

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

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

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**FOR THE YEAR ENDED JUNE 30, 2023**  
*RFP #22-302 (Monongalia County)*

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**CITY OF MORGANTOWN, WEST VIRGINIA  
MUNICIPAL OFFICIALS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>Office</b>	<b>Name</b>	<b>Term</b>
	<b>Elective</b>	
Mayor	Jennifer Selin	07/01/21 – 06/30/25
Deputy Mayor	Danielle Trumble	07/01/21 - 06/30/23
Council Members:	William A. Kawecki	07/01/21 - 06/30/25
	M. Joe Abu Ghannam	07/01/21 - 06/30/23
	Brian Butcher	07/01/21 - 06/30/23
	Dave Harshbargar	07/01/21 - 06/30/25
	Ixya Vega	07/01/21 - 06/30/23
	<b>Appointed</b>	
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, 2023

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

*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, 2023

**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  
Sidewalks  
Woodburn Property  
Arts and Culture Fund  
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**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

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, 2023, 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.

In our opinion, based on our audit and the report of the 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, 2023, 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.

We did not audit the financial statement of the Morgantown Utility Board, a discretely presented component unit, which represent 70.50 percent, 126.16 percent and 35.58 percent, respectively, of the assets, net position, and revenues of the City of Morgantown, West Virginia as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. 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 Morgantown Utility Board is based solely on the report of the other auditors.

### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Morgantown, West Virginia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Morgantown, West Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Morgantown, West Virginia's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

Management has omitted the management 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, net pension liability information and other post employment benefit plan information, as listed in the table of contents, on pages 142 thru 173 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Morgantown, West Virginia's basic financial statements. The accompanying 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, 2023 and notes to schedule of passenger facility charges – cash basis – for the year ended June 30, 2023 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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, schedule of passenger facility charges – cash basis – for the year ended June 30, 2023, notes to the schedule of passenger facility charges – cash basis – for the year ended June 30, 2023 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 21, 2024, 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.

*T. L. ...*

Clarksburg, West Virginia  
March 21, 2024

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<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>
<b>Assets</b>									
Cash	\$ 47,620,312	\$ 1,363,011	\$ 48,983,323	\$ 487,312	\$ 7,300,726	\$ 1,783,936	\$ 276,061	\$ 73,820	\$ 3,080,861
Investments	3,130,988	-0-	3,130,988	3,878,360	-0-	579,831	-0-	-0-	15,189,707
Receivables	8,553,937	163,159	8,717,096	42,477	1,345,091	102	190,766	-0-	3,093,455
Internal balances	3,081,417	( 3,083,822)	( 2,405)	-0-	-0-	( 4,356)	6,761	-0-	-0-
Inventory	1,611	48,776	50,387	-0-	-0-	-0-	-0-	-0-	2,536,130
Prepaid expenses	10,402	-0-	10,402	4,528	-0-	-0-	-0-	-0-	-0-
Restricted assets	2,032,502	64,583	2,097,085	1,890,105	-0-	1,148,171	225,215	-0-	18,632,942
Capital assets, net	16,818,157	37,543,045	54,361,202	1,740,679	5,535,770	6,454,142	10,463,718	1,534,540	341,388,365
Deposits and prepayments	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	665,266
Deferred financing costs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	956,763
Right to use asset	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	356,192
Accrued utility revenue	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,819,604
Other, net	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	180,186
<b>Total assets</b>	<b><u>81,249,326</u></b>	<b><u>36,098,752</u></b>	<b><u>117,348,078</u></b>	<b><u>8,043,461</u></b>	<b><u>14,181,587</u></b>	<b><u>9,961,826</u></b>	<b><u>11,162,521</u></b>	<b><u>1,608,360</u></b>	<b><u>387,899,471</u></b>
<b>Deferred Outflows of Resources</b>									
Deferred outflows of resources – WVPERS	-0-	-0-	-0-	176,835	191,350	-0-	-0-	-0-	-0-
Deferred outflows of resources – Employee Retirement	4,440,572	698,611	5,139,183	-0-	-0-	454,182	-0-	-0-	-0-
Deferred outflows of resources – Fire Pension	2,386,292	-0-	2,386,292	-0-	-0-	-0-	-0-	-0-	-0-
Deferred outflows of resources – Police Pension	3,996,929	-0-	3,996,929	-0-	-0-	-0-	-0-	-0-	-0-
Deferred outflows of resources – MUB Pension	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,441,318
Deferred outflows of resources – MUP OPEB	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,094,480
Deferred outflows of resources – OPEB	1,812,846	66,647	1,879,493	114,438	151,349	83,810	-0-	-0-	-0-
Unamortized bond discount refunding loss	14,040	-0-	14,040	-0-	-0-	-0-	3,836	-0-	-0-
<b>Total deferred outflows of resources</b>	<b><u>12,650,679</u></b>	<b><u>765,258</u></b>	<b><u>13,415,937</u></b>	<b><u>291,273</u></b>	<b><u>342,699</u></b>	<b><u>537,992</u></b>	<b><u>3,836</u></b>	<b><u>-0-</u></b>	<b><u>6,535,798</u></b>
<b>Total assets and deferred outflows of resources</b>	<b><u>93,900,005</u></b>	<b><u>36,864,010</u></b>	<b><u>130,764,015</u></b>	<b><u>8,334,734</u></b>	<b><u>14,524,286</u></b>	<b><u>10,499,818</u></b>	<b><u>11,166,357</u></b>	<b><u>1,608,360</u></b>	<b><u>394,435,269</u></b>

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (CONT'D)**  
**JUNE 30, 2023**

	<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>
<b>Liabilities</b>									
Accounts payable	\$ 1,035,072	\$ 31,572	\$ 1,066,644	\$ 4,459	\$ 737,882	\$ 27,611	\$ -0-	\$ -0-	\$ 2,033,446
Accrued payroll	-0-	13,341	13,341	-0-	-0-	16,160	-0-	-0-	737,795
Accrued expenses	-0-	-0-	-0-	43,818	-0-	-0-	-0-	-0-	-0-
Billing services payable	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	480,849
Accrued administrative costs on bonds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	18,337
Accrued interest payable	6,474,891	-0-	6,474,891	-0-	-0-	2,944	9,836	1,696	1,234,365
Unearned revenues	197,151	-0-	197,151	-0-	-0-	-0-	-0-	-0-	-0-
Other accrued liabilities	-0-	120,000	120,000	-0-	-0-	-0-	-0-	-0-	143,010
Customer deposits	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	690,781
Accrued payroll and compensated absences	295,524	54,262	349,786	57,490	77,411	82,638	-0-	-0-	-0-
Long-term liabilities:									
Due within one year	800,294	50,091	850,385	4,838	107,616	167,323	502,966	143,162	7,434,522
Due in more than one year	<u>158,990,772</u>	<u>2,978,972</u>	<u>161,969,744</u>	<u>941,845</u>	<u>1,283,619</u>	<u>4,174,128</u>	<u>3,097,502</u>	<u>1,183,800</u>	<u>225,929,270</u>
Total liabilities	<u>167,793,704</u>	<u>3,248,238</u>	<u>171,041,942</u>	<u>1,052,450</u>	<u>2,206,528</u>	<u>4,470,804</u>	<u>3,610,304</u>	<u>1,328,658</u>	<u>238,702,375</u>
<b>Deferred Inflows of Resources</b>									
Deferred inflows of resources – WVPERS	-0-	-0-	-0-	3,384	6,711	-0-	-0-	-0-	-0-
Deferred inflows of resources – Employee Retirement	471,346	74,154	545,500	-0-	-0-	48,209	-0-	-0-	-0-
Deferred inflows of resources – Fire Pension	8,667,652	-0-	8,667,652	-0-	-0-	-0-	-0-	-0-	-0-
Deferred inflows of resources – Police Pension	8,461,564	-0-	8,461,564	-0-	-0-	-0-	-0-	-0-	-0-
Deferred inflows of resources – MUB Pension	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,421,719
Deferred inflows of resources – MUB OPEB	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	503,722
Deferred inflows of resources – OPEB	<u>5,973,687</u>	<u>219,616</u>	<u>6,193,303</u>	<u>376,799</u>	<u>498,726</u>	<u>276,172</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources	<u>23,574,249</u>	<u>293,770</u>	<u>23,868,019</u>	<u>380,183</u>	<u>505,437</u>	<u>324,381</u>	<u>-0-</u>	<u>-0-</u>	<u>1,925,441</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>191,367,953</u>	<u>3,542,008</u>	<u>194,909,961</u>	<u>1,432,633</u>	<u>2,711,965</u>	<u>4,795,185</u>	<u>3,610,304</u>	<u>1,328,658</u>	<u>240,627,816</u>
<b>Net Position</b>									
Net investment in capital assets	-0-	37,466,635	37,466,635	1,733,299	5,371,410	4,365,720	6,863,250	207,578	141,491,076
Restricted	8,898,181	64,583	8,962,764	1,911,967	-0-	1,148,171	225,215	-0-	3,910,869
Unrestricted	(106,366,129)	(4,209,216)	(110,575,345)	3,256,835	6,440,911	190,742	467,588	72,124	8,405,508
Total net position	<u>\$ (97,467,948)</u>	<u>\$ 33,322,002</u>	<u>\$ (64,145,946)</u>	<u>\$ 6,902,101</u>	<u>\$ 11,812,321</u>	<u>\$ 5,704,633</u>	<u>\$ 7,556,053</u>	<u>\$ 279,702</u>	<u>\$ 153,807,453</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

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
<b>Governmental Activities</b>													
General government	\$ 16,655,352	\$ 4,483,329	\$ -0-	\$ -0-	\$(12,172,023)	\$ -0-	\$(12,172,023)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Public safety	16,792,299	4,342,652	156,234	-0-	(12,340,034)	-0-	(12,340,034)	-0-	-0-	-0-	-0-	-0-	-0-
Highways and streets	4,902,064	-0-	-0-	-0-	( 4,902,064)	-0-	( 4,902,064)	-0-	-0-	-0-	-0-	-0-	-0-
Health and sanitation	1,787,897	1,826,090	6,681	-0-	44,874	-0-	44,874	-0-	-0-	-0-	-0-	-0-	-0-
Culture and recreation	899,776	285,831	1,593,074	-0-	979,129	-0-	979,129	-0-	-0-	-0-	-0-	-0-	-0-
Social services	262,777	-0-	-0-	-0-	( 262,777)	-0-	( 262,777)	-0-	-0-	-0-	-0-	-0-	-0-
Community development	2,196,481	-0-	807,677	-0-	( 1,388,804)	-0-	( 1,388,804)	-0-	-0-	-0-	-0-	-0-	-0-
Debt services	2,155,442	-0-	-0-	-0-	( 2,155,442)	-0-	( 2,155,442)	-0-	-0-	-0-	-0-	-0-	-0-
Benefits payments	7,668,137	6,336,205	-0-	-0-	( 1,331,932)	-0-	( 1,331,932)	-0-	-0-	-0-	-0-	-0-	-0-
Total governmental activities	53,320,225	17,274,107	2,563,666	-0-	(33,529,073)	-0-	(33,529,073)	-0-	-0-	-0-	-0-	-0-	-0-
<b>Business-Type Activities</b>													
Airport	4,925,629	3,357,720	-0-	3,721,226	-0-	2,153,317	2,153,317	-0-	-0-	-0-	-0-	-0-	-0-
Total business-type activities	4,925,629	3,357,720	-0-	3,721,226	-0-	2,153,317	2,153,317	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total</b>	\$ 58,245,854	\$ 20,631,827	\$ 2,563,666	\$ 3,721,226	(33,529,073)	2,153,317	(31,375,756)	-0-	-0-	-0-	-0-	-0-	-0-
<b>Component Units</b>													
Morgantown Utility Board	\$ 32,848,525	\$ 36,158,259	\$ -0-	\$ -0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,309,734
Parking Authority	2,771,855	3,189,485	-0-	-0-	-0-	-0-	-0-	-0-	-0-	417,630	-0-	-0-	-0-
Municipal Building Commission	530,189	320,378	-0-	-0-	-0-	-0-	-0-	-0-	-0-	( 209,811)	-0-	-0-	-0-
Board of Parks and Recreation Commission	3,812,661	3,369,742	-0-	-0-	-0-	-0-	-0-	-0-	( 442,919)	-0-	-0-	-0-	-0-
Land Reuse and Preservation Agency	42,867	29,670	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	( 13,197)	-0-	-0-
Morgantown Public Library	2,124,815	10,766	2,190,109	-0-	-0-	-0-	-0-	76,060	-0-	-0-	-0-	-0-	-0-
Total component units	\$ 42,130,912	\$ 43,078,300	\$ 2,190,109	\$ -0-	-0-	-0-	-0-	76,060	( 442,919)	417,630	( 209,811)	( 13,197)	3,309,734

**CITY OF MORGANTOWN, WEST VIRGINIA  
STATEMENT OF ACTIVITIES (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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
<b>General Revenues</b>													
Taxes and special assessments:													
Ad valorem					\$ 6,121,888	\$ -0-	\$ 6,121,888	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Gas and oil severance					176,479	-0-	176,479	-0-	-0-	-0-	-0-	-0-	-0-
Municipal sales tax					9,460,321	-0-	9,460,321	-0-	-0-	-0-	-0-	-0-	-0-
Utility					1,293,298	-0-	1,293,298	-0-	-0-	-0-	-0-	-0-	-0-
Business and occupation					16,552,596	-0-	16,552,596	-0-	-0-	-0-	-0-	-0-	-0-
Wine and liquor					853,424	-0-	853,424	-0-	-0-	-0-	-0-	-0-	-0-
Animal control					4,004	-0-	4,004	-0-	-0-	-0-	-0-	-0-	-0-
Hotel and motel					1,189,120	-0-	1,189,120	-0-	-0-	-0-	-0-	-0-	-0-
Amusement					3,693	-0-	3,693	-0-	-0-	-0-	-0-	-0-	-0-
Coal severance					141,785	-0-	141,785	-0-	-0-	-0-	-0-	-0-	-0-
Licenses and permits					585,559	-0-	585,559	-0-	-0-	-0-	-0-	-0-	-0-
Franchise fees					252,540	-0-	252,540	-0-	-0-	-0-	-0-	-0-	-0-
Investment income					508,880	13,321	522,201	363,014	58,627	103,642	7,950	-0-	1,503,758
Video lottery and gaming income					152,095	-0-	152,095	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous					674,051	-0-	674,051	4,823	-0-	-0-	-0-	-0-	626,717
<b>Total general revenues</b>					<b>37,969,733</b>	<b>13,321</b>	<b>37,983,054</b>	<b>367,837</b>	<b>58,627</b>	<b>103,642</b>	<b>7,950</b>	<b>-0-</b>	<b>2,130,475</b>
Change in net position before transfers between activities					4,440,660	2,166,638	6,607,298	443,897	( 384,292)	521,272	( 201,861)	( 13,197)	5,440,209
Transfer between activities					( 6,014,246)	189,811	( 5,824,435)	-0-	5,654,576	-0-	30,757	139,102	-0-
Change in net position before contributed capital					( 1,573,586)	2,356,449	782,863	443,897	5,270,284	521,272	( 171,104)	125,905	5,440,209
Contributed capital					-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,872,313
Transfers to other entities					-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Net change in net position</b>					<b>( 1,573,586)</b>	<b>2,356,449</b>	<b>782,863</b>	<b>443,897</b>	<b>5,270,284</b>	<b>521,272</b>	<b>( 171,104)</b>	<b>125,905</b>	<b>8,312,522</b>
Net position – beginning – restated					(95,894,362)	30,965,553	(64,928,809)	6,458,204	6,542,037	5,183,361	7,727,157	153,797	145,494,931
<b>Net position – ending</b>					<b>\$(97,467,948)</b>	<b>\$ 33,322,002</b>	<b>\$(64,145,946)</b>	<b>\$ 6,902,101</b>	<b>\$ 11,812,321</b>	<b>\$ 5,704,633</b>	<b>\$ 7,556,053</b>	<b>\$ 279,702</b>	<b>\$ 153,807,453</b>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
FUND BALANCE SHEETS -  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<i>Component Units</i>													
	General Fund	Coal Severance	Capital Reserve	Life and Health	Tax Incremental Financing Debt Service	Municipal Sales and Use Tax Fund	American Reserve Plan Aet Fund	Other Governmental Funds	Total Governmental Funds	Morgantown Public Library			Board of Parks and Recreation Commission	Total
										Morgantown Public Library	Library Expendable Trust	Capital Project Funds		
<b>ASSETS</b>														
Cash	\$ 15,643,209	\$ 29,739	\$ 9,863,593	\$ 266,914	\$ -0-	\$ 1,680,407	\$ 8,941,100	\$ 11,195,350	\$ 47,620,312	\$ 487,312	\$ -0-	\$ -0-	\$ 7,300,726	\$ 7,788,038
Investments	1,069,860	-0-	-0-	668,552	-0-	-0-	-0-	1,392,576	3,130,988	3,580,406	-0-	297,954	-0-	3,878,360
Receivables, net of allowances:														
Taxes	4,501,683	35,114	-0-	-0-	-0-	2,385,387	-0-	69,807	6,991,991	-0-	-0-	-0-	-0-	-0-
Accounts	1,497,343	-0-	-0-	-0-	-0-	-0-	-0-	4,810	1,502,153	42,477	-0-	-0-	1,345,091	1,387,568
Other	29,761	-0-	-0-	-0-	-0-	-0-	-0-	-0-	29,761	-0-	-0-	-0-	-0-	-0-
Grants	30,032	-0-	-0-	-0-	-0-	-0-	-0-	-0-	30,032	-0-	-0-	-0-	-0-	-0-
Internal balances	( 2,233,018)	-0-	5,420,587	32,354	-0-	-0-	( 5,067)	( 133,439)	3,081,417	-0-	-0-	-0-	-0-	-0-
Inventory	1,611	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,611	-0-	-0-	-0-	-0-	-0-
Restricted assets	-0-	-0-	-0-	-0-	2,032,502	-0-	-0-	-0-	2,032,502	-0-	1,890,105	-0-	-0-	1,890,105
Prepaid expenses	10,402	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,402	4,528	-0-	-0-	-0-	4,528
<b>TOTAL ASSETS</b>	<b>\$ 20,550,883</b>	<b>\$ 64,853</b>	<b>\$ 15,284,180</b>	<b>\$ 967,820</b>	<b>\$ 2,032,502</b>	<b>\$ 4,065,794</b>	<b>\$ 8,936,033</b>	<b>\$ 12,529,104</b>	<b>\$ 64,431,169</b>	<b>\$ 4,114,723</b>	<b>\$ 1,890,105</b>	<b>\$ 297,954</b>	<b>\$ 8,645,817</b>	<b>\$ 14,948,599</b>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
FUND BALANCE SHEETS –  
GOVERNMENTAL FUNDS (CONT'D)  
JUNE 30, 2023**

	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		Capital Project Funds	Board of Parks and Recreation Commission	
										Morgantown Public Library	Library Expendable Trust			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>														
<b>Liabilities</b>														
Accounts payable	\$ 596,707	\$ -0-	\$ 230,493	\$ 15,331	\$ -0-	\$ -0-	\$ 114,198	\$ 78,343	\$ 1,035,072	\$ 4,459	\$ -0-	\$ -0-	\$ 737,882	\$ 742,341
Accrued interest payable	-0-	-0-	-0-	-0-	6,474,891	-0-	-0-	-0-	6,474,891	-0-	-0-	-0-	-0-	-0-
Accrued expenses	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	43,818	-0-	-0-	-0-	43,818
Accrued payroll and compensated absences	290,149	-0-	-0-	-0-	-0-	-0-	-0-	5,375	295,524	57,490	-0-	-0-	77,411	134,901
Total liabilities	886,856	-0-	230,493	15,331	6,474,891	-0-	114,198	83,718	7,805,487	105,767	-0-	-0-	815,293	921,060
<b>Deferred Inflows of Resources</b>														
Deferred revenue – taxes	532,570	-0-	-0-	-0-	-0-	-0-	-0-	62,815	595,385	-0-	-0-	-0-	-0-	-0-
Unearned revenues	197,151	-0-	-0-	-0-	-0-	-0-	-0-	-0-	197,151	-0-	-0-	-0-	-0-	-0-
Total deferred inflows of resources	729,721	-0-	-0-	-0-	-0-	-0-	-0-	62,815	792,536	-0-	-0-	-0-	-0-	-0-
<b>Fund Balances</b>														
Restricted	-0-	-0-	-0-	-0-	-0-	-0-	8,821,835	76,346	8,898,181	-0-	1,890,105	21,862	-0-	1,911,967
Nonspendable	12,013	-0-	-0-	-0-	-0-	-0-	-0-	-0-	12,013	4,528	-0-	-0-	-0-	4,528
Assigned	-0-	64,853	15,053,687	952,489	-0-	4,065,794	-0-	12,306,225	32,443,048	189,098	-0-	276,092	7,830,524	8,295,714
Unassigned	18,922,293	-0-	-0-	-0-	(4,442,389)	-0-	-0-	-0-	14,479,904	3,815,330	-0-	-0-	-0-	3,815,330
Total fund balances	18,934,306	64,853	15,053,687	952,489	(4,442,389)	4,065,794	8,821,835	12,382,571	55,833,146	4,008,956	1,890,105	297,954	7,830,524	14,027,532
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$ 20,550,883	\$ 64,853	\$ 15,284,180	\$ 967,820	\$ 2,032,502	\$ 4,065,794	\$ 8,936,033	\$ 12,529,104	\$ 64,431,169	\$ 4,114,723	\$ 1,890,105	\$ 297,954	\$ 8,645,817	\$ 14,948,599

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, 2023**

		<i>Component Units</i>	
<u>Primary Government</u>	<u>Morgantown Public Library</u>	<u>Board of Parks and Recreation Commission</u>	
Fund balance, fund level statement June 30, 2023	\$ 55,833,146	\$ 6,197,015	\$ 7,830,524
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	( 1,053,618)	-0-	-0-
Notes payable	( 165,195)	( 7,380)	( 164,160)
Net pension (obligation)	(122,487,069)	( 65,664)	( 70,738)
Bonds payable	( 22,234,685)	-0-	-0-
Accrued other post employment benefits	( 13,850,499)	( 873,639)	( 1,156,337)
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.	16,818,157	1,740,679	5,535,770
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-	176,835	191,350
Deferred outflows of resources – Employee retirement	4,440,572	-0-	-0-
Deferred outflows of resources – Fire Pension	2,386,292	-0-	-0-
Deferred outflows of resources – Police Pension	3,996,929	-0-	-0-
Deferred outflows of resources – OPEB	1,812,846	114,438	151,349
Deferred inflows of resources – WVPERS	-0-	( 3,384)	( 6,711)
Deferred inflows of resources – Employee retirement	( 471,346)	-0-	-0-
Deferred inflows of resources – Fire Pension	( 8,667,652)	-0-	-0-
Deferred inflows of resources – Police Pension	( 8,461,564)	-0-	-0-
Deferred inflows of resources – OPEB	( 5,973,687)	( 376,799)	( 498,726)
Some assets do not provide current financial resources and are reported as deferred revenues in the fund level statements.			
Unamortized bond discount	14,040	-0-	-0-
Deferred revenue	595,385	-0-	-0-
Net position of governmental activities	<u>\$ ( 97,467,948)</u>	<u>\$ 6,902,101</u>	<u>\$ 11,812,321</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, 2023**

	<u>Primary Government</u>								<u>Component Units</u>					<u>Total</u>
	<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 Act Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Morgantown Public Library</u>	<u>Library Trust</u>	<u>Capital Projects Funds</u>	<u>Board of Parks and Recreation Commission</u>	
<b>Revenues</b>														
<b>Taxes and special assessments:</b>														
Ad valorem	\$ 4,559,620	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,540,739	\$ 6,100,359	\$ -0-	\$ -0-	\$ -0-	\$ 3,369,742	\$ 3,369,742
Gas and oil severance	176,479	-0-	-0-	-0-	-0-	-0-	-0-	-0-	176,479	-0-	-0-	-0-	-0-	-0-
Municipal sales tax	-0-	-0-	-0-	-0-	-0-	9,460,321	-0-	-0-	9,460,321	-0-	-0-	-0-	-0-	-0-
Utility	1,293,298	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,293,298	-0-	-0-	-0-	-0-	-0-
Business and occupation	16,577,029	-0-	-0-	-0-	-0-	-0-	-0-	-0-	16,577,029	-0-	-0-	-0-	-0-	-0-
Wine and liquor	853,424	-0-	-0-	-0-	-0-	-0-	-0-	-0-	853,424	-0-	-0-	-0-	-0-	-0-
Animal control	4,004	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,004	-0-	-0-	-0-	-0-	-0-
Hotel and motel	1,189,120	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,189,120	-0-	-0-	-0-	-0-	-0-
Amusement	3,693	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,693	-0-	-0-	-0-	-0-	-0-
Licenses and permits	585,559	-0-	-0-	-0-	-0-	-0-	-0-	-0-	585,559	-0-	-0-	-0-	-0-	-0-
Charges for services	10,411,304	-0-	-0-	-0-	-0-	-0-	-0-	285,831	10,697,135	-0-	-0-	-0-	-0-	-0-
Fines and forfeits	194,607	-0-	-0-	-0-	-0-	-0-	-0-	47,160	241,767	10,766	-0-	-0-	-0-	10,766
Franchise fees	252,540	-0-	-0-	-0-	-0-	-0-	-0-	-0-	252,540	-0-	-0-	-0-	-0-	-0-
Investment income (loss)	173,800	869	64,700	15,576	79,479	-0-	90,014	84,442	508,880	( 4,596)	361,562	6,048	58,627	421,641
Donations	-0-	-0-	-0-	-0-	120,000	-0-	-0-	1,593,074	1,713,074	27,166	-0-	-0-	-0-	27,166
Video lottery and gaming income	152,095	-0-	-0-	-0-	-0-	-0-	-0-	-0-	152,095	-0-	-0-	-0-	-0-	-0-
<b>Intergovernmental:</b>														
Federal	119,276	-0-	-0-	-0-	-0-	-0-	-0-	361,867	481,143	-0-	-0-	-0-	-0-	-0-
State	42,639	141,785	-0-	-0-	-0-	-0-	-0-	-0-	184,424	613,757	-0-	-0-	-0-	613,757
Local	-0-	-0-	325,810	-0-	-0-	-0-	-0-	-0-	325,810	1,549,186	-0-	-0-	-0-	1,549,186
Contributions from employees	-0-	-0-	-0-	715,065	-0-	-0-	-0-	-0-	715,065	-0-	-0-	-0-	-0-	-0-
Contributions from employers	-0-	-0-	-0-	5,621,140	-0-	-0-	-0-	-0-	5,621,140	-0-	-0-	-0-	-0-	-0-
Other	400,185	-0-	-0-	273,866	-0-	-0-	-0-	-0-	674,051	4,823	-0-	-0-	-0-	4,823
<b>Total revenues</b>	<b>36,988,672</b>	<b>142,654</b>	<b>390,510</b>	<b>6,625,647</b>	<b>199,479</b>	<b>9,460,321</b>	<b>90,014</b>	<b>3,913,113</b>	<b>57,810,410</b>	<b>2,201,102</b>	<b>361,562</b>	<b>6,048</b>	<b>3,428,369</b>	<b>5,997,081</b>

**CITY OF MORGANTOWN, WEST VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN NET POSITION - GOVERNMENTAL FUNDS (CONT'D)  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Primary Government									Component Units					Total
	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	Morgantown Public Library	Library Expendable Trust	Capital Projects Funds	Board of Parks and Recreation Commission		
<b>Expenditures</b>															
General government	\$ 10,366,167	\$ -0-	\$ -0-	\$ 241,582	\$ 62,216	\$ -0-	\$ 213,687	\$ 5,470	\$ 10,889,122	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	
Public safety	16,318,191	-0-	-0-	-0-	-0-	-0-	-0-	55,083	16,373,274	-0-	-0-	-0-	-0-	-0-	
Highways and streets	4,004,482	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,004,482	-0-	-0-	-0-	-0-	-0-	
Health and sanitation	1,787,897	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,787,897	-0-	-0-	-0-	-0-	-0-	
Culture and recreation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	899,776	899,776	2,126,084	16,301	-0-	2,917,319	5,059,704	
Social services	214,057	-0-	-0-	-0-	-0-	-0-	-0-	-0-	214,057	-0-	-0-	-0-	-0-	-0-	
Community development	-0-	-0-	1,720,162	-0-	-0-	-0-	-0-	84,003	362,398	2,166,563	-0-	-0-	-0-	-0-	
Capital outlay	-0-	-0-	5,647,060	-0-	-0-	-0-	-0-	1,571,258	-0-	7,218,318	-0-	-0-	2,424,158	2,424,158	
Debt service - principal	99,117	-0-	-0-	-0-	765,000	-0-	-0-	-0-	864,117	-0-	-0-	-0-	98,496	98,496	
Debt service - interest	10,480	-0-	-0-	-0-	1,280,845	-0-	-0-	-0-	1,291,325	-0-	-0-	-0-	10,414	10,414	
Benefit payments	-0-	-0-	-0-	6,753,787	-0-	-0-	-0-	914,350	7,668,137	-0-	-0-	-0-	-0-	-0-	
Total expenditures	<u>32,800,391</u>	<u>-0-</u>	<u>7,367,222</u>	<u>6,995,369</u>	<u>2,108,061</u>	<u>-0-</u>	<u>1,868,948</u>	<u>2,237,077</u>	<u>53,377,068</u>	<u>2,126,084</u>	<u>16,301</u>	<u>-0-</u>	<u>5,450,387</u>	<u>7,592,772</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>4,188,281</u>	<u>142,654</u>	<u>(6,976,712)</u>	<u>(369,722)</u>	<u>(1,908,582)</u>	<u>9,460,321</u>	<u>(1,778,934)</u>	<u>1,676,036</u>	<u>4,433,342</u>	<u>75,018</u>	<u>345,261</u>	<u>6,048</u>	<u>(2,022,018)</u>	<u>(1,595,691)</u>	
<b>Other Financing Sources (Uses)</b>															
Operating transfers in	2,465,251	-0-	8,022,751	-0-	1,445,472	-0-	-0-	5,480,968	17,414,442	500,000	-0-	-0-	5,654,576	6,154,576	
Operating transfers (out)	(7,296,666)	(182,961)	(180,757)	(914,350)	-0-	(13,408,482)	-0-	(1,445,472)	(23,428,688)	-0-	(500,000)	-0-	-0-	(500,000)	
Total other financing sources (uses)	<u>(4,831,415)</u>	<u>(182,961)</u>	<u>7,841,994</u>	<u>(914,350)</u>	<u>1,445,472</u>	<u>(13,408,482)</u>	<u>-0-</u>	<u>4,035,496</u>	<u>(6,014,246)</u>	<u>500,000</u>	<u>(500,000)</u>	<u>-0-</u>	<u>5,654,576</u>	<u>5,654,576</u>	
Net change in fund balances	( 643,134)	( 40,307)	865,282	(1,284,072)	( 463,110)	( 3,948,161)	( 1,778,934)	5,711,532	( 1,580,904)	575,018	( 154,739)	6,048	3,632,558	4,058,885	
Fund balances at beginning of year	<u>19,577,440</u>	<u>105,160</u>	<u>14,188,405</u>	<u>2,236,561</u>	<u>(3,979,279)</u>	<u>8,013,955</u>	<u>10,600,769</u>	<u>6,671,039</u>	<u>57,414,050</u>	<u>3,433,938</u>	<u>2,044,844</u>	<u>291,906</u>	<u>4,197,966</u>	<u>9,968,654</u>	
Fund balances at end of year	<u>\$ 18,934,306</u>	<u>\$ 64,853</u>	<u>\$ 15,053,687</u>	<u>\$ 952,489</u>	<u>\$(4,442,389)</u>	<u>\$ 4,065,794</u>	<u>\$ 8,821,835</u>	<u>\$ 12,382,571</u>	<u>\$ 55,833,146</u>	<u>\$ 4,008,956</u>	<u>\$ 1,890,105</u>	<u>\$ 297,954</u>	<u>\$ 7,830,524</u>	<u>\$ 14,027,539</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, 2023**

	<u><i>Primary Government</i></u>	<u><i>Component Units</i></u>	
		<u>Morgantown Public Library</u>	<u>Board of Parks and Recreation Commission</u>
Net change in fund balance – total governmental funds	\$(1,580,904)	\$ 426,327	\$ 3,632,558
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.	428,977	( 40,670)	1,473,830
Notes payable and bonds provide current financial resources to governmental funds, but entering into notes payable and bonds increase long-term liabilities in the Statement of Net Position. Repayment of notes payable 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 notes payable	99,117	4,428	98,496
Repayment of bonds	765,000	-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.			
Decrease in compensated absences	68,112	-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	( 2,905)	-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	(1,349,423)	53,812	65,400
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$(1,573,586)</u></b>	<b><u>\$ 443,897</u></b>	<b><u>\$ 5,270,284</u></b>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**STATEMENT OF NET POSITION –**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	<b>Business-Type</b>					<b>Total</b>
	<b>Component Units</b>					
	<b>Activities</b>		<b>Municipal</b>	<b>Land Reuse and</b>	<b>Morgantown</b>	
<b>Airport</b>	<b>Parking</b>	<b>Building</b>	<b>Preservation</b>	<b>Utility</b>		
<b>Fund</b>	<b>Authority</b>	<b>Commission</b>	<b>Agency</b>	<b>Board</b>		
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	\$ 1,363,011	\$ 1,783,936	\$ 276,061	\$ 73,820	\$ 3,080,861	\$ 5,214,678
Investments	-0-	579,831	-0-	-0-	-0-	579,831
Receivables, net of allowances:						
Accounts	160,445	102	190,766	-0-	2,418,109	2,608,977
Other	-0-	-0-	-0-	-0-	620,957	620,957
Grants	2,714	-0-	-0-	-0-	-0-	-0-
Interest	-0-	-0-	-0-	-0-	54,389	54,389
Inventory	48,776	-0-	-0-	-0-	2,536,130	2,536,130
Internal balances	( 3,083,822)	( 4,356)	6,761	-0-	-0-	2,405
Deposits and prepayments	-0-	-0-	-0-	-0-	665,266	665,266
Accrued utility revenue	-0-	-0-	-0-	-0-	1,819,604	1,819,604
Total current assets	<u>( 1,508,876)</u>	<u>2,359,513</u>	<u>473,588</u>	<u>73,820</u>	<u>11,195,316</u>	<u>14,102,237</u>
<b>Noncurrent Assets</b>						
Restricted assets	<u>64,583</u>	<u>1,148,171</u>	<u>225,215</u>	<u>-0-</u>	<u>18,632,942</u>	<u>20,006,328</u>
<b>Capital Assets</b>						
Land	50,050	1,484,399	1,439,707	555,753	1,662,970	5,142,829
Intangible plant	-0-	-0-	-0-	-0-	383,056	383,056
Land improvements	-0-	-0-	744,473	-0-	-0-	744,473
Building	13,552,975	-0-	15,742,250	-0-	-0-	15,742,250
Structures and improvements	35,383,715	10,862,982	-0-	-0-	27,799,043	38,662,025
Water transmission and distribution system	-0-	-0-	-0-	-0-	93,833,022	93,833,022
Sewer and storm collection system	-0-	-0-	-0-	-0-	145,316,354	145,316,354
Treatment plant equipment	-0-	-0-	-0-	-0-	71,802,908	71,802,908
Office furniture, equipment and computer system	-0-	-0-	-0-	-0-	6,102,238	6,102,238
Vehicles and heavy duty equipment	-0-	-0-	-0-	-0-	4,332,494	4,332,494
Machinery and equipment	2,577,838	2,219,257	1,094,319	-0-	-0-	3,313,576
Construction in progress	12,835,465	61,355	2,069,606	978,787	158,180,275	161,290,023
Less: Accumulated depreciation	(26,856,998)	( 8,173,851)	(10,626,637)	-0-	(168,023,995)	(186,824,483)
Less: Accumulated amortization	-0-	-0-	-0-	-0-	-0-	-0-
Net capital assets	<u>37,543,045</u>	<u>6,454,142</u>	<u>10,463,718</u>	<u>1,534,540</u>	<u>341,388,365</u>	<u>359,840,765</u>
<b>Other Assets</b>						
Investments	-0-	-0-	-0-	-0-	15,189,707	15,189,707
Right of use assets – net of amortization	-0-	-0-	-0-	-0-	356,192	356,192
Deferred financing costs	-0-	-0-	-0-	-0-	956,763	956,763
Other net	-0-	-0-	-0-	-0-	180,186	180,186
Total other assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>16,682,848</u>	<u>16,682,848</u>
<b>Total assets</b>	<u>36,098,752</u>	<u>9,961,826</u>	<u>11,162,521</u>	<u>1,608,360</u>	<u>387,899,471</u>	<u>410,632,178</u>
<b>Deferred Outflows of Resources</b>						
Deferred outflows of resources – Employee Retirement	698,611	454,182	-0-	-0-	-0-	454,182
Deferred outflows of resources – MUB Pension	-0-	-0-	-0-	-0-	5,441,318	5,441,318
Deferred outflows of resources – MUB OPEB	-0-	-0-	-0-	-0-	1,094,480	1,094,480
Deferred outflows of resources – OPEB	66,647	83,810	-0-	-0-	-0-	83,810
Unamortized bond discount refunding loss	-0-	-0-	3,836	-0-	-0-	3,836
Total deferred outflows of resources	<u>765,258</u>	<u>537,992</u>	<u>3,836</u>	<u>-0-</u>	<u>6,535,798</u>	<u>7,077,626</u>
<b>Total assets and deferred outflows of resources</b>	<u>36,864,010</u>	<u>10,499,818</u>	<u>11,166,357</u>	<u>1,608,360</u>	<u>394,435,269</u>	<u>417,709,804</u>

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**STATEMENT OF NET POSITION –**  
**PROPRIETARY FUNDS (CONT'D)**  
**JUNE 30, 2023**

	<b>Business-Type</b>		<b>Component Units</b>				<b>Total</b>
	<b>Activities</b>		<b>Municipal</b>	<b>Land Reuse and</b>	<b>Morgantown</b>		
	<b>Airport</b>	<b>Parking</b>	<b>Building</b>	<b>Preservation</b>	<b>Utility</b>		
<b>Fund</b>	<b>Authority</b>	<b>Commission</b>	<b>Agency</b>	<b>Board</b>			
<b>LIABILITIES</b>							
<b>Current Liabilities (payable from current assets)</b>							
Accounts payable	\$ 31,572	\$ 27,611	\$ -0-	\$ -0-	\$ 2,033,446	\$ 2,061,057	
Accrued payroll	13,341	16,160	-0-	-0-	737,795	753,955	
Billing services collected payable	-0-	-0-	-0-	-0-	480,849	480,849	
Other accrued liabilities	120,000	-0-	-0-	-0-	143,010	143,010	
Interest payable	-0-	-0-	-0-	-0-	109	109	
Accrued compensated absences	<u>54,262</u>	<u>82,638</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>82,638</u>	
Total current liabilities (payable from current assets)	<u>219,175</u>	<u>126,409</u>	<u>-0-</u>	<u>-0-</u>	<u>3,395,209</u>	<u>3,521,618</u>	
<b>Current Liabilities (payable from restricted assets)</b>							
Revenue bonds payable	-0-	143,162	502,966	143,162	7,258,342	8,047,632	
Current portion of long-term debt	50,091	24,161	-0-	-0-	176,180	200,341	
Interest payable	<u>-0-</u>	<u>2,944</u>	<u>9,836</u>	<u>1,696</u>	<u>-0-</u>	<u>14,476</u>	
Total current liabilities (payable from restricted assets)	<u>50,091</u>	<u>170,267</u>	<u>512,802</u>	<u>144,858</u>	<u>7,434,522</u>	<u>8,262,449</u>	
<b>Long-Term Liabilities (net of current portion)</b>							
Revenue bonds payable	-0-	1,932,566	3,097,502	1,183,800	192,353,690	198,567,558	
Note payable net of current portion	26,319	12,694	-0-	-0-	109,077	121,771	
Net pension obligation	2,443,456	1,588,540	-0-	-0-	12,567,937	14,156,477	
Net other post employment benefit obligation	509,197	640,328	-0-	-0-	132,083	772,411	
Customer deposits	-0-	-0-	-0-	-0-	690,781	690,781	
Accrued administrative costs on bonds	-0-	-0-	-0-	-0-	18,337	18,337	
Accrued interest on bonds	-0-	-0-	-0-	-0-	1,228,162	1,228,162	
Interest on customer deposits	-0-	-0-	-0-	-0-	6,094	6,094	
Advances on construction	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>20,766,483</u>	<u>20,766,483</u>	
Total long-term liabilities (net of current portion)	<u>2,978,972</u>	<u>4,174,128</u>	<u>3,097,502</u>	<u>1,183,800</u>	<u>227,872,644</u>	<u>236,328,074</u>	
<b>Total liabilities</b>	<u>3,248,238</u>	<u>4,470,804</u>	<u>3,610,304</u>	<u>1,328,658</u>	<u>238,702,375</u>	<u>248,112,141</u>	
<b>Deferred Inflows of Resources</b>							
Deferred inflows of resources – Employee retirement	74,154	48,209	-0-	-0-	-0-	48,209	
Deferred inflows of resources – MUB Pension	-0-	-0-	-0-	-0-	1,421,719	1,421,719	
Deferred inflows of resources – MUB OPEB	-0-	-0-	-0-	-0-	503,722	503,722	
Deferred inflows of resources – OPEB	<u>219,616</u>	<u>276,172</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>276,172</u>	
Total deferred inflows of resources	<u>293,770</u>	<u>324,381</u>	<u>-0-</u>	<u>-0-</u>	<u>1,925,441</u>	<u>2,249,822</u>	
<b>Total liabilities and deferred inflows of resources</b>	<u>3,542,008</u>	<u>4,795,185</u>	<u>3,610,304</u>	<u>1,328,658</u>	<u>240,627,816</u>	<u>250,361,963</u>	
<b>Net Position</b>							
Net investment in capital assets	37,466,635	4,365,720	6,863,250	207,578	141,491,076	152,927,624	
Restricted	64,583	1,148,171	225,215	-0-	3,910,869	5,284,255	
Unrestricted	<u>( 4,209,216)</u>	<u>190,742</u>	<u>467,588</u>	<u>72,124</u>	<u>8,405,508</u>	<u>9,135,962</u>	
Total net position	<u>\$ 33,322,002</u>	<u>\$ 5,704,633</u>	<u>\$ 7,556,053</u>	<u>\$ 279,702</u>	<u>\$ 153,807,453</u>	<u>\$ 167,347,841</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, 2023**

	<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>	
<b>Operating Revenues</b>						
Charges for services	\$ 3,357,720	\$ 2,619,412	\$ 320,378	\$ 29,670	\$ 36,158,259	\$ 39,127,719
Fines	-0-	570,073	-0-	-0-	-0-	570,073
Total operating revenues	<u>3,357,720</u>	<u>3,189,485</u>	<u>320,378</u>	<u>29,670</u>	<u>36,158,259</u>	<u>39,697,792</u>
<b>Operating Expenses</b>						
Personal services	1,026,837	1,353,278	-0-	-0-	-0-	1,353,278
Purchases – fuel	2,063,680	-0-	-0-	-0-	-0-	-0-
Supplies	30,353	21,185	-0-	-0-	-0-	21,185
Liability insurance	71,247	61,845	-0-	-0-	-0-	61,845
Utilities	134,097	84,874	-0-	-0-	-0-	84,874
General and administrative	12,742	460,760	2,598	90	-0-	463,448
Depreciation	1,388,342	345,193	455,047	-0-	-0-	800,240
Maintenance	198,331	236,948	-0-	-0-	-0-	236,948
Rental lease	-0-	166,587	-0-	-0-	-0-	166,587
Water operating expenses	-0-	-0-	-0-	-0-	12,532,255	12,532,255
Sewer operating expenses	-0-	-0-	-0-	-0-	12,365,497	12,365,497
Storm water utility operating expenses	-0-	-0-	-0-	-0-	1,769,817	1,769,817
Total operating expenses	<u>4,925,629</u>	<u>2,730,670</u>	<u>457,645</u>	<u>90</u>	<u>26,667,569</u>	<u>29,855,974</u>
Operating (loss) income	( 1,567,909)	458,815	( 137,267)	29,580	9,490,690	9,841,818
<b>Nonoperating Revenues (Expenses)</b>						
Investment income	13,321	72,660	7,950	-0-	1,503,758	1,584,368
Gain (loss) on investments	-0-	30,982	-0-	-0-	-0-	30,982
Interest and fiscal charges	-0-	( 41,185)	( 71,642)	( 42,777)	( 6,180,956)	( 6,336,560)
Amortization of bond costs	-0-	-0-	( 902)	-0-	-0-	( 902)
Other revenue	-0-	-0-	-0-	-0-	626,717	626,717
Total nonoperating revenues (expenses)	<u>13,321</u>	<u>62,457</u>	<u>( 64,594)</u>	<u>( 42,777)</u>	<u>( 4,050,481)</u>	<u>( 4,095,395)</u>
Change in net position before nonoperating grants and operating transfers	( 1,554,588)	521,272	( 201,861)	( 13,197)	5,440,209	5,746,423
Nonoperating grants – federal	3,705,594	-0-	-0-	-0-	-0-	-0-
Nonoperating grants – state	15,632	-0-	-0-	-0-	-0-	-0-
Operating transfers in (out)	189,811	-0-	30,757	139,102	-0-	169,859
Transfers to other governmental units	-0-	-0-	-0-	-0-	-0-	-0-
Contributed capital	-0-	-0-	-0-	-0-	2,872,313	2,872,313
Change in net position	2,356,449	521,272	( 171,104)	125,905	8,312,522	8,788,595
Total net position – beginning	30,965,553	5,183,361	7,727,157	153,797	145,494,931	158,559,246
Total net position – ending	\$ <u>33,322,002</u>	\$ <u>5,704,633</u>	\$ <u>7,556,053</u>	\$ <u>279,702</u>	\$ <u>153,807,453</u>	\$ <u>167,347,841</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, 2023**

	<u>Business-Type</u>			<u>Component Units</u>		
	<u>Airport</u>	<u>Parking</u>	<u>Municipal</u>	<u>Land Reuse and</u>	<u>Morgantown</u>	<u>Total</u>
	<u>Fund</u>	<u>Authority</u>	<u>Building</u>	<u>Preservation</u>	<u>Utility</u>	
			<u>Commission</u>	<u>Agency</u>	<u>Board</u>	
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 3,559,965	\$ 3,189,485	\$ 383,252	\$ 29,670	\$ 36,390,009	\$ 39,992,416
Receipts from other sources	-0-	-0-	-0-	-0-	636,975	636,975
Payments to suppliers	(2,811,041)	(1,434,038)	( 2,598)	( 90)	(14,789,762)	(16,226,488)
Payments to employees	( 571,711)	( 798,823)	-0-	-0-	( 6,192,375)	( 6,991,198)
Net cash provided by (used in) operating activities	<u>177,213</u>	<u>956,624</u>	<u>380,654</u>	<u>29,580</u>	<u>16,044,847</u>	<u>17,411,705</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
(Increase) decrease in deferred financing net of amortization	-0-	-0-	-0-	-0-	134	134
Repayment of note payable	( 45,846)	( 22,113)	-0-	-0-	-0-	( 22,113)
(Increase) decrease in accrued administrative costs of bonds	-0-	-0-	-0-	-0-	( 1)	( 1)
(Increase) decrease in restricted assets	10,147	276,202	( 10,388)	-0-	-0-	265,814
Proceeds from revenue bonds	-0-	-0-	1,977,764	-0-	348,583	2,326,347
Repayment of revenue bonds	-0-	( 140,633)	( 270,000)	( 96,202)	( 7,579,530)	( 8,086,365)
Advances on construction	-0-	-0-	-0-	-0-	1,679,611	1,679,611
Nonoperating grants	3,718,727	-0-	-0-	-0-	-0-	-0-
Acquisition of capital assets	(3,852,060)	( 561,191)	(1,978,675)	-0-	(11,204,443)	(13,744,309)
(Increase) decrease in sinking fund	-0-	-0-	-0-	-0-	1,874,364	1,874,364
(Increase) decrease in bond construction account	-0-	-0-	-0-	-0-	4,100,077	4,100,077
Customer deposits including interest	-0-	-0-	-0-	-0-	( 87,647)	( 87,647)
Other nonoperating income	-0-	-0-	-0-	-0-	626,717	626,717
Transfers from (to) other funds	189,811	-0-	30,757	139,102	-0-	169,859
Change in Right to Use assets	-0-	-0-	-0-	-0-	( 163,268)	( 163,268)
Change in other assets net	-0-	-0-	-0-	-0-	( 60,657)	( 60,657)
Interest expense	-0-	( 41,384)	( 73,634)	( 42,900)	( 6,193,056)	( 6,350,974)
Net cash (used in) provided by capital and related financing activities	<u>20,779</u>	<u>( 489,119)</u>	<u>( 324,176)</u>	<u>-0-</u>	<u>(16,659,116)</u>	<u>(17,472,411)</u>
<b>Cash Flows from Investing Activities</b>						
Proceeds from sale of investments	-0-	-0-	-0-	-0-	2,164,982	2,164,982
Purchase of investments	-0-	( 40,490)	-0-	-0-	( 1,059,462)	( 1,099,952)
Investment income	<u>13,321</u>	<u>103,642</u>	<u>7,950</u>	<u>-0-</u>	<u>1,495,893</u>	<u>1,607,485</u>
Net cash provided by (used in) investing activities	<u>13,321</u>	<u>63,152</u>	<u>7,950</u>	<u>-0-</u>	<u>2,601,413</u>	<u>2,672,515</u>
Net increase (decrease) in cash	211,313	530,657	64,428	29,580	1,987,144	2,611,809
Cash at beginning of year	<u>1,151,698</u>	<u>1,253,279</u>	<u>211,633</u>	<u>44,240</u>	<u>1,093,717</u>	<u>2,602,869</u>
Cash at end of year	<u>\$ 1,363,011</u>	<u>\$ 1,783,936</u>	<u>\$ 276,061</u>	<u>\$ 73,820</u>	<u>\$ 3,080,861</u>	<u>\$ 5,214,678</u>

**CITY OF MORGANTOWN, WEST VIRGINIA  
STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

	<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	\$( 1,567,909)	\$ 458,815	\$ (137,267)	\$ 29,580	\$ 9,490,690	\$ 9,841,818
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,388,342	345,193	455,047	-0-	8,521,425	9,321,665
(Increase) decrease in:						
Accounts receivable	202,245	-0-	62,874	-0-	799,921	862,795
Inventory	( 468)	-0-	-0-	-0-	( 308,909)	( 308,909)
Internal balances	6,660	44,598	-0-	-0-	-0-	44,598
Deposits and prepayments	-0-	-0-	-0-	-0-	151,460	151,460
Accrued utility revenue	-0-	-0-	-0-	-0-	69,864	69,864
Deferred outflows of resources	-0-	-0-	-0-	-0-	( 3,170,010)	( 3,170,010)
Deferred outflows of resources – Employee Retirement	409,206	266,033	-0-	-0-	-0-	266,033
Deferred outflows of resources – OPEB	24,997	31,434	-0-	-0-	-0-	31,434
Decrease in OPEB asset	-0-	-0-	-0-	-0-	6,861	6,861
Increase (decrease) in:						
Accounts payable	11,467	17,302	-0-	-0-	( 1,906,823)	( 1,889,521)
Deferred revenue	-0-	-0-	-0-	-0-	( 1,060)	( 1,060)
Accrued payroll	( 18,771)	( 34,069)	-0-	-0-	66,579	32,510
Accrued compensated absences	7,424	33,689	-0-	-0-	-0-	33,689
Billing service payable	-0-	-0-	-0-	-0-	34,543	34,543
Interest payable	-0-	-0-	-0-	-0-	( 117)	( 117)
Net pension obligation	( 213,213)	( 138,614)	-0-	-0-	7,039,948	6,901,334
Net other post employment benefit obligations	( 96,099)	( 120,846)	-0-	-0-	132,083	11,237
Deferred inflows of resources – Employee Retirement	( 39,100)	( 25,420)	-0-	-0-	-0-	( 25,420)
Deferred inflows of resources	-0-	-0-	-0-	-0-	( 3,924,882)	( 3,924,882)
Deferred inflows of resources – OPEB	62,432	78,509	-0-	-0-	-0-	78,509
Other current accrued liabilities	-0-	-0-	-0-	-0-	( 956,726)	( 956,726)
Net cash provided by (used in) operating activities	\$ <u>177,213</u>	\$ <u>956,624</u>	\$ <u>380,654</u>	\$ <u>29,580</u>	\$ <u>16,044,847</u>	\$ <u>17,411,705</u>

See accompanying notes and independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA  
 FIDUCIARY RESPONSIBILITIES  
 STATEMENT OF NET POSITION  
 JUNE 30, 2023

	<u>Pension and Retirement Funds</u>	<u>Component Unit Morgantown Public Library</u>
<b>Assets</b>		
Cash	\$ 353,248	\$ -0-
Investments	99,333,718	110,711
Receivables:		
Contributions	<u>364,556</u>	<u>-0-</u>
Total assets	<u>100,051,522</u>	<u>110,711</u>
<b>Liabilities</b>		
Accounts payable	<u>44,907</u>	<u>-0-</u>
Total liabilities	<u>44,907</u>	<u>-0-</u>
<b>Net Position</b>		
Held in trust	\$ <u>100,006,615</u>	\$ <u>110,711</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, 2023**

	<u>Pension and Retirement Funds</u>	<u>Component Unit Morgantown Public Library</u>
<b>Additions</b>		
Contributions:		
Employer	\$ 5,567,842	\$ -0-
Employee	1,743,091	-0-
Insurance premium tax allocation	1,234,816	-0-
Other	<u>-0-</u>	<u>-0-</u>
Total contributions	<u>8,545,749</u>	<u>-0-</u>
Investment income:		
Gain (loss) on investments	5,906,549	12,895
Interest and dividends	<u>2,173,282</u>	<u>2,641</u>
Total investment income	<u>8,079,831</u>	<u>15,536</u>
Total additions	<u>16,625,580</u>	<u>15,536</u>
<b>Deductions</b>		
General and administrative	377,608	1,087
Contribution refunds	456,487	-0-
Benefit payments	<u>9,710,184</u>	<u>-0-</u>
Total deductions	<u>10,544,279</u>	<u>1,087</u>
Net increase (decrease)	6,081,301	14,449
Net position – beginning of year	<u>93,925,314</u>	<u>96,262</u>
Net position – end of year	\$ <u>100,006,615</u>	\$ <u>110,711</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, 2023**

**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, 2023**

***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.

Land Reuse and Preservation Agency serves the City of Morgantown, West Virginia and is governed by a separate board of directors. The Land Reuse and Preservation Agency is dedicated to preserving the unique character of the City of Morgantown's natural environment, its resources and its quality of life and promoting the social and economic vitality of its community now and for future generations.

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, 2023**

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, 2023**

**(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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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 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.

***American Rescue Plan Act Fund*** is a special revenue fund used to receive and disburse federal funds received as a result of the American Rescue Plan Act.

***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.

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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023**

**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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**(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, 2023**

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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

*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, 2023, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation For Tax Purposes</u>	<u>Current Expense</u>
Class II	\$ 482,009,506	25.00 cents
Class IV	\$ 778,911,513	50.00 cents

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 (CONT'D)  
 FOR THE YEAR ENDED JUNE 30, 2023**

**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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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. Employees are approved to carry over two weeks of vacation leave 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, 2023**

**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, 2023**

- 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, 2023, the City adopted following GASB statements:

***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. This statement was adopted in the current fiscal year and had no effect on the accompanying financial statements.

***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. This statement was adopted during the current fiscal year and had no impact 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, 2023**

**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. This statement was adopted during the current fiscal year and had no impact on the accompanying financial statements.

**GASB 99 – *Omnibus 2022* –** The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flow statements.

The Requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 24, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

This statement was adopted during the current fiscal year and 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).

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

The following are recent GASB Pronouncements for which the City has not adopted as of June 30, 2023:

**GASB 100 – *Accounting Changes and Error Corrections*** – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions of assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

**GASB 101 – *Compensated Absences*** – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

**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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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.

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**

For fiscal year 2023, the Board calculated their proportionate share of net position using the audited fiscal year 2022 actuarial report, the most readily available information. This change allows the Board to calculate and present all GASB 68 related items in accordance with the Standard and acceptable practices. For this reason, there was no change in activity, however, the Board has disclosed the covered payroll during fiscal year 2023.

**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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 2023, 2022 and 2021 rates were 20.95%, 20.49%, and 15.98% of annual covered payroll. The Board's contributions to the Plan for the years ended June 30, 2023, 2022, and 2021 were \$1,641,110, \$1,817,807, and \$1,327,102.

**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 \$22,500 and \$20,500, for 2023 and 2022, respectively, plus \$7,500 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 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 6.0% of the participating payroll.
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***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.

**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 \$6,557,044.

**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, 2023 was \$1,560.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED JUNE 30, 2023**

**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.

**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>
\$ 2,802,667	General Government Expenditure Increase
1,162,080	Public Safety Expenditure Increase
241,647	Streets and Transportation Expenditure Increase
86,716	Culture and Recreation Expenditure Increase
174,960	Health and Sanitation Expenditure Increase
8,506	Social Services Expenditure Increase

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

Coal Severance

<u>Amount</u>	<u>Description</u>
\$ 3,000	General Government Expenditure Increase
157,861	Culture and Recreation Expenditure Increase

**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	\$ 1,686,145	\$ -0-	\$ -0-	\$ 1,686,145	\$ 1,686,145	\$ -0-
Corporate stocks	6,295,675	-0-	-0-	6,295,675	5,957,282	338,393
Mutual fund	3,240,850	-0-	-0-	3,240,850	3,015,440	225,410
Bond market fund	966,143	-0-	-0-	966,143	893,118	73,025
Large cap value fund	<u>4,492,211</u>	<u>-0-</u>	<u>-0-</u>	<u>4,492,211</u>	<u>4,102,253</u>	<u>389,958</u>
	<u>\$ 16,681,024</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 16,681,024</u>	<u>\$ 15,654,238</u>	<u>\$ 1,026,786</u>

**Credit Risk**

	<u>Fair Value</u>	<u>Credit Risk Rating Standard &amp; Poor's and Fitch</u>
Money market	\$ 1,686,145	N/A
Corporate stocks	6,295,675	BBB - AAA
Mutual funds	3,240,850	BBB - AAA
Bond market fund	966,143	BBB - AAA
Large cap value fund	<u>4,492,211</u>	BBB - AAA
	<u>\$ 16,681,024</u>	

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>
Mutual fund	\$ 3,240,850	\$ -0-	\$ 3,240,850	\$ -0-	\$ -0-
Bond market fund	966,143	-0-	966,143	-0-	-0-
Large cap value fund	<u>4,492,211</u>	<u>-0-</u>	<u>4,492,211</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$ 8,699,204</u>	<u>\$ -0-</u>	<u>\$ 8,699,204</u>	<u>\$ -0-</u>	<u>\$ -0-</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>
John Hancock Bond Market Fund	\$ 966,143	5.79%
John Hancock Large Cap Value Fund	4,492,211	26.93%
John Hancock Index 500 Fund	6,288,332	37.70%

**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	\$ 781,653	\$ -0-	\$ -0-	\$ 781,653	\$ 781,653	\$ -0-
Corporate stocks	3,537,707	-0-	-0-	3,537,707	2,866,427	671,280
Mutual fund	<u>9,928,892</u>	<u>-0-</u>	<u>-0-</u>	<u>9,928,892</u>	<u>9,685,482</u>	<u>243,410</u>
	<u>\$ 14,248,252</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 14,248,252</u>	<u>\$ 13,333,562</u>	<u>\$ 914,690</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Credit Risk**

	<u>Fair Value</u>	<u>Credit Risk Rating Standard &amp; Poor's and Fitch</u>
Money market	\$ 781,653	N/A
Corporate stocks	3,537,707	BBB - AAA
Mutual fund	<u>9,928,892</u>	BBB - AAA
	<u>\$ 14,248,252</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>
Mutual funds	\$ <u>3,537,707</u>	\$ <u>-0-</u>	\$ <u>3,537,707</u>	\$ <u>-0-</u>	\$ <u>-0-</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>
Ishares Core Msci Int Devp Mar	\$ 789,487	5.54%
Vanguard Growth Etf	850,295	5.97%
Metropolitan West Tot Ret Bd I	1,382,040	9.70%

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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	\$ 2,023,882	\$ -0-	\$ -0-	\$ 2,023,882	\$ 2,023,882	\$ -0-
Corporate stocks	33,949,875	-0-	-0-	33,949,875	17,851,508	16,098,367
Asset backed bonds	2,417,089	-0-	-0-	2,417,089	2,569,106	( 152,017)
Corporate bonds	10,317,191	-0-	-0-	10,317,191	10,741,687	( 424,496)
Government obligations	<u>19,696,405</u>	<u>-0-</u>	<u>-0-</u>	<u>19,696,405</u>	<u>21,343,712</u>	<u>( 1,647,307)</u>
	<u>\$ 68,404,442</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 68,404,442</u>	<u>\$ 54,529,895</u>	<u>\$ 13,874,547</u>

**Credit Risk**

	<u>Fair Value</u>	<u>Credit Risk Rating Standard &amp; Poor's and Fitch</u>
Money market	\$ 2,023,882	N/A
Corporate stocks	33,949,875	N/A
Asset backed bonds	2,417,089	BBB - AAA
Corporate bonds	10,317,191	BBB - AAA
Government obligations	<u>19,696,405</u>	AA+
	<u>\$ 68,404,442</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>
Asset backed bonds	\$ 2,417,089	\$ -0-	\$ 1,295,172	\$ 251,680	\$ 870,237
Corporate bonds	10,317,191	-0-	7,749,084	2,164,433	403,674
Government obligations	<u>19,696,405</u>	<u>26,462</u>	<u>2,810,627</u>	<u>5,089,292</u>	<u>11,770,024</u>
	<u>\$ 32,430,685</u>	<u>\$ 26,462</u>	<u>\$ 11,854,883</u>	<u>\$ 7,505,405</u>	<u>\$ 13,043,935</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Credit Risk Rating</u> <u>Standard &amp; Poor's and Fitch</u>	<u>Moody's Investment Services</u>
<b>Government Activities</b>			
Certificates of Deposit	\$ <u>3,130,988</u>	Not Rated	Not Rated
<b>Total Government Activities Investments</b>	<b>\$ <u>3,130,988</u></b>		

**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>3,130,988</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>3,130,988</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	\$ 1,090,326	\$ -0-	\$ -0-	\$ 1,090,326	\$ 1,090,326	\$ -0-
Mutual funds	<u>565,018</u>	<u>-0-</u>	<u>-0-</u>	<u>565,018</u>	<u>395,398</u>	<u>169,620</u>
Investment in Municipal Bond Commission	<u>1,655,344</u>	<u>-0-</u>	<u>-0-</u>	1,655,344	1,485,724	\$ <u>169,620</u>
				<u>72,658</u>	<u>73,258</u>	
<b>Total investments</b>				<b>\$ <u>1,728,002</u></b>	<b>\$ <u>1,558,982</u></b>	

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Credit Risk**

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard &amp; Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Money market funds	\$ 1,090,326	Not Rated	Not Rated
Mutual funds	<u>565,018</u>	Not Rated	Not Rated
Total proprietary fund activities investments	\$ <u>1,655,344</u>		

Investments are listed for the Parking Authority as follows:

Investments	\$ 579,831
Restricted assets	<u>1,148,171</u>
	\$ <u>1,728,002</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 &amp; Poor's and Fitch</u>	<u>Moody's Investment Services</u>
<b>Governmental Activity Types</b>					
Money market funds	\$ 1,576,768	\$ 1,576,768	\$ -0-	Not Rated	Not Rated
Common stock	1,294,771	1,242,474	52,297	Not Rated	Not Rated
Corporate bonds	2,255,318	1,692,360	562,958	BBB+ - A+	A1 – A2
Certificates of deposit	484,760	500,000	( 15,240)	Not Rated	Not Rated
Mutual funds	<u>156,848</u>	<u>161,438</u>	<u>( 4,590)</u>	Not Rated	Not Rated
	\$ <u>5,768,465</u>	\$ <u>5,173,040</u>	\$ <u>595,425</u>		

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>
Corporate bonds	\$ 495,141	\$ 1,677,354	\$ 82,823	\$ -0-	\$ 2,255,318
Certificates of deposit	248,410	236,350	-0-	-0-	484,760
Mutual funds	<u>156,848</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>156,848</u>
	<u>\$ 900,399</u>	<u>\$ 1,913,704</u>	<u>\$ 82,823</u>	<u>\$ -0-</u>	<u>\$ 2,896,926</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 &amp; Poor's and Fitch</u>	<u>Moody's Investment Services</u>
<b>Fiduciary Types</b>					
Money market funds	\$ 543	\$ 543	\$ -0-	Not Rated	Not Rated
Mutual funds	<u>110,168</u>	<u>101,591</u>	<u>8,577</u>	Not Rated	Not Rated
	<u>\$ 110,711</u>	<u>\$ 102,134</u>	<u>\$ 8,577</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>
<b>Interest Rate Risk</b>					
Mutual funds		\$ <u>110,168</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
				\$ <u>-0-</u>	\$ <u>110,168</u>

**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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

*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 and fiduciary funds' bank balances were \$487,312, 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 \$5,879,176. 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	\$ 487,312
Investments – collateralized and secured	<u>5,879,176</u>
Total	\$ <u>6,366,488</u>
Cash and cash equivalents	\$ 487,312
Investments – restricted – government funds	1,911,967
Investments	3,856,498
Investments – restricted – fiduciary funds	<u>110,711</u>
Total	\$ <u>6,366,488</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Component Unit – Morgantown Utility Board**

The carrying amount of the Board's cash deposits was \$3,080,861 at June 30, 2023 and \$4,375,796 at June 30, 2022. The bank balance at June 30, 2023 and June 30, 2022 was \$3,070,412 and \$5,207,226, 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, 2023 and 2022 consisted of the following:

	June 30, 2023		June 30, 2022	
	Cost	Fair Value	Cost	Fair Value
Cash deposits				
Demand deposits	\$ 3,080,860	\$ 3,080,860	\$ 4,375,796	\$ 4,375,796
Cash and investments with fiscal agents				
Cash	4,423,272	4,423,272	2,888,321	2,888,321
Investment agreements				
Fixed income	7,935,895	7,335,251	7,625,935	7,180,209
Equities	2,173,924	3,431,185	2,173,924	3,030,794
Cash – restricted	<u>18,632,952</u>	<u>18,632,952</u>	<u>2,173,924</u>	<u>3,030,794</u>
Total cash and investments	<u>\$ 36,246,903</u>	<u>\$ 36,903,520</u>	<u>\$ 19,237,900</u>	<u>\$ 20,505,914</u>

Note that the Board held \$1,210 and \$1,510 in petty cash at June 30, 2023 and June 30, 2022, 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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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

In 2023, 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, 2023</u>		<u>Quality Rating</u>	<u>June 30, 2022</u>	
	<u>Fair Value</u>	<u>Percent</u>		<u>Fair Value</u>	<u>Percent</u>
Aaa	\$ 4,144,131	56.50%	Aaa	\$ 4,014,442	55.91%
Aa2	271,387	3.70%	Aa2	576,823	8.03%
Aa3	521,939	7.12%	Aa3	536,714	7.47%
A1	1,174,213	16.01%	A1	900,800	12.55%
A2	1,124,343	15.33%	A2	1,146,975	15.97%
A3	96,455	1.31%	Not rated	<u>4,455</u>	<u>0.06%</u>
Not rated	<u>2,783</u>	<u>0.04%</u>			
<b>Total</b>	<b>\$ <u>7,335,251</u></b>	<b><u>100.00%</u></b>	<b>Total</b>	<b>\$ <u>7,180,209</u></b>	<b><u>100.00%</u></b>

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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 and 2022, and are classified as Level 1, Level 2 and Level 3 as follows:

<b>June 30, 2023</b>			
Assets carried at Fair Market Value:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 7,335,251	\$ -0-	\$ -0-
Equities	<u>3,431,185</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>10,766,436</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
<b>June 30, 2022</b>			
Assets carried at Fair Market Value:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 7,180,209	\$ -0-	\$ -0-
Equities	<u>3,030,794</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>10,211,003</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 \$58,905,178, which were collateralized with a depository bond.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE YEAR ENDED JUNE 30, 2023**

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 \$12,949,755. 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	\$ 58,905,178
Investments – collateralized and secured	<u>12,949,755</u>
Total	\$ <u>71,854,933</u>
Cash and cash equivalents	\$ 58,905,178
Cash and investments – restricted	5,360,576
Investments	<u>7,589,179</u>
Total	\$ <u>71,854,933</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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	\$ 4,501,683	\$ 35,114	\$ 2,385,387	\$ -0-	\$ 69,807	\$ 6,991,991	\$ -0-	\$ -0-
Accounts	1,497,343	-0-	-0-	160,445	4,810	1,662,598	-0-	3,996,545
Contributions	-0-	-0-	-0-	-0-	-0-	-0-	364,556	-0-
Other	29,761	-0-	-0-	-0-	-0-	29,761	-0-	620,957
Grants	30,032	-0-	-0-	2,714	-0-	32,746	-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>54,389</u>
<b>Total</b>	<b>\$ <u>6,058,819</u></b>	<b>\$ <u>35,114</u></b>	<b>\$ <u>2,385,387</u></b>	<b>\$ <u>163,159</u></b>	<b>\$ <u>74,617</u></b>	<b>\$ <u>8,717,096</u></b>	<b>\$ <u>364,556</u></b>	<b>\$ <u>4,671,891</u></b>

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	\$ 339,087
Business and occupation tax receivable	<u>256,298</u>
<b>Total deferred revenue for governmental funds</b>	<b>\$ <u>595,385</u></b>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental Activities</b>				
<b>Nondepreciable Capital Assets</b>				
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>
<b>Depreciable Capital Assets</b>				
Buildings	8,778,345	16,584	-0-	8,794,929
Infrastructure	9,032,656	1,230,378	-0-	10,263,034
Machinery and equipment	5,575,476	203,385	-0-	5,778,861
Vehicles	<u>8,127,656</u>	<u>52,904</u>	<u>-0-</u>	<u>8,180,560</u>
Total at historical cost	<u>31,514,133</u>	<u>1,503,251</u>	<u>-0-</u>	<u>33,017,384</u>
<b>Less: Accumulated Depreciation</b>				
Buildings	3,731,607	212,169	-0-	3,943,776
Infrastructure	2,946,436	184,238	-0-	3,130,674
Machinery and equipment	3,291,469	147,283	-0-	3,438,752
Vehicles	<u>7,573,530</u>	<u>530,584</u>	<u>-0-</u>	<u>8,104,114</u>
Total accumulated depreciation	<u>17,543,042</u>	<u>1,074,274</u>	<u>-0-</u>	<u>18,617,316</u>
Total depreciable capital assets, net	<u>13,971,091</u>	<u>428,977</u>	<u>-0-</u>	<u>14,400,068</u>
Governmental activities capital assets, net	\$ <u>16,389,180</u>	\$ <u>428,977</u>	\$ <u>-0-</u>	\$ <u>16,818,157</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 322,282
Public safety	375,996
Highways and streets	<u>375,996</u>
Total depreciation expense	\$ <u>1,074,274</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Component Unit**

***Board of Parks and Recreation***

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Nondepreciable Capital Assets</b>				
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>
<b>Depreciable Capital Assets</b>				
Land improvements	1,052,850	-0-	-0-	1,052,850
Buildings	6,202,232	1,799,013	-0-	8,001,245
Machinery and equipment	2,083,769	33,866	-0-	2,117,635
Vehicles	<u>373,284</u>	<u>-0-</u>	<u>-0-</u>	<u>373,284</u>
Total at historical cost	<u>9,712,135</u>	<u>1,832,879</u>	<u>-0-</u>	<u>11,545,014</u>
<b>Less: Accumulated Depreciation</b>				
Land improvements	1,027,667	61,668	-0-	1,089,335
Buildings	3,366,050	207,359	-0-	3,573,409
Machinery and equipment	963,016	64,528	-0-	1,027,544
Vehicles	<u>392,899</u>	<u>25,494</u>	<u>-0-</u>	<u>418,393</u>
Total accumulated depreciation	<u>5,749,632</u>	<u>359,049</u>	<u>-0-</u>	<u>6,108,681</u>
Total depreciable capital assets, net	<u>3,962,503</u>	<u>1,473,830</u>	<u>-0-</u>	<u>5,436,333</u>
Enterprise activities capital assets, net	\$ <u>4,061,940</u>	\$ <u>1,473,830</u>	\$ <u>-0-</u>	\$ <u>5,535,770</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Business-Type Activities**

***Airport Fund***

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Nondepreciable Capital Assets</b>				
Land	\$ 50,050	\$ -0-	\$ -0-	\$ 50,050
Construction in process	<u>9,537,089</u>	<u>3,830,212</u>	<u>531,836</u>	<u>12,835,465</u>
Total nondepreciable capital assets	<u>9,587,139</u>	<u>3,830,212</u>	<u>531,836</u>	<u>12,885,515</u>
<b>Depreciable Capital Assets</b>				
Buildings	13,531,127	22,498	650	13,552,975
Structures and improvements	34,851,879	531,836	-0-	35,383,715
Machinery and equipment	<u>2,577,838</u>	<u>-0-</u>	<u>-0-</u>	<u>2,577,838</u>
Total at historical cost	<u>50,960,844</u>	<u>554,334</u>	<u>650</u>	<u>51,514,528</u>
<b>Less: Accumulated Depreciation</b>				
Buildings	5,355,749	312,228	650	5,667,327
Structures and improvements	17,940,198	848,667	-0-	18,788,865
Machinery and equipment	<u>2,173,359</u>	<u>227,447</u>	<u>-0-</u>	<u>2,400,806</u>
Total accumulated depreciation	<u>25,469,306</u>	<u>1,388,342</u>	<u>650</u>	<u>26,856,998</u>
Total depreciable capital assets, net	<u>25,491,538</u>	<u>( 834,008)</u>	<u>-0-</u>	<u>24,657,530</u>
Enterprise activities capital assets, net	<u>\$ 35,078,677</u>	<u>\$ 2,996,204</u>	<u>\$ 531,836</u>	<u>\$ 37,543,045</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Component Unit**

**Business-Type Activities**

***Parking Authority***

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Nondepreciable Capital Assets</b>				
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>
<b>Depreciable Capital Assets</b>				
Structures and improvements	10,528,448	334,534	-0-	10,862,982
Machinery and equipment	<u>1,992,600</u>	<u>226,657</u>	<u>-0-</u>	<u>2,219,257</u>
Total at historical cost	<u>12,521,048</u>	<u>561,191</u>	<u>-0-</u>	<u>13,082,239</u>
<b>Less: Accumulated Depreciation</b>				
Structures and improvements	6,549,881	236,812	-0-	6,786,693
Machinery and equipment	<u>1,278,777</u>	<u>108,381</u>	<u>-0-</u>	<u>1,387,158</u>
Total accumulated depreciation	<u>7,828,658</u>	<u>345,193</u>	<u>-0-</u>	<u>8,173,851</u>
Total depreciable capital assets, net	<u>4,692,390</u>	<u>215,998</u>	<u>-0-</u>	<u>4,908,388</u>
Enterprise activities capital assets, net	\$ <u>6,238,144</u>	\$ <u>215,998</u>	\$ <u>-0-</u>	\$ <u>6,454,142</u>

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**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Component Unit**

***Building Commission***

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,439,707	\$ -0-	\$ -0-	\$ 1,439,707
Construction in process	<u>90,931</u>	<u>1,978,675</u>	<u>-0-</u>	<u>2,069,606</u>
Total nondepreciable capital assets	<u>1,530,638</u>	<u>1,978,675</u>	<u>-0-</u>	<u>3,509,313</u>
<b>Depreciable Capital Assets</b>				
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>
<b>Less: Accumulated Depreciation</b>				
Land improvements	285,343	17,994	-0-	303,337
Buildings	9,074,446	393,556	-0-	9,468,002
Machinery and equipment	<u>811,801</u>	<u>43,497</u>	<u>-0-</u>	<u>855,298</u>
Total accumulated depreciation	<u>10,171,590</u>	<u>455,047</u>	<u>-0-</u>	<u>10,626,637</u>
Total depreciable capital assets, net	<u>7,409,452</u>	<u>( 455,047)</u>	<u>-0-</u>	<u>6,954,405</u>
Enterprise activities capital assets, net	\$ <u>8,940,090</u>	\$ <u>1,523,628</u>	\$ <u>-0-</u>	\$ <u>10,463,718</u>

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**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Component Unit**

***Morgantown Land Reuse and Preservation Agency***

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Nondepreciable Capital Assets</b>				
Land	\$ 555,753	\$ -0-	\$ -0-	\$ 555,753
Construction in process	<u>978,787</u>	<u>-0-</u>	<u>-0-</u>	<u>978,787</u>
Total nondepreciable capital assets	<u>1,534,540</u>	<u>-0-</u>	<u>-0-</u>	<u>1,534,540</u>
<b>Depreciable Capital Assets</b>				
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>
<b>Less: Accumulated Depreciation</b>				
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>1,534,540</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>1,534,540</u>

**Discretely Presented Component Units**

***Morgantown Public Library***

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Depreciable Assets</b>				
Buildings and fixtures	\$ 3,525,836	\$ 76,702	\$ -0-	\$ 3,602,538
Machinery and equipment	270,838	-0-	-0-	270,838
Books and videos	<u>6,029,097</u>	<u>109,954</u>	<u>-0-</u>	<u>6,139,051</u>
Total at historical cost	<u>9,825,771</u>	<u>186,656</u>	<u>-0-</u>	<u>10,012,427</u>
<b>Less: Accumulated Depreciation</b>				
Buildings and fixtures	2,010,207	62,135	-0-	2,072,342
Machinery and equipment	191,099	3,741	-0-	194,840
Books and videos	<u>5,843,116</u>	<u>161,450</u>	<u>-0-</u>	<u>6,004,566</u>
Total accumulated depreciation	<u>8,044,422</u>	<u>227,326</u>	<u>-0-</u>	<u>8,271,748</u>
Total depreciable capital assets, net	\$ <u>1,781,349</u>	\$ <u>(40,670)</u>	\$ <u>-0-</u>	\$ <u>1,740,679</u>

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**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

*Morgantown Utility Board*

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements &amp; Transfers to Utility Plant</u>	<u>Ending Balance</u>
CWIP	\$ 153,416,190	\$ 14,984,877	\$(10,220,792)	\$ 158,180,275
Land	1,668,684	50,990	( 56,704)	1,662,970
Intangible plant	383,054	2	-0-	383,056
Buildings and structures	27,971,770	41,874	( 214,601)	27,799,043
Water transmission and distribution system	91,398,600	2,910,330	( 475,908)	93,833,022
Sewer and storm collection system	138,800,335	8,214,268	( 1,698,249)	145,316,354
Treatment plant equipment	71,753,901	79,735	( 30,728)	71,802,908
Office furniture and equipment and computer system	5,903,818	264,875	( 66,455)	6,102,238
Vehicles and heavy duty equipment	<u>4,218,390</u>	<u>361,483</u>	<u>( 247,379)</u>	<u>4,332,494</u>
Total capital assets	495,514,742	26,908,434	(13,010,816)	509,412,360
Less: Accumulated depreciation	<u>(160,945,165)</u>	<u>( 7,650,169)</u>	<u>571,339</u>	<u>(168,023,995)</u>
Total net capital assets	\$ <u>334,569,577</u>	\$ <u>19,258,265</u>	\$ <u>(12,439,478)</u>	\$ <u>341,388,365</u>

Depreciation expense charged to operations:

Depreciation – Water	\$ 3,526,764
Depreciation – Sewer	2,934,191
Depreciation – Stormwater	657,000
Depreciation – Cheat Sewer	<u>532,214</u>
Total depreciation expense	\$ <u>7,650,169</u>

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**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Reserve Fund	Tax Increment Financing Fund	\$ 16,000
Capital Reserve Fund	Airport Fund	3,100,988
Capital Reserve Fund	General Fund	2,305,251
General Fund	Capital Reserve Fund	1,652
Life and Health Fund	General Fund	32,354
General Fund	American Rescue Plan Act Fund	5,067
General Fund	OPEB Trust Fund	4,918
Metropolitan Theater Fund	Arts and Culture Fund	45,000
General Fund	Metropolitan Theater Fund	43,402
General Fund	Woodburn Property Fund	25,089
General Fund	Arts and Culture Fund	42,514
General Fund	Hazel Ruby McQuain Park	1,071
Airport Fund	General Fund	17,166
General Fund	Parking Authority	4,356
Municipal Building Commission	General Fund	6,761
General Fund	Community	445

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
 FOR THE YEAR ENDED JUNE 30, 2023**

**Interfund Transfers:**

	<u>Hazel Ruby McQuain Park Fund</u>	<u>Airport Fund</u>	<u>OPEB Trust</u>	<u>Tax Increment Financing</u>	<u>General Fund</u>	<u>Metropolitan Theater</u>	<u>Arts and Culture Fund</u>	<u>Capital Reserve</u>	<u>Retirement Fund</u>	<u>Total Primary Government</u>	<u>Component Unit Building Commission</u>	<u>Component Unit Land Reuse and Preservation Agency</u>	<u>Component Unit Board of Parks and Recreation</u>	<u>Total</u>
Transfers Out:														
General Fund	\$ -0-	\$ 189,811	\$ -0-	\$ -0-	\$ -0-	\$ 102,850	\$ 442,152	\$ 4,822,751	\$ -0-	\$ 5,557,564	\$ -0-	\$ 139,102	\$ 1,600,000	\$ 7,296,666
Small Cities Block Grant	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Life and Health	-0-	-0-	914,350	-0-	-0-	-0-	-0-	-0-	-0-	914,350	-0-	-0-	-0-	914,350
Tax Increment Financing Debt Service	-0-	-0-	-0-	1,445,472	-0-	-0-	-0-	-0-	-0-	1,445,472	-0-	-0-	-0-	1,445,472
Municipal Sales and Use Tax Fund	-0-	-0-	-0-	-0-	2,465,251	-0-	-0-	3,200,000	3,871,616	9,536,867	-0-	-0-	3,871,615	13,408,482
Building Commission	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Coal Severance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	182,961	182,961
Capital Reserve	<u>150,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>150,000</u>	<u>30,757</u>	<u>-0-</u>	<u>-0-</u>	<u>180,757</u>
	<u>\$ 150,000</u>	<u>\$ 189,811</u>	<u>\$ 914,350</u>	<u>\$ 1,445,472</u>	<u>\$ 2,465,251</u>	<u>\$ 102,850</u>	<u>\$ 442,152</u>	<u>\$ 8,022,751</u>	<u>\$ 3,871,616</u>	<u>\$ 17,604,253</u>	<u>\$ 30,757</u>	<u>\$ 139,102</u>	<u>\$ 5,654,576</u>	<u>\$ 23,428,688</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, 2023**

**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 Act Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Restricted:</b>									
Public safety	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 31,698	\$ 31,698
Economic development	-0-	-0-	-0-	-0-	-0-	-0-	8,821,835	44,648	8,866,483
Debt service	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Community development	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,821,835</u>	<u>76,346</u>	<u>8,898,181</u>
<b>Nonspendable:</b>									
Inventory	1,611	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,611
Prepaid expenses	<u>10,402</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,402</u>
	<u>12,013</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>12,013</u>
<b>Assigned:</b>									
Streets and transportation	-0-	64,853	-0-	-0-	-0-	-0-	-0-	107,359	172,212
Benefit payments	-0-	-0-	-0-	952,489	-0-	-0-	-0-	7,690,141	8,642,630
Public safety	-0-	-0-	-0-	-0-	-0-	-0-	-0-	339,360	339,360
Community development	<u>-0-</u>	<u>-0-</u>	<u>15,053,687</u>	<u>-0-</u>	<u>-0-</u>	<u>4,065,794</u>	<u>-0-</u>	<u>4,169,365</u>	<u>23,288,846</u>
	<u>-0-</u>	<u>64,853</u>	<u>15,053,687</u>	<u>952,489</u>	<u>-0-</u>	<u>4,065,794</u>	<u>-0-</u>	<u>12,306,225</u>	<u>32,443,048</u>
Unassigned	<u>18,922,293</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(4,442,389)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>14,479,904</u>
<b>Total fund balance</b>	<b>\$ <u>18,934,306</u></b>	<b>\$ <u>64,853</u></b>	<b>\$ <u>15,053,687</u></b>	<b>\$ <u>952,489</u></b>	<b>\$ <u>(4,442,389)</u></b>	<b>\$ <u>4,065,794</u></b>	<b>\$ <u>8,821,835</u></b>	<b>\$ <u>12,382,571</u></b>	<b>\$ <u>55,833,146</u></b>

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**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**F. Long-Term Debt**

Long-term liability activity for Governmental Activities for the year ended June 30, 2023  
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>
<b>Governmental Activities</b>						
<b>Bonds Payable</b>						
2006A TIF bonds	\$ 3,225,000	\$ -0-	\$ 245,000	\$ 2,980,000	\$ 255,000	\$ 2,725,000
2007 TIF bonds	1,920,000	-0-	95,000	1,825,000	-0-	1,825,000
2007A TIF bonds	8,615,000	-0-	-0-	8,615,000	-0-	8,615,000
2014 TIF bonds	3,025,000	-0-	343,000	2,682,000	352,000	2,330,000
2017 TIF bonds	<u>6,214,685</u>	<u>-0-</u>	<u>82,000</u>	<u>6,132,685</u>	<u>85,000</u>	<u>6,047,685</u>
<b>Total bonds payable</b>	<u>22,999,685</u>	<u>-0-</u>	<u>765,000</u>	<u>22,234,685</u>	<u>692,000</u>	<u>21,542,685</u>
<b>Notes Payable</b>						
Notes payable – CLT	<u>264,312</u>	<u>-0-</u>	<u>99,117</u>	<u>165,195</u>	<u>108,294</u>	<u>56,901</u>
<b>Total notes payable</b>	<u>264,312</u>	<u>-0-</u>	<u>99,117</u>	<u>165,195</u>	<u>108,294</u>	<u>56,901</u>
<b>Other long-term debt</b>						
Compensated absences	1,121,730	-0-	68,112	1,053,618	-0-	1,053,618
Net pension obligation	121,882,725	604,344	-0-	122,487,069	-0-	122,487,069
Net other post employment benefit obligation	<u>16,464,445</u>	<u>-0-</u>	<u>2,613,946</u>	<u>13,850,499</u>	<u>-0-</u>	<u>13,850,499</u>
<b>Total other long-term debt</b>	<u>139,468,900</u>	<u>604,344</u>	<u>2,682,058</u>	<u>137,391,186</u>	<u>-0-</u>	<u>137,391,186</u>
<b>Total long-term debt – governmental activities</b>	<u>\$ 162,732,897</u>	<u>\$ 604,344</u>	<u>\$ 3,546,175</u>	<u>\$ 159,791,066</u>	<u>\$ 800,294</u>	<u>\$ 158,990,772</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>
<b>Component Unit</b>						
<b><i>Board of Park and Recreation Commission</i></b>						
Note payable	\$ 262,656	\$ -0-	\$ 98,496	\$ 164,160	\$ 107,616	\$ 56,544
Net pension obligation (asset)	( 412,893)	483,631	-0-	70,738	-0-	70,738
Net other postemployment benefit obligation	<u>1,374,568</u>	<u>-0-</u>	<u>218,231</u>	<u>1,156,337</u>	<u>-0-</u>	<u>1,156,337</u>
<b>Total long-term debt component unit</b>	<u>\$ 1,224,331</u>	<u>\$ 483,631</u>	<u>\$ 316,727</u>	<u>\$ 1,391,235</u>	<u>\$ 107,616</u>	<u>\$ 1,283,619</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>
<b>Component Unit</b>						
<b><i>Morgantown Public Library</i></b>						
Notes payable	\$ 11,808	\$ -0-	\$ 4,428	\$ 7,380	\$ 4,838	\$ 2,542
Net pension obligation (asset)	( 375,642)	441,306	-0-	65,664	-0-	65,664
Net other postemployment benefit obligation	<u>1,038,517</u>	<u>-0-</u>	<u>164,878</u>	<u>873,639</u>	<u>-0-</u>	<u>873,639</u>
<b>Total long-term debt component unit</b>	<u>\$ 674,683</u>	<u>\$ 441,306</u>	<u>\$ 169,306</u>	<u>\$ 946,683</u>	<u>\$ 4,838</u>	<u>\$ 941,845</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>
2024	\$ 255,000	\$ 147,390	\$ 402,390
2025	270,000	135,150	405,150
2026	280,000	122,190	402,190
2027	295,000	108,750	403,750
2028	310,000	94,000	404,000
2029 – 2033	<u>1,570,000</u>	<u>222,250</u>	<u>1,792,250</u>
Total	\$ <u>2,980,000</u>	\$ <u>829,730</u>	\$ <u>3,809,730</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>
2024	\$ -0-	\$ 103,843	\$ 103,843
2025	-0-	103,843	103,843
2026	-0-	103,843	103,843
2027	-0-	103,843	103,843
2028	-0-	103,843	103,843
2029 – 2033	<u>1,825,000</u>	<u>519,212</u>	<u>2,344,212</u>
Total	\$ <u>1,825,000</u>	\$ <u>1,038,427</u>	\$ <u>2,863,427</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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -0-	\$ 689,200	\$ 689,200
2025	-0-	689,200	689,200
2026	-0-	689,200	689,200
2027	-0-	689,200	689,200
2028	-0-	689,200	689,200
2029 – 2033	<u>8,615,000</u>	<u>3,446,000</u>	<u>12,061,000</u>
Total	\$ <u>8,615,000</u>	\$ <u>6,892,000</u>	\$ <u>15,507,000</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>
2024	\$ 352,000	\$ 70,805	\$ 422,805
2025	362,000	61,512	423,512
2026	371,000	51,955	422,955
2027	381,000	42,161	423,161
2028	391,000	32,102	423,102
2029	<u>825,000</u>	<u>21,780</u>	<u>846,780</u>
Total	\$ <u>2,682,000</u>	\$ <u>280,315</u>	\$ <u>2,962,315</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023 is \$6,132,685. 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>
<b>Total</b>	<b>\$ <u>7,146,000</u></b>	<b>\$ <u>3,568,518</u></b>	<b>\$ <u>10,714,518</u></b>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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>
2024	\$ 85,000	\$ 242,241	\$ 327,241
2025	87,000	238,884	325,884
2026	91,000	235,447	326,447
2027	95,000	231,853	326,853
2028	99,000	228,100	327,100
2029 – 2033	2,351,000	975,746	3,326,746
2034 – 2038	<u>3,324,685</u>	<u>402,561</u>	<u>3,727,246</u>
 Total	 \$ <u>6,132,685</u>	 \$ <u>2,554,832</u>	 \$ <u>8,687,517</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>
2024	\$ 692,000	\$ 1,253,479	\$ 1,945,479
2025	719,000	1,228,589	1,947,589
2026	742,000	1,202,635	1,944,635
2027	771,000	1,175,807	1,946,807
2028	800,000	1,147,245	1,947,245
2029 – 2033	15,186,000	5,184,988	20,370,988
2034 – 2038	<u>3,324,685</u>	<u>402,561</u>	<u>3,727,246</u>
 Total	 \$ <u>22,234,685</u>	 \$ <u>11,595,304</u>	 \$ <u>33,829,989</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Note Payable – CLT**

On July 15, 2009, the General Fund of the City of Morgantown entered into an agreement for the acquisition of various lighting upgrades and energy efficient equipment. This agreement originally qualified as a capital lease for accounting purposes and, therefore, had been recorded at the present value of the minimum lease payments as of the date of inception of the acquisition. In accordance with the implementation of GASB 87 – *Leases*, this acquisition has been reclassified from a capital lease to a note payable as of June 30, 2022. Semiannual payments are required and the obligation is secured by equipment.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 108,294	\$ 6,063	\$ 114,357
2025	<u>56,901</u>	<u>1,245</u>	<u>58,146</u>
Total	\$ <u>165,195</u>	\$ <u>7,308</u>	\$ <u>172,503</u>

**Note Payable – CLT**

On July 15, 2009, the Board of Parks and Recreation Commission of the City of Morgantown entered into an agreement for the acquisition of various lighting upgrades and energy efficient equipment. This agreement originally qualified as a capital lease for accounting purposes and, therefore, had been recorded at the present value of the minimum lease payments as of the date of inception of the acquisition. In accordance with the implementation of GASB 87 – *Leases*, this acquisition has been reclassified from a capital lease to a note payable as of June 30, 2022. Semiannual payments are required and the obligation is secured by equipment.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 107,616	\$ 6,025	\$ 113,641
2025	<u>56,544</u>	<u>1,237</u>	<u>57,781</u>
Total	\$ <u>164,160</u>	\$ <u>7,262</u>	\$ <u>171,422</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Component Unit – Morgantown Public Library**

On July 15, 2009, the Morgantown Public Library entered into an agreement for the acquisition of various lighting upgrades and energy efficient equipment and upgrades. This agreement originally qualified as a capital lease for accounting purposes and, therefore, had been recorded at the present value of the minimum lease payments as of the date of inception of the acquisition. In accordance with the implementation of GASB 87 – *Leases*, this acquisition has been reclassified from a capital lease to a note payable as of June 30, 2022. Semiannual payments are required and the obligation is secured by equipment.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,838	\$ 270	\$ 5,108
2025	<u>2,542</u>	<u>56</u>	<u>2,598</u>
Total	\$ <u>7,380</u>	\$ <u>326</u>	\$ <u>7,706</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Long-term liability activity for Business-Type Activities Unit for the year ended June 30, 2023 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Amounts</u> <u>Due After</u> <u>One Year</u>
<b>Business-Type Activities</b>						
Note Payable – CLT	\$ 122,256	\$ -0-	\$ 45,846	\$ 76,410	\$ 50,091	\$ 26,319
<b>Discretely Presented Component Unit</b>						
Note Payable – CLT	<u>58,968</u>	<u>-0-</u>	<u>22,113</u>	<u>36,855</u>	<u>24,161</u>	<u>12,694</u>
Total notes payable	<u>181,224</u>	<u>-0-</u>	<u>67,959</u>	<u>113,265</u>	<u>74,252</u>	<u>39,013</u>
<b>Bonds Payable</b>						
2013A Municipal Building Lease Revenue Refunding Bonds	1,545,000	-0-	270,000	1,275,000	280,000	995,000
2021 Parking System Revenue Bonds	2,216,361	-0-	140,633	2,075,728	143,162	1,932,566
2019 Taxable Lease Revenue Bonds	1,423,164	-0-	96,202	1,326,962	96,240	1,227,722
2022A Municipal Building Lease Bonds	<u>347,704</u>	<u>1,977,764</u>	<u>-0-</u>	<u>2,325,468</u>	<u>222,966</u>	<u>2,102,502</u>
Total bonds payable	<u>5,532,229</u>	<u>1,977,764</u>	<u>506,835</u>	<u>7,003,158</u>	<u>745,368</u>	<u>6,257,790</u>
<b>Other Long-Term Debt</b>						
Net pension obligation	2,656,669	-0-	213,213	2,443,456	-0-	2,443,456
Net other postemployment benefit obligation	<u>605,296</u>	<u>-0-</u>	<u>96,099</u>	<u>509,197</u>	<u>-0-</u>	<u>509,197</u>
Total other long-term debt	<u>3,261,965</u>	<u>-0-</u>	<u>309,312</u>	<u>2,952,653</u>	<u>-0-</u>	<u>2,952,653</u>
<b>Component Units</b>						
Net pension obligation	1,727,154	-0-	138,614	1,588,540	-0-	1,588,540
Net other postemployment benefit obligation	<u>761,174</u>	<u>-0-</u>	<u>120,846</u>	<u>640,328</u>	<u>-0-</u>	<u>640,328</u>
Total other long-term debt – component units	<u>2,488,328</u>	<u>-0-</u>	<u>259,460</u>	<u>2,228,868</u>	<u>-0-</u>	<u>2,228,868</u>
Total other long-term debt	<u>5,750,293</u>	<u>-0-</u>	<u>568,772</u>	<u>5,181,521</u>	<u>-0-</u>	<u>5,181,521</u>
Total long-term debt	\$ <u>11,463,746</u>	\$ <u>1,977,764</u>	\$ <u>1,143,566</u>	\$ <u>12,297,944</u>	\$ <u>819,620</u>	\$ <u>11,478,324</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>
2024	\$ 280,000	\$ 35,800	\$ 315,800
2025	290,000	27,069	317,069
2026	300,000	17,851	317,851
2027	305,000	8,206	313,206
2028	<u>100,000</u>	<u>1,625</u>	<u>101,625</u>
Total	\$ <u>1,275,000</u>	\$ <u>90,551</u>	\$ <u>1,365,551</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, 2023 was \$225,215.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>
2024	\$ 143,162	\$ 36,518	\$ 179,680
2025	145,735	33,945	179,680
2026	145,356	31,324	179,680
2027	151,023	28,657	179,680
2028	153,739	25,941	179,680
2029 – 2033	811,166	85,068	896,234
2034 – 2036	<u>522,547</u>	<u>16,490</u>	<u>539,037</u>
Total	\$ <u>2,075,728</u>	\$ <u>257,943</u>	\$ <u>2,333,671</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, 2023**

**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 14<sup>th</sup> 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>
2024	\$ 99,240	\$ 39,862	\$ 139,102
2025	102,371	36,731	139,102
2026	105,600	33,502	139,102
2027	108,932	30,170	139,102
2028	112,368	26,734	139,102
2029 – 2033	617,305	78,205	695,510
2034 – 2035	<u>181,146</u>	<u>4,011</u>	<u>185,157</u>
Total	\$ <u>1,326,962</u>	\$ <u>249,215</u>	\$ <u>1,576,177</u>

The 2019 bonds are secured by real estate.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Series 2022A Municipal Building Commission Lease Revenue Bonds**

This issue was authorized to finance the design, acquisition, construction and equipping of improvements to certain existing facilities of the City of Morgantown, including City Hall, the Public Safety Building, the Norwood Fire Station and the City Public Works Garage, together with all necessary appurtenances thereto. The bonds were issued in the amount of \$7,000,000 and bear interest at 2.61% for the life of the bonds. The bonds are interest only payable until January 15, 2024 with principal payments beginning January 15, 2024 until March 15, 2037. The bonds are secured by a credit line deed of trust, fixture filing and security agreement on the Public Safety Building and City Hall, including any additions, improvements, renovations, furnishings and equipment associated therewith. At June 30, 2023 the City had drawn down \$2,325,468 of this bond issue.

Repayment of this bond issue when fully drawn is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -0-	\$ 64,658	\$ 64,658
2024	222,966	162,679	385,645
2025	453,965	171,476	625,441
2026	465,957	159,484	625,441
2027	478,265	147,176	625,441
2028	490,898	134,543	625,441
2029	503,865	121,576	625,441
2030	517,174	108,267	625,441
2031	530,835	94,606	625,441
2032	544,857	80,584	625,441
2033	559,249	66,192	625,441
2034	574,021	51,420	625,441
2035	589,183	36,258	625,441
2036	604,746	20,695	625,441
2037	<u>464,019</u>	<u>5,062</u>	<u>469,081</u>
Total	\$ <u>7,000,000</u>	\$ <u>1,424,676</u>	\$ <u>8,424,676</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE YEAR ENDED JUNE 30, 2023**

The following is a schedule of future debt retirement based on the current drawdown balance of \$2,325,468:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 222,966	\$ 162,679	\$ 385,645
2025	453,965	171,476	625,441
2026	465,957	159,484	625,441
2027	478,265	147,176	625,441
2028	490,898	134,543	625,441
2029	<u>213,417</u>	<u>47,183</u>	<u>260,600</u>
Total	\$ <u>2,325,468</u>	\$ <u>822,541</u>	\$ <u>3,148,009</u>

The 2022A bonds are secured by the lease rentals of the facilities from the City of Morgantown, a credit deed of trust, and a fixture filing and security agreement on the Public Safety Building and City Hall, including any additions, improvements, renovations, furnishings and equipment associated therewith.

**Discretely Presented Component Unit**  
***Morgantown Utility Board***

The following is a description of the long-term liabilities of the 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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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 \$535,039 and annualized payments of \$232,038 are required.

**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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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.

**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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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 bear an interest rate of 7.75%. 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 2031.

**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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**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.

**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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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.

**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.

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**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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% administration fee. This bond was paid in full in 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%. Principal and interest payments of \$22,862 and administrative fees of \$1,644 are paid quarterly until December 2047. The bonds have a maximum reserve requirement of \$91,445.

**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% – 4%. Annual principal and interest payments fluctuate due to the varying interest rate. Payments will be made until December 2040.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

Long-term debt bond activity for the year ended June 30, 2023 was as follows:

	<u>Beginning</u>	<u>Payments</u>	<u>Acquired/ Proceeds</u>	<u>Ending</u>	<u>Current Portion</u>
Morgantown 2000A	\$ 1,212,675	\$ ( 323,380)	\$ -0-	\$ 889,295	\$ 323,380
Morgantown 2000B	1,145,760	( 65,472)	-0-	1,080,288	65,472
Morgantown 2006A	2,197,983	( 348,305)	-0-	1,849,678	348,305
Morgantown 2007A	3,439,613	( 469,754)	-0-	2,969,859	479,219
Morgantown 2010C	8,645,183	( 767,766)	-0-	7,877,417	783,237
Morgantown 2010D	5,237,219	( 465,110)	-0-	4,772,109	474,482
Morgantown 2010E	56,211	( 4,992)	-0-	51,219	5,093
Morgantown 2012A	421,669	( 18,399)	-0-	403,270	18,491
Morgantown 2013A	3,421,040	( 131,580)	-0-	3,289,460	131,580
Morgantown 2014B	344,555	( 23,600)	-0-	320,955	24,357
Morgantown 2015A	76,517	( 5,345)	-0-	71,172	5,759
Morgantown 2015B	1,175	( 118)	-0-	1,057	118
Morgantown 2015C	4,536,195	( 213,468)	-0-	4,322,727	213,468
Morgantown 2015D	1,213,851	( 44,140)	-0-	1,169,711	44,140
Morgantown 2015E	556,825	( 16,876)	-0-	539,949	16,876
Morgantown 2016A	63,575,000	(1,420,000)	-0-	62,155,000	1,490,000
Morgantown 2016B	20,596,662	( 790,584)	348,583	20,154,661	796,530
Morgantown 2017A	2,475,000	( 60,000)	-0-	2,415,000	60,000
Morgantown 2018A	364,637	( 8,601)	-0-	356,036	8,688
Morgantown 2018B	42,270,000	( 585,000)	-0-	41,685,000	645,000
Morgantown 2018A2	131,728	( 3,056)	-0-	128,672	3,088
Morgantown 2019B	2,187,998	( 80,654)	-0-	2,107,344	81,059
Morgantown 2020A	<u>30,905,000</u>	<u>(1,210,000)</u>	<u>-0-</u>	<u>29,695,000</u>	<u>1,240,000</u>
Total Bonds Payable	195,012,496	(7,056,200)	348,583	188,304,879	7,258,342
Unamortized Bond Premium	<u>11,830,483</u>	<u>( 523,330)</u>	<u>-0-</u>	<u>11,307,153</u>	<u>-0-</u>
Net Bonds Payable	<u>\$ 206,842,979</u>	<u>\$ (7,579,530)</u>	<u>\$ 348,583</u>	<u>\$ 199,612,032</u>	<u>\$ 7,258,342</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

Maturities of the Board's debt principal for the years subsequent to June 30, 2023 are as follows:

	<u>2000A</u> <u>Issue</u> <u>Principal</u>	<u>2000B</u> <u>Issue</u> <u>Principal</u>	<u>2006A</u> <u>Issue</u> <u>Principal</u>	<u>2007</u> <u>Issue</u> <u>Principal</u>	<u>2010C</u> <u>Issue</u> <u>Principal</u>	<u>2010D</u> <u>Issue</u> <u>Principal</u>	<u>2010E</u> <u>Issue</u> <u>Principal</u>	<u>2012A</u> <u>Issue</u> <u>Principal</u>
2024	\$ 323,380	\$ 65,472	\$ 355,324	\$ 479,219	\$ 783,237	\$ 474,482	\$ 5,093	\$ 18,491
2025	323,380	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	-0-	65,472	377,241	508,777	831,545	503,746	5,407	18,770
2028	-0-	65,472	384,841	519,030	848,302	513,897	5,515	18,864
2029-2033	-0-	327,360	-0-	475,230	3,800,193	2,302,143	24,708	95,744
2034-2038	-0-	327,360	-0-	-0-	-0-	-0-	-0-	98,171
2039-2043	-0-	98,208	-0-	-0-	-0-	-0-	-0-	100,654
2044-2048	-0-	-0-	-0-	-0-	-0-	-0-	-0-	15,316
2049-2053	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2054-2058	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total</b>	<b>\$ <u>889,295</u></b>	<b>\$ <u>1,080,288</u></b>	<b>\$ <u>1,849,678</u></b>	<b>\$ <u>2,969,859</u></b>	<b>\$ <u>7,877,417</u></b>	<b>\$ <u>4,772,109</u></b>	<b>\$ <u>51,219</u></b>	<b>\$ <u>403,270</u></b>
	<u>2013</u> <u>Issue</u> <u>Principal</u>	<u>2014</u> <u>Issue</u> <u>Principal</u>	<u>2015A</u> <u>Issue</u> <u>Principal</u>	<u>2015B</u> <u>Issue</u> <u>Principal</u>	<u>2015C</u> <u>Issue</u> <u>Principal</u>	<u>2015D</u> <u>Issue</u> <u>Principal</u>	<u>2015E</u> <u>Issue</u> <u>Principal</u>	<u>2016A</u> <u>Issue</u> <u>Principal</u>
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	131,580	26,776	7,205	118	213,468	44,140	16,876	1,730,000
2028	131,580	27,634	7,763	118	213,468	44,140	16,876	1,820,000
2029-2033	657,900	152,043	37,553	468	1,067,340	220,700	84,380	10,230,000
2034-2038	657,899	39,063	-0-	-0-	1,067,340	220,700	84,361	12,465,000
2039-2043	657,880	-0-	-0-	-0-	1,067,340	220,700	84,360	15,750,000
2044-2048	657,881	-0-	-0-	-0-	53,367	220,700	84,360	15,455,000
2049-2053	-0-	-0-	-0-	-0-	-0-	66,211	84,360	-0-
2054-20580	-0-	-0-	-0-	-0-	-0-	-0-	33,748	-0-
<b>Total</b>	<b>\$ <u>3,289,460</u></b>	<b>\$ <u>320,955</u></b>	<b>\$ <u>71,172</u></b>	<b>\$ <u>1,058</u></b>	<b>\$ <u>4,322,727</u></b>	<b>\$ <u>1,169,711</u></b>	<b>\$ <u>539,949</u></b>	<b>\$ <u>62,155,000</u></b>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2016B</u> <u>Issue</u> <u>Principal</u>	<u>2017A</u> <u>Issue</u> <u>Principal</u>	<u>2018A</u> <u>Issue</u> <u>Principal</u>	<u>2018B</u> <u>Issue</u> <u>Principal</u>	<u>2018A2</u> <u>Issue</u> <u>Principal</u>	<u>2019B</u> <u>Issue</u> <u>Principal</u>	<u>2020A</u> <u>Issue</u> <u>Principal</u>
2024	\$ 796,530	\$ 60,000	\$ 8,688	\$ 645,000	\$ 3,088	\$ 81,059	\$ 1,240,000
2025	802,521	60,000	8,774	190,000	3,116	81,464	1,275,000
2026	808,555	70,000	8,862	220,000	3,148	81,873	1,325,000
2027	814,637	70,000	8,951	255,000	3,180	82,283	1,370,000
2028	820,765	70,000	9,041	295,000	3,212	82,696	1,380,000
2029-2033	4,197,354	390,000	46,586	2,640,000	16,551	419,730	7,680,000
2034-2038	4,357,589	470,000	48,972	7,190,000	17,401	430,348	9,160,000
2039-2043	4,523,944	555,000	51,478	15,975,000	18,289	441,239	6,265,000
2044-2048	3,032,766	670,000	54,116	14,235,000	19,227	406,652	-0-
2049-2053	-0-	-0-	56,884	40,000	20,212	-0-	-0-
2054-2058	-0-	-0-	53,684	-0-	21,248	-0-	-0-
<b>Total</b>	<b>\$ 20,154,661</b>	<b>\$ 2,415,000</b>	<b>\$ 356,036</b>	<b>\$ 41,685,000</b>	<b>\$ 128,672</b>	<b>\$ 2,107,344</b>	<b>\$ 29,695,000</b>

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>
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	12,424	26,261	103,390	62,633	672	1,702	7,373	4,070	2,475,438
2028	4,822	16,009	86,634	52,483	563	1,608	6,514	3,512	2,386,688
2029-2033	-0-	4,095	173,282	104,974	1,127	6,615	18,699	7,547	10,800,013
2034-2038	-0-	-0-	-0-	-0-	-0-	4,193	744	-0-	8,566,231
2039-2043	-0-	-0-	-0-	-0-	-0-	1,709	-0-	-0-	5,291,350
2044-2048	-0-	-0-	-0-	-0-	-0-	39	-0-	-0-	1,372,125
2049-2053	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2054-2058	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total</b>	<b>\$ 140,000</b>	<b>\$ 249,938</b>	<b>\$ 937,905</b>	<b>\$ 568,179</b>	<b>\$ 6,098</b>	<b>\$ 23,608</b>	<b>\$ 70,915</b>	<b>\$ 36,233</b>	<b>\$ 41,598,221</b>

\*Interest shown gross rather than net of the interest credit since future credit rate is questionable.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

	<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>2019B</u> <u>Issue</u> <u>Interest</u>	<u>2020A</u> <u>Issue</u> <u>Interest</u>
2024	\$ 148,923	\$ 83,843	\$ 3,528	\$ 1,889,863	\$ 1,275	\$ 10,385	\$ 1,071,650
2025	142,932	82,238	3,441	1,870,888	1,244	9,979	1,034,450
2026	136,897	80,125	3,353	1,864,738	1,212	9,571	983,450
2027	130,815	77,850	3,264	1,857,613	1,181	9,161	930,450
2028	124,688	75,575	3,174	1,849,363	1,149	8,748	916,750
2029-2033	529,912	338,700	14,489	9,065,763	5,257	37,487	3,714,950
2034-2038	369,696	261,088	12,104	8,021,875	4,408	26,868	2,064,950
2039-2043	203,322	170,875	9,596	5,604,625	3,518	15,980	379,050
2044-2048	39,934	62,530	6,960	800,450	2,582	4,846	-0-
2049-2053	-0-	-0-	4,189	800	1,597	-0-	-0-
2054-2058	-0-	-0-	1,284	-0-	563	-0-	-0-
<b>Total</b>	<b>\$ 1,981,988</b>	<b>\$ 1,317,927</b>	<b>\$ 68,996</b>	<b>\$ 34,746,590</b>	<b>\$ 25,293</b>	<b>\$ 143,815</b>	<b>\$ 12,203,650</b>

**Notes Payable - CLT**

On July 15, 2009, the Airport Authority of the City of Morgantown entered into an agreement for the acquisition of various lighting upgrades and energy efficient equipment. This agreement originally qualified as a capital lease for accounting purposes and, therefore, had been recorded at the present value of the minimum lease payments as of the date of inception of the acquisition. In accordance with the implementation of GASB 87 – *Leases*, this acquisition has been reclassified from a capital lease to a note payable as of June 30, 2022. Semiannual payments are required and the obligation is secured by equipment.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 50,091	\$ 2,804	\$ 52,895
2025	<u>26,319</u>	<u>576</u>	<u>26,895</u>
<b>Total</b>	<b>\$ <u>76,410</u></b>	<b>\$ <u>3,380</u></b>	<b>\$ <u>79,790</u></b>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Notes Payable - CLT**

On July 15, 2009, the Parking Authority of the City of Morgantown entered into an agreement for the acquisition of various lighting upgrades and energy efficient equipment. This agreement originally qualified as a capital lease for accounting purposes and, therefore, had been recorded at the present value of the minimum lease payments as of the date of inception of the acquisition. In accordance with the implementation of GASB 87 – *Leases*, this acquisition has been reclassified from a capital lease to a note payable as of June 30, 2022. Semiannual payments are required and the obligation is secured by equipment.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 24,161	\$ 1,352	\$ 25,513
2025	<u>12,694</u>	<u>278</u>	<u>12,972</u>
Total	\$ <u>36,855</u>	\$ <u>1,630</u>	\$ <u>38,485</u>

**G. Benefits Funded by the State of West Virginia**

For the year ended June 30, 2023, 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	\$ 647,136
Firemen's Pension and Relief Fund	<u>587,680</u>
Total	\$ <u>1,234,816</u>

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023.

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, 2023.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2022.

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	9.50% 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 4.00%). 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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Annual Required Contributions and Significant Actuarial Assumptions**

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

	<b>Policemen's and Firemen's Pension &amp; Relief Fund</b>	<b>Employees Pension and Relief Fund</b>
Valuation Date	7/1/2022	7/1/2022
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%	6.75%
Projected salary increases	Rates vary by years of service	Rates vary by years of service
Post retirement benefit increases	None	None
Inflation	2.50%	2.50%
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.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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>
<b>Assets</b>			
Cash	\$ 290,371	\$ 61,351	\$ 1,526
Investments	16,681,024	14,248,252	68,404,442
Receivables:			
Contributions	<u>-0-</u>	<u>15,855</u>	<u>348,701</u>
Total assets	<u>16,971,395</u>	<u>14,325,458</u>	<u>68,754,669</u>
<b>Liabilities</b>			
Accounts payable	<u>3,675</u>	<u>41,232</u>	<u>-0-</u>
Total liabilities	<u>3,675</u>	<u>41,232</u>	<u>-0-</u>
<b>Net Position</b>			
Held in trust	\$ <u>16,967,720</u>	\$ <u>14,284,226</u>	\$ <u>68,754,669</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>
<b>Additions</b>			
<b>Contributions:</b>			
Employer	\$ 1,314,699	\$ 1,046,841	\$ 3,206,302
Employee	463,332	359,468	920,291
Insurance premium tax allocation	647,136	587,680	-0-
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total contributions	<u>2,425,167</u>	<u>1,993,989</u>	<u>4,126,593</u>
<b>Investment Income:</b>			
Gain (loss) on investments	1,094,075	593,152	4,219,322
Interest and dividends	<u>174,139</u>	<u>416,264</u>	<u>1,582,879</u>
Total investment income	<u>1,268,214</u>	<u>1,009,416</u>	<u>5,802,201</u>
<b>Total additions</b>	<u><b>3,693,381</b></u>	<u><b>3,003,405</b></u>	<u><b>9,928,794</b></u>
<b>Deductions</b>			
General and administrative	76,212	77,381	224,015
Contribution refunds	70,094	81,905	304,488
Benefit payments	<u>2,837,640</u>	<u>2,269,041</u>	<u>4,603,503</u>
Total deductions	<u>2,983,946</u>	<u>2,428,327</u>	<u>5,132,006</u>
Net increase (decrease)	709,435	575,078	4,796,788
Net position – beginning of year – restated	<u>16,258,285</u>	<u>13,709,148</u>	<u>63,957,881</u>
Net position – end of year	\$ <u>16,967,720</u>	\$ <u>14,284,226</u>	\$ <u>68,754,669</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

At June 30, 2023, the City's Policemen's Pension and Relief Fund 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>
Differences between expected and actual experience	\$ 1,299,514	\$ 1,339,246
Changes in assumptions	1,877,077	7,122,318
Net difference between projected and actual earnings on pension plan investments	<u>820,338</u>	<u>-0-</u>
Total	\$ <u>3,996,929</u>	\$ <u>8,461,564</u>

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,

2024	\$ (2,645,266)
2025	(2,152,902)
2026	436,244
2027	( 102,711)
2028	-0-
Thereafter	-0-

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023, the City's Firemen's Pension and Relief Fund reported deferred outflows of resources and deferred inflows of resources related to these pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 798,774	\$ 1,549,025
Changes in assumptions	810,412	7,118,627
Net difference between projected and actual earnings on pension plan investments	<u>777,106</u>	<u>-0-</u>
Total	\$ <u>2,386,292</u>	\$ <u>8,667,652</u>

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,

2024	\$ (1,086,932)
2025	(2,083,289)
2026	(1,237,170)
2027	(1,873,969)
2028	-0-
Thereafter	-0-

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023, 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>
Differences between expected and actual experience	\$ 1,412,266	\$ 593,709
Assumption changes	1,670,131	-0-
Net difference between projected and actual earnings on pension plan investments	<u>2,510,968</u>	<u>-0-</u>
Total	\$ <u>5,593,365</u>	\$ <u>593,709</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>	
2024	\$ 1,076,175
2025	727,574
2026	2,793,028
2027	323,183
2028	79,121
2029	<u>575</u>
Total	\$ <u>4,999,656</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

*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, 2023 is as follows:

	<i>Component Unit Board of Parks and Recreation Commission</i>	<i>Component Unit Morgantown Public Library</i>
Total wages	\$ 1,526,975	\$ 1,014,232
Covered wages	\$ 830,354	\$ 764,778
Employer share 9.00%	\$ 75,001	\$ 68,830
Employee share 4.50% and 6.00%	\$ 73,724	\$ 40,708

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	9.00%
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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 9.0 percent of the member's compensation into the plan. For the year ended June 30, 2022, 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 2023, the employer will contribute 9% of the member's gross monthly salary for a total combined contribution equal to 15%. 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 YEAR ENDED JUNE 30, 2023**

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 YEAR ENDED JUNE 30, 2023**

***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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***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 25<sup>th</sup> of each month, except in the month of December when retiree accounts are credited on the 18<sup>th</sup>. If the 25<sup>th</sup> (or December 18<sup>th</sup>) 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 YEAR ENDED JUNE 30, 2023**

***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 YEAR ENDED JUNE 30, 2023**

**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 YEAR ENDED JUNE 30, 2023**

***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 YEAR ENDED JUNE 30, 2023**

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.*

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, 2022, 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, 2023, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 9.00 percent of the member's compensation into the plan.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE YEAR ENDED JUNE 30, 2023**

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

At June 30, 2023 the City's Component Units reported a liability of \$136,402 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022 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, 2023, the City's Component Units reported the following proportions and increases/decreases from its proportion measured as of June 30, 2022:

Amount for proportionate share of net pension liability	\$ 136,402
Percentage for proportionate share of net pension liability	0.0916%
Increase (decrease) percentage from prior proportion measured	2.00%

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

For the year ended June 30, 2023, the City's Component Units recognized pension expense of \$59,275 on its government wide financial statements. At June 30, 2023, 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>
Net difference between projected and actual investment earnings on pension plan investments	\$ 82,249	\$ -0-
Net difference between expected and actual experience	52,328	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-0-	10,095
Employer contributions subsequent to measurement period	143,831	-0-
Changes in assumptions	<u>89,777</u>	<u>-0-</u>
Total	\$ <u>368,185</u>	\$ <u>10,095</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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

Year Ended June 30,

2024	\$ 53,565
2025	53,565
2026	53,565
2027	<u>53,564</u>
	\$ <u>214,259</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***Actuarial Information***

The total pension liabilities for financial reporting purposes were determined by actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022 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	7.25% net of investment expense
Projected salary increases:	
State	2.75 – 5.55%
Nonstate	3.60 – 6.75%
Inflation rate	2.75%
Discount rate	7.25%
Mortality rates	<p><i>Active</i> – Pub-2010 General Employee Tables, below-median, headcount-weighted, projected generationally with Scale MP-2018</p> <p><i>Health Male Retirees</i> – 108% of Pub-2010 General Retiree Male Table, below-median, headcount-weighted, projected generationally with Scale MP-2018</p> <p><i>Health Female Retirees</i> – 122% of Pub-210 General Retiree Female Table, below-median, headcount-weighted, projected generationally with Scale MP-2018</p> <p><i>Disabled Males</i> – 118% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected generationally with Scale MP-2018</p> <p><i>Disabled Females</i> – 117% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected generationally with Scale MP-2018</p>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

Withdrawal rates:	
State	2.28% – 45.63%
Non-state	2.50% – 35.88%
Disability rates	0.005% – 0.540%
Retirement rates	12% – 100%
Dated range in most recent experience study	2015 – 2020 – Economic assumptions; 2013 – 2018 – All other assumptions

**West Virginia Consolidated Public Retirement Board**

*Investment Section*

*Investment Pool Objectives, Financial Highlights, and Performance*

**Public Employees' Retirement System**

The Public Employees' Retirement System (PERS) was created in 1961

*Investment Objectives*

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting PERS to an undue level of risk.

*Asset Allocation*

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for PERS. Base and Strategic Allocations are established on a market value basis.

<u>Asset Class</u>	<u>Base Allocation</u>	<u>Strategic Allocations</u>
Equity (including Portable Alpha)	60.0%	50.00%
Fixed Income	40.0%	15.00%
Private Markets:		
Private Credit and Income	0.0%	5.00%
Private Equity	0.0%	10.00%
Real Estate	0.0%	10.00%
Hedge Fund	0.0%	10.00%

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

***Financial Highlights (in \$000s)***

<b>Progression of Plan Balance</b>	
June 30, 2021	\$ 8,807,095
Contributions	148,190
Withdrawals	( 407,950)
Net	( 259,760)
Investment Income	28
Net appreciation	( 542,528)
June 30, 2022	\$ <u>8,004,835</u>

<u>Asset Allocation</u>	<u>Fair Value</u>	<u>Percentage of Securities</u>
Portable Alpha	\$ 1,871,060	23.5%
Non-Large Cap Domestic	314,951	3.9%
International Qualified	506,449	6.3%
International Equity	1,029,958	12.9%
Short-Term Fixed Income	10,009	0.1%
Total Return Fixed Income	762,545	9.5%
Core Fixed Income	329,794	4.1%
Private Markets	2,395,882	29.9%
Hedge Fund	<u>784,187</u>	<u>9.8%</u>
Total	\$ <u>8,004,835</u>	<u>100.0%</u>

***Investment Performance***

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

<u>Period</u>	<u>Actual</u>	<u>Target</u>
One-year	-6.4%	7.25%
Three-year	8.5%	7.25%
Five-year	8.2%	7.25%
Ten-year	9.1%	7.25%
Twenty-year	7.9%	7.25%

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount 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 Proportionate Share of the Net Pension Asset to Changes in the Discount Rate***

The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.25 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 (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate.

	<u>(6.25%)</u>	<u>Rate (7.25%)</u>	<u>(8.25%)</u>
City's proportionate share of the net pension asset (liability)	\$ (164,244)	\$ (136,402)	\$ 57,717

***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](http://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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 2023, 2022 and 2021 rates were 20.95%, 20.49% and 15.98% of annual covered payroll. The Board's contributions to the Plan for the years ended June 30, 2023, 2022 and 2021 were \$1,641,110, \$1,817,807, and \$1,327,102.

**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 \$22,500 and \$20,500, for 2023 and 2022; respectively, plus \$7,500 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 members:	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%; provide that the municipality's contribution for the year is less than 6.0% of the participating payroll
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***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, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021 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 2022 and 2021. At June 30, 2023 and 2022, the Board's reported the following proportions:

	<u>2023</u>	<u>2022</u>
Amount for proportionate share of net pension liability	\$ 12,567,937	\$ 5,527,989
Percentage for proportionate share of net pension liability	59.0866%	57.4167%
Increase/(decrease) in % from prior proportion measured	1.6698794%	0.00000%

For the years ended June 30, 2023 and 2022, the Board recognized the following pension expense:

	<u>2023</u>	<u>2021</u>
Pension Expense	\$ <u>2,349,884</u>	\$ <u>688,125</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 2,611,607	\$ -0-
Differences between projected and actual experiences	1,056,731	535,772
Changes in assumptions	1,572,423	-0-
Changes in proportion and differences between contributions and proportionate share of contributions	<u>200,557</u>	<u>885,947</u>
Totals	\$ <u>5,441,318</u>	\$ <u>1,421,719</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, 2022:

	<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
Differences between projected and actual experiences	792,955	700,412
Change 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>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023 and 2022 as follows:

<u>Year Ended June 30:</u>	<b>2023</b>	<u>Year Ended June 30:</u>	<b>2022</b>
2024	\$ 926,342	2023	\$ ( 516,148)
2025	625,224	2024	( 573,917)
2026	415,818	2025	( 865,883)
2027	1,679,515	2026	(1,069,380)
2028	307,350	2027	159,833
Thereafter	<u>65,350</u>	Thereafter	<u>194,460</u>
Total	\$ <u>4,019,599</u>	Total	\$ <u>(2,671,035)</u>

***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021, 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, 2022</u>	<u>June 30, 2021</u>
Actuarial Cost Method:	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method:	Level dollar, closed	Level dollar, closed
Remaining Amortization Period:	14 years	15 years
Asset Valuation Method:	5-Year smoothed market	5-Year smoothed market
Inflation:	2.5% - approximate; No explicit price inflation assumption is used in this valuation.	2.5% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.0% per year	4.0% per year
Investment Rate of Return:	6.75% per year, net of expenses, compounded annually	6.75% 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, 2023**

<u>Methods and Assumptions</u>	<u>June 30, 2022</u>	<u>June 30, 2021</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)	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)
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](http://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, 2023**

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:

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](http://www.morgantownwv.gov).

**General Information About the OPEB Plan**

*Employer.* City of Morgantown, WV

***Summary of Plan Provisions***

The following is our understanding of the plan provisions for retiree coverage. Where the following differs from the official plan rules, the valuation should be revised.

**Eligibility Conditions**

A retired employee, who is participating in the employer's medical program, is eligible to elect post-retirement coverage if:

- 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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Covered Employees**

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

<u>Type of Coverage</u>	<u>Retiree</u>	<u>Spouse</u>
<b><i>City Employees, Policemen &amp; Firemen</i></b>		
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. if hired prior to January 1, 2011. Retirees hired on or after January 1, 2011, pay full premium.	Retiree, hired prior to January 1, 2011, pays a portion of the premium for spousal coverage. Hired on or after January 1, 2011, Retiree pay full 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, 2022 (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	69	\$ 8,761,000
Inactive employees entitled to but not yet receiving benefits	-0-	-0-
Active employees	<u>200</u>	<u>9,708,000</u>
<b>Total</b>	<b><u>269</u></b>	<b>\$ <u>18,469,000</u></b>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***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, 2023 for the employer fiscal year and reporting period of July 1, 2022 to June 30, 2023. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2022 and the corresponding measurement period of July 1, 2021 to July 1, 2022. The measurement of the total OPEB liability is based on a valuation date of July 1, 2022.

***Actuarial Assumptions and Actuarial Methods***

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.69%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	(7.00%) for fiscal year end 2023 decreasing 0.25% per year to an ultimate rate of 5.00%
Mortality:	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021
Actuarial Cost Method:	Entry Age Actuarial Cost Method

***Expected Rate on Assets***

1.00%

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***Discount Rate***

The discount rate has been set equal to 3.69% 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, 2022	\$ 21,489,000	\$ 1,245,000	\$ 20,244,000
Changes for the year:			
Service cost	726,000	-0-	726,000
Interest	421,000	-0-	421,000
Differences between expected and actual experience	( 1,468,000)	-0-	( 1,468,000)
Contributions – employer	-0-	597,000	( 597,000)
Contributions – employee	-0-	-0-	-0-
Net investment income	-0-	194,000	( 194,000)
Benefit payments	( 597,000)	( 597,000)	-0-
Changes of benefit terms	-0-	-0-	-0-
Administrative expense	-0-	-0-	-0-
Assumption changes	<u>( 2,102,000)</u>	<u>-0-</u>	<u>( 2,102,000)</u>
Net changes	<u>( 3,020,000)</u>	<u>194,000</u>	<u>( 3,214,000)</u>
Balances at June 30, 2023**	\$ <u>18,469,000</u>	\$ <u>1,439,000</u> <sup>1</sup>	\$ <u>17,030,000</u> <sup>2</sup>

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

\*\* Measurement date is July 1, 2022

<sup>1</sup>Assets are the combination of two accounts (CD and Checking). CD is \$740,000 and checking is \$699,000.

<sup>2</sup>The 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, 2023**

***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)	\$ 20,419,000	\$ 18,469,000	\$ 16,776,000

***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)	\$ 16,626,000	\$ 18,469,000	\$ 20,630,000

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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

For the year ended June 30, 2023, under GASB 75 the employer OPEB expense is \$506,000. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2023 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ (5,523,000)
Changes of assumptions	2,229,000	(1,822,000)
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>TBD<sup>3</sup></u>	<u>-0-</u>
Total	\$ <u>2,229,000</u>	\$ <u>(7,345,000)</u>

<sup>3</sup>GASB 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, 2022.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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>
2024	\$( 812,000)
2025	( 858,000)
2026	( 858,000)
2027	( 858,000)
2028	( 860,000)
Thereafter	( 870,000)
	<u>\$(5,116,000)</u>

**Postemployment Benefits Other Than Pensions (OPEB)**

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

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

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Contributions** – Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribution this premium to the RHBT at the established rate for every active policyholder per month. The paygo rate for June 30, 2023 was \$71. Contributions to the OPEB plan from the Board were \$109,970 for the current fiscal year.

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

At fiscal year-end, the Board reported the following liability for its proportionate share of the net OPEB liability (asset). The net pension liability (asset) was measured as of June 30, 2022 for the Board's fiscal year ended June 30, 2023, using the actuarial assumptions and methods described in the appropriate section of this note. The Board's proportion of the net pension liability (asset) was based on a projection of the Board's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2023, the Board reported the following proportions and increase/decreases from its proportion as of June 30, 2023:

	<u>2023</u>	<u>2022</u>
Amount for proportionate share of net OPEB liability/(assets)	\$ 132,083	\$ (6,861)
Percentage of proportionate share of net OPEB liability/(asset)	0.118674314%	0.023075455%
Increase/(decrease) in % from prior proportion measured	0.095598859%	0.023075455%

For the year ended June 30, 2023 and 2022, the Board recognized the following OPEB expense and support provided by the State:

	<u>2023</u>	<u>2022</u>
OPEB expense/(offset) Commission	\$ (154,967)	\$ (74,526)
OPEB expense/(offset) State support	<u>114,777</u>	<u>61,719</u>
Total OPEB expense/(offset)	\$ ( <u>40,190</u> )	\$ ( <u>12,807</u> )

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

The Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources for the year ended June 30, 2023.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 20,502	\$ -0-
Differences between projected and actual experiences	-0-	168,498
Changes in assumptions	84,705	335,600
Changes in proportion and differences between contributions and proportionate share of contributions	879,303	( 376)
Contributions subsequent to measurement date	<u>109,970</u>	<u>-0-</u>
Totals	\$ <u>1,094,480</u>	\$ <u>503,722</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE YEAR ENDED JUNE 30, 2023**

The Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources for the year ended June 30, 2022.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -0-	\$ 47,353
Differences between projected and actual experiences	-0-	47,265
Charges in assumptions	-0-	145,191
Changes in proportion and differences between contributions and proportionate share of contributions	287,027	250
Contributions subsequent to measurement date	<u>139,532</u>	<u>-0-</u>
<b>Total</b>	<b>\$ <u>426,559</u></b>	<b>\$ <u>240,059</u></b>

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

Year Ended June 30:

2024	\$ ( 35,417)
2025	325,045
2026	139,827
2027	<u>51,333</u>
<b>Total</b>	<b>\$ <u>480,788</u></b>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***Actuarial Assumptions***

The total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>OPEB</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Actuarial Cost Method	Entry age normal cost method	Entry age normal cost method
Asset Valuation Method	Fair value	Fair value
Amortization Method	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization Period	20 years closed as of June 30, 2017	20 years closed as of June 30, 2017
Actuarial Assumptions: Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	Dependent upon pension system. Ranging from 2.75% to 5.18% including inflation	Dependent upon pension system. Ranging from 2.75% to 5.18% including inflation
Inflation Rate	2.25%	2.25%
Discount Rate	6.65%, net of OPEB plan investment expense, including inflation	6.65%
Healthcare Cost Trends	Trend rate for per-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.	Trend rate for per-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>OPEB</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Mortality Rates	Post-Retirement: Pub-2010 Below-Median Income Generally Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021	Post-Retirement: Pub-2010 Below-Median Income Generally Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019
Date Range in Most Recent Experience Study	July 1, 2015 to June 30, 2020	July 1, 2015 to June 30, 2020

The long-term rates of return on OPEB plan investments are determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions ("CMA"), and forecast returns were provided by the Plan's investment advisors, including West Virginia Investment Management Board ("WV-IMB"). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments ("WV-BTI") was estimated based on WV-IMB assumed inflation of 2.0% plus a 25-basis point spread.

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

<u>Asset Class</u>	<u>Long-term Expected Real Return</u>	<u>Target Asset Allocation</u>
Global Equity	4.8%	55.0%
Core Plus Fixed Income	2.1%	15.0%
Core Real Estate	4.1%	10.0%
Hedge Fund	2.4%	10.0%
Private Equity	6.8%	<u>10.0%</u>
		<u>100.0%</u>

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***Sensitivity of Board's proportionate share of the net OPEB liability (asset) to changes in the discount rate.*** The following chart presents the Board's proportionate share of the net OPEB liability (asset), as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u> 5.65%	<u>Current Discount</u> Rate 6.65%	<u>1% Increase</u> 7.65%
Proportionate share of OPEBs Net OPEB liability/(asset)	\$ 339,504	\$ 132,083	\$ (45,860)

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

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1% Increase</u>
Proportionate share of OPEBs Net OPEB liability/(asset)	\$ (75,092)	\$ 132,083	\$ 377,226

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**VI. Debt Service Coverage**

The debt service coverage factor for the Parking Authority has been calculated as follows for the year ended June 30, 2023:

Total revenues	\$ 3,189,485
Investment income	<u>103,642</u>
Adjusted gross revenues	3,293,127
Total expenses	<u>2,771,855</u>
	521,272
Add: Depreciation expense	<u>345,193</u>
Amount available for debt service and capital expenditures	\$ <u>866,465</u>
Maximum annual debt service	\$ <u>179,680</u>
Calculated debt service coverage factor	4.82
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, 2023.

**VII. Lease of Property**

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 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, 2023**

**VIII. Deficit Fund Balance**

The Tax Increment Financing Debt Service fund had a deficit fund balance of \$4,442,389. The elimination of this deficit fund balance is dependent on increasing revenues and decreasing expenses for this fund.

**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, 2023, the City abated property taxes totaling \$418,697.

**X. Restatement of Fund Balance/Net Position**

As of June 30, 2023, the financial statements of the Morgantown Utility Board have been restated to incorporate the impact of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This implementation has resulted in adjustments to the recognition, measurement, and disclosure of Other Postemployment Benefits (OPEB), specifically those administered through trusts. The restatement reflects the organization's adherence to GASB standards and its commitment to providing accurate and transparent financial information.

In addition to the GASB 75 restatement, the financial statements have been further adjusted to reflect the removal of certain capital assets that had not been previously removed but were identified as no longer in the possession of the organization. This adjustment aligns with updated information obtained from client support, confirming the disposition or loss of these assets. The removal of these assets from the financial statements ensures the accuracy of the reported financial position.

These restatements have been made to enhance the reliability and relevance of our financial statements, providing users with a more faithful representation of the organization's financial position and compliance with GASB standards.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

The effects of these restatements at June 30, 2023:

6/30/21, as previously recorded	\$ 141,664,934
Restatement of Capital Assets	( <u>3,519,739</u> )
6/30/21, as restated	\$ <u>138,145,195</u>
6/30/22, as previously recorded	\$ 145,301,570
Implementation of GASB 75	<u>193,361</u>
6/30/22, as restated	\$ <u>145,494,931</u>

**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 21, 2024, 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, 2023**

	<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 Basis)</u>	<u>GAAP Difference</u>	<u>Amounts (GAAP Basis)</u>	<u>With Final Budget Favorable (Unfavorable)</u>
<b>Revenues</b>						
<b>Taxes (including interest and penalties):</b>						
Ad valorem	\$ 4,661,886	\$ 4,616,886	\$ 4,540,259	\$ 19,361	\$ 4,559,620	\$ ( 76,627)
Gas and oil severance	50,000	50,000	176,479	-0-	176,479	126,479
Utility	1,072,000	1,072,000	1,217,104	76,189	1,293,293	145,104
Business and occupation	14,700,000	15,545,159	16,793,074	( 216,045)	16,577,029	1,247,915
Wine and liquor	800,000	800,000	849,297	4,127	853,424	49,297
Animal control	4,000	3,000	4,004	-0-	4,004	1,004
Hotel and motel	900,000	1,008,000	1,186,433	2,687	1,189,120	178,433
Amusement	5,000	3,000	3,693	-0-	3,693	693
Municipal sales tax	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,465,251</u>	<u>(2,465,251)</u>	<u>-0-</u>	<u>265,251</u>
Total taxes	24,392,886	25,298,045	27,235,594	(2,578,932)	24,656,662	1,937,549
Licenses and permits	576,500	546,500	455,095	( 4,934)	450,161	( 91,405)
Charges for services	10,243,629	10,483,629	10,362,723	183,979	10,546,702	( 120,906)
Fines and forfeitures	300,000	240,000	194,607	-0-	194,607	( 45,393)
Franchise fees	250,000	250,000	256,297	( 3,757)	252,540	6,297
Interest	30,000	30,000	112,516	-0-	112,516	82,516
<b>Intergovernmental:</b>						
Federal	180,000	180,000	137,655	( 18,379)	119,276	( 42,345)
State	-0-	24,960	25,680	16,959	42,639	720
Other	15,000	15,000	-0-	-0-	-0-	( 15,000)
Video lottery and gaming income	150,000	150,000	152,095	-0-	152,095	2,095
Miscellaneous	<u>88,000</u>	<u>88,000</u>	<u>383,091</u>	<u>17,095</u>	<u>400,186</u>	<u>295,091</u>
Total revenues	<u>36,226,015</u>	<u>37,306,134</u>	<u>39,315,353</u>	<u>(2,387,969)</u>	<u>36,927,384</u>	<u>2,009,219</u>
<b>Expenditures</b>						
General government	8,672,284	10,116,336	8,374,903	562,848	8,937,751	1,741,433
Public safety	16,530,951	17,693,031	16,349,219	-0-	16,349,219	1,343,812
Highways and streets	4,586,190	4,827,837	4,003,501	981	4,004,482	824,336
Health and sanitation	1,630,000	1,804,960	1,714,972	79,925	1,794,897	89,988
Culture and recreation	3,639,286	3,726,002	3,273,129	-0-	3,273,129	452,873
Social services	<u>343,002</u>	<u>351,508</u>	<u>214,057</u>	<u>-0-</u>	<u>214,057</u>	<u>137,451</u>
Total expenditures	<u>35,401,713</u>	<u>38,519,674</u>	<u>33,929,781</u>	<u>643,754</u>	<u>34,573,535</u>	<u>4,589,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>824,302</u>	<u>( 1,213,540)</u>	<u>5,385,572</u>	<u>(3,031,723)</u>	<u>2,353,849</u>	<u>6,599,112</u>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-0-	-0-	-0-	2,465,251	2,465,251	-0-
Operating transfers (out)	<u>( 4,074,302)</u>	<u>( 5,432,917)</u>	<u>( 5,416,427)</u>	<u>-0-</u>	<u>( 5,416,427)</u>	<u>16,490</u>
Total other financing sources (uses)	<u>( 4,074,302)</u>	<u>( 5,432,917)</u>	<u>( 5,416,427)</u>	<u>2,465,251</u>	<u>( 2,951,176)</u>	<u>16,490</u>
Net change in fund balance	( 3,250,000)	( 6,646,457)	( 30,855)	( 566,472)	( 597,327)	6,615,602
Fund balance at beginning of year	<u>3,250,000</u>	<u>6,646,457</u>	<u>8,358,158</u>	<u>4,724,773</u>	<u>13,082,931</u>	<u>1,711,701</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>8,327,303</u>	\$ <u>4,158,301</u>	\$ <u>12,485,604</u>	\$ <u>8,327,303</u>

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
GENERAL FUND – BUDGETARY BASIS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023**

	<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>
<b>Revenues</b>						
Interest	\$ 100	\$ 850	\$ 869	\$ -0-	\$ 869	\$ 19
Intergovernmental:						
State	<u>55,000</u>	<u>130,000</u>	<u>141,785</u>	<u>-0-</u>	<u>141,785</u>	<u>11,785</u>
Total revenues	<u>55,100</u>	<u>130,850</u>	<u>142,654</u>	<u>-0-</u>	<u>142,654</u>	<u>11,804</u>
<b>Expenditures</b>						
General government	5,000	8,000	-0-	-0-	-0-	8,000
Culture and recreation	<u>55,100</u>	<u>212,961</u>	<u>182,961</u>	<u>(182,961)</u>	<u>-0-</u>	<u>30,000</u>
Total expenditures	<u>60,100</u>	<u>220,961</u>	<u>182,961</u>	<u>(182,961)</u>	<u>-0-</u>	<u>38,000</u>
(Deficiency) excess revenues (under) over expenditures	<u>( 5,000)</u>	<u>( 90,111)</u>	<u>( 40,307)</u>	<u>182,961</u>	<u>142,654</u>	<u>49,804</u>
<b>Other Financing Sources (Uses)</b>						
Operating transfers (in)	-0-	-0-	-0-	-0-	-0-	-0-
Operating transfers (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(182,961)</u>	<u>(182,961)</u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(182,961)</u>	<u>(182,961)</u>	<u>-0-</u>
Net change in fund balance	<u>( 5,000)</u>	<u>( 90,111)</u>	<u>( 40,307)</u>	<u>-0-</u>	<u>( 40,307)</u>	<u>49,804</u>
Fund balance at beginning of year	<u>5,000</u>	<u>90,111</u>	<u>105,160</u>	<u>-0-</u>	<u>105,160</u>	<u>15,049</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>64,853</u>	\$ <u>-0-</u>	\$ <u>64,853</u>	\$ <u>64,853</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, 2023**

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<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>
City's proportion of the net pension liability (asset)	.09%	(.09%)	.10%	.10%	.99%	.10%	.092%	0.85%
City's proportionate share of the net pension liability (asset)	\$ 136,402	\$( 788,535)	\$ 513,642	\$ 210,946	\$ 256,671	\$ 438,062	\$ 845,671	\$ 474,487
City's covered – employee payroll	\$ 1,488,393	\$ 1,489,393	\$ 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	9.17%	(52.95%)	35.02%	14.74%	18.40%	33.41%	62.59%	41.22%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.17%	(79.79%)	92.89%	93.90%	96.33%	93.67%	86.11%	91.29%

The information presented in the schedule of the proportionate share of the net pension liability is the only years available as of June 30, 2023. 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, 2023**

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<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>
Contractually required contribution	\$ 143,831	\$ 146,225	\$ 148,930	\$ 146,671	\$ 143,174	\$ 153,482	\$ 162,079	\$ 170,510	\$ 161,167
Contributions in relation to the contractually required contribution	<u>143,831</u>	<u>146,225</u>	<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	\$ 1,595,132	\$ 1,488,393	\$ 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	9.00%	10.00%	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, 2023. 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, 2023**

**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, 2022, are as follows (in thousands):

Total Pension Liability	\$ (8,150,369)
Fiduciary Net Position	8,007,329
Adjustment for contributions correction in FY 2022	<u>( 5,879)</u>
Net Pension Asset (Liability) restated	\$ <u>( 148,919)</u>
Fiduciary Net Position as a percent of Total Pension Liability	98.17%

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, 2023**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 2,146,413	\$ 2,713,424	\$ 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	2,257,224	2,010,784	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-	-0-	-0-
Differences between expected and actual experience	878,490	( 2,323,539)	81,136	317,635	1,815,332	( 218,647)	( 454,836)	( 113,977)	( 1,590,303)	-0-
Changes of assumptions	( 788,241)	( 8,596,267)	( 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	( 2,350,946)	( 2,269,005)	( 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	2,142,940	( 8,464,603)	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>57,325,328</u>	<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>	<u>37,947,705</u>
Total pension liability – ending (a)	<u>\$ 59,468,268</u>	<u>\$ 57,325,328</u>	<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>
<b>Plan Fiduciary Net Position</b>										
Contributions – employer (including Premium Tax Allocation)	\$ 1,634,521	\$ 1,610,847	\$ 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	359,469	329,817	321,450	318,125	307,067	258,246	218,900	202,830	191,330	183,544
Net investment income	935,250	( 2,488,555)	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	( 2,350,946)	( 2,269,005)	( 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	( 2,818)	( 2,851)	( 2,410)	( 3,138)	-0-	( 2,469)	( 2,158)	( 3,042)	( 1,943)	( 1,725)
Other	-0-	-0-	-0-	-0-	( 2,132)	-0-	170	-0-	-0-	-0-
Net change in plan fiduciary net position	575,476	( 2,819,747)	2,938,744	50,196	821,808	485,041	1,094,455	( 371,612)	63,769	901,766
Plan fiduciary net position – beginning	<u>13,709,149</u>	<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>11,510,264</u>	<u>11,482,554</u>	<u>10,580,788</u>
Plan fiduciary net position – ending (b)	<u>14,284,625</u>	<u>13,709,149</u>	<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>\$ 45,183,643</u>	<u>\$ 43,616,179</u>	<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>

See accompanying notes and 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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of total pension liability	24.02%	23.91%	25.12%	20.94%	23.41%	24.46%	24.07%	20.69%	28.08%	28.22%
Covered payroll	\$ 3,733,339	\$ 3,724,403	\$ 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	1210.27%	1171.09%	1375.88%	1372.73%	1218.12%	1445.81%	1489.41%	1684.42%	1211.44%	1190.51%
Expected average remaining service years of all participants	5.00	6.00	5.00	5.00	5.00	4.31	4.32	4.71	4.42	N/A

**Notes to Schedule**

Benefit changes: There were no changes for FY2023.

Changes of assumptions: The discount rate changed from 4.02% to 4.11%.

\*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, 2023**

<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	1190.51%
2015	\$ 41,124,486	\$ 11,546,323	\$ 29,578,163	28.08%	\$ 2,441,567	1211.44%
2016	\$ 53,826,064	\$ 11,138,652	\$ 42,687,412	20.69%	\$ 2,534,252	1684.42%
2017	\$ 50,822,626	\$ 12,233,107	\$ 38,589,519	24.07%	\$ 2,590,922	1489.41%
2018	\$ 51,995,644	\$ 12,718,148	\$ 39,277,496	24.46%	\$ 2,716,646	1445.81%
2019	\$ 57,832,399	\$ 13,539,956	\$ 44,292,443	23.41%	\$ 3,836,132	1218.12%
2020	\$ 64,887,379	\$ 13,590,152	\$ 51,297,227	20.94%	\$ 3,736,834	1372.73%
2021	\$ 65,798,931	\$ 16,528,896	\$ 49,621,035	25.12%	\$ 3,580,833	1375.88%
2022	\$ 57,325,328	\$ 13,709,149	\$ 43,616,179	23.91%	\$ 3,724,403	1171.09%
2023	\$ 59,468,268	\$ 14,284,625	\$ 45,183,643	24.02%	\$ 3,733,339	1210.27%

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, 2023**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 4,175,598	\$ 4,073,755	\$ 3,897,505	\$ 3,716,017	\$ 3,177,129	\$ 2,813,357	\$ 2,670,559	\$ 2,514,255	\$ 1,890,064	\$ 1,885,133
Contributions in relation to the actuarially determined contribution:										
Employer provided	1,046,841	981,069	920,455	933,095	909,000	986,830	870,926	728,343	618,813	578,330
State provided	<u>587,680</u>	<u>629,778</u>	<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>
Contribution deficiency (excess)	\$ <u>2,541,077</u>	\$ <u>2,462,908</u>	\$ <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>
Covered payroll	\$ 3,733,339	\$ 3,724,403	\$ 3,580,333	\$ 3,736,884	\$ 3,636,132	\$ 2,716,646	\$ 2,590,922	\$ 2,534,252	\$ 2,441,567	\$ 2,453,297
Contributions as a percentage of covered employee payroll	43.78%	43.25%	43.55%	41.88%	40.07%	55.02%	52.35%	46.89%	43.84%	41.31%

**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. The assumptions shown below are those used in the 7/1/2021 actuarial valuation to calculate the FY2023 ADC. Assumptions used to determine all contributions in the past would not have been the same.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	15 to 27.5 years
Asset valuation method	4-year smoothed market
Inflation	2.50 percent
Salary increases	Rates vary by years of service
Investment rate of return	4.25%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by age
Mortality	SOA PubS-2010(B) with generational projection using Scale MP-2019

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, 2023

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, 2023, measurement date based on actuarial liabilities as of July 1, 2022
<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. <b>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 2038.</b>
<i>Actuarial Assumptions:</i>	
<i>Investment Rate of Return</i>	4.25% per year
<i>GASB 67/68 Discount Rate</i>	4.11% at June 30, 2023 and 4.02% for June 30, 2022
<i>Projected Salary Increases</i>	Rates vary by years of service
<i>Cost of Living Increases</i>	4.00% 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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Single Discount Rate**

A GASB Statement Nos. 67 and 68 single discount rate of 4.11% was used to measure the total pension liability as of June 30, 2023. 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 3.86%. 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 2043. Therefore, the single discount rate of 4.11% 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 4.11%, 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>3.11%</u>	<u>4.11%</u>	<u>5.11%</u>
Net pension (liability)	\$ (54,953,418)	\$ (45,183,643)	\$ (37,423,437)

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, 2023**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 1,826,771	\$ 2,486,762	\$ 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	3,062,614	2,769,438	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-	-0-	-0-
Differences between expected and actual experience	75,175	( 2,446,179)	( 464,631)	3,310,369	838,051	1,320,613	( 95,360)	440,163	( 935,554)	-0-
Changes of assumptions	( 955,267)	(11,386,282)	( 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	( 2,907,734)	( 2,851,777)	( 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	1,101,559	(11,428,038)	( 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>77,638,288</u>	<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>	<u>48,761,920</u>
Total pension liability – ending (a)	<u>\$ 78,739,847</u>	<u>\$ 77,638,288</u>	<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>
<b>Plan Fiduciary Net Position</b>										
Contributions – employer (including Premium Tax Allocation)	\$ 1,961,835	\$ 1,945,569	\$ 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	463,332	427,163	406,609	455,534	465,680	437,588	423,661	360,533	343,444	260,782
Net investment income	1,194,223	( 2,967,547)	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	( 2,907,734)	( 2,851,777)	( 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	( 2,220)	( 2,252)	( 1,811)	( 1,740)	-0-	( 1,620)	( 1,560)	( 1,994)	( 1,344)	( 1,275)
Other	-0-	-0-	-0-	-0-	( 2,132)	-0-	198	267	-0-	-0-
Net change in plan fiduciary net position	709,436	( 3,448,844)	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>16,258,285</u>	<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>14,434,407</u>	<u>14,472,339</u>	<u>13,464,676</u>
Plan fiduciary net position – ending (b)	<u>16,967,721</u>	<u>16,258,285</u>	<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>\$ 61,772,126</u>	<u>\$ 61,380,003</u>	<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>

See accompanying notes and 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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of the total pension liability	21.55%	20.94%	22.13	18.40%	21.53%	21.49%	21.91%	19.04%	26.71%	27.57%
Covered payroll	\$ 3,979,529	\$ 4,261,421	\$ 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	1552.25%	1440.36%	1559.82%	1552.53%	1370.45%	1298.63%	1334.54%	1667.05%	1175.07%	1081.75%
Expected average remaining service years of all participants	4.00	4.00	4.00	6.00	6.00	5.88	5.65	5.43	5.20	N/A

**Notes to Schedule**

Benefit changes: There were no changes for FY2023.

Changes of assumptions: The discount rate changed from 4.02% to 4.10%.

\* 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, 2023**

<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	1081.75%
2015	\$ 54,217,026	\$ 14,478,912	\$ 39,738,114	26.71%	\$ 3,381,767	1175.07%
2016	\$ 72,638,594	\$ 13,826,768	\$ 58,811,826	19.04%	\$ 3,527,889	1667.05%
2017	\$ 69,292,792	\$ 15,181,765	\$ 54,111,027	21.91%	\$ 4,054,650	1334.54%
2018	\$ 73,190,607	\$ 15,731,259	\$ 57,459,348	21.49%	\$ 4,424,620	1298.63%
2019	\$ 77,274,558	\$ 16,633,959	\$ 60,640,599	21.53%	\$ 4,424,855	1370.45%
2020	\$ 89,108,088	\$ 16,395,710	\$ 72,712,378	18.40%	\$ 4,683,481	1552.53%
2021	\$ 89,066,326	\$ 19,707,129	\$ 69,539,197	22.13%	\$ 4,446,616	1559.82%
2022	\$ 77,638,288	\$ 16,258,285	\$ 61,380,003	20.94%	\$ 4,261,421	1440.36%
2023	\$ 78,739,847	\$ 16,967,721	\$ 61,772,126	21.55%	\$ 3,979,529	1552.25%

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, 2023**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 4,913,333	\$ 4,903,381	\$ 5,101,824	\$ 4,709,413	\$ 4,499,599	\$ 3,983,176	\$ 3,675,688	\$ 3,285,978	\$ 2,478,419	\$ 2,480,580
Contributions in relation to the actuarially determined contribution:										
Employer provided	1,314,699	1,233,680	1,158,547	1,219,659	1,295,000	1,212,990	1,073,218	848,356	720,778	673,624
State provided	<u>647,136</u>	<u>711,889</u>	<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>
Contribution deficiency (excess)	\$ <u>2,951,498</u>	\$ <u>2,957,812</u>	\$ <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>
Covered payroll	\$ 3,979,529	\$ 4,261,421	\$ 4,446,616	\$ 4,683,481	\$ 4,424,855	\$ 4,424,690	\$ 4,054,650	\$ 3,527,889	\$ 3,381,767	\$ 3,514,416
Contributions as a percentage of covered employee payroll	49.30%	45.66%	43.22%	41.81%	45.22%	43.00%	42.01%	40.90%	38.43%	35.19%

**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. The assumption shown below are those used in the 7/1/2021 actuarial valuation to calculate the FY2022 ADC. Assumptions used to determine all contributions in the past would not have been the same.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	15 to 27.5 years
Asset valuation method	4-year smoothed market
Inflation	2.50 percent
Salary increases	Rates vary by years of service
Investment rate of return	4.25%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by age
Mortality	SOA PubS-2010(B) with generational projection using Scale MP-2019

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, 2023

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, 2023, measurement date based on actuarial liabilities as of July 1, 2022
<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. <b>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 2036.</b>
<i>Actuarial Assumptions:</i>	
<i>Investment Rate of Return</i>	4.25% per year
<i>GASB 67/68 Discount Rate</i>	4.10% at June 30, 2023 and 4.02% at June 30, 2022
<i>Projected Salary Increases</i>	Rates vary by years of service
<i>Cost of Living Increases</i>	4.00% 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 (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Single Discount Rate**

A GASB Statement Nos. 67 and 68 single discount rate of 4.10% was used to measure the total pension liability as of June 30, 2023. 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 3.80%. 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 2039. Therefore, the single discount rate of 4.10% 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 4.10%, 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>3.10%</u>	<u>4.10%</u>	<u>5.10%</u>
Net pension (liability)	\$ (75,159,643)	\$ (61,772,126)	\$ (51,222,212)

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS – MULTYEAR  
EMPLOYEE RETIREMENT AND RELIEF FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 2,320,200	\$ 2,248,957	\$ 1,864,076	\$ 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	5,667,060	5,417,614	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-	-0-	-0-
Difference between expected and actual experience	8,848	828,048	1,485,891	( 699,073)	( 637,441)	( 841,501)	265,931	351,587	( 1,013,053)	( 255,545)
Changes of assumptions	-0-	-0-	2,886,705	-0-	-0-	-0-	4,001,292	-0-	-0-	( 970,431)
Benefit payments	( 4,603,503)	( 4,396,717)	( 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	( 304,488)	( 366,024)	( 196,786)	( 124,297)	( 124,195)	( 290,711)	( 151,918)	( 80,376)	( 170,164)	( 212,619)
Net change in total pension liability	3,088,118	3,731,878	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>85,229,201</u>	<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>	<u>53,869,997</u>
Total pension liability – ending (a)	<u>\$ 88,317,319</u>	<u>\$ 85,229,201</u>	<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>
<b>Plan Fiduciary Net Position</b>										
Employer contributions	\$ 3,205,655	\$ 3,076,513	\$ 2,311,351	\$ 2,094,943	\$ 1,986,467	\$ 1,770,496	\$ 1,819,231	\$ 1,745,681	\$ 1,879,379	\$ 1,572,414
Employee contributions	920,291	902,812	867,770	802,120	812,703	797,750	802,434	739,633	725,508	699,093
Pension plan net investment income	5,631,565	( 7,068,401)	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	( 4,603,503)	( 4,396,717)	( 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	( 304,488)	( 366,024)	( 196,786)	( 124,297)	( 124,195)	( 290,711)	( 151,918)	( 80,376)	( 170,164)	( 212,619)
Pension plan administrative expense	( 53,379)	( 59,382)	( 63,072)	( 51,925)	( 44,000)	( 38,571)	( 44,902)	( 40,044)	( 41,215)	( 40,192)
Other	-0-	-0-	711	252,972	-0-	236,865	-0-	151,342	5,261	1,861
Net change in plan fiduciary net position	4,796,142	( 7,911,199)	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	63,958,835	71,870,034	58,807,778	57,243,111	54,128,669	51,325,284	46,968,749	47,636,792	45,896,507	40,674,511
Adjustment to beginning plan fiduciary net position	( 954)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Plan fiduciary net position – ending (b)	<u>\$ 68,754,023</u>	<u>\$ 63,958,835</u>	<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>\$ 19,563,296</u>	<u>\$ 21,270,366</u>	<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>

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS – MULTIYEAR  
EMPLOYEE RETIREMENT AND RELIEF FUND (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of total pension liability	77.85%	75.04%	88.19%	79.31%	79.98%	78.55%	76.89%	78.62%	83.91%	82.97%
Covered employee payroll*	\$ 16,091,923	\$ 15,114,310	\$ 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	121.57%	140.73%	65.21%	105.76%	96.91%	106.87%	115.83%	96.87%	75.02%	79.32%

*\*Covered 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, 2023**

**Last 10 Fiscal Years**

<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<sup>a</sup></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%
2022	\$ 85,229,201	\$ 63,958,835	\$ 21,270,366	75.04%	\$ 15,114,310	140.73%
2023	\$ 88,317,319	\$ 68,754,023	\$ 19,563,296	77.85%	\$ 16,091,923	121.57%

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

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, 2023**

<u>FY Ended June 30.</u>	<u>Actuarially Determined Contribution<sup>a</sup></u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll<sup>b</sup></u>	<u>Actual Contribution as a % of Covered Payroll</u>
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%
2022	\$ 2,973,178	\$ 3,076,513	\$(103,335)	\$ 15,114,310	20.35%
2023	\$ 3,093,050	\$ 3,205,655	\$(112,605)	\$ 16,091,923	19.92%

<sup>a</sup> 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 of normal cost plus 25-year closed period amortization (15 years remaining as of July 1, 2021 which calculated the fiscal year 2023 amount) as a level dollar.

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

<sup>c</sup> Other contributions are included as employer contributions. Other contributions during fiscal year 2023 were \$0.

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, 2023**

**Valuation Date:** July 1, 2021

**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** 15 years as of July 1, 2021

**Asset Valuation Method** 5-year smoothed market

**Inflation** 2.5% - approximate; No explicit price inflation assumption is used in this actuarial valuation.

**Salary Increases** Age based rates ranging from 2.5% to 7.0%

**Investment Rate of Return** 6.75% per year, net of investment expenses, compounded annually

**Retirement Age** Experience-based table of rates that are specific to the type of eligibility condition and years of service credit.

See independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
NOTES TO SCHEDULE OF CONTRIBUTIONS  
EMPLOYEE RETIREMENT AND RELIEF FUND (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

***Mortality*** Pre-retirement mortality is assumed to follow the Pub-2010 (for General Employees) Employee mortality table, sex distinct, with generational mortality improvements projected from 2010 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.

***Cost-of-Living Adjustment*** None

**Other Information:**

***Notes*** The actuarial assumptions were updated effective with the funding valuation as of July 1, 2020.

**Methods and Assumptions Used for Accounting Purposes:**

**Valuation Date:** July 1, 2023

***Actuarial Cost Method*** Individual Entry Age Normal

***Asset Valuation Method*** Plan Fiduciary Net Position (Market value of assets, no asset smoothing)

***Inflation*** 2.5% - approximate; No explicit price inflation assumption is used in this actuarial valuation.

***Salary Increases*** Age based rates ranging from 2.5% to 7.0%

***Investment Rate of Return*** 6.75% per year, net of investment expenses, compounded annually

***Retirement Age*** Experience-based table of rates that are specific to the type of eligibility condition and years of service credit.

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, 2023**

***Mortality***

Pre-retirement mortality is assumed to follow the Pub-2010 (for General Employees) Employee mortality table, sex distinct, with generational mortality improvements projected from 2010 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.

***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, 2023**

**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>
\$ 30,402,368	\$ 19,563,296	\$ 10,500,820

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, 2023**

**Employees' Retirement and Benefit Fund of the City of Morgantown  
Last 9 Fiscal Years\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (percentage)	59.09%	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	\$ 12,567,937	\$ 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	\$ 8,401,330	\$ 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	149.59%	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	75.04%	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, 2023**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,641,110	\$ 1,817,807	\$ 1,327,102	\$ 1,308,696	\$ 1,143,786	\$ 1,001,097	\$ 1,024,171	\$ 1,022,554	\$ 1,060,981	\$ 1,186,366
Actual contribution	<u>(1,641,110)</u>	<u>(1,817,807)</u>	<u>(1,327,102)</u>	<u>(1,308,696)</u>	<u>(1,183,626)</u>	<u>(1,016,309)</u>	<u>(1,024,171)</u>	<u>(1,022,554)</u>	<u>(1,077,497)</u>	<u>( 882,191)</u>
Contribution deficit (surplus)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <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>
Board's covered payroll	\$ 8,002,460	\$ 8,401,330	\$ 8,021,446	\$ 8,189,587	\$ 8,213,923	\$ 7,681,849	\$ 7,694,751	\$ 7,330,133	\$ 6,935,715	\$ 6,623,068
Actual contributions as a percentage of covered payroll	20.51%	21.64%	16.54%	15.98%	14.41%	13.23%	13.31%	13.95%	15.54%	13.32%

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, 2023**

**Last 10 Fiscal Years (as information becomes available)**

Fiscal year ending June 30,	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>						
Service cost	\$ 632,000	\$ 648,000	\$ 677,000	\$ 745,000	\$ 733,000	\$ 726,000
Interest	719,000	737,000	801,000	722,000	588,000	421,000
Changes of benefit terms	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	-0-	1,049,000	( 793,000)	( 1,984,000)	( 4,022,000)	( 1,468,000)
Changes in assumptions	-0-	( 162,000)	1,051,000	2,054,000	1,128,000	( 2,102,000)
Benefit payments, including refunds of employee contributions	( 955,000)	( 797,000)	( 959,000)	( 729,000)	( 445,000)	( 597,000)
Net change in total OPEB liability	396,000	1,475,000	777,000	808,000	( 2,018,000)	( 3,020,000)
Total OPEB liability – beginning	<u>20,051,000</u>	<u>20,447,000</u>	<u>21,922,000</u>	<u>22,699,000</u>	<u>23,507,000</u>	<u>21,489,000</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>	<u>21,489,000</u>	<u>18,469,000</u>
<b>Plan Fiduciary Net Position</b>						
Contributions – employer	955,000	797,000	959,000	729,000	445,000	597,000
Contributions – employee	-0-	-0-	-0-	-0-	-0-	-0-
Net investment income	-0-	2,000	12,000	( 215,000)	737,000	194,000
Benefit payments, including refunds of employee contributions	( 955,000)	( 797,000)	( 959,000)	( 729,000)	( 445,000)	( 597,000)
Administrative expenses	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	-0-	2,000	12,000	( 215,000)	737,000	194,000
Plan fiduciary net position – beginning	<u>709,000</u>	<u>709,000</u>	<u>711,000</u>	<u>723,000</u>	<u>508,000</u>	<u>1,245,000</u>
Plan fiduciary net position – ending (b)	<u>709,000</u>	<u>711,000</u>	<u>723,000</u>	<u>508,000</u>	<u>1,245,000</u>	<u>1,439,000</u>
Employer's net OPEB liability – ending (a)-(b) <sup>4</sup>	<u>\$ 19,738,000</u>	<u>\$ 21,211,000</u>	<u>\$ 21,976,000</u>	<u>\$ 22,999,000</u>	<u>\$ 20,244,000</u>	<u>\$ 17,030,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	7.79%
Covered-employee payroll	\$ 7,220,000	\$ 11,696,000	\$ 11,696,000	\$ 13,152,000	\$ 13,152,000	\$ 11,547,000
Employer's net OPEB liability as a percentage of covered-employee payroll	273.38%	181.35%	187.89%	174.87%	153.92%	147.48%

**Notes to Schedule: None**

<sup>4</sup>The Net Employer's 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, 2023**

Fiscal year ending June 30,	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 955,000 <sup>5</sup>	\$ 797,000	\$ 959,000	\$ 729,000	\$ 445,000	\$ 597,000
Contributions in relation to the Actuarially Determined Contribution	<u>955,000<sup>5</sup></u>	<u>797,000</u>	<u>959,000</u>	<u>729,000</u>	<u>445,000</u>	<u>597,000</u>
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <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	\$ 13,152,000	\$ 11,547,000
Contributions as a percentage of covered-employee payroll	13.23%	6.81%	8.20%	5.54%	3.38%	7.79%

**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.

<sup>5</sup>The 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, 2023**

**Changes in 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, 2022	\$ 21,489,000	\$ 1,245,000	\$ 20,244,000
Changes for the year:			
Service cost	726,000	-0-	726,000
Interest	421,000	-0-	421,000
Differences between expected and actual experience	( 1,468,000)	-0-	( 1,468,000)
Contributions – employer	-0-	597,000	( 597,000)
Contributions – employee	-0-	-0-	-0-
Net investment income	-0-	194,000	( 194,000)
Benefit payments	( 597,000)	( 597,000)	-0-
Changes of benefit terms	-0-	-0-	-0-
Administrative expense	-0-	-0-	-0-
Assumption changes	( 2,102,000)	-0-	( 2,102,000)
Net changes	<u>( 3,020,000)</u>	<u>194,000</u>	<u>( 3,214,000)</u>
Balances at June 30, 2023**	\$ <u>18,469,000</u>	\$ <u>1,439,000</u> <sup>1</sup>	\$ <u>17,030,000</u> <sup>2</sup>

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

\*\* Measurement date is July 1, 2022

<sup>1</sup>Assets are the combination of two accounts (CD and Checking). CD is \$740,000 and checking is \$699,000.

<sup>2</sup>The 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, 2023

*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)	\$ 20,419,000	\$ 18,469,000	\$ 16,776,000

*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)	\$ 16,626,000	\$ 18,469,000	\$ 20,630,000

See independent auditor's report.

***SUPPLEMENTARY INFORMATION***

**CITY OF MORGANTOWN, WEST VIRGINIA  
COMBINING FUND BALANCE SHEETS –  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<i>Primary Government</i>			<i>Component Unit</i>		
	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>ASSETS</b>						
Cash	\$ 9,493,121	\$ 1,702,229	\$ 11,195,350	\$ 7,300,726	\$ -0-	\$ 7,300,726
Investments	1,392,576	-0-	1,392,576	-0-	297,954	297,954
Receivables (net of allowances for uncollectibles)						
Taxes	-0-	69,807	69,807	-0-	-0-	-0-
Accounts	4,810	-0-	4,810	1,345,091	-0-	1,345,091
Grants	-0-	-0-	-0-	-0-	-0-	-0-
Internal balances	( 117,439)	( 16,000)	( 133,439)	-0-	-0-	-0-
<b>TOTAL ASSETS</b>	<b>\$ <u>10,773,068</u></b>	<b>\$ <u>1,756,036</u></b>	<b>\$ <u>12,529,104</u></b>	<b>\$ <u>8,645,817</u></b>	<b>\$ <u>297,954</u></b>	<b>\$ <u>8,943,771</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 78,343	\$ -0-	\$ 78,343	\$ 737,882	\$ -0-	\$ 737,882
Accrued payroll and compensated absences	<u>5,375</u>	<u>-0-</u>	<u>5,375</u>	<u>77,411</u>	<u>-0-</u>	<u>77,411</u>
Total liabilities	<u>83,718</u>	<u>-0-</u>	<u>83,718</u>	<u>815,293</u>	<u>-0-</u>	<u>815,293</u>
<b>Deferred Inflows of Resources</b>						
Deferred revenue - taxes	<u>-0-</u>	<u>62,815</u>	<u>62,815</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflows of resources	<u>-0-</u>	<u>62,815</u>	<u>62,815</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Fund Balances</b>						
Restricted	76,346	-0-	76,346	-0-	21,862	21,862
Assigned	10,613,004	1,693,221	12,306,225	7,830,524	276,092	8,106,616
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total fund balances	<u>10,689,350</u>	<u>1,693,221</u>	<u>12,382,571</u>	<u>7,830,524</u>	<u>297,954</u>	<u>8,128,478</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ <u>10,773,068</u></b>	<b>\$ <u>1,756,036</u></b>	<b>\$ <u>12,529,104</u></b>	<b>\$ <u>8,645,817</u></b>	<b>\$ <u>297,954</u></b>	<b>\$ <u>8,943,771</u></b>

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, 2023**

	<u>Primary Government</u>			<u>Component Unit</u>		
	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>Revenues</b>						
Charges for services	\$ 285,831	\$ -0-	\$ 285,831	\$ 3,369,742	\$ -0-	\$ 3,369,742
Fines and forfeits	47,160	-0-	47,160	-0-	-0-	-0-
Investment income	68,592	15,850	84,442	58,627	6,048	64,675
Donations	1,593,074	-0-	1,593,074	-0-	-0-	-0-
Taxes:						
Ad valorem	-0-	1,540,739	1,540,739	-0-	-0-	-0-
Intergovernmental:						
Federal	361,867	-0-	361,867	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	<u>2,356,524</u>	<u>1,556,589</u>	<u>3,913,113</u>	<u>3,428,369</u>	<u>6,048</u>	<u>3,434,417</u>
<b>Expenditures</b>						
General government	5,470	-0-	5,470	-0-	-0-	-0-
Public safety	55,083	-0-	55,083	-0-	-0-	-0-
Culture and recreation	899,776	-0-	899,776	2,917,319	-0-	2,917,319
Community development	362,398	-0-	362,398	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	2,424,158	-0-	2,424,158
Debt service - principal	-0-	-0-	-0-	98,496	-0-	98,496
Debt service - interest	-0-	-0-	-0-	10,414	-0-	10,414
Benefit payments	914,350	-0-	914,350	-0-	-0-	-0-
Total expenditures	<u>2,237,077</u>	<u>-0-</u>	<u>2,237,077</u>	<u>5,450,387</u>	<u>-0-</u>	<u>5,450,387</u>
(Deficiency) excess of revenues (under) over expenditures	<u>119,447</u>	<u>1,556,589</u>	<u>1,676,036</u>	<u>(2,022,018)</u>	<u>6,048</u>	<u>(2,015,970)</u>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	5,480,968	-0-	5,480,968	5,654,576	-0-	5,654,576
Operating transfers (out)	-0-	(1,445,472)	(1,445,472)	-0-	-0-	-0-
Total other financing sources (uses)	<u>5,480,968</u>	<u>(1,445,472)</u>	<u>4,035,496</u>	<u>5,654,576</u>	<u>-0-</u>	<u>5,654,576</u>
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing (uses)	5,600,415	111,117	5,711,532	3,632,558	6,048	3,638,606
Fund balance beginning of year	<u>5,088,935</u>	<u>1,582,104</u>	<u>6,671,039</u>	<u>4,197,966</u>	<u>291,906</u>	<u>4,489,872</u>
Fund balance end of year	\$ <u>10,689,350</u>	\$ <u>1,693,221</u>	\$ <u>12,382,571</u>	\$ <u>7,830,524</u>	\$ <u>297,954</u>	\$ <u>8,128,478</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, 2023**

	<u>Economic Development Grant</u>	<u>Community 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>Sidewalks</u>	<u>Arts and Woodburn Property</u>	<u>Culture Fund</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>
<b>ASSETS</b>																
Cash	\$ 39,156	\$ 73,892	\$ 306,331	\$ 142	\$ 31,698	\$ 107,359	\$ 700,423	\$ 219,315	\$ 13,378	\$ 60,150	\$ 184,313	\$ 33,029	\$ 1,476,430	\$ 6,247,505	\$ 9,493,121	\$ 7,300,726
Investments	-0-	-0-	-0-	-0-	-0-	-0-	745,441	-0-	-0-	-0-	-0-	-0-	647,135	-0-	1,392,576	-0-
Receivables (net of allowances for uncollectibles)																
Accounts	-0-	3,120	-0-	-0-	-0-	-0-	1,690	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,810	1,345,091
Internal balances	-0-	( 445)	-0-	-0-	-0-	-0-	( 4,918)	1,598	-0-	(25,082)	( 87,514)	-0-	( 1,071)	-0-	( 117,439)	-0-
<b>TOTAL ASSETS</b>	<b>\$ 39,156</b>	<b>\$ 76,567</b>	<b>\$ 306,331</b>	<b>\$ 142</b>	<b>\$ 31,698</b>	<b>\$ 107,359</b>	<b>\$ 1,442,636</b>	<b>\$ 220,913</b>	<b>\$ 13,378</b>	<b>\$ 35,061</b>	<b>\$ 96,799</b>	<b>\$ 33,029</b>	<b>\$ 2,122,494</b>	<b>\$ 6,247,505</b>	<b>\$ 10,773,068</b>	<b>\$ 8,645,817</b>
<b>LIABILITIES AND FUND BALANCES</b>																
<b>Liabilities</b>																
Accounts payable	\$ -0-	\$ 71,217	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 528	\$ -0-	\$ 1,035	\$ 162	\$ -0-	\$ 5,401	\$ -0-	\$ 78,343	\$ 737,882
Accrued payroll and compensated absences	-0-	-0-	-0-	-0-	-0-	-0-	-0-	706	-0-	-0-	4,669	-0-	-0-	-0-	5,375	77,411
Total liabilities	-0-	71,217	-0-	-0-	-0-	-0-	-0-	1,234	-0-	1,035	4,831	-0-	5,401	-0-	83,718	815,293
<b>Fund Balances</b>																
Restricted	39,156	5,350	-0-	142	31,698	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	76,346	-0-
Assigned	-0-	-0-	306,331	-0-	-0-	107,359	1,442,636	219,679	13,378	34,026	91,968	33,029	2,117,093	6,247,505	10,613,004	7,830,524
Unassigned	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total fund balances	39,156	5,350	306,331	142	31,698	107,359	1,442,636	219,679	13,378	34,026	91,968	33,029	2,117,093	6,247,505	10,689,350	7,830,524
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 39,156</b>	<b>\$ 76,567</b>	<b>\$ 306,331</b>	<b>\$ 142</b>	<b>\$ 31,698</b>	<b>\$ 107,359</b>	<b>\$ 1,442,636</b>	<b>\$ 220,913</b>	<b>\$ 13,378</b>	<b>\$ 35,061</b>	<b>\$ 96,799</b>	<b>\$ 33,029</b>	<b>\$ 2,122,494</b>	<b>\$ 6,247,505</b>	<b>\$ 10,773,068</b>	<b>\$ 8,645,817</b>

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, 2023**

	Economic Development Grant	Community Development Block Grant	Police Forfeiture	Special Grants	Local Law Enforcement Grant	I.C. White Cost Severance	OPEB Trust	Metropolitan Theater	Sidewalks	Arts and Woodburn Property	Culture Fund	Court Technology	Hazel Ruby McQuain Park	Retirement Fund	Total	Component Unit Board of Parks and Recreation
<b>Revenues</b>																
Charges for services	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 207,142	\$ -0-	\$ 38,737	\$ -0-	\$ -0-	\$ 39,952	\$ -0-	\$ 285,831	\$ 3,369,742
Fines and forfeits	-0-	-0-	40,573	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,587	-0-	-0-	47,160	-0-
Investment income	381	250	2,905	1	308	1,046	12,268	-0-	124	600	1,458	297	18,363	30,591	68,592	58,627
Donations	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	27,990	-0-	1,565,084	-0-	1,593,074	-0-
Intergovernmental:																
Federal	-0-	361,867	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	361,867	-0-
Total revenues	<u>381</u>	<u>362,117</u>	<u>43,478</u>	<u>1</u>	<u>308</u>	<u>1,046</u>	<u>12,268</u>	<u>207,142</u>	<u>124</u>	<u>39,337</u>	<u>29,448</u>	<u>6,884</u>	<u>1,623,399</u>	<u>30,591</u>	<u>2,356,524</u>	<u>3,428,369</u>
<b>Expenditures</b>																
General government	-0-	-0-	-0-	-0-	-0-	-0-	5,470	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,470	-0-
Public safety	-0-	-0-	55,083	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	55,083	-0-
Culture and recreation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	173,061	-0-	42,307	-0-	-0-	329,557	-0-	899,776	2,917,319
Community development	-0-	362,398	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	354,851	-0-	-0-	-0-	362,398	-0-
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,424,158
Debt service – principal	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	98,496
Debt service – interest	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	10,414
Benefit payments	-0-	-0-	-0-	-0-	-0-	-0-	914,350	-0-	-0-	-0-	-0-	-0-	-0-	-0-	914,350	-0-
Total expenditures	<u>-0-</u>	<u>362,398</u>	<u>55,083</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>919,820</u>	<u>173,061</u>	<u>-0-</u>	<u>42,307</u>	<u>354,851</u>	<u>-0-</u>	<u>329,557</u>	<u>-0-</u>	<u>2,237,077</u>	<u>5,450,387</u>
(Deficiency) excess of revenues (under) over expenditures	<u>381</u>	<u>( 281)</u>	<u>( 11,605)</u>	<u>1</u>	<u>308</u>	<u>1,046</u>	<u>( 907,552)</u>	<u>34,081</u>	<u>124</u>	<u>( 2,970)</u>	<u>(325,403)</u>	<u>6,884</u>	<u>1,293,842</u>	<u>30,591</u>	<u>119,447</u>	<u>(2,022,018)</u>
<b>Other Financing Sources (Uses)</b>																
Operating transfers in (out)	-0-	-0-	-0-	-0-	-0-	-0-	914,350	102,850	-0-	-0-	442,152	-0-	150,000	3,871,616	5,480,968	5,654,576
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>914,350</u>	<u>102,850</u>	<u>-0-</u>	<u>-0-</u>	<u>442,152</u>	<u>-0-</u>	<u>150,000</u>	<u>3,871,616</u>	<u>5,480,968</u>	<u>5,654,576</u>
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing (uses)	<u>381</u>	<u>( 281)</u>	<u>( 11,605)</u>	<u>1</u>	<u>308</u>	<u>1,046</u>	<u>6,798</u>	<u>136,931</u>	<u>124</u>	<u>( 2,970)</u>	<u>116,749</u>	<u>6,884</u>	<u>1,443,842</u>	<u>3,902,207</u>	<u>5,600,415</u>	<u>3,632,558</u>
Fund balance beginning of year – restated	<u>38,775</u>	<u>5,631</u>	<u>317,936</u>	<u>141</u>	<u>31,390</u>	<u>106,313</u>	<u>1,435,838</u>	<u>82,748</u>	<u>13,254</u>	<u>36,996</u>	<u>( 24,781)</u>	<u>26,145</u>	<u>673,251</u>	<u>2,345,298</u>	<u>5,088,935</u>	<u>4,197,966</u>
Fund balance end of year	<u>\$ 39,156</u>	<u>\$ 5,350</u>	<u>\$ 306,331</u>	<u>\$ 142</u>	<u>\$ 31,698</u>	<u>\$ 107,359</u>	<u>\$ 1,442,636</u>	<u>\$ 219,679</u>	<u>\$ 13,378</u>	<u>\$ 34,026</u>	<u>\$ 91,968</u>	<u>\$ 33,029</u>	<u>\$ 2,117,093</u>	<u>\$ 6,247,505</u>	<u>\$ 10,689,350</u>	<u>\$ 7,830,524</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, 2023**

	<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>	<i>Morgantown Public Library Capital Project Clay Battelle Branch</i>	<u>Total Component Unit</u>
<b>ASSETS</b>						
Cash	\$ 17,621	\$ 1,401,163	\$ 283,445	\$ 1,702,229	\$ -0-	\$ -0-
Investments	-0-	-0-	-0-	-0-	297,954	297,954
Taxes receivable	-0-	69,807	-0-	69,807	-0-	-0-
Internal balances	<u>-0-</u>	<u>( 16,000)</u>	<u>-0-</u>	<u>( 16,000)</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>17,621</u></b>	<b>\$ <u>1,454,970</u></b>	<b>\$ <u>283,445</u></b>	<b>\$ <u>1,756,036</u></b>	<b>\$ <u>297,954</u></b>	<b>\$ <u>297,954</u></b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
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>
<b>Deferred Inflow of Resources</b>						
Deferred revenue - taxes	<u>-0-</u>	<u>62,815</u>	<u>-0-</u>	<u>62,815</u>	<u>-0-</u>	<u>-0-</u>
Total deferred inflow of resources	<u>-0-</u>	<u>62,815</u>	<u>-0-</u>	<u>62,815</u>	<u>-0-</u>	<u>-0-</u>
<b>Fund Balances</b>						
Restricted	-0-	-0-	-0-	-0-	21,862	21,862
Assigned	17,621	1,392,155	283,445	1,693,221	276,092	276,092
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total fund balances	<u>17,621</u>	<u>1,392,155</u>	<u>283,445</u>	<u>1,693,221</u>	<u>297,954</u>	<u>297,954</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$ <u>17,621</u></b>	<b>\$ <u>1,454,970</u></b>	<b>\$ <u>283,445</u></b>	<b>\$ <u>1,756,036</u></b>	<b>\$ <u>297,954</u></b>	<b>\$ <u>297,954</u></b>

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, 2023**

	<u>Primary Government</u>				<u>Component Unit</u>	
	<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>
<b>Revenues</b>						
Investment income	\$ 172	\$ 12,917	\$ 2,761	\$ 15,850	\$ 6,048	\$ 6,048
Taxes:						
Ad valorem	-0-	1,540,739	-0-	1,540,739	-0-	-0-
Donations	-0-	-0-	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	<u>172</u>	<u>1,553,656</u>	<u>2,761</u>	<u>1,556,589</u>	<u>6,048</u>	<u>6,048</u>
<b>Expenditures</b>						
General government	-0-	-0-	-0-	-0-	-0-	-0-
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-
Community development	-0-	-0-	-0-	-0-	-0-	-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(Deficiency) excess of revenues (under) over expenditures	<u>172</u>	<u>1,553,656</u>	<u>2,761</u>	<u>1,556,589</u>	<u>6,048</u>	<u>6,048</u>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-0-	-0-	-0-	-0-	-0-	-0-
Operating transfers (out)	-0-	(1,445,472)	-0-	(1,445,472)	-0-	-0-
Total other financing sources (uses)	<u>-0-</u>	<u>(1,445,472)</u>	<u>-0-</u>	<u>(1,445,472)</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	172	108,184	2,761	111,117	6,048	6,048
Fund balance beginning of year	<u>17,449</u>	<u>1,283,971</u>	<u>280,684</u>	<u>1,582,104</u>	<u>291,906</u>	<u>291,906</u>
Fund balance end of year	<u>\$ 17,621</u>	<u>\$ 1,392,155</u>	<u>\$ 283,445</u>	<u>\$ 1,693,221</u>	<u>\$ 297,954</u>	<u>\$ 297,954</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
COMBINING STATEMENT OF NET POSITION -  
FIDUCIARY RESPONSIBILITIES  
JUNE 30, 2023**

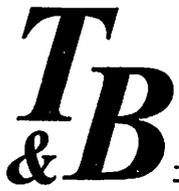
	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>	<u>Total</u>	<u>Component Unit</u>		
					<u>Morgantown Public Library Nonexpendable Trust</u>	<u>Endowment Fund</u>	<u>Total</u>
<b>Assets</b>							
Cash	\$ 290,371	\$ 61,351	\$ 1,526	\$ 353,248	\$ -0-	\$ -0-	\$ -0-
Investments	16,681,024	14,248,252	68,404,442	99,333,718	74,150	36,561	110,711
Receivables:							
Contributions	<u>-0-</u>	<u>15,855</u>	<u>348,701</u>	<u>364,556</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>16,971,395</u>	<u>14,325,458</u>	<u>68,754,669</u>	<u>100,051,522</u>	<u>74,150</u>	<u>36,561</u>	<u>110,711</u>
<b>Liabilities</b>							
Accounts payable	<u>3,675</u>	<u>41,232</u>	<u>-0-</u>	<u>44,907</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>3,675</u>	<u>41,232</u>	<u>-0-</u>	<u>44,907</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Net Position</b>							
Held in trust	\$ <u>16,967,720</u>	\$ <u>14,284,226</u>	\$ <u>68,754,669</u>	\$ <u>100,006,615</u>	\$ <u>74,150</u>	\$ <u>36,561</u>	\$ <u>110,711</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, 2023**

	<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>
<b>Additions</b>							
Contributions:							
Employer	\$ 1,314,699	\$ 1,046,841	\$ 3,206,302	\$ 5,567,842	\$ -0-	\$ -0-	\$ -0-
Employee	463,332	359,468	920,291	1,743,091	-0-	-0-	-0-
Insurance premium tax allocation	647,136	587,680	-0-	1,234,816	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total contributions	<u>2,425,167</u>	<u>1,993,989</u>	<u>4,126,593</u>	<u>8,545,749</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Investment Income:							
Gain (loss) on investments	1,094,075	593,152	4,219,322	5,906,549	10,125	2,770	12,895
Interest and dividends	174,139	416,264	1,582,879	2,173,282	1,644	997	2,641
Total investment income	<u>1,268,214</u>	<u>1,009,416</u>	<u>5,802,201</u>	<u>8,079,831</u>	<u>11,769</u>	<u>3,767</u>	<u>15,536</u>
Total additions	<u>3,693,381</u>	<u>3,003,405</u>	<u>9,928,794</u>	<u>16,625,580</u>	<u>11,769</u>	<u>3,767</u>	<u>15,536</u>
<b>Deductions</b>							
General and administrative	76,212	77,381	224,015	377,608	508	579	1,087
Contribution refunds	70,094	81,905	304,488	456,487	-0-	-0-	-0-
Benefit payments	2,837,640	2,269,041	4,603,503	9,710,184	-0-	-0-	-0-
Total deductions	<u>2,983,946</u>	<u>2,428,327</u>	<u>5,132,006</u>	<u>10,544,279</u>	<u>508</u>	<u>579</u>	<u>1,087</u>
Net increase (decrease)	709,435	575,078	4,796,788	6,081,301	11,261	3,188	14,449
Net position – beginning of year	<u>16,258,285</u>	<u>13,709,148</u>	<u>63,957,881</u>	<u>93,925,314</u>	<u>62,889</u>	<u>33,373</u>	<u>96,262</u>
Net position – end of year	\$ <u>16,967,720</u>	\$ <u>14,284,226</u>	\$ <u>68,754,669</u>	\$ <u>100,006,615</u>	\$ <u>74,150</u>	\$ <u>36,561</u>	\$ <u>110,711</u>

See accompanying notes and independent auditor's report.



**Tetrack & Bartlett, PLLC**

**Certified Public Accountants  
Consultants**

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**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 City of Morgantown, West Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Morgantown, West Virginia's basic financial statements, and have issued our report thereon dated March 21, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Morgantown, West Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Morgantown, West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist were not identified.

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

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

### **Purpose of This Report**

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

*Julie A. Boucher, PLLC*

Clarksburg, West Virginia  
March 21, 2024



**Tetrick & Bartlett, PLLC**

**Certified Public Accountants  
Consultants**

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**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**

***Opinion on Each Major Federal Program***

We have audited City of Morgantown, West Virginia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Morgantown, West Virginia's major federal programs for the year ended June 30, 2023. 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.

In our opinion, 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Morgantown, West Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Morgantown, West Virginia's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Morgantown, West Virginia's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Morgantown, West Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Morgantown, West Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Morgantown, West Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of City of Morgantown, West Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Morgantown, West Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Derrick S. Barber, PCA*

Clarksburg, West Virginia  
March 21, 2024

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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 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
United States Department of the Treasury – Departmental Office Coronavirus State and Local Fiscal Recovery Funds	AL #21.027
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee	<u>    </u> yes <u>  X  </u> no

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

**B. Findings – Financial Statement Audit**

No Findings

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

**United States Department of Transportation – Federal Aviation Administration –  
Airport Improvement Program – AL 20.106 – Fiscal Year Ended June 30, 2023.**

**United States Department of Transportation – Federal Aviation Administration –  
COVID-19 – Airport Improvement Program – AL 20.106 – Fiscal Year Ended June 30,  
2023.**

**United States Department of the Treasury – Departmental Office – Coronavirus State  
and Local Fiscal Recovery Funds – AL 21.027 – Fiscal Year Ended June 30, 2023.**

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, 2023**

<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>
<b>United States Department of Housing and Urban Development</b>					
<u>Office of Community Planning and Development</u>					
Community Development Block Grant/Entitlement Grants	14.218	B20-MC-54-0007	\$ 450,000	\$ 132,468	\$ 132,468
Community Development Block Grant/Entitlement Grants	14.218	B21-MC-54-0007	450,000	<u>229,399</u>	<u>229,399</u>
Total United States Department of Housing and Urban Development – AL 14.218				<u>361,867</u>	<u>361,867</u>
Total United States Department of Housing and Urban Development				<u>361,867</u>	<u>361,867</u>
<b>United States Department of Transportation</b>					
<u>Federal Aviation Administration</u>					
Airport Improvement Program	20.106	3-54-0015-047-021	7,000,000	1,384,676	1,384,676
COVID-19 Airport Improvement Program	20.106	3-54-0015-047-021	777,777	153,853	153,853
Airport Improvement Program	20.106	3-54-0015-041-2019	1,012,140	48,847	48,847
Airport Improvement Program	20.106	3-54-0015-042-2020	1,698,085	62,172	62,172
COVID-19 Airport Improvement Program	20.106	3-54-0015-042-2020	188,677	6,908	6,908
Airport Improvement Program	20.106	3-54-0015-044-2020	786,633	775	775
COVID-19 Airport Improvement Program	20.106	3-54-0015-044-2020	87,404	86	86
Airport Improvement Program	20.106	3-54-0015-045-2021	7,000,000	1,843,448	1,843,448
COVID-19 Airport Improvement Program	20.106	3-54-0015-045-2021	777,777	<u>204,829</u>	<u>204,829</u>
Total United States Department of Transportation – AL 20.106				<u>3,705,594</u>	<u>3,705,594</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

<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 Safety Cluster</i>					
<b>United States Department of Transportation National Highway Traffic Safety Administration</b>					
<u>West Virginia Department of Transportation</u> National Priority Safety Programs	20.616	F22-HS-18-405	\$ 7,500	\$ <u>1,225</u>	\$ <u>1,225</u>
Total United States Department of Transportation – AL 20.616				<u>1,225</u>	<u>1,225</u>
<b>United States Department of Transportation National Highway Traffic Safety Administration</b>					
<u>West Virginia Department of Transportation</u> State and Community Highway Safety	20.600	F22-HS-18-402	4,000	<u>2,194</u>	<u>2,194</u>
Total United States Department of Transportation – AL 20.600				<u>2,194</u>	<u>2,194</u>
Total United States Department of Transportation – Highway Safety Cluster				<u>3,419</u>	<u>3,419</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

<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>					
<b>United States Department of Transportation Federal Highway Administration</b>					
<u>West Virginia Department of Transportation</u> Highway Planning and Construction	20.205	F22-HS-18-DOHWZ	\$ 10,000	\$ <u>7,923</u>	\$ <u>7,923</u>
Total United States Department of Transportation – AL 20.205				<u>7,923</u>	<u>7,923</u>
Total United States Department of Transportation				<u>3,716,936</u>	<u>3,716,936</u>
<b>United States Department of the Treasury – Departmental Office</b>					
Coronavirus State and Local Fiscal Recovery Funds	21.027	CVRF-2020	5,621,755	<u>-0-</u>	<u>1,868,948</u>
Total United States Department of the Treasury – AL 21.027				<u>-0-</u>	<u>1,868,948</u>
Total United States Department of the Treasury				<u>-0-</u>	<u>1,868,948</u>

See accompanying notes and independent auditor's report.

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2023**

<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>
<b>United States Department of Justice Drug Enforcement Administration</b>					
<u>Federal Bureau of Investigation</u>					
<u>Northern District of West Virginia – TOC-W Task Force</u>					
Equitable Sharing Program	16.922	319W-HQ-A1487699-PG	\$ 56,741	\$ 17,376	\$ 17,673
<b>United States Department of Justice United States Marshalls Service</b>					
Equitable Sharing Program	16.922	USMS	12,357	<u>6,545</u>	<u>6,545</u>
Total United States Department of Justice – AL 16.922				<u>23,921</u>	<u>23,921</u>
<b>Violence Against Women Office</b>					
<u>State of West Virginia Division of Criminal Justice Services</u>					
Violence Against Women Formula Grant	16.588	20-VAW	\$ 36,000	\$ <u>35,958</u>	\$ <u>35,958</u>
Total United States Department of Justice – AL 16.588				<u>35,958</u>	<u>35,958</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, 2023**

<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>
<b>Office of Juvenile Justice and Delinquency Prevention</b>					
<u>State of West Virginia Department of Military Affairs &amp; Public Safety/ Division of Justice &amp; Community Services</u>					
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	21-JAG-12	\$ 30,000	\$ 22,392	\$ 22,392
Juvenile Justice and Delinquency Prevention – Allocation to States	16.540	22-JAG-18	15,000	<u>15,000</u>	<u>15,000</u>
Total United States Department of Justice – AL 16.540				<u>37,392</u>	<u>37,392</u>
Total United States Department of Justice				<u>97,271</u>	<u>97,271</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ <u>4,176,074</u></b>	<b>\$ <u>6,045,022</u></b>

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, 2023**

**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, 2023. 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, 2023**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Reference Number:**

There were no Findings and Questioned Costs for the prior audit period of July 1, 2021 to June 30, 2022 that are required to be reported.

**CITY OF MORGANTOWN, WEST VIRGINIA  
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2023**

<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	9/1/19-4/30/23	\$ <u>1,848</u>	\$ <u>1,848</u>
Total West Virginia Aeronautics Commission				<u>1,848</u>	<u>1,848</u>
<u>West Virginia Department of Transportation</u>					
Rural Transportation Program	CIMO0152022	13,784	7/1/22-6/30/23	<u>13,784</u>	<u>13,784</u>
Total West Virginia Department of Transportation				<u>13,784</u>	<u>13,784</u>
<u>West Virginia Department of Environmental Protection</u>					
<u>Office of Environmental Advocate</u>					
Rehabilitation Environmental Action Plan	REAP	10,000	1/1/23-12/31/23	<u>6,681</u>	<u>6,681</u>
Total West Virginia Department of Environmental Protection				<u>6,681</u>	<u>6,681</u>
<b>Total</b>				<b>\$ <u>22,313</u></b>	<b>\$ <u>22,313</u></b>

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, 2023**

**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, 2023. 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.

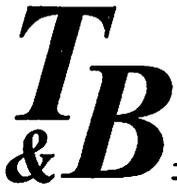
**CITY OF MORGANTOWN, WEST VIRGINIA**  
**SCHEDULE OF PASSENGER FACILITY CHARGES – CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Quarter Ended</u> <u>September 30, 2022</u>	<u>Quarter Ended</u> <u>December 31, 2022</u>	<u>Quarter Ended</u> <u>March 31, 2023</u>	<u>Quarter Ended</u> <u>June 30, 2023</u>	<u>Year Ended</u> <u>June 30, 2023</u>
<b>Revenue</b>					
Collections	\$ 8,057	\$ 11,047	\$ 8,030	\$ 7,401	\$ 34,535
Interest	<u>168</u>	<u>350</u>	<u>411</u>	<u>463</u>	<u>1,392</u>
Total revenue	<u>8,225</u>	<u>11,397</u>	<u>8,441</u>	<u>7,864</u>	<u>35,927</u>
<b>Disbursements</b>					
<u>Application 09-07-C-00-MGW</u>					
Project 07-007	8,225	11,397	5,228	-0-	24,850
Project 07-008	-0-	-0-	1,132	-0-	1,132
Project 07-009	-0-	-0-	2,081	7,667	9,748
Project 07-010	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>197</u>	<u>197</u>
Total disbursements	<u>8,225</u>	<u>11,397</u>	<u>8,441</u>	<u>7,864</u>	<u>35,927</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, 2023**

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**

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**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, 2023. 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, 2023.

## 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.

*J. Patrick Buntley, CPA*

Clarksburg, West Virginia  
March 21, 2024