



**CHARLES TOWN UTILITY BOARD
(A Component Unit of the Municipality of Charles Town)
JEFFERSON COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2024**

RFP# 23-249

**CHARLES TOWN UTILITY BOARD
JEFFERSON COUNTY**

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Charles Town Utility Board
SCHEDULE OF FUNDS INCLUDED IN REPORT
June 30, 2024

BUSINESS-TYPE FUNDS

Major Funds

Water Fund

Sewer Fund

Charles Town Utility Board
BOARD OFFICIALS AND MANAGEMENT
June 30, 2024

		<u>Term Expires</u>
City Manager of Charles Town Chairman	John Nissel	
Mayor of City of Ranson, Vice Chair	Mayor Keith Pierson	12/31/26
Treasurer	Thomas Stocks	12/31/24
Board Member	Heidi Parker	12/31/27
Board Member	Jefferson Whitten (resigned)	06/10/24
Utility Manager	Kristen Stolipher	
Assistant Utility Manager	April Shultz	
Board Attorney	Robert Rodecker	
Secretary	Ashley Stottlemyer	



INDEPENDENT AUDITOR'S REPORT

Charles Town Utility Board
Jefferson County
661 South George Street, Suite 101
Charles Town, West Virginia 25414

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Charles Town Utility Board**, Jefferson County, West Virginia (the Utility Board), a component unit of the Municipality of Charles Town, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board'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 financial position of the Charles Town Utility Board, Jefferson County, West Virginia as of June 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Utility Board, 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 opinion.

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 Utility Board'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 Utility Board'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 Utility Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2025, on our consideration of the Utility Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Utility Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utility Board's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

March 4, 2025

Charles Town Utility Board
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2024

The discussion and analysis of the Charles Town Utility Board's (Utility Board) financial performance provides an overview of the Utility Board's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Utility Board's financial statements.

FINANCIAL HIGHLIGHTS

The Utility Board's net position increased \$8.4 million as a result of this year's operations. Net position of the water fund increased \$2.4 million compared to the previous year, or 20.9 percent. Net position of the sewer fund increased by \$6.0 million, or 16.7 percent compared to the previous year. The water and sewer fund increases are primarily the result of an increasing customer base, water and sewer rate changes effective February 16, 2024, developer and grant contributions including a federal grant, and capacity improvement fees.

The Utility Board's operating revenues increased \$1.1 million to \$11.7 million for 2024. Operating expenses increased \$0.8 million to \$10.6 million for 2024. Water fund operating income increased \$0.2 million to \$0.3 million and sewer operating income increased \$0.1 million to \$0.8 million for 2024.

The \$1.1 million increase in operating revenues is primarily a result of system growth and a change in water and sewer rates (\$0.5 million water and \$0.6 million sewer). The \$0.8 million increase in operating expenses (\$0.3 million water and \$0.5 million sewer) is attributed to increases in personnel services (\$0.2 million water and \$0.2 million sewer), increases in maintenance (\$0.1 million water and \$0.2 million sewer) and increases in depreciation expense (\$0.1 million sewer).

By City Council ordinance adopted January 2, 2024, and effective February 16, 2024, the Utility Board equalized its water rates and its sewer rates throughout its service area. The applicable rate adjustments for water were expected to generate an additional 13 percent in annual water revenues. The applicable rate adjustments for sewer were expected to be revenue neutral.

The Utility Board added approximately \$7.7 million and \$8.2 million in capital assets during 2024 and 2023, respectively. During 2024, approximately \$5.8 million was from construction in progress related to the sewer department's wastewater treatment plant renewal and replacement and collection system projects. Also during 2024, the Utility Board added approximately \$1.1 million of sewer utility plant through developer contributions. During 2023, approximately \$3.9 million was added from sewer construction in progress related to the sewer projects and \$4.0 million in water and sewer utility plant was added through developer contributions and advances.

At June 30, 2024, the Utility Board was in the construction phase of its sewer department renewal and replacement project. The estimated cost of the project is \$12.1 million with \$9.9 million being expended as of June 30, 2024. The project is being financed by a \$7.435 million bond issue, grants, and internal funding.

At June 30, 2024, the Utility Board was in the design and preconstruction stage of a sewer department collection system project. The estimated cost of the project is \$7.7 million with \$0.8 million expended as of June 30, 2024. The project is being financed with \$3.1 million of future bond issues, grants, and internal funding.

During 2024, the Utility Board issued no fixed debt.

During 2023, the Utility Board issued \$7.435 million of Series 2022 B and C revenue bonds to finance construction of the sewer wastewater treatment plant renewal and replacement project.

Charles Town Utility Board
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2024

FINANCIAL HIGHLIGHTS (continued)

The Utility Board entered into alternate mainline extension agreements with developers. These agreements amounted to approximately \$1.1 million and \$4.0 million for 2023 and 2022, respectively. Certain developer agreements require repayment based on new customer connections to the main line extension.

The Utility Board made all required contractual payments to the West Virginia Public Employees Retirement System and West Virginia Retiree Health Benefits Trust during 2023 and 2022.

USING THIS ANNUAL REPORT

1. Management's Discussion and Analysis

The Management's Discussion and Analysis is intended to serve as an introduction to the Utility Board's financial statements. The Utility Board's financial statements and Notes to the Financial Statements included in this report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for proprietary fund types.

2. Financial Statements

The financial statements are designed to provide readers with a broad overview of the Utility Board's finances, in a manner similar to private-sector business. They consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.

The Statement of Net Position presents information on all the Utility Board's assets/deferred outflows and liabilities/deferred inflows with the difference between the two reported as net position. Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Utility Board is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Utility Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in different fiscal periods (e.g. Depreciation and earned but unused vacation leave).

The Statement of Cash Flows presents the Utility Board's sources and uses of cash and changes in cash balances between the current and prior year.

The basic financial statements report all Utility Board financial activities. The activities are primarily supported by water and sewer user fees. The Utility Board's mission is furthering the preservation of public health, comfort and convenience by providing water and sewer services to the residents of Charles Town, Ranson, territories formerly served by the Jefferson County Public Service District, and other areas in Jefferson County.

Charles Town Utility Board
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2024

USING THIS ANNUAL REPORT (continued)

3. Notes to Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to Financial Statements can be found in the financial statements mentioned at #two above.

REPORTING THE UTILITY BOARD AS A WHOLE

The analysis below focuses on net position (Table 1) and changes in net position (Table 2) of the Utility Board's financial activities.

Table 1 - Net Position (in Millions)

	Water		Sewer		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 15.2	\$ 13.5	\$ 14.3	\$ 14.5	\$ 29.5	\$ 28.0
Capital assets	18.7	19.2	65.4	60.6	84.1	79.8
Total assets	33.9	32.7	79.7	75.1	113.6	107.8
Deferred outflows of resources	0.2	0.4	0.2	0.3	0.4	0.7
Total assets and deferred outflows of resources	\$ 34.1	\$ 33.1	\$ 79.9	\$ 75.4	\$ 114.0	\$ 108.5
Long-term debt outstanding	\$ 14.7	\$ 15.7	\$ 26.7	\$ 27.9	\$ 41.4	\$ 43.6
Other liabilities	0.4	0.4	11.3	11.5	11.7	11.9
Total liabilities	15.1	16.1	38.0	39.4	53.1	55.5
Deferred inflows of resources	5.1	5.5	-	0.1	5.1	5.6
Net position:						
Net investment in capital assets	4.2	3.8	30.2	26.3	34.4	30.1
Restricted	7.2	5.3	8.3	5.5	15.5	10.8
Unrestricted	2.5	2.4	3.4	4.1	5.9	6.5
Total net position	13.9	11.5	41.9	35.9	55.8	47.4
Total liabilities, deferred inflows, and net position	\$ 34.1	\$ 33.1	\$ 79.9	\$ 75.4	\$ 114.0	\$ 108.5

Charles Town Utility Board
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2024

REPORTING THE UTILITY BOARD AS A WHOLE (continued)

The net position of the Utility Board as a whole increased by 17.7 percent (\$8.4 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased from \$6.5 million at June 30, 2023, to \$5.9 million at the end of this year, a 9.2 percent decrease.

Water net position increased by \$2.4 million or 20.9 percent and sewer net position increased by \$6.0 million or 16.7 percent.

By far, the largest portion of the Utility Board's assets reflects its investment in capital assets. The Utility Board uses these capital assets to provide water and sewer services to its customers; consequently, these assets are not available for future spending.

Table 2 - Changes in Net Position (in Millions)

	Water		Sewer		Total	
	2024	2023	2024	2023	2024	2023
Operating revenues	\$ 4.7	\$ 4.2	\$ 7.0	\$ 6.4	\$ 11.7	\$ 10.6
Operating expenses	4.4	4.1	6.2	5.7	10.6	9.8
Operating income	0.3	0.1	0.8	0.7	1.1	0.8
Non-operating revenues (expenses)	0.4	0.3	(0.4)	(0.6)	-	(0.3)
Changes in net position before capital contributions	0.7	0.4	0.4	0.1	1.1	0.5
Capital contributions	1.7	2.5	5.6	4.0	7.3	6.5
Change in net position	<u>\$ 2.4</u>	<u>\$ 2.9</u>	<u>\$ 6.0</u>	<u>\$ 4.1</u>	<u>\$ 8.4</u>	<u>\$ 7.0</u>

The Utility Board's operating revenues increased \$1.1 million. Operating expenses of the water department increased \$0.3 million and operating expenses of the sewer department increased \$0.5 million. The analysis separately considers the operations of the water and sewer funds.

BUDGETARY HIGHLIGHTS

For the year ended June 30, 2024, budgets were prepared by the Utility Board's management and were approved by the Utility Board of Directors. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with principles used in the preparation of the basic financial statements.

Charles Town Utility Board
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the Utility Board had \$84.1 million invested in a broad range of capital assets, including land, structures, machinery and equipment, and water and sewer lines (see Table 3 below). This amount represents a net increase (including additions, disposals, and depreciation) of \$4.3 million compared to the previous year.

Table 3 - Capital Assets at Year-End (Net of Depreciation, in Millions)

	2024	2023
Capital assets not depreciated - utility plant (land, easements, and construction in progress)	\$ 13.2	\$ 7.2
Capital assets depreciated - utility plant	119.5	117.8
Totals	132.7	125.0
Accumulated depreciation	(48.6)	(45.2)
Capital assets, net of depreciation	\$ 84.1	\$ 79.8

2024 Utility Plant Additions (capital assets being depreciated)

Water (at cost or estimated fair value excluding accumulated depreciation)

Meters		\$ 0.1
Transportation equipment		0.3
		0.4

Sewer (at cost or estimated fair value excluding depreciation)

Collection plant		1.1
Treatment and disposal plant		0.1
Transportation and other		0.2
		1.4
Total 2024 additions to utility plant in service		1.8

2024 utility plant retirements (capital assets being depreciated)

Water		0.1
Sewer		-
Total 2024 utility plant retirements		0.1

Net increase in utility plant (capital assets being depreciated) for 2024		\$ 1.7
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Charles Town Utility Board
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
 June 30, 2024

Debt

At year-end, the Utility Board had \$41.4 million in long-term debt outstanding compared to \$43.6 million in the previous year.

Table 4 - Outstanding Debt at Year-End (in Millions)

	2024	2023
Lease Liability	\$ 0.4	\$ 0.4
Loans (Municipality of Charles Town)	0.5	0.5
Bonds	40.5	42.7
	\$ 41.4	\$ 43.6

The Utility Board issued no fixed debt during 2024.

The Utility Board issued \$7.435 of Series 2022 B&C revenue bonds in 2023 to finance construction of the sewer wastewater treatment plant renewal and replacement project.

The bond debt resulted from issuing revenue bonds for the construction of water and sewer utility plant improvements and acquisition of former JCPSD net assets. These bonds are secured by revenues derived from the combined water and sewer system. Other debt obligations include loans and obligations under financed purchases and leases. More detailed information about the Utility Board’s long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS

The Utility Board’s management considered many factors when setting the fiscal-year 2024 budget. One of those factors was the economy. The County’s population has a direct impact on the Utility Board’s economic growth.

The Utility Board is optimistic about its potential for economic growth in the future. The increasing population, infrastructure improvements, annexation, acquisition of other utilities, and procurement of grants and other funding sources are all positive indicators for continued economic growth of the Utility Board.

CONTACTING THE UTILITY BOARD’S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, customers, and investors and creditors with a general overview of the Utility Board’s finances and to show the Utility Board’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Utility Manager at 661 South George Street, Suite 101, Charles Town, WV 25414.

Charles Town Utility Board
STATEMENT OF NET POSITION
June 30, 2024

ASSETS AND DEFERRED OUTFLOWS

	Water Fund	Sewer Fund	Totals
ASSETS			
CURRENT ASSETS			
Cash	\$ 1,146,489	\$ 2,756,194	\$ 3,902,683
Customer accounts receivable, net of allowances	9,959	143,935	153,894
Lease receivable (current portion)	268,563	-	268,563
Inventory, at cost	129,851	4,896	134,747
Prepaid insurance	24,407	24,197	48,604
Accrued utility revenue	462,532	605,273	1,067,805
Total current assets	2,041,801	3,534,495	5,576,296
RESTRICTED ASSETS			
Debt service and debt service reserve funds	545,464	376,794	922,258
Construction funds	-	1,091,222	1,091,222
Construction grants receivable	-	958,809	958,809
Capacity improvement funds	5,922,508	7,498,696	13,421,204
Repair and replacement funds	808,743	481,194	1,289,937
Total restricted assets	7,276,715	10,406,715	17,683,430
CAPITAL ASSETS			
Utility plant in service	39,254,884	82,307,730	121,562,614
Less: accumulated depreciation and amortization	20,976,673	27,619,088	48,595,761
Net utility plant in service	18,278,211	54,688,642	72,966,853
Construction in progress	367,346	10,772,239	11,139,585
Total capital assets	18,645,557	65,460,881	84,106,438
RIGHT TO USE ASSET			
Office facility	242,041	242,041	484,082
Less: accumulated amortization	(54,375)	(54,375)	(108,750)
Total right to use asset	187,666	187,666	375,332
OTHER ASSETS			
Lease receivable (net of current portion)	5,536,042	-	5,536,042
Prepaid bond insurance	85,326	154,969	240,295
Collective net pension asset	1,643	3,145	4,788
Net OPEB asset	22,618	13,944	36,562
Total other assets	5,645,629	172,058	5,817,687
Total assets	33,797,368	79,761,815	113,559,183
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized amounts from refunding of debt	85,553	2,137	87,690
Defined benefit pension plan contribution	95,026	102,733	197,759
Collective deferred outflows related to pension plan	59,643	48,522	108,165
Collective deferred outflows related to post employment plan	9,385	4,926	14,311
Total deferred outflows	249,607	158,318	407,925
Total assets and deferred outflows	\$ 34,046,975	\$ 79,920,133	\$ 113,967,108

See notes to financial statements.

Charles Town Utility Board
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2024

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	Water Fund	Sewer Fund	Totals
CURRENT LIABILITIES			
(PAYABLE FROM CURRENT ASSETS)			
Accounts payable	\$ 70,409	\$ 54,664	\$ 125,073
Accrued expenses	55,569	51,099	106,668
Customer deposits	115,319	230,908	346,227
Lease liability (current portion)	8,312	8,312	16,624
Total current liabilities (payable from current assets)	249,609	344,983	594,592
CURRENT LIABILITIES			
(PAYABLE FROM RESTRICTED ASSETS)			
Revenue bonds payable (current portion)	1,013,648	1,292,549	2,306,197
Accrued revenue bond interest payable	98,288	49,003	147,291
Construction accounts payable	2,800	550,198	552,998
Customer advances for construction	-	10,375,235	10,375,235
Total current liabilities (payable from restricted assets)	1,114,736	12,266,985	13,381,721
LONG-TERM LIABILITIES			
(NET OF CURRENT PORTION)			
Revenue bonds payable (net of current portion)	13,101,152	25,048,525	38,149,677
Lease liability (net of current portion)	195,118	195,118	390,236
Accrued expenses	67,138	56,259	123,397
Loan from Charles Town	373,660	100,527	474,187
Total long-term liabilities	13,737,068	25,400,429	39,137,497
Total liabilities	15,101,413	38,012,397	53,113,810
DEFERRED INFLOWS OF RESOURCES			
Collective deferred inflows related to other post employment benefit plan	38,363	32,433	70,796
Collective deferred inflows related to pension plan	-	83	83
Collective deferred inflows related to lease receivable	5,062,332	-	5,062,332
Total deferred inflows of resources	5,100,695	32,516	5,133,211
Total liabilities and deferred inflows	20,202,108	38,044,913	58,247,021
NET POSITION			
Net investment in capital assets	4,154,297	30,143,878	34,298,175
Restricted	7,178,427	8,307,681	15,486,108
Unrestricted	2,512,143	3,423,661	5,935,804
Total net position	13,844,867	41,875,220	55,720,087
Total liabilities, deferred inflows and net position	\$ 34,046,975	\$ 79,920,133	\$ 113,967,108

See notes to financial statements.

Charles Town Utility Board
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended June 30, 2024

	Water Fund	Sewer Fund	Totals
OPERATING REVENUES			
Sales and services to customers	\$ 4,711,457	\$ 7,014,475	\$ 11,725,932
Total operating revenues	<u>4,711,457</u>	<u>7,014,475</u>	<u>11,725,932</u>
OPERATING EXPENSES			
Personal services	1,434,087	1,493,280	2,927,367
Contractual services	112,205	147,424	259,629
Administrative and general	206,619	319,801	526,420
Materials and supplies	444,525	515,875	960,400
Utilities	152,760	388,680	541,440
Maintenance	719,981	960,079	1,680,060
Technology, license fees and subscriptions	93,977	45,199	139,176
Depreciation and amortization	1,260,657	2,373,605	3,634,262
Total operating expenses	<u>4,424,811</u>	<u>6,243,943</u>	<u>10,668,754</u>
Operating income	<u>286,646</u>	<u>770,532</u>	<u>1,057,178</u>
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	451,270	424,029	875,299
Interest and fiscal charges	(453,686)	(698,423)	(1,152,109)
Gain (loss) on disposition of assets	3,500	(76,360)	(72,860)
Rental income	402,374	-	402,374
Miscellaneous revenues	33,463	3,602	37,065
Total nonoperating revenues (expenses)	<u>436,921</u>	<u>(347,152)</u>	<u>89,769</u>
Income before contributed capital	723,567	423,380	1,146,947
CONTRIBUTED CAPITAL	<u>1,705,011</u>	<u>5,584,158</u>	<u>7,289,169</u>
Change in net position	2,428,578	6,007,538	8,436,116
Total net position at beginning of year	<u>11,416,289</u>	<u>35,867,682</u>	<u>47,283,971</u>
Total net position at end of year	<u>\$ 13,844,867</u>	<u>\$ 41,875,220</u>	<u>\$ 55,720,087</u>

See notes to financial statements.

Charles Town Utility Board
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Water Fund	Sewer Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 4,628,141	\$ 6,950,491	\$ 11,578,632
Cash paid for operation and maintenance expenses	(3,162,476)	(3,913,113)	(7,075,589)
Net cash provided by operations	<u>1,465,665</u>	<u>3,037,378</u>	<u>4,503,043</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(653,111)	(6,038,006)	(6,691,117)
Proceeds from sale of capital assets	3,500	-	3,500
Disposition of capital assets	-	(76,360)	(76,360)
Principal paid on revenue bonds and financed purchases	(999,705)	(1,278,276)	(2,277,981)
Interest paid on bonds and financed purchases	(376,441)	(604,231)	(980,672)
Principal paid on lease liability	(8,027)	(8,027)	(16,054)
Interest paid on lease liability	(7,273)	(7,273)	(14,546)
Bond administration fees paid	(5,298)	(50,876)	(56,174)
Advances (repayments) from (to) other government	-	(24,213)	(24,213)
Customer advance deposit repayments for construction	-	(123,457)	(123,457)
Decrease (increase) in restricted assets, net	(1,859,949)	529,197	(1,330,752)
Contributed capital	1,705,011	3,511,426	5,216,437
Net cash used in capital and related financing activities	<u>(2,201,293)</u>	<u>(4,170,096)</u>	<u>(6,371,389)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and miscellaneous non-operating income received	272,283	427,631	699,914
Rental income received	481,520	-	481,520
Repayment of City of Charles Town general fund advances	(10,180)	(2,636)	(12,816)
Net cash provided by investing activities	<u>743,623</u>	<u>424,995</u>	<u>1,168,618</u>
Net increase (decrease) in cash and cash equivalents	7,995	(707,723)	(699,728)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,138,494</u>	<u>3,463,917</u>	<u>4,602,411</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,146,489</u>	<u>\$ 2,756,194</u>	<u>\$ 3,902,683</u>

See notes to financial statements.

Charles Town Utility Board
STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended June 30, 2024

	Water Fund	Sewer Fund	Totals
Operating income	\$ 286,646	\$ 770,532	\$ 1,057,178
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization expense	1,260,657	2,373,605	3,634,262
Decrease (increase) in receivables	(7,561)	(36,752)	(44,313)
Decrease (increase) in accrued revenues	(82,398)	(35,248)	(117,646)
Decrease (increase) in prepaid expenses	(24,407)	(24,197)	(48,604)
Decrease (increase) in inventory	23,482	(2,539)	20,943
Decrease (increase) in deferred outflows	115,404	102,906	218,310
Increase (decrease) in accounts payable	22,119	17,482	39,601
Increase (decrease) in customer deposits	6,643	8,016	14,659
Increase (decrease) in accrued expenses	43,858	36,424	80,282
Increase (decrease) in collective net pension liability (asset)	(93,663)	(85,749)	(179,412)
Increase (decrease) in net OPEB liability (asset)	(33,579)	(31,745)	(65,324)
Increase (decrease) in deferred inflows	(51,536)	(55,357)	(106,893)
	\$ 1,465,665	\$ 3,037,378	\$ 4,503,043

**SUPPLEMENTAL DISCLOSURES
OF CASH FLOW INFORMATION**

Noncash investing, capital, and financing transactions:

Contributed capital financed with grant receivable	\$ -	\$ 958,809	\$ 958,809
Utility plant financed with accounts payable	2,800	550,198	552,998
Utility plant contributed by developer	-	1,113,923	1,113,923
	\$ 2,800	\$ 2,622,930	\$ 2,625,730

RECONCILIATION OF CASH

Cash per statement of net position	\$ 1,146,489	\$ 2,756,194	\$ 3,902,683
Cash per statement of cash flows	\$ 1,146,489	\$ 2,756,194	\$ 3,902,683

See notes to financial statements.

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

The Charles Town Utility Board (the "Utility Board") is a component unit of the Municipality of Charles Town, West Virginia. The Utility Board's purpose is furthering the preservation of the public health, comfort, and convenience of the residents of Charles Town, Ranson, and other franchised areas of Jefferson County, West Virginia, by providing water and sewer services to customers in its franchise area.

The Utility Board is governed by a board of directors who are appointed by the Municipality of Charles Town (3 appointments), the Jefferson County Commission (1 appointment), and the City of Ranson (1 appointment).

The Utility Board serves 7,030 water customers and 9,090 sewer customers. During the year ended June 30, 2024, the Utility Board's water customers increased by 418 and sewer customers increased by 613.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the Utility Board are described below.

Reporting Entity

For financial reporting purposes, the Utility Board is considered a component unit of the Municipality of Charles Town. The basic criteria for defining the Utility Board as a component unit of the Municipality of Charles Town is the financial interdependence, accountability for fiscal matters, significant influence on operations and ability to designate management.

The Utility Board is a combined water and sewer utility. For purposes of establishing user rates and charges and as required by its revenue bond issues, water and sewer are maintained as separate funds with separate books of account.

Basis of Presentation

The accounting policies of the Utility Board conform to accounting principles generally accepted in the United States of America as applicable to enterprise funds of governmental units. The Utility Board accounts for its operations in a manner similar to those often found in the private sector. The measurement focus is based upon the determination of net income. The costs (including depreciation) of providing utility services to customers on a continuing basis are recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control and accountability.

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Revenues and expenses of the Utility Board are accounted for within two funds, both of which are enterprise funds. The Utility Board uses the accrual basis of accounting for its enterprise funds, under which revenues are recognized when they are earned and expenses are recognized when they are incurred.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Utility Board. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the Utility Board's policy to use restricted resources first, and then the unrestricted resources as needed. See Note 1 for information describing restricted assets.

Utility Plant

Utility plant purchased or acquired under financing arrangements by the Utility Board is stated at cost and utility plant contributed to the Utility Board by developers and customers is stated at fair market value at the time received. Depreciation is provided on all utility plant in service based on the estimated useful lives, which range from 5 to 50 years, using the straight-line method.

The Utility Board's policy for capitalization of property, plant, and equipment is as follows:

Equipment	\$ 15,000
Real Property	
Land	\$ 1
Land improvements	\$ 15,000
Buildings (Structures)	\$ 1
Construction in Progress	\$ 15,000

Expenditures for repairs and upgrading which materially add to the value or life of an asset are capitalized. Other maintenance and repair costs are expensed as incurred.

Interest cost incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred.

The depreciation and amortization expense on assets acquired under financed purchases and leasing arrangements is included with depreciation and amortization expense on owned assets.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Utility Board considers all unrestricted cash accounts and all highly liquid unrestricted debt instruments purchased with an original maturity of three months or less, to be cash equivalents.

Cash and cash equivalents at June 30, 2024 includes deposits of \$20,819,907 at four banks. Deposits are FDIC insured and deposits in excess of FDIC limits are 100% collateralized with securities held by the financial institution in the name of the Utility Board.

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

Assets whose use is limited include:

Debt service and debt service reserve funds represent funds required by debt covenants under the various debt ordinances. These funds are to be used to pay bond interest and principal.

Construction funds represent funds held by banks as trustees under bond ordinances or under developer contractual arrangements. These funds are to be used solely for payment of costs associated with the Utility Board's ongoing construction projects.

Construction grants receivable represent amounts reimbursable under grant agreements for costs incurred by the Utility Board for an on-going construction project.

Capacity improvement funds are established by ordinance. Capacity improvement funds are kept apart from all other funds. Withdrawals and disbursements are made for improvements and upgrades to the system that maintain or increase capacity to service customers.

The repair and replacement funds represent funds held by a bank under the Utility Board's bond ordinances. Withdrawals may be made for replacement and emergency repairs.

Accounts Receivable and Bad Debts

The Utility Board's management periodically analyzes delinquent accounts of the water and sewer funds and uses the allowance method for accounting for bad debts. No allowance for doubtful accounts was deemed necessary by management at June 30, 2024. At June 30, 2024, accounts receivable for the water and sewer funds were \$9,959 and \$143,935, respectively, net of the allowance for doubtful accounts.

Revenue Recognition and Customer Rates and Charges

The Utility Board's policy is to recognize revenue on the accrual basis. The Utility Board accrues revenue earned but not billed. Revenue accrued but not billed for the water and sewer funds at June 30, 2024 were \$462,532 and \$605,273, respectively.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources represents a consumption of net assets applicable to a future reporting period and will not be recognized as an expense until then. Deferred outflows from the refunding of debt will be recognized as interest expense in the appropriate reporting period. Deferred outflows related to the Utility Board's defined benefit pension and OPEB plans will be recognized based on actuarial determinations.

A deferred inflow of resources represents an acquisition of net assets applicable to a future reporting period and will not be recognized as revenue until then. Deferred inflows related to the Utility Board's defined benefit pension and OPEB plans will be recognized based on actuarial determinations. Deferred inflows related to leases receivable will be recognized on a straight-line basis over the terms of the related leases.

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advance Refunding of Debt

Deferred amounts resulting from advance refunding of debt are being amortized by the straight-line method over the life of the new debt.

Income Taxes

The Utility Board is exempt from federal and state income taxes as a subdivision of the Municipality of Charles Town.

Inventories

Inventories consist of expendable supplies and are accounted for on a first-in first-out basis. Inventories approximate fair market value at June 30, 2024.

Compensated Absences

The Utility Board's policy is to permit employees to accumulate earned but unused vacation benefits. The Utility Board fully recognizes the liability related to compensated absences in the funds. For the water and sewer funds, compensated absences at June 30, 2024, amounted to \$67,138 and \$56,259, respectively.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

Nonexchange Transactions

The Utility Board follows GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* (Statement 33), which establishes accounting and reporting guidelines for government entities that gives (or receives) value without directly receiving (or giving) equal value in return. The Utility Board receives voluntary nonexchange transactions from donations of cash, property, lines and improvements. In addition, the Utility Board receives various capital grants from federal and state agencies. These grants and donations are considered capital contributions in the Statement of Revenues, Expenses and Changes in Net Position.

Customer Deposits

Customer deposits are refunded after bills for service have been paid on time for twelve consecutive months.

Net Position

Net position presents the difference between assets/deferred outflows and liabilities/deferred inflows in the statement of net position. Net investment in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when legal limitations are imposed on its use by legislation or external restrictions by creditors, grantors, laws or regulations of other governments. Unrestricted net position is net position that does not meet the definition of "net investment in capital assets, or restricted net position."

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions

Interfund transactions are reflected in the financial statements, as applicable, and recorded through “due to/due from” asset and liability accounts.

Pension

For purposes of measuring the net pension asset and deferred outflows/inflows of the resources related to the pension, and pension expense (offset), information about the fiduciary net position of the Utility Board’s Public Retirement System (PERS) and additions to/deduction from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset and deferred outflows/inflows of the resources related to OPEB, and OPEB expense (offset), information about the fiduciary net position of the West Virginia Retiree Health Benefits Trust (RHBT) and additions to/deductions from the RHBT’s fiduciary net position have been determined on the same basis as they are reported by the RHBT. RHBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - NEW ACCOUNTING PRONOUNCEMENT ADOPTED

The Utility Board has adopted the following GASB Pronouncement during the fiscal year ended June 30, 2024:

GASB Statement No. 100, *Summary of Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions of assessing accountability.

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 3 - NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 101, *Compensated Absences*: This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*: This statement defines and requires governments to disclose the risks related to concentrations of inflows of outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*: This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

The Utility Board has not determined the effects these GASB Statements may have on prospective financial statements.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Utility Board holds no investments and does not have an investment policy. The carrying amounts of the Utility Board's financial assets and liabilities approximate their fair value.

NOTE 5 - CASH

Cash consists of the following accounts and amounts at June 30, 2024:

	Water	Sewer	Total
Petty cash	\$ 175	\$ 125	\$ 300
Operation and maintenance accounts	644,529	1,798,204	2,442,733
Security deposit accounts	105,832	229,240	335,072
Working capital reserve accounts	395,953	728,625	1,124,578
	\$ 1,146,489	\$ 2,756,194	\$ 3,902,683

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - LEASES RECEIVABLE

Beginning in the year ended June 30, 2016, the Utility Board has entered into multiple cellular equipment right to use agreements for space on the Utility Board's water standpipes. The remaining terms of the lease agreements range from 2025-2050. Payments required under the lease agreements are variable based on the specific terms contained in the agreements. Minimum payments due the Utility Board for the next five years are as follows:

Year	Amount
2025	\$ 471,724
2026	468,439
2027	481,885
2028	496,269
2029	510,522
	\$ 2,428,839

Leases receivable were calculated using a discount rate of 3.5%. Leases receivable amounted to \$5,804,605 at June 30, 2024. Collective deferred inflows related to the leases amount to \$5,062,332 at June 30, 2024. The deferred inflows are being recognized in nonoperating revenues based on the terms of the leases using the straight-line method. The Utility Board recognized \$401,618 of lease revenue and \$212,549 of interest income on leases during the year ended June 30, 2024, which is included in nonoperating revenues in the Statement of Revenues, Expenses, and Changes in Financial Position.

NOTE 7 - CAPITAL ASSETS

	Balance at June 30, 2023	Other Additions	Reductions	Balance at June 30, 2024
Capital Assets Not Depreciated				
Land and land rights	\$ 2,065,609	\$ -	\$ -	\$ 2,065,609
Construction in progress	5,090,175	6,159,038	(109,628)	11,139,585
Total Capital Assets Not Depreciated	7,155,784	6,159,038	(109,628)	13,205,194
Capital Assets Depreciated				
Utility plant in service	117,796,031	1,852,035	(151,061)	119,497,005
Less accumulated depreciation	(45,133,730)	(3,613,092)	151,061	(48,595,761)
Net Capital Assets Depreciated	72,662,301	(1,761,057)	-	70,901,244
Total Capital Assets	\$79,818,085	\$ 4,397,981	\$ (109,628)	\$ 84,106,438
Depreciation Expense	\$ 3,613,092			

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - CAPITAL ASSETS (continued)

The Utility Board has the following active construction projects as of June 30, 2024:

Project	Estimated Costs	Costs Incurred
Renewal and Replacement Project (Sewer Plant)	\$ 12,131,816	\$ 9,850,586
Sewer Collection System Project	\$ 7,665,544	\$ 784,891
	\$ 19,797,360	\$ 10,635,477

The above projects are being funded by bond proceeds, grant proceeds, and internal funding.

NOTE 8 - RIGHT TO USE ASSET

Changes in right to use asset as of June 30, 2024 is as follows:

	Balance 6/30/2023	Increase	Decrease	Balance 6/30/2024
Right to use asset - office facility	\$484,082	\$ -	\$ -	\$ 484,082
Less: accumulated amortization	(87,580)	(21,170)	-	(108,750)
Total net right to use asset	\$396,502	\$ (21,170)	\$ -	\$ 375,332

Amortization expense amounted to \$21,170 for the year ended June 30, 2024.

NOTE 9 - LONG-TERM DEBT

The following is a summary of bonds payable at June 30, 2024:

Bonds Payable - Water Fund

Issue	Maturity Date	Interest Rates	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due Within One Year
1987B	2026	0.00%	\$ 43,539	\$ -	\$ 10,885	\$ 32,654	\$ 10,885
1988B	2028	0.00%	85,836	-	14,308	71,528	14,308
1989B	2029	0.00%	21,087	-	3,012	18,075	3,012
2002A	2039	5.80%	774,322	-	27,935	746,387	29,555
2002B	2042	0.00%	1,776,623	-	93,506	1,683,117	93,507
2010A	2031	2.00%	397,290	-	47,878	349,412	48,843
2010B	2031	2.00%	43,541	-	5,248	38,293	5,353
2016A	2046	1.60%-4.50%	6,535,000	-	180,000	6,355,000	185,000
2018A-7	2046	0.50%	744,775	-	31,726	713,049	31,885
2020A	2043	2.00%-2.25%	1,825,950	-	166,850	1,659,100	171,550
2022A	2033	0.63%-1.63%	2,850,650	-	416,100	2,434,550	419,750
Total Bonds Payable			\$ 15,098,613	\$ -	\$ 997,448	14,101,165	\$ 1,013,648
				Unamortized Premiums/ Discounts, Net		13,635	
						\$ 14,114,800	

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - LONG-TERM DEBT (continued)

Bonds Payable - Water Fund (continued)

Maturities of water bonds payable for years succeeding June 30, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 1,013,648	\$ 358,160	\$ 1,371,808
2026	1,020,315	343,292	1,363,607
2027	1,004,150	327,419	1,331,569
2028	935,632	309,928	1,245,560
2029	904,274	290,674	1,194,948
2030-2034	3,146,215	1,193,049	4,339,264
2035-2039	2,629,081	767,578	3,396,659
2040-2044	2,588,776	378,791	2,967,567
2045-2046	859,074	44,752	903,826
	<u>\$ 14,101,165</u>	<u>\$ 4,013,643</u>	<u>\$ 18,114,808</u>

Bonds Payable - Sewer Fund

Issue	Maturity Date	Interest Rates	Balance		Payments	Balance		Due Within One Year
			June 30, 2023	Additions		June 30, 2024		
1988B	2028	0.00%	\$ 45,512	\$ -	\$ 7,588	\$ 37,924	\$ 7,588	
2010C	2041	0.00%	749,984	-	41,668	708,316	41,668	
2010D	2041	0.00%	299,984	-	16,668	283,316	16,668	
2011A	2041	0.00%	4,506,709	-	250,373	4,256,336	250,373	
2013A	2044	0.50%	428,385	-	19,156	409,229	19,251	
2014A	2046	0.50%	3,133,015	-	130,361	3,002,654	131,014	
2016B	2046	1.50%-4.00%	3,660,000	-	50,000	3,610,000	50,000	
2018A-1	2029	0.00%	65,506	-	10,917	54,589	10,917	
2018A-3	2038	1.00%	532,907	-	33,097	499,810	33,430	
2018A-4	2030	0.00%	85,131	-	12,612	72,519	12,612	
2018A-5	2032	0.00%	327,216	-	38,496	288,720	38,496	
2018A-6	2039	0.00%	1,035,896	-	66,832	969,064	66,832	
2018B	2033	2.25%-3.50%	2,350,000	-	190,000	2,160,000	195,000	
2020A	2043	2.00%-2.25%	2,059,050	-	188,150	1,870,900	193,450	
2022A	2033	.63%-1.63%	1,054,350	-	153,900	900,450	155,250	
2022B	2052	4.00%-4.375%	5,620,000	-	-	5,620,000	-	
2022C	2036	4.40%-5.50%	1,780,000	-	65,000	1,715,000	70,000	
Total Bonds Payable			<u>\$ 27,733,645</u>	<u>\$ -</u>	<u>\$ 1,274,818</u>	<u>\$ 26,458,827</u>	<u>\$ 1,292,549</u>	

Unamortized Premiums/
Discounts, Net
(117,753)
\$ 26,341,074

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - LONG-TERM DEBT (continued)

Bonds Payable - Sewer Fund

Maturities of sewer bonds payable for years succeeding June 30, 2024, are as follows:

Year	Principal	Interest	Total
2025	\$ 1,292,549	\$ 587,147	\$ 1,879,696
2026	1,309,937	571,124	1,881,061
2027	1,325,283	553,361	1,878,644
2028	1,357,237	534,282	1,891,519
2029	1,353,033	513,454	1,866,487
2030-2034	6,315,742	2,184,097	8,499,839
2035-2039	5,116,378	1,581,911	6,698,289
2040-2044	4,159,511	1,096,432	5,255,943
2045-2049	2,814,157	572,190	3,386,347
2050-2052	1,415,000	118,181	1,533,181
	<u>\$ 26,458,827</u>	<u>\$ 8,312,179</u>	<u>\$ 34,771,006</u>

Certain of the water and sewer revenue bonds require administrative and service fees to be paid to the governmental issuers and/or the Municipal Bond Commission. Administrative and service fees amounted to \$5,298 and \$50,876 for the water and sewer funds, respectively, for the year ended June 30, 2024. Administrative and service fees are not considered interest expense for rate establishment purposes and are not included in the above maturity schedules.

The water and sewer bond issues are secured by a lien on the revenues derived from the system and a statutory mortgage lien on the system.

The covenants contained in the water and sewer bond issues include a required debt service coverage ratio of 115%. The Utility Board met the required coverage for the year ended June 30, 2024.

The water and sewer bond issues require monthly deposits to the renewal and replacement fund equal to 2-1/2% of monthly gross revenues. The Utility Board's deposits, including necessary expenditures for renewals and replacements, exceeded this requirement for the year ended June 30, 2024.

NOTE 10 - FINANCED PURCHASES

The Charles Town Utility Board had financed various equipment and vehicles under financed purchase agreements. All of the agreements had expired on or before June 30, 2024. The assets and liabilities under the financed purchases were recorded at their present value of the minimum purchase payments.

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 - LEASE COMMITMENT

The Utility Board entered into a facility lease agreement with the Municipality of Charles Town on April 1, 2019, which expires on June 1, 2042. Monthly rental payments of \$2,550 are required during the term of the lease including principal and interest at 3.5%. The related liability under the lease was \$406,860 at June 30, 2024. The Utility Board recognized \$14,546 of interest expense during the year ended June 30, 2024.

The following is a schedule of future minimum lease payments under the lease:

Year	Principal	Interest	Total
2025	\$ 16,624	\$ 13,976	\$ 30,600
2026	17,216	13,384	30,600
2027	17,828	12,772	30,600
2028	18,463	12,137	30,600
2029	19,119	11,481	30,600
2030-2034	106,293	46,707	153,000
2035-2039	126,589	26,411	153,000
2040-2042	84,728	4,522	89,250
	<u>\$ 406,860</u>	<u>\$ 141,390</u>	<u>\$ 548,250</u>

NOTE 12 - CHANGES IN LONG-TERM LIABILITIES OTHER THAN BONDS

	Balance			Balance
	June 30, 2023			Additions
Financed purchases payable	\$ 5,715	\$ -	\$ 5,715	\$ -
Leases	422,916	-	16,056	406,860
Loan from Charles Town	487,003	-	12,816	474,187
Accrued compensated absences	106,231	17,166	-	123,397
Collective net pension liability (asset)	174,624	375,455	554,867	(4,788)
Net other post employment benefit liability (asset)	28,762	100,667	165,991	(36,562)
	<u>\$ 1,225,251</u>	<u>\$ 493,288</u>	<u>\$ 755,445</u>	<u>\$ 963,094</u>

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PLAN

Plan Description, Contribution Information, and Funding Policies

The Utility Board participates in the West Virginia Public Employees Retirement System (PERS), a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of Utility Board 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.

PERS 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 plan regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com.

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

Eligibility to participate:	All Utility Board full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions:	West Virginia State Code Section 5-10d
Tier 1 Plan member's contribution rate:	4.50% (Employees hired before July 1, 2015)
Tier 2 Plan member's contribution rate:	6.00% (Employees hired after July 1, 2015)
Utility Board's contribution rate:	9.00% for fiscal year 2024
Period required to vest:	5 years for Tier 1 and 10 years for Tier 2
Benefits and eligibility for distribution:	<p><u>Tier 1</u></p> <p>A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.</p> <p><u>Tier 2</u></p> <p>Qualification for normal retirement is age 62 with 10 years of service or at least age 55 plus service years equal to 80 or greater. The final average salary is the average of the five consecutive highest annual earnings years out of the last fifteen years. The final average salary times the years of service times 2% equals the annual retirement benefit.</p>
Deferred retirement portion:	No
Provisions for:	
Cost of living	No
Death benefits	Yes

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PLAN (continued)

Trend Information

Fiscal Year	Annual Pension Cost	Percentage Contributed
2024	\$197,759	100%
2023	\$169,889	100%
2022	\$189,341	100%

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

Pension Asset, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

At June 30, 2024, the Utility Board reported the following asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The Utility Board's proportion of the net pension asset was based on a projection of the Utility Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2024, the Utility Board reported the following proportion:

Amount for proportionate share of net pension asset	\$ 4,788
Percentage for proportionate share of net pension asset	0.106830%
Increase/(decrease) % from prior proportion measured	(0.010431)%

For the year ended June 30, 2024, the Utility Board recognized the following pension expense:

	Water	Sewer	Total
Pension expense	\$81,316	\$79,888	\$161,204

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PLAN (continued)

Pension Asset, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension (continued)

The Utility Board reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 29,095	\$ -
Difference between expected and actual experience	40,553	-
Changes in proportion and differences between Utility Board contributions and proportionate share of contributions	7,548	83
Change in assumptions	30,969	-
Utility Board contributions subsequent to the measurement date	197,759	-
	\$ 305,924	\$ 83

The amount reported as deferred outflows of resources related to the pension plan resulting from Utility Board contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized in pension expense as follows:

Year ended June 30

2025	\$ 74,460
2026	29,707
2027	3,915
Total	\$ 108,082

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PLAN (continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2022, and rolled forward to June 30, 2023, which is the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	3.60-6.75%, including inflation
Inflation rate	2.75%
Discount rate	7.25%
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, headcount weighted, projected generationally with scale MP-2018 Disabled females - 117% of Pub 2010 General/ Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018
Withdrawal rates	
State	2.28-45.63%
Non-state	2.50-35.88%
Disability rates	0.005-0.0540%
Retirement rates	12 - 100%
Date range in most recent experience study	2015-2020 - Economic assumptions; 2013-2018 - All other assumptions

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PLAN (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was 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. Rates summarized in the following table as of June 30, 2023, include the inflation component and were used for the defined benefit plan:

Asset Class	Long-Term Expected Rate of Return	PERS Target Asset Allocation
US Equity	6.5%	27.50%
International Equity	9.1%	27.50%
Private Equity	9.2%	10.00%
Fixed Income	4.3%	15.00%
Real Estate	5.8%	10.00%
Hedge Funds	4.6%	10.00%
		100.00%

Discount Rate

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

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

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Utility Board's proportionate share of net pension asset (liability)	\$ (992,469)	\$ 4,788	\$ 846,291

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 13 - EMPLOYEE RETIREMENT SYSTEM AND PLAN (continued)

Summary of Deferred Outflow/Inflow Balances

	Total	Water	Sewer
Difference between expected and actual experience	\$ 40,553	\$ 23,843	\$ 16,710
Net difference between projected and actual earnings on pension plan investments	29,095	14,677	14,418
Changes in proportion and differences between Utility Board contributions and proportionate share of contributions	7,465	5,987	1,478
Change in assumptions	30,969	15,833	15,136
Utility Board contributions subsequent to the measurement date	197,759	95,026	102,733
	\$ 305,841	\$ 155,366	\$ 150,475

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan Description

The Utility Board 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 ten 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. One member represents the hospitals, one member represents the non-hospital care providers, four members represent labor, education, public employees and public retirees and the four remaining members represent the public at large. The Plan had approximately 43,000 policyholders and 63,000 covered lives at June 30, 2023. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE, Suite 2, Charleston WV 25304.

Benefits Provided

The Plan provides medical, 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).

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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, 2023. Contributions to the OPEB plan from the Utility Board were as follows:

Year	Water	Sewer	Total
2024	\$ -	\$ -	\$ -
2023	11,849	11,321	23,170
2022	15,818	14,566	30,384

OPEB Asset, OPEB Expense (Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the Utility Board reported an asset of \$22,618 and \$13,944 for the water and sewer funds, respectively, for its proportionate share of the net OPEB asset. The net OPEB asset, deferred inflows and outflows of resources, and OPEB expense (offset) were determined by an actuarial valuation date as of June 30, 2022, rolled forward to June 30, 2023, which is the measurement date. The Utility Board's proportion of the net OPEB asset was based on a projection of the Utility Board's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2023, the Utility Board's proportionate share was 0.023104081%, which was a decrease of 0.002738022% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Utility Board recognized OPEB expense (offset) of \$(52,284) and \$(49,953) for the water and sewer funds, respectively.

The Utility Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between Utility Board contributions and proportionate share of contributions	\$ 4,229	\$ 28,504
Change in assumptions	10,082	20,399
Net difference between projected and actual investment earnings on OPEB plan investments	-	610
Difference between expected and actual experience	-	21,283
District contributions subsequent to the measurement date	-	-
	\$ 14,311	\$ 70,796

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

OPEB Asset, OPEB Expense (Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

The amount reported as deferred outflows of resources related to OPEB resulting from Utility Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (offset) as follows:

<u>Year Ended June 30:</u>	
2025	\$ (28,566)
2026	(26,221)
2027	(337)
2028	<u>(1,361)</u>
Total	<u>\$ (56,485)</u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation rate	2.50%
Wage inflation	2.75%
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 rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.
Actuarial Cost Method	Entry age normal

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

OPEB Asset, OPEB Expense (Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Actuarial Assumptions (continued)

Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 year closed period as of June 30, 2017
Asset Valuation Method	Market value
Mortality	<u>Post Retirement:</u> Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. <u>Pre Retirement:</u> Pub-2010 General Employee Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A & B.

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

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

Asset Class	Long-Term Expected Real Rate of Return
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Real Estate	7.2%
Hedge Fund	4.5%
Private Equity	10%

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

OPEB Asset, OPEB Expense (Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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 prefunding and investment policies. Based on those 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. Discount rates are subject to change between measurement dates.

Sensitivity of the Utility Board's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following chart presents the Utility Board's proportionate share of the net OPEB asset, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
Net OPEB Liability (Asset)	\$ (6,186)	\$ (36,562)	\$ (69,876)

Sensitivity of the Utility Board's Proportionate Share of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following chart presents the Utility Board's proportionate share of the net OPEB asset, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates described in the actuarial assumptions:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Asset)	\$ (93,138)	\$ (36,562)	\$ 30,718

OPEB Plan Fiduciary Net Position

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

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

OPEB Asset, OPEB Expense (Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Summary of Deferred Outflow/Inflow Balances

	Total	Water	Sewer
Difference between expected and actual experience	\$ (21,283)	\$ (10,265)	\$ (11,018)
Net difference between projected and actual earnings on OPEB plan investments	(610)	(312)	(298)
Changes in proportion and differences between Utility Board contributions and proportionate share of contributions	(24,275)	(18,009)	(6,266)
Change in assumptions	(10,317)	(392)	(9,925)
Utility Board contributions subsequent to the measurement date	-	-	-
	\$ (56,485)	\$ (28,978)	\$ (27,507)

NOTE 15 - RISK MANAGEMENT

The Utility Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Utility Board participates in several risk management programs administered by the State of West Virginia.

NOTE 16 - LOAN FROM MUNICIPALITY OF CHARLES TOWN

The Municipality of Charles Town loaned the Utility Board \$640,795 to finance certain water and sewer construction projects. The loans bear no interest and are generally being repaid over a 50 year term. Annual required loan payments amount to \$12,816. The loan balances are \$373,660 and \$100,527 for the water and sewer departments, respectively, at June 30, 2024.

NOTE 17 - RESTRICTED NET ASSETS

Restricted net assets reflect that portion of total net assets legally or contractually segregated for a specific future use. The following amounts represent restricted net assets at June 30, 2024:

Cash and temporary investments	
Debt service and debt service reserve funds	\$ 922,258
Repair and replacement funds	1,289,937
Capacity improvement funds	13,421,204
Accrued interest	(147,291)
	\$ 15,486,108
Total	

Charles Town Utility Board
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Alternate Mainline Extension Agreements

The Utility Board has entered into alternate mainline extension agreements with customers (developers) for certain sewer improvements to provide sewer service to the customers (developers). The customers (developers) have agreed to pay for the improvements and the Utility Board is required to reimburse the customers (developers) to the extent that new connections are made to the improvements during specified time periods. After the time periods lapse, remaining customer advance balances will be converted to contributed capital.

Customer advances for construction under alternate mainline extension agreements amounted to \$10,375,235 at June 30, 2024. The Utility Board reimbursed \$123,457 of advances to customers (developers) under the agreements for the year ended June 30, 2024.

NOTE 19 - CONTRIBUTED CAPITAL

A summary of contributed capital for the year ended June 30, 2024 is as follows:

	Water	Sewer	Total
Capacity improvement fees received from customers and developers	\$1,705,011	\$2,504,204	\$4,209,215
Contributed capital received from customers, developers, and grantor agencies	-	3,079,954	3,079,954
Total	\$1,705,011	\$5,584,158	\$7,289,169

NOTE 20 - SUBSEQUENT EVENTS

The Utility Board has evaluated all subsequent events through March 4, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Charles Town Utility Board
SCHEDULE OF THE UTILITY BOARD'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY (ASSET)
For the Measurement Period Ended June 30, 2023

Public Employees Retirement System
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Utility Board's proportionate share of the net pension liability (asset) (%)	0.106830%	0.117261%	0.115256%	0.114800%	0.105962%	0.122021%	0.091775%	0.09351%	0.0858%	0.0802%
Utility Board's proportionate share of the net pension liability (asset) (\$)	\$ (4,788)	\$ 174,624	\$ (1,011,874)	\$ 606,914	\$ 260,340	\$ 315,120	\$ 396,145	\$ 859,464	\$ 479,022	\$ 295,926
Utility Board's covered payroll	\$ 2,144,733	\$ 1,887,662	\$ 1,898,244	\$ 1,839,277	\$ 1,764,571	\$ 1,777,610	\$ 1,249,466	\$ 1,244,131	\$ 1,289,097	\$ 1,163,400
Utility Board's proportionate share of net pension liability (asset) as a % of its covered payroll	-0.22%	9.25%	-53.31%	33.00%	14.75%	17.73%	31.71%	69.08%	37.16%	25.44%
Plan fiduciary net position as a percentage of the total pension liability	100.05%	98.17%	111.07%	92.89%	96.99%	96.33%	99.56%	86.11%	91.29%	93.98%

Note: The amounts presented for each fiscal year were determined as of June 30th.

Charles Town Utility Board
SCHEDULE OF THE UTILITY BOARD'S PENSION PLAN CONTRIBUTIONS
For the Year Ended June 30, 2024

Public Employees Retirement System
Last 10 Fiscal Years

	<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>	<u>2015</u>
Contractually required contribution	\$ 197,759	\$ 234,177	\$ 189,824	\$ 183,928	\$ 176,926	\$ 155,565	\$ 137,439	\$ 149,296	\$ 174,028	\$ 162,876
Contributions in relation to the contractually required contribution	<u>(197,759)</u>	<u>(234,177)</u>	<u>(189,824)</u>	<u>(183,928)</u>	<u>(176,926)</u>	<u>(155,565)</u>	<u>(137,439)</u>	<u>(149,296)</u>	<u>(174,028)</u>	<u>(162,876)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Utility Board's covered payroll	<u>\$ 2,144,733</u>	<u>\$ 1,887,662</u>	<u>\$ 1,898,244</u>	<u>\$ 1,839,277</u>	<u>\$ 1,764,571</u>	<u>\$ 1,555,646</u>	<u>\$ 1,249,446</u>	<u>\$ 1,244,131</u>	<u>\$ 1,289,097</u>	<u>\$ 1,163,400</u>
Contributions as a percentage of covered payroll	<u>9.2%</u>	<u>12.4%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>10.0%</u>	<u>11.0%</u>	<u>12.0%</u>	<u>13.5%</u>	<u>14.0%</u>

Note: The amounts presented for each fiscal year were determined as of June 30th.

See notes to the required supplementary information.

Charles Town Utility Board
SCHEDULE OF THE UTILITY BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
For the Measurement Period Ended June 30, 2023

Public Employees Insurance Agency

	2023	2022	2021	2020	2019	2018	2017	2016
Utility Board's proportion of the net OPEB liability (asset)	0.023104081%	0.025842103%	0.030006865%	0.028943312%	0.026558014%	0.028583397%	0.018956336%	0.022773022%
Utility Board's proportionate share of the net OPEB liability (asset)	\$ (36,562)	\$ 28,762	\$ (8,922)	\$ 127,840	\$ 511,370	\$ 613,238	\$ 466,134	\$ 565,528
Utility Board's covered-employee payroll	\$ 2,144,733	\$ 1,887,662	\$ 1,898,244	\$ 1,839,277	\$ 1,764,571	\$ 1,777,610	\$ 1,248,678	\$ 1,173,454
Utility Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-1.70%	1.52%	-0.47%	6.95%	28.98%	34.50%	37.33%	48.19%
Plan fiduciary net position as a percentage of the total OPEB liability	100.05%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%	21.64%

Note - This data will be presented prospectively until ten years is accumulated.
The amounts presented for each fiscal year were determined as of June 30th.

Charles Town Utility Board
SCHEDULE OF THE UTILITY BOARD'S OPEB PLAN CONTRIBUTIONS
For the year ended June 30, 2024

Public Employees Insurance Agency

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ 23,170	\$ 30,384	\$ 54,720	\$ 55,761	\$ 55,081	\$ 41,772	\$ 38,936
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(23,170)</u>	<u>(30,384)</u>	<u>(54,720)</u>	<u>(55,761)</u>	<u>(55,081)</u>	<u>(41,772)</u>	<u>(38,936)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Utility Board's covered-employee payroll	\$ 2,144,733	\$ 1,887,662	\$ 1,898,244	\$ 1,839,277	\$ 1,764,571	\$ 1,555,565	\$ 1,248,678	\$ 1,173,454
Contributions as a percentage of covered-employee payroll	0.00%	1.23%	1.60%	2.98%	3.16%	3.54%	3.35%	3.32%

Note - This data will be presented prospectively until ten years is accumulated.

The amounts presented for each fiscal year were determined as of June 30th.

See notes to the required supplementary information.

Charles Town Utility Board
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

PENSION DATA

PERS

A. Changes in Benefit Terms

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

B. Changes in Assumptions

The actuarial assumptions for mortality, withdrawal rates, disability rates, salary scales, and non-contributory service loads that were used in the total Pension liability calculation were changed from June 30, 2019 to June 30, 2020, to reflect the most recent experience study for July 1, 2013 through June 30, 2018.

The actuarial assumptions for the discount rate and salary scales that were used in the total pension liability calculations were changed from June 30, 2023 to June 30, 2021, to reflect the most recent assumptions experience study for July 1, 2015 through June 30, 2020.

C. Net Pension (Asset) Liability

The components of the net pension liability as of June 30, 2023, are as follows (in thousands):

Total Pension Liability	\$ (8,396,617)
Plan Fiduciary Net Position	8,401,099
Net Pension (Asset) Liability	\$ 4,482
Plan Fiduciary Net Position as a percentage of the total pension liability	100.05%

OPEB DATA

A. Subsequent Events

RHBT had significant savings with the Humana contract renewal beginning fiscal years 2022 through 2025. In addition to the Humana contract savings, RHBT experienced favorable investment returns in fiscal year 2021, resulting in an excess in the premium stabilization reserve. RHBT is passing on these savings to PEIA active employers. There will be no PAYGO billed in fiscal year 2024. The 5-year financial plan, which was passed by the Board in December 2021, originally had PAYGO to be billed at \$20M for fiscal year 2024.

For fiscal year ending June 30, 2025 financial reporting, many OPEB eligible Employers will see \$0 OPEB contributions and a \$0 OPEB liability (asset) on the GASB 75 Schedules of Employer OPEB Allocations and OPEB Amounts by Employer.

Charles Town Utility Board
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

OPEB DATA (continued)

The OPEB liability (asset) is allocated to all OPEB eligible employers based on OPEB contributions. These contributions include PAYGO, Retiree Leave Conversion (Health & Life) and Non-Participating billings for a given fiscal year. For fiscal year 2024, there will be \$0 billed in PAYGO leaving only the remaining contribution types to be allocated. Many OPEB eligible Employers are billed PAYGO only. These Employers will have \$0 OPEB contributions resulting in a \$0 OPEB liability (asset) on the schedules for fiscal year 2025 (based on FY 2024 contributions), resulting in the remaining Employers that do have other types of OPEB contributions absorbing the entire OPEB liability (asset). Based off the current year schedules, approximately 413 out of the 700+ Employers have only PAYGO billings as contributions.

B. Net OPEB Liability

Total OPEB Liability	\$ 1,637,416,883
Plan Fiduciary Net Position	(1,795,666,000)
Net OPEB (Asset) Liability	<u>\$ (158,249,117)</u>

Plan Fiduciary Net Position as a percentage of the total OPEB liability	109.66%
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During the plan year ending June 30, 2023, the actuarial accrued liability increased from \$1.710 billion as of June 30, 2022, to \$1,725 billion as of June 30, 2023. The key factors which caused the change in actuarial liability include:

- Increase due to normal cost, benefit payments, and interest: \$26.7 million;
- Decrease due to demographic experience: \$(5.1) million; and
- Decrease due to change in Healthcare-Related Assumptions, Methods, and Adjustments: \$(6.3) million.
- Increase due to updated capped subsidy rates, per capita costs, trend rates and methods

C. Changes in Assumptions

- Discount rate - increase discount rate from 6.65% to 7.40%.

OTHER SUPPLEMENTARY INFORMATION

Charles Town Utility Board
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF TREASURY			
Pass-through Program from State of West Virginia			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>\$ 1,966,030</u>
Total U.S. Department of Treasury			<u>1,966,030</u>
Total expenditures of federal awards			<u><u>\$ 1,966,030</u></u>

The accompanying notes are an integral part of this schedule.

Charles Town Utility Board
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Charles Town Utility Board under programs of the federal government for the year ended June 30, 2024. Because the Schedule presents only a selected portion of the operations of the Charles Town Utility Board, it is not intended to and does not present either the financial position or changes in net position of the Charles Town Utility Board.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles.

NOTE C - PASS-THROUGH ENTITIES

Certain federal awards are received through federal or state pass-through entities.

NOTE D - INDIRECT COST RATE

The Charles Town Utility Board does not use the 10% de minimis indirect cost rate. The Board does not charge indirect expenses to federal grants.

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

Charles Town Utility Board
Jefferson County
661 South George Street, Suite 101
Charles Town, West Virginia 25414

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Charles Town Utility Board**, Jefferson County, (the Utility Board), a component unit of the Municipality of Charles Town, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Utility Board's basic financial statements and have issued our report thereon dated March 4, 2025.

Report on Internal Control Over Financial Reporting

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

March 4, 2025

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

Charles Town Utility Board
Jefferson County
661 South George Street, Suite 101
Charles Town, West Virginia 25414

To the Board of Directors:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited **the Charles Town Utility Board, Jefferson County** (the Utility Board) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Utility Board's major federal program for the year ended June 30, 2024. The Utility Board's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Utility Board 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, 2024.

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 Utility Board 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 Utility Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Utility Board'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 Utility Board'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 Utility Board'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 Utility Board's compliance with the requirements of the 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 Utility Board'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 Utility Board'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 Utility Board'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.

Report on Internal Control Over Compliance (Continued)

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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

March 4, 2025

**CHARLES TOWN UTILITY BOARD
FOR THE YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Program (list):	AL #21.027, Coronavirus State and Local Fiscal Recovery Funds
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None