



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

RFP #25-144  
Randolph County

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**AUDIT REPORT OF  
THE CITY OF ELKINS, WEST VIRGINIA  
SINGLE AUDIT**

**For the Year Ended June 30, 2025  
Fiscal Year Audited Under GAGAS: 2025**

**City of Elkins, West Virginia**  
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**For The Fiscal Year Ended June 30, 2025**

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## **INTRODUCTORY SECTION**

**City of Elkins, West Virginia**  
**Index of Funds**  
**June 30, 2025**

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**GOVERNMENTAL FUND TYPES**

***MAJOR FUNDS***

General  
Coal Severance  
Financial Stabilization  
Fire Department  
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, 2025 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, 2025, 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 March 17, 2026, 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  
March 17, 2026

**City of Elkins, West Virginia**  
**Statement of Net Position**  
**June 30, 2025**

	<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	\$ 2,664,885	\$ 1,533,462	\$ 4,198,347	\$ 754,559
Receivables (net)				
Taxes	1,281,100	-	1,281,100	-
Accounts	19,294	845,218	864,512	181
Other receivables	61,391	-	61,391	-
Due to/from other activities	486,150	(504,135)	(17,985)	17,985
Prepaid Services	16,174	-	16,174	-
Inventory	-	470,073	470,073	-
Restricted Assets	-	5,856,167	5,856,167	-
Net pension assets	1,239,810	107,767	1,347,577	-
Net OPEB assets	5,758	3,007	8,765	-
Right of Use Asset (net of accumulated amortization)	246,855	179,386	426,241	-
Capital assets not being depreciated	81,000	1,648,895	1,729,895	-
Capital assets being depreciated (net of accumulated depreciation)	5,104,201	43,747,947	48,852,148	394,925
<i>Total assets</i>	11,206,618	53,887,787	65,094,405	1,167,650
<b>Deferred Outflows of Resources:</b>				
Pensions	1,019,266	311,683	1,330,949	-
Other post employment benefits (OPEB)	620,929	324,169	945,098	-
<i>Total deferred outflows of resources</i>	1,640,195	635,852	2,276,047	-
<b>Liabilities:</b>				
Accounts payable	99,294	291,557	390,851	8,563
Accrued wages and benefits	275,788	285,276	561,064	35,136
Accrued interest payable	-	27,980	27,980	-
Long-term liabilities				
Due within one year	1,103,406	2,999,300	4,102,706	-
Due in more than one year				
Pensions	73,196	-	73,196	-
Other long-term liabilities	638,071	38,945,443	39,583,514	-
<i>Total liabilities</i>	2,189,755	42,549,556	44,739,311	43,699
<b>Deferred inflows of resources:</b>				
Pensions	756,365	135,322	891,687	-
Other post employment benefits (OPEB)	28,571	14,915	43,486	-
<i>Total deferred inflows of resources</i>	784,936	150,237	935,173	-
<b>Net Position:</b>				
Net investment in capital assets	3,690,579	3,631,485	7,322,064	394,925
Restricted for:				
Other purposes	90,651	-	90,651	-
Debt service	-	941,142	941,142	-
Capital expenditures	1,540,396	1,626,499	3,166,895	-
Unrestricted	4,550,496	5,624,720	10,175,216	729,026
<i>Total net position</i>	\$9,872,122	\$11,823,846	\$21,695,968	\$1,123,951

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, 2025**

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,893,834	\$ 250,442	\$ 15,300	\$ -
Public safety	3,200,143	834,795	813,333	-
Highway and Streets	1,302,417	-	-	-
Culture and recreation	388,214	-	-	-
Health and Sanitation	476,699	-	-	-
Contribution Expense	305,796	-	-	-
Interest and fiscal charges	82,973	-	-	-
Total governmental activities	8,650,076	1,085,237	828,633	-
Business-type activities:				
Sanitation	1,638,791	1,484,030	-	-
Landfill	799	-	-	-
Water	4,721,463	4,793,756	-	-
Sewer	2,412,045	3,202,639	-	120,278
Total business-type activities	8,773,098	9,480,425	-	120,278
Total primary government	17,423,174	10,565,662	828,633	120,278
<b>Component unit:</b>				
Parks and Recreation Board	567,309	9,538	357,459	-
Total component unit	567,309	9,538	357,459	-

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**

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Parks &amp; Recreation Board</b>
\$ (2,628,092)	\$ -	\$ (2,628,092)	\$ -
(1,552,015)	-	(1,552,015)	-
(1,302,417)	-	(1,302,417)	-
(388,214)	-	(388,214)	-
(476,699)	-	(476,699)	-
(305,796)	-	(305,796)	-
(82,973)	-	(82,973)	-
(6,736,206)	-	(6,736,206)	-
-	(154,761)	(154,761)	-
-	(799)	(799)	-
-	72,293	72,293	-
-	910,872	910,872	-
-	827,605	827,605	-
(6,736,206)	827,605	(5,908,601)	-
			(200,312)
			(200,312)
1,368,371	-	1,368,371	-
2,419,409	-	2,419,409	-
87,434	-	87,434	-
447,875	-	447,875	-
1,571	-	1,571	-
295,692	-	295,692	-
25,526	-	25,526	-
1,618,229	-	1,618,229	-
124,163	-	124,163	-
58,933	-	58,933	-
63,071	-	63,071	-
113,470	-	113,470	-
40,886	-	40,886	-
53,873	-	53,873	-
97,753	255,776	353,529	32,111
-	10,670	10,670	-
300,440	-	300,440	-
7,116,696	266,446	7,383,142	32,111
380,490	1,094,051	1,474,541	(168,201)
9,491,632	10,729,795	20,221,427	1,292,152
\$ 9,872,122	\$ 11,823,846	\$ 21,695,968	\$ 1,123,951

**City of Elkins, West Virginia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	General	Coal Severance	Financial Stabilization	American Rescue Plan	Fire Department	Other Governmental	Total Governmental Funds
<b>Assets:</b>							
Cash and investments	\$ 915,542	\$ 83,842	\$ 1,277,911	\$ 49,365	\$ 182,159	\$ 156,066	\$ 2,664,885
Receivables (net of allowances for uncollectibles)							
Taxes	1,281,100	-	-	-	-	-	1,281,100
Accounts	19,294	-	-	-	-	-	19,294
Other receivables	54,582	6,809	-	-	-	-	61,391
Due from:							
Other funds	417,086	-	262,485	-	-	-	679,571
Component unit	-	-	-	-	-	-	-
Prepaid Services	16,174	-	-	-	-	-	16,174
<i>Total assets</i>	<u>2,703,778</u>	<u>90,651</u>	<u>1,540,396</u>	<u>49,365</u>	<u>182,159</u>	<u>156,066</u>	<u>4,722,415</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable	92,789	-	-	173	6,332	-	99,294
Accrued wages and benefits	217,204	-	-	-	58,584	-	275,788
Interfund payable	175,436	-	-	-	-	-	175,436
Due to component unit	17,985	-	-	-	-	-	17,985
<i>Total liabilities</i>	<u>503,414</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>64,916</u>	<u>-</u>	<u>568,503</u>
<b>Deferred Inflows of Resources:</b>							
Property taxes not levied to finance current year operations	190,037	-	-	-	-	-	190,037
<i>Total deferred inflows of resources</i>	<u>190,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,037</u>
<b>Fund Balances:</b>							
Restricted for Capital Outlay	-	-	1,540,396	-	-	-	1,540,396
Restricted	-	90,651	-	49,192	117,243	156,066	413,152
Unassigned	2,010,327	-	-	-	-	-	2,010,327
<i>Total fund balances</i>	<u>2,010,327</u>	<u>90,651</u>	<u>1,540,396</u>	<u>49,192</u>	<u>117,243</u>	<u>156,066</u>	<u>3,963,875</u>
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 2,703,778</u>	<u>\$ 90,651</u>	<u>\$ 1,540,396</u>	<u>\$ 49,365</u>	<u>\$ 182,159</u>	<u>\$ 156,066</u>	<u>\$ 4,722,415</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, 2025**

<b>Total Governmental Fund Balances</b>		\$ 3,963,875
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right of use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		5,432,056
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	190,037	
Total		190,037
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	1,019,266	
Deferred outflows of resources related to OPEB	620,929	
Deferred inflows of resources related to pensions	(756,365)	
Deferred inflows of resources related to OPEB	(28,571)	
Net Pension Assets	1,239,810	
Net Pension Liabilities	(73,196)	
Net OPEB Assets	5,758	
Total		2,027,631
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	(935,627)	
Leases Payable	(252,876)	
Notes Payable	(552,974)	
Total		(1,741,477)
<b>Net Position of Governmental Activities</b>		<u><u>\$ 9,872,122</u></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 Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	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	\$ 1,249,720	\$ -	\$ -	\$ -	\$ -	\$ 90,023	\$ 1,339,743
Business and occupation	2,419,409	-	-	-	-	-	2,419,409
Alcoholic beverage	87,434	-	-	-	-	-	87,434
Utility services	447,875	-	-	-	-	-	447,875
Animal control	1,571	-	-	-	-	-	1,571
Hotel occupancy	295,692	-	-	-	-	-	295,692
Gas and Oil Severance	25,526	-	-	-	-	-	25,526
Sales Tax	1,618,229	-	-	-	-	-	1,618,229
Licenses and permits	124,163	-	-	-	-	-	124,163
Franchise fees	58,933	-	-	-	-	-	58,933
Intergovernmental revenue							
Federal	805,904	-	-	-	-	7,429	813,333
State	40,524	22,547	-	-	-	-	63,071
Donations	15,300	-	-	-	-	-	15,300
Charges for services	209,301	-	-	-	-	-	209,301
Investment earnings	78,147	5,146	4,635	627	8,969	229	97,753
Fire service fees and penalties	253	-	-	-	834,542	-	834,795
Reimbursements	55,284	-	-	57,100	1,086	-	113,470
Rents and concessions	53,873	-	-	-	-	-	53,873
Parking revenues	5,825	-	-	-	-	-	5,825
Court costs and fees	35,316	-	-	-	-	-	35,316
Video lottery and gaming income	40,886	-	-	-	-	-	40,886
Miscellaneous revenue	261,783	-	-	-	-	38,657	300,440
<i>Total revenues</i>	<u>7,930,948</u>	<u>27,693</u>	<u>4,635</u>	<u>57,727</u>	<u>844,597</u>	<u>136,338</u>	<u>9,001,938</u>
<b>Expenditures:</b>							
Current:							
General government	2,950,050	-	-	-	-	40,710	2,990,760
Public safety	2,342,618	132,907	-	-	956,759	-	3,432,284
Highway and Streets	1,335,679	-	-	-	-	-	1,335,679
Culture and recreation	387,341	-	-	-	-	-	387,341
Health and Sanitation	105,410	-	-	371,289	-	-	476,699
Capital outlay	743,946	-	-	131,708	2,657	-	878,311
Debt service:							
Principal retirement	295,158	-	-	-	75,189	-	370,347
Interest and fiscal charges	54,481	-	-	-	28,492	-	82,973
<i>Total expenditures</i>	<u>8,214,683</u>	<u>132,907</u>	<u>-</u>	<u>502,997</u>	<u>1,063,097</u>	<u>40,710</u>	<u>9,954,394</u>
<i>Excess of revenues over (under) expenditures</i>	(283,735)	(105,214)	4,635	(445,270)	(218,500)	95,628	(952,456)
<b>Other financing sources (uses):</b>							
Inception of lease obligation	51,950	-	-	-	-	-	51,950
Issuance of revenue bonds	360,156	-	-	-	-	-	360,156
Transfers in	30,534	-	515,248	-	91,830	-	637,612
Transfers out	(607,078)	-	(30,534)	-	-	-	(637,612)
Contributions to Park Board	(305,796)	-	-	-	-	-	(305,796)
<i>Total other financing sources (uses)</i>	<u>(470,234)</u>	<u>-</u>	<u>484,714</u>	<u>-</u>	<u>91,830</u>	<u>-</u>	<u>106,310</u>
Net change in fund balance	(753,969)	(105,214)	489,349	(445,270)	(126,670)	95,628	(846,146)
Fund balance, January 1	2,764,296	195,865	1,051,047	494,462	243,913	60,438	4,810,021
Fund balance, December 31	<u>\$ 2,010,327</u>	<u>\$ 90,651</u>	<u>\$ 1,540,396</u>	<u>\$ 49,192</u>	<u>\$ 117,243</u>	<u>\$ 156,066</u>	<u>\$ 3,963,875</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, 2025**

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ (846,146)
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	978,964	
Current Year Depreciation	<u>(746,380)</u>	
Total		232,584
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes		28,628
The inception of lease obligations in the statement of revenues, expenditures and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities.		
		(51,950)
The issuance of revenue bonds in the statement of revenues, expenditures and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities.		
		(360,156)
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.		
		208,401
Repayments of lease obligations 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.		
		161,946
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		1,106,223
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.		
		(99,040)
<b>Net Change in Net Position of Governmental Activities</b>		<u>\$ 380,490</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, 2025**

	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	\$ 1,231,105	\$ 1,231,105	\$ 1,249,720	\$ 18,615
Gas and oil severance tax	50,000	50,000	25,526	(24,474)
Sales Tax	1,400,000	1,400,000	1,618,229	218,229
Business and occupation tax	1,604,000	1,604,000	2,419,409	815,409
Alcoholic beverage tax	92,000	92,000	87,434	(4,566)
Utility services tax	395,000	395,000	447,875	52,875
Hotel occupancy tax	200,200	200,200	295,692	95,492
Animal control tax	1,700	1,700	1,571	(129)
Total taxes	4,974,005	4,974,005	6,145,456	1,171,451
Licenses and permits	55,700	55,700	124,163	68,463
Franchise fees	67,000	67,000	58,933	(8,067)
Intergovernmental:				
Federal	-	798,622	805,904	7,282
State	17,000	21,250	40,524	19,274
Donations	-	-	15,300	15,300
Charges for services	207,277	207,277	209,301	2,024
Interest	75,000	75,000	78,147	3,147
Fire service fees and penalties	-	-	253	253
Parking revenues	4,000	4,000	5,825	1,825
Court costs and fees	53,900	53,900	35,316	(18,584)
Video lottery and gaming income	35,000	35,000	40,886	5,886
Rents and concessions	43,000	43,000	53,873	10,873
Reimbursements	19,850	24,431	55,284	30,853
Miscellaneous	66,800	107,589	261,783	154,194
Total revenues	5,618,532	6,466,774	7,930,948	1,464,174
<b>Expenditures</b>				
General government	1,955,449	2,960,756	2,950,050	10,706
Public safety	1,874,318	2,760,940	2,342,618	418,322
Highways and streets	1,618,850	1,758,850	1,335,679	423,171
Health and sanitation	25,000	25,000	105,410	(80,410)
Culture and recreation	793,176	809,077	387,341	421,736
Debt service	-	-	349,639	(349,639)
Capital projects	-	-	743,946	(743,946)
Total expenditures	6,266,793	8,314,623	8,214,683	99,940
(Deficiency) excess of revenues				
(under) over expenditures	(648,261)	(1,847,849)	(283,735)	1,564,114

**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, 2025**

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Other Financing Sources (Uses):				
Issuances of Debt	-	-	412,106	412,106
Transfers In	-	-	30,534	30,534
Transfers Out	-	-	(607,078)	(607,078)
Contributions to Park Board	-	-	(305,796)	(305,796)
Total other financing sources (uses)	-	-	(470,234)	(470,234)
Net change in fund balance	(648,261)	(1,847,849)	(753,969)	1,093,880
Fund balance at beginning of year	648,261	1,847,849	2,764,296	916,447
Fund balance at end of year	\$ -	\$ -	\$ 2,010,327	\$ 2,010,327

**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, 2025**

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental:				
State	\$ 10,000	\$ 10,000	\$ 22,547	\$ 12,547
Interest	2,000	2,000	5,146	3,146
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>27,693</u>	<u>15,693</u>
Expenditures				
Public safety	<u>197,000</u>	<u>200,012</u>	<u>132,907</u>	<u>67,105</u>
Total expenditures	<u>197,000</u>	<u>200,012</u>	<u>132,907</u>	<u>67,105</u>
Net change in fund balance	(185,000)	(188,012)	(105,214)	82,798
Fund balance at beginning of year	<u>185,000</u>	<u>188,012</u>	<u>195,865</u>	<u>7,853</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 90,651</u></u>	<u><u>\$ 90,651</u></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, 2025**

	<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>					
Current assets:					
Equity in pooled cash and investments	\$ 511,334	\$ 133,415	\$ 576,397	\$ 312,316	\$ 1,533,462
Receivables (net of allowances for uncollectibles)	119,988	53	425,647	299,530	845,218
Due from other funds	-	-	22,875	-	22,875
Materials and supplies inventory	-	-	369,214	100,859	470,073
<i>Total current assets</i>	<u>631,322</u>	<u>133,468</u>	<u>1,394,133</u>	<u>712,705</u>	<u>2,871,628</u>
Restricted assets:					
Reserve account	-	-	841,680	791,352	1,633,032
Revenue account	-	-	419,083	149,790	568,873
Depreciation account	-	-	203,740	189,109	392,849
Renewal and replacement account	-	-	629,385	604,265	1,233,650
Landfill escrow	-	2,027,763	-	-	2,027,763
<i>Total restricted assets</i>	<u>-</u>	<u>2,027,763</u>	<u>2,093,888</u>	<u>1,734,516</u>	<u>5,856,167</u>
Noncurrent assets:					
Net Pension Asset	26,187	-	52,502	29,078	107,767
OPEB Asset	675	-	1,280	1,052	3,007
<i>Total Noncurrent assets</i>	<u>26,862</u>	<u>-</u>	<u>53,782</u>	<u>30,130</u>	<u>110,774</u>
Capital Assets					
Right of Use Asset (Net of Accumulated Amortization)	-	-	171,438	7,948	179,386
Land	-	-	9,766	57,034	66,800
Structures and improvements	-	42,600	23,087,652	10,705,612	33,835,864
Treatment and distribution system	-	-	20,814,992	-	20,814,992
Collecting system	-	-	-	12,990,804	12,990,804
Pumping system	-	-	-	712,682	712,682
Treatment and disposal system	-	-	-	2,959,468	2,959,468
General plant	-	-	-	1,264,492	1,264,492
Machinery and equipment	2,205,005	1,255,183	1,045,351	-	4,505,539
Landfill cell	-	2,918,670	-	-	2,918,670
Construction in progress	1,582,095	-	-	-	1,582,095
Less: accumulated depreciation and amortization	(1,626,199)	(4,216,453)	(14,653,392)	(15,758,520)	(36,254,564)
<i>Total capital assets</i>	<u>2,160,901</u>	<u>-</u>	<u>30,475,807</u>	<u>12,939,520</u>	<u>45,576,228</u>
<i>Total assets</i>	<u>2,819,085</u>	<u>2,161,231</u>	<u>34,017,610</u>	<u>15,416,871</u>	<u>54,414,797</u>
<b>Deferred Outflows of Resources:</b>					
Pensions	75,652	-	151,656	84,375	311,683
OPEB	72,773	-	137,984	113,412	324,169
<i>Total deferred outflows of resources</i>	<u>148,425</u>	<u>-</u>	<u>289,640</u>	<u>197,787</u>	<u>635,852</u>
<b>Liabilities:</b>					
Current liabilities (payable from current assets):					
Accounts payable	69,205	-	140,806	81,546	291,557
Accrued wages, benefits and vacation	65,356	-	142,135	77,785	285,276
Due to other funds	440,091	-	86,919	-	527,010
Notes payable - current portion	-	-	-	6,462	6,462
Current portion of financed purchase obligations	1,265,545	-	44,222	67,385	1,377,152
<i>Total current liabilities (payable from current assets)</i>	<u>1,840,197</u>	<u>-</u>	<u>414,082</u>	<u>233,178</u>	<u>2,487,457</u>
Current liabilities (payable from restricted assets):					
Revenue bonds payable	-	-	780,894	834,792	1,615,686
Accrued interest	-	-	27,980	-	27,980
<i>Total current liabilities (payable from restricted assets)</i>	<u>-</u>	<u>-</u>	<u>808,874</u>	<u>834,792</u>	<u>1,643,666</u>
Noncurrent liabilities:					
Notes payable-noncurrent	-	-	-	-	-
Financed purchase obligations-noncurrent	36,656	-	126,022	411,867	574,545
Accrued other post employment benefits	-	-	-	-	-
Net pension liability	-	-	-	-	-
Revenue bonds payable-noncurrent	-	-	30,656,824	7,714,074	38,370,898
<i>Total noncurrent liabilities</i>	<u>36,656</u>	<u>-</u>	<u>30,782,846</u>	<u>8,125,941</u>	<u>38,945,443</u>
<i>Total liabilities</i>	<u>1,876,853</u>	<u>-</u>	<u>32,005,802</u>	<u>9,193,911</u>	<u>43,076,566</u>
<b>Deferred Inflows of Resources:</b>					
Pensions	32,883	-	65,926	36,513	135,322
OPEB	3,348	-	6,349	5,218	14,915
<i>Total deferred inflows of resources</i>	<u>36,231</u>	<u>-</u>	<u>72,275</u>	<u>41,731</u>	<u>150,237</u>
<b>Net Position:</b>					
Net investment in capital assets	858,700	-	(1,132,155)	3,904,940	3,631,485
Restricted:					
Debt service	-	-	-	941,142	941,142
Depreciation and replacement	-	-	203,740	793,374	997,114
Capital acquisition	-	-	629,385	-	629,385
Unrestricted	195,726	2,161,231	2,528,203	739,560	5,624,720
<i>Total net position</i>	<u>\$1,054,426</u>	<u>\$2,161,231</u>	<u>\$2,229,173</u>	<u>\$6,379,016</u>	<u>\$11,823,846</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, 2025**

	<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	\$ 1,458,388	\$ -	\$ 4,651,583	\$ 2,908,409	\$ 9,018,380
Discounts and penalties	16,042	-	44,752	29,667	90,461
Lab analysis charges	-	-	-	176,145	176,145
Tap fees	-	-	22,610	1,500	24,110
<b>Total operating revenues</b>	<b>1,474,430</b>	<b>-</b>	<b>4,718,945</b>	<b>3,115,721</b>	<b>9,309,096</b>
Operating expenses:					
Personal services	515,727	-	1,085,473	619,761	2,220,961
Contractual services	716,632	-	226,348	175,840	1,118,820
Administrative and general	29,111	-	74,461	80,335	183,907
Rents	14,400	-	27,017	-	41,417
Miscellaneous	-	-	17,069	11,735	28,804
Fuel and oil	-	-	30,537	-	30,537
Liability insurance	19,753	647	56,191	37,288	113,879
Materials and supplies	113,696	-	463,953	119,804	697,453
Utilities	13,450	152	352,200	290,216	656,018
Depreciation	131,681	-	1,372,485	467,304	1,971,470
Maintenance	43,628	-	364,028	314,748	722,404
<b>Total operating expenses</b>	<b>1,598,078</b>	<b>799</b>	<b>4,069,762</b>	<b>2,117,031</b>	<b>7,785,670</b>
<b>Operating income (loss)</b>	<b>(123,648)</b>	<b>(799)</b>	<b>649,183</b>	<b>998,690</b>	<b>1,523,426</b>
Nonoperating revenues (expenses):					
Interest income	22,921	96,303	76,987	59,565	255,776
Miscellaneous income	9,600	-	74,811	86,918	171,329
Capital Grant	-	-	-	120,278	120,278
Sale of Fixed Asset	-	-	-	10,670	10,670
Interest expense	(40,713)	-	(651,701)	(295,014)	(987,428)
<b>Total nonoperating revenues (expenses)</b>	<b>(8,192)</b>	<b>96,303</b>	<b>(499,903)</b>	<b>(17,583)</b>	<b>(429,375)</b>
<b>Changes in net position</b>	<b>(131,840)</b>	<b>95,504</b>	<b>149,280</b>	<b>981,107</b>	<b>1,094,051</b>
Net position, beginning of the year	1,186,266	2,065,727	2,079,893	5,397,909	10,729,795
<b>Net position, end of the year</b>	<b>\$ 1,054,426</b>	<b>\$ 2,161,231</b>	<b>\$ 2,229,173</b>	<b>\$ 6,379,016</b>	<b>\$ 11,823,846</b>

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, 2025**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Sanitation</b>	<b>Landfill</b>	<b>Water</b>	<b>Sewer</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 1,474,789	\$ -	\$ 4,698,931	\$ 3,109,946	\$ 9,283,666
Cash received from tap fees	-	-	22,610	1,500	24,110
Cash paid to suppliers	(1,016,339)	(871)	(1,570,695)	(1,020,904)	(3,608,809)
Cash paid to employees and for fringe benefits	(603,366)	-	(1,241,991)	(740,101)	(2,585,458)
Net cash provided by (used for) operating activities	(144,916)	(871)	1,908,855	1,350,441	3,113,509
<b>Cash flows from non-capital financing activities:</b>					
Transfer of monies to/from restricted cash	-	(90,821)	(364,729)	(78,087)	(533,637)
Miscellaneous non-operating receipts	9,600	-	74,811	86,918	171,329
Net cash provided by non-capital financing activities	9,600	(90,821)	(289,918)	8,831	(362,308)
<b>Cash flows from capital and related financing activities:</b>					
Principal payments - lease obligations	(64,735)	-	(39,191)	(12,852)	(116,778)
Interest paid	(40,713)	-	(652,314)	(295,014)	(988,041)
Proceeds from issuance of debt and purchase lease obligations	1,182,024	-	115,615	385,030	1,682,669
Purchases of assets	(1,348,850)	-	(176,828)	(533,209)	(2,058,887)
Cash Received Sale of Assets	-	-	-	10,670	10,670
Capital Grant	-	-	-	120,278	120,278
Principal payments - bonds and notes payable	-	-	(766,486)	(882,702)	(1,649,188)
Net cash used for capital and related financing activities	(272,274)	-	(1,519,204)	(1,207,799)	(2,999,277)
<b>Cash flows from investing activities:</b>					
Interest received	22,921	96,302	76,987	59,565	255,775
Net cash provided by investing activities	22,921	96,302	76,987	59,565	255,775
Net increase (decrease) in cash and cash equivalents	(384,669)	4,610	176,720	211,038	7,699
Cash and cash equivalents, beginning of the year	896,003	128,805	399,677	101,278	1,525,763
Cash and cash equivalents, end of the year	\$ 511,334	\$ 133,415	\$ 576,397	\$ 312,316	\$ 1,533,462
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>					
Operating income (loss)	\$ (123,648)	\$ (799)	\$ 649,183	\$ 998,690	\$ 1,523,426
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	131,681	-	1,372,485	467,304	1,971,470
(Increase) decrease in operating assets and deferred outflows:					
Accounts receivable	359	-	2,596	(4,275)	(1,320)
Inventory	-	-	(3,339)	(6,379)	(9,718)
Prepaid Services	-	-	-	114	114
Net OPEB Asset	(17,589)	-	(30,516)	(14,276)	(62,381)
Net Pension Asset	93	-	259	(209)	143
Deferred outflows - pension	(21,529)	-	(43,232)	(24,061)	(88,822)
Deferred outflows - OPEB	(70,402)	-	(131,922)	(109,330)	(311,654)
Increase (decrease) in operating liabilities and deferred inflows:					
Accounts payable	12,181	(72)	44,448	15,441	71,998
Contracts Payable	(77,850)	-	-	-	(77,850)
Accrued wages, benefits and vacation	1,877	-	15,623	11,537	29,037
Deferred inflows - pension	29,791	-	60,744	33,439	123,974
Deferred inflows - OPEB	(9,880)	-	(27,474)	(17,554)	(54,908)
Total adjustments	(21,268)	(72)	1,259,672	351,751	1,590,083
Net cash provided by (used for) operating activities	\$ (144,916)	\$ (871)	\$ 1,908,855	\$ 1,350,441	\$ 3,113,509

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, 2025**

	<b>Pension Trust Fund</b>
<b>Assets:</b>	
Current assets:	
Segregated cash accounts	\$ 2,753,304
Segregated investments	5,337,701
<i>Total assets</i>	8,091,005
 <b>Net Position:</b>	
Held in trust for pension benefits	8,091,005
<i>Total net position</i>	\$ 8,091,005

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, 2025**

	<b>Pension Trust Fund</b>
Additions	
Contributions:	
Employer	\$ 26,680
Employees	22,441
Premium surtax allocation	160,721
Total contributions	209,842
Investment income (loss)	858,777
Total additions	1,068,619
Deductions:	
General and administrative	26,864
Benefit payments	463,353
Total deductions	490,217
Changes in net position	578,402
Net position, beginning of the year	7,512,603
Net position, end of the year	\$ 8,091,005

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, 2025**

**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, 2025.

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, 2025**

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, 2025**

***Blended Component Units***

The entity below is legally separate from the City and meets GAAP criteria for component units. This entity is blended with the primary government because it provides 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 unit is 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 \$15,000 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, 2025**

**(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, 2025**

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 *Fire Department Fund* accounts for fire protection fees and related revenues to provide resources to pay the costs of running the fire department for the City.

***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.

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.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

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.
- 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.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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, 2025**

**(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.
2. The budget is then forthwith submitted to the State Tax Commissioner for approval.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

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 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**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick pay is accrued when incurred in the financial statements in accordance with GASB Statement No. 101, Compensated Absences. See Note VII for more information regarding Statement No. 101. The amount is charged to expense with a corresponding liability on the Statement of Net Position.

**(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.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**(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, 2025**

**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 \$1,330,949 and \$945,098, respectively, as of June 30, 2025. 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 2025, the City reported a total of \$891,687 and \$43,486 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, 2025**

**(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.

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, 2025. The categories are described as follows:

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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.

Deposits & Investments

Deposits

	Bank Balance	Category			Carrying Amount
		<u>1</u>	<u>2</u>	<u>3</u>	
Primary Government	\$ 9,026,612	\$ 9,026,612	\$ -	\$ -	\$ 8,002,399
Component Unit	754,559	754,559	-	-	754,559
Total Deposits					<u>\$ 8,756,958</u>

	Bank Balance	Category			Carrying Amount
		<u>1</u>	<u>2</u>	<u>3</u>	
Fiduciary Funds	\$ 98,692	\$ 98,692	\$ -	\$ -	\$ 98,692
Total Deposits					<u>\$ 98,692</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, 2025. 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, 2025**

**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	Cost	Unrecongnized Gain/Loss
	1	2	3			
Restricted						
Municipal Bond Commission	\$ 2,201,905	\$ -	\$ -	\$ 2,201,905	\$ 2,201,905	\$ -
	\$ 2,201,905	\$ -	\$ -	\$ 2,201,905	\$ 2,201,905	\$ -

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

Total deposits	\$ 8,756,958
Investments - restricted	2,052,115
Total deposits and investments	\$ 10,809,073
Statement of Net Position:	
Cash	\$ 4,952,906
Restricted Assets	5,856,167
Total deposits and investments	\$ 10,809,073

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Fiduciary Funds**

Investment Type:	Category			Market Value	Cost	Unrecongized Gain/Loss
	1	2	3			
Certificats of Deposit	\$ 2,654,611	\$ -	\$ -	\$ 2,654,611	\$ 2,665,000	\$ (10,389)
US Government Agencies	495,251	-	-	495,251	505,000	(9,749)
Mutual Funds	4,842,451	-	-	4,842,451	1,212,254	3,630,197
	<u>\$ 7,992,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,992,313</u>	<u>\$ 4,382,254</u>	<u>\$ 3,610,059</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, 2025, 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, 2025, the City had the following investments:

Investment Type	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Certificates of Deposit	\$ 2,654,611	N/A	N/A
US Government Agencies	495,251	AA	AA
Mutual Funds	4,842,451	Not Rated	Not Rated
	<u>\$ 7,992,313</u>		

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Interest Rate Risk**

As of June 30, 2025, the City had the following investments and maturities exposed to interest rate risk.

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Certificates of Deposit	\$ 2,654,611	\$ 679,269	\$ 1,975,342	\$ -	\$ -
US Government Agencies	495,251	272,980	222,271		
	<u>\$ 3,149,862</u>	<u>\$ 952,249</u>	<u>\$ 2,197,613</u>	<u>\$ -</u>	<u>\$ -</u>

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

Accounts receivable and its allowance at June 30, 2025 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	\$ 148,742	\$ 666	\$ 530,659	\$ 357,416
Less: Allowance for doubtful accounts	28,754	613	78,012	57,886
	<u>\$ 119,988</u>	<u>\$ 53</u>	<u>\$ 452,647</u>	<u>\$ 299,530</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**  
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The levy rates levied by the City of Elkins, West Virginia, per \$100 of assessed valuation or each class of property for the fiscal year ended June 30, 2025 were as follows:

<u>Class of Property</u>	<u>Assessed Valuations For Tax Purposes</u>	<u>Expense</u>	<u>Current</u>
Class I	\$	-	\$ 12.50
Class II	\$	140,233,552	\$ 25.00
Class IV	\$	202,869,488	\$ 50.00

## 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, 2023 and projected to the measurement date of June 30, 2024.

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, 2023 and projected to the measurement date of June 30, 2024.

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	2	2	4
Retirees & Beneficiaries currently receiving benefits	10	2	12
<b>Total</b>	12	4	16

**City of Elkins, West Virginia**  
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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 2026 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, 2025**

**Actuarial Assumptions and Rate of Return**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2024 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, 2017, through July 1, 2020. 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, 2025 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 6.25 % for FPRF

Mortality rates were based on the SOA PubS-2010(B) Mortality Tables with generational projecting using Scale MP-2021.

**Rate of Return**

For the year ended June 30, 2025, 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 6.25 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, 2025**

**Changes in Net Pension Liability**

	PPRF		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2023	\$ 4,592,205	\$ 4,227,947	364,258
Service Cost	46,782	-	46,782
interest Cost	273,776	-	273,776
Difference in expected and actual experience	295,533	-	295,533
Assumption Changes	(32,375)	-	(32,375)
Contributions - Employer	-	171,261	(171,261)
Contributions - Employee	-	16,763	(16,763)
Net Investment Income	-	686,754	(686,754)
Benefits Paid	(423,572)	(423,572)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
<b>Net Changes</b>	<b>160,144</b>	<b>451,206</b>	<b>(291,062)</b>
Balances At June 30, 2024	<b>\$ 4,752,349</b>	<b>\$ 4,679,153</b>	<b>\$ 73,196</b>

	FPRF		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2023	\$ 2,087,506	\$ 2,462,219	(374,713)
Service Cost	73,498	-	73,498
Interest Cost	124,249	-	124,249
Difference in expected and actual experience	(98,801)	-	(98,801)
Assumption Changes	(84,825)	-	(84,825)
Contributions - Employer	-	42,207	(42,207)
Contributions - Employee	-	13,799	(13,799)
Net Investment Income	-	348,576	(348,576)
Benefits Paid	(33,351)	(33,351)	-
Administrative Expense	-	-	-
Other Changes	-	-	-
<b>Net Changes</b>	<b>(19,230)</b>	<b>371,231</b>	<b>(390,461)</b>
Balances At June 30, 2024	<b>\$ 2,068,276</b>	<b>\$ 2,833,450</b>	<b>\$ (765,174)</b>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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 6.25 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 (5.25 percent for FPRF and 5.25 percent for PPRF) or 1 – percentage point higher (7.25 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
	5.25% - FPRF	6.25% - FPRF	7.25% - FPRF
Net Pension Liability (Asset) - PPRF	\$ 605,169	\$ 73,196	\$ (368,131)
Net Pension Liability (Asset) - FPRF	\$ (480,315)	\$ (765,174)	\$ (998,872)

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows 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 experience	\$ 147,766	\$ -
City contributions subsequent to the measurement date	187,401	-
Total	<u>\$ 335,167</u>	<u>\$ -</u>
	<u>PPRF</u>	<u>FPRF</u>
<b>Deferred Inflows of Resources:</b>		
Differences between expected and actual economic experience	\$ -	\$ 80,554
Differences between projected and actual investment earnings	263,031	95,230
Changes of assumptions	16,187	56,550
Total	<u>\$ 279,218</u>	<u>\$ 232,334</u>

\$187,401 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, 2026. 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, 2025**

		<b>PPRF</b>		<b>FPRF</b>
Fiscal Year Ending June 30:				
2026	\$	37,494	\$	(104,086)
2027		39,645		(34,639)
2028		(122,619)		(53,577)
2029		(85,972)		(40,032)
Total		\$ (131,452)		\$ (232,334)

**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, 2025, the City recognized pension expense of \$163,555 related to PPRF and a gain of \$165,894 related to FPRF.

**City of Elkins, West Virginia  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2025**

**Pension Trust Funds Financial Statements**

	<b>Policeman's Pension Trust Fund</b>	<b>Fireman's Pension Trust Fund</b>
<b>Assets:</b>		
Current assets:		
Segregated cash accounts	\$1,635,177	\$1,118,127
Segregated investments	3,396,288	1,941,413
<i>Total assets</i>	\$5,031,465	\$3,059,540
 <b>Net Position:</b>		
Held in trust for pension benefits	5,031,465	3,059,540
<i>Total net position</i>	\$5,031,465	\$3,059,540
 <b>Additions:</b>		
Contributions:		
Employer	\$26,680	\$ -
Employees	12,875	9,566
Premium surtax allocation	160,721	-
Total contributions	200,276	9,566
Investment income (loss)	552,257	306,520
Total additions	752,533	316,086
 <b>Deductions:</b>		
General and administrative	16,354	10,510
Benefit payments	383,867	79,486
Total deductions	400,221	89,996
Changes in net position	352,312	226,090
Net position, beginning of the year	4,679,153	2,833,450
<b>Net position, end of the year</b>	<b>\$ 5,031,465</b>	<b>\$ 3,059,540</b>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

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

Capital asset activity for the year ended June 30, 2025 was as follows:

<u>Governmental Activities</u>	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
<b>Nondepreciable Assets</b>				
Land	\$ 81,000	\$ -	\$ -	\$ 81,000
Total nondepreciable assets	<u>81,000</u>	<u>-</u>	<u>-</u>	<u>81,000</u>
<b>Right of Use Assets</b>				
Vehicles	876,611	51,950	(23,454)	905,107
Totals at historical cost	<u>876,611</u>	<u>51,950</u>	<u>(23,454)</u>	<u>905,107</u>
Less: Accumulated Amortization :				
Vehicles	(508,719)	(172,987)	23,454	(658,252)
Total Accumulated amortization	<u>(508,719)</u>	<u>(172,987)</u>	<u>23,454</u>	<u>(658,252)</u>
Right of Use assets - net	367,892	(121,037)	-	246,855
<b>Depreciable Assets</b>				
Buildings & Improvements	5,356,060	-	(1,483)	5,354,577
Machinery & Equipment *	4,868,744	927,014	-	5,795,758
Totals at historical cost	<u>10,224,804</u>	<u>927,014</u>	<u>(1,483)</u>	<u>11,150,335</u>
Less: Accumulated depreciation:				
Buildings & Improvements	(2,416,076)	(185,033)	1,483	(2,599,626)
Machinery & Equipment	(3,058,148)	(388,360)	-	(3,446,508)
Total Accumulated depreciation	<u>(5,474,224)</u>	<u>(573,393)</u>	<u>1,483</u>	<u>(6,046,134)</u>
Total depreciable assets - net	4,147,693	353,621	-	5,104,201
Governmental Activities:				
Capital assets - net	<u>\$ 4,596,585</u>	<u>\$ 232,584</u>	<u>\$ -</u>	<u>\$ 5,432,056</u>

\*Machinery & Equipment Restated due to an addition of \$602,887 that did not affect beginning net position.

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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	867,093	-	-	867,093
Machinery & Equipment	296,860	21,894	-	318,754
Totals at historical cost	1,163,953	21,894	-	1,185,847
Less: Accumulated depreciation:				
Buildings & Improvements	(518,673)	(32,438)	-	(551,111)
Machinery & Equipment	(222,478)	(17,333)	-	(239,811)
Total Accumulated depreciation	(741,151)	(49,771)	-	(790,922)
Total depreciable assets - net	422,802	(27,877)	-	394,925
Parks & Recreation Fund:				
Capital assets - net	\$ 422,802	\$ (27,877)	\$ -	\$ 394,925

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

<b>Business-Type Activities</b>				
<u>Landfill</u>	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
<b>Nondepreciable Assets</b>				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total nondepreciable assets	<hr/> -	<hr/> -	<hr/> -	<hr/> -
<b>Depreciable Assets</b>				
Structures & Improvements	42,600	-	-	42,600
Machinery & Equipment	1,255,183	-	-	1,255,183
Landfill Cell	2,918,670	-	-	2,918,670
Totals at historical cost	<hr/> 4,216,453	<hr/> -	<hr/> -	<hr/> 4,216,453
Less: Accumulated depreciation:				
Structures & Improvements	(42,600)	-	-	(42,600)
Machinery & Equipment	(1,255,183)	-	-	(1,255,183)
Landfill Cell	(2,918,670)	-	-	(2,918,670)
Total Accumulated depreciation	<hr/> (4,216,453)	<hr/> -	<hr/> -	<hr/> (4,216,453)
Total depreciable assets - net	-	-	-	-
Landfill Fund:				
Capital assets - net	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

<b>Business-Type Activities</b>				<u>Ending</u>	
<b><u>Sanitation</u></b>	<u>Beginning</u>		<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>Balance</u>				
<b>Nondepreciable Assets</b>					
Land	\$ -	\$ -	\$ -	\$ -	-
Construction in progress	233,245	1,348,850	-	-	1,582,095
Total nondepreciable assets	<u>233,245</u>	<u>1,348,850</u>	-	-	<u>1,582,095</u>
<b>Depreciable Assets</b>					
Structures & Improvements	-	-	-	-	-
Machinery & Equipment	2,205,005	-	-	-	2,205,005
Totals at historical cost	<u>2,205,005</u>	-	-	-	<u>2,205,005</u>
Less: Accumulated depreciation:					
Structures & Improvements	-	-	-	-	-
Machinery & Equipment	(1,494,518)	(131,681)	-	-	(1,626,199)
Total Accumulated depreciation	<u>(1,494,518)</u>	<u>(131,681)</u>	-	-	<u>(1,626,199)</u>
Total depreciable assets - net	710,487	(131,681)	-	-	578,806
Sanitation Fund:					
Capital assets - net	<u>\$ 943,732</u>	<u>\$ 1,217,169</u>	\$ -	-	<u>\$ 2,160,901</u>

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

<b>Business-Type Activities</b> <b>Sewer</b>	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
<b>Nondepreciable Assets</b>				
Land	57,034	-	-	57,034
Construction in Progress	-	-	-	-
<b>Total nondepreciable assets</b>	<b>57,034</b>	<b>-</b>	<b>-</b>	<b>57,034</b>
Right of Use Assets (Vehicles)	63,088	-	-	63,088
Less Accumulated Amortization:	(42,522)	(12,618)	-	(55,140)
Total Right of Use Assets (Net)	20,566	(12,618)	-	7,948
Structures and Improvements	10,705,612	-	-	10,705,612
Collecting System	12,464,304	526,500	-	12,990,804
Pumping System	712,682	-	-	712,682
Treatment and Disposal System	2,959,468	-	-	2,959,468
General Plant	1,282,683	6,709	(24,900)	1,264,492
Totals at historical cost	28,124,749	533,209	(24,900)	28,633,058
Less: Accumulated depreciation				
Structures and Improvements	(7,223,415)	(164,806)	-	(7,388,221)
Collecting System	(3,733,987)	(218,900)	-	(3,952,887)
Pumping System	(667,078)	(11,997)	-	(679,075)
Treatment and Disposal System	(2,544,776)	(46,884)	-	(2,591,660)
General Plant	(1,159,478)	(12,099)	24,900	(1,146,677)
Totals Accumulated depreciation	(15,328,734)	(454,686)	24,900	(15,758,520)
Total depreciable assets - net	12,796,015	78,523	-	12,874,538
Sewer Fund:				
Capital assets - net	12,873,615	65,905	-	12,939,520

**City of Elkins, West Virginia**  
**Notes to the Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

<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	110,612	115,615	-	226,227
Totals:	<u>110,612</u>	<u>115,615</u>	<u>-</u>	<u>226,227</u>
Less accumulated amortization:				
Vehicles	(20,900)	(33,889)	-	(54,789)
Total accumulated amortization	<u>(20,900)</u>	<u>(33,889)</u>	<u>-</u>	<u>(54,789)</u>
Total Right of use assets- net	89,712	81,726	-	171,438
<b>Depreciable Assets</b>				
Structures & Improvements	23,075,652	12,000	-	23,087,652
Treatment & Distribution System	20,794,030	20,962	-	20,814,992
Machinery & Equipment	1,017,100	28,251	-	1,045,351
Totals at historical cost	<u>44,886,782</u>	<u>61,213</u>	<u>-</u>	<u>44,947,995</u>
Less: Accumulated depreciation:				
Structures & Improvements	(5,396,790)	(452,495)	-	(5,849,285)
Treatment & Distribution System	(7,171,428)	(748,199)	-	(7,919,627)
Machinery & Equipment	(746,578)	(137,902)	-	(884,480)
Total Accumulated depreciation	<u>(13,314,796)</u>	<u>(1,338,596)</u>	<u>-</u>	<u>(14,653,392)</u>
Total depreciable assets - net	31,571,986	(1,277,383)	-	30,294,603
Water Fund:				
Capital assets - net	<u>\$ 31,671,464</u>	<u>\$ (1,195,657)</u>	<u>\$ -</u>	<u>\$ 30,475,807</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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	233,245	1,348,850	-	1,582,095
Total nondepreciable assets	300,045	1,348,850	-	1,648,895
<b>Right of Use Assets</b>				
Vehicles	173,700	115,615	-	289,315
Total Right of Use Assets	173,700	115,615	-	289,315
Less Accumulated Amortization				
Vehicles	(63,422)	(46,507)	-	(109,929)
Total accumulated amortization	(63,422)	(46,507)	-	(109,929)
Total Right of Use Assets	110,278	69,108	-	179,386
<b>Depreciable Assets</b>				
Structures and Improvements	33,823,864	12,000	-	33,835,864
Collecting System	12,464,304	526,500	-	12,990,804
Pumping System	712,682	-	-	712,682
Treatment and Distribution System	20,794,030	20,962	-	20,814,992
Treatment and Disposal System	2,959,468	-	-	2,959,468
General Plant	1,282,683	6,709	(24,900)	1,264,492
Machinery and Equipment	4,477,288	28,251	-	4,505,539
Landfill Cell	2,918,670	-	-	2,918,670
Totals at historical cost	79,432,989	594,422	(24,900)	80,002,511
Less: Accumulated depreciation				
Structures and Improvements	(12,662,806)	(617,301)	-	(13,280,107)
Collecting System	(3,733,987)	(218,900)	-	(3,952,887)
Pumping System	(667,078)	(11,997)	-	(679,075)
Treatment and Distribution System	(7,171,428)	(748,199)	-	(7,919,627)
Treatment and Disposal System	(2,544,776)	(46,884)	-	(2,591,660)
General Plant	(1,159,478)	(12,099)	24,900	(1,146,677)
Machinery and Equipment	(3,496,278)	(269,583)	-	(3,765,861)
Landfill Cell	(2,918,670)	-	-	(2,918,670)
Total Accumulated depreciation:	(34,354,501)	(1,924,963)	24,900	(36,254,564)
Total depreciable assets - net	45,078,488	(1,330,541)	-	43,747,947
Total Business-Type Activities:				
Capital assets - net	45,488,811	87,417	-	45,576,228

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

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

	<b>Depreciation</b>	<b>Amortization</b>
General Government	\$ 82,822	\$ 6,294
Public Safety	303,468	143,453
Highways & Streets	119,624	23,240
Culture & Recreation	67,479	-
Total Depreciation Expense	<u>\$ 573,393</u>	<u>\$ 172,987</u>

## 8. Long-Term Debt

The following is a summary of long-term debt for the year ended June 30, 2025:

	Balance at 06/30/24	Additions	Reductions	Balance at 06/30/25	Amounts Due in One Year	Amounts Due after One Year
<i>Governmental Activities:</i>						
Notes Payable *	\$ 628,163	\$ -	\$ (75,189)	\$ 552,974	\$ 552,974	\$ -
Right of Use Obligations	362,872	51,950	(161,946)	252,876	144,096	108,780
Revenue Bonds Payable	708,683	360,156	(133,212)	935,627	406,336	529,291
Net Pension Liabilities *	364,258	-	(291,062)	73,196	-	73,196
Other Post-employment Benefit (OPEB) Liabilities	-	-	-	-	-	-
Subtotal Governmental Activities	<u>2,063,976</u>	<u>412,106</u>	<u>(661,409)</u>	<u>1,814,673</u>	<u>1,103,406</u>	<u>711,267</u>
<i>Business-type Activities:</i>						
Purchase Lease Obligations	613,758	1,269,024	(109,047)	1,773,735	1,325,774	447,961
Right of Use Obligations	114,390	115,615	(52,043)	177,962	51,378	126,584
Notes Payable	34,206	-	(27,744)	6,462	6,462	-
Revenue Bonds Payable	41,265,686	298,030	(1,577,132)	39,986,584	1,615,686	38,370,898
Net Pension Liabilities *	-	-	-	-	-	-
Other Post-employment Benefit (OPEB) Liabilities *	-	-	-	-	-	-
Subtotal Business-type Activities	<u>42,028,040</u>	<u>1,682,669</u>	<u>(1,765,966)</u>	<u>41,944,743</u>	<u>2,999,300</u>	<u>38,945,443</u>
<b>Total</b>	<u>\$44,092,016</u>	<u>\$2,094,775</u>	<u>(\$2,427,375)</u>	<u>\$43,759,416</u>	<u>\$4,102,706</u>	<u>\$39,656,710</u>

\* During 2025 changes in actuarial calculations resulted in a net pension asset for the pension systems in the amount of \$1,347,577 and a net OPEB asset of \$8,765 which are not included in the above schedule but are reported on the Statement of Net Position. Also, the note payable beginning balance was restated due to an addition of \$602,887 that did not affect beginning net position.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Purchasing Obligations:**

**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, 2025:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	59,815	44,872	14,943
2027	59,815	46,742	13,073
2028	59,815	48,690	11,125
2029	59,815	50,719	9,096
2030	59,815	52,832	6,983
2031-2033	149,537	141,915	7,621
	<u>\$ 448,612</u>	<u>\$ 385,770</u>	<u>\$ 62,841</u>

**BB&T Governmental Finance**

The Sewer Fund of the City of Elkins entered into a lease agreement on May 19, 2025 to finance the acquisition of sewer P-Tier Compact Truck Loader. 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, 2025:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	20,364	15,357	5,007
2027	20,364	16,361	4,003
2028	20,364	17,431	2,933
2029	20,364	18,571	1,793
2030	18,623	18,044	579
	<u>\$ 100,079</u>	<u>\$ 85,764</u>	<u>\$ 14,315</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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, 2025:

<u>Fiscal Year Ending June 30,</u>		<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$	8,890	\$ 8,675	\$ 215
		\$ 8,890	\$ 8,675	\$ 215

**BB & T Governmental Finance**

The Sanitation Fund of the City of Elkins entered into a lease agreement during 2024 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>
2026	31,021	698	31,719
2027	31,449	270	31,719
2028	5,207	96	5,303
		\$ 67,677	\$ 1,064
Totals			\$ 68,741

**BB & T Governmental Finance**

The Sanitation Fund of the City of Elkins entered into a lease agreement during 2024 to finance the acquisition of a garbage facility. This lease qualifies as a purchasing obligation for accounting purposes. No amortization schedule is available. The current maturity of this obligation is detailed below:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,225,849	\$ -	\$ 1,225,849
		\$ 1,225,849	\$ -
Totals			\$ 1,225,849

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Lease Revenue Bond, Series 2006**

The City of Elkins entered into a revenue bond agreement in 2006 for the Baxter Street Garage project. The bond had monthly payments made from the General Fund of \$3,484 and an interest rate of 3.50%. The original bond was due on 7/10/2027; however, the final payment was made during fiscal year 2025.

**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.

\$575,471

Reissued the amount of the bond during FY 2025. Future debt maturity retirement is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	57,998	46,180	11,818
2027	57,998	47,173	10,825
2028	57,998	48,162	9,836
2029	57,988	49,224	8,764
2030	57,988	50,134	7,854
2031-2035	289,940	266,434	23,506
2036-2037	69,802	68,164	1,638
	<u>\$ 649,712</u>	<u>\$ 575,471</u>	<u>\$ 74,241</u>

**Lease Revenue Bond, Series 2024**

5.28%, Lease Revenue Bond effective 12/19/2024

Monthly payments start 8/1/2025. Secured by real estate.

Paid from General Fund.

\$360,156

No amortization schedule is available. Current future debt maturity retirement is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	360,156	360,156	-
	<u>\$ 360,156</u>	<u>\$ 360,156</u>	<u>\$ -</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Government Note Payable**

4.98%, Note Payable effective 3/15/2024

Monthly payments of \$6,518.78. Secured by real estate.

Paid from General Fund.

\$552,974

No amortization schedule is available. Current future debt maturity retirement is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	552,974	552,974	-
	<u>\$ 552,974</u>	<u>\$ 552,974</u>	<u>\$ -</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.

\$448,471

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>
2026	29,444	29,444	-
2027	29,444	29,444	-
2028	29,444	29,444	-
2029	29,444	29,444	-
2030	29,444	29,444	-
2031-2035	147,220	147,220	-
2036-3040	147,220	147,220	-
2041	6,811	6,811	-
	<u>\$ 448,471</u>	<u>\$ 448,471</u>	<u>\$ -</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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. \$1,623,322

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>
2026	522,072	492,978	29,094
2027	522,072	502,912	19,160
2028	522,072	513,047	9,025
2029	117,590	114,385	3,205
	<u>\$ 1,683,806</u>	<u>\$ 1,623,322</u>	<u>\$ 60,484</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. \$12,925

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>
2026	12,925	12,925	-
	<u>\$ 12,925</u>	<u>\$ 12,925</u>	<u>\$ -</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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. \$2,237,832

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>
2026	\$ 87,057	64,922	22,135
2027	87,058	65,574	21,484
2028	87,058	66,232	20,826
2029	87,058	66,897	20,161
2030	87,057	67,568	19,489
2031-2035	435,290	348,154	87,136
2036-2040	435,290	365,982	69,308
2041-2045	435,288	384,720	50,568
2046-2050	435,287	404,419	30,868
2051-2055	413,524	403,364	10,160
	<u>\$ 2,589,967</u>	<u>\$ 2,237,832</u>	<u>\$ 352,135</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. \$ 4,052,215

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 320,771	225,534	95,237
2027	320,771	230,629	90,142
2028	320,771	235,840	84,931
2029	320,771	241,167	79,604
2030	320,771	246,614	74,157
2031-2035	1,603,856	1,319,190	284,666
2036-2040	1,603,859	1,475,074	128,785
2041	80,193	78,167	2,026
	<u>\$ 4,891,763</u>	<u>\$ 4,052,215</u>	<u>\$ 839,548</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Sewer Revenue Bonds – Bond Issue 2024**

4.73% interest, Sewer Revenue Bonds due 5/1/2039

Monthly payments will be \$1,425. Secured by physical assets and revenue of the sewerage system.

\$ 174,101

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 17,034	8,989	8,045
2027	17,034	9,424	7,610
2028	17,034	9,879	7,155
2029	17,034	10,357	6,677
2030	17,034	10,858	6,176
2031-2035	85,171	62,688	22,483
2036-2039	68,136	61,906	6,230
	<u>\$ 238,477</u>	<u>\$ 174,101</u>	<u>\$ 64,376</u>

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

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

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

\$6,980,364

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 333,120	\$ 151,695	\$ 181,425
2027	333,120	155,725	177,395
2028	333,120	159,387	173,733
2029	333,120	164,097	169,023
2030	333,120	168,457	164,663
2031-2035	1,665,600	911,383	754,217
2036-2040	1,665,600	1,038,795	626,805
2041-2045	1,665,600	1,184,793	480,807
2046-2050	1,665,600	1,350,841	314,759
2051-2055	1,665,600	1,540,164	125,436
2056	156,163	155,027	1,136
	<u>\$ 10,149,763</u>	<u>\$ 6,980,364</u>	<u>\$ 3,169,399</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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.

\$6,544,082

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 312,300	\$ 142,214	\$ 170,086
2027	312,300	145,993	166,307
2028	312,300	149,426	162,874
2029	312,300	153,841	158,459
2030	312,300	157,929	154,371
2031-2035	1,561,500	854,423	707,077
2036-2040	1,561,500	973,872	587,628
2041-2045	1,561,500	1,110,745	450,755
2046-2050	1,561,500	1,266,416	295,084
2051-2055	1,561,500	1,443,907	117,593
2056	146,381	145,316	1,065
	<u>\$ 9,515,381</u>	<u>\$ 6,544,082</u>	<u>\$ 2,971,299</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.

\$5,001,922

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 252,888	123,056	129,832
2027	252,888	126,325	126,563
2028	255,888	129,344	126,544
2029	252,888	133,118	119,770
2030	252,888	136,655	116,233
2031-2035	1,264,440	739,378	525,062
2036-2040	1,264,440	842,792	421,648
2041-2045	1,264,440	961,191	303,249
2046-2050	1,264,440	1,095,903	168,537
2051-2053	742,872	714,160	28,712
	<u>\$ 7,068,072</u>	<u>\$ 5,001,922</u>	<u>\$ 2,066,150</u>

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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.

\$12,911,350

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 491,681	363,929	127,752
2027	491,682	367,583	124,099
2028	491,682	371,273	120,409
2029	491,681	374,999	116,682
2030	491,682	378,763	112,919
2031-2035	2,458,408	1,951,612	506,796
2036-2040	2,458,408	2,051,546	406,862
2041-2045	2,458,408	2,156,597	301,811
2046-2050	2,458,408	2,267,026	191,382
2051-2055	2,458,636	2,383,339	75,297
2056	245,495	244,683	812
	<u>\$ 14,996,171</u>	<u>\$ 12,911,350</u>	<u>\$ 2,084,821</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, 2025 was \$6,462.

**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 Final payment was made during the fiscal year 2025.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Right of Use Obligations**

During FY2025, Governmental Activities and Business Activities had \$252,876 and \$177,962 outstanding Obligations from Enterprise for various vehicles. The maturity of this activity is as follows:

Governmental Activities			
	Principal	Interest	Total
2026	144,096	12,721	156,817
2027	64,743	5,677	70,420
2028	17,721	3,454	21,175
2029	18,803	1,721	20,524
2030	7,513	249	7,762
Totals	\$ 252,876	\$ 23,822	\$ 276,698

Business Activities			
	Principal	Interest	Total
2026	51,378	12,966	64,344
2027	46,280	9,039	55,319
2028	45,026	5,165	50,191
2029	32,941	1,593	34,534
2030	2,337	5	2,342
Totals	\$ 177,962	\$ 28,768	\$ 206,730

**9. Employees Retirement System**

**Net Pension Liability (Asset)**

The net pension liability (asset) has been disclosed below. The net pension liability (asset) reported on the statement of net position represents a liability (asset) 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, 2025**

The net pension liability (asset) 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 (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability (asset) 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:	9.00%
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	No

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

Provision for:	
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, 601 57<sup>th</sup> Steet, SE, Suite 5 Charleston, WV 25304.

**Net Pension Liabilities (Assets), 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 (assets) for its proportionate share of the net pension liability (asset). The net pension liabilities (assets) were measured as of June 30, 2024, and the total pension liability used to calculate the net pension liabilities (assets) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liabilities (assets) 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, 2025, the City reported the following proportions and increase/decreases from its proportion measured as of June 30, 2024:

	<u>PERS</u>
Proportionate Share of the Net Pension Liability (Asset)	\$ (267,185)
Proportion of the Net Pension Liability (Asset) - Current Year	0.162307%
Proportion of the Net Pension Liability (Asset)- Prior Year	0.161231%
% Change in Proportion of the Net Pension Liability (Asset)	0.001076%
Pension Expense	\$ 131,976

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>PERS</b>
<b>Deferred Outflows of Resources:</b>	
Differences between expected and actual economic experience	\$ 362,995
Changes in proportion and differences between City contributions and proportionate share of contributions	3,819
City contributions subsequent to the measurement date	400,389
Total	\$ 767,203

	<b>PERS</b>
<b>Deferred Inflows of Resources:</b>	
Differences between projected and actual investment earnings	\$ 311,039
Deferred difference in assumptions	24,463
Changes in proportion	9,466
Total	\$ 344,968

\$400,389 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, 2026. 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:	
2026	(139,403)
2027	386,750
2028	(114,458)
2029	(111,043)
	\$ 21,846

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2023 and rolled forward to June 30, 2024, 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% - 6.86%
Non-state	3.57%-7.37%
Investment rate of return	7.25%
Withdrawal rate:	

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

State	3.12% - 41.07%
Non-state	3.25%-35.88%
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 – 119% 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, 2024 PERS valuation were based on the results of an actuarial experience study for the period June 1, 2018 to June 30, 2023.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic Equity	22.50%	6.5
International Equity	22.50%	9.1%
Fixed Income Securities	15.00%	4.3%
Real Estate	12.00%	5.8%
Private Equity	12.00%	9.2%
Private Credit	6.00%	9.8%
Hedge Funds	10.00%	.46%
<b>Total</b>	<b>100.00%</b>	

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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 Net Pension Liability	\$ 1,359,706	\$ (267,185)	\$ (1,641,070)

**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) Annual Comprehensive 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).

**City of Elkins, West Virginia**  
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The following is a summary of eligibility factors, contribution methods, and benefit provisions:

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 (2.75%, 2% or 1.0%) 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, 601 57<sup>th</sup> Steet, SE, Suite 5 Charleston, WV 25304..

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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 (assets) for its proportionate share of the net pension liability (asset). The net pension liabilities (assets) were measured as of June 30, 2023 rolled forward to June 30, 2024, and the total pension liability used to calculate the net pension liabilities (assets) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liabilities (assets) 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, 2025, the City reported the following proportions and increase/decreases from its proportion measured as of the prior period:

	MPFRS
Proportionate Share of the Net	
Pension Liability (Assets)	\$ (315,218)
Proportion of the Net Pension	
Liability - Current Year	2.416389000%
Proportion of the Net Pension	
Liability - Prior Year	2.766355000%
% Change in Proportion of the	
Net Pension Liability	-12.650799%
Pension Expense (Gain)	\$ 52,486

**City of Elkins, West Virginia**  
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**For The Fiscal Year Ended June 30, 2025**

At June 30, 2025, 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	\$ 59,322
Changes of assumptions	15,634
Changes in proportion and differences between City contributions and proportionate share of contributions	66,829
City contributions subsequent to the measurement date	86,794
Total	\$ 228,579

	<b>MPFRS</b>
<b>Deferred Inflows of Resources:</b>	
Differences between expected and actual economic experience	\$ 1,764
Differences between projected and actual investment earnings	18,679
Differences between City contributions and Changes in proportion	14,724
Total	\$ 35,167

\$86,794 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, 2026. 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:	
2026	\$ 12,454
2027	31,785
2028	14,000
2029	13,275
2030	17,576
Thereafter	17,528
	\$ 106,618

**City of Elkins, West Virginia**  
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**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2023 and rolled forward to June 30, 2024, 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, 2024 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.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	22.50%	6.5
International Equity	22.50%	9.1%
Fixed Income Securities	15.00%	4.3%
Real Estate	12.00%	5.8%
Private Equity	12.00%	9.2%
Private Credit	6.00%	9.8%
Hedge Funds	10.00%	.46%
<b>Total</b>	<b>100.00%</b>	

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
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Proportionate Share of MPFRS Net Pension Asset (Liability)	\$96,704	\$315,218	\$480,354

**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).

**City of Elkins, West Virginia**  
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**For The Fiscal Year Ended June 30, 2025**

**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 had approximately 43,000 policyholders and 63,000 covered lives at June 30, 2025. 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 \$60 million for the fiscal year ended June 30, 2025.

Contributions to the OPEB plan from the City were \$902,788 for the current fiscal year.

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

The projections of the net OPEB liability (asset) 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 (asset) 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

**City of Elkins, West Virginia**  
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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 (asset).

At fiscal year-end, the City reported an asset for its proportionate share of the net OPEB liability (asset) 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 (asset), the related State support, and the total portion of the net OPEB liability (asset) that was associated with the City were as follows:

Government's proportionate share of the net OPEB Liability (Asset)	\$	(8,765)
State's proportionate share of the net OPEB Liability (Asset) associated with the government		(6,648)
	<u>\$</u>	<u>(15,413)</u>

The net OPEB liability (asset) reported as of June 30, 2025 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability (asset) 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:

		<u>PERS</u>
Proportionate Share of the Net OPEB - Current Year		0.021052122%
Proportionate Share of the Net OPEB - Prior Year		0.068777967%
Change in Proportionate Share		-0.047725845%
Proportion of the Net OPEB Liability (Asset)	\$	(8,765)
OPEB Expense (Gain)	\$	(36,176)

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

At June 30, 2025, 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 expected and actual economic experience	\$ 30,531
Changes of assumptions	3,346
Changes in proportion and differences between City contributions and proportionate share of contributions	8,433
City contributions subsequent to the measurement date	902,788
Total	\$ 945,098

**Deferred Inflows of Resources:**

Differences between expected and actual economic experience	\$ 8,814
Differences between projected and actual investment earnings	9,986
Deferred difference in assumptions	10,365
Differences between City contributions and Changes in proportion	14,321
Total	\$ 43,486

\$902,788 were reported as deferred outflows of resources related to OPEB resulting from City contributions as no contributions were made during fiscal year 2026.

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:

2026	(12,165)
2027	11,501
2028	2,472
2029	(2,984)
	\$ (1,176)

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 , using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Dependent upon pension system ranging from 2.75% to 5.18%, including inflation
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rates for pre-Medicare and Medicare per capita costs start at 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.5% is reached in plan year end 2033.
Actuarial cost method	Entry Age Normal
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-2021 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-2021 and scaling factors of 106% for males and 113% for females. Troopers A and B: Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2021 and scaling factors of 100% for

**City of Elkins, West Virginia**  
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Mortality Pre-Retirement	males and females. TRS: Pub-2010 General Employee Mortality Tables projected with MP-2021. PERS: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP- 2021. Troopers A and B: Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2021.
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The actuarial assumptions used in the June 30, 2023 valuation rolled forward to June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

The actuarial valuation reflects updates to various assumptions; per capita claim costs, healthcare trend rates, aging factors, and participation rates.

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the WV Investment Management Board (WVIMB) and an expected short-term rate of return of 2.75% 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 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% 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 best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan's investment advisors, including West Virginia Investment Management Board (WVIMB). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (WVBTI) was estimated based on WVIMB assumed inflation of 2.50% plus a 25-basis point spread.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

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

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Private Equity	10.0%
Real Estate	7.7%
Hedge Funds	4.5%

**Discount rate**

A single discount rate of 7.40% 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 7.40%. 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. Based on these assumptions, 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.

**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 (6.40%) or 1-percentage-point higher (8.40%) than the current rate:

	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
Proportionate Share of Net OPEB Liability (Asset)	\$ 38,322	\$ (8,765)	\$ (47,980)

**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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Proportionate Share of Net OPEB Liability	\$ (68,917)	\$ (8,765)	\$ 64,280

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**10. Interfund Balances**

Individual fund interfund receivable and payable balances at June 30, 2025 are as follows:

	<u>Due from (to)</u> <u>Component Unit</u>	<u>Due from Other</u> <u>Funds</u>	<u>Due to Other</u> <u>Funds</u>	<u>Due from (to)</u> <u>General Fund</u>
<b>General Fund</b>	\$ (17,985)	\$ 417,086	\$ (175,436)	\$ -
<b>Financial Stabilization Fund</b>	-	262,485	-	-
<b>Sanitation Fund</b>	-	-	(440,091)	-
<b>Water Fund</b>	-	22,875	(86,919)	-
<b>Parks &amp; Recreation - Component Unit</b>	-	-	-	17,985
	<u>\$ (17,985)</u>	<u>\$ 702,446</u>	<u>\$ (702,446)</u>	<u>\$ 17,985</u>

**11. Restricted Assets**

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

	<u><i>Business-type</i></u> <u><i>Activities</i></u>
Reserve account	\$ 1,633,032
Revenue account	568,873
Depreciation account	392,849
Renewal and replacement account	1,233,650
Landfill escrow	2,027,763
	<u>\$ 5,856,167</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 \$1,978,977 and \$48,785, respectively at June 30, 2025 are reported as restricted assets until a final determination has been made regarding the disposition of these assets.

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

**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.

**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, 2025.

<u>Net Gross Revenues</u>	<u>Amount of Annual Debt Service</u>	<u>Percentage</u>	<u>Maximum Percentage Required</u>
\$ 1,618,348	\$ 981,424	165%	110%

**City of Elkins, West Virginia**  
**Notes to The Financial Statements**  
**For The Fiscal Year Ended June 30, 2025**

As of June 30, 2025, the City was 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.

**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, 2025.

<u>Net Gross</u> <u>Revenues</u>	<u>Amount of Annual Debt</u> <u>Service</u>	<u>Percentage</u>	<u>Maximum</u> <u>Percentage</u> <u>Required</u>
\$ 2,166,583	\$ 1,389,988	156%	110%

As of June 30, 2025, 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, 2025**

**15. Subsequent Events**

The City of Elkins, West Virginia's management evaluated the effect that subsequent events would have on financial statements through December 15, 2025, 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>	<u>Other Governmental</u>
Restricted for:						
Capital Projects	\$ -	\$ -	\$ 1,540,396	\$ 49,192	\$ -	\$ -
Fire	-	-	-	-	117,243	-
Safety	-	90,651	-	-	-	156,066
Unassigned	2,010,327	-	-	-	-	-
	<u>\$ 2,010,327</u>	<u>\$ 90,651</u>	<u>\$ 1,540,396</u>	<u>\$ 49,192</u>	<u>\$ 117,243</u>	<u>\$ 156,066</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 Ten Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total plan pension liability	\$ 2,068,276	\$ 2,087,506	\$ 1,968,922	\$ 1,892,548	\$ 1,999,781	\$ 1,585,062	\$ 1,498,344	\$ 1,420,338	\$ 1,704,797	\$ 1,388,824
Plan net position	2,833,450	2,462,219	2,219,808	2,425,041	1,919,756	1,788,546	1,658,046	1,489,384	1,307,000	1,244,804
Net pension liability (asset)	(765,174)	(374,713)	(250,886)	(532,493)	80,025	(203,484)	(159,702)	(69,046)	397,797	144,020
Plan net position as a % of total pension liability	137.00%	117.95%	112.74%	128.14%	96.00%	112.84%	110.66%	104.86%	76.67%	89.63%
Covered payroll	\$ 190,641	\$ 177,250	\$ 192,839	\$ 188,194	\$ 192,149	\$ 145,017	\$ 167,273	\$ 163,492	\$ 163,506	\$ 161,535
Net pension liability (asset) as a % of Covered Payroll	-401.37%	-211.40%	-130.10%	-282.95%	41.65%	-140.32%	-95.47%	-42.23%	243.29%	89.16%

(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 Ten Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total plan pension liability	\$ 4,752,349	\$ 4,592,205	\$ 4,498,379	\$ 4,525,934	\$ 4,803,097	\$ 4,933,354	\$ 5,152,162	\$ 5,296,956	\$ 5,239,162	\$ 5,065,118
Plan net position	<u>4,679,153</u>	<u>4,227,947</u>	<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>
Net pension liability (Asset)	73,196	364,258	501,117	(168,789)	909,306	1,241,938	1,631,621	2,023,851	2,234,283	2,271,074
Plan net position as a % of total pension liability	98.46%	92.07%	88.86%	103.73%	81.07%	74.83%	68.33%	61.79%	57.35%	55.16%
Covered payroll	\$ 198,590	\$ 175,244	\$ 166,821	\$ 168,436	\$ 134,849	\$ 230,738	\$ 220,641	\$ 336,918	\$ 336,918	\$ 489,755
Net pension liability as a % of Covered Payroll	36.86%	207.86%	300.39%	-100.21%	674.31%	538.25%	739.49%	600.70%	663.15%	463.72%

\* - 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*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total plan pension liability	\$ 8,898,186,000	\$ 8,396,617,000	\$ 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
Plan net position	9,062,803,000	8,401,099,000	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
Net pension liability (asset)	\$ (164,617,000)	\$ (4,482,000)	\$ 148,919,000	\$ (877,936,000)	\$ 528,671,000	\$ 215,013,000	\$ 258,252,000	\$ 431,645,000	\$ 919,118,000	\$ 558,404,000
City's proportion of the net pension liability	0.16230700%	0.16123100%	0.14801000%	0.14669100%	0.14612000%	0.14896100%	0.15609000%	0.15791000%	0.15494900%	0.14885800%
City's proportionate share of the net pension liability (asset)	\$ (267,185)	\$ (7,226)	\$ 220,416	\$ (1,287,853)	\$ 772,494	\$ 320,286	\$ 403,106	\$ 681,611	\$ 1,424,164	\$ 831,229
City's covered payroll	\$ 4,448,767	\$ 3,970,544	\$ 3,440,000	\$ 3,175,580	\$ 3,009,200	\$ 2,818,690	\$ 2,629,910	\$ 2,428,473	\$ 2,379,625	\$ 2,211,652
City's proportionate share of the net pension liability as a percentage of its covered payroll	-6.00%	-0.20%	6.40%	-40.60%	25.70%	11.40%	15.30%	28.10%	59.80%	37.60%
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.85%	100.05%	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	93.98%

**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 Seven Years \**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net pension liability (asset)	\$ (13,045,000)	\$ (10,990,000)	\$ (9,772,002)	\$ (10,914,000)	\$ (6,254,000)	\$ (4,585,000)	\$ (3,698,000)
City's proportion of the net pension liability (asset)	2.41638900%	2.76635500%	2.91825700%	2.70352000%	3.01808900%	3.15517993%	3.45924824%
City's proportionate share of the net pension liability (asset)	\$ (315,218)	\$ (304,023)	\$ (285,172)	\$ (295,062)	\$ (188,751)	\$ (144,665)	\$ (127,923)
City's covered payroll	\$ 1,021,106	\$ 359,541	\$ 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	-30.90%	-84.60%	-80.50%	-89.40%	-60.00%	-27.30%	-28.90%
Plan fiduciary net position as a percentage of the total pension liability (asset)	138.69%	-168.31%	-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*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 8,190	\$ 18,710	\$ 30,757	\$ 121,032	\$ 45,969	\$ 45,411	\$ 45,372	\$ 89,861	\$ 52,661	\$ 75,772
Employer contribution	49,207	49,623	57,000	59,500	50,000	53,382	44,283	57,179	26,198	67,062
State contribution	-	-	-	61,484	-	-	49,028	31,901	60,020	30,087
Percentage contributed	601%	265%	185%	100%	109%	118%	206%	99%	164%	128%
Covered payroll	\$ 190,641	\$ 177,250	\$ 192,839	\$ 188,194	\$ 192,149	\$ 145,017	\$ 167,273	\$ 163,492	\$ 163,506	\$ 161,535
Actual contribution as a % of covered payroll	26%	28%	30%	64%	26%	37%	56%	54%	53%	60%

(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>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Actuarially determined contribution	\$ 93,142	\$ 83,962	\$ 116,398	\$ 160,314	\$ 210,482	\$ 250,298	\$ 320,403	\$ 322,452	\$ 343,902	\$ 364,511
Employer contribution	27,721	23,502	41,250	100,000	200,000	207,335	207,074	239,857	247,173	503,484
State contribution	143,540	132,554	129,164	124,531	119,469	108,209	104,185	85,605	179,859	65,549
Percentage contributed	184%	186%	146%	140%	152%	126%	97%	101%	124%	156%
Covered payroll	\$ 198,590	\$ 175,244	\$ 166,821	\$ 168,436	\$ 134,849	\$ 230,738	\$ 220,641	\$ 359,239	\$ 336,918	\$ 489,755
Actual contribution as a % of covered payroll	86%	89%	102%	133%	237%	137%	141%	91%	127%	116%

\* - 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>2025</u>	<u>2024</u>	<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	\$ 400,389	\$ 357,349	\$ 344,000	\$ 317,558	\$ 300,920	\$ 281,869	\$ 262,991	\$ 267,132	\$ 285,555	\$ 298,573
Contributions in relation to the contractually required contribution	<u>(400,389)</u>	<u>(357,349)</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>									
City covered payroll	\$ 4,448,767	\$ 3,970,544	\$ 3,440,000	\$ 3,175,580	\$ 3,009,200	\$ 2,818,690	\$ 2,629,910	\$ 2,428,473	\$ 2,379,625	\$ 2,211,652
Contributions as a percentage of covered payroll	9.00%	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%
Pension Allocation	9.00%	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 86,794	\$ 30,561	\$ 30,130	\$ 28,045	\$ 26,738	\$ 45,124	\$ 37,618
Contributions in relation to the contractually required contribution	<u>(86,794)</u>	<u>(30,561)</u>	<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>						
City covered payroll	\$ 1,021,106	\$ 359,541	\$ 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%	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%	8.50%	8.50%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>										
Service cost	\$ 73,498	\$ 68,217	\$ 75,087	\$ 74,701	\$ 74,423	\$ 57,067	\$ 56,451	\$ 62,148	\$ 43,854	\$ 48,141
Interest on the total pension liability	124,249	117,445	112,887	119,323	94,224	96,187	90,841	85,450	95,832	90,602
Benefit changes	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(98,801)	(44,063)	(89,392)	(265,324)	275,409	(134,236)	(32,739)	(292,745)	(7,827)	(36,801)
Assumption changes	(84,825)	-	-	(13,812)	-	104,783	-	(101,401)	251,893	(85,025)
Benefit payments	(33,351)	(23,015)	(22,208)	(22,121)	(29,337)	-	(36,547)	(37,911)	(67,779)	(69,411)
Refunds	-	-	-	-	-	-	-	-	-	-
Net change in total pension liability	(19,230)	118,584	76,374	(107,233)	414,719	123,801	78,006	(284,459)	315,973	(52,494)
Total pension liability - beginning	2,087,506	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
Total pension liability - ending	<u>\$ 2,068,276</u>	<u>\$ 2,087,506</u>	<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>
<b>Plan fiduciary net position</b>										
Employer contributions	42,207	49,623	57,000	120,984	50,000	53,382	93,311	89,080	86,218	97,149
Employee contributions	13,799	13,685	13,754	14,045	13,421	13,565	13,684	11,438	11,227	12,407
Pension plan net investment income	348,576	202,118	(253,779)	392,377	97,141	105,679	103,069	124,235	36,712	45,475
Benefit payments	(33,351)	(23,015)	(22,208)	(22,121)	(29,337)	-	(36,547)	(37,911)	(67,779)	(69,411)
Refunds	-	-	-	-	-	-	-	-	-	-
Pension plan administrative expense	-	-	-	-	(15)	-	(4,855)	(4,458)	(4,182)	(4,074)
Other	-	-	-	-	-	(5,043)	-	-	-	-
Net change in total pension liability	371,231	242,411	(205,233)	505,285	131,210	167,583	168,662	182,384	62,196	81,546
Plan fiduciary net position - beginning	2,462,219	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
Plan fiduciary net position - ending	<u>\$ 2,833,450</u>	<u>\$ 2,462,219</u>	<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>
Net pension liability (asset) - Ending	(765,174)	(374,713)	(250,886)	(532,493)	80,025	(203,484)	(159,702)	(69,046)	397,797	144,020
Plan fiduciary net position as a percentage of total pension liability	137.00%	117.95%	112.74%	128.14%	96.00%	112.54%	110.66%	104.86%	76.67%	89.63%
Covered employee payroll	\$ 190,641	\$ 177,250	\$ 192,839	\$ 188,194	\$ 192,149	\$ 145,017	\$ 167,273	\$ 163,492	\$ 163,506	\$ 161,535
Net pension liability (asset) as a percentage of covered employee payroll	-401.37%	-211.40%	-130.10%	-282.95%	41.65%	-140.32%	-95.47%	-42.23%	243.29%	89.16%

(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 (Asset) and Related Ratios*  
*West Virginia Policemen's Pension and Relief Fund*  
*Last Ten Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total pension liability</b>										
Service cost	\$ 46,782	\$ 41,791	\$ 39,832	\$ 47,481	\$ 38,209	\$ 70,807	\$ 75,761	\$ 126,132	\$ 105,989	\$ 142,861
Interest on the total pension liability	273,776	269,627	271,641	300,618	309,202	297,150	299,227	306,843	287,160	290,680
Benefit changes	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	295,533	151,112	20,339	83,646	(124,881)	113,310	(175,666)	(1,159)	(169,907)	(126,966)
Assumption changes	(32,375)	-	-	(352,503)	-	(300,732)	-	-	275,217	-
Benefit payments	(423,572)	(368,704)	(359,367)	(356,405)	(352,787)	(399,343)	(344,116)	(334,747)	(324,415)	(278,704)
Refunds	-	-	-	-	-	-	-	(39,275)	-	(4,625)
Net change in total pension liability	160,144	93,826	(27,555)	(277,163)	(130,257)	(218,808)	(144,794)	57,794	174,044	23,246
Total pension liability - beginning	4,592,205	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
Total pension liability - ending	<u>\$ 4,752,349</u>	<u>\$ 4,592,205</u>	<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>
<b>Plan fiduciary net position</b>										
Employer contributions	171,261	156,056	170,414	224,531	319,469	315,544	311,259	325,462	427,032	569,033
Employee contributions	16,763	16,411	14,841	14,861	14,397	14,994	19,671	28,137	29,621	40,855
Pension plan net investment income	686,754	426,922	(523,349)	917,945	221,356	248,531	269,320	296,717	86,343	90,698
Benefit payments	(423,572)	(368,704)	(359,367)	(356,405)	(352,787)	(399,343)	(344,116)	(334,747)	(324,415)	(278,704)
Refunds	-	-	-	-	-	-	-	(39,275)	-	(4,625)
Pension plan administrative expense	-	-	-	-	(60)	-	(8,698)	(8,068)	(7,746)	(6,445)
Other	-	-	-	-	-	(8,851)	-	-	-	-
Net change in total pension liability	451,206	230,685	(697,461)	800,932	202,375	170,875	247,436	268,226	210,835	410,812
Plan fiduciary net position - beginning	4,227,947	3,997,262	4,694,723	3,893,791	3,691,416	3,520,541	3,273,105	3,004,879	2,794,044	2,383,232
Plan fiduciary net position - ending	<u>\$ 4,679,153</u>	<u>\$ 4,227,947</u>	<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>
Net pension liability (asset) - Ending	73,196	364,258	501,117	(168,789)	909,306	1,241,938	1,631,621	2,023,851	2,234,283	2,271,074
Plan fiduciary net position as a percentage of total pension liability	98.46%	92.07%	88.86%	103.73%	81.07%	74.83%	68.33%	61.79%	57.35%	55.16%
Covered employee payroll	\$ 198,590	\$ 175,244	\$ 166,821	\$ 168,436	\$ 134,849	\$ 230,738	\$ 220,641	\$ 359,239	\$ 336,918	\$ 489,755
Net pension liability (asset) as a percentage of covered employee payroll	36.86%	207.86%	300.39%	-100.21%	674.31%	538.25%	739.49%	563.37%	663.15%	463.72%

(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 Nine Years \**

	<u>2025</u>	<u>2024</u>	<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)	\$ 1,903,880,796	\$ 1,637,416,883	\$ 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	<u>1,945,516,893</u>	<u>1,795,666,000</u>	<u>1,624,972,000</u>	<u>1,673,024,000</u>	<u>1,224,642,000</u>	<u>1,091,661,000</u>	<u>963,115,000</u>	<u>823,911,315</u>	<u>685,668,000</u>
Net OPEB liability (Asset)	\$ (41,636,097)	\$ (158,249,117)	\$ 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)	0.021052122%	0.068777967%	0.071395444%	0.076994725%	0.079116065%	0.079993417%	0.078509651%	0.072173901%	0.085178536%
City's proportionate share of the net OPEB liability (Asset)	\$ (8,765)	\$ (108,841)	\$ 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	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	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability (Asset)	102.19%	109.66%	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 Ten Years*

	<u>2025</u>	<u>2024</u>	<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	\$ 902,788	\$ -	\$ 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>(902,788)</u>	<u>-</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
City covered payroll (1)	N/A	N/A	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	N/A	N/A

(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, 2025**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<b>Department of Agriculture</b>			
<u>West Virginia Development Office</u>			
Rural Community Development Initiative	10.446	N/A	\$ 19,251
Total Department of Agriculture			<u>\$ 19,251</u>
<b>United States Department of Justice</b>			
Direct			
Equitable Sharing Program	16.992	N/A	<u>\$ 798,622</u>
Total Department of Justice			<u>\$ 798,622</u>
<b>Department of Treasury</b>			
<u>West Virginia Governor's Office</u>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 446,363
Total Department of Treasury			<u>\$ 446,363</u>
<b>Department of Homeland Security</b>			
<u>West Virginia Department of Homeland Security</u>			
Emergency Performance Grants	97.042		<u>\$ 50,000</u>
Total Department of homeland Security			<u>\$ 50,000</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,314,236</u></u>

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, 2025

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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, 2025. 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.



**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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated March 17, 2026.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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  
March 17, 2026



**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, 2025. 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, 2025.

***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  
March 17, 2026

**City of Elkins, West Virginia**  
*Schedule of Findings*  
 2 CFR § 200.515  
 June 30, 2025

**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 deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under §.510(a)?	No
(d)(1)(vii)	Major Programs (list):	Equitable Sharing Program ALN# 16.922
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.515?	Yes

**City of Elkins, West Virginia**  
*Schedule of Findings*  
*2 CFR § 200.515*  
*June 30, 2025*

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

**None noted**

**3. FINDINGS FOR FEDERAL AWARDS**

**None noted**

**City of Elkins, West Virginia**

Summary Schedule of Prior Audit Findings

2 CFR § 200.511(b)

June 30, 2025

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<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information:</b>
2024-001	Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements. Timely Reporting	Corrected	