3,175,580	\$ 3,009,200	\$ 2,818,690	\$ 2,629,910	\$ 2,428,473	\$ 2,379,625	\$ 2,211,652	\$ 1,948,743	\$ 2,051,724
City's proportionate share of the net pension liability as a percentage of its covered payroll	6.40%	-40.60%	25.70%	11.40%	15.30%	28.10%	59.80%	37.60%	29.00%	26.50%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	93.98%	93.98%	79.20%

\* - Information for years prior to 2014 was not available.

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)*  
*West Virginia Municipal Police Officers and Firefighters Retirement System*  
*Last Five Years \**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net pension liability (asset)	\$ (9,772,002)	\$ (10,914,000)	\$ (6,254,000)	\$ (4,585,000)	\$ (3,698,000)
City's proportion of the net pension liability (asset)	2.91825700%	2.70352000%	3.01808900%	3.15517993%	3.45924824%
City's proportionate share of the net pension liability (asset)	\$ (285,172)	\$ (295,062)	\$ (188,751)	\$ (144,665)	\$ (127,923)
City's covered payroll	\$ 354,471	\$ 329,941	\$ 314,565	\$ 530,871	\$ 442,565
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-80.50%	-89.40%	-60.00%	-27.30%	-28.90%
Plan fiduciary net position as a percentage of the total pension liability (asset)	-168.31%	-168.31%	-168.31%	-168.31%	N/A

\* - Information for years prior to 2019 was not available.



**City of Elkins**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*West Virginia Firemen's Pension and Relief Fund*  
*Last Ten Years \**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 30,757	\$ 121,032	\$ 45,969	\$ 45,411	\$ 45,372	\$ 89,861	\$ 52,661	\$ 75,772	\$ 94,403	\$ 85,238
Employer contribution	57,000	59,500	50,000	53,382	44,283	57,179	26,198	67,062	58,219	63,000
State contribution	-	61,484	-	-	49,028	31,901	60,020	30,087	33,026	32,992
Percentage contributed	185%	100%	109%	118%	206%	99%	164%	128%	97%	113%
Covered payroll	\$ 192,839	\$ 188,194	\$ 192,149	\$ 145,017	\$ 167,273	\$ 163,492	\$ 163,506	\$ 161,535	\$ 164,553	\$ 146,628
Actual contribution as a % of covered payroll	30%	64%	26%	37%	56%	54%	53%	60%	55%	65%

\* - Information for years prior to 2014 was not available.

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*West Virginia Policemen's Pension and Relief Fund*  
*Last Ten Years \**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 116,398	\$ 160,314	\$ 210,482	\$ 250,298	\$ 320,403	\$ 322,452	\$ 343,902	\$ 364,511	\$ 359,070	\$ 320,736
Employer contribution	41,250	100,000	200,000	207,335	207,074	239,857	247,173	503,484	258,043	153,086
State contribution	129,164	124,531	119,469	108,209	104,185	85,605	179,859	65,549	97,618	76,378
Percentage contributed	146%	140%	152%	126%	97%	101%	124%	156%	99%	72%
Covered payroll	\$ 166,821	\$ 168,436	\$ 134,849	\$ 230,738	\$ 220,641	\$ 359,239	\$ 336,918	\$ 489,755	\$ 479,174	\$ 419,287
Actual contribution as a % of covered payroll	102%	133%	237%	137%	141%	91%	127%	116%	74%	55%

\* - Information for years prior to 2014 was not available.

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*West Virginia Public Employees Retirement System*  
*Last Ten Years \**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 344,000	\$ 317,558	\$ 300,920	\$ 281,869	\$ 262,991	\$ 267,132	\$ 285,555	\$ 298,573	\$ 272,824	\$ 296,993
Contributions in relation to the contractually required contribution	<u>(344,000)</u>	<u>(317,558)</u>	<u>(300,920)</u>	<u>(281,869)</u>	<u>(262,991)</u>	<u>(267,132)</u>	<u>(285,555)</u>	<u>(298,573)</u>	<u>(272,824)</u>	<u>(296,993)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 3,440,000	\$ 3,175,580	\$ 3,009,200	\$ 2,818,690	\$ 2,629,910	\$ 2,428,473	\$ 2,379,625	\$ 2,211,652	\$ 1,948,743	\$ 2,051,724
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%
* - Information for years prior to 2014 was not available.										
Pension Allocation	10.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.00%

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*West Virginia Municipal Police Officers and Firefighters Retirement System*  
*Last Five Years \**

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 30,130	\$ 28,045	\$ 26,738	\$ 45,124	\$ 37,618
Contributions in relation to the contractually required contribution	<u>(30,130)</u>	<u>(28,045)</u>	<u>(26,738)</u>	<u>(45,124)</u>	<u>(37,618)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll	\$ 354,471	\$ 329,941	\$ 314,565	\$ 530,871	\$ 442,565
Contributions as a percentage of covered payroll	8.50%	8.50%	8.50%	8.50%	8.50%
* - Information for years prior to 2019 was not available.					
Pension Allocation	8.50%	8.50%	8.50%	8.50%	8.50%

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of Changes in Net Pension Liability and Related Ratios*  
*West Virginia Firemen's Pension and Relief Fund*  
*Last Nine Years \**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability</b>									
Service cost	\$ 75,087	\$ 74,701	\$ 74,423	\$ 57,067	\$ 56,451	\$ 62,148	\$ 43,854	\$ 48,141	\$ 48,630
Interest on the total pension liability	112,887	119,323	94,224	96,187	90,841	85,450	95,832	90,602	90,062
Benefit changes	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(89,392)	(265,324)	275,409	(134,236)	(32,739)	(292,745)	(7,827)	(36,801)	-
Assumption changes	-	(13,812)	-	104,783	-	(101,401)	251,893	(85,025)	-
Benefit payments	(22,208)	(22,121)	(29,337)	-	(36,547)	(37,911)	(67,779)	(69,411)	(68,625)
Refunds	-	-	-	-	-	-	-	-	-
Net change in total pension liability	76,374	(107,233)	414,719	123,801	78,006	(284,459)	315,973	(52,494)	70,067
Total pension liability - beginning	1,892,548	1,999,781	1,585,062	1,498,344	1,420,338	1,704,797	1,388,824	1,441,318	1,371,251
Total pension liability - ending	<u>\$ 1,968,922</u>	<u>\$ 1,892,548</u>	<u>\$ 1,999,781</u>	<u>\$ 1,622,145</u>	<u>\$ 1,498,344</u>	<u>\$ 1,420,338</u>	<u>\$ 1,704,797</u>	<u>\$ 1,388,824</u>	<u>\$ 1,441,318</u>
<b>Plan fiduciary net position</b>									
Employee contributions	57,000	120,984	50,000	53,382	93,311	89,080	86,218	97,149	91,245
Pension plan net investment income	13,754	14,045	13,421	13,565	13,684	11,438	11,227	12,407	10,346
Benefit payments	(253,779)	392,377	97,141	105,679	103,069	124,235	36,712	45,475	126,826
Refunds	(22,208)	(22,121)	(29,337)	-	(36,547)	(37,911)	(67,779)	(69,411)	(68,625)
Pension plan administrative expense	-	-	-	-	-	-	-	-	-
Other	-	-	(15)	-	(4,855)	(4,458)	(4,182)	(4,074)	(3,901)
Net change in total pension liability	-	-	-	(5,043)	-	-	-	-	-
Plan fiduciary net position - beginning	(205,233)	505,285	131,210	167,583	168,662	182,384	62,196	81,546	155,891
Plan fiduciary net position - ending	2,425,041	1,919,756	1,788,546	1,658,046	1,489,384	1,307,000	1,244,804	1,163,258	1,007,367
Net pension liability - Ending	<u>\$ 2,219,808</u>	<u>\$ 2,425,041</u>	<u>\$ 1,919,756</u>	<u>\$ 1,825,629</u>	<u>\$ 1,658,046</u>	<u>\$ 1,489,384</u>	<u>\$ 1,307,000</u>	<u>\$ 1,244,804</u>	<u>\$ 1,163,258</u>
Net pension liability - Ending	(250,886)	(532,493)	80,025	(203,484)	(159,702)	(69,046)	397,797	144,020	278,060
Plan fiduciary net position as a percentage of total pension liability	112.74%	128.14%	96.00%	112.54%	110.66%	104.86%	76.67%	89.63%	80.71%
Covered employee payroll	\$ 192,839	\$ 188,194	\$ 192,149	\$ 145,017	\$ 167,273	\$ 163,492	\$ 163,506	\$ 161,535	\$ 164,553
Net pension liability as a percentage of covered employee payroll	-130.10%	-282.95%	41.65%	-140.32%	-95.47%	-42.23%	243.29%	89.16%	168.98%

\* - Information for years prior to 2015 was not available.

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of Changes in Net Pension Liability and Related Ratios*  
*West Virginia Policemen's Pension and Relief Fund*  
*Last Nine Years \**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability</b>									
Service cost	\$ 39,832	\$ 47,481	\$ 38,209	\$ 70,807	\$ 75,761	\$ 126,132	\$ 105,989	\$ 142,861	\$ 140,829
Interest on the total pension liability	271,641	300,618	309,202	297,150	299,227	306,843	287,160	290,680	293,785
Benefit changes	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	20,339	83,646	(124,881)	113,310	(175,666)	(1,159)	(169,907)	(126,966)	-
Assumption changes	-	(352,503)	-	(300,732)	-	-	275,217	-	-
Benefit payments	(359,367)	(356,405)	(352,787)	(399,343)	(344,116)	(334,747)	(324,415)	(278,704)	(269,200)
Refunds	-	-	-	-	-	(39,275)	-	(4,625)	(27,467)
Net change in total pension liability	(27,555)	(277,163)	(130,257)	(218,808)	(144,794)	57,794	174,044	23,246	137,947
Total pension liability - beginning	4,525,934	4,803,097	4,933,354	5,152,162	5,296,956	5,239,162	5,065,118	5,041,872	4,903,925
Total pension liability - ending	<u>\$ 4,498,379</u>	<u>\$ 4,525,934</u>	<u>\$ 4,803,097</u>	<u>\$ 4,933,354</u>	<u>\$ 5,152,162</u>	<u>\$ 5,296,956</u>	<u>\$ 5,239,162</u>	<u>\$ 5,065,118</u>	<u>\$ 5,041,872</u>
<b>Plan fiduciary net position</b>									
Employee contributions	170,414	224,531	319,469	315,544	311,259	325,462	427,032	569,033	355,661
Pension plan net investment income	14,841	14,861	14,397	14,994	19,671	28,137	29,621	40,855	37,341
Benefit payments	(523,349)	917,945	221,356	248,531	269,320	296,717	86,343	90,698	219,471
Refunds	(359,367)	(356,405)	(352,787)	(399,343)	(344,116)	(334,747)	(324,415)	(278,704)	(269,200)
Other	-	-	-	-	-	(39,275)	-	(4,625)	(27,467)
Pension plan administrative expense	-	-	(60)	-	(8,698)	(8,068)	(7,746)	(6,445)	(6,675)
Other	-	-	-	(8,851)	-	-	-	-	-
Net change in total pension liability	(697,461)	800,932	202,375	170,875	247,436	268,226	210,835	410,812	309,131
Plan fiduciary net position - beginning	4,694,723	3,893,791	3,691,416	3,520,541	3,273,105	3,004,879	2,794,044	2,383,232	2,074,101
Plan fiduciary net position - ending	<u>\$ 3,997,262</u>	<u>\$ 4,694,723</u>	<u>\$ 3,893,791</u>	<u>\$ 3,691,416</u>	<u>\$ 3,520,541</u>	<u>\$ 3,273,105</u>	<u>\$ 3,004,879</u>	<u>\$ 2,794,044</u>	<u>\$ 2,383,232</u>
Net pension liability - Ending	<u>501,117</u>	<u>(168,789)</u>	<u>909,306</u>	<u>1,241,938</u>	<u>1,631,621</u>	<u>2,023,851</u>	<u>2,234,283</u>	<u>2,271,074</u>	<u>2,658,640</u>
Plan fiduciary net position as a percentage of total pension liability	88.86%	103.73%	81.07%	74.83%	68.33%	61.79%	57.35%	55.16%	47.27%
Covered employee payroll	\$ 166,821	\$ 168,436	\$ 134,849	\$ 230,738	\$ 220,641	\$ 359,239	\$ 336,918	\$ 489,755	\$ 479,174
Net pension liability as a percentage of covered employee payroll	300.39%	-100.21%	674.31%	538.25%	739.49%	563.37%	663.15%	463.72%	554.84%

\* - Information for years prior to 2015 was not available

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)*  
*West Virginia Retiree Health Benefit Trust Fund*  
*Last Seven Years \**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total plan OPEB liability (Asset)	\$ 1,736,270,764	\$ 1,643,289,292	\$ 1,666,333,746	\$ 2,750,793,325	\$ 3,108,550,896	\$ 3,282,900,408	\$ 3,168,993,251
Plan net position	1,624,972,000	1,673,024,000	1,224,642,000	1,091,661,000	963,115,000	823,911,315	685,668,000
Net OPEB liability (Asset)	\$ 111,298,764	\$ (29,734,708)	\$ 441,691,746	\$ 1,659,132,325	\$ 2,145,435,896	\$ 2,458,989,093	\$ 2,483,325,251
City's proportion of the net OPEB liability (Asset)	0.071395444%	0.076994725%	0.079116065%	0.079993417%	0.078509651%	0.072173901%	0.085178536%
City's proportionate share of the net OPEB liability (Asset)	\$ 79,462	\$ (22,894)	\$ 349,449	\$ 1,327,197	\$ 1,684,374	\$ 1,774,748	\$ 2,115,260
City's covered payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net OPEB liability as a percentage of its covered payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability (Asset)	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%	21.64%

\* - Information for years prior to 2017 was not available.

- Information for 2022 is presented to be consistent with other reporting throughout these schedules

(1) This is not applicable as the City does not have payroll for these employees as they are already retired.

**City of Elkins**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*West Virginia Retiree Health Benefit Trust Fund*  
*Last Eight Years \**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 82,055	\$ 98,082	\$ 153,484	\$ 166,872	\$ 165,206	\$ 160,454	\$ 148,244	\$ 112,209
Contributions in relation to the contractually required contribution	<u>(82,055)</u>	<u>(98,082)</u>	<u>(153,484)</u>	<u>(166,872)</u>	<u>(165,206)</u>	<u>(160,454)</u>	<u>(148,244)</u>	<u>(112,209)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* - Information for years prior to 2016 was not available

(1) This is not applicable as the City does not have payroll for these employees as they are already retired.



**SUPPLEMENTARY INFORMATION**

**City of Elkins, West Virginia**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

<b>Federal Grantor/Pass-through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<u>West Virginia Development Office</u> Urban and Community Forestry Program	10.675	N/A	\$ 11,933
Total Department of Housing Urban Development			\$ 11,933
<b>Department of Treasury</b> <u>West Virginia Governor's Office</u> Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,133,798
Total Department of Treasury			\$ 1,133,798
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,145,731</b>

See accompanying notes to schedule of expenditures of federal awards.

**City of Elkins, West Virginia**  
**Notes to the Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2023

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**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) includes the federal award activity of City of Elkins, West Virginia (the City) under programs of the federal government for the year ended June 30, 2023. 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 operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**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 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. The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**ACCOMPANYING INFORMATION**



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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***

City of Elkins  
Randolph County, West Virginia  
401 Davis Avenue  
Elkins, West Virginia 26241

To the Mayor and Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elkins, Randolph County, West Virginia (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 20, 2024.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BHM CPA Group*

BHM CPA Group Inc.  
Huntington, West Virginia  
February 20, 2024



**Independent Auditor's Report on Compliance with Requirements Applicable to The Major Federal Programs and on Internal Control Over Compliance Required by the Uniform Guidance**

City of Elkins  
Randolph County, West Virginia  
401 Davis Avenue  
Elkins, West Virginia 26241

To the Mayor and Members of Council:

***Report on Compliance for the Major Federal Program***

***Opinion on the Major Federal Program***

We have audited the City of Elkins' (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2023. The City's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Elkins complied, in all material respects with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

***Basis for Opinion on the 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 City's 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 the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Management's Responsibility***

The City'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 City'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 City'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 City's compliance with the requirements of 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 City'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 City'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 City'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.

*BHM CPA Group*

BHM CPA Group, Inc  
Huntington, West Virginia  
February 20, 2024

**City of Elkins, West Virginia**  
*Schedule of Findings 2 CRT §*  
*200.515 June 30, 2023*

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant internal control deficiencies 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 internal control weaknesses 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 Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under §.510(a)?	No
(d)(1)(vii)	Major Programs (list):	State and Local Fiscal Recovery Funds ALN# 21.027
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**City of Elkins, West Virginia**  
*Schedule of Findings 2 CFR §*  
*200.515 June 30, 2023*

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

**None noted**

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**3. FINDINGS FOR FEDERAL AWARDS**

**None noted**