Hatfield-McCoy Regional Recreation Authority

Financial Statements and
Supplementary Information

June 30, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of
Hatfield-McCoy Regional Recreation Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Hatfield-McCoy Regional Recreation Authority (Authority), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Charleston, West Virginia
March 21, 2025

Hatfield-McCoy Regional Recreation Authority

Statements of Net Position
June 30, 2024 and 2023

	2024	2023
Assets and Deferred Outflows		
Current Assets		
Cash and cash equivalents	$ 1,650,567	$ 1,810,898
Accounts receivable, net of allowance for bad debts of $2,244 in 2024 and $184 in 2023	518,324	554,648
Investments	1,000,000	1,000,000
Prepaid expenses	209,945	188,747
Prepaid grant matching	498,073	429,488
Inventory	122,386	104,261
Total current assets	3,999,295	4,088,042
Noncurrent Assets		
Net pension asset	9,091	-
Net other post-employment benefit asset	33,138	-
Capital assets, net of accumulated depreciation	8,181,928	8,009,808
Total noncurrent assets	8,224,157	8,009,808
Total assets	12,223,452	12,097,850
Deferred Outflows		
Pension	241,160	346,405
Other post-employment benefit	20,253	70,421
Total deferred outflows	261,413	416,826
Total assets and deferred outflows	$ 12,484,865	$ 12,514,676

	2024	2023
Liabilities, Deferred Inflows and Net Position		
Current Liabilities		
Accounts payable	$ 294,407	$ 106,825
Accrued expenses	229,696	181,946
Total current liabilities	524,103	288,771
Long-Term Obligations		
Net pension liability	-	126,046
Net other post-employment benefit liability	-	24,135
Total liabilities	524,103	438,952
Deferred Inflows		
Pension	741	1,731
Other post-employment benefit	50,044	107,469
Total deferred inflows	50,785	109,200
Net Position		
Investment in capital assets	8,181,928	8,009,808
Unrestricted	3,728,049	3,956,716
Total net position	11,909,977	11,966,524
Total liabilities, deferred inflows and net position	$ 12,484,865	$ 12,514,676

See notes to financial statements

Hatfield-McCoy Regional Recreation Authority

Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 2024 and 2023

	2024	2023
Operating Revenues		
User permit sales	$ 3,748,492	$ 3,596,238
Marketing and promotional revenue	713,564	645,593
Bad debt expense	(3,016)	(39,316)
Total operating revenues	4,459,040	4,202,515
Operating Expenses		
Salaries and wages	2,243,267	1,925,443
Payroll taxes	174,268	151,318
Employee benefits	334,699	145,235
Travel and meetings	37,933	27,977
Office	255,568	242,376
Marketing and promotional	807,759	571,394
Trail permits	1,216	41,285
Rent and utilities	40,494	48,463
Legal and professional	154,339	180,345
Insurance	279,934	244,848
Depreciation	424,174	389,534
Trail development and maintenance	574,031	719,580
Building repairs and maintenance	21,694	13,889
Equipment and vehicle repairs and maintenance	577,456	364,724
Small tools and equipment	37,041	39,294
Contract labor	386,571	326,526
Total operating expenses	6,350,444	5,432,231
Operating loss	(1,891,404)	(1,229,716)
Nonoperating Revenues (Expenses)		
Inter-governmental revenues	1,055,725	1,035,081
Grant revenues	726,931	768,152
Interest income	49,079	2,637
Gain on disposal of assets	6,277	102,409
Interest expense	-	(5,263)
Other expense	(18,155)	(14,829)
Net nonoperating revenues	1,819,857	1,888,187
Change in net position before contributed capital	(71,547)	658,471
Capital Contribution	15,000	85,000
Change in net position	(56,547)	743,471
Net Position, Beginning	11,966,524	11,223,053
Net Position, Ending	$ 11,909,977	$ 11,966,524

See notes to financial statements

Hatfield-McCoy Regional Recreation Authority

Statements of Cash Flows
Years Ended June 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Cash receipts from customers and other sources	$ 4,426,779	$ 4,248,995
Cash paid to employees	(2,799,896)	(2,365,898)
Cash paid to suppliers	(3,025,777)	(2,868,207)
Net cash used in operating activities	(1,398,894)	(985,110)
Cash Flows From Noncapital Financing Activities		
Payment of noncapital contribution to affiliates	(18,155)	(14,829)
State funds in aid of operations	1,782,656	1,803,233
Interest paid on long-term debt	-	(5,263)
Net cash provided by noncapital financing activities	1,764,501	1,783,141
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(611,732)	(465,127)
Proceeds from sale of capital assets	21,715	114,596
Principal payments on long-term debt	-	(184,467)
Contributions for acquisition of capital assets	15,000	85,000
Net cash used in capital and related financing activities	(575,017)	(449,998)
Cash Flows From Investing Activities		
Purchase of investments, net	-	(1,000,000)
Interest income	49,079	2,637
Net cash provided by (used in) investing activities	49,079	(997,363)
Net decrease in cash and cash equivalents	(160,331)	(649,330)
Cash and Cash Equivalents, Beginning	1,810,898	2,460,228
Cash and Cash Equivalents, Ending	$ 1,650,567	$ 1,810,898
Reconciliation to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (1,891,404)	$ (1,229,716)
Adjustments to reconcile operating loss to:		
Depreciation	424,174	389,534
Bad debt expense	3,016	39,316
(Increase) decrease in operating assets:		
Accounts and grants receivable	33,308	26,935
Inventory, prepaid expenses and other assets	(39,323)	(34,983)
Prepaid grant matching	(68,585)	(19,771)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	235,332	6,036
Net pension liability, deferred outflows and deferred inflows	(21,791)	(654,557)
Other post-employment benefit liability, deferred outflows and deferred inflows	(73,621)	492,096
Net cash used in operating activities	$ (1,398,894)	$ (985,110)

See notes to financial statements

1. Description of Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The Hatfield-McCoy Regional Recreation Authority (the Authority) is a public corporation and government instrumentality of the State of West Virginia established under Chapter 20, Article 14 of the West Virginia Code.

The Authority was created to enable and facilitate the development and operation of a system of trail-oriented recreation facilities to be used for motorcycles or all-terrain vehicles, bicycle riding, horseback riding, and hiking. The Authority has developed, and currently maintains, trail systems located throughout southern West Virginia. The Authority receives support through the sale of trail permits, intergovernmental revenues provided through state appropriations, and federal and state grants.

Basis of Accounting

The Authority is accounted for as a special purpose government instrumentally engaged in business-type activities in accordance with accounting principles generally accepted in the United States of America. As such, the financial statements are prepared on the accrual basis of accounting, using the flow of economic resources measurement focus. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposits and investments with original maturities of less than one month.

Investments

All investments are certificates of deposits with a duration greater than 90 days at the time of purchase.

Inventory

Inventories which include retail and advertising merchandise are stated at the lower of cost or market using the last-in, first-out (LIFO) method.

Prepaid Expenses and Grants

Prepaid expenses refer to payments made in advance for goods or services to be received in the future. These are recorded as assets on the balance sheet until the benefit is realized, at which point they are expensed. Prepaid expenses include prepaid insurance and subscriptions. Prepaid grants are funds paid by the Authority to grantors for matching requirements before the related expenditures are incurred. These funds are recorded as prepaid until the organization incurs the grant expenditure, after which they are recognized as an expense.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported at historical cost. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of one year. Contributed capital assets are valued at the approximate cost value at the date of contribution. Depreciation is computed using the straight-line method over a period of 5-39 years.

Deferred Inflows and Outflows

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period.

Net Position

The Authority's net position is classified as follows:

Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Unrestricted Net Position - This represents resources derived from other than capital assets or restricted resources. These resources are used for transactions relating to the general operations of the Authority and may be used at the discretion of the Board of Directors to meet current expenses for any purpose.

Restricted Net Position, Expendable - This includes resources in which the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties, including creditors, grantors or contributors. The Authority does not have any restricted expendable resources at June 30, 2024 and 2023.

Restricted Net Position, Nonexpendable - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. The Authority does not have any restricted nonexpendable resources at June 30, 2024 and 2023.

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from management's estimates. Significant estimates used in preparing these financial statements include those assumed in determining the allowance for uncollectible accounts and pension liabilities. It is at least reasonably possible that the significant estimates used will change within the next year.

Compensated Absences

Employees fully vest in all earned but unused vacation and the Authority accrues for obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. In accordance with the State of West Virginia personnel policies, employees vest in any remaining unused sick leave only upon retirement, at which time such unused leave can be converted into employer paid premiums for post-retirement health care coverage or additional periods of credited service for purposes of determining retirement benefits.

Net Pension Liability

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of Hatfield-McCoy Regional Recreational Authority. Public Employee Retirement System (PERS) (referred to as the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (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 Fund (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 recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reclassification

Certain reclassifications were made to the 2023 financial statements to conform to the 2024 presentation.

New or Recent Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 101, Compensated Absences
- Statement No. 102, Certain Risk Disclosures
- Statement No. 103, Financial Reporting Model Improvements
- Statement No. 104, Disclosure of Certain Capital Assets

When they become effective, application of these standards may restate portions of these financial statements.

Subsequent Events

In preparing these financial statements, the Authority has evaluated all events and transactions subsequent to June 30, 2024, for potential recognition or disclosure through March 21, 2025, the date these financial statements were issued.

2. Cash and Cash Equivalents

At June 30, 2024 and 2023, the Authority had deposits in financial institutions reported as cash and cash equivalents with carrying balances of $1,649,808 and $1,809,705, respectively, and bank balances of $1,978,753 and $2,158,246, respectively. Of the bank balances, $250,000 was insured by federal depository and $1,728,753 and $1,908,246 was secured through letters of credit with FHLB Bank assigned to the Authority on behalf of United National Bank for years ending June 30, 2024 and 2023, respectively. The Authority has $0 as of June 30, 2024 and 2023 as uninsured and uncollateralized accounts. The Authority also had cash on hand of approximately $759 and $1,193 for years ending June 30, 2024 and 2023, respectively.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the duration of time to maturity of an investment is, the greater the sensitivity of its fair value is to changes in market interest rates. The Authority manages its exposure to interest rate risk by maintaining cash equivalent assets in interest bearing bank demand depository accounts that are less affected by changes in market rates as compared to long-term investments.

3. Investments

For financial instruments required to be measured at fair value on a recurring basis, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is measured using a hierarchy prioritizing the inputs used in determining valuations into three levels. The level within the fair value hierarchy is based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Organization for identical instruments.

Level 2 - Inputs other than quoted prices included within Level 1 thar are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Significant unobservable inputs.

Valuation Methodologies

Investments in the certificate of deposit are valued by calculating the present value of the future cash flows using the observable interest rates and yield curves.

The following tables present financial instruments reported at fair value by caption on the statements of net position at June 30:

	2024			
	Total	Level 1	Level 2	Level 3
Assets:				
Certificate of deposit	$ 1,000,000	$ -	$ 1,000,000	$ -
Total	$ 1,000,000	$ -	$ 1,000,000	$ -

	2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Certificate of deposit	$ 1,000,000	$ -	$ 1,000,000	$ -
Total	$ 1,000,000	$ -	$ 1,000,000	$ -

4. Capital Assets

Capital asset additions, retirements and balances for the years ended June 30, 2024 and 2023, are as follows:

	June 30, 2024			
	Beginning Balance	**Additions/ Transfers In**	**Retirements/ Transfers Out**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 5,227,908	$ -	$ -	$ 5,227,908
Capital assets being depreciated:				
Infrastructure	105,569	16,800	-	122,369
Buildings	1,913,630	9,290	-	1,922,920
Equipment	2,395,972	231,825	-	2,627,797
Vehicles	1,648,474	353,817	(69,402)	1,932,889
Leasehold improvements	548,917	-	-	548,917
Total capital assets being depreciated	6,612,562	611,732	(69,402)	7,154,892
Less accumulated depreciation for:				
Infrastructure	(105,570)	(280)	-	(105,850)
Buildings	(493,195)	(51,985)	-	(545,180)
Equipment	(1,669,834)	(191,643)	-	(1,861,477)
Vehicles	(1,194,847)	(136,649)	53,964	(1,277,532)
Leasehold improvements	(367,216)	(43,617)	-	(410,833)
Total capital assets being depreciated	(3,830,662)	(424,174)	53,964	(4,200,872)
Total capital assets being depreciated, net	2,781,900	187,558	(15,438)	2,954,020
Total capital assets, net	$ 8,009,808	$ 187,558	$ (15,438)	$ 8,181,928

	June 30, 2023			
	Beginning Balance	Additions/ Transfers In	Retirements/ Transfers Out	Ending Balance
Capital assets not being depreciated:				
Land	$ 5,118,816	$ 109,092	$ -	$ 5,227,908
Capital assets being depreciated:				
Infrastructure	105,569	-	-	105,569
Buildings	1,913,630	-	-	1,913,630
Equipment	2,283,406	295,051	(182,485)	2,395,972
Vehicles	1,587,490	60,984	-	1,648,474
Leasehold improvements	548,917	-	-	548,917
Total capital assets being depreciated	6,431,699	356,035	(182,485)	6,612,562
Less accumulated depreciation for:				
Infrastructure	(105,143)	(427)	-	(105,570)
Buildings	(441,328)	(51,867)	-	(493,195)
Equipment	(1,489,015)	(180,819)	-	(1,669,834)
Vehicles	(1,252,341)	(112,804)	170,298	(1,194,847)
Leasehold improvements	(323,599)	(43,617)	-	(367,216)
Total capital assets being depreciated	(3,604,113)	(389,534)	170,298	(3,830,662)
Total capital assets being depreciated, net	2,827,586	(33,499)	(12,187)	2,781,900
Total capital assets, net	$ 7,946,402	$ (33,499)	$ (12,187)	$ 8,009,808

5. Long-Term Obligations

A schedule of changes in the Authority's long-term liabilities are as follows:

	June 30, 2023	Additions	Reductions	June 30, 2024	Amounts Due Within One Year
Long-term debt:					
Note payable	$ -	$ -	$ -	$ -	$ -
Other noncurrent liabilities:					
Net pension liability	126,046	-	(126,046)	-	-
Net OPEB liability	24,135	-	(24,135)	-	-
Total long-term liabilities	$ 150,181	$ -	$ (150,181)	$ -	$ -

	June 30, 2022	Additions	Reductions	June 30, 2023	Amounts Due Within One Year
Long-term debt:					
Note payable	$ 184,467	$ -	$ (184,467)	$ -	$ -
Other noncurrent liabilities:					
Net pension liability	-	126,046	-	126,046	-
Net OPEB liability	-	24,135	-	24,135	-
Total long-term liabilities	$ 184,467	$ 150,181	$ (184,467)	$ 150,181	$ -

In December 2020, the Authority entered into a $212,000 note payable with Premier Bank, Inc. for the purchase of property at 180 Appalachian Outpost Trail. The note was repaid as of June 30, 2023.

Amounts recorded to interest expense for long-term debt for 2024 and 2023 are $0 and $5,263, respectively.

6. Pension Plan

Defined Benefit Pension Plan - West Virginia Employees Retirement System

Plan Description, Contribution Information, and Funding Policies

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

The Authority contributes to the Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the West Virginia Consolidated Public Retirement Board (CPRB). PERS covers substantially all employees of the State and its component units, as well as employees of participating nonstate governmental entities who are not participants of another state or municipal system. Benefits under PERS include retirement, death and disability benefits, and have been established and may be amended by action of State Legislature.

CPRB issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com. The following is a summary of eligibility factors, contribution methods and benefit provisions:

Public Employees Retirement System (PERS)

Eligibility to participate	All Authority full-time employees, expect those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute
Plan Member's contribution rate	4.50% for members hired prior to July 1, 2015 and 6.00% for members hired after July 1, 2015
The Authority's contribution rate	10.00% for the years ended June 30, 2024 and 2023
Period required to vest	Five years prior to July 1, 2015 and ten years subsequent to July 1, 2015
Benefits and eligibility for distribution	Prior to July 1, 2015: A member who has attained age 60 and has earned five years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit. Subsequent to July 1, 2015: A member who has attained age 62 and has earned ten years or more of contributing service, or age 55 if sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

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

At June 30, 2024 and 2023, the Authority reported the following liability for its proportionate share of the net pension liabilities. The net pension liability as of June 30, 2024 was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and rolled forward to June 30, 2023 using the actuarial assumptions and methods described in the appropriate section of this note. The net pension liability as of June 30, 2023 was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, and rolled forward to June 30, 2022. The Authority's proportion of the net pension liabilities was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2024 and 2023, the Authority reported the following proportions and increase (decrease) from its proportion measured as of June 30:

	2024	2023
Amount for proportionate share of net pension liability (asset)	$ (9,091)	$ 126,046
Percentage for proportionate share of net pension liability	0.202834 %	0.084641 %
Increase % from prior proportion measured	0.118193 %	0.017913 %

For the years ended June 30, 2024 and 2023, the Authority recognized $129,124 and $65,124, respectively, as pension expense.

The Authority reported deferred outflows of resources and deferred inflows and resources related to pension from the following sources as of June 30, 2024 and 2023:

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions:		
Net difference between projected and actual earnings on pension plan investments	$ 22,924	$ -
Differences between expected and actual experience	31,952	-
Changes of assumptions	24,401	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,877	741
Contributions subsequent to the measurement date	160,006	-
Total	$ 241,160	$ 741

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions:		
Net difference between projected and actual earnings on pension plan investments	$ 76,005	$ -
Differences between expected and actual experience	48,355	-
Changes of assumptions	82,961	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,228	1,731
Contributions subsequent to the measurement date	133,856	-
Total	$ 346,405	$ 1,731

The amount reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:	
2025	$ (292)
2026	(87,404)
2027	184,050
2028	(15,941)
Total	$ 80,413

Actuarial Assumptions

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

Public Employees Retirement System

Actuarial assumptions:	
Inflation rate	2.75%
Salary increases	3.60%-6.75%
Investment rate of return	7.25%
Mortality rates	Healthy males - 108% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Healthy females - 122% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Disabled males - 118% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Disabled females - 117% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Beneficiary males - 112% of Pub-2010 Contingent Survivor male table, below-median, headcount weighted, projected generationally with scale MP-2018 Beneficiary females - 115% of Pub-2010 Contingent Survivor female table, below-median, headcount weighted, projected generationally with scale MP-2018

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

Public Employees Retirement System

Actuarial assumptions:	
Inflation rate	2.75%
Salary increases	3.60%-6.75%
Investment rate of return	7.25%
Mortality rates	Healthy males - 108% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Healthy females - 122% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Disabled males - 118% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Disabled females - 117% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Beneficiary males - 112% of Pub-2010 Contingent Survivor male table, below-median, headcount weighted, projected generationally with scale MP-2018 Beneficiary females - 115% of Pub-2010 Contingent Survivor female table, below-median, headcount weighted, projected generationally with scale MP-2018

The actuarial assumptions used in the July 1, 2023 and 2022, Public Employees Retirement System (PERS) valuations were based on the results of an actuarial experience study for the period June 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Rates summarized in the following table as of June 30, 2023 and 2022 (measurement date) include the inflation component and were used for the following defined benefit plan:

	June 30, 2023	
	Long-Term Expected Real Rate of Return	**(PERS) Target Asset Allocation**
Investment:		
Domestic equity	6.5 %	27.5 %
International equity	9.1	27.5
Fixed income	4.3	15.0
Real estate	5.8	10.0
Private equity	9.2	10.0
Hedge funds	4.6	10.0
		100.0 %

	June 30, 2022	
	Long-Term Expected Real Rate of Return	(PERS) Target Asset Allocation
Investment:		
Domestic equity	5.3 %	27.5 %
International equity	6.1	27.5
Fixed income	2.2	15.0
Real estate	6.5	10.0
Private equity	9.5	10.0
Hedge funds	3.8	10.0
		100.0 %

Discount Rate

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023 and 2022 (measurement dates). The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities of each plan.

The following charts as of June 30, 2023 and 2022 (measurement dates), presents the sensitivity of the net pension liability to changes in the discount rate calculated using the discount rates as used in the actuarial evaluation, and what the net pension 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 rate:

	June 30, 2024		
	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of PER's net pension liability (asset)	$ 1,884,407	$ (9,091)	$ (1,606,858)

	June 30, 2023		
	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of PER's net pension liability (asset)	$ 891,877	$ 126,046	$ (529,395)

Pension Plans' Fiduciary Net Position

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

7. Grant Revenues

Grants revenues recognized during the years ended June 30, 2024 and 2023 consisted of the following:

	2024	2023
West Virginia Division of Highways - Recreational Trails Program	$ 395,658	$ 255,455
Abandoned Mine Land Reclamation Program - Ivy Branch	55,960	283,202
Abandoned Mine Land Grant Ivy Phase II	166,601	20,250
Economic Adjustment Assistance Grant	108,712	209,245
Total grant revenues	$ 726,931	$ 768,152

8. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health and life coverage and natural disasters. The Authority has purchased property and casualty insurance through the State of West Virginia's Board of Risk and Insurance Management (BRIM) and a commercial insurance carrier and employee health insurance and coverage for work-related accidents and injuries through commercial insurance carriers.

BRIM is a public risk pool that provides for general, property, medical malpractice, and automobile liability. Amounts paid to BRIM for the years ended June 30, 2024 and 2023 were $95,033 and $89,160, respectively. In exchange for payment of premiums to BRIM and commercial insurance companies, the Authority has transferred its risks for property loss, employee health coverage and employee work related injuries.

9. Post-Employment Benefits Other Than Pension

The Authority participates in the West Virginia Other Post-Employment Benefit (OPEB) Plan of the West Virginia Retiree Health Benefit Trust Fund (RHBT), a cost sharing multiple-employer defined benefit post-employment healthcare plan for eligible employees administered by the West Virginia Public Employee Insurance Agency (PEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers.

The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the Finance Board to establish and amend benefit plans to the PEIA Board of Trustees. The PEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB plan. That report may be obtained by writing to West Virginia Public Employees Insurance Agency, 601 57th Street, Charleston, WV 25304, or from the PEIA website at www.peia.wv.gov. The Authority's required contributions for OPEB for fiscal years 2024 and 2023 were $1,680 and $20,568, respectively.

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

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

The net OPEB liability as of June 30, 2024 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to June 30, 2023 using the actuarial assumptions and methods described in the appropriate section of this note. The net OPEB liability as of June 30, 2023 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, and rolled forward to June 30, 2023. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the OPEB plan relative to the projected contributions of all participating entities.

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

	2024	2023
Amount for proportionate share of net pension liability (asset)	$ (33,138)	$ 24,135
Percentage for proportionate share of net pension liability	0.0209403 %	0.0216848 %
Increase/(decrease)% from prior proportion measured	(0.0007445) %	(0.0020926) %

At June 30, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows and resources related to OPEB from the following sources:

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	$ 9,138	$ 18,488
Net difference between projected and actual earnings on plan investments	-	553
Differences between expected and actual experience	-	19,290
Changes in proportion and differences between contributions and proportionate share of contributions	9,435	11,713
Contributions subsequent to the measurement date	1,680	-
Total	$ 20,253	$ 50,044

	June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	$ 15,478	$ 61,323
Net difference between projected and actual earnings on plan investments	3,746	-
Differences between expected and actual experience	-	30,789
Changes in proportion and differences between contributions and proportionate share of contributions	30,629	15,212
Contributions subsequent to the measurement date	20,568	145
Total	$ 70,421	$ 107,469

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

Years ending June 30:	
2025	$ (4,076)
2026	(22,896)
2027	(2,690)
2028	(1,809)
Total	$ (31,471)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023 (measurement date), using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	2023
Inflation rate	2.50%
Salary increases	Dependent upon pension system ranging from 2.75% to 5.18%, including inflation
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation
Healthcare cost trend	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for five years until ultimate trend rate of 4.50% is reached in plan year end 2032.
Actuarial cost method	Entry age normal cost method
Amortization method	20-year closed period as of June 30, 2017
Mortality rates	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females. Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021.

	2022
Inflation rate	2.25%
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	Trend rate for pre-Medicare per capita costs of 7.0% for plan year-end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year-end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year-end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year-end 2032.
Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll over a 20-year closed period beginning June 30, 2017
Mortality rates	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females. Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020. There were no assumption changes from the actuarial valuation as of June 30, 2022, measured at June 30, 2022 to a rollforward measurement date of June 30, 2023.

The long-term rates of return on OPEB plan investments are determined using a building-block method in which estimates of expected future real rates of returns (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% real estate invested for June 30, 2024. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund, and 10% real estate invested for June 30, 2023. Short-term assets used to pay current year benefits and expenses are invested with the West Virginia Board of Treasury Investments. Best estimates of long-term geometric rates are summarized in the following table:

As of June 30, 2024	Long-Term Expected Real Rate of Return
Global equity	7.4 %
Core plus fixed income	3.9
Core real estate	7.2
Hedge fund	4.5
Private equity	10.0
Private credit and income	7.4

As of June 30, 2023	Long-Term Expected Real Rate of Return
Global equity	4.8 %
Core plus fixed income	2.1
Core real estate	4.1
Hedge fund	2.4
Private equity	6.8

Discount Rate

The discount rate used to measure the OPEB liability was 7.40% and 6.65% for measurement date for the years ended June 30, 2023 and 2022, respectively. 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 of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

Sensitivity of the Government's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following chart presents the sensitivity of the net OPEB liability to changes in the discount rate calculated using the discount rates as used in the actuarial evaluation, and what 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 rate:

	June 30, 2024		
	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (asset)	$ (5,607)	$ (33,138)	$ (63,332)

	June 30, 2023		
	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (asset)	$ 62,036	$ 24,135	$ (8,380)

The following presents the net OPEB liability, as well as what 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:

	June 30, 2024		
	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (asset)	$ (84,416)	$ (33,138)	$ 27,841

	June 30, 2023		
	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (asset)	$ (13,721)	$ 24,135	$ 68,929

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, West Virginia 25304.

Hatfield-McCoy Regional Recreation Authority

Required Supplementary Information
West Virginia Public Employees' Retirement System
June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Schedule of Proportionate Share of the Net Pension Liabilities (Assets)									
Authority's percentage proportion of the net pension liability (asset)	0.202834 %	0.084641 %	0.066728 %	0.062762 %	0.063796 %	0.066519 %	0.066341 %	0.065543 %	0.061989 %
Authority's proportionate share of the net pension liability (asset)	$ (9,091)	$ 126,046	$ (585,829)	$ 331,804	$ 137,170	$ 171,786	$ 286,356	$ 602,414	$ 346,149
Authority's covered-employee payroll	$ 1,600,060	$ 1,338,560	$ 1,370,240	$ 1,062,610	$ 969,880	$ 937,760	$ 919,073	$ 915,217	$ 906,519
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(0.57) %	9.42 %	(42.75) %	31.23 %	14.14 %	18.32 %	31.16 %	65.82 %	38.18 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.05 %	98.17 %	111.07 %	92.89 %	96.99 %	96.33 %	93.67 %	86.11 %	91.29 %

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Schedule of Pension Contributions									
Contractually required contribution	$ 160,006	$ 133,856	$ 137,024	$ 106,261	$ 96,988	$ 93,776	$ 101,098	$ 109,826	$ 122,380
Contribution in relation to the contractually required contribution	(160,006)	(133,856)	(137,024)	(106,261)	(96,988)	(93,776)	(101,098)	(109,826)	(122,380)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 1,600,060	$ 1,338,560	$ 1,370,240	$ 1,062,610	$ 969,880	$ 937,760	$ 919,073	$ 915,217	$ 906,519
Contributions as a percentage of covered-employee payroll	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %	11.00 %	12.00 %	13.50 %

Note: These schedules are intended to present ten years of the proportionate share of the net pension liability and contributions. Currently, only those years with information available are presented.

Hatfield-McCoy Regional Recreation Authority

Required Supplementary Information
Schedule of the Authority's Proportionate Share of Net OPEB Liability
June 30, 2024, 2023, 2022, 2021, 2020, 2019 and 2018

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Schedule of Proportionate Share of the Net OPEB Liabilities (Assets)							
Authority's percentage proportion of the net OPEB liability (asset)	0.020940 %	0.021685 %	0.023777 %	0.021208 %	0.019452 %	0.019229 %	0.017226 %
Authority's proportionate share of the net OPEB liability (asset)	$ (33,138)	$ 24,135	$ (7,070)	$ 93,673	$ 322,738	$ 412,542	$ 423,586
Authority's covered-employee payroll	$ 1,212,376	$ 1,049,719	$ 1,005,890	$ 862,086	$ 833,914	$ 724,588	$ 809,325
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(2.73) %	2.30 %	(0.70) %	10.87 %	38.70 %	56.93 %	52.34 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	109.66 %	93.59 %	101.81 %	73.49 %	39.69 %	30.98 %	25.10 %

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Schedule of OPEB Contributions							
Contractually required contribution	$ 1,680	$ 20,568	$ 27,928	$ 43,376	$ 40,733	$ 39,786	$ 44,424
Contribution in relation to the contractually required contribution	(1,680)	(20,568)	(27,928)	(43,376)	(40,733)	(39,786)	(44,424)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 1,212,376	$ 1,049,719	$ 1,005,890	$ 862,086	$ 833,914	$ 724,588	$ 809,325
Contributions as a percentage of covered-employee payroll	0.14 %	1.96 %	2.78 %	5.03 %	4.88 %	5.49 %	5.49 %

Note: These schedules are intended to present ten years of the proportionate share of the net OPEB liability and contributions. Currently, only those years with information available are presented.

West Virginia Public Employees' Retirement System

Change in Benefit Terms

No changes during the year ended June 30, 2023 (measurement date).

Change in Assumptions

No changes during the year ended June 30, 2023 (measurement date).

OPEB Information

Change in Benefit Terms

No changes during the year ended June 30, 2023 (measurement date).

Changes in Assumptions

The inflation rate was increased from 2.25% to 2.50%.

The change in asset allocations consisted of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund, and 10% real estate invested as of June 30, 2023. This allocation was further diversified to 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% real estate invested for the year ended June 30, 2024

The discount rate used to measure the OPEB liability increased from 6.65% to 7.40%.

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors of
Hatfield-McCoy Regional Recreation Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Hatfield McCoy Trails (the Authority), which comprise the Authority's statement of net position as of June 30, 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 21, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-01, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

The Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Charleston, West Virginia
March 21, 2025

Financial Statement Findings Required to be Reported in Accordance With *Government Auditing Standards*

Finding 2024-001: Significant Deficiency Over Financial Reporting - Accounts Payable

Criteria: The accounts payable detail should be reviewed on a monthly basis to include any possible changes in payments made on current liabilities to ensure accuracy of accounts payable and operating expenses.

Condition: During the process of testing accounts payable, we noted that the procedures performed to ensure that accurate period end liabilities were recorded failed to capture and accrue certain invoices at year end.

Cause: The Authority did not have sufficient internal controls in place to monitor on-going accrued liabilities.

Effect: One uncorrected misstatement was recognized in the current year. As a result, expenses in the current year are understated by $14,591.

Recommendation: We recommend that management expand their cutoff procedures to ensure that invoices received after the month-end are accrued as a liability.

Management's Response: Management agrees with the auditor’s recommendation. Management has implemented procedures to further meet with their third-party accountant on a monthly basis to review the accounts payable detail and ensure that invoices received after month-end are accrued as a liability.