

**CITY OF MORGANTOWN, WEST VIRGINIA
A CLASS II MUNICIPALITY IN MONONGALIA COUNTY**

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021
*RFP #20-377 (Monongalia County)***

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Corrective Action Plan	None Required

**CITY OF MORGANTOWN, WEST VIRGINIA
MUNICIPAL OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2021**

Office	Name	Term
	Elective	
Mayor	Ron Dulaney, Jr.	07/01/19 – 06/30/21
Deputy Mayor	Rachel L. Fetty	07/01/19 - 06/30/21
Council Members:	William A. Kawecki	07/01/19 - 06/30/21
	Zackery Cruze – Resigned 3/23/2021	07/01/19 - 06/30/21
	Deborah Bergan	03/23/21 - 06/30/21
	Jenny Selin	07/01/19 - 06/30/21
	Dave Harshbargar	07/01/19 - 06/30/21
	Barry Lee Wendell	07/01/19 - 06/30/21
	Appointed	
City Manager	Kim Haws	
City Clerk	Christine Wade	
Staff Attorney	Ryan Simonton	

**CITY OF MORGANTOWN, WEST VIRGINIA
INDEX OF FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

MAJOR FUNDS

GOVERNMENTAL FUND TYPES

General Fund

Special Revenue Funds

Coal Severance Fund
Life and Health Fund
Municipal Sales and Use Tax Fund
American Rescue Plan Act Fund

Capital Projects Funds

Capital Reserve Fund
Airport Access Road

Debt Service Funds

Tax Increment Financing Debt Service

PROPRIETARY FUND TYPES

Enterprise Funds

Airport

DISCRETELY PRESENTED COMPONENT UNITS

Special Revenue Funds

Morgantown Public Library
Library Expendable Trust Fund

Enterprise Funds

Parking Authority
Municipal Building Commission
Morgantown Utility Board
Land Reuse and Preservation Agency

CITY OF MORGANTOWN, WEST VIRGINIA
INDEX OF FUNDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021

NONMAJOR FUNDS

GOVERNMENTAL FUND TYPES

Special Revenue Fund

Economic Development Grant
Community Development Block Grant
Police Forfeiture
Special Grants
Local Law Enforcement Grants
I. C. White Coal Severance
OPEB Trust
Metropolitan Theater
Woodburn Property
Court Technology
Hazel Ruby McQuain Park
Retirement Fund

Discretely Presented Component Unit

Board of Parks and Recreation

Capital Projects Funds

Business Improvement District
Tax Increment Financing
Airport Access Road

Discretely Presented Component Unit

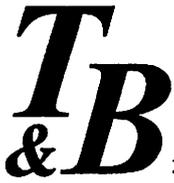
Capital Projects – Clay Battelle Branch

FIDUCIARY FUND TYPES

Policemen's Pension and Relief
Firemen's Pension and Relief
Employee's Retirement and Benefit

Discretely Presented Component Unit

Library Nonexpendable Trust
Library Endowment Fund



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council
City of Morgantown
Morgantown, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Morgantown, West Virginia, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City of Morgantown, West Virginia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Morgantown Utility Board a discretely presented component unit, which represents 71.94 percent, 175.16 percent, and 30.66 percent, respectively, of the assets, net position, and revenues of the City of Morgantown. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Morgantown Utility Board, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Morgantown, West Virginia, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements for the year ended June 30, 2021, the City of Morgantown, West Virginia adopted new accounting guidance, GASB 84 – *Fiduciary Activities* and GASB 90 – *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. 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 the 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.

Accounting principles generally accepted in the United States of America require that the schedule of revenues, expenditures and changes in fund balance – budget and actual – General Fund – budgetary basis, schedule of revenues, expenditures and changes in fund balance – budget and actual – Coal Severance Fund – budgetary basis, schedule of proportionate share of the net pension liability - WVPERS, schedule of City contributions – WVPERS, notes to required supplementary information – WVPERS, schedule of changes in net pension liability and related ratios multiyear – Firemen's Pension and Relief Fund, schedule of net pension liability multiyear – Firemen's Pension and Relief Fund, schedule of contributions multiyear – Firemen's Pension and Relief Fund, notes to schedule of contributions – Firemen's Pension and Relief Fund, schedule of changes in net pension liability and related ratios multiyear – Policemen's Pension and Relief Fund, schedule of the net pension liability multiyear – Policemen's Pension and Relief Fund, schedule of contributions multiyear – Policemen's Pension and Relief Fund, notes to schedule of contributions – Policemen's Pension and Relief Fund, schedule of changes in net pension liability and related ratios multiyear – Employee Retirement and Relief Fund, schedule of the net pension liability multiyear – Employee Retirement and Relief Fund, schedule of contributions multiyear – Employee Retirement and Relief Fund, notes to schedule of contributions multiyear – Employee Retirement and Relief Fund, schedule of proportionate share of the net pension liability – Morgantown Utility Board schedule of contributions – Morgantown Utility Board, schedule of changes in net OPEB liability and related ratios multiyear – Other Post Employment Benefits, schedule of employer contributions – Other Post Employment Benefits, notes to schedule of contributions – Other Post Employment Benefits on pages 132 through 159 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 the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Morgantown, West Virginia's basic financial statements. The combining and individual nonmajor fund financial statements, fiduciary fund financial statements, schedule of state grant receipts and expenditures and notes to schedule of state grant receipts and expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of passenger facility charges – cash basis – for the year ended June 30, 2021, notes to schedule of passenger facility charges – cash basis – for the year ended June 30, 2021 are presented for purposes of additional analysis as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation

Administration and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, fiduciary fund financial statements, schedule of state grant receipts and expenditures, notes to schedule of state grant receipts and expenditures, the schedule of passenger facility charges – cash basis – for the year ended June 30, 2021, notes to the schedule of passenger facility charges – cash basis – for the year ended June 30, 2021 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, financing fund financial statements, schedule of state grant receipts and expenditures, notes to schedule of state grant receipts and expenditures, the schedule of passenger facility charges – cash basis – for the year ended June 30, 2021, notes to the schedule of passenger facility charges – cash basis – for the year ended June 30, 2021 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022, on our consideration of the City of Morgantown, West Virginia'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 City of Morgantown, West Virginia'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 City of Morgantown, West Virginia's internal control over financial reporting and compliance.

Deloitte & Touche, PLLC

Clarksburg, West Virginia
March 15, 2022

CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Primary Government</u>			<u>Component Units</u>					
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Morgantown Public Library</u>	<u>Board of Parks and Recreation Commission</u>	<u>Parking Authority</u>	<u>Municipal Building Commission</u>	<u>Land Reuse and Preservation Agency</u>	<u>Morgantown Utility Board</u>
Assets									
Cash	\$ 38,304,200	\$ 613,067	\$ 38,917,267	\$ 1,543,973	\$ 2,336,869	\$ 510,471	\$ 160,886	\$ 153,958	\$ 4,237,553
Investments	2,463,036	-0-	2,463,036	1,801,100	-0-	626,556	-0-	-0-	14,058,556
Receivables	8,176,863	790,492	8,967,355	41,921	172,851	102	311,275	-0-	3,174,401
Internal balances	3,121,346	(3,119,158)	2,188	-0-	-0-	(2,188)	-0-	-0-	-0-
Inventory	2,400	37,154	39,554	-0-	-0-	-0-	-0-	-0-	1,843,178
Prepaid expenses	7,248	-0-	7,248	1,780	-0-	-0-	-0-	-0-	-0-
Restricted assets	1,707,838	329,172	2,037,010	2,338,406	-0-	2,232,921	212,964	-0-	33,292,071
Capital assets, net	14,917,940	30,713,347	45,631,287	1,869,252	3,719,844	5,665,501	9,304,206	1,401,466	326,694,599
Deposits and prepayments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	713,573
Deferred financing costs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	957,030
Accrued utility revenue	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,703,466
Other, net	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	17,946
Total assets	<u>68,700,871</u>	<u>29,364,074</u>	<u>98,064,945</u>	<u>7,596,432</u>	<u>6,229,564</u>	<u>9,033,363</u>	<u>9,989,331</u>	<u>1,555,424</u>	<u>386,692,373</u>
Deferred Outflows of Resources									
Deferred outflows of resources – WVPERS	-0-	-0-	-0-	178,864	210,454	-0-	-0-	-0-	-0-
Deferred outflows of resources – Employee Retirement	5,033,277	628,657	5,661,934	-0-	-0-	408,703	-0-	-0-	-0-
Deferred outflows of resources – Fire Pension	3,958,401	-0-	3,958,401	-0-	-0-	-0-	-0-	-0-	-0-
Deferred outflows of resources – Police Pension	6,489,115	-0-	6,489,115	-0-	-0-	-0-	-0-	-0-	-0-
Deferred outflows of resources – MUB Pension	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,939,229
Deferred outflows of resources – OPEB	2,276,427	83,690	2,360,117	143,589	190,052	105,242	-0-	-0-	-0-
Unamortized bond discount refunding loss	17,161	-0-	17,161	-0-	-0-	-0-	5,640	-0-	-0-
Total deferred outflows of resources	<u>17,774,381</u>	<u>712,347</u>	<u>18,486,728</u>	<u>322,453</u>	<u>400,506</u>	<u>513,945</u>	<u>5,640</u>	<u>-0-</u>	<u>2,939,229</u>
Total assets and deferred outflows of resources	<u>86,475,252</u>	<u>30,076,421</u>	<u>116,551,673</u>	<u>7,918,885</u>	<u>6,630,070</u>	<u>9,547,308</u>	<u>9,994,971</u>	<u>1,555,424</u>	<u>389,631,602</u>

CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF NET POSITION (CONTD)
JUNE 30, 2021

	<i>Primary Government</i>			<i>Component Units</i>					
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Morgantown Public Library</u>	<u>Board of Parks and Recreation Commission</u>	<u>Parking Authority</u>	<u>Municipal Building Commission</u>	<u>Land Reuse and Preservation Agency</u>	<u>Morgantown Utility Board</u>
Liabilities									
Accounts payable	\$ 46,707	\$ 24,509	\$ 71,216	\$ 31,608	\$ 13,593	\$ 24,559	\$ -0-	\$ -0-	\$ 3,286,807
Contracts payable	-0-	355,784	355,784	-0-	-0-	-0-	-0-	-0-	-0-
Accrued payroll	-0-	31,889	31,889	-0-	-0-	39,874	-0-	-0-	1,043,882
Accrued expenses	-0-	-0-	-0-	53,606	36,397	-0-	-0-	-0-	-0-
Billing services payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	428,475
Accrued administrative costs on bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Accrued interest payable	5,710,196	-0-	5,710,196	-0-	-0-	6,998	13,620	-0-	-0-
Unearned revenues	318,323	-0-	318,323	-0-	-0-	-0-	-0-	-0-	-0-
Other accrued liabilities	-0-	120,000	120,000	-0-	-0-	-0-	-0-	-0-	115,417
Customer deposits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Accrued payroll and compensated absences	820,370	46,838	867,208	61,124	76,220	54,544	-0-	-0-	-0-
Long-term liabilities:									
Due within one year	739,611	43,299	782,910	4,346	93,024	155,442	265,000	93,260	6,807,363
Due in more than one year	<u>172,048,091</u>	<u>2,012,374</u>	<u>172,929,638</u>	<u>1,429,797</u>	<u>2,099,446</u>	<u>3,921,827</u>	<u>1,545,000</u>	<u>1,423,163</u>	<u>230,912,436</u>
Total liabilities	<u>179,683,298</u>	<u>2,634,693</u>	<u>181,187,164</u>	<u>1,580,481</u>	<u>2,318,680</u>	<u>4,203,244</u>	<u>1,823,620</u>	<u>1,516,423</u>	<u>242,594,380</u>
Deferred Inflows of Resources									
Deferred inflows of resources – WVPERS	-0-	-0-	-0-	23,541	-0-	-0-	-0-	-0-	-0-
Deferred inflows of resources – Employee Retirement	7,812,981	975,842	8,788,823	-0-	18,258	634,414	-0-	-0-	-0-
Deferred inflows of resources – Fire Pension	3,177,931	-0-	3,177,931	-0-	-0-	-0-	-0-	-0-	-0-
Deferred inflows of resources – Police Pension	5,367,866	-0-	5,367,866	-0-	-0-	-0-	-0-	-0-	-0-
Deferred inflows of resources – MUB Pension	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,610,264
Deferred inflows of resources – OPEB	<u>1,825,858</u>	<u>67,126</u>	<u>1,892,984</u>	<u>115,169</u>	<u>152,436</u>	<u>84,412</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources	<u>18,184,636</u>	<u>1,042,968</u>	<u>19,227,604</u>	<u>138,710</u>	<u>170,694</u>	<u>718,826</u>	<u>-0-</u>	<u>-0-</u>	<u>5,610,264</u>
Total liabilities and deferred inflows of resources	<u>197,867,934</u>	<u>3,677,661</u>	<u>200,414,768</u>	<u>1,719,191</u>	<u>2,489,374</u>	<u>4,922,070</u>	<u>1,823,620</u>	<u>1,516,423</u>	<u>248,204,644</u>
Net Position									
Net investment in capital assets	-0-	30,192,008	30,192,008	1,853,262	3,364,164	3,234,730	7,494,206	-0-	112,363,205
Restricted	7,404,934	329,172	7,734,106	2,338,406	-0-	2,232,921	212,964	-0-	5,603,478
Unrestricted	<u>(118,797,616)</u>	<u>(4,122,420)</u>	<u>(121,789,209)</u>	<u>2,008,026</u>	<u>776,532</u>	<u>(842,413)</u>	<u>464,181</u>	<u>39,001</u>	<u>23,460,275</u>
Total net position	<u>\$(111,392,682)</u>	<u>\$ 26,398,760</u>	<u>\$(83,863,095)</u>	<u>\$ 6,199,694</u>	<u>\$ 4,140,696</u>	<u>\$ 4,625,238</u>	<u>8,171,351</u>	<u>\$ 39,001</u>	<u>\$ 141,426,958</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION <i>Primary Government</i>			Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Morgantown Public Library	Board of Parks and Recreation Commission	Parking Authority	Municipal Building Commission	Land Reuse and Preservation Agency	Morgantown Utility Board
Governmental Activities													
General government	\$ 14,933,577	\$ 4,275,050	\$ 92,040	\$ 5,621,755	\$(4,944,732)	\$ -0-	\$(4,944,732)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public safety	22,207,960	4,271,100	6,712,575	-0-	(11,224,285)	-0-	(11,224,285)	-0-	-0-	-0-	-0-	-0-	-0-
Highways and streets	6,130,307	-0-	-0-	-0-	(6,130,307)	-0-	(6,130,307)	-0-	-0-	-0-	-0-	-0-	-0-
Health and sanitation	1,574,566	1,634,198	14,174	-0-	73,806	-0-	73,806	-0-	-0-	-0-	-0-	-0-	-0-
Culture and recreation	1,467,512	-0-	-0-	-0-	(1,467,512)	-0-	(1,467,512)	-0-	-0-	-0-	-0-	-0-	-0-
Community development	3,641,450	-0-	452,302	-0-	(3,189,148)	-0-	(3,189,148)	-0-	-0-	-0-	-0-	-0-	-0-
Benefits payments	6,043,672	7,012,001	-0-	-0-	968,329	-0-	968,329	-0-	-0-	-0-	-0-	-0-	-0-
Total governmental activities	\$ 55,999,044	\$ 17,192,349	\$ 7,271,091	\$ 5,621,755	\$(25,913,849)	-0-	\$(25,913,849)	-0-	-0-	-0-	-0-	-0-	-0-
Business-Type Activities													
Airport	3,131,864	2,437,008	-0-	3,444,495	-0-	2,749,639	2,749,639	-0-	-0-	-0-	-0-	-0-	-0-
Total business-type activities	3,131,864	2,437,008	-0-	3,444,495	-0-	2,749,639	2,749,639	-0-	-0-	-0-	-0-	-0-	-0-
Total	\$ 59,130,908	\$ 19,629,357	\$ 7,271,091	\$ 9,066,250	\$(25,913,849)	2,749,639	\$(23,164,210)	-0-	-0-	-0-	-0-	-0-	-0-
Component Units													
Morgantown Utility Board	\$ 32,030,198	\$ 33,124,311	\$ -0-	\$ -0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,094,113
Parking Authority	2,091,231	1,930,952	-0-	-0-	-0-	-0-	-0-	-0-	(160,279)	-0-	-0-	-0-	-0-
Municipal Building Commission	514,899	320,726	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(194,173)	-0-	-0-	-0-
Board of Parks and Recreation Commission	2,678,024	3,340,508	2,833	-0-	-0-	-0-	-0-	-0-	665,317	-0-	-0-	-0-	-0-
Land Reuse and Preservation Agency	48,765	11,454	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(37,311)	-0-	-0-
Morgantown Public Library	1,943,276	7,228	2,029,653	-0-	-0-	-0-	-0-	93,605	-0-	-0-	-0-	-0-	-0-
Total component units	\$ 39,306,393	\$ 38,735,179	\$ 2,032,486	\$ -0-	-0-	-0-	-0-	93,605	665,317	(160,279)	(194,173)	(37,311)	1,094,113

**CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF ACTIVITIES (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION												
	PROGRAM REVENUES			Primary Government				Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Morgantown Public Library	Board of Parks and Recreation Commission	Parking Authority	Municipal Building Commission	Land Reuse and Preservation Agency	Morgantown Utility Board
General Revenues													
Taxes and special assessments:													
Ad valorem					\$ 6,433,423	\$ -0-	\$ 6,433,423	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Gas and oil severance					47,349	-0-	47,349	-0-	-0-	-0-	-0-	-0-	-0-
Municipal sales tax					8,794,155	-0-	8,794,155	-0-	-0-	-0-	-0-	-0-	-0-
Utility					1,162,647	-0-	1,162,647	-0-	-0-	-0-	-0-	-0-	-0-
Business and occupation					18,847,835	-0-	18,847,835	-0-	-0-	-0-	-0-	-0-	-0-
Wine and liquor					738,480	-0-	738,480	-0-	-0-	-0-	-0-	-0-	-0-
Animal control					3,764	-0-	3,764	-0-	-0-	-0-	-0-	-0-	-0-
Hotel and motel					525,241	-0-	525,241	-0-	-0-	-0-	-0-	-0-	-0-
Amusement					520	-0-	520	-0-	-0-	-0-	-0-	-0-	-0-
Coal severance					55,863	-0-	55,863	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and permits					558,735	-0-	558,735	-0-	-0-	-0-	-0-	-0-	-0-
Franchise fees					270,120	-0-	270,120	-0-	-0-	-0-	-0-	-0-	-0-
Investment income					195,687	2,994	198,681	514,554	9,193	138,804	1,586	3	1,197,156
Video lottery and gaming income					144,380	-0-	144,380	-0-	-0-	-0-	-0-	-0-	-0-
Gain (loss) on sale of capital assets					919,689	-0-	919,689	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous					432,823	-0-	432,823	1,431	-0-	-0-	-0-	-0-	1,085,458
Total general revenues					39,130,711	2,994	39,133,705	515,985	9,193	138,804	1,583	3	2,282,614
Change in net position before transfers between activities					13,216,862	2,752,633	15,969,495	609,590	674,510	(21,475)	(192,587)	(37,308)	3,376,727
Transfer between activities					(884,362)	-0-	(884,362)	-0-	795,023	-0-	(62,875)	152,214	-0-
Change in net position before contributed capital					12,332,500	2,752,633	15,085,133	609,590	1,469,533	(21,475)	(255,462)	114,906	3,376,727
Contributed capital					-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,893,388
Transfers to other entities					-0-	-0-	-0-	-0-	-0-	-0-	(4,151)	-0-	-0-
Net change in net position					12,332,500	2,752,633	15,085,133	609,590	1,469,533	(21,475)	(259,613)	114,906	6,270,115
Net position - beginning - restated					(123,725,182)	23,646,127	(100,079,055)	5,590,104	2,671,163	4,646,713	8,430,964	(75,905)	135,156,843
Net position - ending					\$ (111,392,682)	\$ 26,398,760	\$ (84,993,922)	\$ 6,199,694	\$ 4,140,696	\$ 4,625,238	\$ 8,171,351	\$ 39,001	\$ 141,426,958

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
FUND BALANCE SHEETS -
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Coal Severance	Capital Reserve	Life and Health	Tax Incremental Financing Debt Service	Municipal Sales and Use Tax Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds	Component Units				Total
										Moreantown Public Library	Library Expendable Trust	Capital Project Funds	Board of Parks and Recreation Commission	
ASSETS														
Cash	\$ 15,129,844	\$ 1,638	\$ 9,995,913	\$ 1,438,397	\$ -0-	\$ 2,082,045	\$ 5,621,970	\$ 4,034,393	\$ 38,304,200	\$ 1,543,973	\$ -0-	\$ -0-	\$ 2,336,869	\$ 3,880,842
Investments	1,060,959	-0-	-0-	662,990	-0-	-0-	-0-	739,087	2,463,036	1,531,056	-0-	291,906	-0-	1,822,962
Receivables, net of allowances:														
Taxes	4,565,335	16,877	-0-	-0-	-0-	2,195,179	-0-	74,814	6,852,205	-0-	-0-	-0-	-0-	-0-
Accounts	1,085,726	-0-	-0-	-0-	-0-	-0-	-0-	48,651	1,134,377	41,921	-0-	-0-	172,851	214,772
Other	186,285	-0-	-0-	-0-	-0-	-0-	-0-	-0-	186,285	-0-	-0-	-0-	-0-	-0-
Grants	3,996	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,996	-0-	-0-	-0-	-0-	-0-
Internal balances	118,866	-0-	3,130,734	-0-	-0-	-0-	-0-	(128,254)	3,121,346	-0-	-0-	-0-	-0-	-0-
Inventory	2,400	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,400	-0-	-0-	-0-	-0-	-0-
Restricted assets	-0-	-0-	-0-	-0-	1,707,838	-0-	-0-	-0-	1,707,838	-0-	2,316,544	-0-	-0-	2,316,544
Prepaid expenses	7,248	-0-	-0-	-0-	-0-	-0-	-0-	-0-	7,248	1,780	-0-	-0-	-0-	1,780
TOTAL ASSETS	\$ 22,160,659	\$ 18,515	\$ 13,126,647	\$ 2,101,387	\$ 1,707,838	\$ 4,277,224	\$ 5,621,970	\$ 4,768,691	\$ 53,782,931	\$ 3,118,730	\$ 2,316,544	\$ 291,906	\$ 2,509,720	\$ 8,236,900

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
FUND BALANCE SHEETS -
GOVERNMENTAL FUNDS (CONT'D)
JUNE 30, 2021**

	General Fund	Coal Severance	Capital Reserve	Life and Health	Tax Increment Financing Debt Service	Municipal Sales and Use Tax Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds	Component Units				Total
										Morgantown Public Library	Library Trust	Capital Project Funds	Board of Parks and Recreation Commission	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES														
Liabilities														
Accounts payable	\$ -0-	\$ -0-	\$ 174,476	\$ 5,243	\$ -0-	\$ -0-	\$ -0-	\$ 41,464	\$ 46,707	\$ 31,608	\$ -0-	\$ -0-	\$ 49,990	\$ 81,598
Accrued interest payable	522,665	-0-	-0-	-0-	5,187,531	-0-	-0-	-0-	5,710,196	-0-	-0-	-0-	-0-	-0-
Accrued expenses	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	53,606	-0-	-0-	-0-	53,606
Accrued payroll and compensated absences	819,422	-0-	-0-	-0-	-0-	-0-	-0-	948	820,370	61,124	-0-	-0-	76,220	137,344
Total liabilities	<u>1,342,087</u>	<u>-0-</u>	<u>174,476</u>	<u>5,243</u>	<u>5,187,531</u>	<u>-0-</u>	<u>-0-</u>	<u>42,412</u>	<u>6,577,273</u>	<u>146,338</u>	<u>-0-</u>	<u>-0-</u>	<u>126,210</u>	<u>272,548</u>
Deferred Inflows of Resources														
Deferred revenue - taxes	456,508	-0-	-0-	-0-	-0-	-0-	-0-	69,182	525,690	-0-	-0-	-0-	-0-	-0-
Unearned revenues	318,323	-0-	-0-	-0-	-0-	-0-	-0-	-0-	318,323	-0-	-0-	-0-	-0-	-0-
Total deferred inflows of resources	<u>774,831</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>69,182</u>	<u>844,013</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balances														
Restricted	-0-	-0-	-0-	-0-	1,707,838	-0-	5,621,970	75,126	7,404,934	-0-	2,316,544	21,862	-0-	2,338,406
Nonspendable	9,648	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,648	1,780	-0-	-0-	-0-	1,780
Assigned	-0-	18,515	12,952,171	2,096,144	-0-	4,277,224	-0-	4,614,763	23,958,817	189,098	-0-	270,044	2,383,510	2,842,652
Unassigned	20,034,093	-0-	-0-	-0-	(5,187,531)	-0-	-0-	(32,792)	14,813,770	2,781,514	-0-	-0-	-0-	2,781,514
Total fund balances	<u>20,043,741</u>	<u>18,515</u>	<u>12,952,171</u>	<u>2,096,144</u>	<u>(3,479,693)</u>	<u>4,277,224</u>	<u>5,621,970</u>	<u>4,657,097</u>	<u>46,187,162</u>	<u>2,972,392</u>	<u>2,316,544</u>	<u>291,906</u>	<u>2,509,720</u>	<u>7,964,352</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 22,160,659	\$ 18,515	\$ 13,126,647	\$ 2,101,387	\$ 1,707,838	\$ 4,277,224	\$ 5,621,970	\$ 4,768,691	\$ 53,782,931	\$ 3,118,730	\$ 2,316,544	\$ 291,906	\$ 2,509,720	\$ 8,236,900

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
RECONCILIATION OF FUND BALANCE SHEETS OF
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
JUNE 30, 2021**

	<i>Component Units</i>		
	<i>Primary Government</i>	<i>Morgantown Public Library</i>	<i>Board of Parks and Recreation Commission</i>
Fund balance, fund level statement at June 30, 2021	\$ 46,361,645	\$ 5,580,842	\$ 2,383,510
The total fund balance of the City of Morgantown's governmental funds differs from net position of the governmental activities reported on the Statement of Net Position as follows:			
Some liabilities are not due and payable in the current period and therefore, are not reported in the fund level statements:			
Accrued compensated absences	(1,715,815)	-0-	-0-
Obligations under capital lease	(361,594)	(15,990)	(355,680)
Net pension obligation	(128,247,521)	(238,304)	(275,158)
Bonds payable	(23,757,685)	-0-	-0-
Accrued other post employment benefits	(18,705,087)	(1,179,849)	(1,561,632)
Capital assets, that are used in governmental activities and are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those assets and their associated accumulated depreciation.	14,917,940	1,869,252	3,719,844
Deferred inflows and outflows related to pension and other post employment benefit activity are not required to be reported in the funds but are required to be reported at the government-wide level:			
Deferred outflows of resources – WVPERS	-0-	178,864	210,454
Deferred outflows of resources – Employee retirement	5,033,277	-0-	-0-
Deferred outflows of resources – Fire Pension	3,958,401	-0-	-0-
Deferred outflows of resources – Police Pension	6,489,115	-0-	-0-
Deferred outflows of resources – OPEB	2,276,427	143,589	190,052
Deferred inflows of resources – WVPERS	-0-	(23,541)	-0-
Deferred inflows of resources – Employee retirement	(7,812,981)	-0-	(18,258)
Deferred inflows of resources – Fire Pension	(3,177,931)	-0-	-0-
Deferred inflows of resources – Police Pension	(5,367,866)	-0-	-0-
Deferred inflows of resources – OPEB	(1,825,858)	(115,169)	(152,436)
Some assets do not provide current financial resources and are reported as deferred revenues in the fund level statements.			
Unamortized bond discount	17,161	-0-	-0-
Deferred revenue	<u>525,690</u>	<u>-0-</u>	<u>-0-</u>
Net position of governmental activities	\$ <u>(111,392,682)</u>	\$ <u>6,199,694</u>	\$ <u>4,140,696</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN NET POSITION - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Primary Government</i>							<i>Component Units</i>					<i>Board of Parks and Recreation Commission</i>	<i>Total</i>	
	<i>General Fund</i>	<i>Coal Severance</i>	<i>Capital Reserve</i>	<i>Life and Health</i>	<i>Tax Incremental Financing Debt Service</i>	<i>Municipal Sales and Use Tax Fund</i>	<i>American Rescue Plan Act Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>	<i>Morgantown Public Library</i>	<i>Public Library Expendable Trust</i>	<i>Capital Projects Funds</i>			
Revenues															
Taxes and special assessments:															
Ad valorem	\$ 4,709,073	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,724,350	\$ 6,433,423	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
Gas and oil severance	47,349	-0-	-0-	-0-	-0-	-0-	-0-	-0-	47,349	-0-	-0-	-0-	-0-	-0-	
Municipal sales tax	1,141,931	-0-	-0-	-0-	-0-	7,652,224	-0-	-0-	8,794,155	-0-	-0-	-0-	-0-	-0-	
Utility	1,162,647	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,162,647	-0-	-0-	-0-	-0-	-0-	
Business and occupation	18,847,835	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18,847,835	-0-	-0-	-0-	-0-	-0-	
Wine and liquor	738,480	-0-	-0-	-0-	-0-	-0-	-0-	-0-	738,480	-0-	-0-	-0-	-0-	-0-	
Animal control	3,764	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,764	-0-	-0-	-0-	-0-	-0-	
Hotel and motel	525,241	-0-	-0-	-0-	-0-	-0-	-0-	-0-	525,241	-0-	-0-	-0-	-0-	-0-	
Amusement	520	-0-	-0-	-0-	-0-	-0-	-0-	-0-	520	-0-	-0-	-0-	-0-	-0-	
Licenses and permits	558,735	-0-	-0-	-0-	-0-	-0-	-0-	-0-	558,735	-0-	-0-	-0-	-0-	-0-	
Charges for services	9,826,707	-0-	-0-	-0-	-0-	-0-	-0-	90,359	9,917,066	-0-	-0-	-0-	3,340,508	3,340,508	
Fines and forfeits	262,742	-0-	-0-	-0-	-0-	-0-	-0-	-0-	262,742	7,228	-0-	-0-	-0-	7,228	
Franchise fees	270,120	-0-	-0-	-0-	-0-	-0-	-0-	-0-	270,120	-0-	-0-	-0-	-0-	-0-	
Investment income (loss)	123,294	83	35,075	11,203	222	-0-	215	25,595	195,687	118,022	394,939	1,593	9,193	523,747	
Donations	-0-	-0-	-0-	-0-	120,000	-0-	-0-	-0-	120,000	38,133	-0-	-0-	-0-	2,833	40,966
Video lottery and gaming income	144,380	-0-	-0-	-0-	-0-	-0-	-0-	-0-	144,380	-0-	-0-	-0-	-0-	-0-	
Intergovernmental:															
Federal	6,712,575	-0-	-0-	-0-	-0-	-0-	5,621,755	332,302	12,666,632	-0-	-0-	-0-	-0-	-0-	
State	106,754	55,863	-0-	-0-	-0-	-0-	-0-	-0-	162,617	535,008	-0-	-0-	-0-	535,008	
Local	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,456,512	-0-	-0-	-0-	1,456,512	
Contributions from employees	-0-	-0-	-0-	440,087	-0-	-0-	-0-	-0-	440,087	-0-	-0-	-0-	-0-	-0-	
Contributions from employers	-0-	-0-	-0-	6,571,914	-0-	-0-	-0-	-0-	6,571,914	-0-	-0-	-0-	-0-	-0-	
Other	295,998	-0-	33,000	103,825	-0-	-0-	-0-	-0-	432,823	1,339	92	-0-	-0-	1,431	
Total revenues	45,478,145	55,946	68,075	7,127,029	120,222	7,652,224	5,621,970	2,172,606	68,296,217	2,156,242	395,031	1,593	3,352,534	5,905,400	

**CITY OF MORGANTOWN, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN NET POSITION - GOVERNMENTAL FUNDS (CONTD)
 FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Primary Government</i>							<i>Component Units</i>					<i>Board of Parks and Recreation Commission</i>	<i>Total</i>
	<i>General Fund</i>	<i>Coal Severance</i>	<i>Capital Reserve</i>	<i>Life and Health</i>	<i>Tax Incremental Financing Debt Service</i>	<i>Municipal Sales and Use Tax Fund</i>	<i>American Rescue Plan Act Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>	<i>Morgantown Public Library</i>	<i>Library Expendable Trust</i>	<i>Capital Projects Funds</i>		
Expenditures														
General government	\$ 9,846,674	\$ -0-	\$ -0-	\$ 233,137	\$ -0-	\$ -0-	\$ -0-	\$ 6,383	\$ 10,086,194	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public safety	15,013,868	-0-	-0-	-0-	-0-	-0-	-0-	36,015	15,049,883	-0-	-0-	-0-	-0-	-0-
Highways and streets	4,246,721	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,246,721	-0-	-0-	-0-	-0-	-0-
Health and sanitation	1,574,566	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,574,566	-0-	-0-	-0-	-0-	-0-
Culture and recreation	1,153,257	-0-	-0-	-0-	-0-	-0-	-0-	227,577	1,380,834	2,101,794	13,116	-0-	2,252,258	4,367,168
Social services	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Community development	-0-	-0-	3,460,618	-0-	29,600	-0-	-0-	555,330	4,045,548	-0-	-0-	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	-0-	919,688	-0-	-0-	-0-	919,688	-0-	-0-	-0-	784,650	784,650
Debt service - principal	133,548	-0-	-0-	-0-	717,000	-0-	-0-	-0-	850,548	-0-	-0-	-0-	85,728	85,728
Debt service - interest	27,819	-0-	-0-	-0-	1,356,666	-0-	-0-	-0-	1,384,485	-0-	-0-	-0-	18,394	18,394
Benefit payments	-0-	-0-	-0-	4,854,791	-0-	-0-	-0-	1,188,881	6,043,672	-0-	-0-	-0-	-0-	-0-
Total expenditures	<u>31,996,453</u>	<u>-0-</u>	<u>3,460,618</u>	<u>5,087,928</u>	<u>3,022,954</u>	<u>-0-</u>	<u>-0-</u>	<u>2,014,186</u>	<u>45,582,139</u>	<u>2,101,794</u>	<u>13,116</u>	<u>-0-</u>	<u>3,141,030</u>	<u>5,255,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,481,692</u>	<u>55,946</u>	<u>(3,392,543)</u>	<u>2,039,101</u>	<u>(2,902,732)</u>	<u>7,652,224</u>	<u>5,621,970</u>	<u>158,420</u>	<u>22,714,078</u>	<u>54,448</u>	<u>381,915</u>	<u>1,593</u>	<u>1,211,504</u>	<u>649,460</u>
Other Financing Sources (Uses)														
Proceeds from bond issuance	-0-	-0-	-0-	-0-	919,689	-0-	-0-	-0-	919,689	-0-	-0-	-0-	-0-	-0-
Operating transfers in	1,141,931	-0-	7,060,805	-0-	1,598,753	-0-	-0-	2,313,720	12,115,209	-0-	-0-	-0-	795,023	795,023
Operating transfers (out)	(6,782,498)	(50,666)	-0-	(1,185,654)	-0-	(3,375,000)	-0-	(1,598,753)	(12,999,571)	-0-	-0-	-0-	-0-	-0-
Total other financing sources (uses)	<u>(5,642,567)</u>	<u>(50,666)</u>	<u>7,060,805</u>	<u>(1,185,654)</u>	<u>2,518,442</u>	<u>(3,375,000)</u>	<u>-0-</u>	<u>714,967</u>	<u>35,327</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>795,023</u>	<u>795,023</u>
Net change in fund balances	7,834,125	5,280	3,668,262	853,447	(384,290)	4,277,224	5,621,970	873,387	22,749,405	54,448	381,915	1,593	1,006,527	1,444,483
Fund balances at beginning of year - restated	<u>12,209,616</u>	<u>13,235</u>	<u>9,283,909</u>	<u>1,242,697</u>	<u>(3,095,403)</u>	<u>-0-</u>	<u>-0-</u>	<u>3,783,710</u>	<u>23,437,764</u>	<u>2,917,944</u>	<u>1,934,629</u>	<u>290,313</u>	<u>1,376,983</u>	<u>6,519,869</u>
Fund balances at end of year	<u>\$ 20,043,741</u>	<u>\$ 18,515</u>	<u>\$ 12,952,171</u>	<u>\$ 2,096,144</u>	<u>\$(3,479,693)</u>	<u>\$ 4,277,224</u>	<u>\$ 5,621,970</u>	<u>\$ 4,657,097</u>	<u>\$ 46,187,169</u>	<u>\$ 2,972,392</u>	<u>\$ 2,316,544</u>	<u>\$ 291,906</u>	<u>\$ 2,383,510</u>	<u>\$ 7,964,352</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN NET POSITION OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Primary Government</u>	<u>Component Units</u>	
		<u>Morgantown Public Library</u>	<u>Board of Parks and Recreation Commission</u>
Net change in fund balance – total governmental funds	\$ 22,749,405	\$ 437,956	\$ 1,006,527
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the difference between capital outlays and depreciation in the current period.	(280,732)	220,070	450,502
Capital leases and bonds provide current financial resources to governmental funds, but entering into capital leases and bonds increase long-term liabilities in the Statement of Net Position. Repayment of capital lease obligations and bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position, while proceeds are considered revenue in the governmental funds, but increase long-term liabilities in the Statement of Net Position.			
Repayment of obligation under capital lease	82,597	3,854	85,728
Repayment of bonds	717,000	-0-	-0-
Proceeds from bond issuance	(919,689)	-0-	-0-
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
(Increase) in compensated absences	(171,650)	-0-	-0-
(Increase) decrease in pension benefit obligation	7,945,983	-0-	-0-
(Increase) decrease in accrued other post employment benefits	(832,006)	-0-	-0-
Decrease in unamortized bond discounts	(1,560)	-0-	-0-
Some revenues reported in the Statement of Activities do not provide financial resources that are both available and measurable for use in current activities:			
Change in deferred revenues	113,246	-0-	-0-
Certain pension expenses in the Statement of Activities are recognized on the accrual basis of accounting in accordance with GASB 68:			
Amount of decrease (increase) in pension expense and OPEB expense recognized at government-wide level	(17,070,094)	(52,290)	(73,224)
Change in Net Position of Governmental Activities	\$ <u>12,332,500</u>	\$ <u>609,590</u>	\$ <u>1,469,533</u>

See accompanying notes and independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type</u>		<u>Component Units</u>				<u>Total</u>
	<u>Activities</u>		<u>Municipal</u>	<u>Land Reuse and</u>	<u>Morgantown</u>		
	<u>Airport</u>	<u>Parking</u>	<u>Building</u>	<u>Preservation</u>	<u>Utility</u>		
<u>Fund</u>	<u>Authority</u>	<u>Commission</u>	<u>Agency</u>	<u>Board</u>			
ASSETS							
Current Assets							
Cash	\$ 613,067	\$ 510,471	\$ 160,886	\$ 153,958	\$ 4,237,553	\$ 5,062,868	
Investments	-0-	626,556	-0-	-0-	-0-	626,556	
Receivables, net of allowances:							
Accounts	168,079	102	250,033	-0-	2,374,247	2,624,382	
Other	-0-	-0-	-0-	-0-	750,038	750,038	
Grants	622,413	-0-	-0-	-0-	-0-	-0-	
Interest	-0-	-0-	-0-	-0-	50,116	50,116	
Inventory	37,154	-0-	-0-	-0-	1,843,178	1,843,178	
Internal balances	(3,119,158)	(2,188)	-0-	-0-	-0-	(2,188)	
Deposits and prepayments	-0-	-0-	-0-	-0-	713,573	713,573	
Accrued utility revenue	-0-	-0-	-0-	-0-	1,703,466	1,703,466	
Total current assets	<u>(1,678,445)</u>	<u>1,134,941</u>	<u>410,919</u>	<u>153,958</u>	<u>11,672,171</u>	<u>13,371,989</u>	
Noncurrent Assets							
Restricted assets	<u>329,172</u>	<u>2,232,921</u>	<u>212,964</u>	<u>-0-</u>	<u>33,292,071</u>	<u>35,737,956</u>	
Capital Assets							
Land	50,050	1,484,399	1,439,707	555,753	1,668,684	5,148,543	
Intangible plant	-0-	-0-	-0-	-0-	383,054	383,054	
Land improvements	-0-	-0-	744,473	-0-	-0-	744,473	
Building	13,531,127	-0-	15,742,250	-0-	27,979,458	43,721,708	
Structures and improvements	34,306,410	9,685,584	-0-	-0-	-0-	9,685,584	
Water transmission and distribution system	-0-	-0-	-0-	-0-	87,492,430	87,492,430	
Sewer and storm collection system	-0-	-0-	-0-	-0-	133,898,807	133,898,807	
Treatment plant equipment	-0-	-0-	-0-	-0-	71,750,605	71,750,605	
Office furniture, equipment and computer system	-0-	-0-	-0-	-0-	5,903,818	5,903,818	
Vehicles and heavy duty equipment	-0-	-0-	-0-	-0-	9,386,786	9,386,786	
Machinery and equipment	2,586,665	1,992,600	1,094,319	-0-	-0-	3,086,919	
Construction in progress	4,511,818	61,355	-0-	845,713	143,255,223	144,162,291	
Less: Accumulated depreciation	<u>(24,272,723)</u>	<u>(7,558,437)</u>	<u>(9,716,543)</u>	<u>-0-</u>	<u>(155,024,266)</u>	<u>(172,299,246)</u>	
Net capital assets	<u>30,713,347</u>	<u>5,665,501</u>	<u>9,304,206</u>	<u>1,401,466</u>	<u>326,694,599</u>	<u>343,065,772</u>	
Other Assets							
Accounts receivable	-0-	-0-	61,242	-0-	-0-	61,242	
Investments	-0-	-0-	-0-	-0-	14,058,556	14,058,556	
Deferred financing costs	-0-	-0-	-0-	-0-	957,030	957,030	
Other net	-0-	-0-	-0-	-0-	17,946	17,946	
Total other assets	<u>-0-</u>	<u>-0-</u>	<u>61,242</u>	<u>-0-</u>	<u>15,033,532</u>	<u>15,094,774</u>	
Total assets	<u>29,364,074</u>	<u>9,033,363</u>	<u>9,989,331</u>	<u>1,555,424</u>	<u>386,692,373</u>	<u>407,270,491</u>	
Deferred Outflows of Resources							
Deferred outflows of resources – WVPERS	-0-	-0-	-0-	-0-	-0-	-0-	
Deferred outflows of resources – Employee Retirement	628,657	408,703	-0-	-0-	-0-	408,703	
Deferred outflows of resources – MUB Pension	-0-	-0-	-0-	-0-	2,939,229	2,939,229	
Deferred outflows of resources – Police Pension	-0-	-0-	-0-	-0-	-0-	-0-	
Deferred outflows of resources – OPEB	83,690	105,242	-0-	-0-	-0-	105,242	
Unamortized bond discount refunding loss	-0-	-0-	5,640	-0-	-0-	5,640	
Total deferred outflows of resources	<u>712,347</u>	<u>513,945</u>	<u>5,640</u>	<u>-0-</u>	<u>2,939,229</u>	<u>3,458,814</u>	
Total assets and deferred outflows of resources	<u>30,076,421</u>	<u>9,547,308</u>	<u>9,994,971</u>	<u>1,555,424</u>	<u>389,631,602</u>	<u>410,729,305</u>	

CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS (CONTD)
JUNE 30, 2021

	<u>Business-Type</u>		<u>Component Units</u>			<u>Total</u>
	<u>Activities</u> <u>Airport</u> <u>Fund</u>	<u>Parking</u> <u>Authority</u>	<u>Municipal</u> <u>Building</u> <u>Commission</u>	<u>Land Reuse and</u> <u>Preservation</u> <u>Agency</u>	<u>Morgantown</u> <u>Utility</u> <u>Board</u>	
LIABILITIES						
Current Liabilities (payable from current assets)						
Current portion obligation under capital lease	\$ 43,299	\$ 20,885	\$ -0-	\$ -0-	\$ -0-	\$ 20,885
Accounts payable	24,509	24,559	-0-	-0-	3,286,807	3,311,366
Contracts payable	355,784	-0-	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-
Accrued payroll	31,889	39,874	-0-	-0-	1,043,882	1,083,756
Billing services collected payable	-0-	-0-	-0-	-0-	428,475	428,475
Other accrued liabilities	120,000	-0-	-0-	-0-	115,417	115,417
Accrued compensated absences	46,838	54,544	-0-	-0-	-0-	54,544
Total current liabilities (payable from current assets)	<u>622,319</u>	<u>139,862</u>	<u>-0-</u>	<u>-0-</u>	<u>4,874,581</u>	<u>5,014,443</u>
Current Liabilities (payable from restricted assets)						
Revenue bonds payable	-0-	134,557	265,000	93,260	-0-	492,817
Current portion of long-term debt	-0-	-0-	-0-	-0-	6,807,363	6,807,363
Interest payable	<u>-0-</u>	<u>6,998</u>	<u>13,620</u>	<u>-0-</u>	<u>-0-</u>	<u>20,618</u>
Total current liabilities (payable from restricted assets)	<u>-0-</u>	<u>141,555</u>	<u>278,620</u>	<u>93,260</u>	<u>6,807,363</u>	<u>7,320,798</u>
Long-Term Liabilities (net of current portion)						
Revenue bonds payable	-0-	2,216,361	1,545,000	1,423,163	207,366,305	212,550,829
Obligation under capital lease	122,256	58,968	-0-	-0-	157,726	216,694
Net pension obligation	1,202,448	781,736	-0-	-0-	5,527,989	6,309,725
Net other post employment benefit obligation	687,670	864,762	-0-	-0-	-0-	864,762
Customer deposits	-0-	-0-	-0-	-0-	688,691	688,691
Accrued administrative costs on bonds	-0-	-0-	-0-	-0-	18,818	18,818
Accrued interest on bonds	-0-	-0-	-0-	-0-	1,207,833	1,207,833
Interest on customer deposits	-0-	-0-	-0-	-0-	6,094	6,094
Advances on construction	-0-	-0-	-0-	-0-	15,938,980	15,938,980
Total long-term liabilities (net of current portion)	<u>2,012,374</u>	<u>3,921,827</u>	<u>1,545,000</u>	<u>1,423,163</u>	<u>230,912,436</u>	<u>237,802,426</u>
Total liabilities	<u>2,634,693</u>	<u>4,203,244</u>	<u>1,823,620</u>	<u>1,516,423</u>	<u>242,594,380</u>	<u>250,137,667</u>
Deferred Inflows of Resources						
Deferred inflows of resources – WVPERS	-0-	-0-	-0-	-0-	-0-	-0-
Deferred inflows of resources – Employee retirement	975,842	634,414	-0-	-0-	-0-	634,414
Deferred inflows of resources – MUB Pension	-0-	-0-	-0-	-0-	5,610,264	5,610,264
Deferred inflows of resources – Police Pension	-0-	-0-	-0-	-0-	-0-	-0-
Deferred inflows of resources – OPEB	<u>67,126</u>	<u>84,412</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>84,412</u>
Total deferred inflows of resources	<u>1,042,968</u>	<u>718,826</u>	<u>-0-</u>	<u>-0-</u>	<u>5,610,264</u>	<u>6,329,090</u>
Total liabilities and deferred inflows of resources	<u>3,677,661</u>	<u>4,922,070</u>	<u>1,823,620</u>	<u>1,516,423</u>	<u>248,204,644</u>	<u>256,466,757</u>
Net Position						
Net investment in capital assets	30,192,008	3,234,730	7,494,206	-0-	112,363,205	123,092,141
Restricted	329,172	2,232,921	212,964	-0-	5,603,478	8,049,363
Unrestricted	(4,122,420)	(842,413)	464,181	39,001	23,460,275	23,121,044
Total net position	<u>\$ 26,398,760</u>	<u>\$ 4,625,238</u>	<u>\$ 8,171,351</u>	<u>\$ 39,001</u>	<u>\$ 141,426,958</u>	<u>\$ 154,262,548</u>

See accompanying notes and independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type</u>		<u>Component Units</u>			<u>Total</u>
	<u>Activities</u>		<u>Municipal</u>	<u>Land Reuse and</u>	<u>Morgantown</u>	
	<u>Airport</u>	<u>Parking</u>	<u>Building</u>	<u>Preservation</u>	<u>Utility</u>	
	<u>Fund</u>	<u>Authority</u>	<u>Commission</u>	<u>Agency</u>	<u>Board</u>	
Operating Revenues						
Charges for services	\$ 2,437,008	\$ 1,430,499	\$ 320,726	\$ 11,454	\$ 33,124,311	\$ 34,886,990
Fines	-0-	500,453	-0-	-0-	-0-	500,453
Total operating revenues	<u>2,437,008</u>	<u>1,930,952</u>	<u>320,726</u>	<u>11,454</u>	<u>33,124,311</u>	<u>35,387,443</u>
Operating Expenses						
Personal services	710,337	1,020,036	-0-	-0-	-0-	1,020,036
Purchases – fuel	737,514	-0-	-0-	-0-	-0-	-0-
Supplies	7,779	17,242	-0-	-0-	-0-	17,242
Liability insurance	54,162	52,034	-0-	-0-	-0-	52,034
Utilities	109,493	79,426	-0-	-0-	-0-	79,426
General and administrative	105,584	368,840	2,080	71	-0-	370,991
Depreciation	1,243,091	274,875	455,047	-0-	-0-	729,922
Maintenance	133,356	130,324	-0-	-0-	-0-	130,324
Rental lease	30,548	127,452	-0-	-0-	-0-	127,452
Water operating expenses	-0-	-0-	-0-	-0-	11,258,216	11,258,216
Sewer operating expenses	-0-	-0-	-0-	-0-	10,828,463	10,828,463
Storm water utility operating expenses	-0-	-0-	-0-	-0-	1,519,845	1,519,845
Total operating expenses	<u>3,131,864</u>	<u>2,070,229</u>	<u>457,127</u>	<u>71</u>	<u>23,606,524</u>	<u>26,133,951</u>
Operating (loss) income	(694,856)	(139,277)	(136,401)	11,383	9,517,787	9,253,492
Nonoperating Revenues (Expenses)						
Investment income	2,994	17,014	1,586	3	1,197,156	1,215,759
Gain (loss) on investments	-0-	121,790	-0-	-0-	-0-	121,790
Interest and fiscal charges	-0-	(21,002)	(56,870)	(48,694)	(8,423,674)	(8,550,240)
Amortization of bond costs	-0-	-0-	(902)	-0-	-0-	(902)
Other revenue	-0-	-0-	-0-	-0-	1,085,458	1,085,458
Total nonoperating revenues (expenses)	<u>2,994</u>	<u>117,802</u>	<u>(56,186)</u>	<u>(48,691)</u>	<u>(6,141,060)</u>	<u>(6,128,135)</u>
Change in net position before nonoperating grants and operating transfers	(691,862)	(21,475)	(192,587)	(37,308)	3,376,727	3,125,357
Nonoperating grants – federal	3,399,268	-0-	-0-	-0-	-0-	-0-
Nonoperating grants – state	45,227	-0-	-0-	-0-	-0-	-0-
Operating transfers in (out)	-0-	-0-	(62,875)	152,214	-0-	89,339
Transfers to other governmental units	-0-	-0-	(4,151)	-0-	-0-	(4,151)
Contributed capital	-0-	-0-	-0-	-0-	2,893,388	2,893,388
Change in net position	2,752,633	(21,475)	(259,613)	114,906	6,270,115	6,103,933
Total net position – beginning – restated	<u>23,646,127</u>	<u>4,646,713</u>	<u>8,430,964</u>	<u>(75,905)</u>	<u>135,156,843</u>	<u>148,158,615</u>
Total net position – ending	<u>\$ 26,398,760</u>	<u>\$ 4,625,238</u>	<u>\$ 8,171,351</u>	<u>\$ 39,001</u>	<u>\$ 141,426,958</u>	<u>\$ 154,262,548</u>

See accompanying notes and independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type</u>		<u>Component Units</u>			<u>Total</u>
	<u>Activities</u>		<u>Municipal</u>	<u>Land Reuse and</u>	<u>Morgantown</u>	
	<u>Airport</u>	<u>Parking</u>	<u>Building</u>	<u>Preservation</u>	<u>Utility</u>	
	<u>Fund</u>	<u>Authority</u>	<u>Commission</u>	<u>Agency</u>	<u>Board</u>	
Cash Flows from Operating Activities						
Receipts from customers	\$ 2,346,998	\$ 1,930,952	\$ 387,751	\$ 11,454	\$ 32,806,645	\$ 35,136,802
Receipts from other sources	-0-	-0-	-0-	-0-	598,448	598,448
Payments to suppliers	(1,346,584)	(1,178,558)	(2,080)	(71)	(11,851,470)	(13,032,179)
Payments to employees	(523,906)	(645,001)	-0-	-0-	(7,078,926)	(7,723,927)
Net cash provided by (used in) operating activities	<u>476,508</u>	<u>107,393</u>	<u>385,671</u>	<u>11,383</u>	<u>14,474,697</u>	<u>14,979,144</u>
Cash Flows from Capital and Related Financing Activities						
(Increase) decrease in deferred financing net of amortization	-0-	-0-	-0-	-0-	(515,981)	(515,981)
Repayment of obligation under capital lease	(39,903)	(19,246)	-0-	-0-	-0-	(19,246)
(Increase) decrease in accrued administrative costs of bonds	-0-	-0-	-0-	-0-	10,116	10,116
(Increase) decrease in restricted assets	(329,172)	(2,182,655)	(616)	-0-	-0-	(2,183,271)
Proceeds from revenue bonds	-0-	2,350,918	-0-	-0-	31,890,000	34,240,918
Repayment of revenue bonds	-0-	(644,156)	(260,000)	(90,408)	(42,688,593)	(43,683,157)
Advances on construction	-0-	-0-	-0-	-0-	1,359,562	1,359,562
Nonoperating grants	2,891,082	-0-	-0-	-0-	-0-	-0-
Acquisition of capital assets	(2,694,162)	-0-	-0-	(74,719)	(23,047,397)	(23,122,116)
(Increase) decrease in sinking fund	-0-	-0-	-0-	-0-	239,062	239,062
(Increase) decrease in bond construction account	-0-	-0-	-0-	-0-	22,031,419	22,031,419
Customer deposits including interest	-0-	-0-	-0-	-0-	28,851	28,851
Other nonoperating income	-0-	-0-	-0-	-0-	1,085,458	1,085,458
Transfers from (to) other funds	-0-	-0-	(62,875)	152,214	-0-	89,339
Transfers to other governmental entities	-0-	-0-	(4,151)	-0-	-0-	(4,151)
Change in other assets net	-0-	-0-	-0-	-0-	4,445	4,445
Interest expense	-0-	(15,327)	(58,636)	(48,694)	(7,905,389)	(8,028,046)
Net cash (used in) provided by capital and related financing activities	<u>(172,155)</u>	<u>(510,466)</u>	<u>(386,278)</u>	<u>(61,607)</u>	<u>(17,508,447)</u>	<u>(18,466,798)</u>
Cash Flows from Investing Activities						
Proceeds from sale of investments	-0-	183,165	-0-	-0-	2,729,242	2,912,407
Purchase of investments	-0-	-0-	-0-	-0-	(949,288)	(949,288)
Investment income	<u>2,994</u>	<u>138,804</u>	<u>1,586</u>	<u>3</u>	<u>1,191,939</u>	<u>1,332,332</u>
Net cash provided by (used in) investing activities	<u>2,994</u>	<u>321,969</u>	<u>1,586</u>	<u>3</u>	<u>2,971,893</u>	<u>3,295,451</u>
Net increase (decrease) in cash	307,347	(81,104)	979	(50,221)	(61,857)	(192,203)
Cash at beginning of year	<u>305,720</u>	<u>591,575</u>	<u>159,907</u>	<u>204,179</u>	<u>4,299,410</u>	<u>5,255,071</u>
Cash at end of year	\$ <u>613,067</u>	\$ <u>510,471</u>	\$ <u>160,886</u>	\$ <u>153,958</u>	\$ <u>4,237,553</u>	\$ <u>5,062,868</u>

**CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Business-Type</u>		<u>Component Units</u>			<u>Total</u>
	<u>Activities</u>		<u>Municipal</u>	<u>Land Reuse and</u>	<u>Morgantown</u>	
	<u>Airport</u> <u>Fund</u>	<u>Parking</u> <u>Authority</u>	<u>Building</u> <u>Commission</u>	<u>Preservation</u> <u>Agency</u>	<u>Utility</u> <u>Board</u>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating (loss) income	\$(694,856)	\$(139,277)	\$(136,401)	\$ 11,383	\$ 9,517,787	\$ 9,253,492
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,243,091	274,875	455,047	-0-	8,105,559	8,835,481
(Increase) decrease in:						
Accounts receivable	(90,010)	-0-	67,025	-0-	212,628	279,653
Inventory	23,851	-0-	-0-	-0-	(107,020)	(107,020)
Internal balances	(254,946)	1,394	-0-	-0-	-0-	1,394
Deposits and prepayments	-0-	-0-	-0-	-0-	318,214	318,214
Accrued utility revenue	-0-	-0-	-0-	-0-	(178,551)	(178,551)
Deferred outflows of resources – MUB Pension	-0-	-0-	-0-	-0-	(715,581)	(715,581)
Deferred outflows of resources – Employee Retirement	(199,693)	(129,824)	-0-	-0-	-0-	(129,824)
Deferred outflows of resources – OPEB	(40,215)	(50,572)	-0-	-0-	-0-	(50,572)
Increase (decrease) in:						
Accounts payable	(5,145)	7,582	-0-	-0-	(2,526,329)	(2,518,747)
Contracts payable	355,784	-0-	-0-	-0-	-0-	-0-
Accrued payroll	2,041	3,762	-0-	-0-	112,547	116,309
Accrued compensated absences	-0-	4,479	-0-	-0-	-0-	4,479
Billing service payable	-0-	-0-	-0-	-0-	(136,144)	(136,144)
Net pension obligation	(714,222)	(464,329)	-0-	-0-	(4,058,321)	(4,522,650)
Net other post employment benefit obligations	30,588	38,464	-0-	-0-	-0-	38,464
Deferred inflows of resources – Employee Retirement	774,819	503,725	-0-	-0-	-0-	503,725
Deferred inflows of resources – OPEB	45,421	57,114	-0-	-0-	-0-	57,114
Deferred inflows	-0-	-0-	-0-	-0-	3,925,383	3,925,383
Other current accrued liabilities	-0-	-0-	-0-	-0-	4,525	4,525
Net cash provided by (used in) operating activities	\$ <u>476,508</u>	\$ <u>107,393</u>	\$ <u>385,671</u>	\$ <u>11,383</u>	\$ <u>14,474,697</u>	\$ <u>14,979,144</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 FIDUCIARY RESPONSIBILITIES
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	<u>Pension and Retirement Funds</u>	<u>Component Unit Morgantown Public Library</u>
Assets		
Cash	\$ 102,337	\$ -0-
Investments	107,776,077	102,990
Receivables:		
Contributions	<u>228,244</u>	<u>-0-</u>
Total assets	<u>108,106,658</u>	<u>102,990</u>
Liabilities		
Accounts payable	<u>599</u>	<u>-0-</u>
Total liabilities	<u>599</u>	<u>-0-</u>
Net Position		
Held in trust	\$ <u>108,106,059</u>	\$ <u>102,990</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
FIDUCIARY RESPONSIBILITIES
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Pension and Retirement Funds</u>	<u>Component Unit Morgantown Public Library</u>
Additions		
Contributions:		
Employer	\$ 4,390,313	\$ -0-
Employee	1,595,868	-0-
Insurance premium tax allocation	1,402,214	-0-
Other	<u>711</u>	<u>250</u>
Total contributions	<u>7,389,106</u>	<u>250</u>
Investment income:		
Gain (loss) on investments	18,952,970	17,321
Interest and dividends	<u>2,166,938</u>	<u>2,734</u>
Total investment income	<u>21,119,908</u>	<u>20,055</u>
Total additions	<u>28,509,014</u>	<u>20,305</u>
Deductions		
General and administrative	485,864	2,073
Contribution refunds	224,981	-0-
Benefit payments	<u>8,485,751</u>	<u>-0-</u>
Total deductions	<u>9,196,596</u>	<u>2,073</u>
Net increase (decrease)	19,312,418	18,232
Net position – beginning of year	<u>88,793,641</u>	<u>84,758</u>
Net position – end of year	\$ <u>108,106,059</u>	\$ <u>102,990</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

I. Summary of Significant Accounting Policies

The accounting policies of the City of Morgantown, West Virginia (the City), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

(a) Reporting Entity

The City of Morgantown, West Virginia is a municipal corporation governed under a Council-Manager form of government. The accompanying financial statements present the government and its component units as required by generally accepted accounting principles.

The services provided by the government and accounted for within these financial statements include public safety for the City, sanitation services, cultural and recreational programs, and other governmental services.

The accompanying financial statements present the government as required by the accounting principles generally accepted in the United States. In determining whether to include a governmental department, agency, commission or organization as a component unit, the government must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set for by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of: (1) its corporate name, (2) the right to sue and be sued and (3) the right to buy, sell or lease and mortgage property. Financial accountability is based on: (1) the appointment of the governing authority, and (2) the ability to impose will, or (3) the providing of specific financial benefit or imposition of specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the City.

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Blended Component Units

The City of Morgantown has determined it has no blended component units.

Discretely Presented Component Units

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

The Morgantown Parking Authority serves the City of Morgantown, West Virginia, and is governed by a separate board of directors. The Morgantown Parking Authority provides parking areas within the City.

The Morgantown Municipal Building Commission serves the City of Morgantown, West Virginia, and is governed by a separate board of directors. The Morgantown Building Commission acquires property and debt on behalf of the City.

Board of Parks and Recreation Commission serves the City of Morgantown, West Virginia and is governed by a separate board of directors. The Board of Parks and Recreation Commission provides recreational facilities in Morgantown for the City.

The Morgantown Utility Board services all the citizens of the City of Morgantown. Complete financial statements for this component unit may be obtained at the entity's administrative offices at the following address:

Morgantown Utility Board
278 Greenbag Road
Morgantown, West Virginia 26507

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

The Morgantown Public Library serves all of the citizens of the City of Morgantown. The financial statements for this component unit may be obtained at the entity's administrative offices at the following address:

Morgantown Public Library
373 Spruce Street
Morgantown, West Virginia 26505

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants whose 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 operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. 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.

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Measurement Focus and Financial Statement Presentation – Government-Wide Financial Statements

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

Governmental Fund Types

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

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

Debt Service Funds: The Debt Service Funds are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for debt retirement.

Capital Project Funds: Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary Funds.

Proprietary Fund Types

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

The City of Morgantown reports the following major governmental funds:

General Fund, Coal Severance Fund, Life and Health Fund, Tax Increment Financing Debt Service Fund, Capital Reserve Fund and Airport Access Road, Municipal Sales and Use Tax Fund.

General Fund: The General Fund is the general operating fund of the City.

Coal Severance Fund: The Coal Severance Fund is a special revenue fund used to receive and disburse coal severance tax revenues received from the State of West Virginia.

Life and Health Fund: The Life and Health Fund is a special revenue fund used to receive and disburse funds for insurance benefits.

Tax Increment Financing Debt Service Fund: The Tax Increment Financing Debt Service Fund is a debt service fund used to receive and disburse funds used to repay tax increment financing debt.

Capital Reserve Fund: The Capital Reserve Fund is a Capital Projects Fund used to receive and disburse funds in connection with capital projects in the City of Morgantown.

Municipal Sales and Use Tax Fund: The Municipal Sales and Use Tax Fund is used to receive and disburse municipal sales tax funds.

Airport Access Road: The Airport Access Road is a Capital Projects Fund used to receive and disburse funds in connection with the airport access road project of the City of Morgantown.

The City of Morgantown reports the following major proprietary funds:

The Airport Fund

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Funds – Fund Financial Statements

The accounts of the City are organized into funds, each of which is considered to be a separate accounting entity. The major fund categories for the fund financial statements are:

Governmental Fund Types

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

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

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

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

Debt Service Funds: Debt Service Funds are used to account for proceeds for specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for debt retirement.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Proprietary Fund Types

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

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

Fiduciary Funds

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Expenses for the enterprise fund include the administrative expense, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

(d) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

The accounts of the City are organized into funds, each of which is considered to be a separate accounting entity. The major fund categories and account groups for the fund financial statements are:

1. Deposits and Investments

The City of Morgantown, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition. For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reports its investments at fair value, except for non-participating investment contracts (certificates of deposits and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal mortgage association; indebtedness or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

State statute §8-13-22c places limitations on the aforementioned investments which include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

Municipal Pension Funds are governed as to type of investments by *West Virginia Code §8-22-22*. Pension funds are permitted to invest in all of the above mentioned types of investments with the exceptions of: (1) Direct and general obligations of the State and (2) Pooled mortgage trusts. Additionally, pension funds are permitted to invest funds in the following categories of investments: (1) Repurchase agreements and (2) Common stock, securities convertible into common stocks, or warrants and rights to purchase such securities. Pension funds have different rules concerning the purchase of marketable debt securities.

The following restrictions apply only to pension portfolios and are separate and distinct from the limitations mentioned above: (1) fixed income securities which are issued by one issuer (with the exception of the United States government) are not to exceed five percent of the total pension fund assets; and (2) at no time can the nonreal estate equity portion of the portfolio exceed seventy-five percent of the total portfolio.

2. Receivables and Payables

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables or payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTD)
 FOR THE YEAR ENDED JUNE 30, 2021**

Trade Receivables

All trade receivables are shown at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Property Tax Receivable

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 the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If the taxes are not paid on or before the date in which they become delinquent, including both first and second installments, interest at the rate of nine percent annum is added for the date they become delinquent until the date they are paid.

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents) ; On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

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

<u>Class of Property</u>	<u>Assessed Valuation For Tax Purposes</u>	<u>Current Expense</u>
Class II	\$ 474,027,440	25.00 cents
Class IV	\$ 782,521,233	50.00 cents

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

3. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain proceeds set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

4. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets are materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is not reflected in the capitalized value of the asset constructed, net of interest earned on the invest proceeds during the same period.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Governmental Funds

Buildings	25 - 50 years
Improvements	10 - 20 years
Utility plant	10 - 20 years
Equipment	5 - 25 years

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Proprietary Funds

Buildings and improvements	20 - 50 years
Infrastructure	20 - 65 years
Machinery and equipment	5 - 25 years
Vehicles	5 years

The City has defined capital assets with an initial cost of over \$5,000 and an estimated useful life of greater than one year. Capital assets donated to the City are recorded at their estimated fair value at the date of the donation.

Discretely Presented Component Units (Having Separately Issued Financial Statements)

Morgantown Public Library

The Morgantown Public Library depreciates all capital assets using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Books and videos	5 years
Machinery and equipment	5 - 25 years

Morgantown Utility Board

The Board depreciates all long-term assets on a straight-line basis. The Board takes half a year's allowance in the year the asset is placed in service and a full year's allowance in the subsequent years with half a year's allowance in the final year of depreciation. At the time of retirement of depreciable utility plant in service, the amount is charged with the book cost of the property retired and the cost of removal, and is credited with any amounts recovered. The estimated useful lives of these assets are as follows:

Buildings and structures	30 years
Water transmission and distribution lines	50 - 100 years
Sewer and storm drain collection system	50 years
Treatment plants equipment	10 - 30 years
Office furniture and computers	5 - 10 years
Vehicles and heavy duty equipment	8 - 10 years

See independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021

5. Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual sick and accrued vacations. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payment upon termination are included.

Accumulated Sick Leave

Municipal employees receive payment of 1/2 of the accumulated sick leave in excess of 720 hours. The payment for sick leave is calculated at current hourly rates and is paid in June of each fiscal year. Terminated and retiring employees hired before June 15, 1993 are entitled to receive payment for 1/2 of their accumulated sick leave, up to the amount accrued as of June 15, 1993, upon cessation of employment. Employees hired after that date do not receive payment for accumulated sick leave at cessation of employment.

Discretely Presented Component Unit

Morgantown Utility Board

The Board provides compensated absences for its employees in the form of vacation and sick leave. Vacation leave does not carry over from calendar year to calendar year.

6. Long-Term Obligations

In the government-wide financial statements, the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are recognized as an expense in the period incurred.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

7. Fund Balances

Equity Classification

Effective July 1, 2010, the City adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes new standards for accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

Net Position Classifications:

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

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

GASB 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* – divided fund balance for fund level into five components:

- a. Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of the City's code, state or federal laws, or externally imposed conditions by grantors or creditors.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

- c. Committed – Amounts that can be used only for specific purposes determined by a formal action by the City's council.
- d. Assigned – Amounts that are designed by the City's council for a particular purpose but are not spendable until there is a majority vote approval by the City's council.
- e. Unassigned – All amounts not included in other spendable classifications.

The City Council is the government's highest level of decision-making authority. The Council would take formal action to establish, and modify or rescind, a fund balance commitment or to assign fund balance amounts to a specific purpose. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the City.

8. Change in Accounting Principle

During the year ended June 30, 2021, the City adopted following GASB statements:

GASB 84 – *Fiduciary Activities* – The primary objective of this Statement was to enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This statement had no effect on the accompanying financial statements.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

GASB 90 – Majority Equity Interests an amendment of GASB

Statements No. 14 and No. 61– The primary objective of this Statement was to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement required that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. This statement had no effect on the accompanying financial statements.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements).

The following are recent GASB Pronouncements for which the City has not adopted as of June 30, 2021:

GASB 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period– This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

GASB 91 – Conduit Debt Obligations– This Statement's objectives are 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. This statement is effective for reporting periods beginning after December 15, 2021.

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CITY OF MORGANTOWN, WEST VIRGINIA
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GASB 92 – *Omnibus 2020* – The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions regarding the effective date of GASB Statement 87, *Leases* and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan; The applicability of GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68*; the applicability of certain requirements of GASB Statement 84, *Fiduciary Activities*; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The effective dates of this Statement are as follows, the requirements related to GASB Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; the requirements related to intra-entity transfers of assets and those related to the applicability of GASB Statement 73, GASB Statement 74, GASB Statement 84 are effective for fiscal years beginning after June 15, 2021.

GASB 93 – *Replacement of Interbank Offered Rates* – Some government's have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is effective for reporting periods ending after June 15, 2021.

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CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021

GASB 94 – Public – Private and Public – Public Partnerships and Availability Payment Arrangements – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement is effective for fiscal years beginning after June 15, 2022.

GASB 96 – Subscription-Based Information Technology Arrangements – This Statement provides guidance on the accounting and financial reporting for subscription-based technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement is effective for fiscal years beginning after June 15, 2022.

GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits through those plans. This Statement is effective for fiscal years beginning after June 15, 2021

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section of 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.

10. Pensions

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 City of Morgantown, West Virginia's Retirement System (PERS) and additions to/deductions from the Plans' 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.

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

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

Discretely Presented Component Unit (Issuing Separately Presented Financial Statements.)

Morgantown Utility Board

Pension Plan and Deferred Compensation Plan

Plan Description – The Board contributes to the City of Morgantown, WV (the "City") Employee's Retirement and Benefit Fund (the Plan). The Plan is a cost-sharing multiple-employer defined benefit plan. The Plan provides retirement, disability and death benefits to plan members and beneficiaries. Major features of the plan appear in Chapter 8, Article 22, Sections 2-15 of the Code of West Virginia as approved by ordinance of the City Council of Morgantown, WV.

Funding Policy – Plan members are required to contribute 6% of their annual covered salary and the Board is required to contribute an actuarially determined rate. The 2021, 2020 and 2019 rates were 16.54%, 15.98%, and 14.41% of annual covered payroll. The Board's contributions to the Plan for the years ended June 30, 2021, 2020, and 2019 were \$1,327,102, \$1,308,696, and \$1,183,626.

Deferred Compensation Plan – Employees are eligible to participate in an IRC Section 457 Deferred Compensation Plan. The maximum amount which may be deferred is the lesser of 100% of an employee's salary or \$19,500, \$19,000, for 2021 and 2020, plus \$6,000 catch-up for employees over fifty years of age. The Board provides no match for participant's contributions. All amounts which are deferred remain solely the property of the Board and are subject to its general creditors.

Morgantown Public Library

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

See independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021

11. Stabilization Arrangements

The government has created a stabilization arrangement in accordance with West Virginia Code §8-37-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for any unforeseen shortfalls. The stabilization balance at year-end was \$5,981,744.

12. Inventories

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

Discretely Presented Component Unit

Morgantown Utility Board

The supplies inventory is valued on average cost basis.

13. Amortization

Debt discount on bonds is amortized on the straight-line method from the date of issuance to the date of maturity. Amortization of debt discount for year ended June 30, 2021 was \$1,560.

14. Use of Estimates

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund, except that the amounts held for stabilization are not included for budgeting purposes. All annual appropriations lapse at fiscal year end.

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

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year:

General Fund

<u>Amount</u>	<u>Description</u>
\$ 10,455,748	General Government Expenditure Increase
(266,885)	Public Safety Expenditure (Decrease)
(34,465)	Streets and Transportation Expenditure (Decrease)
(186,250)	Culture and Recreation Expenditure (Decrease)
22,815	Health and Sanitation Expenditure Increase
(30,841)	Social Services Expenditure (Decrease)

Coal Severance

<u>Amount</u>	<u>Description</u>
\$ 1,035	General Government Expenditure Increase
(21,300)	Culture and Recreation Expenditure (Decrease)

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

III. Detailed Notes on All Funds

A. Deposits and Investments

At year end, the government had the following investments:

Policemen's Pension and Relief

<u>Type of Investments</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Money market	\$ 790,703	\$ -0-	\$ -0-	\$ 790,703	\$ 790,703	\$ -0-
Corporate stocks	11,047,844	-0-	-0-	11,047,844	8,633,667	2,414,177
Corporate bonds	1,469,380	-0-	-0-	1,469,380	1,398,614	70,766
Mutual funds	4,626,173	-0-	-0-	4,626,173	4,138,684	487,489
U.S. Government obligations	<u>1,731,326</u>	<u>-0-</u>	<u>-0-</u>	<u>1,731,326</u>	<u>1,706,566</u>	<u>24,760</u>
Total investments	\$ <u>19,665,426</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>19,665,426</u>	\$ <u>16,668,234</u>	\$ <u>2,997,192</u>

Credit Risk

	<u>Fair Value</u>	<u>Credit Risk Rating Standard & Poor's and Fitch</u>
Money market	\$ 790,703	N/A
Corporate stocks	11,047,844	N/A
Corporate bonds	1,469,380	BAA1 - AAA
Mutual funds	4,626,173	BAA1 - AAA
U.S. Government obligations	<u>1,731,326</u>	BAA1 - AAA
	\$ <u>19,665,426</u>	

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Interest Rate Risk

	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>More than 10</u>
Corporate bonds	\$ 1,469,380	\$ 79,010	\$ 513,416	\$ 814,631	\$ 62,323
U.S. Government obligations	<u>1,731,326</u>	<u>60,422</u>	<u>866,163</u>	<u>301,408</u>	<u>503,333</u>
	<u>\$ 3,200,706</u>	<u>\$ 139,432</u>	<u>\$ 1,379,579</u>	<u>\$ 1,116,039</u>	<u>\$ 565,656</u>

Concentration of Credit Risk:

The government's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investment. In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, it requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the policemen's pension fund had the following investment held with these issuers:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
American Beac AHL Targetrisk Y	\$ 1,010,574	5.14%
JHF Seaport Long/Short Fund I	992,593	5.05%
JP Morgan Hedged Equity	1,029,853	5.24%

Firemen's Pension and Relief Fund

<u>Type of Investments</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Money market	\$ 763,728	\$ -0-	\$ -0-	\$ 763,728	\$ 763,728	\$ -0-
Corporate stocks	9,173,287	-0-	-0-	9,173,287	7,177,245	1,996,042
Corporate bonds	1,243,158	-0-	-0-	1,243,158	1,184,193	58,965
Mutual funds	3,779,578	-0-	-0-	3,779,578	3,383,511	396,067
U.S. Government obligations	<u>1,478,468</u>	<u>-0-</u>	<u>-0-</u>	<u>1,478,468</u>	<u>1,463,374</u>	<u>15,094</u>
Total investments	<u>\$ 16,438,219</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 16,438,219</u>	<u>\$ 13,972,051</u>	<u>\$ 2,466,168</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Credit Risk

	<u>Fair Value</u>	<u>Credit Risk Rating Standard & Poor's and Fitch</u>
Money market	\$ 763,728	N/A
Corporate bonds	1,243,158	N/A
Corporate stocks	9,173,287	BAA1 - AAA
Mutual funds	3,779,578	BAA1 - AAA
U.S. Government obligations	<u>1,478,468</u>	BAA1 - AAA
	<u>\$ 16,438,219</u>	

Interest Rate Risk

	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
Corporate bonds	\$ 1,243,158	\$ -0-	\$ 718,719	\$ 475,084	\$ 49,355
U.S. Government obligations	<u>1,478,468</u>	<u>50,366</u>	<u>746,620</u>	<u>259,710</u>	<u>419,772</u>
	<u>\$ 2,721,626</u>	<u>\$ 50,366</u>	<u>\$ 1,465,339</u>	<u>\$ 734,794</u>	<u>\$ 469,127</u>

Concentration of Credit Risk:

The government's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investment. In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, it requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the fireman's pension fund had the following investment held with these issuers:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
American Beac AHL Targetrisk Y	\$ 822,675	5.00%
JP Morgan Hedged Equity	838,372	5.10%

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Employee's Retirement and Benefit

<u>Type of Investments</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Money market	\$ 1,412,564	\$ -0-	\$ -0-	\$ 1,412,564	\$ 1,412,564	\$ -0-
Corporate bonds	9,995,631	-0-	-0-	9,995,631	9,834,083	161,548
Corporate stocks	36,838,312	-0-	-0-	36,838,312	15,462,543	21,375,769
Mortgage backed securities	4,435,161	-0-	-0-	4,435,161	4,354,101	81,060
U.S. Government obligations	<u>18,990,764</u>	<u>-0-</u>	<u>-0-</u>	<u>18,990,764</u>	<u>18,878,884</u>	<u>111,880</u>
Total investments	\$ <u>71,672,432</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>71,672,432</u>	\$ <u>49,942,175</u>	\$ <u>21,730,257</u>

Credit Risk

	<u>Fair Value</u>	<u>Credit Risk Rating Standard & Poor's and Fitch</u>
Money market	\$ 1,412,564	N/A
Corporate bonds	9,995,631	AA- - AAA
Corporate stocks	36,838,312	N/A
Mortgage backed securities	4,435,161	AA- - AAA
U.S. Government obligations	<u>18,990,764</u>	AA+
	\$ <u>71,672,432</u>	

Interest Rate Risk

	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
Corporate bonds	\$ 9,995,631	\$ 101,916	\$ 7,412,232	\$ 2,481,483	\$ -0-
Mortgage backed securities	4,435,161	-0-	3,162,717	-0-	1,272,444
U.S. Government obligations	<u>18,990,764</u>	<u>683,993</u>	<u>3,870,216</u>	<u>6,127,519</u>	<u>8,309,036</u>
	\$ <u>33,421,556</u>	\$ <u>785,909</u>	\$ <u>14,445,165</u>	\$ <u>8,609,002</u>	\$ <u>9,581,480</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Government Activities			
Certificates of Deposit	\$ <u>2,463,036</u>	Not Rated	Not Rated
Total Government Activities Investments	\$ <u>2,463,036</u>		

Interest Rate Risk

	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>More Than 10 Years</u>	<u>Total</u>
Certificates of Deposit	\$ <u>-0-</u>	\$ <u>2,463,036</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>2,463,036</u>

**Proprietary Fund Component Unit –
Parking Authority**

<u>Type of Investments</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Money market	\$ 2,232,418	\$ -0-	\$ -0-	\$ 2,232,418	\$ 2,232,418	\$ -0-
Mutual funds	<u>607,057</u>	<u>-0-</u>	<u>-0-</u>	<u>607,057</u>	<u>472,398</u>	<u>134,659</u>
	\$ <u>2,839,475</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	2,839,475	2,704,816	\$ <u>134,659</u>
Investments in Municipal Bond Commission				<u>20,002</u>	<u>20,002</u>	
Total investments				\$ <u>2,859,477</u>	\$ <u>2,724,818</u>	

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Credit Risk

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Money market funds	\$ 2,232,418	Not Rated	Not Rated
Mutual funds	<u>607,057</u>	Not Rated	Not Rated
Total proprietary fund activities			
Investments	\$ <u>2,839,475</u>		

Investments are listed for the Parking Authority as follows:

Investments	\$ 626,556
Restricted assets	<u>2,232,921</u>
	\$ <u>2,859,477</u>

Component Unit – Morgantown Public Library

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>	<u>Credit Risk Rating</u>	
				<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Governmental Activity Types					
Money market funds	\$ 775,840	\$ 775,840	\$ -0-	Not Rated	Not Rated
Common stock	926,014	548,783	377,231	Not Rated	Not Rated
Corporate bonds	841,475	816,220	25,255	Not Rated	Not Rated
Certificates of deposit	621,035	605,513	15,522	Not Rated	Not Rated
Mutual funds	<u>975,142</u>	<u>898,444</u>	<u>76,698</u>	Not Rated	Not Rated
	\$ <u>4,139,506</u>	\$ <u>3,644,800</u>	\$ <u>494,706</u>		

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Concentration of Credit Risk:

The government's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investment. In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, it requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the library had no investments in one issuer equal to or exceeding 5% of the total amount of investments.

	<u>Less than one year</u>	<u>1 – 5 years</u>	<u>5 – 10 years</u>	<u>More than 10 years</u>	<u>Total</u>
Money market funds	\$ 775,840	\$ -0-	\$ -0-	\$ -0-	\$ 775,840
Corporate bonds	51,059	528,791	261,625	-0-	841,475
Certificates of deposit	394,923	226,112	-0-	-0-	621,035
Mutual funds	<u>975,142</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>975,142</u>
	<u>\$ 2,196,964</u>	<u>\$ 754,903</u>	<u>\$ 261,625</u>	<u>\$ -0-</u>	<u>\$ 3,213,492</u>

At year end, the government had the following investments in fiduciary fund types:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>	<u>Credit Risk Rating</u>	
				<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Fiduciary Types					
Money market funds	\$ 1,400	\$ -0-	\$ 1,400	Not Rated	Not Rated
Mutual funds	<u>101,590</u>	<u>91,269</u>	<u>10,321</u>	Not Rated	Not Rated
	<u>\$ 102,990</u>	<u>\$ 91,269</u>	<u>\$ 11,721</u>		

	<u>Less than one year</u>	<u>1 – 5 years</u>	<u>5 – 10 years</u>	<u>More than 10 years</u>	<u>Total</u>
Interest Rate Risk					
Money market funds		\$ <u>1,400</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>1,400</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTD)
 FOR THE YEAR ENDED JUNE 30, 2021**

Credit Risk

State law limit investments as described in Note I.D.1. It is the government's policy to limit its investments as stated in the West Virginia Code. The government does not have a policy for credit risk in addition to governing statutes.

Custodial Credit Risk

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government's policy for custodial credit risk is to require a depository bond as collateral for all investments. At year end, the primary government's and fiduciary funds' bank balances were \$1,543,973, which were collateralized with a depository bond.

For investments, the government could be exposed to risk in the event of the failure of the counterparty where the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The government has adopted State Code requirements as its policy for custodial credit risk. At year end, the investment balances were \$4,242,496. The entire balance is considered secured.

A reconciliation of cash and investments as shown on the Statement of Net Position of the government and Statement of Net Position of the Fiduciary Funds is as follows:

Cash and cash equivalents	\$ 1,543,973
Investments – collateralized and secured	<u>4,242,496</u>
Total	\$ <u>5,786,469</u>
Cash and cash equivalents	\$ 1,543,973
Investments – restricted – government funds	2,338,406
Investments	1,801,100
Investments – restricted – fiduciary funds	<u>102,990</u>
Total	\$ <u>5,786,469</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Component Unit – Morgantown Utility Board

The carrying amount of the Board's cash deposits was \$4,237,553 at June 30, 2021 and \$4,299,408 at June 30, 2020. The bank balance at June 30, 2021 and June 30, 2020 was \$4,188,487 and \$4,380,157, respectively, which was fully covered by Federal Deposit Insurance Coverage or collateralized with securities held by the pledging institution's trust department.

Total cash and investments at June 30, 2021 and 2020 consisted of the following:

	<u>June 30, 2021</u>		<u>June 30, 2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash deposits				
Demand deposits	\$ 4,237,553	\$ 4,237,553	\$ 4,299,408	\$ 4,299,408
Cash and investments with fiscal agents				
Cash	2,548,883	2,548,883	2,628,221	2,628,221
Investment agreements				
Fixed income	7,884,165	8,101,608	6,952,503	7,364,525
Equities	2,032,484	3,408,065	2,350,535	2,758,167
Cash – restricted	<u>33,292,071</u>	<u>33,292,071</u>	<u>55,562,552</u>	<u>55,562,552</u>
Total cash and investments	<u>\$ 49,995,156</u>	<u>\$ 51,588,180</u>	<u>\$ 71,793,219</u>	<u>\$ 72,612,873</u>

Note that the Board held \$1,510 and \$1,510 in petty cash at June 30, 2021 and June 30, 2020, respectively.

Interest Rate Risk – The Board's investment policy follows the State of West Virginia Code §8-13-22a and any subsequently enacted modifications of this statute concerning the limits of maturities on individual investments.

Credit Risk – The Board has a deposit policy for custodial credit risk beyond the requirements of the State Statute. West Virginia law requires that deposits be insured or be protected by eligible securities pledged to and deposited either with the Board or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

In 2021, the investment grade rating changed to Moody's from S&P. The following tables show the rating for each year.

<u>Quality Rating</u>	<u>June 30, 2021</u>		<u>Quality Rating</u>	<u>June 30, 2020</u>	
	<u>Fair Value</u>	<u>Percent</u>		<u>Fair Value</u>	<u>Percent</u>
Aaa	\$ 4,750,191	58.63%	AAA	\$ 104,666	1.40%
Aa1	106,079	1.31%	AA+	1,440,783	19.60%
Aa2	521,522	6.44%	AA	531,191	7.20%
Aa3	581,511	7.18%	AA-	105,609	1.40%
A1	747,461	9.23%	A+	474,296	6.40%
A2	1,181,369	14.58%	A	1,575,176	21.40%
Baa2	206,705	2.55%	A-	210,666	2.90%
Not rated	<u>6,770</u>	<u>0.08%</u>	Not rated	<u>2,922,138</u>	<u>39.70%</u>
Total	\$ <u>8,101,608</u>	<u>100.00%</u>	Total	\$ <u>7,364,525</u>	<u>100.00%</u>

Concentration of Credit Risk – The Board's investment policy follows the State of West Virginia Code §8-13-22a and any subsequently enacted modifications of this statute concerning the limits on the amount that may be invest in any one financial institution.

Fair Value Measurements

The fair value hierarchy defines three levels of input, as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

In determining the fair value, the Board utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Financial assets and liabilities are carried at fair value at June 30, 2021 and 2020, and are classified as Level 1, Level 2 and Level 3 as follows:

June 30, 2021

Assets carried at Fair Market Value:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 8,101,608	\$ -0-	\$ -0-
Equities	<u>3,408,065</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>11,509,673</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

June 30, 2020

Assets carried at Fair Market Value:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 7,364,525	\$ -0-	\$ -0-
Equities	<u>2,758,167</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>10,122,692</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

Government Wide

Concentration of Credit Risk

The government's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investment. In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments.

Custodial Credit Risk

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government's policy for custodial credit risk is to require a depository bond as collateral for all investments. At year end, the primary government's, component units' and fiduciary funds' bank balances (excluding the Pension and Retirement Funds and Morgantown Utility Board) were \$43,623,424, which were collateralized with a depository bond.

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

For Investments, the government could be exposed to risk in the event of the failure of the counterparty where the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The government has adopted State Code requirements as its policy for custodial credit risk. At year end, the investment balances were \$11,716,993. The entire balance is considered secured.

A reconciliation of cash and investments as shown on the Statement of Net Position of the government and Statement of Net Position of the Fiduciary Funds (excluding the Pension and Retirement Funds and Morgantown Utility Board) is as follows:

Cash and cash equivalents	\$ 43,623,424
Investments – collateralized and secured	<u>11,716,993</u>
 Total	 \$ <u>55,340,417</u>
 Cash and cash equivalents	 \$ 43,628,424
Cash and investments – restricted	4,890,692
Investments	<u>6,821,301</u>
 Total	 \$ <u>55,340,417</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

B. Receivables

Receivables at year end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Coal Severance Fund</u>	<u>Municipal Sales and Use Tax Fund</u>	<u>Airport</u>	<u>Other Nonmajor Funds</u>	<u>Total Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Receivables:								
Taxes	\$ 4,565,335	\$ 16,877	\$ 2,195,179	\$ -0-	\$ 74,814	\$ 6,852,205	\$ -0-	\$ -0-
Accounts	1,085,726	-0-	-0-	168,079	48,651	1,302,456	-0-	2,797,223
Contributions	-0-	-0-	-0-	-0-	-0-	-0-	228,244	-0-
Other	186,285	-0-	-0-	-0-	-0-	186,285	-0-	750,038
Grants	3,996	-0-	-0-	622,413	-0-	626,409	-0-	-0-
Interest	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50,116</u>
Total	\$ <u>5,841,342</u>	\$ <u>16,877</u>	\$ <u>2,195,179</u>	\$ <u>790,492</u>	\$ <u>123,465</u>	\$ <u>8,967,355</u>	\$ <u>228,244</u>	\$ <u>3,597,377</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connections with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Property taxes receivable	\$ 277,014
Business and occupation tax receivable	<u>248,676</u>
Total deferred revenue for governmental funds	\$ <u>525,690</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$ 1,396,801	\$ -0-	\$ -0-	\$ 1,396,801
Construction in process	<u>1,021,288</u>	<u>-0-</u>	<u>-0-</u>	<u>1,021,288</u>
Total nondepreciable capital assets	<u>2,418,089</u>	<u>-0-</u>	<u>-0-</u>	<u>2,418,089</u>
Depreciable Capital Assets				
Buildings	7,436,129	404,098	-0-	7,840,227
Infrastructure	8,113,804	-0-	-0-	8,113,804
Machinery and equipment	4,632,064	235,655	-0-	4,867,719
Vehicles	<u>8,127,656</u>	<u>-0-</u>	<u>-0-</u>	<u>8,127,656</u>
Total at historical cost	<u>28,309,653</u>	<u>639,753</u>	<u>-0-</u>	<u>28,949,406</u>
Less: Accumulated Depreciation				
Buildings	3,335,393	180,250	-0-	3,515,643
Infrastructure	2,601,083	157,820	-0-	2,758,903
Machinery and equipment	3,013,793	127,759	-0-	3,141,552
Vehicles	<u>6,578,801</u>	<u>454,656</u>	<u>-0-</u>	<u>7,033,457</u>
Total accumulated depreciation	<u>15,529,070</u>	<u>920,485</u>	<u>-0-</u>	<u>16,449,555</u>
Total depreciable capital assets, net	<u>12,780,583</u>	<u>(280,732)</u>	<u>-0-</u>	<u>12,499,851</u>
Governmental activities capital assets, net	\$ <u>15,198,672</u>	\$ <u>(280,732)</u>	\$ <u>-0-</u>	\$ <u>14,917,940</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 276,145
Public safety	322,170
Highways and streets	312,965
Culture and recreation	<u>9,205</u>
Total depreciation expense	\$ <u>920,485</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Component Unit

Board of Parks and Recreation

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ 86,937	\$ -0-	\$ -0-	\$ 86,937
Construction in process	<u>12,500</u>	<u>-0-</u>	<u>-0-</u>	<u>12,500</u>
Total nondepreciable capital assets	<u>99,437</u>	<u>-0-</u>	<u>-0-</u>	<u>99,437</u>
Depreciable Capital Assets				
Land improvements	1,052,850	-0-	-0-	1,052,850
Buildings	5,129,720	595,398	-0-	5,725,118
Machinery and equipment	1,695,387	189,252	-0-	1,884,639
Vehicles	<u>373,284</u>	<u>-0-</u>	<u>-0-</u>	<u>373,284</u>
Total at historical cost	<u>8,251,241</u>	<u>784,650</u>	<u>-0-</u>	<u>9,035,891</u>
Less: Accumulated Depreciation				
Land improvements	904,331	61,668	-0-	965,999
Buildings	2,978,194	193,928	-0-	3,172,122
Machinery and equipment	856,900	53,058	-0-	909,958
Vehicles	<u>341,911</u>	<u>25,494</u>	<u>-0-</u>	<u>367,405</u>
Total accumulated depreciation	<u>5,081,336</u>	<u>334,148</u>	<u>-0-</u>	<u>5,415,484</u>
Total depreciable capital assets, net	<u>3,169,905</u>	<u>450,502</u>	<u>-0-</u>	<u>3,620,407</u>
Governmental activities capital assets, net	\$ <u>3,269,342</u>	\$ <u>450,502</u>	\$ <u>-0-</u>	\$ <u>3,719,844</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Business-Type Activities

Airport Fund

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ 50,050	\$ -0-	\$ -0-	\$ 50,050
Construction in process	<u>1,887,056</u>	<u>2,624,762</u>	<u>-0-</u>	<u>4,511,818</u>
Total nondepreciable capital assets	<u>1,937,106</u>	<u>2,624,762</u>	<u>-0-</u>	<u>4,561,868</u>
Depreciable Capital Assets				
Buildings	13,531,127	-0-	-0-	13,531,127
Structures and improvements	34,306,410	-0-	-0-	34,306,410
Machinery and equipment	<u>2,537,800</u>	<u>69,400</u>	<u>20,535</u>	<u>2,586,665</u>
Total at historical cost	<u>50,375,337</u>	<u>69,400</u>	<u>20,535</u>	<u>50,424,202</u>
Less: Accumulated Depreciation				
Buildings	4,673,043	341,353	-0-	5,014,396
Structures and improvements	16,443,499	765,415	-0-	17,208,914
Machinery and equipment	<u>1,933,625</u>	<u>136,323</u>	<u>20,535</u>	<u>2,049,413</u>
Total accumulated depreciation	<u>23,050,167</u>	<u>1,243,091</u>	<u>20,535</u>	<u>24,272,723</u>
Total depreciable capital assets, net	<u>27,325,170</u>	<u>(1,173,691)</u>	<u>-0-</u>	<u>26,151,479</u>
Enterprise activities capital assets, net	\$ <u>29,262,276</u>	\$ <u>1,451,071</u>	\$ <u>-0-</u>	\$ <u>30,713,347</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Component Unit

Business-Type Activities

Parking Authority

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<i>Enterprise Activities</i>				
Nondepreciable Capital Assets				
Land	\$ 1,484,399	\$ -0-	\$ -0-	\$ 1,484,399
Construction in process	<u>61,355</u>	<u>-0-</u>	<u>-0-</u>	<u>61,355</u>
Total nondepreciable capital assets	<u>1,545,754</u>	<u>-0-</u>	<u>-0-</u>	<u>1,545,754</u>
Depreciable Capital Assets				
Structures and improvements	9,685,584	-0-	-0-	9,685,584
Machinery and equipment	<u>1,992,600</u>	<u>-0-</u>	<u>-0-</u>	<u>1,992,600</u>
Total at historical cost	<u>11,678,184</u>	<u>-0-</u>	<u>-0-</u>	<u>11,678,184</u>
Less: Accumulated Depreciation				
Structures and improvements	6,179,364	190,360	-0-	6,369,724
Machinery and equipment	<u>1,104,198</u>	<u>84,515</u>	<u>-0-</u>	<u>1,188,713</u>
Total accumulated depreciation	<u>7,283,562</u>	<u>274,875</u>	<u>-0-</u>	<u>7,558,437</u>
Total depreciable capital assets, net	<u>4,394,622</u>	<u>(274,875)</u>	<u>-0-</u>	<u>4,119,747</u>
Enterprise activities capital assets, net	\$ <u>5,940,376</u>	\$ <u>(274,875)</u>	\$ <u>-0-</u>	\$ <u>5,665,501</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Component Unit

Building Commission

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ <u>1,439,707</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>1,439,707</u>
Total nondepreciable capital assets	<u>1,439,707</u>	<u>-0-</u>	<u>-0-</u>	<u>1,439,707</u>
Depreciable Capital Assets				
Land improvements	744,473	-0-	-0-	744,473
Buildings	15,742,250	-0-	-0-	15,742,250
Machinery and equipment	<u>1,094,319</u>	<u>-0-</u>	<u>-0-</u>	<u>1,094,319</u>
Total at historical cost	<u>17,581,042</u>	<u>-0-</u>	<u>-0-</u>	<u>17,581,042</u>
Less: Accumulated Depreciation				
Land improvements	249,355	17,994	-0-	267,349
Buildings	8,287,548	393,342	-0-	8,680,890
Machinery and equipment	<u>724,593</u>	<u>43,711</u>	<u>-0-</u>	<u>768,304</u>
Total accumulated depreciation	<u>9,261,496</u>	<u>455,047</u>	<u>-0-</u>	<u>9,716,543</u>
Total depreciable capital assets, net	<u>8,319,546</u>	<u>(455,047)</u>	<u>-0-</u>	<u>7,864,499</u>
Enterprise activities capital assets, net	\$ <u>9,759,253</u>	\$ <u>(455,047)</u>	\$ <u>-0-</u>	\$ <u>9,304,206</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Component Unit

Morgantown Land Reuse and Preservation Agency

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ 555,753	\$ -0-	\$ -0-	\$ 555,753
Construction in process	<u>770,994</u>	<u>74,719</u>	<u>-0-</u>	<u>845,713</u>
Total nondepreciable capital assets	<u>1,326,747</u>	<u>-0-</u>	<u>-0-</u>	<u>1,401,466</u>
Depreciable Capital Assets				
Buildings	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total at historical cost	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Less: Accumulated Depreciation				
Buildings	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total accumulated depreciation	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total depreciable capital assets, net	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Enterprise activities capital assets, net	\$ <u>1,326,747</u>	\$ <u>74,719</u>	\$ <u>-0-</u>	\$ <u>1,401,466</u>

Discretely Presented Component Units

Morgantown Public Library

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Depreciable Assets				
Buildings and fixtures	\$ 3,178,770	\$ 325,566	\$ -0-	\$ 3,504,336
Machinery and equipment	270,838	-0-	-0-	270,838
Books and videos	<u>5,797,014</u>	<u>117,995</u>	<u>-0-</u>	<u>5,915,009</u>
Total at historical cost	<u>9,246,622</u>	<u>443,561</u>	<u>-0-</u>	<u>9,690,183</u>
Less: Accumulated Depreciation				
Buildings and fixtures	1,893,607	58,300	-0-	1,951,907
Machinery and equipment	183,617	3,741	-0-	187,358
Books and videos	<u>5,520,216</u>	<u>161,450</u>	<u>-0-</u>	<u>5,681,666</u>
Total accumulated depreciation	<u>7,597,440</u>	<u>223,491</u>	<u>-0-</u>	<u>7,820,931</u>
Total depreciable capital assets, net	\$ <u>1,649,182</u>	\$ <u>220,070</u>	\$ <u>-0-</u>	\$ <u>1,869,252</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Morgantown Utility Board

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements & Transfers to Utility Plant</u>	<u>Ending Balance</u>
CWIP	\$ 120,704,907	\$ 27,519,157	\$(4,968,841)	\$ 143,255,223
Land	1,668,684	-0-	-0-	1,668,684
Intangible plant	383,054	-0-	-0-	383,054
Buildings and structures	27,974,930	11,667	(7,139)	27,979,458
Water transmission and distribution system	85,453,004	2,064,340	(24,914)	87,492,430
Sewer and storm collection system	131,518,305	2,412,010	(31,508)	133,898,807
Treatment plant equipment	71,723,197	54,666	(27,259)	71,750,605
Office furniture and equipment and computer system	5,811,002	157,367	(64,551)	5,903,818
Vehicles and heavy duty equipment	<u>9,094,893</u>	<u>301,207</u>	<u>(9,314)</u>	<u>9,386,786</u>
Total capital assets	454,331,976	32,520,414	(5,133,526)	481,718,865
Less: Accumulated depreciation	<u>(147,165,875)</u>	<u>(8,105,559)</u>	<u>247,168</u>	<u>(155,024,266)</u>
Total net capital assets	\$ <u>307,166,101</u>	\$ <u>24,414,855</u>	\$ <u>(4,886,358)</u>	\$ <u>326,694,599</u>

Depreciation expense charged to operations:

Depreciation – Water	\$ 3,876,149
Depreciation – Sewer	3,077,400
Depreciation – Stormwater	658,281
Depreciation – Cheat Sewer	<u>493,729</u>
Total depreciation expense	\$ <u>8,105,559</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Woodburn Property	\$ 25,000
General Fund	Metropolitan Theater Fund	87,254
Capital Escrow Fund	Tax Increment Financing Fund	16,000
General Fund	Parking Authority	2,188
Capital Escrow Fund	General Fund	6,245
Capital Escrow Fund	Airport Fund	3,108,489
General Fund	Airport Fund	10,669

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Interfund Transfers:

<u>Transfers Out</u>	<u>General Fund</u>	<u>Tax Increment Financing Debt Service</u>	<u>Metropolitan Theater Fund</u>	<u>Capital Reserve Fund</u>	<u>OPEB Trust</u>	<u>Retirement Fund</u>	<u>Total Government</u>	<u>Component Unit Board of Recreation</u>	<u>Building Commission</u>	<u>Land Reuse and Preservation Agency</u>	<u>Total</u>
General Fund	\$ -0-	\$ -0-	\$ 183,710	\$ 6,253,574	\$ 200,000	\$ -0-	\$ 6,637,284	\$ -0-	\$ -0-	\$ 152,214	\$ 6,789,498
Life and Health	-0-	-0-	-0-	-0-	1,185,654	-0-	1,185,654	-0-	-0-	-0-	1,185,654
Tax Increment Financing	-0-	1,598,753	-0-	-0-	-0-	-0-	1,598,753	-0-	-0-	-0-	1,598,753
Municipal Sales and Use Tax	1,141,931	-0-	-0-	744,356	-0-	744,356	2,630,643	744,357	-0-	-0-	3,375,000
Building Commission	-0-	-0-	-0-	62,875	-0-	-0-	62,875	-0-	-0-	-0-	62,875
Coal Severance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	50,666	-0-	-0-	50,666
Capital Reserve Fund	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	62,875	-0-	62,875
	<u>\$ 1,141,931</u>	<u>\$ 1,598,753</u>	<u>\$ 183,710</u>	<u>\$ 7,060,805</u>	<u>\$ 1,385,654</u>	<u>\$ 744,356</u>	<u>\$ 12,115,209</u>	<u>\$ 795,023</u>	<u>\$ 62,875</u>	<u>\$ 152,214</u>	<u>\$ 13,125,321</u>

Interfund transfers provide appropriations to subsidize the funds to support the programs and activities of the government.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

E. Fund Balance Detail

At year-end, the detail of the government's fund balances is as follows:

	<u>General Fund</u>	<u>Coal Severance</u>	<u>Capital reserve</u>	<u>Life and Health</u>	<u>Tax Increment Financing Debt Service</u>	<u>Municipal Sales and Use Tax Fund</u>	<u>American Rescue Plan Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Restricted:									
Public safety	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 31,656	\$ 31,656
Economic development	-0-	-0-	-0-	-0-	-0-	-0-	5,621,970	38,339	5,606,309
Debt service	-0-	-0-	-0-	-0-	1,707,838	-0-	-0-	-0-	1,707,838
Community development	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,131</u>	<u>5,131</u>
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,707,838</u>	<u>-0-</u>	<u>5,621,970</u>	<u>75,126</u>	<u>7,404,934</u>
Nonspendable									
Inventory	<u>9,648</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>9,648</u>
Assigned									
Streets and transportation	-0-	18,515	-0-	-0-	-0-	-0	-0-	30,545	49,060
Benefit payments	-0-	-0-	-0-	2,096,144	-0-	-0-	-0-	3,746,939	5,843,083
Public safety	-0-	-0-	-0-	-0-	-0-	-0-	-0-	366,862	366,862
Community development	<u>-0-</u>	<u>-0-</u>	<u>13,126,647</u>	<u>-0-</u>	<u>-0-</u>	<u>4,277,224</u>	<u>-0-</u>	<u>470,417</u>	<u>17,874,288</u>
	<u>-0-</u>	<u>18,515</u>	<u>13,126,647</u>	<u>2,096,144</u>	<u>-0-</u>	<u>4,277,224</u>	<u>-0-</u>	<u>4,614,763</u>	<u>24,133,293</u>
Unassigned	<u>20,034,093</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(5,187,531)</u>	<u>-0-</u>	<u>-0-</u>	<u>(32,792)</u>	<u>14,813,770</u>
Total fund balance	\$ <u>20,043,741</u>	\$ <u>18,515</u>	\$ <u>13,126,647</u>	\$ <u>2,096,144</u>	\$ <u>(3,479,693)</u>	\$ <u>4,277,224</u>	\$ <u>5,621,970</u>	\$ <u>4,657,097</u>	\$ <u>46,361,645</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

F. Long-Term Debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due After One Year</u>
Governmental Activities						
Bonds Payable						
2006A TIF bonds	\$ 3,680,000	\$ -0-	\$ 220,000	\$ 3,460,000	\$ 235,000	\$ 3,225,000
2007 TIF bonds	2,115,000	-0-	85,000	2,030,000	-0-	2,030,000
2007A TIF bonds	8,615,000	-0-	-0-	8,615,000	-0-	8,615,000
2014 TIF bonds	3,686,000	-0-	326,000	3,360,000	335,000	3,025,000
2017 TIF bonds	<u>5,458,996</u>	<u>919,689</u>	<u>86,000</u>	<u>6,292,685</u>	<u>78,000</u>	<u>6,214,685</u>
Total bonds payable	<u>23,554,996</u>	<u>919,689</u>	<u>717,000</u>	<u>23,757,685</u>	<u>648,000</u>	<u>23,109,685</u>
Other long-term debt:						
Compensated absences	1,544,165	171,650	-0-	1,715,815	-0-	1,715,815
Obligation under capital lease	444,191	-0-	82,597	361,594	91,611	269,983
Net pension obligation	136,193,504	-0-	7,945,983	128,247,521	-0-	128,247,521
Net other post employment benefit obligation	<u>17,873,081</u>	<u>832,006</u>	<u>-0-</u>	<u>18,705,087</u>	<u>-0-</u>	<u>18,705,087</u>
Total other long-term debt	<u>156,054,941</u>	<u>1,003,656</u>	<u>8,028,580</u>	<u>149,030,017</u>	<u>91,611</u>	<u>148,938,406</u>
Total long-term debt – governmental activities	<u>\$ 179,609,937</u>	<u>\$ 1,923,345</u>	<u>\$ 8,745,580</u>	<u>\$ 172,787,702</u>	<u>\$ 739,611</u>	<u>\$ 172,048,091</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due After One Year</u>
Component Unit						
Board of Park and Recreation Commission						
Obligation under capital lease	\$ 441,408	\$ -0-	\$ 85,728	\$ 355,680	\$ 93,024	\$ 262,656
Net pension obligation	112,220	162,039	-0-	275,158	-0-	275,158
Net other post employment benefit obligation	<u>1,492,170</u>	<u>69,462</u>	<u>-0-</u>	<u>1,561,632</u>	<u>-0-</u>	<u>1,561,632</u>
Total long-term debt component unit	<u>\$ 2,045,798</u>	<u>\$ 232,400</u>	<u>\$ 85,728</u>	<u>\$ 2,192,470</u>	<u>\$ 93,024</u>	<u>\$ 2,099,446</u>

**Component Unit
Morgantown Public Library**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Depreciable Assets				
Buildings and fixtures	\$ 3,178,770	\$ 325,566	\$ -0-	\$ 3,504,336
Machinery and equipment	270,838	-0-	-0-	270,838
Books and videos	5,797,014	117,995	-0-	5,915,009
Total at historical cost	<u>9,246,622</u>	<u>443,561</u>	<u>-0-</u>	<u>9,690,183</u>
Less: Accumulated Depreciation				
Buildings and fixtures	1,893,607	58,300	-0-	1,951,907
Machinery and equipment	183,617	3,741	-0-	187,358
Books and videos	5,520,216	161,450	-0-	5,681,666
Total accumulated depreciation	<u>7,597,440</u>	<u>223,491</u>	<u>-0-</u>	<u>7,820,931</u>
Total depreciable capital assets, net	<u>\$ 1,649,182</u>	<u>\$ 220,070</u>	<u>\$ -0-</u>	<u>\$ 1,869,252</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

TIF Bonds

In 2006, the City of Morgantown issued Tax Increment Financing (TIF) revenue bonds to provide funds to finance the costs of certain private capital improvements within the City's designated areas. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the City of Morgantown. The principal and interest on the tax increment revenue bonds are to be repaid solely by the property taxes generated in association with increased assessed values of property within the TIF district area.

2006A TIF Bonds

The 2006A TIF bonds were issued in the amount of \$6,180,000 to provide financing for the Parking Garage Project No. 1. This is a private/public partnership project undertaken to economically revitalize the Riverfront area. The bonds are payable solely from the tax increment property taxes assessed and collected in the district area. Annual principal and interest on the bonds are expected to require less than 55% of the net revenues associated with the property taxes within the district. The bonds mature incrementally with final maturity due June 1, 2033. Payments of principal and interest are due annually on June 1st with varying interest rates. The City has pledged future tax increment revenue to provide for the repayment of these bonds. The following is a schedule of future debt retirement based on current financing arrangements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 235,000	\$ 170,150	\$ 405,150
2023	245,000	158,390	403,390
2024	255,000	146,150	401,150
2025	270,000	158,390	428,390
2026	280,000	146,150	426,150
2027 – 2031	1,630,000	414,270	2,044,270
2032 – 2033	<u>545,000</u>	<u>43,750</u>	<u>588,750</u>
Total	\$ <u>3,460,000</u>	\$ <u>1,237,250</u>	\$ <u>4,697,250</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

2007 TIF Bonds

The 2007 TIF bonds were issued in the amount of \$3,000,000 to provide financing for certain private capital improvements within the City's designated TIF Falling Run district area. The bonds are payable solely from the property taxes generated in association with increased assessed values of property within the TIF district area. The bonds do not constitute a general obligation, or pledge of the faith and credit of the City of Morgantown. Payments of interest only are due semiannually with the principal and any outstanding interest due in 2033. The bonds bear interest at 5.69%. The following is a schedule of future debt retirement based on current financing arrangements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -0-	\$ 105,707	\$ 105,707
2023	-0-	105,707	105,707
2024	-0-	105,707	105,707
2025	-0-	105,707	105,707
2026	-0-	105,707	105,707
2027 – 2031	-0-	528,535	528,535
2032 – 2033	<u>2,030,000</u>	<u>211,414</u>	<u>2,241,414</u>
Total	\$ <u>2,030,000</u>	\$ <u>1,268,484</u>	\$ <u>3,298,484</u>

2007A TIF Bonds

The 2007A TIF bonds were issued subordinate to the 2006 TIF bonds, and were issued to provide funds to finance the costs of certain private capital improvements with the City's designated TIF riverfront district area. Proceeds from the bonds provided additional financing for the Riverfront Event Center Project No. 1. The bonds are payable solely from the property taxes generated in associated with the increased assessed values of property within the TIF district area. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the City of Morgantown. The bonds bear interest of 8.00%, with interest only payments due quarterly and principal and interest due in June 2033. The following is a schedule of future debt retirement based on current financing arrangements:

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
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<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -0-	\$ 689,200	\$ 689,200
2023	-0-	689,200	689,200
2024	-0-	689,200	689,200
2025	-0-	689,200	689,200
2026	-0-	689,200	689,200
2027 – 2031	-0-	3,446,000	3,446,000
2031 – 2033	<u>8,615,000</u>	<u>1,378,400</u>	<u>9,993,400</u>
Total	\$ <u>8,615,000</u>	\$ <u>8,270,400</u>	\$ <u>16,885,400</u>

2014 TIF Bonds

The 2014 TIF bonds were issued to provide funds to finance the costs of certain private capital improvements with the City's designated TIF Sunnyside district area and to refinance the 2010 TIF bonds. Proceeds from the bonds provided additional financing for the Sunnyside district area improvements with the City's designated TIF Sunnyside district area. The bonds are payable solely from the property taxes generated in association with the increased assessed values of property within the TIF district area. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the City of Morgantown. The bonds bear interest of 2.64%. The following is a schedule of future debt retirement based on current financing arrangements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 335,000	\$ 88,704	\$ 423,704
2023	343,000	79,860	422,860
2024	352,000	70,805	422,805
2025	362,000	61,512	423,512
2026	371,000	51,955	422,955
2027 – 2029	<u>1,597,000</u>	<u>96,043</u>	<u>1,693,043</u>
Total	\$ <u>3,360,000</u>	\$ <u>448,879</u>	\$ <u>3,808,879</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

2017 TIF Bonds

The 2017 TIF bonds were issued to provide funds to finance the costs of certain private capital improvements with the City's designated TIF Sunnyside Up, CNRC TIF District. Proceeds of the bonds provide additional financing for this district. The bonds are payable solely from the property taxes generated in association with the increased assessed values of property within the TIF district area. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the City of Morgantown. The bond issue in the amount of \$7,146,000 is dated December 27, 2017 with a draw down period concluding on December 27, 2020. The bonds bear interest at a rate of 3.950%. The outstanding balance on this bond issue at June 30, 2021 is \$5,161,859. The following is a schedule of future debt retirement based on the full draw down of \$7,146,000.

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 335,000	\$ 15,354	\$ 350,354
2019	250,000	82,504	332,504
2020	161,000	165,731	326,731
2021	86,000	241,744	327,744
2022	78,000	249,403	327,403
2023	82,000	246,322	328,322
2024	85,000	243,083	328,083
2025	87,000	239,725	326,725
2026	91,000	236,289	327,289
2027	95,000	232,694	327,694
2028	99,000	228,942	327,942
2029	103,000	225,031	328,031
2030	530,000	220,963	750,963
2031	551,000	200,028	751,028
2032	572,000	178,263	750,263
2033	595,000	155,670	750,670
2034	618,000	132,167	750,167
2035	643,000	107,756	750,756
2036	668,000	82,358	750,358
2037	695,000	55,972	750,972
2038	<u>722,000</u>	<u>28,519</u>	<u>750,519</u>
Total	\$ <u>7,146,000</u>	\$ <u>3,568,518</u>	\$ <u>10,714,518</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Total following is a schedule of future debt retirement based on the current debt retirement based on current financing arrangements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 78,000	\$ 249,403	\$ 327,403
2023	82,000	246,322	328,322
2024	85,000	243,083	328,083
2025	87,000	239,725	326,725
2026	91,000	236,289	327,289
2027 – 2031	1,378,000	1,107,208	2,485,208
2032 – 2036	3,096,000	656,214	3,752,214
2037 – 2041	<u>1,395,685</u>	<u>97,314</u>	<u>1,492,999</u>
 Total	 \$ <u>6,292,685</u>	 \$ <u>3,075,558</u>	 \$ <u>9,368,243</u>

Total debt retirement of all TIF bonds based on current financing arrangements is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 648,000	\$ 1,303,164	\$ 1,951,164
2023	670,000	1,279,479	1,949,479
2024	692,000	1,254,945	1,946,945
2025	719,000	1,254,534	1,973,534
2026	742,000	1,229,301	1,971,301
2027 – 2031	4,605,000	5,592,056	10,197,056
2032 – 2036	14,286,000	2,289,778	16,575,778
2037 – 2041	<u>1,395,685</u>	<u>97,314</u>	<u>1,492,999</u>
 Total	 \$ <u>23,757,685</u>	 \$ <u>14,300,571</u>	 \$ <u>38,058,256</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Obligation Under Capital Leases

The General Fund of the City of Morgantown entered into a capital lease to finance the acquisition of various lighting upgrades and energy efficient equipment and upgrades. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ending June 30,

2022	\$ 108,266
2023	109,596
2024	114,357
2025	<u>58,145</u>
	303,764
Less: Amount representing interest	<u>25,770</u>
	361,594
Less: Current maturities	<u>91,611</u>
Non-current maturities	\$ <u>269,983</u>

The following is a schedule of future minimum lease payments required under all governmental fund capital leases and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ending June 30,

2022	\$ 108,266
2023	109,596
2024	114,357
2025	<u>58,145</u>
	383,764
Less: Amount representing interest	<u>25,770</u>
	361,594
Less: Current maturities	<u>91,611</u>
Non-current maturities	\$ <u>269,983</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Component Unit – Board of Parks and Recreation Commission

The Board of Parks and Recreation Commission of the City of Morgantown entered into a capital lease to finance the acquisition of lighting upgrades, boiler upgrades and ice plant at the City's ice rink. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ending June 30.

2022	\$ 107,588
2023	108,910
2024	113,641
2025	<u>57,781</u>
	387,920
Less: Amount representing interest	<u>32,240</u>
	355,680
Less: Current maturities	<u>93,024</u>
Non-current maturities	\$ <u>262,656</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Component Unit – Morgantown Public Library

The Morgantown Public Library entered into a capital lease to finance the acquisition of various lighting upgrades and energy efficient equipment and upgrades. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2020:

Fiscal Year Ending June 30,

2022	\$ 4,837
2023	4,896
2024	5,109
2025	<u>2,598</u>
	17,440
Less: Amount representing interest	<u>1,450</u>
	15,990
Less: Current maturities	<u>4,346</u>
Non-current maturities	\$ <u>11,644</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Long-term liability activity for Business-Type Activities Unit for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due After One Year</u>
Business-Type Activities						
Obligation under capital lease	\$ 205,458	\$ -0-	\$ 39,903	\$ 165,555	\$ 43,299	\$ 122,256
Discretely Presented Component Unit						
Obligation under capital lease	<u>99,099</u>	<u>-0-</u>	<u>19,246</u>	<u>79,853</u>	<u>20,855</u>	<u>58,998</u>
Total capital lease	<u>304,557</u>	<u>-0-</u>	<u>59,149</u>	<u>245,408</u>	<u>64,154</u>	<u>181,254</u>
Bonds Payable						
2013A Municipal Building Lease Revenue Refunding Bonds	2,070,000	-0-	260,000	1,810,000	265,000	1,545,000
2012 Parking System Refunding	644,156	-0-	644,156	-0-	-0-	-0-
2021 Parking System Revenue Bonds	-0-	2,350,918	-0-	2,350,918	134,557	2,216,361
2019 Taxable Lease Revenue Bonds	<u>1,606,831</u>	<u>-0-</u>	<u>90,408</u>	<u>1,516,423</u>	<u>93,260</u>	<u>1,423,163</u>
Total bonds payable	<u>4,320,987</u>	<u>2,350,918</u>	<u>994,564</u>	<u>5,677,341</u>	<u>492,817</u>	<u>5,184,524</u>
Other Long-Term Debt						
Net pension obligation	1,916,670	-0-	714,182	1,202,488	-0-	1,202,488
Net other post employment benefit obligation	<u>657,082</u>	<u>30,588</u>	<u>-0-</u>	<u>687,670</u>	<u>-0-</u>	<u>687,670</u>
Total other long-term debt	<u>2,573,752</u>	<u>30,588</u>	<u>714,182</u>	<u>1,890,158</u>	<u>-0-</u>	<u>1,890,158</u>
Component Units						
Net pension obligation	1,246,065	-0-	464,329	781,736	-0-	781,736
Net other post employment benefit obligation	<u>826,298</u>	<u>38,464</u>	<u>-0-</u>	<u>864,762</u>	<u>-0-</u>	<u>864,762</u>
Total other long-term debt – component units	<u>2,072,363</u>	<u>38,464</u>	<u>464,329</u>	<u>1,646,498</u>	<u>-0-</u>	<u>1,646,498</u>
Total other long-term debt	<u>4,646,115</u>	<u>69,052</u>	<u>1,178,511</u>	<u>3,536,656</u>	<u>-0-</u>	<u>3,536,656</u>
Total long-term debt	<u>\$ 9,271,659</u>	<u>\$ 2,419,970</u>	<u>\$ 2,232,224</u>	<u>\$ 9,459,405</u>	<u>\$ 556,971</u>	<u>\$ 8,902,434</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

2013A Municipal Building Lease Revenue Refunding Bonds

This issue was authorized to refinance the \$4,500,000, 2008A Municipal Building Lease Revenue Bonds. The bonds were issued bearing interest of 1.00% - 2.75% payable semiannually on the first day of April and the first day of October of each year.

The following is a schedule of future debt retirement based on current financing arrangements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 265,000	\$ 51,744	\$ 316,744
2023	270,000	44,050	314,050
2024	280,000	35,800	315,800
2025	290,000	27,068	317,068
2026	300,000	17,850	317,850
2027 – 2028	<u>405,000</u>	<u>9,831</u>	<u>414,831</u>
Total	\$ <u>1,810,000</u>	\$ <u>186,343</u>	\$ <u>1,996,343</u>

The 2013A bonds are secured by the lease rentals derived from the lease of the station to the City pursuant to the lease, and from funds on deposit in the reserve account.

As required by the 2013A bond ordinance, a sinking fund has been established. Monies in the sinking fund are to be used only for the purposes of paying principal of and interest on the bonds. Payments are required to be made into the sinking fund to pay interest and principal which will mature and become due on the next succeeding payment date. The balance in the sinking fund account at June 30, 2021 was \$212,964.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Series 2021 Parking System Revenue Bonds

This issue was authorized to finance the cost of the design, acquisition, construction and equipping of the Parking project. The bonds were issued bearing interest of 1.79% payable semiannually on the first day of June and the first day of December of each year in semiannual payments of \$89,840.

The following is a schedule of future debt retirement based on current financing arrangements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 134,557	\$ 45,123	\$ 179,680
2023	140,633	39,047	179,680
2024	143,162	36,518	179,680
2025	145,735	33,945	179,680
2026	148,356	31,324	179,680
2027 – 2031	782,854	115,546	898,400
2032 – 2036	<u>855,621</u>	<u>42,779</u>	<u>898,400</u>
 Total	 \$ <u>2,350,918</u>	 \$ <u>344,282</u>	 \$ <u>2,695,200</u>

The 2021 bonds are secured by the revenues of the Parking Authority and a statutory mortgage lien on the Parking Authority system.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Morgantown Land Reuse and Preservation Agency

Taxable Lease Revenue Bonds, Series 2019

This bond issue was authorized to purchase and upgrade the new City Hall annex. The bonds were issued bearing interest of 3.11% payable monthly on the 14th day of the month.

The following is a schedule of future debt retirement based on current financing arrangements:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 93,260	\$ 45,842	\$ 139,102
2023	96,202	42,900	139,102
2024	99,129	39,973	139,102
2025	102,364	36,738	139,102
2026	105,593	33,509	139,102
2027 – 2031	580,007	115,503	695,510
2032 – 2035	<u>439,868</u>	<u>23,806</u>	<u>463,674</u>
 Total	 \$ <u>1,516,423</u>	 \$ <u>338,271</u>	 \$ <u>1,854,694</u>

The 2019 bonds are secured by real estate.

See independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021

Discretely Presented Component Unit
Morgantown Utility Board

2000A Bonds Payable

The Board issued \$7,842,000 in a combined waterworks and sewerage system revenue bonds on February 8, 2000, for the construction of certain extensions, additions, betterments and improvements to the sewerage system for the Cheat Lake customers. The bonds mature quarterly on March 1, June 1, September 1, and December 1 of each year commencing March 1, 2002. The bonds mature on March 1, 2026. The bonds bear no interest and were issued to the West Virginia Division of Environmental Protection. The bonds carry a 0.5% administrative fee per annum and are payable quarterly. The bonds have a maximum reserve requirement of \$323,384 and annualized payments of \$323,380 are required.

2000B Bonds Payable

The Board issued \$2,488,000 in a combined waterworks and sewerage system revenue bonds on February 8, 2000, for the construction of certain extensions, additions, betterments and improvements to the sewerage system for the Cheat Lake customers. The bonds mature quarterly on March 1, June 1, September 1, and December 1 of each year commencing March 1, 2002. The bonds mature on December 31, 2039. The bonds bear no interest and were issued to the West Virginia Infrastructure and Jobs Development Council. The bonds hold a maximum reserve requirement of \$65,476 and annualized payments of \$65,472 are required.

2006A Bonds Payable

The Board issued bonds of \$6,410,000 in a combined waterworks and sewerage system revenue bonds on June 30, 2006, for the acquisition and construction of the extension, additions, betterments and improvements of the sewerage portion of the existing public combined waterworks and sewerage system. The bonds bear interest rates of 3% with a 20 year term paid quarterly on March 1, June 1, September 1, and December 1. The bonds have a maximum reserve requirement of \$389,664 and annualized payments of \$389,663 are required.

2007 Bonds Payable

The Board issued bonds of \$8,500,000 in a combined utility system revenue bonds on June 30, 2007, for the acquisition and construction of the extension, additions, betterments and improvements of the storm water portion of the existing public combined utility system. The bonds bear interest rates of 3% with a 20 year term paid quarterly on March 1, June 1, September 1, and December 1. The bonds have a maximum reserve requirement of \$535,059 and annualized payments of \$232,038 are required.

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

2010A Bonds Payable

The Board issued on January 28, 2010, combined utility system revenue bonds, series 2010A (Direct Payment Build America Bonds), for the acquisition and construction of the extension, additions, betterments and improvements of the waterworks portion of the existing public combined utility system in the original aggregate principal amount of \$37,950,000. The bonds are 30 year and bear an annual interest rate of 5% - 6.375%. Interest is paid semi-annually on June 1 and December 1 and principal payments annually beginning December 1, 2019. Annualized payments of \$2,280,000 are required. On October 29, 2020, the series 2010A bonds were called and refunded with the newly issued combined utility system refunding revenue bonds, series 2020A.

2010C Bonds Payable

The Board issued on January 28, 2010 combined utility system revenue bonds, series 2010C (West Virginia SRF Program) for the acquisition and construction of the extension, additions, betterments and improvements of the sewerage portion of the existing public combined utility system in the original aggregate principal amount of \$15,380,277. The bonds bear a 2% interest rate and a 1% administrative fee paid quarterly on March 1, June 1, September 1 and December 1. The bonds have a maximum reserve requirement of \$934,937 and annualized payments of \$934,936 are required.

2010D Bonds Payable

The Board issued on January 28, 2010 combined utility system revenue bonds, series 2010D (West Virginia DWTRF Program), for the acquisition and construction of the extension, additions, betterments and improvements of the waterworks portion of the existing public combined utility system in the original aggregate principal amount \$9,317,286. The bonds bear a 2% interest rate paid quarterly on March 1, June 1, September 1, and December 1. The bonds have a maximum reserve requirement of \$666,514 and annualized payments of \$566,380 are required.

2010E Bonds Payable

The Board issued on January 28, 2010 combined utility system revenue bonds, series 2010E (West Virginia DWTRF Program/ARRA), for the acquisition and construction of the extension, additions, betterments and improvements of the waterworks portion of the existing public combined utility system, in the original aggregate principal amount \$100,000. The bonds bear a 2% interest rate paid quarterly on March 1, June 1, September 1, and December 1. The bonds have a maximum reserve requirement of \$6,081 and annualized payments of \$6,077 are required.

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CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021

2012A Bonds Payable

The Board issued on August 24, 2012 \$570,000 combined utility system revenue bonds for construction of the extension, additions, betterments and improvements of the waterworks portion of the existing public combined waterworks and sewerage system. The bonds bear an interest rate of .5% and a .5% administrative fee per annum and is payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning June 1, 2014 until March 1, 2044. Annualized payments of \$20,473 plus annual payments of \$2,047 until a reserve requirement of \$20,473 is met.

2013A Bonds Payable

The Board issued on August 22, 2013 \$4,605,260 combined utility system revenue bonds for the assumption and replacement of the Canyon Public Service District Series 2008A bonds. The bonds bear an interest rate of 0% and have a maximum reserve requirement of \$131,580 and annualized payment of \$32,895 are required. Principal is paid quarterly until June 2048.

2014B Bonds Payable

The Board issued on July 23, 2014 \$505,421 combined utility system revenue bonds for construction of the extension, additions, betterments and improvements of the storm water portion of the existing public combined utility system. The bonds bear an interest rate of 3.16%. The bonds have a maximum reserve requirement of \$34,148. Total monthly principal and interest payments of \$2,846 are required.

2015A Bonds Payable

The Board issued on March 31, 2015 \$137,568 original principal combined utility system revenue bonds for the assumption and replacement of the Scotts Run Public Service District Series 1991A bonds. The bonds have a maximum reserve requirement of \$11,276 and annual payments of \$11,275 are required. Principal and interest is paid annually until October 2031.

2015B Bonds Payable

The Board issued on March 31, 2015 \$4,586 original principal combined utility system revenue bonds for the assumption and replacement of the Scotts Run Public Service District Series 1991B bonds. The bonds bear an interest rate of 0% and have a maximum reserve requirement of \$118. Principal payments of \$118 are paid annually until October 3021.

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

2015C Bonds Payable

The Board issued on March 31, 2015 \$8,111,813 original principal combined utility system revenue bonds for the assumption and replacement of the Scotts Run Public Service District Series 2003A bonds. The bonds bear an interest rate of 0% and .5% administrative fee. The bonds have a maximum reserve requirement of \$213,468. Principal payments of \$53,368 and administrative fees are paid quarterly until September 2043.

2015D Bonds Payable

The Board issued on March 31, 2015 \$1,688,394 original principal combined utility system revenue bonds for the assumption and replacement of the Scotts Run Public Service District Series 2009A bonds. The bonds bear an interest rate of 0% and .5% administrative fee. The bonds have a maximum reserve requirement of \$44,144. Principal payments of \$11,036 and administrative fees are paid quarterly until December 2049.

2015E Bonds Payable

The Board issued on June 11, 2015 \$662,300 combined utility system revenue bonds for construction of the extension, additions, betterments and improvements of the storm water portion of the existing public combined utility system. The bonds bear an interest rate of 0% and .5% administrative fee. The bonds have a maximum reserve requirement of \$16,876. Principal payments of \$4,219 and administrative fees of \$417 are paid quarterly until June 2055.

2016A Bonds Payable

The Board issued on December 1, 2016 \$69,755,000 combined utility system revenue bonds for construction of the improvements to the Star City Wastewater Treatment Plant and to upgrade the existing Popenoe Run Sewer Interceptor. The bonds were issued at a premium of \$4,883,284. The bonds are 30 year bonds and bear interest rates of 3% to 5%. The bonds have a maximum reserve requirement of \$4,209,988. Interest is paid semi-annually of June 1 and December 1 and principal payments annually beginning December 1, 2017. Annualized payments of \$4,208,688, are required.

See independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2020

2016B1 and B2 Bonds Payable

The Board issued on December 15, 2016 \$25,000,000 (B1) combined utility system revenue bonds (WV SRF Program) and \$500,000 (B2) combined utility system revenue bonds (WV SRF Program/Green) for construction of the improvements to the Star City Wastewater Treatment Plant and to upgrade the existing Popenoe Run Sewer Interceptor. The 2016 B1 bonds are 30-year bonds and bear an interest rate of .75% and an administrative fee of .25% paid quarterly on March 1, June 1, September 1, and December 1. The bonds have a maximum reserve requirement of \$945,454 and annualized payments of \$945,453 are required. The 2016 B2 bonds are interest free and principal forgiven.

2017A Bonds Payable

The Board issued on December 21, 2017 \$2,695,000 combined utility system revenue bonds, series 2017A (Bank Qualified). On January 16, 2018 a portion of the proceeds were used to pay outstanding principal and interest on the Series 2012C Bonds. The remainder of the issue for construction of additions, betterments and improvements of the storm water portion of the existing public combined utility system. The bonds are 30-year bonds and bear an interest rate of 2.1% to 3.75% and have a maximum reserve requirement of \$151,538. Annual principal and interest payments fluctuate due to the varying interest rate. Interest is paid April 1 and October 1 and principal payments annually beginning October 1, 2018.

2018A Bonds Payable

The Board issued on January 28, 2018 \$394,074 combined utility system revenue bonds for construction of the extension, additions, betterments and improvements of the waterworks portion of the existing public combined waterworks and sewerage system. The bonds bear an interest rate of 1% and is payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning March 1, 2019 until December 1, 2057. Annualized payments of \$12,216 plus annual payments of \$1,222 until a reserve requirement of \$12,216 is met.

2018B Bonds Payable

The Board issued on June 28, 2018 \$44,260,000 combined utility system revenue bonds for the (A) design, acquisition, construction of a new water reservoir and raw water transmission line from the reservoir to the water treatment plan, and the acquisition and installment of emergency generators to serve the water system and (B) the design, acquisition and construction of certain extensions, betterments and improvements to the Stormwater System. The bonds were issued at a \$4,089,120 premium. The bonds are 30-year bonds and bear interest rates of 3% to 5% and have a maximum reserve requirement of \$3,567,047. Interest is paid semi-annually on June 1 and December 1 and principal payments annually beginning December 1, 2019. Various annualized payments ranging from \$2,021,113 to \$5,898,300 until June 2046.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

2018A2 Bonds Payable

The Board issued on July 10, 2018 \$140,715 combined utility system revenue bonds for construction of the extension, additions, betterments and improvements of the waterworks portion of the existing public combined waterworks and sewerage system. The bonds bear an interest rate of 1% and is payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning September 1, 2019 until June 1, 2058. Annualized payments of \$4,363 plus annual payments of \$436 until a reserve requirement of \$4,362 is met.

2019A Bonds Payable

The Board issued on October 22, 2019 \$1,068,500 original principal combined utility system revenue bonds for the assumption and replacement of the River Road Public Service District Series 2001 bonds. The bonds bear an interest rate of 2% and 1% administrative fee paid quarterly until June 2022.

2019B Bonds Payable

The Board issued on October 22, 2019 \$2,546,000 original principal combined utility system revenue bonds for the assumption and replacement of the River Road Public Service District Series 2016A bonds. The bonds bear an interest rate of .5% and .5% administrative fee paid quarterly until December 2047.

2020A Bonds Payable

The Board issued on October 29, 2020 \$31,890,000 combined utility system revenue bonds for the assumption and replacement of the Direct Payment Build America Bonds series 2010A bonds. A portion of the proceeds were used to pay outstanding principal and interest on the series 2010A bonds. The series 2020A bonds were issued at a \$4,529,670 premium and have a maximum reserve requirement of \$2,317,950. The bonds bear an interest rate of 3.5 – 4%. Annual principal and interest payments fluctuate due to the varying interest rate. Payments will be made until December 2040.

Lease Payable

The board entered into a lease agreement on April 28, 2021, with BB&T for the purchase of equipment. The lease agreement contains an option to purchase after all payments made. The lease bears an interest rate of 1.72%. Monthly payments are made until June 2024.

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CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021

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

	<u>Beginning</u>	<u>Payments</u>	<u>Acquired/ Proceeds</u>	<u>Ending</u>
Morgantown 2000A	\$ 1,859,434	\$(323,379)	\$ -0-	\$ 1,536,055
Morgantown 2000B	1,276,704	(65,472)	-0-	1,211,232
Morgantown 2006A	2,874,089	(334,681)	-0-	2,539,408
Morgantown 2007A	4,351,467	(451,379)	-0-	3,900,088
Morgantown 2010A	36,800,000	(36,800,000)	-0-	-0-
Morgantown 2010C	10,135,519	(737,735)	-0-	9,397,784
Morgantown 2010D	6,140,060	(446,918)	-0-	5,693,142
Morgantown 2010E	65,899	(4,796)	-0-	61,103
Morgantown 2012A	458,191	(18,215)	-0-	439,976
Morgantown 2013A	3,684,200	(131,580)	-0-	3,552,620
Morgantown 2014B	389,579	(22,157)	-0-	367,422
Morgantown 2015A	86,081	(4,604)	-0-	81,477
Morgantown 2015B	1,410	(117)	-0-	1,293
Morgantown 2015C	4,963,131	(213,468)	-0-	4,749,663
Morgantown 2015D	1,302,134	(44,143)	-0-	1,257,991
Morgantown 2015E	590,577	(16,876)	-0-	573,701
Morgantown 2016A	66,210,000	(1,285,000)	-0-	64,925,000
Morgantown 2016B	22,160,168	(778,824)	-0-	21,381,344
Morgantown 2017A	2,595,000	(60,000)	-0-	2,535,000
Morgantown 2018A	381,584	(8,431)	-0-	373,153
Morgantown 2018B	43,290,000	(485,000)	-0-	42,805,000
Morgantown 2018A2	137,749	(2,996)	-0-	134,753
Morgantown 2019A	127,029	(62,881)	-0-	64,148
Morgantown 2019B	2,348,106	(79,854)	-0-	2,268,252
Morgantown 2020A	<u>-0-</u>	<u>-0-</u>	<u>31,890,000</u>	<u>31,890,000</u>
Total Bonds Payable	212,228,111	(42,378,506)	31,890,000	201,739,605
Unamortized Bond Premium	<u>8,120,989</u>	<u>(296,846)</u>	<u>4,529,670</u>	<u>12,353,813</u>
Net Bonds Payable	\$ <u>220,349,100</u>	\$ <u>(42,675,352)</u>	\$ <u>36,419,670</u>	\$ <u>214,093,418</u>
Lease Payable	\$ <u>-0-</u>	\$ <u>(13,241)</u>	\$ <u>251,218</u>	\$ <u>237,976</u>
Net Pension Liability	\$ <u>9,586,310</u>	\$ <u>-0-</u>	\$ <u>(4,058,321)</u>	\$ <u>5,527,989</u>

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CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021

Maturities of the Board's debt principal for the years subsequent to June 30, 2021 are as follows:

	<u>2000A</u> Issue Principal	<u>2000B</u> Issue Principal	<u>2006A</u> Issue Principal	<u>2007</u> Issue Principal	<u>2010C</u> Issue Principal	<u>2010D</u> Issue Principal	<u>2010E</u> Issue Principal	<u>2012B</u> Issue Principal
2022	\$ 323,380	\$ 65,472	\$ 341,425	\$ 460,475	\$ 752,601	\$ 455,923	\$ 4,892	\$ 18,307
2023	323,380	65,472	348,305	469,754	767,766	465,110	4,992	18,399
2024	323,380	65,472	355,325	479,219	783,237	474,482	5,093	18,491
2025	232,380	65,472	362,484	488,876	799,020	484,044	5,196	18,584
2026	242,535	65,472	369,788	498,727	815,120	493,797	5,300	18,676
2027-2031	-0-	327,360	762,082	1,503,037	4,328,698	2,622,307	34,118	94,794
2032-2036	-0-	556,612	-0-	-0-	1,151,342	697,479	1,512	97,192
2037-2041	-0-	-0-	-0-	-0-	-0-	-0-	-0-	99,643
2042-2046	-0-	-0-	-0-	-0-	-0-	-0-	-0-	55,890
2047-2051	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2052-2056	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total	\$ 1,536,055	\$ 1,211,232	\$ 2,539,408	\$ 3,900,088	\$ 9,397,784	\$ 5,693,142	\$ 61,103	\$ 439,976

	<u>2013A</u> Issue Principal	<u>2014B</u> Issue Principal	<u>2015A</u> Issue Principal	<u>2015B</u> Issue Principal	<u>2015C</u> Issue Principal	<u>2015D</u> Issue Principal	<u>2015E</u> Issue Principal	<u>2016A</u> Issue Principal
2022	\$ 131,580	\$ 22,867	\$ 4,960	\$ 118	\$ 213,468	\$ 44,143	\$ 16,876	\$ 1,350,000
2023	131,580	23,600	5,345	118	213,468	44,140	16,876	1,420,000
2024	131,580	24,357	5,759	118	213,468	44,140	16,876	1,490,000
2025	131,580	25,138	6,206	118	213,468	44,140	16,876	1,565,000
2026	131,580	25,944	6,686	118	213,468	44,140	16,876	1,650,000
2027-2031	657,900	142,743	52,521	590	1,067,340	220,700	84,380	9,445,000
2032-2036	657,900	102,773	-0-	113	1,067,340	220,700	84,380	11,510,000
2037-2041	657,887	-0-	-0-	-0-	1,067,340	220,700	84,380	14,270,000
2042-2046	657,880	-0-	-0-	-0-	480,303	220,700	84,380	18,105,000
2047-2051	263,153	-0-	-0-	-0-	-0-	154,488	84,380	4,120,000
2052-2056	-0-	-0-	-0-	-0-	-0-	-0-	67,421	-0-
Total	\$ 3,552,620	\$ 367,422	\$ 81,477	\$ 1,293	\$ 4,749,663	\$ 1,257,991	\$ 573,701	\$ 64,925,000

	<u>2016B</u> Issue Principal	<u>2017A</u> Issue Principal	<u>2018A</u> Issue Principal	<u>2018B</u> Issue Principal	<u>2018A2</u> Issue Principal	<u>2019A</u> Issue Principal	<u>2019B</u> Issue Principal	<u>2020A</u> Issue Principal
2022	\$ 784,682	\$ 60,000	\$ 8,516	\$ 535,000	\$ 3,025	\$ 64,148	\$ 80,254	\$ 985,000
2023	790,584	60,000	8,601	585,000	3,056	-0-	80,654	6,420,000
2024	796,530	60,000	8,688	645,000	3,088	-0-	81,059	7,415,000
2025	802,521	60,000	8,774	190,000	3,116	-0-	81,464	8,840,000
2026	808,555	70,000	8,862	220,000	3,148	-0-	83,085	8,230,000
2027-2031	4,134,921	360,000	45,664	1,705,000	16,099	-0-	414,003	-0-
2032-2036	4,292,774	440,000	48,003	5,460,000	16,929	-0-	424,300	-0-
2037-2041	4,456,651	525,000	50,451	9,120,000	17,796	-0-	435,217	-0-
2042-2046	4,514,126	615,000	53,045	24,235,000	18,704	-0-	446,231	-0-
2047-2051	-0-	285,000	55,759	110,000	19,664	-0-	141,985	-0-
2052-2056	-0-	-0-	58,617	-0-	20,672	-0-	-0-	-0-
2057-2061	-0-	-0-	18,163	-0-	9,456	-0-	-0-	-0-
Total	\$ 21,381,344*	\$ 2,535,000	\$ 373,153	\$ 42,804,000	\$ 134,753	\$ 64,148	\$ 2,268,252	\$ 31,890,000

* Amortization total includes full amount of bond

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Estimated annual interest is as follows:

	<u>2006A</u> <u>Issue</u> <u>Interest</u>	<u>2007</u> <u>Issue</u> <u>Interest</u>	<u>2010C</u> <u>Issue</u> <u>Interest</u>	<u>2010D</u> <u>Issue</u> <u>Interest</u>	<u>2010E</u> <u>Issue</u> <u>Interest</u>	<u>2012A</u> <u>Issue</u> <u>Interest</u>	<u>2014</u> <u>Issue</u> <u>Interest</u>	<u>2015A</u> <u>Issue</u> <u>Interest</u>	<u>2016A</u> <u>Issue</u> <u>Interest</u>
2022	\$ 48,238	\$ 74,563	\$ 182,335	\$ 110,457	\$ 1,185	\$ 2,166	\$ 11,281	\$ 6,314	\$ 2,858,688
2023	41,358	65,284	167,169	101,270	1,087	2,074	10,548	5,930	2,789,438
2024	34,340	55,818	151,698	91,898	986	1,982	9,791	5,516	2,716,688
2025	27,180	46,161	135,916	82,337	884	1,889	9,010	5,069	2,640,313
2026	19,876	36,310	119,816	72,584	779	1,796	8,205	4,589	2,559,938
2027-2031	17,245	47,955	345,978	209,594	2,362	7,567	27,699	15,129	11,585,163
2032-2036	-0-	-0-	17,328	10,496	336	5,169	5,662	-0-	9,520,131
2037-2041	-0-	-0-	-0-	-0-	-0-	2,710	-0-	-0-	6,767,325
2042-2046	-0-	-0-	-0-	-0-	-0-	421	-0-	-0-	2,930,400
2047-2051	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	88,825
2052-2056	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2057-2061	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total	\$ 188,238	\$ 326,092	\$ 1,120,240	\$ 678,636	\$ 7,619	\$ 25,774	\$ 82,196	\$ 42,547	\$ 44,456,909

	<u>2016B</u> <u>Issue</u> <u>Interest</u>	<u>2017A</u> <u>Issue</u> <u>Interest</u>	<u>2018A</u> <u>Issue</u> <u>Interest</u>	<u>2018B</u> <u>Issue</u> <u>Interest</u>	<u>2018A2</u> <u>Issue</u> <u>Interest</u>	<u>2019A</u> <u>Issue</u> <u>Interest</u>	<u>2019B</u> <u>Issue</u> <u>Interest</u>	<u>2020A</u> <u>Issue</u> <u>Interest</u>
2022	\$ 160,771	\$ 86,363	\$ 3,700	\$ 1,948,613	\$ 1,336	\$ 804	\$ 11,191	\$ 1,238,611
2023	154,869	85,103	3,614	1,920,613	1,306	-0-	10,789	5,137,950
2024	148,923	83,843	3,528	1,889,893	1,275	-0-	10,385	4,631,700
2025	142,932	82,238	3,441	1,870,888	1,244	-0-	9,979	2,054,950
2026	136,897	80,125	3,353	1,864,738	1,212	-0-	9,571	379,050
2027-2031	592,344	365,425	15,411	9,192,541	5,705	-0-	43,213	-0-
2032-2036	434,491	293,363	13,072	8,589,847	4,880	-0-	32,739	0-
2037-2041	270,613	208,675	10,614	6,856,500	4,014	-0-	22,000	-0-
2042-2046	100,477	108,735	8,031	2,554,800	3,102	-0-	5,139	-0-
2047-2051	442	10,420	5,314	6,800	2,144	-0-	-0-	-0-
2052-2056	-0-	-0-	2,458	-0-	411	-0-	-0-	-0-
2057-2061	-0-	-0-	160	-0-	-0-	-0-	-0-	-0-
Total	\$ 2,142,759	\$ 1,404,290	\$ 72,696	\$ 36,695,203	\$ 26,629	\$ 804	\$ 155,006	\$ 13,432,261*

* Amortization total includes full amount of bond.

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Lease Payable</u> <u>Principal</u>	<u>Lease Payable</u> <u>Interest</u>
2022	\$ 80,251	\$ 3,453
2023	81,642	2,071
2024	<u>76,084</u>	<u>656</u>
Total	\$ <u>237,977</u>	\$ <u>6,190</u>

Obligations Under Capital Lease

The Airport Authority of the City of Morgantown entered into a capital lease to finance the acquisition of lighting upgrades and HVAC upgrades. The lease qualified as a capital lease for the accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of inception. The following is a schedule of future minimum lease payments required under the capital lease and the present value of the net minimum lease payments at June 30, 2021.

Fiscal Year Ending June 30,

2022		\$ 50,078
2023		50,693
2024		52,895
2025		<u>26,895</u>
		180,561
Less: Amount representing interest		<u>15,006</u>
		165,555
Less: Current maturities		<u>43,299</u>
Non-current maturities		\$ <u>122,256</u>

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

The Parking Authority of the City of Morgantown entered into a capital lease to finance the acquisition of lighting upgrades. The lease qualified as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of inception. The following is a schedule of future minimum lease payments required under the capital lease and the present value of the net minimum lease payments at June 30, 2020:

Fiscal Year Ending June 30.

	2022	\$ 24,154
	2023	24,451
	2024	25,513
	2025	<u>12,972</u>
		87,090
Less: Amount representing interest		<u>7,237</u>
		79,853
Less: Current maturities		<u>20,885</u>
Non-current maturities		\$ <u>58,968</u>

G. Benefits Funded by the State of West Virginia

For the year ended June 30, 2021, the State of West Virginia contributed estimated payments on behalf of the governments public safety employees as follows:

<u>Plan</u>	<u>Amount</u>
Policemen's Pension and Relief Fund	\$ 736,467
Firemen's Pension and Relief Fund	<u>638,747</u>
Total	\$ <u>1,402,214</u>

State contributions are funded by allocations of the State's insurance premium tax.

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

IV. Other Information

A. Risk Management

The government 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 insurance with Commercial Insurance Company for umbrella (general liability) insurance for these various risks.

Workers' Compensation Fund (WCF): Private insurance companies could begin to offer workers compensation coverage to government employers beginning July 1, 2010. Workers compensation coverage is provided for this entity by Brickstreet.

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

B. Contingent Liabilities

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material effect on the financial condition of the government.

V. Employee Retirement System and Plans

Plan Descriptions. Contribution Information

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

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. Unless otherwise indicated, FPRF information in this Note is provided as the latest actuarial valuation, July 1, 2021.

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**CITY OF MORGANTOWN, WEST VIRGINIA
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The Employees Pension and Relief Fund (ERF) provides retirement benefits for substantially all full-time permanent employees not covered by other plans. Unless otherwise indicated, ERF information in this Note is provided as of the latest actuarial valuation, July 1, 2018.

Actuarial valuations are required to be performed once every three years per state statute. However, the actuarial valuations can be performed in shorter intervals at the discretion of the PPRF, FPRF and ERF's board.

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

	PPRF	FPRF	ERF
Governing authority	City Council Ordinance	City Council Ordinance	City Council Ordinance
Determination of contribution requirements	Actuarially determined	Actuarially determined	Actuarially determined
Employer	Contribute annually an amount which, together with contributions from the members and the allocable portion of the state premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any unfunded actuarial accrued liability. Municipalities may utilize an alternative contribution method which allows the municipality to contribute no less than 107% of the prior years contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method. In no event can the employer contribution be less than the normal cost as determined by the actuary.		Contribute annually an amount sufficient to meet the normal cost of the fund and amortize the actuarial deficit over a period of 22 years.
Plan members	7.00% for pre January 2010 hires	9.5% for post January 2010 hires	6.00% of covered payroll
Period Required to Vest	20 years of service but no later than the date the participant reaches 65.		The latter of the date the participant attains age 60 and 10 years of service credit, or attains age 55 and age plus years of Service Credit total 85.
Post-retirement Benefit	Cost of living adjustment after two years of retirement. Adjustment calculated on the first \$15,000 of the total annual benefit multiplied by the Consumer Price Index (not to exceed 2.75%). Cost of Living adjustment calculated thereafter on a cumulative basis.		Annual Cost of Living adjustments is the lesser of 3% or the annual consumer price index multiplied by 50%; provided that the municipality's contribution for the year is less than 6% of the participating payroll.
Provisions for:			
Disability benefits	Yes	Yes	Yes
Death benefits	Yes	Yes	Yes

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Annual Required Contributions and Significant Actuarial Assumptions

Actuarial assumptions and other information used to determine the annual required contributions (ARC) are as follows:

	Policemen's and Firemen's Pension & Relief Fund	Employees Pension and Relief Fund
Valuation Date	7/1/2021	7/1/2021
Actuarial Cost Method	Projected Unit Credit	Aggregate entry age
Amortization Method	Level % Open	
Amortization Period	25 year (level percentage)	
Actuarial asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Investment rate of return	4.25%	7.0%
Projected salary increases	Rates vary by years of service	4.0%
Post retirement benefit increases	None	None
Inflation	2.50%	3%
Cost of living adjustments	0%	None

Current year annual pension costs for the PPRF, FPRF and ERF are shown in the trend information. A summary schedule of prior employer contributions is presented in the required supplementary information (note 11). The annual required contributions were made by the PPRF, FPRF and ERF fund plans.

Reserves

There are no assets legally reserved for purposes other than the payment of plan members benefits for either plan. The plans held no investments (other than U.S. government and U.S. government guaranteed obligations) whose market value exceeds 10 percent or more of net assets available for benefits.

Deferred Compensation Plan

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held for the exclusive benefit of the participants and their beneficiaries.

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**CITY OF MORGANTOWN, WEST VIRGINIA
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Other Post Employment Benefits

Upon termination from city service, an employee working for the City of Morgantown on June 15, 1993, who subsequently retires from the city will be eligible to convert sick leave days in excess of ninety (90) days but less than one hundred and eighty one (181) days as of June 15, 1993, to health insurance upon his/her day of retirement at the rate of three (3) sick days for one (1) month of single group medical insurance as carried by the city, or at the rate of four (4) sick days for one (1) month of family group medical insurance as carried by the city. This benefit requires that employees with such qualifying sick days put them into escrow for this benefit and forgo collecting 1/3 day pay for each day of sick leave. By placing these days in escrow, city employees as of the date of this amendment will have their sick day balance reduced to 90 days. All employees hired subsequent to June 15, 1993, are not granted this option.

Accrued Other Post Employment Benefits

Plan description/contribution information

The City maintains a single employer health insurance plan that covers substantially all eligible full-time employees as well as certain current and future retirees of the system. The accrued other post employment benefits (OPEB) provides retirement health insurance benefits for substantially all full-time employees.

Pension Trust Funds Financial Statements

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>
Assets			
Cash	\$ 25,200	\$ 75,611	\$ 1,526
Investments	19,665,426	16,438,219	71,672,432
Receivables:			
Contributions	<u>16,503</u>	<u>15,665</u>	<u>196,076</u>
Total assets	<u>19,707,129</u>	<u>16,529,495</u>	<u>71,870,034</u>
Liabilities			
Accounts payable	<u>-0-</u>	<u>599</u>	<u>-0-</u>
Total liabilities	<u>-0-</u>	<u>599</u>	<u>-0-</u>
Net Position			
Held in trust	\$ <u>19,707,129</u>	\$ <u>16,528,896</u>	\$ <u>71,870,034</u>

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**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>
Additions			
Contributions:			
Employer	\$ 1,158,547	\$ 920,415	\$ 2,311,351
Employee	406,609	321,489	867,770
Insurance premium tax allocation	763,467	638,747	-0-
Other	<u>-0-</u>	<u>-0-</u>	<u>711</u>
Total contributions	<u>2,328,623</u>	<u>1,880,651</u>	<u>3,179,832</u>
Investment Income:			
Gain (loss) on investments	3,331,655	2,709,298	12,912,017
Interest and dividends	<u>522,952</u>	<u>431,732</u>	<u>1,212,254</u>
Total investment income	<u>3,854,607</u>	<u>3,141,030</u>	<u>14,124,271</u>
Total additions	<u>6,183,230</u>	<u>5,021,681</u>	<u>17,304,103</u>
Deductions			
General and administrative	138,552	115,139	232,173
Contribution refunds	28,195	-0-	196,786
Benefit payments	<u>2,705,065</u>	<u>1,967,798</u>	<u>3,812,888</u>
Total deductions	<u>2,871,812</u>	<u>2,082,937</u>	<u>4,241,847</u>
Net increase (decrease)	3,311,418	2,938,744	13,062,256
Net position – beginning of year – restated	<u>16,395,711</u>	<u>13,590,152</u>	<u>58,807,778</u>
Net position – end of year	\$ <u>19,707,129</u>	\$ <u>16,528,896</u>	\$ <u>71,870,034</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

For the year ended June 30, 2021, the City's Policemen's Pension and Relief Fund and Benefit reported deferred outflows of resources and deferred inflows of resources related to these pension plans from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -0-	\$ 1,993,222
Change in assumptions	3,801,075	3,015,271
Difference between expected and actual experience	<u>3,048,040</u>	<u>359,373</u>
	\$ <u>6,849,115</u>	\$ <u>5,367,866</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (231,003)
2023	466,675
2024	376,608
2025	<u>868,969</u>
	\$ <u>1,481,249</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

For the year ended June 30, 2021, the City's Firemen's Pension and Relief Fund reported deferred outflows of resources and deferred inflows of resources related to these pension plans from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -0-	\$ 1,600,625
Change in assumptions	2,976,777	1,561,663
Difference between expected and actual experience	<u>981,624</u>	<u>15,643</u>
	\$ <u>3,958,401</u>	\$ <u>3,177,931</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,

2022	\$ 718,579
2023	757,772
2024	150,238
2025	<u>(846,119)</u>
	\$ <u>780,470</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

For the year ended June 30, 2021, the Employees' Retirement and Benefit reported deferred outflows of resources and deferred inflows of resources related to these pension plans from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -0-	\$ 1,219,805
Change in assumptions	3,652,303	-0-
Difference between expected and actual experience	<u>1,380,974</u>	<u>6,593,176</u>
	\$ <u>5,033,277</u>	\$ <u>7,812,981</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (526,258)
2023	(606,412)
2024	(1,160,516)
2025	(1,508,757)
2026	556,699
2027	<u>465,180</u>
	\$ <u>(2,779,704)</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

V.B.1 Plan Descriptions Contribution Information and Funding Policies

Public Employees Retirement system (PERS)

The City's contributions to the West Virginia Public Employees Retirement System for the year ended June 30, 2021 is as follows:

	<i>Component Unit Board of Parks and Recreation Commission</i>	<i>Component Unit Morgantown Public Library</i>
Total wages	\$ 1,001,662	\$ 857,727
Covered wages	\$ 808,810	\$ 680,494
Employer share 10.00%	\$ 80,881	\$ 68,049
Employee share 4.50% and 6.00%	\$ 36,396	\$ 35,127

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

Public Employees' Retirement System (PERS)

Eligibility to participate	All Municipal full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate	4.50% and 6.00%
City's contribution rate	10.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Public Employees' Retirement System (PERS)

Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

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

The City of Morgantown elected to become a participating employer under the West Virginia Employees Retirement System (PERS plan).

General Information About the Plan

The plan is a defined benefit plan and provides pensions for all participating employees of the City of Morgantown, West Virginia. The PERS plan is a statewide, cost-sharing, multiple-employer, defined benefit retirement plan for public employees established on July 1, 1961. All employees of the State of West Virginia and any political subdivision whose governing body elects to participate are required (with certain exceptions) to become members. The PERS Plan is managed by a Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: for residents of the State who are not participants in the retirement plans, one State and one non-state employee participant in PERS, and one participant each from TRS, SPDDRS, SPRS, DSRS, EMSRS, MPFRS, and TDCRS.

Participants in the PERS Plan who retire at age 60 with at least five years of credited service or at least age 55 with their age plus service equal to 80 or greater are entitled to a retirement benefit, payable monthly for life, equal to 2% of average salary multiplied by years of service. Average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their benefits at age 62. The PERS Plan also provides death and disability benefits.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Employees covered by benefit terms are all active employees.

Contribution rates for the PERS Plan are subject to Chapter 5, Article 10 of the West Virginia State Code. For the year ended June 30, 2021, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 10.0 percent of the member's compensation into the plan. For the year ended June 30, 2020, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 10.0 percent of the member's compensation into the plan.

Public Employees Retirement System Tier II

The Public Employees Retirement System (PERS) was established on July 1, 1961 for the purpose of providing retirement benefits for employees of the State and other political subdivisions. PERS Tier II benefits were created effective July 1, 2015 for those members first hired with a PERS participating public employer on or after July 1, 2015. PERS has approximately 11,036 members as of July 1, 2018. PERS is funded by employee and employer contributions. An active member hired for the first time by a participating public employer who first became a member on or after July 1, 2015 contributes 6% of his or her gross monthly salary to the plan. As of fiscal year 2020, the employer will contribute 10% of the member's gross monthly salary for a total combined contribution equal to 16%. All payroll deducted employee contributions currently remitted are tax deferred. Contributions for members are established by statute and are subject to legislative limitations. The employer contributions are annually reviewed by the Board to assure that they result in actuarially sound funding for the plan.

"Board", when used in the following sections of this brochure refers to the West Virginia Consolidated Public Retirement Board.

Retirement Benefits

In order to qualify for retirement benefits, a Tier II member of PERS must meet certain eligibility requirements.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

A PERS Tier II member who has not separated from employment with a participating PERS agency may:

- Retire with full benefits at age 62 if he or she has 10 or more years of contributing service, excluding no-USERRA purchased military service.
- Retire between the age of 60 and 62 with reduced benefits if he or she has 10 or more years of contributing service, excluding no-USERRA purchased military service.
- Retire between the age of 57 and 62 with reduced benefits if he or she has 20 or more years of service, excluding non-USERRA purchased military service.
- Retire between the age 55 and 62 with reduced benefits if he or she has 30 or more years of contributing service, excluding non-USERRA purchased military service.

A PERS Tier II member who has separated from employment with a participating PERS agency prior to retirement and has not withdrawn his or her contributions may:

- Retire at age 64 with full benefits if he or she has 10 or more years of contributory service, excluding non-USERRA purchased military service.
- Retire at age 63 with full benefits if he or she has 20 or more years of service, excluding no-USERRA purchased military service.

Retirement Benefit Estimate

Approximately 6 to 12 months prior to retirement eligibility, members should contact the Board to request an estimate of benefits for all three retirement annuity options. An estimate is required prior to receiving a retirement packet.

Effective Date of Retirement

- Effective date of retirement is dependent upon termination of employment, meeting retirement eligibility and the Board's receipt of the retirement application. The Date the Board receives of the retirement application can impact the effective date of retirement. If the member is less than age 62 upon termination of employment, and all retirement criteria are met, the effective date of retirement will be the first day of the month following receipt of the retirement application.
- Retirement benefits are not automatic. Prospective retirees must make application to the Board in order to commence retirement benefits.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Retirement Benefit Formula

- Regular retirement benefits are paid in equal monthly installments in an amount equal to 2% multiplied by the member's years of credited service multiplied by the member's Final Average Salary (FAS).
- Final Average Salary means the average annual salary from the highest 60 consecutive months within the last 15 years of employment. Any lump sum payment that is not guaranteed to be paid annually is not considered compensation and is, therefore, not used in FAS. Annual increment pay received by State employees is considered compensation and is, therefore, used in FAS.

$$2\% \times \text{Years of Service} \times \text{FAS} = \text{Annual Straight Life Retirement Benefit}$$

3 Annuity Options Upon Retirement

- **Straight Life:** A lifetime annuity payable monthly to the retiree determined under the full benefit formula without adjustment. There are no beneficiary benefits payable under this option.
- **Option A – 100% Joint and Survivor:** A reduced annuity payable monthly to the retiree for his or her lifetime. Upon the death of the retiree, the named beneficiary will receive the same amount for his or her lifetime.
- **Option B – 50% Joint and Survivor:** A reduced annuity payable monthly to the retiree for his or her lifetime. Upon the death of the retiree, the named beneficiary will receive one-half of the monthly payment for his or her lifetime.

The named beneficiary in both Option A and Option B must have an insurable interest in the life of the retiree such as a spouse, child, parent, or other dependent. Under all options, any unpaid employee contributions, plus 4% interest, remaining at the retiree's or beneficiary's death, will be paid to the named beneficiary or the estate.

The benefit option you elect is extremely important. Once you receive any benefits under the option you select, you will NOT be allowed to change your benefit option unless you qualify under the provisions of WV Code §5-10-24.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Benefit Payments

The first benefit payment due a retiree or beneficiary will be mailed directly to the recipient's home address. Following the first payment, barring any unforeseen circumstances, benefit payments are credited by direct deposit to retiree accounts on the 25th of each month, except in the month of December when retiree accounts are credited on the 18th. If the 25th (or December 18th) falls on a weekend or holiday, direct deposits are processed on the prior full business day. Direct deposit is mandatory.

Social Security income, private sector income, or private sector retirement benefits do not affect PERS regular retirement benefits. (Some stipulations apply to disability retirees.)

Required Minimum Distributions

Distributions (whether eligible for lump sum refund or monthly annuity) must start by April 1 of the year following the later of: (A) the date you reach age 72 if you were born after June 30, 1949; B) the date you reach age 70½ if you were born before July 1, 1949; or C) the date upon which you terminate employment.

Disability Retirement

Less than 10 years of service – A member who has less than 10 years of credited service may apply for disability retirement benefits only if the incapacitation occurred as a result of a work related injury and if the member became incapacitated within 12 months of last being employed with a participating public employer. The member must be receiving (or have received) Workers' Compensation benefits on account of such disability.

10 or more years of service – A member who has 10 or more years of credited service may apply for disability retirement benefits if still employed or if the member became incapacitated within 12 months of last being employed with a participating public employer.

Disability benefits shall not be less than 50% of a member's FAS. At age 65, the disability benefit is calculated on actual years of service and may be reduced, but the straight life benefit or equivalent may not be less than 20% of the FAS.

Disability retirees are required to submit medical recertifications and copies of his or her annual statement of earnings for specified periods of time following receipt of disability benefits.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changing a Beneficiary Prior to Retirement

If a member wishes to change a beneficiary(ies), he or she must complete a new beneficiary form and return it to the Board. The member should keep a copy of this form for his or her records. If a member's family situation changes (birth, death, divorce, marriage.) his or her beneficiary designation should be reevaluated.

Beneficiary options Prior to Retirement

PERS members may select beneficiary options based only upon the specific category that describes his or her particular circumstances at the time a beneficiary form is completed (i.e. date of hire, years of service and marital status).

Category 1: Less than 10 years of credited service regardless of original date of hire or marital status:

A member who falls under this category may elect to name a beneficiary(ies) to receive a lump sum payment of his or her employee contributions, plus 4% interest, if he or she had more than 2 years of contributory service.

Category 2: Has 10 or more years of credited service, and is married at the time of death:

Upon the death of a member who falls under this category, a 100% Joint and Survivor annuity will be paid to the deceased member's surviving spouse, calculated as if the member had retired the day preceding the date of his or her death, unless the "Spouse's Waiver of Survivorship Annuity" section on the beneficiary form is completed. If the "Spouse's Waiver of Survivorship Annuity" section is completed, the member may:

- (A) Elect to name a beneficiary(ies) to receive a lump sum payment of his or her employee contributions, plus 4% interest; or
- (B) Elect to name a child who is financially dependent by virtue of a permanent mental or physical disability to receive the 100% Joint and Survivor Annuity. *Evidence of the dependent child's disability must be provided and the disabled child must be named sole beneficiary.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Category 3: Has 10 or more years of credited service and is NOT married at the time of death:

A member who falls under this category may elect one of the following options:

- (A) The member may elect to name a beneficiary(ies) to receive a lump sum payment of his or her employee contributions plus 4% interest.
- (B) The member may elect to have a 100% Joint and Survivor annuity, calculated as if the member had retired the day proceeding the date of his or her death, paid to a child who is financially dependent upon the member by virtue of a permanent mental or physical disability.

*Evident of the dependent child's disability must be provided and the disabled child must be named sole beneficiary.

- (C) The member may elect not to name a beneficiary and have his or her per-retirement death benefit paid as a monthly annuity, calculated as though the member had retired as of the date of his or her death and elected a Straight Life annuity, to a minor child or children until the minor child or children attains age 21 or sooner marries or becomes emancipated. In no event shall any child or children receive more than \$250.00 per month under this option.

Dependent Scholarship

Any person who qualifies as a surviving dependent child of a law enforcement officer who dies in the performance of duty is entitled to receive a scholarship to be applied to the career development education of that dependent.

Employment after Retirement

- If a retiree becomes regularly employed by a participating PERS employer, payment of his or her annuity shall be suspended during his or her re-employment, and he or she shall again become a contributing member of the retirement system.
- A retiree may accept temporary employment or permanent part-time (less than 1,040 hours per calendar year) employment from a participating employer so long as he or she does not receive compensation in excess of \$20,000 during any calendar year.
- It is the retiree's responsibility to contact the Board to report re-employment and to determine future retirement options.
- Disability retirees may not earn more than the Social Security substantial gainful activity amount.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Termination of Employment

If a member terminates employment prior to the time he or she qualifies for retirement benefits and has accrued at least 10 years of contributing service, contributions may be left on deposit until he or she qualified for retirement benefits, or the member may choose to withdraw his or her employee contributions (plus 4% interest if he or she has two or more years of contributing service) from the plan after termination of employment. Employer contributions are not eligible to be withdrawn even if you are vested. Once the member withdraws employee contributions from the system, all future retirement and disability benefits are forfeited.

Reinstatement of Previously Withdrawn Service

Any member who has been re-employed for one full year by a participating public employer may purchase previously withdrawn service, provided that he or she redeposits the withdrawn funds plus interest. Members must be re-employed for one year and the first reinstatement payment must be made between the first and second year of re-employment. If the first reinstatement payment is not made before the end of the member's second year of re-employment, the member is not eligible to reinstate previously withdrawn service. The full reinstatement amount must be repaid (in a lump sum or payments) before the end of the fifth year of the member's return to employment. Members should contact the Board at the end of his or her first year of return to employment to obtain the cost to reinstate withdrawn PERS service.

Military Service

Up to 5 years of active duty military service and/or National Guard service may be purchased by PERS Tier II members in accordance with the WV Code §§5-10-15 and 5-10-15c.

A Tier II member interested in purchasing active duty military service and/or National Guard service must notify PERS in writing that he or she request to purchase military service during the first 12 months of employment. After completion of 12 months of retirement contributions, PERS will calculate the actuarial reserve purchase amount and notify the member. Said military service purchased will not count as contributing service for vesting or retirement eligibility.

Employees who continue concurrently in active service of the WV National Guard after the time to purchase the employees prior National Guard service nay purchase military service credit earned after the prior service period in every even calendar year following, up to the 5 year total.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Members who have a break in employment as a result of being called to active military service may be eligible to purchase additional military service credit as provided by federal law USERRA.

Out of State Service

A member of PERS may purchase up to five years of service credit for public employment performed in another state. However, the member cannot be vested in the other state's retirement system or be in receipt of an annuity from such plan. Purchased out-of-state service may not be used to establish eligibility for a PERS retirement benefit.

Appointments

Most retirement related matters can be handled from the convenience of your home via mail and telephone. However, members who wish to visit the Board to discuss retirement related matters with a PERS staff member are required to make an appointment.

Questions

Should you have any questions regarding PERS, Tier II, please feel free to contact us in writing, by phone, or e-mail, Monday through Friday, 8:00 a.m. to 5:00 p.m. For additional information, you may also want to visit our website.

Note

Information contained in this brochure illustrates the CPRB's understanding of the current provisions of the PERS. These provisions are contained in the current plan statutes, and are subject to modification by the West Virginia Legislature each year. This brochure is for general guidance purposes only. In the event there is a discrepancy between information contained in this brochure and the WV State Code and Rules, the language in the Code and Rules shall prevail.

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

At June 30, 2021 the City of Morgantown, West Virginia reported a liability of \$513,462 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and rolled forward to June 30, 2020 using the actuarial assumption and methods described in the appropriate section of the notes. The City of Morgantown, West Virginia's portion of the net pension liability was based on a projection of the City of Morgantown, West Virginia's long-term share of contributions to the pension plan relative to the projected contributions of all participating public employers actuarially determined.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Employees covered by benefit terms are all active employees.

Contribution rates for the PERS Plan are subject to Chapter 5, Article 10 of the West Virginia State Code. For the year ended June 30, 2020, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 10.00 percent of the member's compensation into the plan. For the year ended June 30, 2021, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 10.00 percent of the member's compensation into the plan.

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

At June 30, 2021 the City's Component Units reported a liability of \$513,462 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and rolled forward to June 30, 2020 using the actuarial assumption and methods described in the appropriate section of the notes. The City's Component Units portion of the net pension liability was based on a projection of the City's Component Units long-term share of contributions to the pension plan relative to the projected contributions of all participating public employers actuarially determined.

At June 30, 2021, the City's Component Units reported the following proportions and increases/decreases from its proportion measured as of June 30, 2020:

Amount for proportionate share of net pension liability	\$ 513,462
Percentage for proportionate share of net pension liability	0.0975%
Increase (decrease) percentage from prior proportion measured	(0.62%)

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

For the year ended June 30, 2021, the City's Component Units recognized pension expense of \$139,241 on its government wide financial statements. At June 30, 2021, the City's Component Units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ -0-	\$ 22,624
Difference between expected and actual experience	75,563	10,586
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,081	8,589
Employer contributions subsequent to measurement period	157,506	-0-
Net difference between projected and actual earnings on pension plan investments	<u>162,744</u>	<u>-0-</u>
Total	\$ <u>397,894</u>	\$ <u>41,799</u>

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

<u>Year Ended June 30,</u>	
2022	\$ 49,648
2023	49,647
2024	49,647
2025	<u>49,647</u>
	\$ <u>198,589</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Actuarial Assumptions. The total pension liability for financial reporting purposes were determined by actuarial valuation as of July 1, 2019 and rolled forward to June 30, 2020 using the actuarial assumptions and methods described as follows:

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair Value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases:	
State	3.1 – 5.3%
Nonstate	3.35 – 6.5%
Inflation rate	3.00%
Discount rate	7.50%
Mortality rates	Active – 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018
	Retired Healthy Males – 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018
	Retired Healthy Females – 122% of Pub-210 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018
	Disabled Males – 118% of Pub-2010 General/ Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018
	Disabled Females – 118% of Pub-2010 General/ Teachers Disabled Female table, below median, headcount weighted, projected with scale MP-2018

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Withdrawal rates:	
State	2.28 – 45.63%
Non-state	2.50 – 35.88%
Disability rates	0.005 – .054%
Retirement rates	12% – 100%

Date range in most recent experience study	2013 – 2018
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>	<u>Weighted Average Expected Real Rate of Return</u>
Domestic Equity	27.5%	5.8%	1.60%
International Equity	27.5%	7.7%	2.12%
Fixed Income	15.0%	3.3%	0.50%
Real Estate	10.0%	6.1%	0.61%
Private Equity	10.0%	8.8%	0.88%
Hedge Funds	<u>10.0%</u>	4.4%	<u>0.44%</u>
Total	<u>100.0%</u>		6.15%
Inflation (CPI)			<u>2.00%</u>
			<u>8.15%</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assuming that employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Component Units' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's Component Units' proportionate share of the net pension liability calculated using the discount rate of 7.50 percent as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease</u> <u>(6.50%)</u>	<u>Current Discount</u> <u>Rate (7.50%)</u>	<u>1% Increase</u> <u>(8.50%)</u>
City's proportionate share of the net pension asset (liability)	\$(1,178,820)	\$(513,462)	\$ 1,075,450

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

Pension Liabilities, Pension Expense, Deferred Outflows, and Deferred Inflows Related to Pensions – Morgantown Utility Board

Plan Description – The Board contributes to the City of Morgantown, WV (the "City") Employee's Retirement and Benefit Fund (the Plan). The Plan is a cost-sharing multiple-employer defined benefit plan. The Plan provides retirement, disability and death benefits to plan members and beneficiaries. Major features of the plan appear in Chapter 8, Article 22, Sections 2-15 of the Code of West Virginia as approved by ordinance of the City Council of Morgantown, WV.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Funding Policy – Plan members are required to contribute 6% of their annual covered salary and the Board is required to contribute an actuarially determined rate. The 2021, 2020 and 2019 rates were 16.54%, 15.98% and 14.41% of annual covered payroll. The Board's contributions to the Plan for the years ended June 30, 2021, 2020 and 2019 were \$1,327,102, \$1,308,696, and \$1,183,626.

Deferred Compensation Plan – Employees are eligible to participate in an IRC Section 457 Deferred Compensation Plan. The maximum amount which may be deferred is the lesser of 100% of an employee's salary or \$19,500 and \$19,000, for 2021 and 2020; respectively, plus \$6,000 catch-up for employees over fifty years of age. The Board provides no match for participant's contributions. All amounts which are deferred remain solely the property of the Board and are subject to its general creditors.

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

Governing authority:	City Council Ordinance
Eligibility to participate:	All Board full-time permanent employees, except those covered by other plans
Determination of contribution requirements:	Actuarially determined
Employer:	Contribute annually an amount sufficient to meet the normal cost of the fund and amortize the actuarial deficit over a period of 15 years.
Plan member:	6.00% of covered payroll
Period required to vest:	The latter of the date the participant attains age 60 and 10 years of service credit, or attains age 55 and age plus years of service credit total 85.
Post-retirement benefit:	Annual Cost of Living adjustment is the lesser of 3% or the annual consumer price index multiplied by 50%; provided that the municipality's contribution for the year is less than 6.0% of the participating payroll.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Provisions for:	
Disability benefits	Yes
Death benefits	Yes

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

At fiscal year-end, the Board reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020 using the actuarial assumptions and methods described in the appropriate section of this note. The Board's proportion of the net pension liability was based on a calculation of Board employer contributions to total employer contributions to the Plan in fiscal years 2021 and 2020. At June 30, 2021 and 2020, the Board's reported the following proportions:

	<u>2021</u>	<u>2020</u>
Amount for proportionate share of net pension liability	\$ 5,527,989	\$ 9,586,310
Percentage for proportionate share of net pension liability	57.4167%	62.4693%
Increase/(decrease) in % from prior proportion measured	(5.05258%)	2.88479%

For the years ended June 30, 2021 and 2020, the Board recognized the following pension expense:

	<u>2021</u>	<u>2020</u>
Pension Expense	\$ <u>688,125</u>	\$ <u>1,991,716</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

The Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the year ended June 30, 2021:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -0-	\$ 3,785,802
Net differences between projected and actual experiences	792,955	700,412
Deferred differences in assumptions	2,097,152	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	<u>49,122</u>	<u>1,124,050</u>
Totals	\$ <u>2,939,229</u>	\$ <u>5,610,264</u>

The Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the year ended June 30, 2020:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 919,327	\$ -0-
Net differences between projected and actual experiences	128,764	1,005,423
Deferred differences in assumptions	1,097,388	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	<u>78,169</u>	<u>679,458</u>
Totals	\$ <u>2,223,648</u>	\$ <u>1,684,881</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the years ended June 30, 2021 and 2020 as follows:

<u>Year ended June 30,</u>	<u>2020</u>	<u>Year ended June 30,</u>	<u>2019</u>
2022	\$ (516,148)	2021	\$ 161,598
2023	(573,917)	2022	385,178
2024	(865,883)	2023	323,363
2025	(1,069,380)	2024	3,511
2026	159,833	2025	(217,692)
Thereafter	<u>194,460</u>	Thereafter	<u>(117,191)</u>
Total	\$ <u>(2,671,035)</u>	Total	\$ <u>538,767</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020, using the following actuarial assumptions, applied to all periods included in the measurement. Actuarially determined contribution rates are calculated as of July 1, which is 24 months prior to the end of the fiscal year in which contributions will be made.

<u>Methods and Assumptions</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarial Cost Method:	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method:	Level dollar, closed	Level dollar, closed
Remaining Amortization Period:	15 years	16 years
Asset Valuation Method:	Plan Fiduciary Net Position (Market value of assets, no asset smoothing)	5-Year smoothed market
Inflation:	2.5% - approximate; No explicit price inflation assumption is used in this valuation.	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	Age based rates ranging from 2.5% to 7.0%	4.0% per year
Investment Rate of Return:	6.75% per year, net of expenses, compounded annually	7.0% per year, net of expenses, compounded annually

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Methods and Assumptions</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition and years of Service Credit.	Experience-based table of rates that are specific to the type of eligibility condition and years of Service Credit.
Mortality:	Pre-retirement mortality is assumed to follow the Pub-2010 (for General Employees) mortality table, sex distinct, with generational mortality improvements using MP-2020. Post-retirement mortality is assumed to follow the Pub-2010 (for General Employees) Healthy Retiree mortality table, sex distinct, with generational mortality improvements using MP-2020.	Pre-retirement mortality is assumed to follow the RP-2014 Total Employee mortality table, sex distinct, with generational mortality improvements using MP-2015. Post-retirement mortality is assumed to follow the RP-2014 Healthy Annuitant mortality table, sex distinct, with generational mortality improvements using MP-2015. Post-disablement mortality is assumed to follow RP-2014 Disabled Annuitant mortality table.
Cost of Living Adjustment:	None	None

Information regarding plan investments can be found in a separately issued financial report available at the City of Morgantown's website at www.morgantownwv.gov.

Discount Rate

A Single Discount Rate of 6.75% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using the Single Discount Rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

<u>2021</u>	<u>1% Decrease</u> <u>5.75%</u>	<u>Current Discount</u> <u>Rate 6.75%</u>	<u>1% Increase</u> <u>7.75%</u>
Proportionate share of net pension liability	\$ 11,277,292	\$ 5,527,989	\$ 720,889
 <u>2020</u>	 <u>1% Decrease</u> <u>6.00%</u>	 <u>Current Discount</u> <u>Rate 7.00%</u>	 <u>1% Increase</u> <u>8.00%</u>
Proportionate share of net pension liability	\$ 15,164,161	\$ 9,586,308	\$ 4,926,519

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report available at the City of Morgantown's website at www.morgantownwv.gov.

General Information About the OPEB Plan

Employer. City of Morgantown, WV

Summary of Plan Provisions

Eligibility Conditions

A retired employee, who is participating in the employer's medical program, is eligible to elect post-retirement coverage if, (effective January 1, 2013) hired prior to January 1, 2011 and:

- is at least age 55 with at least 10 years of service (City Employee), or
- is at least age 60 with at least 10 years of service (City Employee), or
- is at least age 55 plus years of service equal 85 points (City Employee), or
- is at least age 50 with at least 20 years of service (Policemen and Firemen).

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Covered Employees

All full time employees (must be covered by the active plan at time of retirement).

City Employees, Policemen & Firemen

<u>Type of Coverage</u>	<u>Retiree</u>	<u>Spouse</u>
Life Insurance	Employer provides for Life Insurance coverage in the following amounts: Under age 67: \$5,000; Age 68-69: \$2,500; Age 70 and older: \$1,000	Not applicable
Medical Coverage: Retiree Cost Sharing	Retiree pays a portion of the premium.	Retiree pays a portion of the premium for spousal coverage.
Coverage Ceases	Upon age 65 when eligible for Medicare (may elect Medicare Supplement at retiree's expense).	Upon eligibility for Medicare or retiree's death.

Dependent (non-spouse) Coverage

None assumed as it is immaterial.

Amendments

The Employer reserves the right to amend the Plan at any time subject to Board action.

Employees covered by benefit terms. At July 1, 2020 (the valuation date) the following employees were covered by the benefit terms:

	<u>Count</u>	<u>Total OPEB Liability</u>
Inactive employees or beneficiaries currently receiving benefits	86	\$ 9,794,000
Inactive employees entitled to but not yet receiving benefits	-0-	-0-
Active employees	<u>230</u>	<u>13,713,000</u>
Total	<u>316</u>	\$ <u>23,507,000</u>

See independent auditor's report.

**MORGANTOWN PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Employer Contributions

The funding policy of the plan sponsor is to contribute annually an amount sufficient to satisfy benefit payment requirements to participants.

Employee Contributions

None.

Net OPEB Liability

The employer's net OPEB liability is reported herein as of June 30, 2021 for the employer fiscal year and reporting period of July 1, 2020 to June 30, 2021. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2020 and the corresponding measurement period of July 1, 2019 to July 1, 2020. The measurement of the total OPEB liability is based on a valuation date of July 1, 2020.

Actuarial Assumptions and Actuarial Methods

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Expected Return on Assets:	1.00%
Discount Rate:	2.45%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	5.00%
Mortality:	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020
Actuarial Cost Method:	Entry Age Actuarial Cost Method

See independent auditor's report.

**MORGANTOWN PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Discount Rate

The discount rate has been set equal to 2.45% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/ (Asset) (a) – (b)</u>
Balances at July 1, 2020	\$ 22,699,000	\$ 723,000	\$ 21,976,000
Changes for the year:			
Service cost	745,000	-0-	745,000
Interest	722,000	-0-	722,000
Differences between expected and actual experience	(1,984,000)	-0-	(1,984,000)
Contributions – employer	-0-	729,000*	(729,000)
Contributions – employee	-0-	-0-	-0-
Net investment income	-0-	(215,000)	215,000
Benefit payments	(729,000)	(729,000)*	-0-
Changes of benefit terms	-0-	-0-	-0-
Administrative expense	-0-	-0-	-0-
Assumption changes	<u>2,054,000</u>	<u>-0-</u>	<u>2,054,000</u>
Net changes	\$ 808,000	\$ (215,000)	\$ 1,023,000
Balances at June 30, 2021**	\$ <u>23,507,000</u>	\$ <u>508,000</u>	\$ <u>22,999,000</u> ¹

* This is the "Pay-as-you-go" cost

** Measurement date is July 1, 2020

¹The Net OPEB Liability is shown for illustrative purposes only. Per the Plan Sponsor, the assets are not assumed to be irrevocable or protected from creditors.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the discount rate, as well as what the employer's 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 26,072,000	\$ 23,507,000	\$ 21,280,000

Sensitivity of the net OPEB liability to changes in the Trend Rate. The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the trend rate, as well as what the employer's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 21,004,000	\$ 23,507,000	\$ 26,470,000

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Part 1)

For the year ended June 30, 2021, under GASB 75 the City of Morgantown, West Virginia's OPEB expense is \$1,717,000. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2021 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 404,000	\$ (2,182,000)
Changes of assumptions	2,395,000	(63,000)
Net difference between projected and actual earnings on OPEB plan investments	-0-	-0-
Employer contributions after Measurement Date but prior to fiscal year end	<u>TBD²</u>	<u>-0-</u>
Total	\$ <u>2,799,000</u>	\$ <u>(2,245,000)</u>

²GASB 75 states that employer contributions made to the OPEB plan subsequent to the measurement date and before the end of the employer's reporting period should be reported as a deferred outflow of resources. The information contained in this report does not incorporate any employer contributions made subsequent to the measurement date of July 1, 2020.

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

<u>Year ended June 30,</u>	<u>Amount</u>
2022	\$ 244,000
2023	221,000
2024	55,000
2025	9,000
2026	9,000
Thereafter	<u>16,000</u>
	\$ <u>554,000</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

VI. Debt Service Coverage

The debt service coverage factor for the Parking Authority has been calculated as follows for the year ended June 30, 2021:

Total revenues	\$ 1,930,952
Investment income	<u>138,804</u>
Adjusted gross revenues	2,069,756
Total expenses	<u>2,070,229</u>
	(473)
Add: Depreciation expense	<u>274,875</u>
Amount available for debt service and capital expenditures	\$ <u>274,402</u>
Maximum annual debt service	\$ <u>179,680</u>
Calculated debt service coverage factor	1.53
Required debt service coverage factor	1.15

Based on this calculation, it appears that the Parking Authority was in compliance with the provisions set forth in its bond ordinance as of June 30, 2021.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

VII. Lease of Property

On April 30, 2009, the City of Morgantown Building Commission entered into a lease agreement with the West Virginia University Board of Governors for the lease of docks to West Virginia University. The lease payment is \$756 per month and will be used to reduce the cost of the docks of \$90,720 expended by the City of Morgantown.

On April 30, 2009, the City of Morgantown Building Commission entered into a lease agreement with Platinum Properties Limited Liability Company for the lease of a parcel of real estate located in the First Ward of the City of Morgantown to Platinum Properties Limited Liability Company. This lease is for a period of 50 years and requires Platinum Properties Limited Liability Company to remit a rental payment of \$1 per year.

On July 1, 2008, the City of Morgantown Building Commission entered into a lease agreement with Mermaid Limited Liability Company for the lease of the event center. This lease is for a period of 10 years and requires Mermaid Limited Liability Company to remit payments of \$5,240, to begin 12 months after the date the event center opens for public use. The facility was completed and open for public use in March 2010.

The balance of the accounts receivable is as follows:

Fiscal Year Ended June 30,

2022

\$ 250,033

On October 23, 2012, the City of Morgantown Building Commission entered into an agreement with West Virginia University Board of Governors on behalf of West Virginia University whereby the City of Morgantown Building Commission transferred certain real estate to West Virginia University and in return West Virginia University is to pay the City of Morgantown Building Commission the sum of \$4,200,000 on August 31, 2026.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

The total balance of the accounts receivable is as follows:

Fiscal Year Ended June 30,

2022		\$	-0-
2023			-0-
2024			-0-
2025			-0-
2026			<u>61,242</u>
		\$	<u>61,242</u>

VIII. Deficit Fund Balance

The Metropolitan Theater Fund had a deficit fund balance of \$32,792 and the Tax Increment Financing Debt Service fund had a deficit fund balance of \$3,479,693. The elimination of these deficit fund balances is dependent on increasing revenues and decreasing expenses for these funds.

IX. Tax Abatement

The City of Morgantown entered into tax abatement agreements with local businesses located in the tax increment financing districts of the City. For the fiscal year ended June 30, 2021, the City abated property taxes totaling \$446,462.

X. Restatement of Fund Balance/Net Position

It was determined that the beginning fund balance of Parking Authority, a component unit required restatement as follows:

Fund balance as previously stated		\$	4,626,908
Restatement: Understatement of cash			<u>19,805</u>
Fund balance beginning as restated		\$	<u>4,646,713</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

XI. COVID-19 Pandemic

During 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. There have been mandates from international, federal, state, and local authorities requiring forced closures of various schools, businesses, and other facilities and organizations. In response to this, the U.S. Government has allocated and spent trillions of dollars in economic aid. Should these trends continue, the impact could have a material adverse effect on the City's financial position, results of operations, and cash flows.

XII. Subsequent Events

The City has considered all subsequent events through March 15, 2022, the date the financial statements were made available.

See independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MORGANTOWN, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
GENERAL FUND – BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Budget to</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u> <u>Basis)</u>	<u>GAAP</u> <u>Difference</u>	<u>Amounts</u> <u>(GAAP</u> <u>Basis)</u>	<u>With Final</u> <u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues						
Taxes (including interest and penalties):						
Ad valorem	\$ 4,661,398	\$ 4,586,398	\$ 4,546,909	\$ 66,410	\$ 4,613,319	\$ (39,489)
Gas and oil severance	60,000	70,482	70,482	-0-	70,482	-0-
Utility	1,195,000	1,140,000	1,116,268	(51,600)	1,064,668	(23,732)
Business and occupation	15,600,000	16,375,000	16,472,374	441,460	16,913,834	97,374
Wine and liquor	606,000	660,000	660,023	30,030	690,053	23
Animal control	4,000	4,000	4,020	-0-	4,020	20
Hotel and motel	1,000,000	800,000	801,558	(50,024)	751,534	1,558
Amusement	10,000	5,000	5,410	-0-	5,410	410
Total taxes	23,136,398	23,640,880	23,677,044	436,276	24,113,320	36,164
Licenses and permits	547,000	547,000	562,702	(48,102)	514,600	15,702
Charges for services	9,604,440	9,577,440	9,848,753	4,971	9,853,724	271,313
Fines and forfeitures	500,000	400,000	358,348	(25,505)	332,843	(41,652)
Franchise fees	352,500	304,500	301,587	(9,770)	291,817	(2,913)
Interest	80,000	70,000	73,465	-0-	73,465	3,465
Intergovernmental:						
Federal	939,000	844,000	4,994,856	77,801	5,072,657	4,150,856
State	20,000	56,786	22,072	-0-	22,072	(34,714)
Video lottery and gaming income	112,000	112,000	101,218	-0-	101,218	(10,782)
Miscellaneous	77,100	143,600	228,929	13,950	242,879	85,329
Total revenues	<u>35,368,438</u>	<u>35,696,206</u>	<u>40,168,974</u>	<u>449,621</u>	<u>40,618,595</u>	<u>4,472,768</u>
Expenditures						
General government	12,448,914	13,574,353	13,565,909	(3,977,134)	9,588,775	8,444
Public safety	15,527,823	15,938,366	15,623,409	11,295,602	26,919,011	314,957
Highways and streets	4,876,096	4,900,596	4,100,903	420,066	4,520,969	799,693
Health and sanitation	1,287,000	1,589,286	1,559,688	-0-	1,559,688	29,598
Culture and recreation	3,043,328	2,908,328	2,410,770	(504,190)	1,906,580	497,558
Social services	252,077	252,077	222,104	28,825	250,929	29,973
Total expenditures	<u>37,435,238</u>	<u>39,163,006</u>	<u>37,482,783</u>	<u>7,263,169</u>	<u>44,745,952</u>	<u>1,680,223</u>
Excess (deficiency) of revenues over (under) expenditures	(2,066,800)	(3,466,800)	2,686,191	(6,813,548)	(4,127,357)	6,152,991
Other Financing Sources (Uses)						
Operating transfers in	66,800	66,800	-0-	-0-	-0-	(66,800)
Operating transfers (out)	-0-	-0-	-0-	(5,031,393)	(5,031,393)	-0-
Total other financing sources (uses)	<u>66,800</u>	<u>66,800</u>	<u>-0-</u>	<u>(5,031,393)</u>	<u>(5,031,393)</u>	<u>(66,800)</u>
Net change in fund balance	(2,000,000)	(3,400,000)	2,686,191	(11,844,941)	(9,158,750)	6,086,191
Fund balance at beginning of year	<u>2,000,000</u>	<u>3,400,000</u>	<u>-0-</u>	<u>(103,337,428)</u>	<u>(103,337,428)</u>	<u>(3,400,000)</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>2,686,191</u>	\$ <u>(115,182,369)</u>	\$ <u>(112,496,178)</u>	\$ <u>2,686,191</u>

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - BUDGETARY BASIS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Explanation of Differences:

- (1) The City budgets for capital expenditures as a current period expenditure rather than a capital expenditure on the accrual basis of accounting.
- (2) The City does not budget for accrued compensated absences payable and net pension obligations in more than one year as is required by the accrual basis of accounting.
- (3) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the City's budget. This amount differs from the fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because of the cumulative effect of transactions such as those described above.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
COAL SEVERANCE FUND – BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Budget to</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>GAAP</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Basis)</u>	<u>Differences</u>	<u>(GAAP</u>	<u>Budget</u>
					<u>Basis)</u>	<u>Favorable</u>
						<u>(Unfavorable)</u>
Revenues						
Interest	\$ 500	\$ 500	\$ 319	\$ -0-	\$ 319	\$ (181)
Intergovernmental:						
State	<u>80,000</u>	<u>77,500</u>	<u>75,488</u>	<u>-0-</u>	<u>75,488</u>	<u>(2,012)</u>
Total revenues	<u>80,500</u>	<u>78,000</u>	<u>75,807</u>	<u>-0-</u>	<u>75,807</u>	<u>(2,193)</u>
Expenditures						
General government	7,075	1,760	-0-	-0-	-0-	1,760
Culture and recreation	<u>80,500</u>	<u>78,000</u>	<u>94,400</u>	<u>(94,400)</u>	<u>-0-</u>	<u>(16,400)</u>
Total expenditures	<u>87,575</u>	<u>79,760</u>	<u>94,400</u>	<u>(94,400)</u>	<u>-0-</u>	<u>(14,640)</u>
(Deficiency) excess revenues (under) over expenditures	<u>(7,075)</u>	<u>(1,760)</u>	<u>(18,593)</u>	<u>94,400</u>	<u>75,807</u>	<u>(16,833)</u>
Other Financing Sources (Uses)						
Operating transfers (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(94,400)</u>	<u>(94,400)</u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(94,400)</u>	<u>(94,400)</u>	<u>-0-</u>
Net change in fund balance	<u>(7,075)</u>	<u>(1,760)</u>	<u>(18,593)</u>	<u>-0-</u>	<u>(18,593)</u>	<u>(16,833)</u>
Fund balance at beginning of year	<u>7,075</u>	<u>1,760</u>	<u>31,828</u>	<u>-0-</u>	<u>31,828</u>	<u>30,068</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>13,235</u>	\$ <u>-0-</u>	\$ <u>13,235</u>	\$ <u>13,235</u>

Explanation of Differences

The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the City's budget. This amount differs from the fund balance as derived from using the accrual basis of accounting.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – WVPERS
YEAR ENDED JUNE 30, 2021**

	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
City's proportion of the net pension liability (asset)	.10%	.10%	.99%	.10%	.092%	0.85%	0.36%
City's proportionate share of the net pension liability (asset)	\$ 513,642	\$ 210,946	\$ 256,671	\$ 438,062	\$ 845,671	\$ 474,487	\$ 1,315,320
City's covered – employee payroll	\$ 1,489,304	\$ 1,466,710	\$ 1,431,740	\$ 1,395,289	\$ 1,351,744	\$ 1,351,170	\$ 1,151,193
City's proportionate share of the net pension liability (asset) as a percentage of its covered – employee payroll	36.50%	14.38%	17.93%	31.40%	62.57%	35.12%	115%
Plan fiduciary net position as a percentage of the total pension liability	92.89%	93.90%	96.33%	93.67%	86.11%	91.29%	93.98%

The information presented in the schedule of the proportionate share of the net pension liability is the only years available as of June 30, 2021. The City will be adding additional years to the accompanying schedule as information is available.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF CITY CONTRIBUTIONS – WVPERS
YEAR ENDED JUNE 30, 2021**

	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Year Ended</u> <u>June 30, 2020</u>	<u>Year Ended</u> <u>June 30, 2019</u>	<u>Year Ended</u> <u>June 30, 2018</u>	<u>Year Ended</u> <u>June 30, 2017</u>	<u>Year Ended</u> <u>June 30, 2016</u>	<u>Year Ended</u> <u>June 30, 2015</u>
Contractually required contribution	\$ 148,930	\$ 146,671	\$ 143,174	\$ 153,482	\$ 162,079	\$ 170,510	\$ 161,167
Contributions in relation to the contractually required contribution	<u>148,930</u>	<u>146,671</u>	<u>143,174</u>	<u>153,482</u>	<u>162,079</u>	<u>170,510</u>	<u>161,167</u>
Contribution deficiency (excess)	\$ <u>-0-</u>						
City's covered – employee payroll	\$ 1,489,304	\$ 1,466,710	\$ 1,431,740	\$ 1,395,289	\$ 1,351,744	\$ 1,351,170	\$ 1,151,193
Contributions as a percentage of covered – employee payroll	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%

The information presented in the schedule of City's contributions is the only years available as of June 30, 2021. The City will be adding additional years to the accompanying schedules as information is available.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
NET PENSION LIABILITY - WVPERS
JUNE 30, 2021**

West Virginia Public Employees' Retirement System

**Notes to Schedules of Employer Allocations and
Pension Amounts by Employer**

The net pension liability (NPL) is the portion of the actuarial present value of projected benefit payments related to past periods. The NPL for the employers is based on the allocation percentages from the Schedule of Employer Allocations.

The components of the net pension liability as of June 30, 2020, are as follows (in thousands):

Total Pension Liability	\$ (7,431,924)
Fiduciary Net Position	<u>6,903,253</u>
Net Pension Asset (Liability)	\$ (<u>528,671</u>)
Fiduciary Net Position as a percent of Total Pension Liability	92.89%

Change in benefit terms – Under HB 3095, a minimum monthly benefit of \$750 was established for current pensioners as of June 3, 2019 who had completed at least 25 years of service. A corresponding minimum of \$375 was set for beneficiaries in pay status under the 50% joint-and-survivor annuity options where the original member had completed at least 25 years of services.

Change in assumptions – Mortality, withdrawal rates, disability rates, retirement rates, salary scales, and non-contributory service loads were changed to reflect the most recent experience study for July 1, 2013 through June 30, 2018.

See independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - MULTIYEAR
FIREMEN'S PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021

Changes in the Employer's Net Pension Liability and Related Ratios
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 2,535,031	\$ 2,373,186	\$ 2,311,877	\$ 1,731,483	\$ 1,925,405	\$ 1,160,928	\$ 1,084,316	\$ 1,008,137
Interest	2,147,157	2,140,131	2,002,131	1,938,342	1,749,559	1,817,826	1,775,489	1,840,353
Changes of benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Difference between expected and actual experience	81,136	317,635	1,815,332	(218,647)	(454,836)	(113,977)	(1,590,303)	-0-
Changes of assumptions	(1,892,974)	4,052,068	1,363,844	(660,808)	(4,690,165)	11,346,226	662,125	1,349,132
Benefit payments, including refunds of member contributions	(1,967,798)	(1,828,040)	(1,656,429)	(1,617,352)	(1,533,401)	(1,509,425)	(1,496,332)	(1,456,136)
Net change in total pension liability	902,552	7,054,980	5,836,755	1,173,018	(3,003,438)	12,701,578	435,295	2,741,486
Total pension liability – beginning	<u>64,887,379</u>	<u>57,832,399</u>	<u>51,995,644</u>	<u>50,822,626</u>	<u>53,826,064</u>	<u>41,124,486</u>	<u>40,689,191</u>	<u>37,947,705</u>
Total pension liability – ending (a)	<u>\$ 65,789,931</u>	<u>\$ 64,887,379</u>	<u>\$ 57,832,399</u>	<u>\$ 51,995,644</u>	<u>\$ 50,822,626</u>	<u>\$ 53,826,064</u>	<u>\$ 41,124,486</u>	<u>\$ 40,689,191</u>
Plan Fiduciary Net Position								
Contributions – employer (including Premium Tax Allocation)	\$ 1,559,202	\$ 1,564,867	\$ 1,457,107	\$ 1,494,676	\$ 1,356,285	\$ 1,188,366	\$ 1,070,305	\$ 1,013,374
Contributions – member	321,450	318,125	307,067	258,246	218,900	202,830	191,330	183,544
Net investment income	3,028,300	(1,618)	716,195	351,940	1,054,659	(250,341)	300,409	1,162,709
Benefit payments, including refunds of member contributions	(1,967,798)	(1,828,040)	(1,656,429)	(1,617,352)	(1,533,401)	(1,509,425)	(1,496,332)	(1,456,136)
Administrative expense	(2,410)	(3,138)	-0-	(2,469)	(2,158)	(3,042)	(1,943)	(1,725)
Other	-0-	-0-	(2,132)	-0-	170	-0-	-0-	-0-
Net change in plan fiduciary net position	2,938,744	50,196	821,808	485,041	1,094,455	(371,612)	63,769	901,766
Plan fiduciary net position – beginning	<u>13,590,152</u>	<u>13,539,956</u>	<u>12,718,148</u>	<u>12,233,107</u>	<u>11,138,652</u>	<u>11,510,264</u>	<u>11,482,554</u>	<u>10,580,788</u>
Plan fiduciary net position – ending (b)	<u>16,528,896</u>	<u>13,590,152</u>	<u>13,539,956</u>	<u>12,718,148</u>	<u>12,233,107</u>	<u>11,138,652</u>	<u>11,546,323</u>	<u>11,482,554</u>
Employer's net pension liability – ending (a) – (b)	<u>\$ 49,261,035</u>	<u>\$ 51,297,227</u>	<u>\$ 44,292,443</u>	<u>\$ 39,277,496</u>	<u>\$ 38,589,519</u>	<u>\$ 42,687,412</u>	<u>\$ 29,578,163</u>	<u>\$ 29,206,637</u>
Plan fiduciary net position as a percentage of total pension liability	25.12%	20.94%	23.41%	24.46%	24.07%	20.69%	28.08%	28.22%
Covered payroll	\$ 3,580,333	\$ 3,736,884	\$ 3,636,132	\$ 2,716,646	\$ 2,590,922	\$ 2,534,252	\$ 2,441,567	\$ 2,453,297
Employer's net pension liability as a percentage of covered payroll	1,375.88%	1,372.73%	1,218.12%	1,445.81%	1,489.41%	1,684.42%	1,211.44%	1,190.51%
Expected average remaining service years of all participants	5.00	5.00	5.00	4.31	4.32	4.71	4.42	-0-

Notes to Schedule

Benefit changes: There were no changes for FY2021.

Changes of assumptions: The discount rate changed from 3.36% to 3.11%. Changes were made to salary scale assumptions, pay spiking assumptions, inflation, cost-of-living increase, mortality rates, retirement rates, termination rates, disability rates, marital status, and non-spouse beneficiary loads.

*Market value of assets as of July 1, 2015, excludes \$36,059 included in the market value of assets as of June 30, 2015, used for the actuarial valuation report for the fiscal year end June 30, 2015.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 SCHEDULE OF THE NET PENSION LIABILITY - MULTIYEAR
 LAST 10 FISCAL YEARS (WHICH MAY BE BUILT PROSPECTIVELY)
 FIREMEN'S PENSION AND RELIEF FUND
 FOR THE YEAR ENDED JUNE 30, 2021**

<u>FY Ended June 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2014	\$ 40,689,191	\$ 11,482,554	\$ 29,206,637	28.22%	\$ 2,453,297	1,190.51%
2015	\$ 41,124,486	\$ 11,546,323	\$ 29,578,163	28.08%	\$ 2,441,567	1,211.44%
2016	\$ 53,826,064	\$ 11,138,652	\$ 42,687,412	20.69%	\$ 2,534,252	1,684.42%
2017	\$ 50,822,626	\$ 12,233,107	\$ 38,589,519	24.07%	\$ 2,590,922	1,489.41%
2018	\$ 51,995,644	\$ 12,718,148	\$ 39,277,496	24.46%	\$ 2,716,646	1,445.81%
2019	\$ 57,832,399	\$ 13,539,956	\$ 44,292,443	23.41%	\$ 3,836,132	1,218.12%
2020	\$ 64,887,379	\$ 13,590,152	\$ 51,297,227	20.94%	\$ 3,736,834	1,372.73%
2021	\$ 65,798,931	\$ 16,528,896	\$ 49,621,035	25.12%	\$ 3,580,833	1,375.88%

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULES OF CONTRIBUTIONS – MULTIYEAR
FIREMEN'S PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of Employer Contributions
Last 10 Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 3,897,505	\$ 3,716,017	\$ 3,177,129	\$ 2,813,357	\$ 2,670,559	\$ 2,514,255	\$ 1,890,064	\$ 1,885,133	\$ 1,841,042
Contributions in relation to the actuarially determined contribution:									
Employer provided	920,455	933,095	909,000	986,830	870,926	728,343	618,813	578,330	540,495
State provided	<u>638,747</u>	<u>631,772</u>	<u>548,107</u>	<u>507,846</u>	<u>485,359</u>	<u>460,023</u>	<u>451,492</u>	<u>435,044</u>	<u>464,202</u>
Contribution deficiency (excess)	\$ <u>2,338,303</u>	\$ <u>2,151,150</u>	\$ <u>1,720,022</u>	\$ <u>1,318,681</u>	\$ <u>1,314,274</u>	\$ <u>1,325,889</u>	\$ <u>819,759</u>	\$ <u>871,759</u>	\$ <u>836,345</u>
Covered payroll	\$ 3,580,333	\$ 3,736,884	\$ 3,636,132	\$ 2,716,646	\$ 2,590,922	\$ 2,534,252	\$ 2,441,567	\$ 2,453,297	\$ 2,447,766
Contributions as a percentage of covered employee payroll	43.55%	41.88%	40.07%	55.02%	52.35%	46.89%	43.84%	41.31%	41.05%

Notes to Schedule

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	30.5 years
Asset valuation method	Market Value
Inflation	2.75 percent
Salary increases	Rates vary by years of service
Investment rate of return	4.50%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by age
Mortality	RP-2014 Blue Collar Mortality Table with generational projection using Scale MP-2014

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
FIREMEN'S PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

The information requested in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<i>Measurement Date</i>	June 30, 2021, measurement date based on actuarial liabilities as of July 1, 2020
<i>Actuarial Cost Method</i>	Entry Age Normal, Level-Percentage-of-Pay
<i>Actuarial Value of Assets</i>	Market value used for GASB Statement Nos. 67 and 68 reporting
<i>Contribution Policy and Amortization Method</i>	The sponsor finances benefits using the Alternative funding policy as defined in state statute. Sponsor contributions are equal to 107 percent of the prior year contribution. The plan also receives state contributions based on an allocation of premium tax that depends on the number of active and retired members. This funding policy does not directly amortize the unfunded actuarial liability. However, projected sponsor, state and member contributions along with projected investment earnings are not expected to fully fund the projected actuarial liability for current plan members, and assets for the closed plan are projected to be depleted by 2035.
<i>Actuarial Assumptions:</i>	
<i>Investment Rate of Return</i>	4.50% per year
<i>GASB 67/68 Discount Rate</i>	3.11% at June 30, 2021 and 3.76% for June 30, 2020
<i>Projected Salary Increases</i>	Rates vary by years of service
<i>Cost of Living Increases</i>	2.75% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years. Assumed to be payable to all members receiving payments.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
FIREMEN'S PENSION AND RELIEF FUND (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Single Discount Rate

A GASB Statement Nos. 67 and 68 single discount rate of 3.11% was used to measure the total pension liability as of June 30, 2021. This single discount rate was based on the expected rate of return on pension plan investments of 4.25%, and the municipal bond rate of 1.92%. The projection of cash flows used to determine this single discount rate assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members until plan year end 2035. Therefore, the single discount rate of 3.11% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 3.11%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher.

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
	<u>2.11%</u>	<u>3.11%</u>	<u>4.11%</u>
Net pension (liability)	\$ (61,075,309)	\$ (49,261,035)	\$ (40,004,390)

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - MULTIYEAR
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

Changes in the Employer's Net Pension Liability and Related Ratios
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 3,023,828	\$ 2,805,260	\$ 2,680,359	\$ 2,644,826	\$ 2,861,572	\$ 1,530,284	\$ 1,410,460	\$ 1,376,895
Interest	2,983,210	2,871,014	2,736,305	2,664,956	2,354,181	2,409,970	2,333,177	2,364,924
Changes of benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	(464,631)	3,310,369	838,051	1,320,613	(95,360)	440,163	(935,554)	-0-
Changes of assumptions	(2,850,909)	5,490,501	281,487	(474,554)	(6,346,566)	16,140,037	927,148	1,904,795
Benefit payments, including refunds of member contributions	(2,733,260)	(2,643,614)	(2,452,251)	(2,258,026)	(2,119,629)	(2,098,886)	(2,007,907)	(1,918,832)
Net change in total pension liability	(41,762)	11,833,530	4,083,951	3,897,815	(3,345,802)	18,421,568	1,727,324	3,727,782
Total pension liability – beginning	<u>89,108,088</u>	<u>77,274,558</u>	<u>73,190,607</u>	<u>69,292,792</u>	<u>72,638,594</u>	<u>54,217,026</u>	<u>52,489,702</u>	<u>48,761,920</u>
Total pension liability – ending (a)	<u>\$ 89,066,326</u>	<u>\$ 89,108,088</u>	<u>\$ 77,274,558</u>	<u>\$ 73,190,607</u>	<u>\$ 69,292,792</u>	<u>\$ 72,638,594</u>	<u>\$ 54,217,026</u>	<u>\$ 52,489,702</u>
Plan Fiduciary Net Position								
Contributions – employer (including Premium Tax Allocation)	\$ 1,922,014	\$ 1,957,930	\$ 2,000,979	\$ 1,904,788	\$ 1,703,185	\$ 1,445,898	\$ 1,299,492	\$ 1,236,729
Contributions – member	406,609	455,534	465,680	437,588	423,661	360,533	343,444	260,782
Net investment income	3,717,867	(6,359)	890,424	466,764	1,349,142	(313,457)	372,888	1,430,259
Benefit payments, including refunds of member contributions	(2,733,260)	(2,643,614)	(2,452,251)	(2,258,026)	(2,119,629)	(2,098,886)	(2,007,907)	(1,918,832)
Administrative expense	(1,811)	(1,740)	-0-	(1,620)	(1,560)	(1,994)	(1,344)	(1,275)
Other	-0-	-0-	(2,132)	-0-	198	267	-0-	-0-
Net change in plan fiduciary net position	3,311,419	(238,249)	902,700	549,494	1,354,997	(607,639)	6,573	1,007,663
Plan fiduciary net position – beginning	<u>16,395,710</u>	<u>16,633,959</u>	<u>15,731,259</u>	<u>15,181,765</u>	<u>13,826,768</u>	<u>14,434,407</u>	<u>14,472,339</u>	<u>13,464,676</u>
Plan fiduciary net position – ending (b)	<u>19,707,129</u>	<u>16,395,710</u>	<u>16,633,959</u>	<u>15,731,259</u>	<u>15,181,765</u>	<u>13,826,768</u>	<u>14,478,912</u>	<u>14,472,339</u>
Employer's net pension liability – ending (a) – (b)	<u>\$ 69,359,197</u>	<u>\$ 72,712,378</u>	<u>\$ 60,640,599</u>	<u>\$ 57,459,348</u>	<u>\$ 54,111,027</u>	<u>\$ 58,811,826</u>	<u>\$ 39,738,114</u>	<u>\$ 38,017,363</u>
Plan fiduciary net position as a percentage of the total pension liability	22.13	18.40%	21.53%	21.49%	21.91%	19.04%	26.71%	27.57%
Covered payroll	\$ 4,446,616	\$ 4,683,481	\$ 4,424,855	\$ 4,424,620	\$ 4,054,650	\$ 3,527,889	\$ 3,381,767	\$ 3,514,416
Employer's net pension liability as a percentage of covered payroll	1,559.82%	1,552.53	1,370.45%	1,298.63%	1,334.54%	1,667.05%	1,175.07%	1,081.75%
Expected average remaining service years of all participants	4.00	6.00%	6.00	5.88	5.65	5.43	5.20	-0-

Notes to Schedule

Benefit changes: There were no changes for FY2021.

Changes of assumptions: The discount rate changed from 3.40% to 3.16%. Changes were made to salary scale assumptions, pay spiking assumptions, inflation, cost-of-living increase, mortality rates, retirement rates, termination rates, disability rates, marital status, and non-spouse beneficiary loads.

* Market value of assets of July 1, 2015, excludes \$44,505, included in the market value assets as of June 30, 2015, used for actuarial valuation report for the fiscal year ended June 30, 2015.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 SCHEDULE OF THE NET PENSION LIABILITY - MULTIYEAR
 LAST 10 FISCAL YEARS (WHICH MAY BE BUILT PROSPECTIVELY)
 POLICEMEN'S PENSION AND RELIEF FUND
 FOR THE YEAR ENDED JUNE 30, 2021**

<u>FY Ended June 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2014	\$ 52,489,702	\$ 14,472,339	\$ 38,017,363	27.57%	\$ 3,514,416	1,081.75%
2015	\$ 54,217,026	\$ 14,478,912	\$ 39,738,114	26.71%	\$ 3,381,767	1,175.07%
2016	\$ 72,638,594	\$ 13,826,768	\$ 58,811,826	19.04%	\$ 3,527,889	1,667.05%
2017	\$ 69,292,792	\$ 15,181,765	\$ 54,111,027	21.91%	\$ 4,054,650	1,334.54%
2018	\$ 73,190,607	\$ 15,731,259	\$ 57,459,348	21.49%	\$ 4,424,620	1,298.63%
2019	\$ 77,274,558	\$ 16,633,959	\$ 60,640,599	21.53%	\$ 4,424,855	1,370.45%
2020	\$ 89,108,088	\$ 16,395,710	\$ 72,712,378	18.40%	\$ 4,683,481	1,552.53%
2021	\$ 89,066,326	\$ 19,707,129	\$ 69,539,197	22.13%	\$ 4,446,616	1,559.82%

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF CONTRIBUTIONS – MULTIYEAR
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of Employer Contributions
Last 10 Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 5,101,824	\$ 4,709,413	\$ 4,499,599	\$ 3,983,176	\$ 3,675,688	\$ 3,285,978	\$ 2,478,419	\$ 2,480,580	\$ 2,339,128
Contributions in relation to the actuarially determined contribution:									
Employer provided	1,158,547	1,219,659	1,295,000	1,212,990	1,073,218	848,356	720,778	673,624	629,555
State provided	<u>763,467</u>	<u>738,271</u>	<u>705,979</u>	<u>691,798</u>	<u>629,967</u>	<u>597,542</u>	<u>578,714</u>	<u>563,105</u>	<u>821,786</u>
Contribution deficiency (excess)	\$ <u>3,179,810</u>	\$ <u>2,751,483</u>	\$ <u>2,498,620</u>	\$ <u>2,078,388</u>	\$ <u>1,972,503</u>	\$ <u>1,840,080</u>	\$ <u>1,178,927</u>	\$ <u>1,243,851</u>	\$ <u>887,787</u>
Covered payroll	\$ 4,446,616	\$ 4,683,481	\$ 4,424,855	\$ 4,424,690	\$ 4,054,650	\$ 3,527,889	\$ 3,381,767	\$ 3,514,416	\$ 3,281,961
Contributions as a percentage of covered employee payroll	43.22%	41.81%	45.22%	43.00%	42.00%	41.00%	38.00%	35.00%	44.00%

Notes to Schedule

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	30.5 years
Asset valuation method	Market Value
Inflation	2.75 percent
Salary increases	Rates vary by years of service
Investment rate of return	4.50%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by age
Mortality	RP-2014 Blue Collar Mortality Table with generational projection using Scale MP-2014

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

The information requested in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<i>Measurement Date</i>	June 30, 2021, measurement date based on actuarial liabilities as of July 1, 2020
<i>Actuarial Cost Method</i>	Entry Age Normal, Level-Percentage-of-Pay
<i>Actuarial Value of Assets</i>	Market value used for GASB Statement Nos. 67 and 68 reporting
<i>Contribution Policy and Amortization Method</i>	The sponsor finances benefits using the Alternative funding policy as defined in state statute. Sponsor contributions are equal to 107 percent of the prior year contribution. The plan also receives state contributions based on an allocation of premium tax that depends on the number of active and retired members. This funding policy does not directly amortize the unfunded actuarial liability. However, projected sponsor, state and member contributions along with projected investment earnings are not expected to fully fund the projected actuarial liability for current plan members, and assets for the closed plan are projected to be depleted by 2034.
Actuarial Assumptions:	
<i>Investment Rate of Return</i>	4.25% per year
<i>GASB 67/68 Discount Rate</i>	3.16% at June 30, 2021 and 3.78% at June 30, 2020
<i>Projected Salary Increases</i>	Rates vary by years of service
<i>Cost of Living Increases</i>	2.75% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years. Assumed to be payable to all members receiving payments.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
POLICEMEN'S PENSION AND RELIEF FUND (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

Single Discount Rate

A GASB Statement Nos. 67 and 68 single discount rate of 3.16% was used to measure the total pension liability as of June 30, 2021. This single discount rate was based on the expected rate of return on pension plan investments of 4.25%, and the municipal bond rate of 1.92%. The projection of cash flows used to determine this single discount rate assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members until plan year end 2034. Therefore, the single discount rate of 3.16% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 3.16%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher.

<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
<u>2.16%</u>	<u>3.16%</u>	<u>4.16%</u>
\$ 86,218,701	\$ 69,359,197	\$ 56,267,892

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS – MULTIYEAR
EMPLOYEE RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

Fiscal year ended June 30,	2020	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 1,86,076	\$ 1,867,064	\$ 1,713,050	\$ 1,643,199	\$ 1,577,096	\$ 1,434,188	\$ 1,408,684	\$ 1,578,745
Interest on the total pension liability	5,116,913	4,952,478	4,831,893	4,673,608	4,188,317	3,978,071	3,873,941	3,788,795
Changes of benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Difference between expected and actual experience	1,485,891	(699,073)	(637,441)	(841,501)	265,931	351,587	(1,013,053)	(255,545)
Changes of assumptions	2,886,705	-0-	-0-	-0-	4,001,292	-0-	-0-	(970,431)
Benefit payments	(3,812,888)	(3,413,870)	(3,121,683)	(3,030,030)	(2,864,515)	(2,713,421)	(2,650,584)	(2,479,097)
Refunds	(196,786)	(124,297)	(124,195)	(290,711)	(151,918)	(80,376)	(170,164)	(212,619)
Net change in total pension liability	7,343,911	2,582,302	2,661,624	2,154,565	7,016,203	2,970,049	1,448,824	1,449,848
Total pension liability – beginning	<u>74,153,412</u>	<u>71,571,110</u>	<u>68,909,486</u>	<u>66,754,921</u>	<u>59,738,718</u>	<u>56,768,669</u>	<u>55,319,845</u>	<u>53,869,997</u>
Total pension liability – ending (a)	<u>\$ 81,497,323</u>	<u>\$ 74,153,412</u>	<u>\$ 71,571,110</u>	<u>\$ 68,909,486</u>	<u>\$ 66,754,921</u>	<u>\$ 59,738,718</u>	<u>\$ 56,768,669</u>	<u>\$ 55,319,845</u>
Plan Fiduciary Net Position								
Employer contributions	\$ 2,311,341	\$ 2,094,943	\$ 1,986,467	\$ 1,770,496	\$ 1,819,231	\$ 1,745,681	\$ 1,879,379	\$ 1,572,414
Employee contributions	867,770	802,120	812,703	797,750	802,434	739,633	725,508	699,093
Pension plan net investment income	13,955,170	2,004,724	3,605,150	3,357,586	4,796,205	(470,858)	1,992,100	5,680,536
Benefit payments	(3,812,888)	(3,413,870)	(3,121,683)	(3,030,030)	(2,864,515)	(2,713,421)	(2,650,584)	(2,479,097)
Refunds	(196,786)	(124,297)	(124,195)	(290,711)	(151,918)	(80,376)	(170,164)	(212,619)
Pension plan administrative expense	(63,072)	(51,925)	(44,000)	(38,571)	(44,902)	(40,044)	(41,215)	(40,192)
Other	711	252,972	-0-	236,865	-0-	151,342	5,261	1,861
Net change in plan fiduciary net position	13,062,256	1,564,667	3,114,442	2,803,385	4,356,535	(668,043)	1,740,285	5,221,996
Plan fiduciary net position – beginning	<u>58,807,778</u>	<u>57,243,111</u>	<u>54,128,669</u>	<u>51,325,284</u>	<u>46,968,749</u>	<u>47,636,792</u>	<u>45,896,507</u>	<u>40,674,511</u>
Plan fiduciary net position – ending (b)	<u>71,870,034</u>	<u>58,807,778</u>	<u>57,243,111</u>	<u>54,128,669</u>	<u>51,325,284</u>	<u>46,968,749</u>	<u>47,636,792</u>	<u>45,896,507</u>
Net pension liability – ending (a) – (b)	<u>\$ 9,627,289</u>	<u>\$ 15,345,634</u>	<u>\$ 14,327,999</u>	<u>\$ 14,780,817</u>	<u>\$ 15,429,637</u>	<u>\$ 12,769,969</u>	<u>\$ 9,131,877</u>	<u>\$ 9,423,338</u>
Plan fiduciary net position as a percentage of total pension liability	88.19%	79.31%	79.98%	78.55%	76.89%	78.62%	83.91%	82.97%
Covered employee payroll ^a	\$ 14,763,639	\$ 14,510,386	\$ 14,785,000	\$ 13,830,676	\$ 13,321,335	\$ 13,182,134	\$ 12,172,614	\$ 11,880,381
Net pension liability as a percentage of covered employee payroll	65.21%	105.76%	96.91%	106.87%	115.83%	96.87%	75.02%	79.32%

^aCovered employee payroll is based on pensionable payroll for membership data used in the actuarial valuation as of the same date.

Ten fiscal years will be built prospectively.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF THE NET PENSION LIABILITY - MULTIYEAR
EMPLOYEE RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

<u>FY Ended June 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll^a</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2014	\$ 55,319,845	\$ 45,896,507	\$ 9,423,338	82.97%	\$ 11,880,381	79.32%
2015	\$ 56,768,669	\$ 47,636,792	\$ 9,131,877	83.91%	\$ 12,172,614	75.02%
2016	\$ 59,738,718	\$ 46,968,749	\$ 12,769,969	78.62%	\$ 13,182,134	96.87%
2017	\$ 66,754,921	\$ 51,325,284	\$ 15,429,637	76.89%	\$ 13,321,335	115.83%
2018	\$ 68,909,486	\$ 54,128,669	\$ 14,780,817	78.55%	\$ 13,830,676	106.87%
2019	\$ 71,571,110	\$ 57,243,111	\$ 14,327,999	79.98%	\$ 14,785,000	96.91%
2020	\$ 74,153,412	\$ 58,807,778	\$ 15,345,634	79.31%	\$ 14,510,386	105.76%
2021	\$ 81,497,323	\$ 71,870,034	\$ 9,627,289	88.19%	\$ 14,763,639	65.21%

^a Covered payroll is based on pensionable payroll for membership data used in the actuarial valuation as of the same date.

10 fiscal years will be built prospectively.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF CONTRIBUTIONS - MULTIYEAR
LAST 10 FISCAL YEARS
EMPLOYEE RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

<u>FY Ended June 30,</u>	<u>Actuarially Determined Contribution^a</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll^b</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2012	\$ 1,303,850	\$ 1,314,738	\$ (10,888)	\$ 11,526,601	11.41%
2013	\$ 1,921,461	\$ 1,379,087	\$ 542,374	\$ 11,908,975	11.58%
2014	\$ 2,116,999	\$ 1,574,275	\$ 542,724	\$ 11,880,381	13.25%
2015	\$ 1,850,655	\$ 1,879,379	\$ (28,724)	\$ 12,172,614	15.44%
2016	\$ 1,657,313	\$ 1,745,681	\$ (88,368)	\$ 13,182,134	13.24%
2017	\$ 1,620,175	\$ 1,819,231	\$ (199,056)	\$ 13,321,335	13.66%
2018	\$ 1,743,996	\$ 1,770,496	\$ (26,500)	\$ 13,830,676	12.80%
2019	\$ 1,919,604	\$ 1,986,467	\$ (66,863)	\$ 14,785,000	13.44%
2020	\$ 2,063,537	\$ 2,347,915	\$ (284,378)	\$ 14,510,386	16.18%
2021	\$ 2,362,643	\$ 2,312,062	\$ 50,581	\$ 14,763,639	15.66%

^a ADC for years ending 2009 through 2014 was determined based on the requirements of GASB Statement No. 25; ADC for 2015 and later is based on the funding policy adopted by the Fund.

^b Covered payroll is based on pensionable payroll for membership data used in the actuarial valuation as of the same date.

^c Other contributions are included as employer contributions. Other contributions during fiscal year 2021 were \$711.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
EMPLOYEE RETIREMENT AND RELIEF FUND
FOR THE YEAR ENDED JUNE 30, 2021**

Valuation Date: July 1, 2019

Notes Actuarially determined contribution rates are calculated as of July 1, which is 24 months prior to the end of the fiscal year in which contributions will be made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Individual Entry Age Normal

Amortization Method Level dollar, closed

Remaining Amortization Period 17 years as of July 1, 2019

Asset Valuation Method 5-year smoothed market

Inflation 3.0% - approximate; No explicit price inflation assumption is used in this actuarial valuation.

Salary Increases 4.0% per year

Investment Rate of Return 7.0% per year, net of expenses, compounded annually

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition and years of Service Credit.

Mortality Pre-retirement mortality is assumed to follow the RP-2014 Total Employee mortality table, sex distinct, with generational mortality improvements using scale MP-2015. Ten percent of deaths are assumed to be duty-related.
Post-Retirement mortality is assumed to follow the RP-2014 Health Annuitant mortality table, sex distinct, with generational mortality improvements using scale MP-2015.
Post-disablement mortality is assumed to follow the RP-2014 Disabled Annuitant mortality table.

Cost-of-Living Adjustment None

Other Information:

Notes There were no benefit changes during the year.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
EMPLOYEE RETIREMENT PENSION AND RELIEF FUND (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Methods and Assumptions Used for Accounting Purposes:

Valuation Date:	July 1, 2021
<i>Actuarial Cost Method</i>	Individual Entry Age Normal
<i>Asset Valuation Method</i>	Plan Fiduciary Net Position (Market value of assets, no asset smoothing)
<i>Inflation</i>	2.5% - approximate; No explicit price inflation assumption is used in this actuarial valuation.
<i>Salary Increases</i>	Age based rates ranging from 2.5% to 7.0%
<i>Investment Rate of Return</i>	6.75% per year, net of expenses, compounded annually
<i>Retirement Age</i>	Experience-based table of rates that are specific to the type of eligibility condition and years of Service Credit.
<i>Mortality</i>	Pre-retirement mortality is assumed to follow the RP-2010 (for General Employees) Employee mortality table, sex distinct, with generational mortality improvements projected from 2016 using projection scale MP-2020. Ten percent of deaths are assumed to be duty-related. Post-retirement (non-disabled) mortality is assumed to follow the Pub-2010 (for General Employees) Healthy Retiree mortality table, sex distinct, and post-disablement mortality is assumed to follow the Pub-2010 (for Non-Safety Employees) Disabled Retiree mortality table, sex distinct, both with generational mortality improvements projected from 2010 using projection scale MP-2020. These assumptions provide a margin for future mortality improvements.
<i>Cost-of-Living Adjustment</i>	None
Other Information:	
<i>Notes</i>	There were no benefit changes during the year.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
EMPLOYEE RETIREMENT PENSION AND RELIEF FUND (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2021**

Single Discount Rate

A Single Discount Rate of 6.75% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

**Sensitivity of Net Pension Liability
to the Single Discount Rate Assumption**

<u>1% Decrease</u> <u>5.75%</u>	<u>Current Single</u> <u>Discount</u> <u>Rate Assumption</u> <u>6.75%</u>	<u>1% Increase</u> <u>7.75%</u>
\$ 19,640,007	\$ 9,627,289	\$ 1,255,467

See independent auditor's report.

**MORGANTOWN UTILITY BOARD
(A COMPONENT UNIT OF THE CITY OF MORGANTOWN)
SCHEDULE OF PROPORTIONATE SHARE OF
NET PENSION LIABILITY
JUNE 30, 2021**

**Employees' Retirement and Benefit Fund of the City of Morgantown
Last 10 Fiscal Years***

	2021	2020	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (percentage)	57.42%	62.47%	59.58%	57.40%	56.30%	58.57%	57.33%	57.33%
Board's proportionate share of the net pension liability	\$ 5,527,989	\$ 9,586,310	\$ 8,537,267	\$ 8,484,558	\$ 8,686,407	\$ 7,479,371	\$ 5,235,305	\$ 5,402,449
Board's covered payroll	\$ 8,021,446	\$ 8,189,587	\$ 8,213,923	\$ 7,681,849	\$ 7,694,751	\$ 7,330,133	\$ 6,935,715	\$ 6,623,068
Board's proportionate share of the net pension liability as a percentage of its covered payroll	68.92%	117.05%	103.94%	110.45%	112.89%	102.04%	75.48%	81.57%
Plan fiduciary net position as a percentage of the total pension liability	88.19%	79.31%	79.98%	78.55%	76.89%	78.62%	83.91%	82.97%

Information prior to fiscal year 2014 is not available.

*Will be built prospectively.

See accompanying notes and independent auditor's report.

**MORGANTOWN UTILITY BOARD
(A COMPONENT UNIT OF THE CITY OF MORGANTOWN)
SCHEDULE OF CONTRIBUTIONS
JUNE 30, 2021**

**Employees' Retirement and Benefit Fund of the City of Morgantown
Last 10 Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,327,102	\$ 1,308,696	\$ 1,143,786	\$ 1,001,097	\$ 1,024,171	\$ 1,022,554	\$ 1,060,981	\$ 1,186,366	\$ 1,053,537	\$ 711,381
Actual contribution	(1,327,102)	(1,308,696)	(1,183,626)	(1,016,309)	(1,024,171)	(1,022,554)	(1,077,497)	(882,191)	(756,125)	(717,285)
Contribution deficit (surplus)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(39,840)</u>	\$ <u>(15,212)</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(16,516)</u>	\$ <u>304,175</u>	\$ <u>297,412</u>	\$ <u>(5,904)</u>
Board's covered payroll	\$ 8,021,446	\$ 8,189,587	\$ 8,213,923	\$ 7,681,849	\$ 7,694,751	\$ 7,330,133	\$ 6,935,715	\$ 6,623,068	\$ 6,403,272	\$ 6,078,627
Actual contributions as a percentage of covered payroll	16.54%	15.98%	14.41%	13.23%	13.31%	13.95%	15.54%	13.32%	11.81%	11.80%

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND
RELATED RATIOS - MULTIYEAR
OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2021**

Last 10 Fiscal Years (as information becomes available)

Fiscal year ending June 30,	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 632,000	\$ 648,000	\$ 677,000	\$ 745,000
Interest	719,000	737,000	801,000	722,000
Changes of benefit terms	-0-	-0-	-0-	-0-
Differences between expected and actual experience	-0-	1,049,000	(793,000)	(1,984,000)
Changes in assumptions	-0-	(162,000)	1,051,000	2,054,000
Benefit payments, including refunds of employee contributions	(955,000)	(797,000)	(959,000)	(729,000)
Net change in total OPEB liability	396,000	1,475,000	777,000	808,000
 Total OPEB liability – beginning	 <u>20,051,000</u>	 <u>20,447,000</u>	 <u>21,922,000</u>	 <u>22,699,000</u>
Total OPEB liability – ending (a)	<u>20,447,000</u>	<u>21,922,000</u>	<u>22,699,000</u>	<u>23,507,000</u>
 Plan Fiduciary Net Position				
Contributions – employer	955,000	797,000	959,000	729,000
Contributions – employee	-0-	-0-	-0-	-0-
Net investment income	-0-	2,000	12,000	(215,000)
Benefit payments, including refunds of employee contributions	(955,000)	(797,000)	(959,000)	(729,000)
Administrative expenses	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	<u>-0-</u>	<u>2,000</u>	<u>12,000</u>	<u>(215,000)</u>
 Plan fiduciary net position – beginning	 <u>709,000</u>	 <u>709,000</u>	 <u>711,000</u>	 <u>723,000</u>
Plan fiduciary net position – ending (b)	<u>709,000</u>	<u>711,000</u>	<u>723,000</u>	<u>508,000</u>
 Employer's net OPEB liability – ending (a)-(b) ³	 \$ <u>19,738,000</u>	 \$ <u>21,211,000</u>	 \$ <u>21,976,000</u>	 \$ <u>22,999,000</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 3.47%	 3.24%	 3.19%	 2.16%
 Covered-employee payroll	 \$ 7,220,000	 \$ 11,696,000	 \$ 11,696,000	 \$ 13,152,000
 Employer's net OPEB liability as a percentage of covered-employee payroll	 273.38%	 181.35%	 187.89%	 174.87%

Notes to Schedule:

None

³The Net OPEB Liability is shown for illustrative purposes only. Per the Plan Sponsor, the assets are not assumed to be irrevocable or protected from creditors.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS (AS INFORMATION BECOMES AVAILABLE)
OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2021**

Fiscal year ending June 30,	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 955,000 ⁴	\$ 797,000	\$ 959,000	\$ 729,000
Contributions in relation to the Actuarially Determined Contribution	<u>955,000⁴</u>	<u>797,000</u>	<u>959,000</u>	<u>729,000</u>
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Expected covered-employee payroll	\$ 7,220,000	\$ 11,696,000	\$ 11,696,000	\$ 13,152,000
Contributions as a percentage of covered-employee payroll	13.23%	6.81%	8.20%	5.54%

Notes to Schedule:

The employer has elected to make an annual contribution equal to the benefit payments. The employer share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go."

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the "pay-as-you-go" cost, and actual contributions are from the measurement periods ending June 30 of the year prior to the year-end of the reporting periods shown.

⁴The first valuation under GASB 75 used expected "pay-as-you-go" cost.

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2021**

Changes to the Net OPEB Liability

	Increase (Decrease)		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/ (Asset) (a) – (b)</u>
Balances at July 1, 2020	\$ 22,699,000	\$ 723,000	\$ 21,976,000
Changes for the year:			
Service cost	745,000	-0-	745,000
Interest	722,000	-0-	722,000
Differences between expected and actual experience	(1,984,000)	-0-	(1,984,000)
Contributions – employer	-0-	729,000*	(729,000)
Contributions – employee	-0-	-0-	-0-
Net investment income	-0-	(215,000)	215,000
Benefit payments	(729,000)	(729,000)*	-0-
Changes of benefit terms	-0-	-0-	-0-
Administrative expense	-0-	-0-	-0-
Assumption changes	<u>2,054,000</u>	<u>-0-</u>	<u>2,054,000</u>
Net changes	<u>808,000</u>	<u>(215,000)</u>	<u>1,023,000</u>
Balances at June 30, 2021**	\$ <u>23,507,000</u>	\$ <u>508,000</u>	\$ <u>22,999,000</u> ¹

* This is the "Pay-as-you-go" cost

** Measurement date is July 1, 2020

¹The Net OPEB Liability is shown for illustrative purpose only. Per the Plan Sponsor, the assets are not assumed to be irrevocable or protected from creditors.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2020**

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the discount rate, as well as what the employer's 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 26,072,000	\$ 23,507,000	\$ 21,280,000

Sensitivity of the net OPEB liability to changes in the trend rate. The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the trend rate, as well as what the employer's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 21,004,000	\$ 23,507,000	\$ 26,470,000

See independent auditor's report.

SUPPLEMENTARY INFORMATION

**CITY OF MORGANTOWN, WEST VIRGINIA
COMBINING FUND BALANCE SHEETS –
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<i>Primary Government</i>			<i>Component Unit</i>		
	<u>Special</u>	<u>Capital</u>	<u>Total</u>	<u>Special</u>	<u>Capital</u>	<u>Total</u>
	<u>Revenue</u>	<u>Projects</u>		<u>Revenue</u>	<u>Projects</u>	
	<u>Funds</u>	<u>Funds</u>		<u>Funds</u>	<u>Funds</u>	
ASSETS						
Cash	\$ 2,563,455	\$ 1,470,938	\$ 4,034,393	\$ 2,336,869	\$ -0-	\$ 2,336,869
Investments	739,087	-0-	739,087	-0-	291,906	291,906
Receivables (net of allowances for uncollectibles)						
Taxes	-0-	74,814	74,814	-0-	-0-	-0-
Accounts	48,651	-0-	48,651	172,851	-0-	172,851
Grants	-0-	-0-	-0-	-0-	-0-	-0-
Internal balances	(112,254)	(16,000)	(128,254)	-0-	-0-	-0-
TOTAL ASSETS	\$ <u>3,238,939</u>	\$ <u>1,529,752</u>	\$ <u>4,768,691</u>	\$ <u>2,509,720</u>	\$ <u>291,906</u>	\$ <u>2,801,626</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 41,464	\$ -0-	\$ 41,464	\$ 49,990	\$ -0-	\$ 49,990
Accrued payroll and compensated absences	948	-0-	948	76,220	-0-	76,220
Total liabilities	<u>42,412</u>	<u>-0-</u>	<u>42,412</u>	<u>126,210</u>	<u>-0-</u>	<u>126,210</u>
Deferred Inflow of Resources						
Deferred revenue - taxes	-0-	69,182	69,182	-0-	-0-	-0-
Total deferred inflow of resources	<u>-0-</u>	<u>69,182</u>	<u>69,182</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balances						
Restricted	75,126	-0-	75,126	-0-	21,862	21,862
Assigned	3,154,193	1,460,570	4,614,763	2,383,510	270,044	2,653,554
Unassigned	(32,792)	-0-	(32,792)	-0-	-0-	-0-
Total fund balances	<u>3,196,527</u>	<u>1,460,570</u>	<u>4,657,097</u>	<u>2,383,510</u>	<u>291,906</u>	<u>2,675,416</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	\$ <u>3,238,939</u>	\$ <u>1,529,752</u>	\$ <u>4,768,691</u>	\$ <u>2,509,720</u>	\$ <u>291,906</u>	\$ <u>2,801,626</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Primary Government</i>			<i>Component Unit</i>		
	<u>Special</u>	<u>Capital</u>	<u>Total</u>	<u>Special</u>	<u>Capital</u>	<u>Total</u>
	<u>Revenue</u>	<u>Projects</u>		<u>Revenue</u>	<u>Projects</u>	
	<u>Funds</u>	<u>Funds</u>		<u>Funds</u>	<u>Funds</u>	
Revenues						
Charges for services	\$ 90,359	\$ -0-	\$ 90,359	\$ 3,340,508	\$ -0-	\$ 3,340,508
Fines and forfeits	-0-	-0-	-0-	-0-	-0-	-0-
Investment income	14,956	10,639	25,595	9,193	1,593	10,786
Donations	-0-	-0-	-0-	2,833	-0-	2,833
Taxes:						
Ad valorem	-0-	1,724,350	1,724,350	-0-	-0-	-0-
Intergovernmental:						
Federal	332,302	-0-	332,302	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	<u>437,617</u>	<u>1,734,989</u>	<u>2,172,606</u>	<u>3,352,534</u>	<u>1,593</u>	<u>3,354,127</u>
Expenditures						
General government	6,383	-0-	6,383	-0-	-0-	-0-
Public safety	36,015	-0-	36,015	-0-	-0-	-0-
Culture and recreation	227,577	-0-	227,577	2,252,258	-0-	2,252,258
Community development	332,531	222,799	555,330	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	784,650	-0-	784,650
Debt service - principal	-0-	-0-	-0-	85,725	-0-	85,728
Debt service - interest	-0-	-0-	-0-	18,394	-0-	18,394
Benefit payments	<u>1,188,881</u>	<u>-0-</u>	<u>1,188,881</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total expenditures	<u>1,791,387</u>	<u>222,799</u>	<u>2,014,186</u>	<u>3,141,030</u>	<u>-0-</u>	<u>3,141,030</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(1,353,770)</u>	<u>1,512,190</u>	<u>158,420</u>	<u>211,504</u>	<u>1,593</u>	<u>213,097</u>
Other Financing Sources (Uses)						
Operating transfers in	2,313,720	-0-	2,313,720	795,023	-0-	795,023
Operating transfers (out)	<u>-0-</u>	<u>(1,598,753)</u>	<u>(1,598,753)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources (uses)	<u>2,313,720</u>	<u>(1,598,753)</u>	<u>714,967</u>	<u>795,023</u>	<u>-0-</u>	<u>795,023</u>
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing uses	959,950	(86,563)	873,387	1,006,527	1,593	1,008,120
Fund balance beginning of year	<u>2,236,577</u>	<u>1,547,133</u>	<u>3,783,710</u>	<u>1,376,983</u>	<u>290,313</u>	<u>1,667,296</u>
Fund balance end of year	<u>\$ 3,196,527</u>	<u>\$ 1,460,570</u>	<u>\$ 4,657,097</u>	<u>\$ 2,383,510</u>	<u>\$ 291,906</u>	<u>\$ 2,675,416</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 COMBINING FUND BALANCE SHEETS –
 NONMAJOR GOVERNMENTAL FUNDS –
 SPECIAL REVENUE FUNDS
 JUNE 30, 2021**

	<u>Economic Development Grant</u>	<u>Community Development Block Grant</u>	<u>Police Forfeiture</u>	<u>Special Grants</u>	<u>Local Law Enforcement Grant</u>	<u>I.C. White Coal Severance</u>	<u>OPEB Trust</u>	<u>Metropolitan Theater</u>	<u>Woodburn Property</u>	<u>Court Technology</u>	<u>Hazel Ruby McQuain Park</u>	<u>Retirement Fund</u>	<u>Total</u>	<u>Component Unit Board of Parks and Recreation</u>
ASSETS														
Cash	\$ 38,672	\$ 2,039	\$ 370,665	\$ 140	\$ 31,323	\$ 106,031	\$ 706,048	\$ 88,188	\$ 40,141	\$ 30,545	\$ 305,201	\$ 844,462	\$ 2,563,455	\$ 2,336,869
Investments	-0-	-0-	-0-	-0-	-0-	-0-	739,087	-0-	-0-	-0-	-0-	-0-	739,087	-0-
Receivables (net of allowances for uncollectibles):														
Accounts	-0-	3,120	-0-	-0-	-0-	-0-	-0-	1,307	44,224	-0-	-0-	-0-	48,651	172,851
Grants	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Internal balances	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(87,254)</u>	<u>(25,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(112,254)</u>	<u>-0-</u>
TOTAL ASSETS	\$ <u>38,672</u>	\$ <u>5,159</u>	\$ <u>370,665</u>	\$ <u>140</u>	\$ <u>31,323</u>	\$ <u>106,031</u>	\$ <u>1,445,135</u>	\$ <u>2,241</u>	\$ <u>59,365</u>	\$ <u>30,545</u>	\$ <u>305,201</u>	\$ <u>844,462</u>	\$ <u>3,238,939</u>	\$ <u>2,509,720</u>
LIABILITIES AND FUND BALANCES														
Liabilities														
Accounts payable	\$ -0-	\$ 168	\$ 3,803	\$ -0-	\$ -0-	\$ -0-	\$ 3,228	\$ 34,085	\$ 180	\$ -0-	\$ -0-	\$ -0-	\$ 41,464	\$ 49,990
Accrued payroll and compensated absences	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>948</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>948</u>	<u>76,220</u>
Total liabilities	<u>-0-</u>	<u>168</u>	<u>3,803</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,228</u>	<u>35,033</u>	<u>180</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>42,412</u>	<u>126,210</u>
Fund Balances														
Restricted	38,672	4,991	-0-	140	31,323	-0-	-0-	-0-	-0-	-0-	-0-	-0-	75,126	-0-
Assigned	-0-	-0-	366,862	-0-	-0-	106,031	1,441,907	-0-	59,185	30,545	305,201	844,462	3,154,193	2,383,510
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(32,792)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(32,792)</u>	<u>-0-</u>
Total fund balances	<u>38,672</u>	<u>4,991</u>	<u>366,862</u>	<u>140</u>	<u>31,323</u>	<u>106,031</u>	<u>1,441,907</u>	<u>(32,792)</u>	<u>59,185</u>	<u>30,545</u>	<u>305,201</u>	<u>844,462</u>	<u>3,196,527</u>	<u>2,383,510</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>38,672</u>	\$ <u>5,159</u>	\$ <u>370,665</u>	\$ <u>140</u>	\$ <u>31,323</u>	\$ <u>106,031</u>	\$ <u>1,445,135</u>	\$ <u>2,241</u>	\$ <u>59,365</u>	\$ <u>30,545</u>	\$ <u>305,201</u>	\$ <u>844,462</u>	\$ <u>3,238,939</u>	\$ <u>2,509,720</u>

See accompanying notes and independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Economic</u>	<u>Community</u>			<u>Local Law</u>	<u>I.C. White</u>					<u>Hazel</u>			<u>Component</u>
	<u>Development</u>	<u>Development</u>	<u>Police</u>	<u>Special</u>	<u>Enforcement</u>	<u>Coal</u>	<u>OPEB</u>	<u>Metropolitan</u>	<u>Woodburn</u>	<u>Court</u>	<u>Ruby</u>	<u>Retirement</u>	<u>Total</u>	<u>Unit</u>
	<u>Grant</u>	<u>Block</u>	<u>Forfeiture</u>	<u>Grants</u>	<u>Grant</u>	<u>Severance</u>	<u>Trust</u>	<u>Theater</u>	<u>Property</u>	<u>Technology</u>	<u>McQuain</u>	<u>Fund</u>		<u>Board of</u>
											<u>Park</u>			<u>Parks and</u>
														<u>Recreation</u>
Revenues														
Charges for services	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 38,975	\$ 43,959	\$ 7,425	\$ -0-	\$ -0-	\$ 90,359	\$ 3,340,508
Fines and forfeits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment income	333	80	3,078	1	270	897	8,784	81	336	194	802	100	14,956	9,193
Donations	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,833
Intergovernmental:														
Federal	-0-	332,302	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	332,302	-0-
Total revenues	<u>333</u>	<u>332,302</u>	<u>3,078</u>	<u>1</u>	<u>270</u>	<u>897</u>	<u>8,784</u>	<u>39,056</u>	<u>44,295</u>	<u>7,619</u>	<u>802</u>	<u>100</u>	<u>437,617</u>	<u>3,352,534</u>
Expenditures														
General government	-0-	-0-	-0-	-0-	-0-	-0-	6,290	-0-	-0-	93	-0-	-0-	6,383	-0-
Public safety	-0-	-0-	36,015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	36,015	-0-
Culture and recreation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	199,434	28,143	-0-	-0-	-0-	227,577	2,252,258
Community development	-0-	332,531	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	332,531	-0-
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	784,650
Debt service – principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	85,728
Debt service – interest	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18,394
Benefit payments	-0-	-0-	-0-	-0-	-0-	-0-	1,188,881	-0-	-0-	-0-	-0-	-0-	1,188,881	-0-
Total expenditures	<u>-0-</u>	<u>332,531</u>	<u>36,015</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,195,171</u>	<u>199,434</u>	<u>28,143</u>	<u>93</u>	<u>-0-</u>	<u>-0-</u>	<u>1,791,387</u>	<u>3,141,030</u>
(Deficiency) excess of revenues (under) over expenditures	<u>333</u>	<u>(149)</u>	<u>(32,937)</u>	<u>-0-</u>	<u>270</u>	<u>897</u>	<u>(1,186,387)</u>	<u>(160,378)</u>	<u>16,152</u>	<u>7,526</u>	<u>802</u>	<u>100</u>	<u>(1,353,770)</u>	<u>211,504</u>
Other Financing Sources (Uses)														
Operating transfers in (out)	-0-	-0-	-0-	-0-	-0-	-0-	1,385,654	183,710	-0-	-0-	-0-	744,356	2,313,720	795,023
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,385,654</u>	<u>183,710</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>744,356</u>	<u>2,313,720</u>	<u>795,023</u>
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing uses	<u>333</u>	<u>(149)</u>	<u>(32,937)</u>	<u>1</u>	<u>270</u>	<u>897</u>	<u>199,267</u>	<u>23,332</u>	<u>16,152</u>	<u>7,526</u>	<u>802</u>	<u>744,456</u>	<u>959,950</u>	<u>1,006,527</u>
Fund balance beginning of year – restated	<u>38,339</u>	<u>5,140</u>	<u>399,799</u>	<u>139</u>	<u>31,053</u>	<u>105,134</u>	<u>1,242,640</u>	<u>(56,124)</u>	<u>43,033</u>	<u>23,019</u>	<u>304,399</u>	<u>100,006</u>	<u>2,236,577</u>	<u>1,376,983</u>
Fund balance end of year	<u>\$ 38,672</u>	<u>\$ 4,991</u>	<u>\$ 366,862</u>	<u>\$ 140</u>	<u>\$ 31,323</u>	<u>\$ 106,031</u>	<u>\$ 1,441,907</u>	<u>\$ (32,792)</u>	<u>\$ 59,185</u>	<u>\$ 30,545</u>	<u>\$ 305,201</u>	<u>\$ 844,462</u>	<u>\$ 3,196,527</u>	<u>\$ 2,383,510</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
COMBINING FUND BALANCE SHEETS -
NONMAJOR GOVERNMENTAL FUNDS -
CAPITAL PROJECT FUNDS
JUNE 30, 2021**

	<i>Primary Government</i>				<i>Component Unit</i>	
	<u>Business</u>	<u>Tax</u>	<u>Airport</u>	<u>Total</u>	<i>Morgantown</i>	<u>Total</u>
	<u>Improvement</u>	<u>Increment</u>	<u>Access</u>		<i>Public Library</i>	
	<u>District</u>	<u>Financing</u>	<u>Road</u>		<u>Capital Project</u>	<u>Unit</u>
					<u>Clay Battelle</u>	
					<u>Branch</u>	<u>Unit</u>
ASSETS						
Cash	\$ 17,403	\$ 1,173,595	\$ 279,940	\$ 1,470,938	\$ -0-	\$ -0-
Investments	-0-	-0-	-0-	-0-	291,906	291,906
Taxes receivable	-0-	74,814	-0-	74,814	-0-	-0-
Internal balances	<u>-0-</u>	<u>(16,000)</u>	<u>-0-</u>	<u>(16,000)</u>	<u>-0-</u>	<u>-0-</u>
TOTAL ASSETS	\$ <u>17,403</u>	\$ <u>1,232,409</u>	\$ <u>279,940</u>	\$ <u>1,529,752</u>	\$ <u>291,906</u>	\$ <u>291,906</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Deferred Inflow of Resources						
Deferred revenue - taxes	<u>-0-</u>	<u>69,182</u>	<u>-0-</u>	<u>69,182</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflow of resources	<u>-0-</u>	<u>69,182</u>	<u>-0-</u>	<u>69,182</u>	<u>-0-</u>	<u>-0-</u>
Fund Balances						
Restricted	-0-	-0-	-0-	-0-	21,862	21,862
Assigned	17,403	1,163,227	279,940	1,460,570	270,044	270,044
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total fund balances	<u>17,403</u>	<u>1,163,227</u>	<u>279,940</u>	<u>1,460,570</u>	<u>291,906</u>	<u>291,906</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	\$ <u>17,403</u>	\$ <u>1,232,409</u>	\$ <u>277,826</u>	\$ <u>1,529,752</u>	\$ <u>291,906</u>	\$ <u>291,906</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS -
 CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Primary Government</i>				<i>Component Unit</i>	
	<u>Business Improvement District</u>	<u>Tax Increment Financing</u>	<u>Airport Access Road</u>	<u>Total</u>	<u>Morgantown Public Library Capital Project Clay Battelle Branch</u>	<u>Total Component Unit</u>
Revenues						
Investment income	\$ 131	\$ 8,394	\$ 2,114	\$ 10,639	\$ 1,593	\$ 1,593
Taxes:						
Ad valorem	-0-	1,724,350	-0-	1,724,350	-0-	-0-
Donations	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	<u>131</u>	<u>1,732,744</u>	<u>2,225</u>	<u>1,734,989</u>	<u>1,593</u>	<u>1,593</u>
Expenditures						
General government	-0-	-0-	-0-	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-
Community development	-0-	222,799	-0-	222,799	-0-	-0-
Total expenditures	<u>-0-</u>	<u>222,799</u>	<u>-0-</u>	<u>222,799</u>	<u>-0-</u>	<u>-0-</u>
(Deficiency) excess of revenues (under) over expenditures	<u>131</u>	<u>1,509,945</u>	<u>2,114</u>	<u>1,512,190</u>	<u>1,593</u>	<u>1,593</u>
Other Financing Sources (Uses)						
Operating transfers in	-0-	-0-	-0-	-0-	-0-	-0-
Operating transfers (out)	-0-	(1,598,753)	-0-	(1,598,753)	-0-	-0-
Total other financing sources (uses)	<u>-0-</u>	<u>(1,598,753)</u>	<u>-0-</u>	<u>(1,598,753)</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	131	(88,808)	2,114	(86,563)	1,593	1,593
Fund balance beginning of year	<u>172722</u>	<u>1,252,035</u>	<u>277,826</u>	<u>1,547,133</u>	<u>290,313</u>	<u>290,313</u>
Fund balance end of year	\$ <u>17,403</u>	\$ <u>1,163,227</u>	\$ <u>279,940</u>	\$ <u>1,460,570</u>	\$ <u>291,906</u>	\$ <u>291,906</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
COMBINING STATEMENT OF NET POSITION -
FIDUCIARY RESPONSIBILITIES
JUNE 30, 2021**

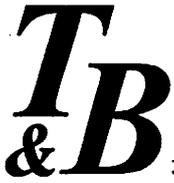
	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>	<u>Total</u>	<u>Component Unit</u>		
					<u>Morgantown Public Library Nonexpendable Trust</u>	<u>Endowment Fund</u>	<u>Total</u>
Assets							
Cash	\$ 25,200	\$ 75,611	\$ 1,525	\$ 102,337	\$ -0-	\$ -0-	\$ -0-
Investments	19,665,426	16,438,219	71,672,432	107,776,077	68,477	34,513	102,990
Receivables:							
Contributions	<u>16,503</u>	<u>15,665</u>	<u>196,076</u>	<u>228,244</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>19,707,129</u>	<u>16,529,495</u>	<u>71,870,034</u>	<u>108,106,658</u>	<u>68,477</u>	<u>34,513</u>	<u>102,990</u>
Liabilities							
Accounts payable	<u>-0-</u>	<u>599</u>	<u>-0-</u>	<u>599</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>-0-</u>	<u>599</u>	<u>-0-</u>	<u>599</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Position							
Held in trust	\$ <u>19,707,129</u>	\$ <u>16,528,896</u>	\$ <u>71,870,034</u>	\$ <u>108,106,059</u>	\$ <u>68,477</u>	\$ <u>34,513</u>	\$ <u>102,990</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES NET POSITION -
FIDUCIARY RESPONSIBILITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>	<u>Total</u>	<u>Component Unit</u>		
					<u>Morgantown Public Library Nonexpendable Trust</u>	<u>Endowment Fund</u>	<u>Total</u>
Additions							
Contributions:							
Employer	\$ 1,158,547	\$ 920,415	\$ 2,311,351	\$ 4,390,313	\$ -0-	\$ -0-	\$ -0-
Employee	406,609	321,489	867,770	1,595,868	-0-	-0-	-0-
Insurance premium tax allocation	763,467	638,747	-0-	1,402,214	-0-	-0-	-0-
Other	-0-	-0-	711	711	-0-	250	250
Total contributions	<u>2,328,623</u>	<u>1,880,651</u>	<u>3,179,832</u>	<u>7,389,106</u>	<u>-0-</u>	<u>250</u>	<u>250</u>
Investment Income:							
Gain (loss) on investments	3,331,655	2,709,298	12,912,017	18,952,970	10,808	6,513	17,321
Interest and dividends	<u>522,952</u>	<u>431,732</u>	<u>1,212,254</u>	<u>2,166,938</u>	<u>1,965</u>	<u>769</u>	<u>2,734</u>
Total investment income	<u>3,854,607</u>	<u>3,141,030</u>	<u>14,124,271</u>	<u>21,119,908</u>	<u>12,773</u>	<u>7,282</u>	<u>20,055</u>
Total additions	<u>6,183,230</u>	<u>5,021,681</u>	<u>17,304,103</u>	<u>28,509,014</u>	<u>12,773</u>	<u>7,532</u>	<u>20,305</u>
Deductions							
General and administrative	138,552	115,139	232,173	485,864	1,505	568	2,073
Contribution refunds	28,195	-0-	196,786	224,981	-0-	-0-	-0-
Benefit payments	<u>2,705,065</u>	<u>1,967,798</u>	<u>3,812,888</u>	<u>8,485,751</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deductions	<u>2,871,812</u>	<u>2,082,937</u>	<u>4,241,847</u>	<u>9,196,596</u>	<u>1,505</u>	<u>568</u>	<u>2,073</u>
Net increase (decrease)	3,311,418	2,938,744	13,062,256	19,312,418	11,268	6,964	18,232
Net position – beginning of year – restated	<u>16,395,711</u>	<u>13,590,152</u>	<u>58,807,778</u>	<u>88,793,641</u>	<u>57,209</u>	<u>27,549</u>	<u>84,758</u>
Net position – end of year	\$ <u>19,707,129</u>	\$ <u>16,528,896</u>	\$ <u>71,870,034</u>	\$ <u>108,106,059</u>	\$ <u>68,477</u>	\$ <u>34,513</u>	\$ <u>102,990</u>

See accompanying notes and independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**INDEPENDENT AUDITOR'S 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***

To the Honorable Mayor and Council
City of Morgantown
Morgantown, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Morgantown, West Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Morgantown, West Virginia's basic financial statements and have issued our report thereon dated March 15, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Morgantown, West Virginia's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Morgantown, West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Morgantown, West Virginia'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

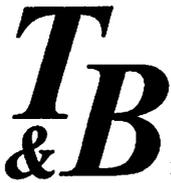
As part of obtaining reasonable assurance about whether the City of Morgantown, West Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

J. Stuck, BAIA, CPA

Clarksburg, West Virginia
March 15, 2022



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Council
City of Morgantown
Morgantown, West Virginia

Report on Compliance for Each Major Federal Program

We have audited the City of Morgantown, West Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Morgantown, West Virginia's major federal programs for the year ended June 30, 2021. City of Morgantown, West Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Morgantown, West Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Morgantown, West Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Morgantown, West Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Morgantown, West Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City of Morgantown, West Virginia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Morgantown, West Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Morgantown, West Virginia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Delick & Barthelemy, PLLC

Clarksburg, West Virginia
March 15, 2022

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified Opinion</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Deficiency(s) identified that are not considered to be material weaknesses?	<u>None reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified Opinion</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u>No</u>

Identification of major programs:

United States Department of the Treasury – COVID-19 Coronavirus Relief Fund	AL #21.019
United States Department of Transportation – Federal Aviation Administration – Airport Improvement Program	AL #20.106
United States Department of Transportation – Federal Aviation Administration – COVID-19 – Airport Improvement Program	AL #20.106
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee	___ yes <u>X</u> no

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

B. Findings – Financial Statement Audit

No Findings

C. Findings and Questioned Costs - Major Federal Award Program Audit

United States Department of the Treasury – COVID-19 Coronavirus Relief Fund – AL 21.019 – Fiscal Year Ended June 30, 2021.

United States Department of Transportation – Federal Aviation Administration – Airport Improvement Program – AL 20.106 - Fiscal Year Ended June 30, 2021.

United States Department of Transportation – Federal Aviation Administration – COVID-19 – Airport Improvement Program – AL 20.106 - Fiscal Year Ended June 30, 2021.

There were no findings and questioned costs identified in the major federal award program audit.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
United States Department of Housing and Urban Development					
<u>Office of Community Planning and Development</u>					
Community Development Block Grant/Entitlement Grants	14.218	B18-MC-54-0007	\$ 450,000	\$ 132,468	\$ 132,468
Community Development Block Grant/Entitlement Grants	14.218	B19-MC-54-0007	450,000	<u>199,834</u>	<u>199,834</u>
Total United States Department of Housing and Urban Development – AL 14.218				<u>332,302</u>	<u>332,302</u>
Total United States Department of Housing and Urban Development				<u>332,302</u>	<u>332,302</u>
United States Department of Transportation					
<u>Federal Aviation Administration</u>					
Airport Improvement Program	20.106	3-54-0015-041-2019	1,016,467	814,081	814,081
Airport Improvement Program	20.106	3-54-0015-045-2021	7,000,000	483,699	483,699
COVID-19 Airport Improvement Program	COVID-19 20.106	3-54-0015-045-2021	777,777	43,778	43,778
Airport Improvement Program	20.106	3-54-0015-042-2020	1,698,085	1,366,449	1,366,449
COVID-19 Airport Improvement Program	COVID-19 20.106	3-54-0015-042-2020	188,677	152,045	152,045
Airport Improvement Program	20.106	3-54-0015-044-2020	786,633	476,024	476,024
COVID-19 Airport Improvement Program	COVID-19 20.106	3-54-0015-044-2020	87,404	<u>52,892</u>	<u>52,892</u>
Total United States Department of Transportation – AL 20.106				<u>3,388,968</u>	<u>3,388,968</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
 FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal</u> <u>AL</u> <u>Number</u>	<u>Grant Number</u>	<u>Program</u> <u>or Award</u> <u>Amount</u>	<u>Receipts or</u> <u>Revenues</u> <u>Recognized</u>	<u>Federal</u> <u>Disbursements/</u> <u>Expenditures</u>
<i>Highway Safety Cluster</i>					
United States Department of Transportation					
National Highway Traffic Safety Administration					
<u>West Virginia Department of Transportation</u>					
National Priority Safety Programs	20.616	F21-HS-18-405B	\$ 7,500	\$ 6,262	\$ 6,262
National Priority Safety Programs	20.616	F21-HS-18-405D	25,000	23,512	23,512
Total United States Department of Transportation – AL 20.616				<u>29,774</u>	<u>29,774</u>
United States Department of Transportation					
National Highway Traffic Safety Administration					
<u>West Virginia Department of Transportation</u>					
State and Community Highway Safety	20.600	F21-HS-18-402	8,500	7,924	7,924
Total United States Department of Transportation – AL 20.600				<u>7,924</u>	<u>7,924</u>
Total United States Department of Transportation – Highway Safety Cluster				<u>37,698</u>	<u>37,698</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
<i>Highway Planning and Construction Cluster</i>					
United States Department of Transportation Federal Highway Administration					
<u>West Virginia Department of Transportation</u>					
Highway Planning and Construction	20.205	F21-HS-18-DOHDD	\$ 22,000	\$ 19,457	\$ 19,457
Highway Planning and Construction	20.205	F21-HS-18-DOHWZ	20,000	<u>15,588</u>	<u>15,588</u>
Total United States Department of Transportation – AL 20.205				<u>35,045</u>	<u>35,045</u>
Total United States Department of Transportation				<u>3,461,711</u>	<u>3,461,711</u>
United States Department of the Treasury					
<u>State of West Virginia Coronavirus Relief Fund</u>					
COVID-19-Coronavirus Relief Fund	COVID-19 21.019	CVRF-2020	6,533,680	<u>6,533,680</u>	<u>6,533,680</u>
Total United States Department of the Treasury – AL 21.019				<u>6,533,680</u>	<u>6,533,680</u>
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	COVID-19 21.027	CVRF-2020	5,621,755	<u>5,621,755</u>	<u>-0-</u>
Total United States Department of the Treasury – AL 21.027				<u>5,621,755</u>	<u>-0-</u>
Total United States Department of the Treasury				<u>12,155,435</u>	<u>6,533,680</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
United States Department of Justice Office of Justice Programs					
<i>Pass thru State of West Virginia Department of Military</i>					
<u>Affairs and Public Safety</u>					
<u>Division of Administrative Services</u>					
<u>Justice and Community Services</u>					
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2020-VD-BX-0675	\$ 12,783	\$ <u>12,783</u>	\$ <u>12,783</u>
Total United States Department of Justice – AL 16.738				<u>12,783</u>	<u>12,783</u>
United States Department of Justice Office of Justice Programs, Bureau of Justice Assistance					
COVID-19 Coronavirus Emergency Supplemental Funding Program	COVID-19 16.034	2020VDBX067	44,250	<u>41,420</u>	<u>41,420</u>
Total United States Department of Justice – AL-16.034				<u>41,420</u>	<u>41,420</u>
Bulletproof Vest Partnership Program	16.607	217551	7,890	<u>7,890</u>	<u>7,890</u>
Total United States Department of Justice – AL-16.607				<u>7,890</u>	<u>7,890</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
United States Department of Justice					
<u>Drug Enforcement Administration</u>					
<u>United States Marshals Service</u>					
Equitable Sharing Program	16.922	USMS	\$ 12,357	\$ <u>10,407</u>	\$ <u>10,407</u>
Total United States Department of Justice – AL 16.922				<u>10,407</u>	<u>10,407</u>
Office of Juvenile Justice and Delinquency Prevention					
<u>State of West Virginia Department of Military Affairs & Public Safety/ Division of Justice & Community Services</u>					
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	19-JAG-13	30,000	15,000	15,000
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	20-JAG-11	30,000	<u>27,000</u>	<u>27,000</u>
Total United States Department of Justice – AL 16.540				<u>42,000</u>	<u>42,000</u>
Total United States Department of Justice				<u>114,500</u>	<u>114,500</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
Executive Office of the President					
Financial Commission for Appalachia High Intensity Drug Trafficking Area					
<u>Laurel County Fiscal Court</u>					
High Intensity Drug Trafficking Areas Program	95.001	G20AP001A	\$ 36,000	<u>1,952</u>	<u>1,952</u>
Total Executive Office of the President – AL 95.001				<u>1,952</u>	<u>1,952</u>
Total Executive Office of the President				<u>1,952</u>	<u>1,952</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ <u>16,065,900</u>	\$ <u>10,444,145</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Morgantown, West Virginia under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Morgantown, West Virginia, it is not intended to and does not present the financial position and changes in net position of the City of Morgantown, West Virginia.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The City of Morgantown, West Virginia has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4. Assistance Listing (Catalog of Federal Domestic Assistance (CFDA))

Assistance Listing (AL) has replaced the Catalog of Federal Domestic Assistance (CFDA) for identifying federal programs.

Note 5. Pass-through to Subrecipients

There were no awards passed-through to subrecipients.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reference Number:

There were no Findings and Questioned Costs for the prior audit period of July 1, 2019 to June 30, 2020 that are required to be reported.

**CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Award Period</u>	<u>Total Current Year Receipts</u>	<u>Total Current Year Expenditures</u>
<u>West Virginia Aeronautics Commission</u>					
Airport Improvement Grant	3-54-0015-041-2019	56,230	9/1/19-4/30/20	\$ <u>45,227</u>	\$ <u>45,227</u>
Total West Virginia Aeronautics Commission				<u>45,227</u>	<u>45,227</u>
<u>West Virginia Department of Environmental Protection</u>					
<u>Office of Environmental Advocate</u>					
Rehabilitation Environmental Action Plan	REAP	36,786	1/1/20-12/31/20	<u>26,754</u>	<u>26,754</u>
Total West Virginia Department of Environmental Protection				<u>26,754</u>	<u>26,754</u>
<u>West Virginia Division of Forestry</u>					
Division of Forestry – Tree Grant	TG	36,786	1/1/20-12/31/20	<u>5,000</u>	<u>5,000</u>
Total West Virginia Division of Forestry				<u>5,000</u>	<u>5,000</u>
<u>West Virginia Division of Culture and History</u>					
Culture and History Grant	N/A	36,786	1/1/20-12/31/20	<u>75,000</u>	<u>75,000</u>
Total West Virginia Division of Culture and History				<u>75,000</u>	<u>75,000</u>
Total				\$ <u>151,981</u>	\$ <u>151,981</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021**

Basis of Presentation

The accompanying schedule of state grant receipts and expenditures includes the state assistance activity of the City of Morgantown, West Virginia for the year ended June 30, 2021. Because the Schedule of State Grant Receipts and Expenditures presents only a selected portion of the operations of the City of Morgantown, West Virginia, it is not intended to and does not present the financial position or changes in net position or cash flows of the City of Morgantown, West Virginia.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule of State Grant Receipts and Expenditures are reported on the accrual basis of accounting.

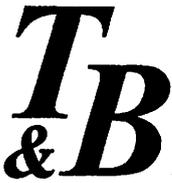
CITY OF MORGANTOWN, WEST VIRGINIA
SCHEDULE OF PASSENGER FACILITY CHARGES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Quarter</u> <u>Ended</u> <u>September 30, 2020</u>	<u>Quarter</u> <u>Ended</u> <u>December 31, 2020</u>	<u>Quarter</u> <u>Ended</u> <u>March 31, 2021</u>	<u>Quarter</u> <u>Ended</u> <u>June 30, 2021</u>	<u>Year</u> <u>Ended</u> <u>June 30, 2021</u>
Revenue					
Collections	\$ 1,478	\$ 4,178	\$ 2,926	\$ 4,284	\$ 12,866
Interest	<u>194</u>	<u>203</u>	<u>161</u>	<u>73</u>	<u>631</u>
Total revenue	<u>1,672</u>	<u>4,381</u>	<u>3,087</u>	<u>4,357</u>	<u>13,497</u>
Disbursements					
<u>Application 09-07-C-00-MGW</u>					
Project 07-003 Improve runway safety area (Design and construct)	<u>1,672</u>	<u>4,381</u>	<u>3,087</u>	<u>4,357</u>	<u>13,497</u>
Total disbursements	<u>1,672</u>	<u>4,381</u>	<u>3,087</u>	<u>4,357</u>	<u>13,497</u>
Net PFC Revenue	-0-	-0-	-0-	-0-	-0-
PFC Account balance – beginning	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
PFC Account balance – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO SCHEDULE OF PASSENGER FACILITY CHARGES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

The accompanying Schedule of Passenger Facility Charges presents the revenues and interest earned from Passenger Facility Charges and expenditures incurred on approved projects on the cash basis of accounting.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO THE PASSENGER
FACILITY CHARGES PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE**

The Honorable Mayor and Council of
the City of Morgantown
Morgantown, West Virginia

Compliance

We have audited the compliance of the City of Morgantown, West Virginia with the compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended June 30, 2021. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the City of Morgantown, West Virginia's management. Our responsibility is to express an opinion on the City of Morgantown, West Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City of Morgantown, West Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Morgantown, West Virginia's, compliance with those requirements.

In our opinion, City of Morgantown, West Virginia complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended June 30, 2021.

Internal Control Over Compliance

The management of the City of Morgantown, West Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City of Morgantown, West Virginia's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with Guide.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to the passenger facility charge program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Municipal Officials of the City of Morgantown, West Virginia and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

Delich • Bartus . P 2 11

Clarksburg, West Virginia
March 15, 2022