

For “in-person” meetings, persons who are not on the agenda but wish to address the governing body must register to speak at least 15 minutes prior to the start of the meeting. For Zoom meetings, the Mayor will canvas attendees for those wishing to speak. Time limits will be imposed. Written comments and/or questions to be addressed at the meeting, must be submitted to jimauzer@yahoo.com 24 hours before the meeting. Requests for copies of documents related to agenda items must be made in writing at least 24 hours in advance of the meeting, not during the meeting. NOTE: Council members are elected to represent citizens of the Corporation of Shepherdstown, please contact them regarding any questions or comments you may have about the agenda items. This Council follows Robert’s Rules of Order (Revised).

THE MEETING IS STREAMED ON THE TOWN’S FACEBOOK PAGE
“SHEPHERDSTOWN, WEST VIRGINIA”

TOWN COUNCIL MEETING AGENDA

Tuesday, November 14, 2023

6:30 p.m.

TOWN HALL

104 NORTH KING STREET

MASK WEARING IS OPTIONAL

1. Call to order
2. Approval of Town Council Meeting Minutes of October 10, 2023
Approval of Town Council Special Meeting Minutes from October 18, 2023

Public Comment Period

- a. Persons who have registered to address Town Council.

3. **Public Hearings**

- a. NONE

4. **Visitors**

- a. Peggy McKowen, CATF Artistic Director—Request for Funding in the amount of \$5,000 to support adaptation of *Our Town* entitled *Our Shepherdstown*. Discussion/Action
- b. Elizabeth Ricketts, Jefferson County Municipal HEPMPO Representative-- Presentation on HEPMPO
- c. Linda Layne- Request and Information concerning Bee City USA designation for Shepherdstown. Discussion/Action

6. Unfinished Business

- a. Website Update
- b. Rt. 340 Traffic Detour
- c. Franchise agreement between the Corporation of Shepherdstown and Shenandoah Cable Television, LLC. – Discussion/Action

7. Old Business

- a. Market House Update
- b. Christmas in Shepherdstown

8. New Business

- a. HEPMO—request increase in Shepherdstown annual contribution from \$128.74 to \$336.82 per year. Discussion/Action

9. Reports of Committees

A. Finance Committee

- 1. No meeting in October 2023
- 2. Recommendations: NONE
- 3. Review and approval of General Fund Financials

B. Parking Committee

- 1. No meeting in October 2023
- 2. Recommendations: NONE

C. Police Committee

- 1. Meeting minutes of October 2023
- 2. Recommendations: NONE

D. Public Works Committee

- 1. Meeting minutes of October 2023: None
- 2. Recommendations: NONE

E. Parks and Recreation Committee

- 1. Meeting minutes of October 2023:None
- 2. Recommendations: NONE

F. Grants Committee

- 1. Meeting Minutes of October 2023
- 2. Recommendations: NONE

G. Age Friendly Committee

- 1. No meeting in October 2023
- 2. Recommendations: NONE

H. Personnel Committee

1. Meeting minutes of October 2023
2. Recommendations: NONE

I. Recycling Committee

1. No meeting in October 2023
2. Recommendations: Winchester Glass Crusher Field Trip December

10. Report of Commissions and Boards

A. Tree Commission

1. Meeting minutes of October 2023: NONE
2. Recommendations: NONE

B. Water and Sanitary Board

1. Meeting minutes of October 2023
2. Recommendations: NONE

C. Historic Landmarks Commission

1. Meeting minutes of October 2023: NONE
2. Recommendations: NONE

D. Planning Commission

1. Meeting minutes of October 2023: NONE
2. Recommendations: NONE

E. Board of Appeals

1. Meeting minutes: NONE
2. Recommendations: NONE

11. Mayor's Report

1. FY 21 Audit Report Enclosed

Shepherdstown Town Council Meeting Minutes

Tuesday, October 10, 2023

Town Hall

104 North King Street

6:30 p.m.

Mask Wearing is Optional

**Also being streamed on the town's Facebook page "Shepherdstown,
West Virginia"**

DRAFT

Present: Jim Auxer (Mayor), Lori Robertson (Recorder), Jenny Haynes, Leah Rampy, Chris Stroeck, Cheryl Roberts, and Marty Amerikaner.

Absent: None

Staff: Town Clerk Amy Boyd, Town Administrator Stephanie Grove, Director of Public Works Frank Welch, and Chief of Police Mike King.

Visitors: Jack Shaw, Terrence Reedy, Christine Wimer, Annette Gavin-Bates, Abby Bowman, Emily Walker, Kim Tummolo, Connie Heyer, and Jim Ford.

**Agenda Items 1 and 2-Call to order/approval of Town Council Minutes
(vote required):**

Call to order by Mayor Auxer at 6:29 p.m.

Approval of the Town Council Meeting Draft Minutes of September 12, 2023.

L. Rampy - move to approve Town Council Draft Minutes of September 12, 2023 as written. Second by M. Amerikaner. No objections noted.

Agenda Item 3 – Public Comment Period:

- a. Persons who have registered to address Town Council.

Agenda Item 4 – Public Hearings:

- a. None

Agenda Item 5 - Visitors:

Visitor's comments, if any, are logged in under the specific agenda items.

- a. Dr. Terrence Reedy - Respiratory viruses/mental health issues -

He is the Health Officer for Jefferson County. Regarding viruses: it's been four years since Covid showed up in China, and gave a brief history of the coronavirus. We've learned that the virus is not just seasonal, and although not as severe, it's going around again. The virus has changed and is not as bad, and there is a new covid vaccine. The older you are the older your immune system is, so not a bad idea to get a booster. For infants, speak to your pediatrician. For the first 2 years of Covid we saw almost no RSV or influenza, RSV and the flu are back. There is now a vaccine for RSV and it decreases the incidences by 1/2 to 2/3's. RSV is funded through Medicare part D.

Suicides during the last 20-30 years have become higher between 34-54 years of age - a disease of despair. Drug addiction - social interactions, support groups, a healthy community are very important. Can try to get people in need into treatment centers as well as other options. Old meds/old narcotics - get rid of them. Fentanyl is very prevalent and potent and can be fatal. Hospice offers grief counseling, you can go online and get Covid tests.

Mayor - the Shepherdstown Police Department has Narcan - each officer carries it. It's important to help people have a better life.

M. Amerikaner - historically, older men have been a risk by suicide by firearms.

C. Roberts - always check the Covid expiration dates.

b. Chrissy Wimer - President of the Jefferson County Foundation - there will be a special meeting in 10 days regarding Rockwool's emissions. Chrissy is asking for a letter from the Corporation asking that emission's be enforced by the DEP. Rockwool is saying that they are a minor emissions source. The DEP didn't really obtain information to confirm this. The Clean Air Act requires the stipulation of changes by Rockwool to obtain minor emissions source status. There are several issues of notability: the prohibition of putting materials outside to vent, there is no prohibition in the permit to use coal, and there is no prohibition on venting the building.

The DEP will enforce these if asked and our letter can ask that. It is due October 23rd by 5 p.m.

Rockwool does a lot of their own testing by hiring a private company, which they are allowed to do. The DEP does testing and inspections as well. Rockwool's permit states they have to maintain their data and are required to report to the EPA every 6-months.

Mayor - Chrissy has authored a letter for him and he has it via email. He can sign it now and we can ratify it at the next council meeting in November. Each individual council member can also send a letter.

Agenda Item 6 – Unfinished Business:

a. Market House Update – the bid documents are being formulated now.

b. Website Update –

A. Boyd - looking at changing the logo to incorporate the town seal.

c. Rt. 340 Traffic Detour -

Chief King - we are trudging through it. S. Grove made a request for a traffic director for prime times at night.

d. Franchise agreement between the Corporation of Shepherdstown and Shenandoah Cable Television, LLC. - Discussion/Action

L. Robertson - move to approve the Shentel Cable Franchise agreement including the addendum addressing removal of system. Second by J. Haynes. No objections noted.

C. Stroeck - still has concerns regarding pole overcrowding. The pole owners don't really respond in any meaningful way. He likes the competition, but we should make a stand now - go to the owners and get these poles cleaned up and until that effort takes place, will vote no. He offered to canvass the town and look at the poles and engage with the owners. He will author a letter to Shentel.

M. Amerikaner - Shentel should go to the pole owners and try to get them to address the wires on the poles as there will be 4 miles of extra wire. Are there people in the community asking for another entity?

S. Grove - the PFC doesn't allow the language to change, it's for cable tv and internet.

Mayor - we can table it to keep it on the table.

L. Rampy - move to table the motion we put forth. Second by C. Stroeck. No objections noted.

Agenda Item 7 – Old Business:

_____ a. None

Agenda Item 8 – New Business:

_____ a. Event Requests - Jefferson County Convention and Visitors Bureau - Frostyfest - Discussion/Action

A. Gavin-Bates - requesting a street closure behind the Market House to Back Alley - Dates are 1/27 & 1/28 2024 from 10:00 a.m. to 4:00 p.m. We want visitors to go downtown into the businesses. Adding a scavenger hunt, magician, a possible bonfire, and more. EMS will be onsite and the event insurance is covered. The iceskating rink is artificial, so not as hard as a real rink, and inclement weather is ok.

C. Roberts - move to approve Frostfest. Second by L. Robertson. No objections noted.

b. Stormwater Grant - Discussion/Action

C. Stroeck - sent a form to be filled out for the process. Andy Beall, Zoning Officer did it, Chris read it and then sent it.

M. Amerikaner - made a motion to move forward with the grant with the money paying for design and engineering. Second by C. Roberts. No objections noted.

Agenda Item 9 – Reports of Committees:

A. Finance Committee:

1. No Meeting September 2023
2. Recommendations: None
3. Review and approval of General Fund Financials - forthcoming discussion of timing of statements -

S. Grove - took the time to clean it up so it took a little longer to get it to us. Made it easier to read and accurate.

C. Roberts - move to approve the Corporation Financials as written. Second by C. Stroeck No objections noted.

B. Parking Committee:

1. No meeting September 2023
2. Recommendations: None

C. Police Committee:

1. Meeting minutes of September 2023
2. Recommendations: None

D. Parks and Recreation Committee:

1. Meeting minutes of September 2003 - not available
2. Recommendations: None

E. Public Works Committee:

1. Meeting minutes of September 2023 - not available
2. Recommendations: None

F. Path Advisory Committee

1. No meeting September 2023
2. Recommendations: None

G. Grants Committee

1. No meeting September 2023
2. Recommendations: None

H. Age Friendly Committee

1. Meeting minutes of September 2023
2. Recommendations: None

I. Personnel Committee

1. Meeting minutes of September 2023 - not available
2. Recommendations: None

J. Recycling Committee

1. No meeting of September 2023
2. Recommendations: None

Agenda item 10 – Report of Commissions, Authority and Boards:

A. Historic Landmarks Commission:

1. Meeting minutes of September 2023
2. Recommendations: None

B. Planning Commission:

1. Meeting minutes of September 2023 - not available
2. Recommendations:
 - a. Appointment of Ebonee Helmick - Discussion/Action

L. Robertson - move to approve the appointment of Ebonee Helmick to the Planning Commission. Second by L. Rampy. No objections noted.

C. Tree Commission

1. Meeting minutes of September 2023
2. Recommendations: None

D. Water and Sanitary Board:

1. Meeting minutes of September 2023 - not available
2. Recommendations: None

E. Board of Appeals

1. September 19 - High Street - Mickey Duncan - variance request.

Mayor - the decision was handed down today and we can get a copy of that. It was denied.

Agenda Item 11 - Mayor's Report:

- * Go to the Visitor's Center and the Shepherdstown Historic Museum
- * Halloween night - German St. will be closed for 6-8 p.m. trick or treating.
- * We hired another police officer, Allen Thomas, and bought two hybrid vehicles for police cars.
- * Market House is still moving along.
- * For Christmas in Shepherdstown, the meters will be free from December 1st to January 1st.
- * Homecoming is October 21 - 10 a.m.
- * The 2021 Audit brought forth no issues and the 2022 Audit will go out to bid.
- * The Bike Path is in the budget bill and has been approved from Congressional Spending funds for \$535,000, and the 20% match is to come from the Governor's Office.
- * The water plant project is coming to a close.
- * The waste water plant has seen many improvements.
- * The paving is to be done soon with no issue for Halloween night.

**L. Robertson – move to adjourn at 8:10 p.m. Second by M. Amerikaner.
No objections noted.**

Draft Minutes respectfully submitted by L. Robertson, Recorder for the Corporation of Shepherdstown.

Special Town Council Meeting Minutes

Thursday, October 18, 2023

Via Zoom - 12:00 p.m.

DRAFT

Present: Mayor Jim Auxer, Lori Robertson (Recorder), Jim Ford, Chris Stroech, and Jenny Haynes.

Absent: Cheryl Roberts and Marty Amerikaner

Staff: Town Administrator Stephanie Grove

Visitors: Chrissy Wimer and Billie Garde

Agenda:

1. Call meeting to order

Call the meeting to order by Mayor Auxer at 12:00 p.m

2. Jefferson County Foundation - Rockwool's Air Permit -
Discussion/Action

C. Stroech - is satisfied and we don't have to go over it again.

C. Stroech - move to approve the Mayor signing the letter supporting the Jefferson County Foundation regarding Rockwool's Air Permit on behalf of the Town Council Second by L. Rampy. No objections noted.

3. **L. Robertson – move to adjourn at 12:05 a.m. Second by L. Rampy. No objections noted.**

Draft Minutes respectfully submitted by L. Robertson, Recorder for the Corporation of Shepherdstown.

contemporaryamericantheaterfestival

AT SHEPHERD UNIVERSITY

October 25, 2023

Corporation of Shepherdstown
104 North King Street
Shepherdstown, WV 25443

Dear Mayor Auxer and Town Council Members,

The CATF experience would not be the same without the magic of Shepherdstown. In this small-town environment, our artists can focus on their art in a way that the bustling environments of larger theater markets do not permit. Surrounded by beautiful nature, delicious restaurants, and quaint shops, our audiences want for nothing while they take in new play after new play. But this relationship is a symbiotic one. CATF attracts tourists to the region who spend money on food and lodging, bringing “Christmas in July” to local small businesses. Over the years we have accumulated many stories of people who decided to make their home in Shepherdstown because of the cultural and intellectual richness that was guaranteed by CATF’s presence. Shepherdstown and CATF thrive together.

In acknowledgement of our intertwined relationship, CATF respectfully requests \$5,000 from the Town Council to support *Our Shepherdstown*, a new play commission that is a celebration of our community and shared home.

During the 2023 Season, CATF leadership took Jeffrey Lieber (playwright of *Fever Dreams* and co-creator of the *Lost* television series) on a tour of the recently gifted Christ Reformed Church and told him of our plans to use the building as a performance venue and community arts space. Jeffrey had already become quite enamored with Shepherdstown, but when he saw the church and graveyard, he began to excitedly daydream about writing an adaptation of Thornton Wilder’s *Our Town* for a site-specific production. Described by the likes of Edward Albee as “the greatest American play ever written,” *Our Town* is structured as a play within a play and features a central character who returns to earth after her own funeral to marvel at the simple joys of life in small-town America. Once the concept was articulated, CATF could imagine no better way to honor our community than to see this project come to fruition.

This fall, CATF officially commissioned Jeffrey Lieber to write *Our Shepherdstown* and he jumped into interviewing town residents as the inspiration for his characters. The first act of *Our Shepherdstown* will be presented as a staged reading this December, and we plan to premiere a full production in December 2024. We hope that this will develop into a recurring winter event that will bring our community together and give visitors who jointly love CATF and Shepherdstown cause to return outside of the festival season.

Our specific request is that the Town Council support this project with a \$5,000 contribution to be split between this year and next. \$2,500 will go towards research and development, allowing Jeffrey to spend time in Shepherdstown this fall and winter to fully capture the community in his script. \$2,500 will then go towards next year’s production costs.

contemporaryamericantheaterfestival

AT SHEPHERD UNIVERSITY

In addition to requesting the Town Council's investment, CATF has secured support for the *Our Shepherdstown* staged reading event this December from local resident, Marellen Aherne, and from the Jefferson County Convention & Visitors Bureau, WV Humanities Council, and Claude Worthington Benedum Foundation, as sponsors of CATF's Fall Reading Series. Before the production in December of 2024, we will be securing other sponsors to meet the entire budget of this exciting new play commission.

The Shepherdstown Town Council's support for the Contemporary American Theater Festival makes it possible for us to make fearless art of the highest quality. At a time when many theaters are reducing their support for new plays due to budgetary challenges brought on by the COVID-19 pandemic, CATF is becoming increasingly important and unique within the American theater landscape. Artists want to develop their work here. Audiences want to have the ultimate theater experience that we provide. The current moment is an opportunity to raise CATF's and Shepherdstown's profiles, together.

Sincerely,

A handwritten signature in black ink, appearing to read "Peggy McKowen", with a long horizontal flourish extending to the right.

Peggy McKowen
Artistic Director

From: [Arthur Auxer III](#)
To: [Stephanie Grove](#)
Subject: Fw: CATF Request - Our Shepherdstown - For Nov 14, 2023 Town Council Meeting
Date: Monday, November 6, 2023 11:48:37 AM
Attachments: [CATF Request from Peggy McKowen for 11-14-2023 Town Council Meeting.pdf](#)

----- Forwarded Message -----

From: Vicki Willman <vwillman@catf.org>
To: Jim Auxer <jimauxer@yahoo.com>
Cc: Peggy McKowen <pmckowen@catf.org>; Jeff Griffin <jgriffin@catf.org>; Casey Hayes-Deats <chayes-deats@catf.org>; Vicki Willman <vwillman@catf.org>
Sent: Wednesday, October 25, 2023 at 02:19:37 PM EDT
Subject: CATF Request - Our Shepherdstown - For Nov 14, 2023 Town Council Meeting

Dear Mayor Auxer,
Thank you for taking my telephone call this afternoon. As always, it was a pleasure to speak with you.

As you requested, I have attached a .pdf of our proposal letter to the Shepherdstown Town Council from Peggy McKowen on behalf of the Theater Festival.

Thank you for adding Peggy, and this request, to the Town Council's **Tuesday, November 14, Meeting Agenda**.

We appreciate the Council's consideration of supporting this exciting new play commissioning project: *Our Shepherdstown*.

I will be bringing the printed copy of the letter over to your office at City Hall later this afternoon.

Again, many thanks,
~ Vicki

Vicki Willman, Director of Development (she/her)
contemporaryamericantheaterfestival
Office/Text: 681-240-4044 | Email: vwillman@catf.org

From: [Elizabeth Ricketts](#)
To: [Arthur Auxer III](#); lahraven@comcast.net; [ChrisStroeckForward](#); [Leah Rampy](#); [Cheryl Roberts Personal](#); [Jenny Haynes](#); [Marty Amerikaner Personal](#); [Stephanie Grove](#); [Amy Boyd](#); [Frank Welch](#); [Andy Beall](#)
Subject: Re: presentation from HEPMPO representative
Date: Tuesday, October 24, 2023 12:01:48 PM

Confirmed, thank you. I will send the PowerPoint in advance.

Elizabeth

Get [Outlook for iOS](#)

From: Arthur Auxer III <jimauxer@yahoo.com>
Sent: Tuesday, October 24, 2023 11:10:16 AM
To: lahraven@comcast.net <lahraven@comcast.net>; chris.stroeck@shepherdstown.us <chris.stroeck@shepherdstown.us>; Elizabeth Ricketts <ericketts@charlestownwv.us>; Leah Rampy <leah.rampy9@gmail.com>; Cheryl Roberts <cdlroberts@comcast.net>; Jenny Haynes <jnifrlyn9@aol.com>; Marty Amerikaner <marty.amerikaner@gmail.com>; Stephanie Grove <sgrove@shepherdstown.us>; Amy Boyd <clerk@shepherdstown.us>; Frank Welch <fwelch@shepherdstown.us>; Andy Beall <abeall@shepherdstown.us>
Subject: Re: presentation from HEPMPO representative

Ms. Ricketts Thank you for the offer to address the Shepherdstown council. We will look forward to your presentation on November 14 at 6:30 pm at town hall. Please park in front of our building. Mayor Auxer

On Monday, October 23, 2023 at 03:58:25 PM EDT, Elizabeth Ricketts <ericketts@charlestownwv.us> wrote:

Hello,

My name is Elizabeth Ricketts. I am an elected Charles Town City Councilmember. Earlier this year, I was appointed by the Jefferson County Commission as the municipal representative to the Hagerstown/Eastern Panhandle Metropolitan Planning Organization (HEPMPO) Interstate Council. Thus, I represent all of the Jefferson County, WV municipalities. Recently, I gave a presentation on HEPMPO to my own city council. I'm reaching out to offer this presentation to your town council. If you would like me to come to a meeting in the future, please let me know.

Elizabeth Ricketts
304-397-0115
Ericketts@charlestownwv.us

Beware - This email comes from outside the City of Charles Town.

Who Can Become an Affiliate of Bee City USA?

Cities and towns that are incorporated municipalities can work to protect pollinators in their communities by becoming affiliates of Bee City USA. Counties can also become Bee City USA affiliates if most activities are taking place in unincorporated areas within the county.

Bee City USA's sister initiative, Bee Campus USA, works with institutions of higher education, including colleges and universities.

Groups and individuals that do not fit into one of these categories but would like to commit to conserve native pollinators can become involved in the Xerces Society's Bring Back the Pollinators campaign and take the Pollinator Protection Pledge. Learn more at bringbackthepollinators.org.



By joining Bee City USA, taking Xerces' Pollinator Protection Pledge, or simply taking small steps in your daily life to increase habitat, reduce pesticide use, or spread awareness, you are joining a global movement to protect pollinators.

Learn more about the Bee City USA program, read answers to frequently asked questions, and find out how to apply at:

beecityusa.org

Bee City USA is an initiative of the Xerces Society.

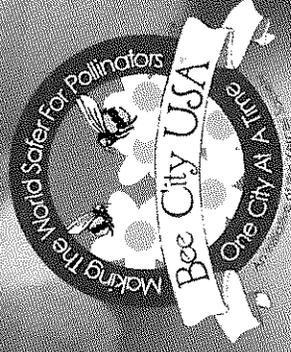


Established in 1971, the Xerces Society is at the forefront of invertebrate protection, harnessing the knowledge of scientists and enthusiasm of communities to implement conservation programs worldwide. Xerces uses hands-on conservation, advocacy, education, and applied research to protect the life that sustains us.

Xerces Society for Invertebrate Conservation
628 NE Broadway, Suite 200, Portland, OR 97232
(855) 232-6639 xerces.org

BEE CITY USA

Bringing communities
together to sustain
pollinators



Credits: Cover photo by Emily May. Habitat photo by Matthew Shepherd. Pollinator observation photo by Amanda Lucier.

About Native Pollinators

Bees transfer pollen between flowers, enabling the incredible diversity of plants on our planet to fruit and reproduce. Pollinators are keystone species in essentially every ecosystem on earth, facilitating the reproduction of over 85 percent of all flowering plants and over two-thirds of agricultural crops.

In addition to the domestic honey bee (*Apis mellifera*), a species brought to North America from Europe, there are more than 3,600 species of bees native to the United States. These wild bees are generally quite different than the domesticated honey bee—most of them live solitary lives, with a single female doing all of the work to build a nest, collect pollen and nectar, and lay eggs.

Unlike the honey bee, which nests aboveground and can be managed in wooden hives, more than two out of three wild bees live underground in nests that can be hard to spot from the surface! Some dig down and lay their eggs several feet below ground, while others make nests near the soil surface or in hollowed out plant stems above ground.

Research has shown significant declines in native pollinator population sizes and ranges globally with up to 40 percent of pollinator species on Earth at risk of extinction in the coming years as a result a variety of environmental stressors including habitat loss and degradation, exposure to pesticides, diseases and pathogens, and climate change.

What is Bee City USA?

Thinking globally and acting locally, Bee City USA brings communities together to sustain pollinators by increasing the abundance of native plants, providing nest sites, and reducing the use of pesticides. Affiliates of Bee City USA also work to inspire others to take steps to conserve pollinators through education and outreach.

Bee City USA affiliates make commitments to conserve native pollinators, laid out in a resolution adopted by the local city council. Join the cities across the country rallying to protect pollinators and create positive change!

Commitments

So what does becoming an affiliate of Bee City USA entail?

Bee City USA affiliates carry out a set of commitments, defined in a resolution, for creating sustainable habitats for native pollinators. City staff and community members work together to fulfill these commitments and make their city a better place for pollinators.

Establish a standing Bee City USA committee.

Create and enhance pollinator habitat on public and private land by increasing the abundance of native plants and providing nest sites.

Reduce the use of pesticides.

Host pollinator awareness events.

Incorporate pollinator-conscious practices into city policies and plans.

Publicly acknowledge Bee City USA affiliation with signs.

Maintain an online presence for Bee City USA activities.

Annually apply for renewal and report on the previous year's activities.

Benefits to Your Community

Ensure survival of vital animal species including bees and other pollinators crucial to the health of our environment.

Build community locally and nationally through bringing your city together around a positive, shared cause and connect with communities across the country that have made the same commitment.

Improve local food production and raise community awareness of how our food grows.

Support small, local businesses including native plant nurseries and pollinator-friendly landscaping.

Address pest problems with fewer pesticides using integrated pest management.

Heighten awareness of biological diversity.



Bee City USA

Benefits

Bee City USA provides communities with a focal point for their efforts to conserve pollinators. Whether these are activities your city is already engaged in or a new direction, becoming an affiliate of Bee City USA is a great way to join a national network of communities committed to creating positive change.

Bee City USA Community Benefits

Ensure survival of vital animal species

Help to ensure the survival of vital animal species crucial to our planet's functioning ecosystems.

Build community locally and nationally

Bring your community together around a positive, shared cause and connect with communities across the country that have made the same commitment.

Improve local food production

Raise community awareness of how our food grows and improve local food production through expanded pollination.

Support small businesses

Support the growth of local businesses including native plant nurseries and pollinator friendly landscaping.

Address pest problems with fewer pesticides

Raise community awareness of the least toxic ways to tackle home and garden pest problems. Mobilize your community to remove non-native invasive plants to make way for locally native plants.

Heighten awareness of biological diversity

Raise community awareness of the local environment's diversity of plant and pollinator species.



Bee City USA

Commitments

Thinking globally and acting locally, Bee City USA provides a framework for communities to work together to conserve native pollinators by providing them with healthy habitat, rich in a variety of native plants, and free to nearly free of pesticides.

Bee City USA affiliates make commitments to conserve native pollinators, laid out in a resolution adopted by the local city council. City staff and community members work together to carry out these commitments and make their city a better place for pollinators. Incorporated cities, towns, counties, and communities across the United States are invited to make these commitments and become Bee City USA affiliates.

Bee City USA Commitments

Establish a standing Bee City USA committee to advocate for pollinators.

Every committee will be different, but should include individuals with experience and interests that will help the committee complete the commitments. Committees generally include a mix of volunteers and city staff. The committee should have a chair or multiple co-chairs. This committee should be managed either by the certified affiliate (i.e. City or County) or a non-profit organization and should have a regular meeting schedule that is open to the public. See the resolution for full requirements associated with the committee.

Create and enhance pollinator habitat on public and private land by increasing the abundance of native plants and providing nest sites.

Affiliates commit to creating or enhancing pollinator habitat on public and private land each year. To assist with habitat creation and provide guidance for the community, affiliates create a native plant list and native plant supplier list. There's no need to create these materials before applying, but they should be complete by your first renewal. Guidance and examples will be provided to assist in developing each of these resources.

Reduce the use of pesticides.

Create and adopt an integrated pest management (IPM) plan designed to prevent pest problems, reduce pesticide use, and expand the use of non-chemical pest management methods. Like the native plant list and native plant supplier list, the IPM plan should be developed over the first few years of affiliation.



Bee City USA

Application Preview

This is a preview of questions on the Bee City USA application. You can use this to gather your responses before copying and pasting them into the official application.

About

Affiliate Name (this should be your city name or county name followed by 'county')

Affiliate Type (select one: City, Town, Village, or County | College or University)

Email address (this email address will be visible to the public, you are welcome to leave this blank if you would prefer not to list an email address)

Profile

Mailing address

City

State

Zipcode

Sponsoring Department

Population



Email Addresses for the Members of the Elected Body who Adopted the Resolution

Media Contact Name

Media Contact Email Address

**Is your Application Complete and Ready for Review? (select one: I'm still working on it |
The application and draft resolution are complete and ready for review)**

Visit www.beecityusa.org to learn more and apply.



Amy Boyd

From: Arthur Auxer III <jimauxer@yahoo.com>
Sent: Thursday, October 5, 2023 1:03 PM
To: Stephanie Grove; Amy Boyd
Subject: Fw: BeeCity USA

Amy November TC meeting

----- Forwarded Message -----

From: Arthur Auxer III <jimauxer@yahoo.com>
To: Lori Robertson <lahraven@comcast.net>
Sent: Monday, September 25, 2023 at 06:13:26 PM EDT
Subject: Fw: BeeCity USA

Can we discuss tomorrow night?

----- Forwarded Message -----

From: Linda Layne <lwayne53@gmail.com>
To: "jimauxer@yahoo.com" <jimauxer@yahoo.com>
Sent: Sunday, September 24, 2023 at 09:42:08 PM EDT
Subject: BeeCity USA

Hello Mayor Auxer,

As per our phone conversation, I wondered if you had an opportunity to view the Bee City link I sent you. beecityusa.com

I am wondering when would be a good time for us to meet to discuss the possibility of Shepherdstown obtaining a BeeCityUSA status.

I have discussed this with the WV Eastern Panhandlers Bee Association and the Berkley Jefferson County Master Gardeners Association and both groups are interested.

I think this would be an excellent opportunity for the folks of Shepherdstown and I hope the Town Council are as excited as I am to see this happen.

Again, I thank you in advance for your interest.

Linda Layne
201-819-7497

Stephanie Grove

From: Bryan Byrd <Bryan.Byrd@emp.shentel.com>
Sent: Tuesday, November 7, 2023 2:12 PM
To: Chris Stroech Personal; Stephanie Grove; Jim Auxer
Cc: Chris Kyle; Stuart French; Frank Welch
Subject: RE: Shepherdstown Franchise Agreement

Chris,

Thank you.

Can you either confirm or edit the below list to make sure I am capturing all the requested information that you are referring to?

- Potomac Edison contact: Provided
- Frontier contract: Provided
- Map showing pole owners: In-process
- Preliminary construction drawings for areas outside town limits where Shepherdstown owns the water/sewer lines: In-process, waiting on a more specific boundary per my email to Mr. Welch on 11/03

Respectfully,



Bryan Byrd | Government and Community Affairs Specialist
Office (540) 984-5044 | Mobile (540) 335-3645 | bryan.byrd@emp.shentel.com

From: Christopher Stroech <CStroech@panhandle-legal.com>
Sent: Tuesday, November 7, 2023 11:57 AM
To: Bryan Byrd <Bryan.Byrd@emp.shentel.com>; Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>; Jim Auxer <jauxer@shepherdstown.us>
Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>; Frank Welch <fwelch@shepherdstown.us>
Subject: Re: Shepherdstown Franchise Agreement

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Yes, you will be on the TC agenda for 11/14.

I hope to have all the requested information by then. thanks,



PANHANDLE LEGAL

Christopher P. Stroeck, Esq.

WVSB #9387

116 W. Washington St, Suite 2E, P.O. Box 550

Charles Town, WV 25414

P. 304-930-1945 F. 304-930-1387

E. cstroeck@panhandle-legal.com

W. panhandle-legal.com

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From: Bryan Byrd <Bryan.Byrd@emp.shentel.com>

Date: Monday, November 6, 2023 at 10:44 AM

To: Christopher Stroeck <CStroeck@panhandle-legal.com>, Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>, Jim Auxer <jauxer@shepherdstown.us>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>, Stuart French <Stuart.French@emp.shentel.com>, Frank Welch <fwelch@shepherdstown.us>

Subject: RE: Shepherdstown Franchise Agreement

Chris,

I am still working on an easy to read map for the poles. We have data on pole owners in the town, but converting it all into a map is taking some time.

In the meantime, the Frontier contact I was given is:

Greg Bonar

Email: greg.bonar@ftr.com

Phone: 304-888-3195

Are we in a position at this point to get the franchise agreement on the agenda for approval this month?

Respectfully,



Bryan Byrd | Government and Community Affairs Specialist

Office (540) 984-5044 | Mobile (540) 335-3645 | bryan.byrd@emp.shentel.com

From: Christopher Stroech <CStroech@panhandle-legal.com>
Sent: Wednesday, November 1, 2023 5:14 PM
To: Bryan Byrd <Bryan.Byrd@emp.shentel.com>; Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>; Jim Auxer <jauxer@shepherdstown.us>
Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>; Frank Welch <fwelch@shepherdstown.us>
Subject: Re: Shepherdstown Franchise Agreement

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Thanks,



PANHANDLE LEGAL

Christopher P. Stroech, Esq.

WVSB #9387

116 W. Washington St, Suite 2E, P.O. Box 550

Charles Town, WV 25414

P. 304-930-1945 F. 304-930-1387

E. cstroech@panhandle-legal.com

W. panhandle-legal.com

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From: Bryan Byrd <Bryan.Byrd@emp.shentel.com>
Date: Wednesday, November 1, 2023 at 4:42 PM
To: Christopher Stroech <CStroech@panhandle-legal.com>, Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>, Jim Auxer <jauxer@shepherdstown.us>
Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>, Stuart French <Stuart.French@emp.shentel.com>, Frank Welch <fwelch@shepherdstown.us>
Subject: RE: Shepherdstown Franchise Agreement

Chris,

I am working on tracking down a map of the pole owners, but we know that the pole owners are First Energy/Potomac Edison and Frontier.

The Potomac Edison contact is:

McClain, Dominic R.
Company FirstEnergy Corp
Mailing Address: 76 South Main Street Akron, OH 44308
Telephone Number: 330-384-5317
drmclain@firstenergycorp.com

I am also tracking down a better contact for Frontier and should be back with you in the next day or so.

Respectfully,



Bryan Byrd | Government and Community Affairs Specialist
Office (540) 984-5044 | Mobile (540) 335-3645 | bryan.byrd@emp.shentel.com

From: Christopher Stroech <CStroech@panhandle-legal.com>
Sent: Monday, October 30, 2023 9:59 PM
To: Bryan Byrd <Bryan.Byrd@emp.shentel.com>; Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>; Jim Auxer <jauxer@shepherdstown.us>
Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>; Frank Welch <fwelch@shepherdstown.us>
Subject: Re: Shepherdstown Franchise Agreement

CAUTION: This email originated from outside of the Shentel organization. Do not click links or open attachments, unless you recognize the sender and know the content is safe.

Thank you.

Please send us contact information for all pole owners.

Can you also identify the specific owner for each pole in town?



PANHANDLE LEGAL
Christopher P. Stroech, Esq.
WVSB #9387
116 W. Washington St, Suite 2E, P.O. Box 550
Charles Town, WV 25414
P. 304-930-1945 F. 304-930-1387
E. cstroech@panhandle-legal.com
W. panhandle-legal.com

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From: Bryan Byrd <Bryan.Byrd@emp.shentel.com>

Date: Thursday, October 26, 2023 at 5:03 PM

To: Christopher Stroech <CStroech@panhandle-legal.com>, Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>, Jim Auxer <iauxer@shepherdstown.us>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>, Stuart French <Stuart.French@emp.shentel.com>, Frank Welch <fwelch@shepherdstown.us>

Subject: RE: Shepherdstown Franchise Agreement

Chris,

Thanks for following up.

As for the initial survey of the poles, that conversation may have been in reference to a few different activities so I will address each of them.

We have done a review of the pole routes to determine where we will be able to overlash to our existing fiber routes. That comprises approximately 0.5 miles, primarily along S. Princess and E German streets. This review was done in conjunction with our high level design, which has also been completed. This design really just tells us approximate mileage and whether existing facilities are aerial or underground. As we shared earlier, we would anticipate to build a total of approximately 4 miles within town limits, almost all of which would be aerial, and, as noted, 0.5 miles of which would be overlash.

The work that has not been done and will not be done in advance of the franchise agreement in the make ready work. That work is ultimately the responsibility of the pole owners and they cannot do that work until we submit permits. We cannot submit permits, however, until detailed design engineering is complete. The way this process works is that once we complete our final designs, we will submit permits to the pole owners. Those permits will then trigger the make ready process which essentially takes place in two phases. First the pole owners come out and inspect all the poles for which we submit permits to determine if there is adequate space on the pole and if the pole is strong enough to accommodate additional load. If the poles do not have adequate space or are structurally unsound, they would have to replace the pole or find some other way to work with the existing utilities to address their aging and overcrowded infrastructure. We would work through that process as part of our build, but it takes time and money and we cannot do that simply as a test case.

We would be more than happy to provide the contacts we have with the pole owners and other utilities. Has the town attempted to enact undergrounding projects or ordinances? We have seen that kind of effort enacted with varying degrees of success in the past, but believe that the West Virginia Code does preserve the Town's ability to manage the ROW with a fair bit a discretion.

We do want to be helpful in this matter and are sensitive to the town's concerns. We are, however, operating in an environment with immense pressure on our available resources and need to achieve clarity on our position with Shepherdstown so that we can plan accordingly.

I am happy to set up a meeting to discuss further if that would be helpful.

Thank you.

Respectfully,

From: Christopher Stroech <CStroech@panhandle-legal.com>

Sent: Monday, October 23, 2023 9:37 PM

To: Bryan Byrd <Bryan.Byrd@emp.shentel.com>; Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>; Jim Auxer <jauxer@shepherdstown.us>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>; Frank Welch <fwelch@shepherdstown.us>

Subject: Re: Shepherdstown Franchise Agreement

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Bryan:

When you first addressed Council a few months back, I understood that Shentel could perform some advanced inspection, albeit cursory, of the pole issues in Shepherdstown.

This has not been done, and the proposed agreement states that such an inspection may result in pole repair or replacement.

We have been trying to resolve significant pole issues for at least a few years now. The pole owners have been mostly unresponsive.

Undoubtedly, both Shentel and the pole owners will profit from this new service in Shepherdstown.

Are you able to connect us with the pole owners so we can at least have a discussion, with encouragement from Shentel for such cooperation?

I can likely get this matter back on the Council agenda for our meeting on Nov. 14. thanks,

Chris Stroech
Town Council

From: Bryan Byrd <Bryan.Byrd@emp.shentel.com>

Date: Friday, October 20, 2023 at 7:59 AM

To: Christopher Stroech <CStroech@panhandle-legal.com>, Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>, Jim Auxer <jauxer@shepherdstown.us>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>, Stuart French <Stuart.French@emp.shentel.com>

Subject: RE: Shepherdstown Franchise Agreement

Chris,

Thank you. I will look forward to your response soon. I share your hope that we will be able to have productive conversations that will benefit all involved. I do need to reiterate, however, that the engineering and make ready process are long lead-time activities and we will need to reach clarity on our position with Shepherdstown quickly to be able to effectively plan our activity in the area.

Have a great weekend.

Respectfully,



Bryan Byrd | Government and Community Affairs Specialist
Office (540) 984-5044 | Mobile (540) 335-3645 | bryan.byrd@emp.shentel.com

From: Christopher Stroech <CStroech@panhandle-legal.com>
Sent: Thursday, October 19, 2023 9:07 PM
To: Bryan Byrd <Bryan.Byrd@emp.shentel.com>; Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>; Jim Auxer <jauxer@shepherdstown.us>
Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>
Subject: Re: Shepherdstown Franchise Agreement

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Bryan:

I urged the Council to table this.
I am hopeful that we can have further discussions beneficial to us all.
I will send a more substantive response early next week.

Thanks,

Chris Stroech
Town Council

From: Bryan Byrd <Bryan.Byrd@emp.shentel.com>
Date: Wednesday, October 18, 2023 at 8:44 AM
To: Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>, Jim Auxer <jauxer@shepherdstown.us>, Christopher Stroech <CStroech@panhandle-legal.com>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>, Stuart French <Stuart.French@emp.shentel.com>

Subject: RE: Shepherdstown Franchise Agreement

Stephanie,

Thank you for following up on this.

While we do certainly understand the Town's concerns, to be perfectly honest this process is putting us in a difficult spot. As a registered CLEC in the state of WV, we do have the right to attach to existing utility poles by coordinating directly with the pole owners, as evidenced by the fiber we already have in place in the Town. Pursuing the cable franchise agreement only changes whether we can offer video service. We also prefer to go through this cable franchise process because it gives us a chance to work with our municipal partners and develop strong communication in advance of the construction process, which we understand can be disruptive. I will also note that a cable franchise is one of the best vehicles for municipalities to have input and oversight over their telecommunications providers. We are trying very hard to be a good partner with the town, and have tried to provide the information requested and even included favorable language in the franchise agreement for the Town that our competitors are not subject to. The ongoing delays, however, are putting us in a difficult position.

As for the request to perform make ready work in advance of having the franchise agreement approved, we unfortunately cannot comply. Before any make ready work can be done, we need to complete detailed design engineering and then submit permits to the pole owner. Each step in that process costs significant money and altogether would take several months to complete. We cannot justify spending that degree of time and money as a test case, especially when there is not even a guarantee that it will result in approval of the franchise agreement.

We would urge council to reconsider their position on approving the franchise. We have now had this item tabled three separate times and if we cannot get it approved quickly, we will simply have to move on, either to operating under our CLEC license which grants us access to the poles, or to avoiding Shepherdstown entirely. Again, we are sensitive to the Town's concerns and are working to address them as best we can, but we also have resource allocation questions that we need to be able to address. We have crews working in the broader area and we need to be able to make clear decisions on how they are going to be allocated.

Thank you for your consideration.

Respectfully,



Bryan Byrd | Government and Community Affairs Specialist

Office (540) 984-5044 | Mobile (540) 335-3645 | bryan.byrd@emp.shentel.com

From: Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>

Sent: Monday, October 16, 2023 1:01 PM

To: Bryan Byrd <Bryan.Byrd@emp.shentel.com>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>

Subject: RE: Shepherdstown Franchise Agreement

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Hi Bryan,

The Council delayed voting on the agreement because they are concerned about potential for additional wires in an already over-crowded system. They voted to follow-up with a letter expressing their concerns and asking for a more detailed analysis of how much wire would be added overhead and what that would add to the existing visual blight. I think essentially, they would like to see a portion of the make-ready study performed prior to the execution of the franchise agreement. The Council was clear that this wasn't really a reflection on Shentel, but rather a reflection of its frustrations with pole owners who have provided little cooperation to assist the Town in clearing some of the unused wires. I will follow up with a more detailed letter from the Council with its specific request, but the bottom line is they need some reassurance that the Shentel infrastructure will not cause more visual blight on a system that already has the appearance of being disorganized and over-crowded. Councilperson Chris Stroech has offered to be the point of contact concerning this issue as he initially raised the concern. Please let me know if you have any questions or need any additional information.

Thanks,

Stephanie

Stephanie F. Grove, Town Administrator
Corporation of Shepherdstown
104 North King Street
P.O. Box 248
Shepherdstown, WV 25443
Office: (304) 870-4331
Website:

<https://url.avanan.click/v2/www.shepherdstown.us.YXAzOnNoZW50ZWxwcm9kOmE6bzo5MjhhZmY2NzZmOGFmNjVhMGRjNDM2ZWFKYWZlMGUwMT02OmQ5MGE6NmUxYjg1YjIxZjQ0YWY3YmFkOWFjNjUzMTI2OTM0ODQ0NzVhOTdlYjc5MDNIOTc1ZWY3ZmVhZTBiYWnkNTc1Nz00IQ>

From: Bryan Byrd <Bryan.Byrd@emp.shentel.com>

Sent: Thursday, October 12, 2023 2:34 PM

To: Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>

Subject: RE: Shepherdstown Franchise Agreement

Good afternoon Stephanie,

I just wanted to follow up to see how things went with the Shentel franchise agreement at the Town Council meeting this week. Was the agreement approved? Is there anything else that you need from us? Thanks so much!

Respectfully,



Bryan Byrd | Government and Community Affairs Specialist

Office (540) 984-5044 | Mobile (540) 335-3645 | bryan.byrd@emp.shentel.com

From: Bryan Byrd

Sent: Wednesday, October 11, 2023 9:51 AM

To: Stephanie Grove <Sgrove@shepherdstown.onmicrosoft.com>

Cc: Chris Kyle <Chris.Kyle@emp.shentel.com>; Stuart French <Stuart.French@emp.shentel.com>

Subject: Shepherdstown Franchise Agreement

Stephanie,

I hope you are doing well!

I just wanted to follow up to see how things went last night at the Town Council meeting? What is your guidance on next steps? Thanks!

Respectfully,



Bryan Byrd | Government and Community Affairs Specialist

Office (540) 984-5044 | Mobile (540) 335-3645 | bryan.byrd@emp.shentel.com



Hagerstown/Eastern Panhandle Metropolitan Planning Organization

33 W. Washington St., 4th Floor, Suite 402, Hagerstown, MD 21740

Phone: 240-313-2080, Fax: 240-313-2084

www.hepmo.net

October 26, 2023

Jim Auxer, Mayor
Corporation of Shepherdstown
104 North King Street
Shepherdstown, WV 25443

Dear Mayor Auxer,

The Hagerstown/Eastern Panhandle Metropolitan Planning Organization (HEPMPO) is responsible for carrying out the federally-mandated metropolitan planning process for Berkeley and Jefferson Counties, West Virginia to ensure federal funding for transportation projects continues uninterrupted. This process includes the routine development and update of a Long Range Transportation Plan, a Transportation Improvement Program, a Unified Planning Work Program, a Public Participation Plan and a Title VI Plan. In addition to fulfilling federal mandates, HEPMPO develops special studies, provides technical assistance and helps develop grant applications.

Since HEPMPO's creation in January 1997, critical local match to our agency's federal planning dollars has been generated by a dedicated fee assessment through Region 9. This assessment is currently at \$0.12 per capita in Berkeley and Jefferson Counties and \$0.09 per capita in Morgan County. The fee assessment per capita to HEPMPO has not been raised in our 26 years of existence. As such, HEPMPO has relied on underspent local match carryover to complete our budget year to year.

Resulting from our area's population increase and new additional funding through the federal Infrastructure Investment and Jobs Act (IIJA), we are writing to request a change to our fee assessment. Specifically, we are proposing 1) a fee assessment increase of \$0.10 per capita to \$0.22 beginning July 1, 2024 and 2) updating our local assessment funding formula to utilize 2020 Census population numbers.

For the Corporation of Shepherdstown's portion, HEPMPO's proposal would increase your annual contribution by an additional \$128.74 totaling \$336.82 per fiscal year. This contribution will allow HEPMPO to continue transportation planning in our area, give local control in selecting special studies (such as our Safety Action Plan and a Congestion Management Plan) and leverage into our area \$3,031.38 in combined federal and state planning funding.

I am happy to meet and discuss further or provide any additional information for your consideration of this request in advance of your FY2025 budget preparation.

Sincerely,

Matthew Mullenax
Executive Director

Corporation of Shepherdstown
Budget vs. Actuals: Fiscal Year 2024
September 2023

	Actual as of 09/30/2023	FY 24 Budget	Remaining	% of FY 24 Budget	FY 23 YTD as of 09/30/2022
Income					
301 Property Tax Revenue	140,289.23	254,699.00	-114,409.77	55.08%	131,314.18
303 Gas & Oil Severance	0.00	9,000.00	-9,000.00	0.00%	0.00
304 Utility Tax	13,893.21	56,000.00	-42,106.79	24.81%	11,954.67
305 Business & Occupation Tax	20,802.24	85,000.00	-64,197.76	24.47%	21,855.19
306 Wine/Liquor/Private Club Tax	47,510.81	180,000.00	-132,489.19	26.39%	0.00
307 Animal Control Tax	186.30	400.00	-213.70	46.58%	207.90
308 Hotel Occupancy Tax	80,225.48	140,000.00	-59,774.52	57.30%	41,370.68
314 Muni Sales & Use Tax	150,989.81	540,000.00	-389,010.19	27.96%	135,723.74
325 Business Licenses	8,310.50	23,000.00	-14,689.50	36.13%	10,677.00
326 Building Permits	1,013.00	6,500.00	-5,487.00	15.58%	1,950.00
328 Franchise Fee/Pole Tax	3,041.44	7,500.00	-4,458.56	40.55%	0.00
330 IRP Truck Fees	2,620.08	10,000.00	-7,379.92	26.20%	5,451.55
350 Refuse Collection	46,278.57	211,224.50	-164,945.93	21.91%	48,512.89
353 BOA Fee (Book Fee here-no A/P)	0.00	300.00	-300.00	0.00%	0.00
368 Cont. from Other Entities	0.00	2,100.00	-2,100.00	0.00%	0.00
376 Gaming Income-Table Games	26,646.70	124,635.00	-97,988.30	21.38%	43,887.81
380 Checking Interest	45,095.73	67,200.00	-22,104.27	67.11%	43,678.17
381 Reimbursements	2,037.52	2,625.00	-587.48	77.62%	-155.10
382 Refunds & Rebates	2,919.06	12,915.00	-9,995.94	22.60%	250.85
397 Video Lottery Proceeds Revenue	30,761.73	309,586.00	-278,824.27	9.94%	11,514.78
399 Miscellaneous Income	100.00	357.50	-257.50	27.97%	5,723.19
Court Fee Revenues	21,023.19	53,517.50	-32,494.31	39.28%	12,197.28
Parking Fee Revenue	47,558.96	133,920.00	-86,361.04	35.51%	40,577.07
Rents Revenue	10,800.00	45,661.00	-34,861.00	23.65%	10,800.00
Total Income	\$ 702,103.56	\$ 2,276,140.50	-\$ 1,574,036.94	30.85%	\$ 577,491.85

Expenses					
435.00 Regional Development Authority	0.00	1,100.00	-1,100.00	0.00%	0.00
438.00 Elections	0.00	4,500.00	-4,500.00	0.00%	0.00
Arts, Humanities, Library	78.76		78.76		
City Hall Accounting/Audit	15,471.34	16,407.00	-935.66	94.30%	6,690.12
City Hall Bldg/Equip Expenses	175.66	19,950.00	-19,774.34	0.88%	922.36
City Hall Insurance	4,246.40	16,300.00	-12,053.60	26.05%	4,129.74
City Hall Legal Expenses	3,802.21	14,100.00	-10,297.79	26.97%	830.00
City Hall Other Expenses	12,151.77	50,196.00	-38,044.23	24.21%	12,045.95
City Hall Utilities	2,586.76	15,850.00	-13,263.24	16.32%	3,327.66
City Hall Video Lottery Expense	11,439.78	28,000.00	-16,560.22	40.86%	0.00
City Hall-Employee Salary/Fring	54,904.36	162,291.00	-107,386.64	33.83%	31,869.35

	Actual as of 09/30/2023	FY 24 Budget	Remaining	% of FY 24 Budget	FY 23 YTD as of 09/30/2022
Elected Salaries/Fringe	2,535.23	10,687.00	-8,151.77	23.72%	2,535.23
General Fund Donations	5,500.00	21,600.00	-16,100.00	25.46%	6,300.00
Parks Equipment & Supplies	1,269.23	25,000.00	-23,730.77	5.08%	3,815.21
Parks Maintenance	2,009.01	5,840.00	-3,830.99	34.40%	1,350.04
Parks Salaries & Fringe	3,116.59	14,485.00	-11,368.41	21.52%	1,382.68
Parks Utilities		400.00	-400.00	0.00%	1,525.31
Parks Vehicle Expenses	337.99	5,125.00	-4,787.01	6.59%	108.41
Planning Commission Expenses	31,238.36	118,674.00	-87,435.64	26.32%	22,558.25
Police Contractual Svc	6,585.69	38,720.00	-32,134.31	17.01%	3,532.64
Police Dept. Grant Expenses		1,470.00	-1,470.00	0.00%	0.00
Police Equip. Purchase & Repair	13,043.86	38,350.00	-25,306.14	34.01%	12,762.95
Police Other Expenses	18,043.31	121,630.00	-103,586.69	14.83%	24,992.60
Police Remittance Fees	1,165.00	1,113.00	52.00	104.67%	1,710.00
Police Salaries & Fringe	195,138.92	609,340.00	-414,201.08	32.02%	153,385.80
Police Utilities & Rent	1,663.89	24,413.00	-22,749.11	6.82%	2,099.07
Police Vehicle Expenses	68,591.29	29,000.00	39,591.29	236.52%	3,916.98
Public Works Expenses	0.00	2,625.00	-2,625.00	0.00%	0.00
Regional Council Dues	0.00	900.00	-900.00	0.00%	0.00
Sanit. Video Lottery Fund Exp	27,023.12	39,600.00	-12,576.88	68.24%	0.00
Sanitation Dumping Fees	13,318.02	86,750.00	-73,431.98	15.35%	13,716.50
Sanitation Equip Repair & Maint	5,312.41	8,505.00	-3,192.59	62.46%	0.00
Sanitation Other Expenses	2,973.24	75,267.00	-72,293.76	3.95%	38,339.88
Sanitation Salaries & Fringe	23,768.18	117,861.00	-94,092.82	20.17%	16,306.47
Sanitation Vehicle Expenses	2,167.03	19,500.00	-17,332.97	11.11%	4,093.03
Streets Maintenance & Equipment	3,922.86	9,050.00	-5,127.14	43.35%	1,626.28
Streets Other Expenses	6,981.98	28,750.00	-21,768.02	24.29%	7,667.77
Streets Salaries & Fringe	25,854.91	94,307.00	-68,452.09	27.42%	27,797.28
Streets Tree Maintenance	7,836.31	35,000.00	-27,163.69	22.39%	17,074.00
Streets Utilities	6,352.17	25,987.00	-19,634.83	24.44%	3,262.31
Streets Vehicle Expenses	1,990.07	14,500.00	-12,509.93	13.72%	7,055.46
Tobacco Warehouse Expense	5,622.58	6,510.00	-887.42	86.37%	41.10
Visitors Center Expenses	44,086.96	73,500.00	-29,413.04	59.98%	29,896.28
Total Expenses	\$ 632,305.25	\$ 2,027,553.00	-\$ 1,400,847.75	31.19%	\$ 468,666.71
Net Operating Income	\$ 69,798.31				\$ 108,825.14

Corporation of Shepherdstown

Balance Sheet

As of September 30, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
106 Petty Cash	400.00
GENERAL FUNDS BANKING	1,222,307.72
RESERVED FUNDS BANKING 6209	3,851,087.38
RESTRICTED FUNDS	705,270.63
Undeposited Funds	931.18
Total Bank Accounts	\$5,779,996.91
Accounts Receivable	
General Funds A/R	336,873.94
Total Accounts Receivable	\$336,873.94
Other Current Assets	
112.011 Tobacco Warehouse	5,261.00
Other Current Assets	83,424.33
Total Other Current Assets	\$88,685.33
Total Current Assets	\$6,205,556.18
Fixed Assets	
General Fixed Assets (Gov-Wide)	5,443,487.51
Total Fixed Assets	\$5,443,487.51
TOTAL ASSETS	\$11,649,043.69
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
General Funds A/P	13,779.73
Total Accounts Payable	\$13,779.73
Credit Cards	
213 Purchase Card Payable	44,448.99
Credit Cards Payable	97.96
Fifth Third	0.00

Corporation of Shepherdstown

Balance Sheet

As of September 30, 2023

	TOTAL
Total Credit Cards	\$44,546.95
Other Current Liabilities	
140.01 DO-RHBT Payments Subsequer	-24,060.26
140.02 DO - Change in Proportionate	-16,430.00
200.02 EVCF Endowment Fund	0.00
2104 PEIA Payable	5,324.00
250.10 Net OPEB Liability	262,044.00
260 Accrued Compensated Absences	45,929.73
280.10 DI-Different Expected/Actual I	3,813.00
280.20 DI-Difference Proj/Actual Earn	4,911.00
280.30 DI-Changes/Differences Prop. S	15,979.00
280.40 DI - Changes in Assuptions	25,685.00
290.50 Restricted for Equipment	3,731.48
292.20 PPA-Beginning OPEB Liability	-276,168.79
292.30 PPA-2017 RHBT Payment	-69,690.76
292.40 PPA-Beginning Net OPEB Obligati	313,932.00
Child Support	544.61
Christmas Club	60.00
Due to (from) Coal Severance	2,845.30
Due to (from) Sewer	-779,060.93
Due to (from) Water	-144,546.47
Garnishments	0.02
Gen Fund Other Current Liab.	70,567.55
Payroll Liabilities	1,980.63
VALIC Retirement Payable	21,207.35
Total Other Current Liabilities	\$ -531,402.54
Total Current Liabilities	\$ -473,075.86
Total Liabilities	\$ -473,075.86
Equity	
290 Investment in Gen. Fixed Assets	5,466,470.38
Fund Balance	4,680,537.16
Retained Earnings	1,905,412.07
Net Income	69,699.94
Total Equity	\$12,122,119.55
TOTAL LIABILITIES AND EQUITY	\$11,649,043.69

Minutes
Shepherdstown Grant Committee
04.11.23
5:30pm
By Zoom

Called to order 5:34 pm

Visitors: E. Samide, A. Boyd

Present: C. Stroeck, M. Fortuna, K. Schultz

Minutes from Meeting 1.25.23

- K. Schultz moved to approve
- No objection
- Minutes approved

Old Business

- Chair has removed two members from the Grants Committee due to a lack of participation/response
- CDBG Grant
 - The Town needs to hold a fair housing forum in order to be in compliance with the grant
 - **Actions: C. Stroeck** will follow up with state to research whether the Town may disburse funds on its own, since Catholic Charities is not responding and also will inquire about reporting requirements as they relate to the Fair Housing meeting
- Firehouse Subs Grant
 - **Action: M. Fortuna** will draft language for thank you email after C. Stroeck forwards email history

New Business

- There was a unanimous vote to approve E. Samide as new committee member
- Grant research
 - **Action: E. Samide** to report back on subscription costs/logistics for SPIN grants database, which is used by Shepherd, and will inquire whether this platform also has a record-keeping function

- It was agreed that next steps are probably education around the Grants Policy/Procedures and also Garnst Research in order to raise awareness of opportunities and procedures among stakeholders
- Uniform Grants Management Policy (dated March 9th 2023)
 - It was recognized that the draft policy was not attached to the agenda when the agenda was re-posted due to a meeting delay
 - M. Fortuna moved, K. Schultz seconded, Committee voted unanimously to move the draft policy to council for a vote to adopt/approve
 - **Action: C. Stroeck** will make sure the policy is circulated to the public and attached to the meeting packet for the Town Council meeting during which the vote will be held

C. Stroeck motioned to adjourn

No objection

Meeting adjourned at 6:08 pm

Shepherdstown Draft Personnel Committee Minutes

Wednesday October 18, 2023

5:00

Town Hall

1. Members Present: Lori Robertson, Leah Rampy, and Jenny Haynes.

2. Absent: Marty Amerikaner

3. Call to order:

Lori Robertson, Chair, called the meeting to order at 5:09 p.m.

4. Approval of September 20, 2023 Draft Personnel Minutes:

L. Rampy - move to approve the September 20, 2023 Draft Personnel Minutes. Second by J. Haynes No objections noted.

5. Visitors: Stephanie Grove, Town Administrator

6. Public Comment: None

7. Unfinished Business:

A. Town Administrator- Update:

S. Grove - several boxes have been removed to a better location and the boxes that are still there are fine. The Munis Financial System for HR/Payroll - it's an all encompassing system. The current system doesn't allow the timesheets and the vacation and sick leave that people take to match up. It's a systems

problem. The Munis System will rectify this. Will make her job easier and more accurate.

B. Term Length - We will put this on a future council agenda to discuss the 4-year term length.

C. Training- Sexual Harassment Prevention Training: S. Grove to call Christine Jeffrey.

D. Job Descriptions: S. Grove has Frank's and is ready to review it. Woody and Kenny's are almost complete.

E. Employee Handbook Revisions - S. Grove wants to revisit the Accrued Leave portion of the handbook. She has found more in the handbook that needs to be addressed as well. She is looking at it in sections.

F. Public Works Director - application process -

* Responsibilities - S. Grove has found in her research that there is generally a 3-tiered umbrella. The Utilities Director with three Supervisors over Public Works, Water, and Sewer. The majority of Directors are engineers and report to the Town Administrator. L. Robertson found the same umbrella. We are a lot like Lewisburg in that they are also responsible for their own trash, sewer, water, and streets.

* Change of title now from Public Works Director to Utilities Director or Utilities/Public Works Director. S. Grove was going to speak with Frank.

G. Name tags/lanyards for town hall staff - A. Beall, Zoning Officer would like a shirt with his name and title as he has to go out in the field and people will know who he is. Possibly a blue shirt with gray lettering. Everyone else at town hall, a lanyard can work so they can wear nice clothing with a name that does not have to be pinned to their clothing.

8. New Business:

None

* L. Robertson - as a side note - can we send flowers to Amy for her surgery? S. Grove said she could do that. *

9. Adjournment: **J. Haynes - move to adjourn at 5:52 p.m. Second by L. Rampy. No objections noted.**

Draft minutes Respectfully submitted by L. Robertson

DRAFT MINUTES

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA

October 26, 2023

ATTENDEES:

Water Board: J. Auxer (Mayor), J. Bresland, S. Kemnitzer, S. Knuppel, C. Stroech

Sanitary Board: J. Auxer, H. Heyser, R. Keller

Town Staff: S. Grove, C. Painter, B. Bennett, C. Coe, K Shipley, F. Welch

Visitors: Hoy Shingleton, L.C., G. Welter

1. CALL TO ORDER

The Water and Sewer Boards meeting was called to order by J. Auxer at 1:00 p.m.

2. MINUTES FROM PRIOR MEETING

The proposed minutes of the September 28, 2023 were reviewed and approved.

3. VISITORS

The Board introduced H. Shingleton and entered into a discussion of the pending PFAS class action lawsuit. H. Shingleton asked if the Board had tested for PFAS. C. Coe noted the state had tested the Potomac River intake and it was below actionable levels. C. Coe also confirmed that the Town had not done our own testing. The only contamination we are aware of in the local area is in Martinsburg from the 3M plant.

If the Board was considering participating in the lawsuit, H. Shingleton recommended speaking with Camden Siegrist or Charles Printz with the Bowles Rice firm, the Town's Bond Counsel firm.

G. Welter listened to presentation made to CTUB. From that he understood, unless you did anything you were included in the class action.

If we run tests, C. Coe recommended tests in three spots. Potomac River intake, Town Run, and one other. H. Shingleton confirmed there is a deadline to opt out of the class action lawsuit by December 11, 2023. There was discussion of a few options for tests that vary from \$70 by Cyclopure and \$1,500 performed by Certified labs. S. Kemnitzer noted a separate group, Potomac Riverkeepers, has done some testing and is willing to share results.

C.Stroech made motion to move forward with the \$70 test for PFAS on Town Run and Potomac River. No second was made on the motion. Motion was not passed. C.Coe recommended that if the Board chose to perform tests, have them done through a certified lab, which are \$1,500 each. S. Knuppel made a motion to perform tests on Town Run and Potomac River intakes utilizing certified lab as recommended by Staff. The motion was seconded by C. Stroech. C.Stroech, J. Bresland, S.Knuppel voted for and

S. Kemnitzer and J. Auxer voted against. C. Coe stated he will order samples and get delivered as soon as possible.

There is another Public Hearing in Charles Town tonight that others plan to listen too online.

4. FINANCES

Financial Statements – Enclosed in packet

S. Kemnitzer noted that one of the bonds listed needed to have its labeled corrected.

R. Keller asked what line 536 Other Wastewater Revenue listing for \$34,*** was for. Town Staff noted the revenue is from Toll House Woods income.

J. Bresland noted that line 461 has calculation error

J. Auxer directed Staff that when reports have negative values to reflect them in RED.

a. AUDIT REPORT

H. Heyser asked if auditing firm had noted any concerns. J. Auxer responded that none were noted.

5. FLOW AND QUALITY REPORTS

C. Coe asked if anyone had questions.

J. Auxer asked if one item would be corrected when plant is finished. C. Coe confirmed it would be.

6. UNFINISHED BUSINESS

S. Kemnitzer noted a stormwater study underway in the town currently and asked who is responsible for getting stormwater to the river. K. Shipley noted that stormwater is handled through the piping system and carried to the Potomac, some of which ends up in Town Run.

a. WATER PLANT IMPROVEMENT PROJECT

Both new filters are online. UV start-up is still pending.

b. WATER DISTRIBUTION PROJECT

The Bid Date is 11/1/23 and has been advertised in paper by J. Eckstrom.

Headers for Water Distribution Plant and need to be corrected to October

c. SEWER PUMP STATION

F. Welch noted that we had \$427,000 that was to be used towards the sewer pump station, and that the Town had collected interest on that money. He noted that the majority of the money has been used for the new press. The remainder of the money has been used for necessary repairs (ie. New pump for non-potable water system, replaced steps in pump station, replaced piping). Also, Staff had ordered a few new replacement PLC cards for the computer system. K. Shipley said it will be approximately one year until they are received and can be installed and they are replacing a few but the system has a total of approximately 30 cards.

7. NEW BUSINESS

K. Shipley recommended that generators be installed at new lift/ pump stations for emergency power. They are reviewing the best options for long-term operation and maintenance. At the meeting, we discussed Toll House Woods as well as Maddox Farm because it is a large lift/pump station.

J. Auxer asked for Staff to have J. Eckstrom prepare backup for this request. K. Shipley noted the Town has 11 pump stations currently. H. Heyser made a motion, R. Keller seconded motion and J. Auver, H. Heyser, and R. Keller voted to approve.

Mainline extension agreement. Currently they have to renew their permit every year. But plans have not been updated. K. Shipley recommended we put a limit of three years for plan updates.

K. Shipley recommends after 3 years, plans need to be resubmitted and reviewed by the Engineering team and Staff. C. Stroech asked is it could be added to standard renewal letter, which Staff agreed too.

H. Heyser noted there should be a paragraph added to the renewal letter and add language about an additional fee charged for a new review. R. Keller said it would be a change in the renewal policy

8. HYDRANT REPORT

K. Shipley spoke with Cable Excavating recently. They confirmed that they still do hydrant repair/ maintenance work and will reach out in a few weeks to discuss the Towns' needs.

9. NEXT MEETING

The next regular meeting will be December 7, 2023 at 1:00 pm.

10. ADJOURNMENT

Motion to adjourn by H. Heyser, seconded by C. Stroech, and approved by all. Meeting Adjourned at 2:29pm.

Respectfully submitted: S. Knuppel



bhm cpas group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

September 22, 2023

To the Mayor and Members of Council
Corporation of Shepherdstown
Jefferson County, West Virginia

We have audited the financial statements of the governmental activities, business-type activities, and each major fund of the Corporation of Shepherdstown for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 13, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation of Shepherdstown are described in Note I to the financial statements. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

Management's estimate of the depreciation of assets is based on Generally Accepted Government Accounting Standards. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. All journal entries relating to misstatements or reclassifications were identified during the course of the audit.

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PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639
PO Box 325 • Huntington, WV 25708 • (304) 521-2648 • FAX (888) 900-1264

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 22, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary and accompanying information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary and accompanying information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Mayor, Members of Council and management of the Corporation of Shepherdstown and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



BHM CPA Group Inc.
Huntington, West Virginia



RFP #21-179
Jefferson County

bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

AUDIT REPORT OF
CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
REGULAR AUDIT

For the Year Ended June 30, 2021
Fiscal Year Audited Under GAGAS: 2021

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**CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
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bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Corporation of Shepherdstown
Jefferson County, West Virginia
104 North King Street
Shepherdstown, West Virginia 25443

To the Mayor and Members of Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Corporation of Shepherdstown, Jefferson County, West Virginia (the Corporation), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' Government Auditing Standards. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Corporation of Shepherdstown, Jefferson County, West Virginia, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Fund, for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Huntington, West Virginia
September 22, 2023

**CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2021
(Unaudited)

The discussion and analysis of the Corporation of Shepherdstown's financial performance provides an overview of the Corporation's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Corporation's financial statements.

FINANCIAL HIGHLIGHTS

The Corporation's net position increased by \$0.8 million as a result of this year's operations. Net position of the business-type activities increased by \$0.3 million compared to the previous year or 2 percent, net position of the governmental activities increased by \$0.5 million or 5 percent.

During the year, the Corporation had expenses for governmental programs that were \$1.0 million more than the \$0.6 million generated by governmental program revenues, which includes fees for services and intergovernmental aid. The remaining cost of governmental activities was financed with general revenues, which totaled \$1.5 million for the year. The business-type programs had program revenues, which include fees for services and capital contributions in excess of program expenses of \$0.2 million.

The Corporation's governmental activities revenues increased by \$0.2 million or 10 percent and governmental activities expenses increased by \$0.1 million or 7 percent. Business-type activities revenues increased \$0.1 million or 3 percent. Business-type expenses increased by \$0.1 million or 3 percent.

The Corporation had water and sewer projects in progress at June 30, 2021 with an estimated cost of \$6.5 million. Cost incurred through June 30, 2021 amounted to \$3.5 million. The projects are being funded with bond proceeds and internal funds.

The general fund ended the year with a fund balance of \$5.0 million, a \$0.7 million increase from 2020 or 16 percent.

The COVID-19 pandemic had a direct effect on consumer based taxes and other consumer based revenues during 2021. Charges for services, alcoholic beverages taxes, and video lottery/table gaming revenues were impacted. Additionally, the pandemic had required increased public safety and administrative workloads. The Corporation received \$240, 119 of Coronavirus Relief Funds through the West Virginia Governor's office during 2021.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net position and the Statement of Activities provide information about the activities of the Corporation as a whole and present a longer-term view of the Corporation's finances. Fund financial statements present a shorter term view, and tell how governmental services were financed in the near term as well as funds remaining for future spending. Fund financial statements also report the Corporation's operations in more detail than the government-wide statements by providing information about the Corporation's most significant funds.

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

**CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2021

(Unaudited)

USING THIS ANNUAL REPORT (CONTINUED)

These two statements report the Corporation's net position and changes in it. You can think of the Corporation's net position-the difference between assets and liabilities-as one way to measure whether the Corporation's financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Corporation's property tax base and the condition of the Corporation's infrastructure, to assess the overall health of the Corporation.

In the Statement of Net position and the Statement of Activities, the Corporation is divided into two kinds of activities:

Governmental activities-Most of the Corporation's basic services are reported here, including the police, streets, sanitation, culture and recreation, and general administration. Property taxes, business and occupation taxes, and general revenues finance most of these activities.

Business-type activities-The Corporation charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Corporation's water and sewer system is reported here.

Reporting the Corporation's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds-not the Corporation as a whole. Some funds are required to be established by State law. However, the Corporation Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Corporation's two kinds of funds-governmental and proprietary-use different accounting approaches.

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

Proprietary funds-When the Corporation charges customers for the services it provides-whether to outside customers or to other units of the Corporation-these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net position and the Statement of Activities. In fact, these funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

**CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2021

(Unaudited)

THE CORPORATION AS A WHOLE

The Corporation's combined net position increased \$0.8 million from a year ago-increasing from \$26.2 million to \$27.0 million. Reviewing the net position of governmental and business-type activities separately provides more detail about these changes. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Corporation's governmental and business-type activities.

Table 1
Net position (in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Currennet and other assets	\$ 5.2	\$ 4.4	\$ 8.3	\$ 8.2	\$ 13.5	\$ 12.6
Capital assets	5.2	5.5	19.6	20.0	24.8	25.5
Total assets	10.4	9.9	27.9	28.2	38.3	38.1
Deferred outflows of resources	0.1	-	0.1	-	0.2	-
Total assets and deferred outflows of resources	10.5	9.9	28.0	28.2	38.5	38.1
Long-term debt outstanding	-	-	10.6	11.1	10.6	11.1
Other liabilities	0.3	0.3	0.3	0.4	0.6	0.7
Total liabilities	0.3	0.3	10.9	11.5	11.2	11.8
Deferred inflows of resources	0.1	-	0.2	0.1	0.3	0.1
Net position:						
Net investment in capital assets	5.2	5.5	9.0	8.9	14.2	14.4
Restricted	-	-	4.5	4.2	4.5	4.2
unrestricted	4.9	4.1	3.4	3.5	8.3	7.6
Total net position	10.1	9.6	16.9	16.6	27.0	26.2
Total liabilities, deferred inflows of resource and net position	\$ 10.5	\$ 9.9	\$ 28.0	\$ 28.2	\$ 38.5	\$ 38.1

Net position of the Corporation's governmental activities increased by 5 percent (\$0.5 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-increased from \$4.1 million at June 30, 2020, to \$4.9 million at the end of this year.

**CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2021
(Unaudited)

THE CORPORATION AS A WHOLE (CONTINUED)

The net position of business-type activities increased by \$0.3 million compared to the previous year or 2 percent. Unrestricted net position increased by \$0.1 million compared to the previous year or 3 percent. The Corporation generally can use unrestricted net position to finance the continuing operations of the water and sewer funds.

Table 2
Changes in Net position (in Millions)

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 0.4	\$ 0.4	\$ 2.8	\$ 2.9	\$ 3.2	\$ 3.3
Operating grants and contributions	0.2	-	-	-	0.2	-
Capital grants and contributions	-	-	0.2	0.1	0.2	0.1
General revenues:						
Property taxes	0.2	0.2	-	-	0.2	0.2
Sales tax	0.4	0.4	-	-	0.4	0.4
Business and occupation tax	0.1	0.1	-	-	0.1	0.1
Alcoholic beverage tax	0.2	0.1	-	-	0.2	0.1
Utility service tax	0.1	0.1	-	-	0.1	0.1
Hotel/motel tax	0.1	0.1	-	-	0.1	0.1
Video lottery/table gaming	0.3	0.3	-	-	0.3	0.3
Other general revenues	0.1	0.2	0.1	0.2	0.2	0.4
Total revenues	<u>2.1</u>	<u>1.9</u>	<u>3.1</u>	<u>3.2</u>	<u>5.2</u>	<u>5.1</u>
Expenses						
General government	0.5	0.4	-	-	0.5	0.4
Public safety	0.6	0.6	-	-	0.6	0.6
Streets and transportation	0.2	0.2	-	-	0.2	0.2
Health and sanitation	0.2	0.2	-	-	0.2	0.2
Culture and recreation	0.1	0.1	-	-	0.1	0.1
Water	-	-	1.4	1.5	1.4	1.5
Sewer	-	-	1.4	1.4	1.4	1.4
Total expenses	<u>1.6</u>	<u>1.5</u>	<u>2.8</u>	<u>2.9</u>	<u>4.4</u>	<u>4.4</u>
Change in net position	<u>\$ 0.5</u>	<u>\$ 0.4</u>	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 0.8</u>	<u>\$ 0.7</u>

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021
(Unaudited)

THE CORPORATION AS A WHOLE (CONTINUED)

The Corporation's total revenues increased by \$0.1 million during the year or 2 percent, primarily because of the COVID-19 pandemic financial assistance received. The total cost of all programs and services remained constant at 4.4 million. The analysis separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for the Corporation's governmental activities increased \$0.2 million to \$2.1 million, and total expenses increased \$0.1 million to \$1.6 million.

The cost of all governmental activities was \$1.6 million for 2021 and \$1.5 million for 2020. However, as shown in the Statement of Activities, the 2021 amount that taxpayers ultimately financed for these activities through Corporation general revenues was \$1.0 million (\$1.1 million for 2020) because some of the cost was paid by those who directly benefitted from the programs (\$0.6 million for 2021 and \$0.5 million for 2020). The Corporation paid for the remaining "public benefit" portion of governmental activities with \$1.5 million in taxes (some of which could only be used for certain programs) and general revenues, such as video lottery/table gaming revenues (\$1.4 million for 2020).

Business-Type Activities

Revenues of the Corporation's business-type activities (see Table 2) decreased \$0.1 million or 3 percent and expenses decreased \$0.1 million or 3 percent.

THE CORPORATION'S FUNDS

As the Corporation completed the year, the governmental funds reported a combined fund balance of \$5.0 million, which is an increase of 16 percent (\$0.7 million).

General Fund Budgetary Highlights

Over the course of the year, the Corporation Council made occasional revisions to the Corporation budget. These budget amendments were made to reflect anticipated funding changes in the Corporation's operations.

Even with the above mentioned amendments, the Corporation's actual revenues exceeded budgeted revenues by \$0.2 million and actual expenditures were \$4.5 million less than reflected budgeted expenditures. Actual ending general fund balance exceeded budgeted ending general fund balance by \$5.0 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the Corporation had \$24.8 million invested in a broad range of capital assets, including land, structures, infrastructure, equipment and vehicles, and water and sewer utility plant. (See Table 3 below). This amount represents a net increase (including accumulated depreciation) of \$0.7 million, or 3 percent from the previous year.

**CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2021

(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Construction in progress consists primarily of upgrades to the Corporation's water utility plant.

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

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 0.9	\$ 0.9	\$ 0.1	\$ 0.1	\$ 1.0	\$ 1.0
Structures and improvements	3.3	3.3	-	-	3.3	3.3
Equipment, vehicles, and software	1.4	1.4	-	-	1.4	1.4
Infrastructure	3.4	3.4	-	-	3.4	3.4
Utility plant	-	-	26.4	26.3	26.4	26.3
Construction in progress	-	-	3.5	3.4	3.5	3.4
Total	<u>9.0</u>	<u>9.0</u>	<u>30.0</u>	<u>29.8</u>	<u>39.0</u>	<u>38.8</u>
Accumulated depreciation	(3.8)	(3.5)	(10.4)	(9.8)	(14.2)	(13.3)
Capital assets, net of accumulated depreciation	<u>\$ 5.2</u>	<u>\$ 5.5</u>	<u>\$ 19.6</u>	<u>\$ 20.0</u>	<u>\$ 24.8</u>	<u>\$ 25.5</u>

This year's major additions included (in millions)

Governmental Activities	
none	<u>\$ -</u>
Business-Type Activities	
Sewer projects under construction	\$ 0.1
Sewer Pumping equipment	<u>0.1</u>
Total	<u>\$ 0.2</u>

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021
(Unaudited)

Debt and Long-term Liabilities

At year-end, the Corporation had \$10.6 million of outstanding fixed debt, and decrease of \$0.5 million over the prior year. No fixed debt was issued in 2021 or 2020.

Table 4
Outstanding Long-Term Liabilities at Year-End (in Millions)

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Accrued compensated absences	\$ -	\$ -	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Net OPEB liability	0.1	0.2	0.1	0.3	0.2	0.5
Total	0.1	0.2	0.2	0.4	0.3	0.6
	Governmental Activities		Business-Type Activities		Totals	
Bonds payable	-	-	10.6	11.1	10.6	11.1
Total	\$ -	\$ -	\$ 10.6	\$ 11.1	\$ 10.6	\$ 11.1

ECONOMIC FACTORS

The Corporation's elected and appointed officials considered many factors when setting the fiscal year 2022 budget, tax rates, and fees. One of those factors was the COVID-19 pandemic. Other factors are the general economy and County's increasing population.

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

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money its receives. If you have questions about this report or need additional financial information, contact the Corporation of Shepherdstown at P.O. Box 248, Shepherdstown, West Virginia, 25443.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
STATEMENT OF NET POSITION
As of June 30, 2021

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS:			
Current Assets:			
Cash	\$ 4,844,550	\$ 3,444,736	\$ 8,289,286
Restricted cash	25,241	4,685,238	4,710,479
Receivables, net of allowances:			
Taxes	180,869	-	180,869
Accounts	35,516	258,276	293,792
Beneficial interest in assets held by others	50,031	-	50,031
Internal balances	62,399	(62,399)	-
Total current assets	5,198,606	8,325,851	13,524,457
Capital Assets:			
Land	894,254	-	894,254
Construction in progress	-	3,471,588	3,471,588
Depreciable:			
Structures and improvements	3,259,579	-	3,259,579
Equipment	1,350,011	-	1,350,011
Infrastructure	3,462,485	-	3,462,485
Utility plant in service	-	26,501,754	26,501,754
Less: accumulated depreciation	(3,749,468)	(10,366,833)	(14,116,301)
Total Assets	10,415,467	27,932,360	38,347,827
DEFERRED OUTFLOWS:			
Deerred outflows related to post employment benefit plan	43,587	51,375	94,962
Total Assets and Deferred Outflows	\$ 10,459,054	\$ 27,983,735	\$ 38,442,789
LIABILITIES:			
Current Liabilities:			
Accounts payable	\$ 98,129	\$ -	\$ 98,129
Payroll liabilities	28,244	11,778	40,022
Accrued interest	-	33,472	33,472
Customer deposits	22,510	145,402	167,912
Engineering review fees	-	34,517	34,517
Bonds payable (current portion)	-	457,767	457,767
Total current liabilities	148,883	682,936	831,819
Long-term liabilities (net of current portion):			
Bonds payable	-	10,184,708	10,184,708
Accrued compensated absences	32,013	65,983	97,996
Net OPEB liability	52,256	70,211	122,467
Total long-term liabilities	84,269	10,320,902	10,405,171
Total Liabilities	233,152	11,003,838	11,236,990
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to post employment benefit plan	160,639	215,839	376,478
Total Deferred Inflows of Resources	160,639	215,839	376,478
NET POSITION:			
Net investment in capital assets	5,216,861	8,964,034	14,180,895
Restricted	2,731	4,471,847	4,474,578
Unrestricted	4,845,671	3,328,177	8,173,848
Total net position	10,065,263	16,764,058	26,829,321
Total liabilities and net position	\$ 10,298,415	\$ 27,767,896	\$ 38,066,311

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 462,173	\$ 93,447	\$ 268,759	\$ -	\$ (99,967)	\$ -	\$ (99,967)
Public Safety	621,561	73,807	291	-	(547,463)	-	(547,463)
Streets and Transportation	202,631	-	-	-	(202,631)	-	(202,631)
Health and sanitation	228,747	187,101	-	-	(41,646)	-	(41,646)
Culture and Recreation	58,813	-	-	-	(58,813)	-	(58,813)
	-	-	-	-	-	-	-
Total Governmental activities	<u>1,573,925</u>	<u>354,355</u>	<u>269,050</u>	<u>-</u>	<u>(950,520)</u>	<u>-</u>	<u>(950,520)</u>
Business-type Activities							
Water	1,356,751	1,595,688	-	88,652	-	327,589	327,589
Sewer	1,449,354	1,183,256	-	96,416	-	(169,682)	(169,682)
Total Business-type activities	<u>2,806,105</u>	<u>2,778,944</u>	<u>-</u>	<u>185,068</u>	<u>-</u>	<u>157,907</u>	<u>157,907</u>
<i>Total Primary Government</i>	<u>\$ 4,380,030</u>	<u>\$ 3,133,299</u>	<u>\$ 269,050</u>	<u>\$ 185,068</u>	<u>(950,520)</u>	<u>157,907</u>	<u>(792,613)</u>
General Revenues							
Taxes							
Property taxes, levied for general purposes					209,019	-	209,019
Sales tax					415,582	-	415,582
Business and occupancy tax					67,751	-	67,751
Alcoholic beverage tax					161,435	-	161,435
Utility services tax					72,186	-	72,186
Hotel/motel tax					90,550	-	90,550
Coal severance tax					3,266	-	3,266
Other taxes					2,960	-	2,960
Franchise fees					3,117	-	3,117
IRP fees					4,754	-	4,754
Investment income					74,038	111,088	185,126
Rent					43,201	960	44,161
Video lottery and table gaming					326,712	-	326,712
Reimbursements					3,091	-	3,091
Purchases rebates					7,363	-	7,363
Miscellaneous					392	-	392
<i>Total General Revenues</i>					<u>1,485,417</u>	<u>112,048</u>	<u>1,597,465</u>
<i>Change in Net Position</i>					534,897	269,955	804,852
<i>Net Position Beginning of Year</i>					<u>9,530,366</u>	<u>16,494,103</u>	<u>26,024,469</u>
<i>Net Position End of Year</i>					<u>\$ 10,065,263</u>	<u>\$ 16,764,058</u>	<u>\$ 26,829,321</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA

Balance Sheet - Governmental Funds

June 30, 2021

	General	Coal Severance Tax	Housing Authority	Total Governmental Funds
ASSETS:				
Cash	\$ 4,831,883	\$ 11,149	\$ 1,518	\$ 4,844,550
Restricted cash	25,242	-	-	25,242
Receivables, net of allowances:				
Taxes	179,882	987	-	180,869
Accounts	35,516	-	-	35,516
Beneficial Interest In Assets Held by Others	-	-	50,031	50,031
Due to/from other funde	62,399	-	-	62,399
<i>Total Assets</i>	<u>\$ 5,134,922</u>	<u>\$ 12,136</u>	<u>\$ 51,549</u>	<u>\$ 5,198,607</u>
LIABILITIES:				
Accounts payable	\$ 98,128	\$ -	\$ -	\$ 98,128
Payroll liabilities	28,244	-	-	28,244
Customer deposits	22,510	-	-	22,510
<i>Total Liabilities</i>	<u>148,882</u>	<u>-</u>	<u>-</u>	<u>148,882</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	9,410	-	-	9,410
<i>Total Deferred inflows of resources</i>	<u>9,410</u>	<u>-</u>	<u>-</u>	<u>9,410</u>
FUND BALANCES:				
Restricted	2,731	-	-	2,731
Committed	-	-	50,031	50,031
Assigned	4,973,899	12,136	1,518	4,987,553
<i>Total Fund Balances</i>	<u>4,976,630</u>	<u>12,136</u>	<u>51,549</u>	<u>5,040,315</u>
<i>Total Liabilities, deferred inflows of resources and Fund Balance</i>	<u>\$ 5,134,922</u>	<u>\$ 12,136</u>	<u>\$ 51,549</u>	<u>\$ 5,198,607</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
Reconciliation of the Balance Sheet - Governmental Funds to
the Statement of Net Position
June 30, 2021

Total Governmental Fund Balances	\$ 5,040,315
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,216,861
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.	9,410
Deferred inflows and outflows of resources related to other post employment benefits are not required to be reported in the funds but are required to be reported at the government-wide level.	(117,052)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(84,271)</u>
Net Position of Governmental Activities	<u>\$ 10,065,263</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Housing Authority</u>	<u>Total Governmental Funds</u>
REVENUES:				
Taxes:				
Taxes (including interest and penalties)	\$ 1,023,425	\$ -	\$ -	\$ 1,023,425
Licenses, permits and miscellaneous fees	23,269	-	-	23,269
Intergovernmental:				
Federal	240,410	-	-	240,410
State	20,119	3,266	-	23,385
Other grants and donations	8,522	-	-	8,522
Charges for services	257,280	-	-	257,280
Fines and forfeitures	73,417	-	-	73,417
Franchise Fees	3,117	-	-	3,117
IRP fees	4,754	-	-	4,754
Interest	68,266	173	5,598	74,037
Rent	43,201	-	-	43,201
Video lottery and table gaming	326,712	-	-	326,712
Reimbursements	3,091	-	-	3,091
Purchase rebates	7,363	-	-	7,363
Miscellaneous	779	-	-	779
<i>Total Revenues</i>	<u>2,103,725</u>	<u>3,439</u>	<u>5,598</u>	<u>2,112,762</u>
EXPENDITURES:				
General government	372,679	-	-	372,679
Public safety	622,239	2,460	-	624,699
Streets and transportation	136,075	-	684	136,759
Health and sanitation	211,162	-	-	211,162
Culture and recreation	55,092	-	-	55,092
<i>Total Expenditures</i>	<u>1,397,247</u>	<u>2,460</u>	<u>684</u>	<u>1,400,391</u>
<i>Net Change in Fund Balances</i>	706,478	979	4,914	712,371
<i>Fund Balances at Beginning of Year</i>	<u>4,270,152</u>	<u>11,157</u>	<u>46,635</u>	<u>4,327,944</u>
<i>Fund Balances at End of Year</i>	<u>\$ 4,976,630</u>	<u>\$ 12,136</u>	<u>\$ 51,549</u>	<u>\$ 5,040,315</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	712,371
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlays	-	
Depreciation expense	(226,274)	
Total	(226,274)	(226,274)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. Deferred revenues decreased by this amount in the current period.		
		(3,941)
Certain other post employment benefit expenses in the statement of activities is recognized on the accrual basis of accounting in accordance with GASB #75		
Amount of other post employment benefit payments at fund level	21,248	-
Amount of other post employment benefit expense recognized at government-wide level	(31,493)	
Amount that other post employment benefit payments exceeded other post employment benefit expense in the current period		
		52,741
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds. Accrued compensated absences decreased by this amount in current period.		
		-
Net Change in Net Position of Governmental Activities	\$	534,897

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
General Fund

For the Fiscal Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Modified Accrual Basis	Variance with Final Budget
Revenues:				
General property tax	\$ 223,004	\$ 223,004	\$ 212,961	\$ (10,043)
Sales tax	300,000	300,000	415,582	115,582
Business and occupation tax	115,000	115,000	67,751	(47,249)
Alcoholic beverage tax	90,000	90,000	161,435	71,435
Utility services tax	71,000	71,000	72,186	1,186
Hotel occupancy tax	100,209	100,209	90,550	(9,659)
Other taxes	3,300	3,300	2,960	(340)
Total taxes	902,513	902,513	1,023,425	120,912
Licenses, permits and miscellaneous fees	13,100	13,100	23,269	10,169
Intergovernmental:				
Federal	-	-	240,410	240,410
State	-	-	20,119	20,119
Other grants and donations	500	500	8,522	8,022
Charges for services	328,300	328,300	257,280	(71,020)
Fines and forfeitures	124,500	124,500	73,417	(51,083)
Franchise fees	8,000	8,000	3,117	(4,883)
IRP fees	9,000	9,000	4,754	(4,246)
Interest	93,500	93,500	68,266	(25,234)
Rentals	43,702	43,702	43,201	(501)
Video lottery and table gaming	394,900	394,900	326,712	(68,188)
Reimbursements	3,500	3,500	3,091	(409)
Charges to other funds	20,000	20,000	7,363	(12,637)
Miscellaneous	2,500	2,500	779	(1,721)
Total revenues	1,944,015	1,944,015	2,103,725	159,710
Expenditures:				
Current:				
General Government	2,404,320	2,404,320	372,679	2,031,641
Public Safety	856,849	856,849	622,239	234,610
Streets and transportation	2,024,060	2,024,060	136,075	1,887,985
Health and sanitation	397,720	397,720	211,162	186,558
Culture and recreation	186,066	186,066	55,092	130,974
Total expenditures	5,869,015	5,869,015	1,397,247	4,471,768
Net Change in Fund Balance	(3,925,000)	(3,925,000)	706,478	4,631,478
Fund Balance at Beginning of Year	3,925,000	3,925,000	4,270,152	345,152
Fund Balance at End of Year	\$ -	\$ -	\$ 4,976,630	\$ 4,976,630

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Coal Severance Tax Fund
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Modified Accrual Basis</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental:				
State	\$ 5,000	\$ 5,000	\$ 3,266	\$ (1,734)
Interest income	100	100	173	73
Total revenues	<u>5,100</u>	<u>5,100</u>	<u>3,439</u>	<u>(1,661)</u>
Expenditures:				
Public safety	6,900	6,900	2,460	4,440
Total expenditures	<u>6,900</u>	<u>6,900</u>	<u>2,460</u>	<u>4,440</u>
Net Change in Fund Balance	(1,800)	(1,800)	979	2,779
Fund Balance at Beginning of Year	<u>1,800</u>	<u>1,800</u>	<u>11,157</u>	<u>9,357</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,136</u>	<u>\$ 12,136</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities Enterprise Funds		Totals
	Water	Sewer	
ASSETS:			
Current Assets:			
Cash	\$ 2,086,186	\$ 1,358,550	\$ 3,444,736
Receivables, net of allowances of \$5,000 and \$5,000, respectively	153,252	105,024	258,276
Total current assets	<u>2,239,438</u>	<u>1,463,574</u>	<u>3,703,012</u>
Restricted assets:			
Customer deposits	84,666	60,830	145,496
Engineering review fees	16,323	18,194	34,517
Revenue bond debt service	91,640	20,306	111,946
Revenue bond reserve	390,271	209,770	600,041
Revenue bond depreciation	488,427	414,907	903,334
Construction funds	335,688	-	335,688
Capital capacity improvement	1,942,754	611,462	2,554,216
Total restricted assets	<u>3,349,769</u>	<u>1,335,469</u>	<u>4,685,238</u>
Capital Assets:			
Utility plant in service	10,246,535	16,255,219	26,501,754
Less: accumulated depreciation and amortization	(4,286,198)	(6,080,635)	(10,366,833)
Construction in progress	3,400,101	71,487	3,471,588
Total capital assets	<u>9,360,438</u>	<u>10,246,071</u>	<u>19,606,509</u>
<i>Total Assets</i>	<u>\$ 14,949,645</u>	<u>\$ 13,045,114</u>	<u>\$ 27,994,759</u>
DEFERRED OUTFLOWS:			
Deferred outflows related to post employment benefit plan	32,332	19,043	51,375
<i>Total Assets and Deferred Outflows</i>	<u>\$ 14,981,977</u>	<u>\$ 13,064,157</u>	<u>\$ 28,046,134</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities Enterprise Funds		Totals
	Water	Sewer	
LIABILITIES:			
Current Liabilities:			
Due to general fund	\$ 7,295	\$ 4,483	\$ 11,778
Accrued payroll and benefits	37,007	25,392	62,399
Bonds payable	250,627	207,140	457,767
Accrued interest	33,472	-	33,472
Customer deposits	84,616	60,786	145,402
Engineering review fees	16,323	18,194	34,517
<i>Total current liabilities</i>	<u>429,340</u>	<u>315,995</u>	<u>745,335</u>
Noncurrent Liabilities:			
Accrued compensated absences	23,401	42,582	65,983
Net OPEB liability	41,541	28,670	70,211
Bonds payable	6,041,919	4,142,789	10,184,708
<i>Total long-term liabilities</i>	<u>6,106,861</u>	<u>4,214,041</u>	<u>10,320,902</u>
<i>Total liabilities</i>	<u>6,536,201</u>	<u>4,530,036</u>	<u>11,066,237</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to other post employment plan	127,702	88,137	215,839
<i>Total liabilities and deferred inflows</i>	<u>6,663,903</u>	<u>4,618,173</u>	<u>11,282,076</u>
NET POSITION:			
Net Investment in Capital Assets	3,067,892	5,896,142	8,964,034
Restricted	3,215,358	1,256,489	4,471,847
Unrestricted	2,034,824	1,293,353	3,328,177
<i>Total net position</i>	<u>8,318,074</u>	<u>8,445,984</u>	<u>16,764,058</u>
<i>Total liabilities and net position</i>	<u>\$ 14,981,977</u>	<u>\$ 13,064,157</u>	<u>\$ 28,046,134</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
for the Fiscal Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds		Totals
	Water	Sewer	
OPERATING REVENUES:			
Sales and services to customers	\$ 1,592,801	\$ 1,183,256	\$ 2,776,057
Miscellaneous	2,887	-	2,887
<i>Total Operating Revenues</i>	<u>1,595,688</u>	<u>1,183,256</u>	<u>2,778,944</u>
OPERATING EXPENSES:			
Operation and maintenance	996,630	1,034,965	2,031,595
Payroll taxes	34,534	23,538	58,072
Depreciation and amortization	184,540	376,038	560,578
<i>Total Operating Expenses</i>	<u>1,215,704</u>	<u>1,434,541</u>	<u>2,650,245</u>
OPERATING INCOME (LOSS)	379,984	(251,285)	128,699
NON-OPERATING REVENUES (EXPENSES)			
Storage unit rental income	-	960	960
Interest income	69,980	41,108	111,088
Interest expense	(141,047)	(14,813)	(155,860)
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(71,067)</u>	<u>27,255</u>	<u>(43,812)</u>
<i>Income before contributed capital</i>	308,917	(224,030)	84,887
Contributed capital	88,652	96,416	185,068
Change in net position	397,569	(127,614)	269,955
Net position at the beginning of year	7,920,505	8,573,598	16,494,103
Net Position at end of year	<u>\$ 8,318,074</u>	<u>\$ 8,445,984</u>	<u>\$ 16,764,058</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
for the Fiscal Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds		Totals
	Water	Sewer	
Cash flows from operating activities:			
Cash received from customers	\$ 1,600,927	\$ 1,200,945	\$ 2,801,872
Cash paid for operation and maintenance expenses	(1,020,129)	(1,038,041)	(2,058,170)
Cash paid for taxes other than income taxes	(34,534)	(23,538)	(58,072)
Net cash provided (used) by operating activities	<u>546,264</u>	<u>139,366</u>	<u>685,630</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(41,884)	(81,800)	(123,684)
Proceeds from bonds	-	-	-
Principal payments on bonds	(248,227)	(207,140)	(455,367)
Interest paid on bonds	(141,047)	(14,813)	(155,860)
Proceeds from capital capacity fees, customer deposits, and other non-operating income	<u>91,652</u>	<u>99,433</u>	<u>191,085</u>
Net cash provided (used) by capital and related financing activities	<u>(339,506)</u>	<u>(204,320)</u>	<u>(543,826)</u>
Cash flows from investing activities			
Interest received	<u>69,980</u>	<u>41,108</u>	<u>111,088</u>
Net increase (decrease) in cash and equivalents	276,738	(23,846)	252,892
Cash and equivalents, beginning of year	<u>5,159,217</u>	<u>2,717,865</u>	<u>7,877,082</u>
Cash and equivalents, end of year	<u>\$ 5,435,955</u>	<u>\$ 2,694,019</u>	<u>\$ 8,129,974</u>
Net Cash provided (used) by operating activities:			
Operating income (loss)	\$ 379,984	\$ (251,285)	\$ 128,699
Changes in assets and liabilities -			
Depreciation expense	184,540	376,038	560,578
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase in operating assets	(7,679)	16,911	9,232
Increase (decrease) in operating liabilities	<u>(10,581)</u>	<u>(2,298)</u>	<u>(12,879)</u>
Net cash provided (used) by operating activities	<u>\$ 546,264</u>	<u>\$ 139,366</u>	<u>\$ 685,630</u>
Reconciliation of Cash			
Cash per Statement of Net Position	\$ 2,086,186	\$ 1,358,550	\$ 3,444,736
Restricted cash per Statement of Net Position	<u>3,349,769</u>	<u>1,335,469</u>	<u>4,685,238</u>
Cash per Statement of Cash Flows	<u>\$ 5,435,955</u>	<u>\$ 2,694,019</u>	<u>\$ 8,129,974</u>

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Corporation of Shepherdstown, West Virginia (“Corporation”) is a municipal corporation in which citizens elect the mayor at large and five council members. The Corporation engages in a comprehensive range of services, including general government administration, public safety and administration of justice, public works, sanitation services, water and sewer services, recreation, and cultural and historic activities.

The accounting policies and the presentation of the financial report of the Corporation have been designed to conform to generally accepted accounting principles as applicable to government units, in accordance with the Governmental Accounting Standards Board (GASB).

The Corporation follows the GASB Standards for financial reporting. Certain significant components of the Standards include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Corporation’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Corporation’s activities.
- Fund financial statements that focus on major funds.

These financial statements present all fund types of the Corporation.

Individual Component Unit Disclosure

The criteria for including component units consists of identification of legally separate organizations for which the elected officials of the Corporation are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting Corporation’s financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Corporation had no blended component units as of and for the year ended June 30, 2021.

The Corporation has no discretely presented component units as of and for the year ended June 30, 2021.

Related Organizations

The Corporation’s officials are also responsible for appointing the members of the board of various organizations, but the Corporation’s accountability for these organizations does not significantly extend beyond making the appointments. The Corporation is not financially accountable for the organizations to which these appointments are made.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Corporation as a whole) and fund financial statements. Under this reporting model, the focus is on both the Corporation as a whole and the fund financial statements, including the major funds of the governmental and business-type categories. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected in a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, public safety, streets and transportation, health and sanitation, water and sewer, culture and recreation, etc.) that are otherwise being supported by general government revenues (property, business and occupation taxes, other taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants and contributions. The program revenues must be directly associated with the function (general government, public safety, streets and highway, culture and recreation, etc.) or a business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The Corporation does not allocate indirect expenses. The operating grants include operating - specific and discretionary (either operating or capital) grants while the capital grants column reflects capital - specific grants and contributions.

In the fund financial statements, financial transactions and accounts of the Corporation are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resources and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The emphasis in fund financial statements is on major funds in the governmental categories. Non-major funds by category are summarized into a single column, if applicable. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental categories combined) for the determination of major funds.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and Fund Financial Statements (continued)

Corporation management may electively add funds as major funds, when it is determined the funds have specific community or management focus. The Coal Severance Fund and Housing Authority Fund have been added by management as major governmental funds.

The following is a brief description of the specific funds used by the Corporation:

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Corporation considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

General Fund

The general fund is the primary operating fund of the Corporation. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service and interest income.

Special Revenue Funds

Special revenue funds account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. Special revenue funds considered to be major funds consist of the Coal Severance, and Housing Authority Funds.

Proprietary Funds

Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprises where the intent is that the cost of providing goods and services to the general public, on a continuing basis, be financed or recovered primarily through user charges. The Corporation's proprietary funds account for the operation of water and sewer activities.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e. revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net position and statements of activities and all proprietary funds are accounted for on a flow of economic resources measurement focus.

The statement of net position, statement of activities, and financial statements of the proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned, and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, and then the unrestricted resources as needed.

Budgets and Budgetary Accounting

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

1. The governing body of the Corporation is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the Corporation and to prepare the levy estimate (budget) for the fiscal year commencing July 1.
2. The budget is then forthwith submitted to the State Tax Commissioner for approval.
3. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and to formally lay the levy.

The annual budget for the General Fund is prepared on a basis generally consistent with U.S. generally accepted accounting principles.

Revisions are authorized only with the prior written approval of the West Virginia State Auditor's office. The budgeted amounts reflected in the accompanying financial statements represent those adopted by the Corporation's Council and approved by the West Virginia State Auditor's office.

Encumbrances

Encumbrance accounting, under which purchase orders are issued but are not considered expenditures until liabilities for payments are incurred, is not employed as an extension of the formal budgetary process.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Customer Receivables

The Corporation uses the reserve method of providing for possible losses in the collection of its accounts receivable. The general fund allowance for doubtful accounts of \$2,000 and water and sewer funds allowance for doubtful accounts of \$10,000 at June 30, 2021, are deemed adequate by management to provide for collection losses.

Inventories

The Corporation considers inventories of materials and supplies as expended at the time of purchase. Therefore, they do not appear in the Corporation's financial statements.

Restricted Assets

Restricted cash of General fund consists of customer deposits to guarantee collection for garbage services, and donor restricted contributions.

Restricted cash of the water and sewer funds consists of the following:

Customer deposits are held by the Corporation to guarantee payment for water and sewer services.

Engineering review fee funds are restricted for engineering review of plans and specifications of water and sewer developer extension projects.

Revenue bond debt service funds 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.

Revenue bond depreciation funds are held by a bank under the water and sewer bond ordinances. Withdrawals may be made for replacement and emergency repairs.

Construction funds represent funds held by banks as trustees under the bond ordinances. These funds are to be used solely for payment of construction costs associated with the water and sewer Funds.

Capital capacity improvement funds are established by ordinance. Capital 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.

All carrying values are the same as market values.

Investments

The Corporation has not adopted a formal investment policy as of June 30, 2021.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital outlays are recorded as expenditures of the general and special revenue funds and as assets in the government-wide financial statements to the extent the Corporation's capitalization threshold of \$5,000 is met. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Infrastructure	50 Years
Buildings	40 Years
Land improvements	10-20 Years
Equipment/Software	3-15 Years
Vehicles	3-5 Years

To the extent that the Corporation's capitalization threshold of \$5,000 is met, capital outlays of the water and sewer funds are recorded as fixed assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis using the straight-line method and the following estimated useful lives:

Structures	10-40 Years
Improvements	10-40 Years
Utility Plant	7-40 Years
Equipment/Software	3-15 Years
Vehicles	3-5 Years

All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. No interest was capitalized during the year ended June 30, 2021.

Deferred Outflows/Inflows of Resources

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

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Corporation had no items that qualify for reporting in this category. The Corporation's deferred outflows relate to its OPEB plan and will be recognized based on GASB No.75 measurement standards and actuarial determinations.

In addition to liabilities, the statements of net position and or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Corporation's deferred inflows of resources relate to unavailable property taxes as reported in the governmental funds balance sheet and the Corporation's OPEB plan that will be recognized based on actuarial determinations.

Compensated Absences

The Corporation's policy is to permit employees to accumulate earned but unused vacation benefits up to 240 hours. The Corporation fully recognizes the liability related to compensated absences in the government-wide financial statements and proprietary fund financial statements.

Interfund Charges

The Corporation General Fund routinely pays for certain costs relating to the Water and Sewer Funds. These costs are reimbursed on a periodic (generally monthly) basis to the General Fund.

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, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental/business type activities.

Fund Balances

In accordance with GASB Standards, the Corporation classifies governmental fund balances within the following categories: Nonspendable fund balance, which includes amounts that cannot be spent because it is not in spendable form; restricted fund balance, which includes amounts constrained for specific purposes that are externally imposed by the resource providers; committed fund balance, which includes amounts constrained for specific purposes that are internally imposed through formal action of the Corporation Council; assigned fund balance, which includes amounts intended to be used for specific purposes that are neither restricted or committed, however, assigned by non-formal action by Corporation Council or finance department; and unassigned fund balance, which is the residual classification for amounts in the general fund that have not been classified within the other categories.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net position is classified into the following categories:

Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements of the assets.

Restricted net position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Statement of Cash Flows

For purposes of the Statement of Cash Flows, all highly liquid investments (including restricted assets) with a maturity of 3 months or less when purchased are considered to be cash equivalents.

Nonexchange Transactions

The water and sewer funds follow 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 water and sewer funds receive voluntary nonexchange transactions from developer and customer donations of cash, property, lines, and improvements. In addition, the water and sewer funds receive various capital grants from federal and state agencies. These donations are considered capital contributions on the Statement of Revenues, Expenses and Changes in Net Position.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of the resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Retiree Health Benefits Trust (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 PRONOUNCEMENTS

GASB Statement No. 87, *Leases*, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 2: NEW ACCOUNTING PRONOUNCEMENTS (continued)

leases are financings of the right to use an underlying asset. No. 87 will be effective for the Corporation for fiscal year ending June 30, 2022.

GASB Statement No. 91, *Conduit Debt Obligations* seeks to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement 91 will be effective for fiscal year ending June 30, 2022.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB pronouncements. The effective date for Statement No. 92 ranges from fiscal year ending June 30, 2021 to fiscal year ending June 30, 2023, depending upon the effective date of the specific GASB pronouncement being addressed.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* aims to improve financial reporting by addressing issues related to public-private and financial reporting for availability payment arrangements. Statement 94 will be effective for fiscal year ending June 30, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, clarifies how to determine component units that are defined contributions pension/OPEB plans. In addition, this standard explains how the guidance in GASB Statement Nos. 67, 74, and 84 should be applied to Section 457 plans and supersedes guidance in GASB Statement No. 32 for investment valuation in Section 457 plans. Requirements that change the accounting and reporting for Section 457 plans are effective for the year ended June 30, 2022.

The Corporation has not yet determined the effect these Statements will have on its financial statements.

NOTE 3: PROPERTY TAXES

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

All municipalities within the state are authorized to levy taxes not in excess of the maximum levies per \$100 of assessed valuation. In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 3: PROPERTY TAXES (continued)

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

Class of Property	Assessed Valuations for Tax Purposes	Current Expense
Class I	\$ -	9.02¢
Class II	\$ 42,151,850	18.04¢
Class IV	\$ 42,130,285	36.08¢

NOTE 4: CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments represent amounts being held at banks and the Municipal Bond Commission and consist of the following accounts and amounts at June 30, 2021:

	Governmental Funds	Water and Sewer Funds	Total
Unrestricted accounts			
Bank accounts	\$ 4,844,150	\$ 3,444,736	\$ 8,288,886
Petty cash	400	-	400
	<u>4,844,550</u>	<u>3,444,736</u>	<u>8,289,286</u>
Restricted accounts			
Donor restricted funds	2,731	-	2,731
Customer deposits	22,510	145,496	168,006
Bond debt service and reserve funds	-	711,987	711,987
Revenue bond depreciation funds	-	903,334	903,334
Capital capacity improvement funds	-	2,554,216	2,554,216
Construction funds	-	335,688	335,688
Engineering review funds	-	34,517	34,517
	<u>\$ 25,241</u>	<u>\$ 4,685,238</u>	<u>\$ 4,710,479</u>

Municipalities are authorized by statute to provide excess funds to the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements.

The market value of the above cash and temporary investments approximates cost at June 30, 2021.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 5: COLLATERALIZATION OF DEPOSITS

The Corporation maintains its cash accounts at one financial institution. Corporation deposits held by financial institutions are insured up to \$250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2021, the Corporation's deposits (excluding funds held at the Municipal Bond Commission) in excess of FDIC insurance limits were collateralized with securities held by the financial institution.

NOTE 6: BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

An agency endowment fund was established on June 4, 2018, on behalf of the Corporation with the Eastern West Virginia Foundation, which was valued at \$50,031 as of June 30, 2021. The purpose of the fund is to provide for Shepherdstown low income home improvements. Earnings of the Fund will be paid as requested based on the spending policy of the Foundation. To the extent that the fund is not distributed to the Corporation, if the purpose for which the fund was created ever becomes obsolete or incapable of fulfillment, the Foundation's trustees have the authority to use the funds for a purpose as similar as possible to that of the Corporation.

NOTE 7: CHANGES IN CAPITAL ASSETS

The following is a summary of the changes in governmental and business-type capital assets:

	Balance at June 30, 2020	Additions	Disposals	Balance at June 30, 2021
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 894,254	\$ -	\$ -	\$ 894,254
Total capital assets no being depreciated	894,254	-	-	894,254
Capital assets being depreciated:				
Structures and improvements	3,259,579	-	-	3,259,579
Equipment and vehicles	1,350,011	-	-	1,350,011
Infrastructure	3,462,485	-	-	3,462,485
Total	8,072,075	-	-	8,072,075
Less: Accumulated depreciation	(3,523,195)	(226,273)	-	(3,749,468)
Capital assets being depreciated, net	4,548,880	(226,273)	-	4,322,607
Total governmental activities capital assets	\$ 5,443,134	\$ (226,273)	\$ -	\$ 5,216,861

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: CHANGES IN CAPITAL ASSETS (continued)

Governmental activities:	
General government	\$ 95,089
Public safety	29,697
Highways and streets	70,927
Health and sanitation	26,766
Culture and recreation	<u>3,794</u>
Total governmental activities depreciation expense	<u>\$ 226,273</u>

Depreciation was charged to functions as follows:

	Balance at June 30, 2020	Additions	Disposals	Balance at June 30, 2021
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 82,362	\$ -	\$ -	\$ 82,362
Intangible plant	1,534	-	-	1,534
Construction in progress	<u>3,377,904</u>	<u>93,684</u>	<u>-</u>	<u>3,471,588</u>
Total capital assets no being depreciated	<u>3,461,800</u>	<u>93,684</u>	<u>-</u>	<u>3,555,484</u>
Capital assets being depreciated:				
Utility plant in service	<u>26,387,858</u>	<u>30,000</u>	<u>-</u>	<u>26,417,858</u>
Total	26,387,858	30,000	-	26,417,858
Less: Accumulated depreciation	<u>(9,806,255)</u>	<u>(560,578)</u>	<u>-</u>	<u>(10,366,833)</u>
Capital assets being depreciated, net	<u>16,581,603</u>	<u>(530,578)</u>	<u>-</u>	<u>16,051,025</u>
Total business-type activities capital assets	<u>\$ 20,043,403</u>	<u>\$ (436,894)</u>	<u>\$ -</u>	<u>\$ 19,606,509</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Water	\$ 184,540
Sewer	<u>376,038</u>
Total business-type activities depreciation expense	<u>\$ 560,578</u>

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: LONG-TERM DEBT

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

	Balance at June 30, 2020	Additions	Disposals	Balance at June 30, 2021
Governmental Activities				
Compensated absences	\$ 32,013	\$ -	\$ -	\$ 32,013
Net OPEB liability	189,083	15,490	152,317	52,256
Total	<u>\$ 221,096</u>	<u>\$ 15,490</u>	<u>\$ 152,317</u>	<u>\$ 84,269</u>
Business-type Activities				
Compensated absences	\$ 65,983	\$ -	\$ -	\$ 65,983
Net OPEB liability	258,918	21,211	209,918	70,211
Total	<u>\$ 324,901</u>	<u>\$ 21,211</u>	<u>\$ 209,918</u>	<u>\$ 136,194</u>

	Balance at June 30, 2020	Additions	Disposals	Balance at June 30, 2021	Amount Due Within One Year
<u>Bonds Payable</u>					
Business-type:					
2003A Water Revenue Bonds	\$ 314,747	\$ -	\$ 23,315	\$ 291,432	\$ 23,316
2003B Water Revenue Bonds	303,182	-	73,544	229,638	75,026
2012 Water Revenue Bonds	3,427,845	-	91,368	3,336,477	92,285
2017 Water Revenue Bonds	2,495,000	-	60,000	2,435,000	60,000
2010A Sewer Revenue Bonds	4,557,068	-	207,140	4,349,928	207,140
Total	<u>\$ 11,097,842</u>	<u>\$ -</u>	<u>\$ 455,367</u>	<u>\$ 10,642,475</u>	<u>\$ 457,767</u>

2003 Series A Water Revenue Bonds

The 2003 Series A Water Revenue Bonds in the amount of \$669,459 were issued pursuant to an ordinance enacted by the Corporation of Shepherdstown, West Virginia on May 20, 2003 and mature through December 1, 2033 bearing an interest rate of 0%.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: LONG-TERM DEBT (continued)

Maturities of 2003 Series A Water Revenue Bonds are as follows:

Year	Principal	Interest	Total
2022	\$ 23,316	\$ -	\$ 23,316
2023	23,316	-	23,316
2024	23,316	-	23,316
2025	23,316	-	23,316
2026	23,316	-	23,316
2027-2031	116,580	-	116,580
2032-2034	58,272	-	58,272
Total	<u>\$ 291,432</u>	<u>\$ -</u>	<u>\$ 291,432</u>

The 2003 Series A bonds are secured with a lien on and pledge of the net revenues derived from the operation of the system. As required by the bond ordinance, a debt service fund has been established with the West Virginia Municipal Bond Commission. The debt service fund is to be used for the purpose of paying the principal on the bonds. The debt service reserve is fully funded. The bonds are on parity with the other water fund bonds.

2003 Series B Water Revenue Bonds

The 2003 Series B Water Revenue Bonds in the amount of \$1,300,541 were issued pursuant to an ordinance enacted by the Corporation of Shepherdstown, West Virginia on May 20, 2003 and mature through June 1, 2024 bearing an interest rate of 2.00%.

Maturities of 2003 Series B Water Revenue Bonds are as follows:

Year	Principal	Interest	Total
2022	75,026	4,032	79,058
2023	76,537	2,521	79,058
2024	78,075	983	79,058
Total	<u>\$ 229,638</u>	<u>\$ 7,536</u>	<u>\$ 237,174</u>

The 2003 Series B bonds are secured with a lien on and pledge of the net revenues derived from the operation of the system. As required by the bond ordinance, a debt service fund has been established with the West Virginia Municipal Bond Commission. The debt service fund is to be used for the purpose of paying the principal and interest on the bonds. The debt service reserve is fully funded. The bonds are on parity with the other water department fund bonds.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: LONG-TERM DEBT (continued)

2012 Water Revenue Bonds

The 2012 Water Revenue Bonds in the amount of \$4,000,000 were issued pursuant to an ordinance enacted by the Corporation of Shepherdstown, West Virginia on July 29, 2012 and mature through June 1, 2052 bearing an interest rate of 1.00%.

Maturities of 2012 Series Water Revenue Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 92,285	\$ 33,019	\$ 125,304
20234	93,211	32,093	125,304
2024	94,147	31,157	125,304
2025	95,092	30,212	125,304
2026	96,046	29,258	125,304
2027-2031	494,886	131,634	626,520
2032-2036	520,227	106,293	626,520
2037-2041	546,865	79,655	626,520
2042-2046	574,868	51,652	626,520
2047-2051	604,304	22,216	626,520
2052	124,546	780	125,326
Total	<u>\$ 3,336,477</u>	<u>\$ 547,969</u>	<u>\$ 3,884,446</u>

The 2012 Series bonds are secured with a lien on and pledge of the net revenues derived from the operation of the system. As required by the bond ordinance, a debt service fund has been established with the West Virginia Municipal Bond Commission. The debt service fund is to be used for the purpose of paying the principal and interest on the bonds. Annual debt service reserve payments of \$12,530 are required until the reserve is fully funded. The bonds are on parity with the other water department fund bonds.

2017 Series Water Revenue Bonds

The 2017 Series Water Revenue Bonds in the amount of \$2,650,000 are being issued pursuant to an ordinance enacted by the Corporation of Shepherdstown, West Virginia on March 1, 2017 and mature on March 1, 2047 bearing an interest rate of 2.25% - 4.25%.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: LONG-TERM DEBT (continued)

Maturities of 2017 Series Water Revenue bonds are as follows:

Year	Principal	Interest	Total
2022	\$ 60,000	\$ 91,678	\$ 151,678
2023	60,000	90,328	150,328
2024	65,000	88,528	153,528
2025	65,000	86,578	151,578
2026	65,000	84,627	149,627
2027-2031	370,000	390,632	760,632
2032-2036	435,000	323,515	758,515
2037-2041	525,000	233,800	758,800
2042-2046	645,000	115,237	760,237
2047	145,000	6,162	151,162
Total	<u>\$ 2,435,000</u>	<u>\$ 1,511,085</u>	<u>\$ 3,946,085</u>

The 2017 Series Revenue Bonds are secured with a lien on and pledge of the net revenues derived from the operation of the system. As required by the bond ordinance, a debt service fund has been established with the West Virginia Municipal Bond Commission. The debt service fund is to be used for the purpose of paying the principal and interest on the bonds. The debt service reserve is fully funded. The bonds are on parity with the other water fund bonds.

2010 Series A Sewer Revenue Bonds

The 2010 Series A Sewer Revenue Bonds in the amount of \$9,172,697 are being issued pursuant to an ordinance enacted by the Corporation of Shepherdstown, West Virginia on January 25, 2010 and mature through June 1, 2043 bearing an interest rate of 0%.

Maturities of 2010 Series A Sewer Revenue Bonds are as follows:

Year	Principal	Interest	Total
2022	\$ 207,140	\$ -	\$ 207,140
2023	207,140	-	207,140
2024	207,140	-	207,140
2025	207,140	-	207,140
2026	207,140	-	207,140
2027-2031	1,035,700	-	1,035,700
2032-2036	1,035,700	-	1,035,700
2037-2041	1,035,700	-	1,035,700
2042-2043	207,128	-	207,128
Total	<u>\$ 4,349,928</u>	<u>\$ -</u>	<u>\$ 4,349,928</u>

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: LONG-TERM DEBT (continued)

The 2010 Series A Sewer bonds are secured with a lien on and pledge of the net revenues derived from the operation of the system. As required by the bond ordinance, a debt service fund has been established with the West Virginia Municipal Bond Commission. The debt service fund is to be used for the purpose of paying the principal on the bonds. Annual debt service reserve payments of \$20,714 are required until the reserve is fully funded.

Bond Covenant Requirements

The covenants contained in the water and sewer bond issues include a required debt service coverage ratio of 115%. The water and sewer funds met the required coverage for the year ended June 30, 2021.

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 Corporation's deposits, including necessary expenditures for renewals and replacements, exceeded this requirement for the year ended June 30, 2021.

NOTE 9: EMPLOYEES' RETIREMENT PLAN

The Corporation has adopted an IRS Section 457 retirement plan for its employees. The Corporation has set up the 457 Plan with AIC VALIC. Employees may contribute up to 10% of their compensation. The Corporation matches the employee contribution of up to 200%.

The Corporation contributed the following amounts to the plan:

2021	\$76,252
2020	\$71,662
2019	\$75,628

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Corporation contributes to the West Virginia Other Postemployment Benefit Plan (the Plan), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan. The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. The four remaining members represent the public at large. The plan had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2020. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. You can also submit your questions by writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE, Suite 2, Charleston WV 25304.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Benefits Provided

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

Contributions

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately \$152 million for the fiscal year ended June 30, 2021. For the year ended June 30, 2020, contributions to the OPEB plan from the Corporation were \$21,248 and \$31,872 for the governmental activities and business-type activities, respectively.

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

At June 30, 2021, the Corporation reported a liability of \$52,256 and \$70,211 for the governmental activities and business-type activities, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources, and OPEB expense were determined by an actuarial valuation date as of June 30, 2019, rolled forward to June 30, 2020, which is the measurement date. The Corporation's proportion of the net OPEB liability was based on a projection of the Corporation's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2020, the corporation's proportionate share was 0.027726476%, which was a decrease of 0.000724348% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Corporation recognized OPEB expenses of \$(37,126) and \$(55,689) for the governmental activities and business-type activities, respectively.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

The Corporation 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 Corporation contributions and proportionate share of contributions	\$ 28,401	\$ 9,273
Net difference between projected and actual investment earnings on OPEB plan investments	13,441	4,145
Difference between expected and actual experience	-	79,405
Change in assumptions	-	276,429
Reallocation of opt-out employer change in proportionate share	-	7,226
Corporation contributions subsequent to the measurement date	53,120	-
	\$ 94,962	\$ 376,478

The amount reported as deferred outflows of resources related to OPEB resulting from Corporation contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in

Year Ended June 30	Governmental Activities	Business-type Activities	Total
2022	\$ (54,165)	\$ (78,227)	\$ (132,392)
2023	(47,379)	(67,926)	(115,305)
2024	(35,677)	(50,248)	(85,925)
2025	(1,079)	65	(1,014)
	\$ (138,300)	\$ (196,336)	\$ (334,636)

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation Rate	2.25%
Wage inflation	2.75%
Salary increases	Dependent upon pension system, ranging from 2.75% to 5.18%, including inflation
Investment rate of return	6.65%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rate for per-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, ultimate trend rate of 4.25% is reached in plan year end 2023. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	20 year closed period as of June 30, 2017
Mortality Rates	Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males - 110% of RP-2000 Healthy Annuitant Scale AA fully generational Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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 weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI. Best estimates of long-term geometric rates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49.5%	6.80%
Core Plus Fixed Income	13.5%	4.10%
Core Real Estate	9.0%	6.10%
Hedge Fund	9.0%	4.40%
Private Equity	9.0%	8.80%
Cash and Cash Equivalents	10.0%	0.00%
	100.0%	

Discount Rate

The discount rate used to measure the OPEB liability was 6.65%. The projection of cash flows used to determine the discount rate assumed that contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. 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 for 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 Corporation's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.

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

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Governmental activities	\$ 74,524	\$ 52,256	\$ 33,615
Business-type activities	100,130	70,211	45,165
Total	\$ 174,654	\$ 122,467	\$ 78,780

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Sensitivity of the Corporation's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Governmental activities	\$ 31,443	\$ 52,256	\$ 77,394
Business-type activities	42,247	70,211	103,986
Total	<u>\$ 73,690</u>	<u>\$ 122,467</u>	<u>\$ 181,380</u>

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.

Summary of Deferred Outflow/Inflow Balances

	Total	Governmental Activities	Business-type Activities
Difference between expected and actual experience	\$ (79,405)	\$ (38,887)	\$ (40,518)
Change in assumptions	(276,429)	(112,583)	(163,846)
Net difference between projected and actual earnings on OPEB plan investments	9,296	1,445	7,851
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	19,128	14,880	4,248
Reallocation of opt-out employer change in proportionate share	(7,226)	(3,155)	(4,071)
Corporation contributions subsequent to the measurement date	<u>53,120</u>	<u>21,248</u>	<u>31,872</u>
	<u>\$ (281,516)</u>	<u>\$ (117,052)</u>	<u>\$ (164,464)</u>

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 11: COMMITMENTS AND CONTINGENCIES

The water and sewer funds have various water and sewer construction projects in progress with estimated costs of approximately \$6.5 million. Costs incurred through June 30, 2021 amount to approximately \$3.5 million. The projects are being financed with the proceeds from bond issuances and internal funding.

Litigation

The Corporation is routinely a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Corporation, when considered in relation to insurance coverage in force.

Federal and State Grants

In then normal course of operations, the Corporation receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 12: RISK MANAGEMENT

The Corporation is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries umbrella (general liability) insurance for these various risks.

The Corporation provides insurance coverage to employees for job-related injuries through Travelers Insurance Company and offers health insurance to all eligible employees through Public Employees Insurance Agency (PEIA).

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

NOTE 13: FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in governmental funds.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 13: FUND BALANCE (Continued)

The constraints placed on fund balance for the major governmental funds are presented below:

	General	Coal Severance	Housing Authority Fund
Fund Balance			
Nonspendable:			
Prepaid expenses	\$ -	\$ -	\$ -
Restricted:			
Donor purpose restriction	2,731	-	-
Committed:			
Low income housing improvements	-	-	50,031
Assigned for:			
Carryover in fiscal year June 30, 2020 budget	4,973,899	-	-
Public Safety	-	12,136	-
General government	-	-	1,518
	-	-	1,518
Total fund balance	\$ 4,976,630	\$ 12,136	\$ 51,549

NOTE 14: UNCERTAINTIES RELATED TO THE GLOBAL PANDEMIC

During the year ended June 30, 2021, local, U.S. and world governments encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel, size and duration of group meetings. Most organizations have, experience disruption to business operations and the impact of reduced consumer spending and increased operating costs, including the Corporation.

The Corporation received \$240,119 of Coronavirus Relief Funds through the West Virginia Governor's office during the year to provide for lost revenues and increased operating costs.

NOTE 15: SUBSEQUENT EVENTS

The Corporation has evaluated all subsequent events through September 22, 2023, the date the financial statements were available to be issued. The Corporation has determined there are no additional subsequent events that require recognition or disclosure.

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
 Schedule of the Corporation's Proportionate Share of the Net OPEB Liability

For the Fiscal Year Ended June 30, 2021

	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.027726476%	0.027002128%	0.027024302%	0.025139443%	0.027537252%
District's proportionate share of the net OPEB liability	\$ 122,467	\$ 448,001	\$ 579,788	\$ 618,176	\$ 683,840
District's covered-employee payroll	1,424,475	1,266,125	1,226,948	1,191,711	1,151,845
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	8.60%	35.38%	47.25%	51.87%	59.37%
Plan fiduciary net position as a percentage of the total OPEB liability.	73.49%	39.69%	30.98%	25.10%	21.64%

*Applicable information was available for two years for this schedule

CORPORATION OF SHEPHERDSTOWN, WEST VIRGINIA
 Schedule of the Corporation's OPEB Plan Contributions

For the Fiscal Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 53,120	\$ 53,592	\$ 50,874	\$ 52,491	\$ 51,636
Contributions in relation to the contractually required contribution	<u>(53,120)</u>	<u>(53,592)</u>	<u>(50,874)</u>	<u>(52,491)</u>	<u>(51,636)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	1,424,475	1,266,125	1,226,948	1,191,711	1,151,845
Contributions as a percentage of covered-employee payroll	3.73%	4.23%	4.15%	4.40%	4.48%

*Applicable information was available for two years for this schedule



**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Corporation of Shepherdstown
Jefferson County, West Virginia
104 North King Street
Shepherdstown, West Virginia, 25443

To the Mayor and Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, business-type activities, and each major fund of the Corporation of Shepherdstown, Jefferson County, West Virginia (the Corporation) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 22, 2023.

Internal Control Over Financial Reporting

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

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

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

Mayor and Members of Council
Corporation of Shepherdstown
Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by Government Auditing Standards
Page 2

Compliance and Other Matters

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

Purpose of this Report

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

BHM CPA Group

BHM CPA Group Inc.
Huntington, West Virginia
September 22, 2023