



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

RFP: 24-306
Monongalia County

CITY OF MORGANTOWN
MONONGALIA COUNTY, WEST VIRGINIA
SINGLE AUDIT

For the Year Ended June 30, 2024
Fiscal Year Audited Under GAGAS: 2024

City of Morgantown, West Virginia
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**CITY OF MORGANTOWN, WEST VIRGINIA
MUNICIPAL OFFICIALS
For the Fiscal Year Ended June 30, 2024**

OFFICE	NAME	TERM
	<u>Elective</u>	
Mayor	Danielle Trumble	07/01/23 – 06/30/27
Deputy Mayor	Brian Butcher	07-01-23 / 6/30/27
Council Members	Jodi Hollingshead	07/01/25 – 06/30/29
	M. Joe Abu Ghannam	07/01/21 – 06/30/23
	Louise Michael	07/01/23 – 06/30/27
	Jennifer Selin	07/01/21 – 06/30/25
	Mark Downs	07/01/25 – 06/30/29
City Manager	Jamie Miller	
City Clerk	Christine Wade	
Staff Attorney	Ryan Simonton	

**CITY OF MORGANTOWN, WEST VIRGINIA
INDEX OF FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General

Special Revenue Funds

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

NONMAJOR FUNDS

GOVERNMENTAL FUND TYPES

Special Revenue Funds

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

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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



Independent Auditor's Report

To the Honorable Mayor and Council
City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morgantown, West Virginia (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Morgantown, West Virginia as of June 30, 2024, 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 statements of the Morgantown Public Library or the Morgantown Utility Board, discretely presented component units, which represent 87.9 percent, 86.4 percent and 80.8 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024, 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 Public Library and 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United State of America; this includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may rise substantial doubt shortly thereafter.

Auditor's Responsibility

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

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

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

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

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standard 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 is not modified with respect to this matter.

Supplemental 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, 2024 and notes to schedule of passenger facility charges – cash basis – for the year ended June 30, 2024 are presented for purposes of additional analysis as specified in the Passenger Facility Charge Audit Guide for Pubic 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 as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Schedules of Rate Covenant Compliance, Combining Statements of Fiduciary Net Position and Combining Statement of Changes in Fiduciary net Position are presented for purposes of additional analysis and are 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 Schedules and Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2025 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



BHM CPA Group Inc.
Huntington, West Virginia
August 29, 2025

City of Morgantown, West Virginia
Statement of Net Position
June 30, 2024

	Primary Government			Component Units					
	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
Assets:									
Cash	\$ 44,303,667	\$ 1,125,555	\$ 45,429,222	\$ 606,114	\$ 17,815,404	\$ 2,028,832	\$ 341,325	\$ 92,671	\$ 3,481,406
Investments	2,656,101	-	2,656,101	4,481,606	-	647,702	-	-	14,318,180
Receivables	8,502,909	201,894	8,704,803	46,440	143,247	-	127,891	-	3,700,068
Due from other funds	3,525,878	263,182	3,789,060	-	-	17,652	6,761	-	-
Inventory	1,611	63,655	65,266	-	-	-	-	-	2,875,849
Prepaid expenses	14,783	-	14,783	5,858	-	-	-	-	-
Restricted assets	2,250,801	59,871	2,310,672	1,969,871	-	1,227,497	279,032	-	14,043,561
Capital assets, net	22,524,843	40,241,678	62,766,521	1,723,214	10,870,342	6,440,912	13,267,359	1,576,125	345,276,550
Deposits and prepayments	-	-	-	-	-	-	-	-	922,227
Deferred financing costs	-	-	-	-	-	-	-	-	956,630
Right to use asset	-	-	-	-	-	-	-	-	404,914
Accrued utility revenue	-	-	-	-	-	-	-	-	1,958,002
Net Pension Asset	-	-	-	-	2,114	-	-	-	-
Net OPEB Asset	-	-	-	-	-	-	-	-	173,531
Other, net	-	-	-	-	-	-	-	-	256,398
<i>Total assets</i>	<u>83,780,593</u>	<u>41,955,835</u>	<u>125,736,428</u>	<u>8,833,103</u>	<u>28,831,107</u>	<u>10,362,595</u>	<u>14,022,368</u>	<u>1,668,796</u>	<u>388,367,316</u>
Deferred Outflows of Resources:									
Deferred outflows of resources - WVPERS	-	-	-	113,412	44,659	-	-	-	-
Deferred outflows of resources - Employee Retirement	1,713,522	429,273	2,142,795	-	-	83,842	-	-	-
Deferred outflows of resources - Fire Pension	4,884,427	-	4,884,427	-	-	-	-	-	-
Deferred outflows of resources - Police Pension	6,802,551	-	6,802,551	-	-	-	-	-	-
Deferred outflows of resources - MUB Pension	-	-	-	-	-	-	-	-	3,020,444
Deferred outflows of resources - MUP OPEB	-	-	-	-	-	-	-	-	554,360
Deferred outflows of resources - OPEB	1,324,626	48,107	1,372,733	82,644	95,729	59,090	-	-	-
Unamortized bond discount refunding loss	12,480	-	12,480	-	-	-	2,933	-	-
<i>Total deferred outflows of resources</i>	<u>14,737,606</u>	<u>477,380</u>	<u>15,214,986</u>	<u>196,056</u>	<u>140,388</u>	<u>142,932</u>	<u>2,933</u>	<u>-</u>	<u>3,574,804</u>
<i>Total assets and deferred outflows of resources</i>	<u>98,518,199</u>	<u>42,433,215</u>	<u>140,951,414</u>	<u>9,029,159</u>	<u>28,971,495</u>	<u>10,505,527</u>	<u>14,025,301</u>	<u>1,668,796</u>	<u>391,942,120</u>

City of Morgantown, West Virginia
Statement of Net Position (Cont'd)
June 30, 2024

	Primary Government			Component Units					
	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
Liabilities:									
Accounts payable	838,530	60,387	898,917	20,624	103,058	21,188	-	-	2,278,098
Due to other funds	3,096,203	701,458	3,797,661	-	-	34,362	-	-	-
Accrued payroll	-	13,757	13,757	-	-	15,546	-	-	744,916
Accrued expenses	-	-	-	46,422	-	-	-	-	-
Billing services payable	-	-	-	-	-	-	-	-	461,808
Accrued administrative costs on bonds	-	-	-	-	-	-	-	-	18,337
Accrued interest payable	7,120,985	-	7,120,985	-	21,525	-	12,470	1,361	1,220,198
Unearned revenues	187,114	-	187,114	-	-	-	-	-	-
Other accrued liabilities	-	120,000	120,000	-	-	-	-	-	150,631
Customer deposits	-	-	-	-	-	-	-	-	700,386
Accrued payroll and compensated absences	306,736	54,543	361,279	65,564	77,152	105,896	-	-	-
Long-term liabilities:									
Due within one year	775,901	26,319	802,220	2,542	426,544	161,171	743,965	96,240	7,064,814
Due within more than one year	164,611,812	2,415,473	167,027,285	896,785	15,560,727	3,277,988	5,634,357	1,131,602	215,344,929
<i>Total liabilities</i>	<u>176,937,281</u>	<u>3,391,937</u>	<u>180,329,218</u>	<u>1,031,937</u>	<u>16,189,006</u>	<u>3,616,151</u>	<u>6,390,792</u>	<u>1,229,203</u>	<u>227,984,117</u>
Deferred inflows of resources:									
Deferred inflows of resources - WVPERS	-	-	-	947	1,978	-	-	-	-
Deferred inflows of resources - Employee Retirement	2,478,811	272,422	2,751,233	-	-	48,209	-	-	-
Deferred inflows of resources - Fire Pension	7,226,387	-	7,226,387	-	-	-	-	-	-
Deferred inflows of resources - Police Pension	4,958,491	-	4,958,491	-	-	-	-	-	-
Deferred inflows of resources - MUB Pension	-	-	-	-	-	-	-	-	1,838,407
Deferred inflows of resources - MUP OPEB	-	-	-	-	-	-	-	-	229,950
Deferred inflows of resources - OPEB	5,497,317	201,526	5,698,843	345,865	444,456	524,671	-	-	-
<i>Total deferred inflows of resources</i>	<u>20,161,006</u>	<u>473,948</u>	<u>20,634,954</u>	<u>346,812</u>	<u>446,434</u>	<u>572,880</u>	<u>-</u>	<u>-</u>	<u>2,068,357</u>
<i>Total liabilities and deferred inflows of resources</i>	<u>197,098,287</u>	<u>3,865,885</u>	<u>200,964,172</u>	<u>1,378,749</u>	<u>16,635,440</u>	<u>4,189,031</u>	<u>6,390,792</u>	<u>1,229,203</u>	<u>230,052,474</u>
Net Position:									
Net investment in capital assets	1,030,257	40,215,359	41,245,616	1,720,672	4,923,151	6,428,217	13,267,359	1,576,125	153,749,045
Restricted	5,736,784	59,871	5,796,655	1,991,733	-	1,227,497	279,032	-	3,682,586
Unrestricted	(105,347,129)	(1,707,900)	(107,055,029)	3,938,005	7,412,904	(1,339,218)	(5,911,882)	(1,136,532)	4,458,015
<i>Total net position</i>	<u>(\$98,580,088)</u>	<u>\$38,567,330</u>	<u>(\$60,012,758)</u>	<u>\$7,650,410</u>	<u>\$12,336,055</u>	<u>6,316,496</u>	<u>\$7,634,509</u>	<u>\$439,593</u>	<u>161,889,646</u>

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

City of Morgantown, West Virginia
Statement of Activities
For the Year Ended June 30, 2024

Functions/programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position Primary Government			Component Unit					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Morgantown Public Library	Board of Perks and Recreation Commission	Parking Authority	Municipal Building Commission	Land Reuse and Preservation Agency	Morgantown Utility Board
Primary government:													
Governmental activities:													
General government	\$ 9,009,818	\$ 4,230,348	\$ 120,000	\$ -	\$ (4,659,470)	\$ -	\$ (4,659,470)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	20,694,533	4,337,688	93,153	-	(16,263,692)	-	(16,263,692)	-	-	-	-	-	-
Highway and streets	6,837,096	-	-	-	(6,837,096)	-	(6,837,096)	-	-	-	-	-	-
Health and sanitation	2,168,052	1,985,011	-	-	(183,041)	-	(183,041)	-	-	-	-	-	-
Culture and recreation	1,624,090	537,338	519,740	-	(567,012)	-	(567,012)	-	-	-	-	-	-
Social services	267,470	-	-	-	(267,470)	-	(267,470)	-	-	-	-	-	-
Community development	2,128,506	-	1,328,551	-	(799,955)	-	(799,955)	-	-	-	-	-	-
Debt services	1,259,125	-	-	-	(1,259,125)	-	(1,259,125)	-	-	-	-	-	-
Benefits payments	6,478,904	5,694,383	-	-	(784,521)	-	(784,521)	-	-	-	-	-	-
Total governmental activities	<u>50,467,594</u>	<u>16,784,768</u>	<u>2,061,444</u>	<u>-</u>	<u>(31,621,382)</u>	<u>-</u>	<u>(31,621,382)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:													
Airport	4,797,466	3,369,228	-	3,780,713	-	2,352,475	2,352,475	-	-	-	-	-	-
Total business-type activities	<u>4,797,466</u>	<u>3,369,228</u>	<u>-</u>	<u>3,780,713</u>	<u>-</u>	<u>2,352,475</u>	<u>2,352,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 55,265,060</u>	<u>\$ 20,153,996</u>	<u>\$ 2,061,444</u>	<u>\$ 3,780,713</u>	<u>\$(31,621,382)</u>	<u>\$ 2,352,475</u>	<u>\$(29,268,907)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component unit:													
Morgantown Utility Board	\$ 37,542,121	\$ 38,540,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 998,024
Parking Authority	2,468,435	2,920,049	-	-	-	-	-	-	-	451,614	-	-	-
Municipal Building Commission	598,340	317,106	-	-	-	-	-	-	-	-	(281,234)	-	-
Board of Parks Recreation Commission	6,524,770	6,254,937	-	-	-	-	-	-	(269,833)	-	-	-	-
Land Reuse and Preservation Agency	39,737	18,941	-	-	-	-	-	-	-	-	-	(20,796)	-
Morgantown Public Library	2,324,693	13,661	2,327,521	-	-	-	-	16,489	-	-	-	-	-
Total component units	<u>\$ 49,498,096</u>	<u>\$ 48,064,839</u>	<u>\$ 2,327,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,489</u>	<u>\$ (269,833)</u>	<u>\$ 451,614</u>	<u>\$ (281,234)</u>	<u>\$ (20,796)</u>	<u>\$ 998,024</u>

City of Morgantown, West Virginia
Statement of Activities (Cont'd)
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Net Revenue (Expense) and Changes in Net Position						Component Unit					
		Program Revenues			Primary Government								
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Morgantown Public Library	Board of Perks and Recreation Commission	Parking Authority	Municipal Buiding Commission	Land Reuse and Preservation Agency	Morgantown Utility Board
General Revenues													
Taxes and special assessments:													
Ad valorem					\$ 6,334,462	\$ -	\$ 6,334,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas and oil severance					310,215	-	310,215	-	-	-	-	-	-
Municipal sales tax					9,969,840	-	9,969,840	-	-	-	-	-	-
Utility					1,215,590	-	1,215,590	-	-	-	-	-	-
Buisness and occupation					15,517,433	-	15,517,433	-	-	-	-	-	-
Wine and liquor					844,748	-	844,748	-	-	-	-	-	-
Animal control					3,208	-	3,208	-	-	-	-	-	-
Hotel and motel					1,194,598	-	1,194,598	-	-	-	-	-	-
Amusement					7,000	-	7,000	-	-	-	-	-	-
Coal severance					130,893	-	130,893	-	-	-	-	-	-
Licenses and permits					613,046	-	613,046	-	-	-	-	-	-
Franchise fees					241,492	-	241,492	-	-	-	-	-	-
Investment income					732,433	16,162	748,595	716,851	401,377	160,249	12,994	-	2,239,736
Video lottery and gaming income					153,271	-	153,271	-	-	-	-	-	-
Miscellaneous					973,944	-	973,944	-	392,190	-	-	-	134,138
Total general revenues					<u>38,242,173</u>	<u>16,162</u>	<u>38,258,335</u>	<u>716,851</u>	<u>793,567</u>	<u>160,249</u>	<u>12,994</u>	<u>-</u>	<u>2,373,874</u>
Changes in net position before tansfers between activities					6,620,791	2,368,637	8,989,428	733,340	523,734	611,863	(268,240)	(20,796)	3,371,898
Transfer between activities					(7,732,931)	2,861,591	(4,871,340)	-	-	-	346,696	180,687	-
Change in net position before contributed capital					<u>(1,112,140)</u>	<u>5,230,228</u>	<u>4,118,088</u>	<u>733,340</u>	<u>523,734</u>	<u>611,863</u>	<u>78,456</u>	<u>159,891</u>	<u>3,371,898</u>
Contributed capital					-	-	-	-	-	-	-	-	4,710,295
Sale on capital assets					-	15,100	15,100	-	-	-	-	-	-
Transfers to other entities					-	-	-	-	-	-	-	-	-
Net change in net position					<u>(1,112,140)</u>	<u>5,245,328</u>	<u>4,133,188</u>	<u>733,340</u>	<u>523,734</u>	<u>611,863</u>	<u>78,456</u>	<u>159,891</u>	<u>8,082,193</u>
Net Position at December 31, 2023					<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>
Adjustments (GASB 100)					-	-	-	14,969	-	-	-	-	-
Net Position at December 31, 2023 as restated					<u>(97,467,948)</u>	<u>33,322,002</u>	<u>(\$64,145,946)</u>	<u>6,917,070</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>
Net Position End of Year					<u>(98,580,088)</u>	<u>38,567,330</u>	<u>(60,012,758)</u>	<u>7,650,410</u>	<u>12,336,055</u>	<u>6,316,496</u>	<u>7,634,509</u>	<u>439,593</u>	<u>161,889,646</u>

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

City of Morgantown, West Virginia
Fund Balance Sheets -
Governmental Funds
June 30, 2024

											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			Board of Parks and Recreation Commission		
										Morgantown Public Library	Library Expendable Trust	Capital Project Funds			
Assets															
Cash	\$ 11,503,750	\$ 60	\$ 12,809,436	\$ 453,984	\$ -	\$ 255,266	\$ 5,775,579	\$ 13,505,592	\$ 44,303,667	\$ 606,114	\$ -	\$ -	\$ 17,815,404	\$ 18,421,518	
Investments	1,091,072	-	-	-	-	-	-	1,565,029	2,656,101	4,194,842	-	286,764	-	4,481,606	
Receivables, net of allowances:															
Taxes	4,127,856	34,369	-	-	-	2,460,629	-	107,314	6,730,168	-	-	-	-	-	
Accounts	955,769	-	-	-	-	-	-	-	955,769	46,440	-	-	143,247	189,687	
Other	747,812	-	-	-	-	-	-	-	747,812	-	-	-	-	-	
Grants	69,160	-	-	-	-	-	-	-	69,160	-	-	-	-	-	
Due from other funds	2,279,873	-	753,620	351,578	-	-	12,918	127,889	3,525,878	-	-	-	-	-	
Inventory	1,611	-	-	-	-	-	-	-	1,611	-	-	-	-	-	
Restricted assets	-	-	-	-	2,250,801	-	-	-	2,250,801	-	1,969,871	-	-	1,969,871	
Prepaid expenses	14,783	-	-	-	-	-	-	-	14,783	5,858	-	-	-	5,858	
<i>Total assets</i>	<u>\$ 20,791,686</u>	<u>\$ 34,429</u>	<u>\$ 13,563,056</u>	<u>\$ 805,562</u>	<u>\$ 2,250,801</u>	<u>\$ 2,715,895</u>	<u>\$ 5,788,497</u>	<u>\$ 15,305,824</u>	<u>\$ 61,255,750</u>	<u>\$ 4,853,254</u>	<u>\$ 1,969,871</u>	<u>\$ 286,764</u>	<u>\$ 17,958,651</u>	<u>\$ 25,068,540</u>	
Liabilities, Deferred Inflows of Resources and Fund Balances															
Liabilities:															
Accounts payable	\$ 591,639	\$ -	\$ 120,816	\$ -	\$ -	\$ -	\$ 50,900	\$ 75,175	\$ 838,530	\$ 20,624	\$ -	\$ -	\$ 103,058	\$ 123,682	
Accrued interest payable	-	-	-	-	7,120,985	-	-	-	7,120,985	-	-	-	-	-	
Due to other funds	1,639,072	-	412,255	723,558	-	-	76,169	245,149	3,096,203	-	-	-	-	-	
Accrued expenses	-	-	-	-	-	-	-	-	-	46,422	-	-	-	46,422	
Accrued payroll and compensated absences	295,162	-	-	-	-	-	-	11,574	306,736	65,564	-	-	77,152	142,716	
<i>Total liabilities</i>	<u>2,525,873</u>	<u>-</u>	<u>533,071</u>	<u>723,558</u>	<u>7,120,985</u>	<u>-</u>	<u>127,069</u>	<u>331,898</u>	<u>11,362,454</u>	<u>132,610</u>	<u>-</u>	<u>-</u>	<u>180,210</u>	<u>312,820</u>	
Deferred Inflows of Resources:															
Deferred revenue - taxes	532,571	-	-	-	-	-	-	62,815	595,386	-	-	-	-	-	
Unearned revenues	187,114	-	-	-	-	-	-	-	187,114	-	-	-	-	-	
<i>Total deferred inflows of resources</i>	<u>719,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,815</u>	<u>782,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balances:															
Restricted	-	-	-	-	-	-	5,661,428	75,356	5,736,784	-	1,969,871	21,862	-	1,991,733	
Nonspendable	16,394	-	-	-	-	-	-	-	16,394	5,858	-	-	-	5,858	
Assigned	-	34,429	13,029,985	82,004	-	2,715,895	-	14,835,755	30,698,068	189,098	-	264,902	17,778,441	18,232,441	
Unassigned	17,529,734	-	-	-	(4,870,184)	-	-	-	12,659,550	4,525,688	-	-	-	4,525,688	
<i>Total fund balances</i>	<u>17,546,128</u>	<u>34,429</u>	<u>13,029,985</u>	<u>82,004</u>	<u>(4,870,184)</u>	<u>2,715,895</u>	<u>5,661,428</u>	<u>14,911,111</u>	<u>49,110,796</u>	<u>4,720,644</u>	<u>1,969,871</u>	<u>286,764</u>	<u>17,778,441</u>	<u>24,755,720</u>	
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 20,791,686</u>	<u>\$ 34,429</u>	<u>\$ 13,563,056</u>	<u>\$ 805,562</u>	<u>\$ 2,250,801</u>	<u>\$ 2,715,895</u>	<u>\$ 5,788,497</u>	<u>\$ 15,305,824</u>	<u>\$ 61,255,750</u>	<u>\$ 4,853,254</u>	<u>\$ 1,969,871</u>	<u>\$ 286,764</u>	<u>\$ 17,958,651</u>	<u>\$ 25,068,540</u>	

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

**City of Morgantown, West Virginia
Reconciliation of Fund Balance Sheets of
Governmental Funds to Statement of Net Position
June 30, 2024**

	Component Units		
	Primary Government	Morgan Public Library	Board of Parks and Recreation Commission
Fund balance, fund level statement June 30, 2024	\$ 49,110,796	\$ 6,977,279	\$ 17,778,441
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 interest	-	-	(21,525)
Accrued compensated absences	(788,265)	-	-
Notes payable	(56,901)	(2,542)	(56,544)
Net pension (obligation)	(129,830,273)	1,940	2,114
Bonds payable	(21,437,685)	-	(14,840,000)
Accrued other post employment benefits	(13,274,589)	(898,725)	(1,090,727)
Capital assets, that are used in governmental activities and are purchased or constructed, the costs of those assets are reported as expenditures to governmental funds. However, the Statement of Net Position includes those assets and their associated accumulated depreciation.			
	22,524,843	1,723,214	10,870,342
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	-	113,412	44,659
Deferred outflows of resources - Employee retirement	1,713,522	-	-
Deferred outflows of resources - Fire Pension	4,884,427	-	-
Deferred outflows of resources - Police Pension	6,802,551	-	-
Deferred outflows of resources - OPEB	1,324,626	82,644	95,729
Deferred inflows of resources - WVPERS	-	(947)	(1,978)
Deferred inflows of resources - Employee retirement	(2,478,811)	-	-
Deferred inflows of resources - Fire Pension	(7,226,387)	-	-
Deferred inflows of resources - Police Pension	(4,958,491)	-	-
Deferred inflows of resources - OPEB	(5,497,317)	(345,865)	(444,456)
Some assets do not provide current financial resources and are reported as deferred revenues in the fund level statements.			
Unamortized bond discount	12,480	-	-
Deferred revenue	595,386	-	-
Net Position of Governmental Activities	\$ (98,580,088)	\$ 7,650,410	\$ 12,336,055

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

City of Morgantown, West Virginia
Combining Statement of Revenues, Expenditures and Changes in Net Position -
Governmental Funds
For the Year Ended June 30, 2024

	Component Units														
	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				Board of Parks and Recreation Commission	Total
										Morgantown Public Library	Library Expendable Trust	Capital Project Funds			
Revenues:															
Taxes and special assessments															
Ad valorem	\$ 4,764,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,570,093	\$ 6,334,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gas and oil severance	310,215	-	-	-	-	-	-	-	310,215	-	-	-	-	-	-
Municipal sales tax	-	-	-	-	-	9,969,840	-	-	9,969,840	-	-	-	-	-	-
Utility	1,215,590	-	-	-	-	-	-	-	1,215,590	-	-	-	-	-	-
Business and occupation	15,517,433	-	-	-	-	-	-	-	15,517,433	-	-	-	-	-	-
Wine and liquor	844,748	-	-	-	-	-	-	-	844,748	-	-	-	-	-	-
Animal control	3,208	-	-	-	-	-	-	-	3,208	-	-	-	-	-	-
Hotel and motel	1,194,598	-	-	-	-	-	-	-	1,194,598	-	-	-	-	-	-
Amusement	1,391	-	-	-	-	-	5,609	-	7,000	-	-	-	-	-	-
Licenses and permits	613,046	-	-	-	-	-	-	-	613,046	-	-	-	-	-	-
Charges for services	10,358,727	-	-	-	-	-	-	537,338	10,896,065	-	-	-	913,199	913,199	
Fines and forfeits	183,176	-	-	-	-	-	-	11,144	194,320	13,661	-	-	-	13,661	
Franchise fees	241,492	-	-	-	-	-	-	-	241,492	-	-	-	-	-	-
Investment income (loss)	227,849	697	104,262	7,563	133,259	-	96,397	162,406	732,433	316,591	394,212	6,048	401,377	1,118,228	
Donations	-	-	-	-	120,000	-	-	554,740	674,740	15,306	-	-	-	15,306	
Video lottery and gaming income	153,271	-	-	-	-	-	-	-	153,271	-	-	-	-	-	-
Intergovernmental:															
Federal	93,153	-	-	-	-	-	-	706,551	799,704	-	-	-	-	-	-
State	-	130,893	-	-	-	-	-	-	130,893	613,757	-	-	-	-	613,757
Local	-	-	587,000	-	-	-	-	-	587,000	1,698,458	-	-	4,952,822	6,651,280	
Contributions from employees	-	-	-	330,854	-	-	-	-	330,854	-	-	-	-	-	-
Contributions from employers	-	-	-	5,363,529	-	-	-	-	5,363,529	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	388,916	388,916	
Other	561,754	-	246,929	165,261	-	-	-	-	973,944	-	-	-	392,190	392,190	
<i>Total revenues</i>	<u>36,284,020</u>	<u>131,590</u>	<u>938,191</u>	<u>5,867,207</u>	<u>253,259</u>	<u>9,969,840</u>	<u>96,397</u>	<u>3,547,881</u>	<u>\$57,088,385</u>	<u>2,657,773</u>	<u>394,212</u>	<u>6,048</u>	<u>7,048,504</u>	<u>9,717,621</u>	
Expenditures:															
General government	\$ 7,355,124	\$ -	\$ -	\$ 311,975	\$ 63,567	\$ -	\$ 260,453	\$ 54,280	\$ 8,045,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	16,825,262	-	-	-	-	-	-	81,066	16,906,328	-	-	-	-	-	-
Highway and streets	4,220,360	-	-	-	-	-	-	-	4,220,360	-	-	-	-	-	-
Health and sanitation	2,051,177	-	-	-	-	-	-	-	2,051,177	-	-	-	-	-	374,229
Culture and recreation	-	-	-	-	-	-	-	850,395	850,395	2,261,054	14,446	17,238	5,106,537	7,399,275	
Social services	267,470	-	-	-	-	-	-	-	267,470	-	-	-	-	-	
Community development	-	-	489,894	-	-	-	51,834	1,072,149	1,613,877	-	-	-	-	-	
Capital outlay	511,271	-	9,844,649	-	-	-	2,944,517	180,600	13,481,037	-	-	-	5,823,896	5,823,896	
Debt service - principal	108,294	-	-	-	797,000	-	-	-	905,294	-	-	-	107,616	107,616	
Debt service - interest	6,063	-	-	-	1,251,502	-	-	-	1,257,565	-	-	-	297,009	297,009	
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	309,000	309,000	
Benefit payments	-	-	-	5,637,149	-	-	-	841,755	6,478,904	-	-	-	-	-	
<i>Total expenditures</i>	<u>31,345,021</u>	<u>-</u>	<u>10,334,543</u>	<u>5,949,124</u>	<u>2,112,069</u>	<u>-</u>	<u>3,256,804</u>	<u>3,080,245</u>	<u>56,077,806</u>	<u>2,261,054</u>	<u>14,446</u>	<u>17,238</u>	<u>11,644,058</u>	<u>13,936,796</u>	
<i>Excess (deficiency) of revenues over (under) expenditures</i>	4,938,999	131,590	(9,396,352)	(81,917)	(1,858,810)	9,969,840	(3,160,407)	467,636	1,010,579	396,719	379,766	(11,190)	(4,595,554)	(3,830,259)	
Other Financing Sources (Uses):															
Operating transfers in	3,482,440	-	7,819,346	-	1,431,015	-	-	3,491,918	16,224,719	300,000	-	-	-	300,000	
Operating transfers out	(9,809,617)	(162,014)	(446,696)	(788,569)	-	(11,319,739)	-	(1,431,015)	(23,957,650)	-	(300,000)	-	-	(300,000)	
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-	14,840,000	14,840,000	
Bond Discount	-	-	-	-	-	-	-	-	-	-	-	-	(296,529)	(296,529)	
<i>Total other financing sources (uses)</i>	<u>(6,327,177)</u>	<u>(162,014)</u>	<u>7,372,650</u>	<u>(788,569)</u>	<u>1,431,015</u>	<u>(11,319,739)</u>	<u>-</u>	<u>2,060,903</u>	<u>(7,732,931)</u>	<u>300,000</u>	<u>(300,000)</u>	<u>-</u>	<u>14,543,471</u>	<u>14,543,471</u>	
Net change in fund balance	(1,388,178)	(30,424)	(2,023,702)	(870,486)	(427,795)	(1,349,899)	(3,160,407)	2,528,539	(6,722,352)	696,719	79,766	(11,190)	9,947,917	10,713,212	
Net Position at December 31, 2023	18,934,306	64,853	15,053,687	952,490	(4,442,389)	4,065,794	8,821,835	12,382,572	55,833,148	4,008,956	1,890,105	297,954	7,830,524	14,027,539	
Adjustments (GASB 100)	-	-	-	-	-	-	-	-	-	14,969	-	-	-	14,969	
Net Position at December 31, 2023 as restated	18,934,306	64,853	15,053,687	952,490	(4,442,389)	4,065,794	8,821,835	12,382,572	55,833,148	4,023,925	1,890,105	297,954	7,830,524	14,042,508	
Fund balances at end of year	<u>\$ 17,546,128</u>	<u>\$ 34,429</u>	<u>\$ 13,029,985</u>	<u>\$ 82,004</u>	<u>\$ (4,870,184)</u>	<u>\$ 2,715,895</u>	<u>\$ 5,661,428</u>	<u>\$ 14,911,111</u>	<u>\$ 49,110,796</u>	<u>\$ 4,720,644</u>	<u>\$ 1,969,871</u>	<u>\$ 286,764</u>	<u>\$ 17,778,441</u>	<u>\$ 24,755,720</u>	

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

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, 2024

	Component Units		
	Primary Government	Morgan Public Library	Board of Parks and Recreation Commission
Net Change in Fund Balance - Total Governmental Funds	\$ (6,722,352)	\$ 765,295	\$ 9,947,917
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.	5,706,686	(17,465)	5,334,572
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 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.			
Issuance of bonds	-	-	(14,840,000)
Repayment of notes payable	108,294	4,838	107,616
Repayment of bonds	797,000	-	-
Some expences 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	(265,353)	-	-
Decrease in unmortized bond discounts	(1,560)	-	-
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	-	-	-
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	(734,855)	(19,328)	(26,371)
Change in Net Position of Governmental Activities	<u>\$ (1,112,140)</u>	<u>\$ 733,340</u>	<u>\$ 523,734</u>

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

City of Morgantown, West Virginia
Statement of Net Position -
Proprietary Funds
June 30, 2024

Assets	<u>Business-Type</u>	<u>Component Units</u>				Total
	<u>Activities</u>	Parking	Municipal	Land Reuse and	Morgantown	
	Airport Fund	Authority	Building	Preservation	Utility	
			Commission	Agency	Board	
Current Assets						
Cash	\$ 1,125,555	\$ 2,028,832	\$ 341,325	\$ 92,671	\$ 3,481,406	\$ 5,944,234
Investments	-	647,702	-	-	-	647,702
Receivables, net of allowances:						
Accounts	199,180	-	127,891	-	3,009,812	3,137,703
Other	-	-	-	-	628,007	628,007
Grants	2,714	-	-	-	-	-
Interest	-	-	-	-	62,249	62,249
Inventory	63,655	-	-	-	2,875,849	2,875,849
Due from other funds	263,182	17,652	6,761	-	-	24,413
Deposits and prepayments	-	-	-	-	922,227	922,227
Accrued utility revenue	-	-	-	-	1,958,002	1,958,002
<i>Total current assets</i>	<u>1,654,286</u>	<u>2,694,186</u>	<u>475,977</u>	<u>92,671</u>	<u>12,937,552</u>	<u>16,200,386</u>
Noncurrent assets:						
Restricted assets	59,871	1,227,497	279,032	-	14,043,561	15,550,090
Capital Assets						
Land	50,050	1,484,399	1,439,707	597,338	1,719,674	5,241,118
Intangible plant	-	-	-	-	383,056	383,056
Land improvements	-	-	744,473	-	-	744,473
Building	13,552,975	-	20,167,413	-	-	20,167,413
Structures and improvements	35,383,715	10,942,731	-	-	80,988,919	91,931,650
Water transmission and distribution system	-	-	-	-	97,848,375	97,848,375
Sewer and storm collection system	-	-	-	-	146,877,305	146,877,305
Treatment plant equipment	-	-	-	-	110,139,541	110,139,541
Office furniture, equipment and computer system	-	-	-	-	7,179,550	7,179,550
Vehicles and heavy duty equipment	-	-	-	-	10,679,186	10,679,186
Machinery and equipment	2,577,838	2,349,826	1,094,319	-	-	3,444,145
Construction in progress	16,721,720	209,506	912,843	978,787	64,388,422	66,489,558
Less: Accumulated depreciation	(28,044,620)	(8,545,550)	(11,091,396)	-	(174,927,478)	(194,564,424)
Less: Accumulated amortization	-	-	-	-	-	-
<i>Net capital assets</i>	<u>40,241,678</u>	<u>6,440,912</u>	<u>13,267,359</u>	<u>1,576,125</u>	<u>345,276,550</u>	<u>366,560,946</u>
Other Assets						
Investments	-	-	-	-	14,318,180	14,318,180
Right of use assets - net of amortization	-	-	-	-	404,914	404,914
Deferred financing costs	-	-	-	-	956,630	956,630
Net OPEB Asset	-	-	-	-	173,531	173,531
Other net	-	-	-	-	256,398	256,398
<i>Total other assets</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,109,653</u>	<u>16,109,653</u>
<i>Total assets</i>	<u>41,955,835</u>	<u>10,362,595</u>	<u>14,022,368</u>	<u>1,668,796</u>	<u>388,367,316</u>	<u>414,421,075</u>
Deferred Outflows of Resources						
Deferred outflows of resources - Employee Retirement	429,273	83,842	-	-	-	83,842
Deferred outflows of resources - MUB Pension	-	-	-	-	3,020,444	3,020,444
Deferred outflows of resources - MUB OPEB	-	-	-	-	554,360	554,360
Deferred outflows of resources - OPEB	48,107	59,090	-	-	-	59,090
Unamortized bond discount refunding loss	-	-	2,933	-	-	2,933
<i>Total deferred outflows of resources</i>	<u>477,380</u>	<u>142,932</u>	<u>2,933</u>	<u>-</u>	<u>3,574,804</u>	<u>3,720,669</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 42,433,215</u>	<u>\$ 10,505,527</u>	<u>\$ 14,025,301</u>	<u>\$ 1,668,796</u>	<u>\$ 391,942,120</u>	<u>418,141,744</u>

City of Morgantown, West Virginia
Statement of Net Position -
Proprietary Funds (Cont'd)
June 30, 2024

	Business-Type		Component Units			Total
	Activities					
	Airport Fund	Parking Authority	Municipal Building Commission	Land Reuse and Preservation Agency	Morgantown Utility Board	
Liabilities						
Current Liabilities (payable from current assets)						
Accounts payable	\$ 60,387	\$ 21,188	\$ -	\$ -	\$ 2,278,098	\$ 2,299,286
Due to other funds	701,458	34,362	-	-	-	34,362
Accrued payroll	13,757	15,546	-	-	744,916	760,462
Billing services collected payroll	-	-	-	-	461,808	461,808
Other accrued liabilities	120,000	-	-	-	150,631	150,631
Interest payable	-	-	12,470	-	-	12,470
Accrued compensated absences	54,543	105,896	-	-	-	105,896
<i>Total current liabilities (payable from current assets)</i>	<u>950,145</u>	<u>176,992</u>	<u>12,470</u>	<u>-</u>	<u>3,635,453</u>	<u>3,824,915</u>
Current Liabilities (payable from restricted assets)						
Revenue bonds payable	-	145,735	743,965	96,240	6,970,459	7,956,399
Current portion of long-term debt	26,319	12,695	-	-	94,355	107,050
Interest payable	-	2,741	-	1,361	-	4,102
<i>Total current liabilities (payable from restricted assets)</i>	<u>26,319</u>	<u>161,171</u>	<u>743,965</u>	<u>97,601</u>	<u>7,064,814</u>	<u>8,067,551</u>
Long-Term Liabilities (net of current portion)						
Revenue bonds payable	-	1,786,831	5,634,357	1,131,602	184,852,883	193,405,673
Note payable net of current portion	-	-	-	-	14,722	14,722
Net pension obligation	1,928,146	879,989	-	-	10,015,276	10,895,265
Net other post employment benefit obligation	487,327	611,168	-	-	-	611,168
Customer deposits	-	-	-	-	700,386	700,386
Accrued administrative costs on bonds	-	-	-	-	18,337	18,337
Accrued interest on bonds	-	-	-	-	1,214,104	1,214,104
Interest on customer deposits	-	-	-	-	6,094	6,094
Advances on construction	-	-	-	-	20,462,048	20,462,048
<i>Total long-term liabilities (net of current portion)</i>	<u>2,415,473</u>	<u>3,277,988</u>	<u>5,634,357</u>	<u>1,131,602</u>	<u>217,283,850</u>	<u>227,327,797</u>
<i>Total liabilities</i>	<u>3,391,937</u>	<u>3,616,151</u>	<u>6,390,792</u>	<u>1,229,203</u>	<u>227,984,117</u>	<u>239,220,263</u>
Deferred Inflows of Resources						
Deferred inflows of resources - Employee retirement	272,422	48,209	-	-	-	48,209
Deferred inflows of resources - MUB Pension	-	-	-	-	1,838,407	1,838,407
Deferred inflows of resources - MUB OPEB	-	-	-	-	229,950	229,950
Deferred inflows of resources - OPEB	201,526	524,671	-	-	-	524,671
<i>Total deferred inflows of resources</i>	<u>473,948</u>	<u>572,880</u>	<u>-</u>	<u>-</u>	<u>2,068,357</u>	<u>2,641,237</u>
<i>Total liabilities and deferred inflows of resources</i>	<u>3,865,885</u>	<u>4,189,031</u>	<u>6,390,792</u>	<u>1,229,203</u>	<u>230,052,474</u>	<u>241,861,500</u>
Net Position:						
Net investment in capital assets	40,215,359	6,428,217	13,267,359	1,576,125	153,749,045	175,020,746
Restricted	59,871	1,227,497	279,032	-	3,682,586	5,189,115
Unrestricted	(1,707,900)	(1,339,218)	(5,911,882)	(1,136,532)	4,458,015	(3,929,617)
<i>Total net position</i>	<u>\$ 38,567,330</u>	<u>\$ 6,316,496</u>	<u>7,634,509</u>	<u>\$ 439,593</u>	<u>\$ 161,889,646</u>	<u>176,280,244</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, 2024

	Business-Type		Component Units			
	Activities		Municipal	Land Reuse and	Morgantown	
	Airport Fund	Parking Authority	Building Commission	Preservation Agency	Utility Board	Total
Operating Revenues						
Charges for services	\$ 3,369,228	\$ 2,415,283	\$ 317,106	\$ 18,941	\$ 38,540,145	\$ 41,291,475
Fines	-	504,766	-	-	-	504,766
Total operating revenues	3,369,228	2,920,049	317,106	18,941	38,540,145	41,796,241
Operating Expenses						
Personal services	\$ 845,764	1,144,506	-	-	-	1,144,506
Purchases - fuel	1,928,168	-	-	-	-	-
Supplies	34,225	39,376	-	-	-	39,376
Liability insurance	79,780	69,141	-	-	-	69,141
Utilities	153,760	82,460	-	-	-	82,460
General and administrative	74,401	373,681	3,093	90	-	376,864
Depreciation	1,187,621	371,699	464,761	-	-	836,460
Maintenance	493,747	177,960	-	-	-	177,960
Rental lease	-	171,944	-	-	-	171,944
Water operating expenses	-	-	-	-	12,922,398	12,922,398
Sewer operating expenses	-	-	-	-	16,911,632	16,911,632
Storm water utility operating expenses	-	-	-	-	1,690,432	1,690,432
Total operating expenses	4,797,466	2,430,767	467,854	90	31,524,462	34,423,173
Operating income (loss)	(1,428,238)	489,282	(150,748)	18,851	7,015,683	7,373,068
Nonoperating Revenues (Expenses)						
Investment income	\$ 16,162	\$ 103,606	\$ 12,994	-	2,239,736	2,356,336
Gain (loss) on investments	-	56,643	-	-	-	56,643
Interest and fiscal charges	-	(37,668)	(129,584)	(39,647)	(6,017,659)	(6,224,558)
Amortization of bond costs	-	-	(902)	-	-	(902)
Other revenue	-	-	-	-	134,138	134,138
Total nonoperating revenues (expenses)	16,162	122,581	(117,492)	(39,647)	(3,643,785)	(3,678,343)
Change in net position before nonoperating grants and operating transfers	(1,412,076)	611,863	(268,240)	(20,796)	3,371,898	3,694,725
Nonoperating grants - federal	3,744,497	-	-	-	-	-
Nonoperating grant - state	36,216	-	-	-	-	-
Operating transfers in (out)	2,861,591	-	346,696	180,687	-	527,383
Transfers to other governmental units	-	-	-	-	-	-
Contributed capital	-	-	-	-	4,710,295	4,710,295
Sale on capital assets	15,100	-	-	-	-	-
Change in net position	5,245,328	611,863	78,456	159,891	8,082,193	8,932,403
Total net position - beginning	33,322,002	5,704,633	7,556,053	279,702	153,807,453	167,347,841
Total net position - ending	\$ 38,567,330	\$ 6,316,496	\$ 7,634,509	\$ 439,593	\$ 161,889,646	\$ 176,280,244

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, 2024

	Business-Type	Component Units				Total
	Activities		Municipal	Land Reuse and	Morgantown	
	Airport Fund	Parking Authority	Building Commission	Preservation Agency	Utility Board	
Cash Flows from Operating Activities						
Receipts from customers	\$ 3,330,493	\$ 2,967,707	\$ 379,981	\$ 18,941	\$ 36,824,720	40,191,349
Receipts from other sources	-	-	-	-	978,274	978,274
Payments to suppliers	(5,395,691)	(920,985)	(3,093)	(90)	(12,455,233)	(13,379,401)
Payments to employees	(914,191)	(1,216,014)	-	-	(7,240,503)	(8,456,517)
Net cash provided by (used in) operating activities	(2,979,389)	830,708	376,888	18,851	18,107,258	19,333,705
Cash Flows from Capital and Related Financing Activities						
(Increase) decrease in deferred financing net of amortization	-	-	-	-	133	133
Repayment of note payable	(50,091)	(24,160)	-	-	-	(24,160)
(Increase) decrease in accrued administrative costs of bonds	-	-	-	-	(261,896)	(261,896)
(Increase) decrease in restricted assets	4,712	(79,326)	(53,817)	-	-	(133,143)
Proceeds from revenue bonds	-	-	3,313,400	-	-	3,313,400
Repayment of revenue bonds	-	(143,162)	(535,547)	(99,120)	(7,788,690)	(8,566,519)
Principal Payments on Leases	-	-	-	-	(173,924)	(173,924)
Principal Payments on Subscriptions	-	-	-	-	(22,832)	(22,832)
Interest and Other Lease Related Payments	-	-	-	-	(8,726)	(8,726)
Advances on construction	-	-	-	-	(304,435)	(304,435)
Nonoperating grants	3,780,713	-	-	-	-	-
Acquisition of capital assets	(3,886,254)	(393,671)	(3,268,400)	(41,585)	(9,231,172)	(12,934,828)
(Increase) decrease in sinking fund	-	-	-	-	228,283	228,283
(Increase) decrease in bond construction account	-	-	-	-	4,361,098	4,361,098
Customer deposits including interest	-	-	-	-	9,630	9,630
Other nonoperating income	15,100	-	-	-	137,096	137,096
Transfers from (to) other funds	2,861,591	-	346,696	180,687	-	527,383
Change in Right to Use assets	-	-	-	-	-	-
Change in other assets net	-	-	-	-	(76,212)	(76,212)
Interest expense	-	(37,871)	(126,950)	(39,982)	(6,017,659)	(6,222,462)
Net cash (used in) provided by capital and related financing activities	2,725,771	(678,190)	(324,618)	-	(19,149,306)	(20,152,114)
Cash Flows from Investing Activities						
Proceeds from sale of investments	-	-	-	-	1,876,904	1,876,904
Purchase of investments	-	(67,871)	-	-	(1,886,096)	(1,953,967)
Investment income	16,162	160,249	12,994	-	1,451,785	1,625,028
Net cash provided by (used in) investing activities	16,162	92,378	12,994	-	1,442,593	1,547,965
Net increase (decrease) in cash	(237,456)	244,896	65,264	18,851	400,545	729,556
Cash at beginning of year	1,363,011	1,783,936	276,061	73,820	3,080,861	5,214,678
Cash at end of year	\$ 1,125,555	\$ 2,028,832	\$ 341,325	\$ 92,671	\$ 3,481,406	\$ 5,944,234

City of Morgantown, West Virginia
Statement of Cash Flows
Proprietary Funds (Cont'd)
For the Year Ended June 30, 2024

	Business-Type		Component Units			Total
	Activities		Municipal	Land Reuse and	Morgantown	
	Airport Fund	Parking Authority	Building Commission	Preservation Agency	Utility Board	
Reconciliation of Operating Income (Loss) to Net Cash						
provided by (used in) operating activities:						
Operating (loss) income	\$ (1,428,238)	\$ 489,282	\$ (150,748)	\$ 18,851	\$ 7,015,683	\$ 7,373,068
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,187,621	371,699	464,761	-	11,939,527	12,775,987
(Increase) decrease in:						
Accounts receivable	(38,735)	-	62,875	-	(598,753)	(535,878)
Inventory	(14,879)	-	-	-	(339,719)	(339,719)
Internal balances	(2,645,546)	47,658	-	-	-	47,658
Deposits and prepayments	-	-	-	-	(256,961)	(256,961)
Accrued utility revenue	-	-	-	-	(138,398)	(138,398)
Deferred outflows of resources	-	-	-	-	2,960,994	2,960,994
Deferred outflows of resources - Employee Retirement	269,338	370,340	-	-	-	370,340
Deferred outflows of resources - OPEB	18,540	24,720	-	-	-	24,720
Decrease in OPEB asset	-	-	-	-	(173,531)	(173,531)
Increase (decrease) in:						
Accounts payable	28,815	(6,423)	-	-	244,652	238,229
Deferred revenue	-	-	-	-	-	-
Accrued payroll	416	(614)	-	-	7,121	6,507
Accrued compensated absences	281	23,258	-	-	-	23,258
Billing service payable	-	-	-	-	(19,041)	(19,041)
Interest payable	-	-	-	-	(109)	(109)
Net pension obligation	(515,310)	(708,551)	-	-	(2,552,661)	(3,261,212)
Net other post employment benefit obligations	(21,870)	(29,160)	-	-	(132,083)	(161,243)
Deferred inflows of resources - Employee Retirement	198,268	-	-	-	-	-
Deferred inflows of resources	-	-	-	-	142,916	142,916
Deferred inflows of resources - OPEB	(18,090)	248,499	-	-	-	248,499
Other current accrued liabilities	-	-	-	-	7,621	7,621
Net cash provided by (used in) operating activities	<u>\$ (2,979,389)</u>	<u>\$ 830,708</u>	<u>\$ 376,888</u>	<u>\$ 18,851</u>	<u>\$ 18,107,258</u>	<u>\$ 19,333,705</u>

See accompanying notes and independent auditor's report.

City of Morgantown, West Virginia
Fiduciary Responsibilities
Statement of Net Position
June 30, 2024

	Pension and Retirement Funds	Component Unit Morgantown Public Library
Assets:		
Cash	\$ 713,336	\$ -
Investments	110,131,351	149,804
Receivables:		
Contributions	9,410	-
Accounts	326,626	-
<i>Total assets</i>	111,180,723	149,804
Liabilities:		
Accounts payable	5,988	-
<i>Total liabilities</i>	5,988	-
Net Position:		
Held in trust	111,174,735	149,804

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, 2024

	Pension and Retirement Funds	Component Unit Morgantown Public Library
Additions		
Contributions:		
Employer	\$ 6,073,054	\$ -
Employees	1,764,101	-
Insurance premium tax allocation	1,427,937	-
Other	-	-
Total contributions	<u>9,265,092</u>	<u>-</u>
Investment income:		
Gain (loss) on investments	10,195,088	37,824
Interest and dividends	2,254,216	2,624
Total investment income	<u>12,449,304</u>	<u>40,448</u>
 Total additions	 <u>21,714,396</u>	 <u>40,448</u>
 Deductions		
General and administrative	392,723	1,355
Contribution refunds	445,371	-
Benefit payments	9,708,182	-
Total deductions	<u>10,546,276</u>	<u>1,355</u>
 Net increase (decrease)	 11,168,120	 39,093
 Net position - beginning of year	 <u>100,006,615</u>	 <u>110,711</u>
 Net position - end of year	 <u>\$ 111,174,735</u>	 <u>\$ 149,804</u>

See accompanying note and independent auditor's report.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

(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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

(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/or 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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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".

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation For Tax Purposes</u>	<u>Current Expense</u>
Class II	\$ 493,355,720	25.00 cents
Class IV	\$ 816,228,708	50.00 cents

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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 - 40 years
Books and videos	5 years
Machinery and equipment	5 - 20 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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

- 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, 2024, the City adopted following GASB statements:

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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 2024, the Board calculated their proportionate share of net position using the audited fiscal year 2023 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 2024.

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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 2024, 2023 and 2022 rates were 21.66%, 20.49%, and 20.49% of annual covered payroll. The Board's contributions to the Plan for the years ended June 30, 2024, 2023, and 2022 were \$1,934,814, \$1,641,110, and \$1,817,807.

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 \$29,790 and \$22,500, for 2024 and 2023, 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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 was \$1,560.7

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.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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>
\$ 2,969,508	General Government Expenditure Increase
635,904	Public Safety Expenditure Increase
129,899	Streets and Transportation Expenditure Increase
-	Culture and Recreation Expenditure Increase
8,242	Health and Sanitation Expenditure Increase
5,460	Social Services Expenditure Increase

Coal Severance

<u>Amount</u>	<u>Description</u>
\$ 5,980	General Government Expenditure Increase
53,820	Culture and Recreation Expenditure Increase

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

III. Detailed Notes on All Funds

A. Deposits and Investments

At year end, the government had the following investments:

Police man's Pension and Relief Plan

<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	\$ 3,554,367	\$ -	\$ -	\$ 3,554,367	3,411,630	\$ 142,737
Corporate stocks	2,077,323	-	-	2,077,323	1,543,152	534,171
Mutual fund	4,959,709	-	-	4,959,709	4,866,912	92,797
Bond market fund	5,061,831	-	-	5,061,831	5,023,713	38,118
Large cap value fund	2,066,542	-	-	2,066,542	1,539,009	527,533
	<u>\$ 17,719,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,719,772</u>	<u>\$ 16,384,416</u>	<u>\$ 1,335,356</u>

Credit risk

	<u>Fair Value</u>	<u>Credit Risk Rating Standard & Poor's and Fitch</u>
Money market	\$ 3,554,367	N/A
Corporate stocks	2,077,323	BBB - AAA
Mutual funds	4,959,709	BBB - AAA
Bond market fund	5,061,831	BBB - AAA
Large cap value fund	2,066,542	BBB - AAA
	<u>\$ 17,719,772</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 fund	\$ 4,959,709	\$ -	\$ 4,959,709	\$ -	\$ -
Bond market fund	5,061,831	-	5,061,831	-	-
Large cap value fund	2,066,542	-	2,066,542	-	-
	<u>\$ 12,088,082</u>	<u>\$ -</u>	<u>\$ 12,088,082</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
Vanguard Short-Term Bond Index Fund	\$ 4,959,709	27.99%
John Hancock Money Market Trust Fund	\$ 3,554,367	20.06%
John Hancock Total Bond Market Fund	\$ 5,061,831	28.57%
DFA US Large Cap Value Fund	\$ 2,066,542	11.66%
John Hancock Index 500 Fund	\$ 2,067,453	11.67%

Fire man's Pension and Relief Plan

<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	\$ 3,066,333	\$ -	\$ -	\$ 3,066,333	\$ 2,997,176	\$ 69,157
Corporate stocks	1,690,608	-	-	1,690,608	1,429,015	261,593
Mutual fund	4,441,303	-	-	4,441,303	4,367,068	74,235
Bond market fund	4,515,967	-	-	4,515,967	4,494,644	21,323
Large cap value fund	1,681,624	-	-	1,681,624	1,424,811	256,813
	<u>\$ 15,395,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,395,835</u>	<u>\$ 14,712,714</u>	<u>\$ 683,121</u>

Credit risk

	<u>Fair Value</u>	<u>Credit Risk Rating Standard & Poor's and Fitch</u>
Money market	\$ 3,066,333	N/A
Corporate stocks	1,690,608	BBB - AAA
Mutual funds	4,441,303	BBB - AAA
Bond market fund	4,515,967	BBB - AAA
Large cap value fund	<u>1,681,624</u>	BBB - AAA
	<u>\$ 15,395,835</u>	

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 4,441,303	\$ -	\$ 4,441,303	\$ -	\$ -
Bond market fund	4,515,967	-	4,515,967	-	-
Large cap value fund	1,681,624	-	1,681,624	-	-
	<u>\$ 10,638,894</u>	<u>\$ -</u>	<u>\$ 10,638,894</u>	<u>\$ -</u>	<u>\$ -</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>
Vanguard Short-Term Bond Index Fund	\$ 4,441,303	28.85%
John Hancock Money Market Trust Fund	\$ 3,066,333	19.92%
John Hancock Total Bond Market Fund	\$ 4,515,967	29.33%
DFA US Large Cap Value Fund	\$ 1,681,624	10.92%
John Hancock Index 500 Fund	\$ 1,682,375	10.93%

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Employee's Retirement and Benefit Plan

<u>Type of Investment</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
Money Market	\$ 1,144,466	\$ -	\$ -	\$ 1,144,466	\$ 1,144,466	\$ -
Corporate stocks	40,035,351	-	-	40,035,351	19,275,366	20,759,985
Asset backed bonds	1,505,754	-	-	1,505,754	1,505,685	69
Mortgage backed bonds	839,778	-	-	839,778	908,835	(69,057)
Corporate bonds	10,047,681	-	-	10,047,681	10,101,389	(53,708)
Government obligations	23,442,715	-	-	23,442,715	24,533,881	(1,091,166)
	<u>\$ 77,015,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,015,745</u>	<u>\$ 57,469,622</u>	<u>\$ 19,546,123</u>

Credit Risk

	<u>Fair Value</u>	<u>Credit Risk Rating Standard & Poor's and Fitch</u>
Money market	\$ 1,144,466	N/A
Corporate stocks	40,035,351	N/A
Asset backed bonds	1,505,754	BBB - AAA
Mortgage backed bonds	839,778	BBB - AAA
Corporate bonds	10,047,681	BBB - AAA
Government obligations	23,442,715	AA+
	<u>\$ 77,015,745</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	\$ 1,505,754	\$ -	\$ 636,259	\$ -	\$ 869,495
Mortgage backed bonds	839,778	-	839,778	-	-
Corporate bonds	10,047,681	-	6,384,856	3,592,250	70,575
Government obligations	23,442,715	-	902,252	6,834,228	15,706,235
	<u>\$ 35,835,928</u>	<u>\$ -</u>	<u>\$ 8,763,145</u>	<u>\$ 10,426,478</u>	<u>\$ 16,646,305</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Poor's and Fitch</u>	<u>Investment Services</u>
Government Activities			
Certificates of Deposit	\$ 1,846,417	Not Rated	Not Rated
Savings Account	<u>\$ 809,684</u>	Not Rated	Not Rated
Total Government Activities Investments	<u>\$ 2,656,101</u>		

Interest Rate Risk

	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>More Than 10 Years</u>	<u>Total</u>
Certificate of Deposit	\$ -	\$ 1,846,417	\$ -	\$ -	\$ 1,846,417
Savings Account	<u>809,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>809,684</u>
Total Government Activities Investments	<u>\$809,684</u>	<u>\$ 1,846,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,656,101</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	\$ 1,147,505	\$ -	\$ -	\$ 1,147,505	\$ 1,147,505	\$ -
Mutual funds	<u>631,673</u>	<u>-</u>	<u>-</u>	<u>631,673</u>	<u>538,532</u>	<u>93,141</u>
	<u>\$ 1,779,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,779,178</u>	<u>\$ 1,686,037</u>	<u>\$ 93,141</u>
Investment in Municipal Bond Commission				<u>111,838</u>	<u>111,838</u>	
Total investments				<u>\$ 1,891,016</u>	<u>\$ 1,797,875</u>	

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Credit Risk

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Money market funds	\$ 1,147,505	Not Rated	Not Rated
Mutual funds	631,673	Not Rated	Not Rated
Total proprietary fund activities			
Investments	<u>\$ 1,779,178</u>		

Investments are listed for the Parking Authority as follows:

Investments	\$ 648,111
Restricted assets	<u>1,131,067</u>
	<u>\$ 1,779,178</u>

Component Unit – Morgantown Public Library

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>	<u>Credit Risk Rating</u>	
				<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Governmental Activity Types					
Money market funds	\$ 965,392	\$ 965,392	\$ -	Not Rated	Not Rated
Common Stock	1,752,268	1,520,417	231,851	Not Rated	Not Rated
Corporate bonds	3,315,749	2,819,181	496,568	BBB+-A+	A1-A2
Certificates of deposit	242,812	250,000	(7,188)	Not Rated	Not Rated
Mutual funds	175,256	165,773	9,483	Not Rated	Not Rated
	<u>\$ 6,451,477</u>	<u>\$ 5,720,763</u>	<u>\$ 730,714</u>		

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 693,766	\$ 2,237,076	\$ 384,907	\$ -	\$ 3,315,749
Certificates of deposit	242,812	-	-	-	242,812
Mutual funds	175,256	-	-	-	175,256
	<u>\$ 1,111,834</u>	<u>\$ 2,237,076</u>	<u>\$ 384,907</u>	<u>\$ -</u>	<u>\$ 3,733,817</u>

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

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>	<u>Credit Risk Rating</u>	
				<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Fiduciary Types					
Money market funds	\$ 40,892	\$ 40,892	\$ -	Not Rated	Not Rated
Mutual funds	108,912	100,335	8,577	Not Rated	Not Rated
	<u>\$ 149,804</u>	<u>\$ 141,227</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>
Interest Rate Risk					
Mutual funds	<u>\$ 108,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,912</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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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 \$606,114, 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 \$6,601,281. 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	\$	606,114
Investments - collateralized and secured		<u>6,601,281</u>
Total		<u><u>\$ 7,207,395</u></u>
Cash and cash equivalents	\$	606,114
Investments - restricted - government funds		1,991,733
Investments		4,459,744
Investments - restricted - fiduciary funds		<u>149,804</u>
Total		<u><u>\$ 7,207,395</u></u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Component Unit - Morgantown Utility Board

The carrying amount of the Board's cash deposits was \$3,481,406 at June 30, 2024 and \$3,080,861 at June 30, 2023. The bank balance at June 30, 2024 and June 30, 2023 was \$3,942,749 and \$3,070,412, 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, 2024 and 2023 consisted of the following:

	June 30, 2024		June 30, 2023	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash deposits				
Demand deposits	\$ 3,481,406	\$ 3,481,406	\$ 3,080,860	\$ 3,080,860
Cash and investments with fiscal agents				
Cash	2,425,094	2,425,094	4,423,272	4,423,272
Investment agreements				
Fixed income	8,148,633	7,686,508	7,935,895	7,335,251
Equities	2,355,354	4,206,578	2,173,924	3,431,185
Cash - restricted	<u>14,043,561</u>	<u>14,043,561</u>	<u>18,632,952</u>	<u>18,632,952</u>
Total cash and investments	<u>\$ 30,454,048</u>	<u>\$ 31,843,147</u>	<u>\$ 36,246,903</u>	<u>\$ 36,903,520</u>

Note that the Board held \$1,510 and \$1,210 in petty cash at June 30, 2024 and June 30, 2023, 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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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

In 2024, 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, 2024</u>		<u>Quality Rating</u>	<u>June 30, 2023</u>	
	<u>Fair Value</u>	<u>Percent</u>		<u>Fair Value</u>	<u>Percent</u>
Aaa	\$ 3,352,864	43.62%	Aaa	\$ 4,144,131	56.50%
Aa2	665,574	8.66%	Aa2	271,387	3.70%
Aa3	429,677	5.59%	Aa3	521,939	7.12%
A1	1,621,051	21.09%	A1	1,174,213	16.01%
A2	1,321,540	17.19%	A2	1,124,343	15.33%
A3	294,040	3.83%	A3	96,455	1.31%
Not Rated	1,762	0.02%	Not Rated	2,783	0.04%
	<u>\$ 7,686,508</u>	<u>100.00%</u>		<u>\$ 7,335,251</u>	<u>100.00%</u>

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

Fair Value Measurements

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

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

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

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 and 2023, and are classified as Level 1, Level 2 and Level 3 as follows:

June 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets carried at Fair Market Value			
Fixed Income	\$ 7,686,508	\$ -	\$ -
Equities	<u>4,206,578</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,893,086</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets carried at Fair Market Value			
Fixed Income	\$ 7,335,251	\$ -	\$ -
Equities	<u>3,431,185</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 10,766,436</u>	<u>\$ -</u>	<u>\$ -</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' book balances (excluding the Pension and Retirement Funds and Morgantown Utility Board) were \$58,905,178, which were partially collateralized with a depository bond. There was \$13,651,791 which was considered uninsured and uncollateralized.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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><u>71,854,933</u></u>
Cash and cash equivalents	\$	58,905,178
Cash and investments - restricted		5,360,576
Investments		<u>7,589,179</u>
Total	\$	<u><u>71,854,933</u></u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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</u> <u>Fund</u>	<u>Coal</u> <u>Severance</u> <u>Fund</u>	<u>Municipal</u> <u>Sales and</u> <u>Use Tax</u> <u>Fund</u>	<u>Airport</u>	<u>Other</u> <u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Primary</u> <u>Government</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Component</u> <u>Units</u>
Receivables:								
Taxes	\$4,127,856	\$ 34,369	\$2,460,629	\$ 199,180	\$ 107,314	\$6,929,348	\$ -	\$ -
Accounts	955,769	-	-	-	-	955,769	326,626	3,327,390
Contributions	-	-	-	-	-	-	9,410	-
Other	747,812	-	-	-	-	747,812	-	628,007
Grants	69,160	-	-	2,714	-	71,874	-	-
Interest	-	-	-	-	-	-	-	62,249
	<u>-\$5,900,597</u>	<u>\$ 34,369</u>	<u>\$2,460,629</u>	<u>\$ 201,894</u>	<u>\$ 107,314</u>	<u>\$8,704,803</u>	<u>\$336,036</u>	<u>\$4,017,646</u>

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

Property taxes receivable	\$ 339,088
Business and occupation tax receivable	<u>256,298</u>
Total deferred revenue for governmental funds	<u>\$ 595,386</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$ 1,396,801	\$ 1,600,219	\$ -	\$ 2,997,020
Construction in process	1,021,288	1,618,128	-	2,639,416
Total nondepreciable capital assets	<u>2,418,089</u>	<u>3,218,347</u>	<u>-</u>	<u>5,636,436</u>
Depreciable Capital Assets				
Buildings	8,794,929	278,487	-	9,073,416
Infrastructure	10,263,034	2,843,956	-	13,106,990
Machinery and equipment	5,778,861	471,195	-	6,250,056
Vehicles	8,180,560	-	-	8,180,560
Total at historical cost	<u>33,017,384</u>	<u>3,593,638</u>	<u>-</u>	<u>36,611,022</u>
Less: Accumulated Depreciation				
Buildings	3,943,776	327,971	-	4,271,747
Infrastructure	3,130,674	302,496	-	3,433,170
Machinery and equipment	3,438,752	398,387	-	3,837,139
Vehicles	8,104,114	76,445	-	8,180,559
Total accumulated depreciation	<u>18,617,316</u>	<u>1,105,299</u>	<u>-</u>	<u>19,722,615</u>
Total depreciable capital assets, net	<u>14,400,068</u>	<u>2,488,339</u>	<u>-</u>	<u>16,888,407</u>
Governmental activities capital assets, net	<u>\$ 16,818,157</u>	<u>\$ 5,706,686</u>	<u>\$ -</u>	<u>\$ 22,524,843</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 265,272
Public Safety	696,338
Highways and streets	<u>143,689</u>
Total depreciation expense	<u>\$ 1,105,299</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Component Unit

Board of Parks and Recreation

	<u>Beginning</u> <u>Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
Nondepreciable Capital Assets					
Land	\$ 86,937	\$ (2,371)	\$ -	\$ -	\$ 84,566
Construction in process	12,500	(12,500)	5,823,896	-	5,823,896
Total nondepreciable capital assets	<u>99,437</u>	<u>(14,871)</u>	<u>5,823,896</u>	<u>-</u>	<u>5,908,462</u>
Depreciable Capital Assets					
Land improvements	1,052,850	687,059	-	-	1,739,909
Buildings	8,001,245	30,146	-	-	8,031,391
Machinery and equipment	2,117,635	(752,536)	-	-	1,365,099
Vehicles	373,284	50,202	-	-	423,486
Total at historical cost	<u>11,545,014</u>	<u>14,871</u>	<u>-</u>	<u>-</u>	<u>11,559,885</u>
Less: Accumulated Depreciation					
Land Improvements	1,089,335	66,972	85,432	-	1,241,739
Buildings	3,573,409	(13,384)	324,736	-	3,884,761
Machinery and equipment	1,027,544	(31,197)	61,741	-	1,058,088
Vehicles	418,393	(22,391)	17,415	-	413,417
Total accumulated depreciation	<u>6,108,681</u>	<u>-</u>	<u>489,324</u>	<u>-</u>	<u>6,598,005</u>
Total depreciable capital assets, net	<u>5,436,333</u>	<u>14,871</u>	<u>(489,324)</u>	<u>-</u>	<u>4,961,880</u>
Enterprise activities capital assets, net	<u>\$ 5,535,770</u>	<u>\$ -</u>	<u>\$ 5,334,572</u>	<u>\$ -</u>	<u>\$ 10,870,342</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Business-Type Activities

Airport Fund

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
Nondepreciable Capital Assets				
Land	\$ 50,050	\$ -	\$ -	\$ 50,050
Construction in process	12,835,465	3,886,255	-	16,721,720
Total nondepreciable capital assets	<u>12,885,515</u>	<u>3,886,255</u>	<u>-</u>	<u>16,771,770</u>
Depreciable Capital Assets				
Buildings	13,552,975	-	-	13,552,975
Structures and improvements	35,383,715	-	-	35,383,715
Machinery and equipment	2,577,838	-	-	2,577,838
Total at historical cost	<u>51,514,528</u>	<u>-</u>	<u>-</u>	<u>51,514,528</u>
Less: Accumulated Depreciation				
Buildings	5,667,327	339,289	-	6,006,616
Structures and improvements	18,788,865	744,582	-	19,533,447
Machinery and equipment	2,400,806	103,751	-	2,504,557
Total accumulated depreciation	<u>26,856,998</u>	<u>1,187,622</u>	<u>-</u>	<u>28,044,620</u>
Total depreciable capital assets, net	<u>24,657,530</u>	<u>(1,187,622)</u>	<u>-</u>	<u>23,469,908</u>
Enterprise activities capital assets, net	<u>\$ 37,543,045</u>	<u>\$ 2,698,633</u>	<u>\$ -</u>	<u>\$ 40,241,678</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Component Unit

Business-Type Activities

Parking Authority

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ 1,484,399	\$ -	\$ -	\$ 1,484,399
Construction in process	61,355	209,506	(61,355)	209,506
Total nondepreciable capital assets	<u>1,545,754</u>	<u>209,506</u>	<u>(61,355)</u>	<u>1,693,905</u>
Depreciable Capital Assets				
Structures and improvements	10,862,982	79,749	-	10,942,731
Machinery and equipment	2,219,257	130,569	-	2,349,826
Total at historical cost	<u>13,082,239</u>	<u>210,318</u>	<u>-</u>	<u>13,292,557</u>
Less: Accumulated Depreciation				
Structures and improvements	6,786,693	238,806	-	7,025,499
Machinery and equipment	1,387,158	132,893	-	1,520,051
Total accumulated depreciation	<u>8,173,851</u>	<u>371,699</u>	<u>-</u>	<u>8,545,550</u>
Total depreciable capital assets, net	<u>4,908,388</u>	<u>(161,381)</u>	<u>-</u>	<u>4,747,007</u>
Enterprise activities capital assets, net	<u>\$ 6,454,142</u>	<u>\$ 48,125</u>	<u>\$ (61,355)</u>	<u>\$ 6,440,912</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Component Unit

Building Commission

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ 1,439,707	\$ -	\$ -	\$ 1,439,707
Construction in process	<u>2,069,606</u>	<u>3,268,400</u>	<u>(4,425,163)</u>	<u>912,843</u>
Total nondepreciable capital assets	<u>3,509,313</u>	<u>3,268,400</u>	<u>(4,425,163)</u>	<u>2,352,550</u>
Depreciable Capital Assets				
Land improvements	744,473	-	-	744,473
Buildings	15,742,250	4,425,163	-	20,167,413
Machinery and equipment	<u>1,094,319</u>	<u>-</u>	<u>-</u>	<u>1,094,319</u>
Total at historical cost	<u>17,581,042</u>	<u>4,425,163</u>	<u>-</u>	<u>22,006,205</u>
Less: Accumulated Depreciation				
Land improvements	303,337	17,990	-	321,327
Buildings	9,468,002	403,487	-	9,871,489
Machinery and equipment	<u>855,298</u>	<u>43,282</u>	<u>-</u>	<u>898,580</u>
Total accumulated depreciation	<u>10,626,637</u>	<u>464,759</u>	<u>-</u>	<u>11,091,396</u>
Total depreciable capital assets, net	<u>6,954,405</u>	<u>3,960,404</u>	<u>-</u>	<u>10,914,809</u>
Enterprise activities capital assets, net	<u>\$ 10,463,718</u>	<u>\$ 7,228,804</u>	<u>\$ (4,425,163)</u>	<u>\$ 13,267,359</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Component Unit

Morgantown Land Reuse and Preservation Agency

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ 555,753	\$ 41,585	\$ -	\$ 597,338
Construction in process	978,787	-	-	978,787
Total nondepreciable capital assets	<u>1,534,540</u>	<u>41,585</u>	<u>-</u>	<u>1,576,125</u>
Depreciable Capital Assets				
Buildings	-	-	-	-
Total at historical cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: Accumulated Depreciation				
Buildings	-	-	-	-
Total accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total depreciable capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Enterprise activities capital assets, net	<u>\$ 1,534,540</u>	<u>\$ 41,585</u>	<u>\$ -</u>	<u>\$ 1,576,125</u>

Discretely Presented Components Units

Morgantown Public Library

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Depreciable Assets				
Buildings and fixtures	\$ 3,602,538	\$ 120,448	\$ -	\$ 3,722,986
Machinery and equipment	270,838	-	-	270,838
Books and videos	6,139,051	114,777	-	6,253,828
Total at historical cost	<u>10,012,427</u>	<u>235,225</u>	<u>-</u>	<u>10,247,652</u>
Less: Accumulated Depreciation				
Buildings and fixtures	2,072,342	64,544	-	2,136,886
Machinery and equipment	194,840	3,741	-	198,581
Books and videos	6,004,566	184,405	-	6,188,971
Total accumulated depreciation	<u>8,271,748</u>	<u>252,690</u>	<u>-</u>	<u>8,524,438</u>
Total depreciable capital assets, net	<u>\$ 1,740,679</u>	<u>\$ (17,465)</u>	<u>\$ -</u>	<u>\$ 1,723,214</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Morgantown Utility Board

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u> <u>& Transfers</u> <u>to Utility Plant</u>	<u>Ending</u> <u>Balance</u>
CWIP	\$ 158,180,275	\$ 19,856,167	\$ (113,648,020)	\$ 64,388,422
Land	1,662,970	56,704	-	1,719,674
Intangible Plant	383,056	-	-	383,056
Buildings & Structures	27,799,043	55,154,336	(1,964,460)	80,988,919
Water Transmission & Distribution System	93,833,022	4,149,661	(134,308)	97,848,375
Sewer & Storm Collection System	145,316,354	2,243,364	(682,413)	146,877,305
Treatment Plant Equipment	71,802,908	42,622,167	(4,285,534)	110,139,541
Office Furniture & Equipment and Computer System	6,102,238	1,157,554	(80,242)	7,179,550
Vehicles & Heavy Duty Equipment	4,332,494	6,897,894	(551,202)	10,679,186
Lease Asset	542,390	-	(238,318)	304,072
Subscription Asset	100,842	-	-	100,842
Total Capital Assets	<u>510,055,592</u>	<u>132,137,847</u>	<u>(121,584,497)</u>	<u>520,608,942</u>
Less: Accumulated Depreciation	<u>(168,311,035)</u>	<u>(13,899,905)</u>	<u>7,283,462</u>	<u>(174,927,478)</u>
Total Net Capital Assets	<u>\$ 341,744,557</u>	<u>\$ 118,237,942</u>	<u>\$ (114,301,035)</u>	<u>\$ 345,681,464</u>

Depreciation expense charged to operations:

Depreciation - Water	\$ 4,689,003
Depreciation - Sewer	7,983,760
Depreciation - Stormwater	694,205
Depreciation - Cheat Sewer	<u>532,937</u>
Total depreciation expense	<u>\$ 13,899,905</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
General Fund	Metropolitan Theatre	\$ 35,130
	Woodburn Property	25,000
	HRM Park	1,200
	Arts & Culture Fund	3,752
	Capital Escrow Fund	85,046
	Airport Fund	11,598
	Payroll Fund	169,949
	Central Paying Fund	836,369
Metropolitan Theatre	Arts & Culture Fund	45,000
	Payroll Fund	3,196
OPEB Trust	Payroll Fund	79,466
HRM Park	Arts & Culture Fund	227
Airport Improvement	Capital Escrow	262,328
Capital Escrow Fund	Community Block Development Grant	65,894
	ARPA Fund	20,000
	Airport Fund	651,726
	Tax Increment Financing Fund	16,000
Airport Fund	Central Paying Fund	854
Parking Authority	General Fund	12,339
	Payroll Fund	5,313
Building Commission	Central Paying Fund	6,760
Life & Health Fund	Payroll Fund	351,578
Payroll Fund	Arts & Culture Fund	41,919
	ARPA Fund	53,773
	Airport Fund	30,439
	Employee Pension Fund	391
	Central Paying Fund	Community Block Development Grant
Central Paying Fund	Metropolitan Theatre	10,185
	Woodburn Property	497
	Police Forfeiture Fund	1,181
	Federal Foreiture	3,293
	OPEB Trust	56,414
	HRM Park	4,958
	Arts & Culture Fund	2,784
	ARPA Fund	2,396
	Airport Improvement	7,695
	Capital Escrow Fund	64,881
	Parking Authority	34,362
	Life & Health Fund	723,558
	Payroll Fund	61,323

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2024**

	Capital Escrow Fund	Metropolitan Theatre	OPEB Trust	Arts & Culture Fund	Airport Fund	Tax Increment Financing	Life & Health Fund	Retirement Fund	General Fund	Total Primary Government	Component Unit Building Commission	Component Unit BOPARC	Component Unit Library	Total
Transfers Out:														
General Fund	\$ 4,429,346	\$ 102,559	\$ 250,000	\$ 250,000	\$ 150,000	\$ -	\$ 501,588	\$ -	\$ -	\$ 5,683,493	\$ 317,106	\$ 1,923,588	\$ 900,000	\$ 14,507,680
Coal Severance	-	-	-	-	-	-	-	-	-	-	-	162,014	-	162,014
HRM Park	500,000	-	-	-	-	-	-	-	-	500,000	-	-	-	1,000,000
Municipal Sale & Use Tax	2,890,000	-	-	-	-	-	-	2,473,649	3,482,840	8,846,489	-	2,473,650	-	20,166,628
Tax Increment Financing Debt Service	-	-	-	-	-	1,431,015	-	-	-	-	-	-	-	1,431,015
Airport Improvement Fund	-	-	-	-	3,886,254	-	-	-	-	3,886,254	-	-	-	7,772,509
Capital Escrow Fund	-	-	-	-	-	-	-	-	-	-	346,696	-	-	346,696
Life and Health	-	-	788,569	-	-	-	-	-	-	788,569	-	-	-	1,577,137
	7,819,346	102,559	1,038,569	250,000	4,036,254	1,431,015	501,588	2,473,649	3,482,840	19,704,806	663,802	4,559,251	900,000	46,963,679

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2024

E. Fund Balance Detail

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

	<u>General</u> <u>Fund</u>	<u>Coal</u> <u>Severance</u>	<u>Capital</u> <u>Reserve</u>	<u>Life and</u> <u>Health</u>	<u>Tax Increment</u> <u>Financing</u> <u>Debt Service</u>	<u>Municipal</u> <u>Sales and Use</u> <u>Tax Fund</u>	<u>American</u> <u>Rescue Plan</u> <u>Act Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u>
Restricted:									
Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,105	\$ 32,105
Economic development	-	-	-	-	-	-	5,661,428	43,251	5,704,679
Debt service	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,661,428</u>	<u>75,356</u>	<u>5,736,784</u>
Nonspendable:									
Inventory	1,611	-	-	-	-	-	-	-	1,611
Prepaid expenses	14,783	-	-	-	-	-	-	-	14,783
	<u>16,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,394</u>
Assigned:									
Streets and transportation	-	34,369	-	-	-	-	-	108,735	143,104
Benefit payments	-	-	-	85,004	-	-	-	10,430,686	10,515,690
Public safety	-	-	-	-	-	-	-	273,144	273,144
Community development	-	-	13,029,985	-	-	2,715,895	-	4,023,190	19,769,070
	<u>-</u>	<u>34,369</u>	<u>13,029,985</u>	<u>85,004</u>	<u>-</u>	<u>2,715,895</u>	<u>-</u>	<u>14,835,755</u>	<u>30,701,008</u>
Unassigned	17,529,734	-	-	-	(4,870,184)	-	-	-	12,659,550
Total fund balance	<u>\$ 17,546,128</u>	<u>\$ 34,369</u>	<u>\$ 13,029,985</u>	<u>\$ 85,004</u>	<u>\$ (4,870,184)</u>	<u>\$ 2,715,895</u>	<u>\$ 5,661,428</u>	<u>\$ 14,911,111</u>	<u>\$ 49,113,736</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

F. Long-Term Debt

Long-term liability activity for Governmental Activities for the year ended June 30, 2024,
was as follows:

Governmental Activities	<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>
Bonds Payable						
2006A TIF bonds	\$ 2,980,000	\$ -	\$ (255,000)	\$ 2,725,000	\$ 270,000	\$ 2,455,000
2007 TIF bonds	1,825,000	-	(105,000)	1,720,000	-	1,720,000
2007A TIF bonds	8,615,000	-	-	8,615,000	-	8,615,000
2014 TIF bonds	2,682,000	-	(352,000)	2,330,000	362,000	1,968,000
2017 TIF bonds	6,132,685	-	(85,000)	6,047,685	87,000	5,960,685
Total bonds payable	<u>22,234,685</u>	<u>-</u>	<u>(797,000)</u>	<u>21,437,685</u>	<u>719,000</u>	<u>20,718,685</u>
Notes Payable						
Notes payable - CLT	165,195	-	(108,294)	56,901	56,901	-
Total notes payable	<u>165,195</u>	<u>-</u>	<u>(108,294)</u>	<u>56,901</u>	<u>56,901</u>	<u>-</u>
Other long-term debt						
Compensated absences	1,053,618	-	(265,353)	788,265	-	788,265
Net pension obligation	122,487,069	7,343,204	-	129,830,273	-	129,830,273
Net other post employment benefit obligation	13,850,499	-	(575,910)	13,274,589	-	13,274,589
Total other long-term debt	<u>137,391,186</u>	<u>7,343,204</u>	<u>(841,263)</u>	<u>143,893,127</u>	<u>-</u>	<u>143,893,127</u>
Total long-term debt - governmental activities	<u>\$ 159,791,066</u>	<u>\$ 7,343,204</u>	<u>\$ (1,746,557)</u>	<u>\$ 165,387,713</u>	<u>\$ 775,901</u>	<u>\$ 164,611,812</u>
Component Unit	<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>
<i>Board of Park and Recreation Commission</i>						
Note payable	\$ 164,160	\$ -	\$ (107,616)	\$ 56,544	\$ 56,544	\$ -
Bond Payable *	-	14,840,000	-	14,840,000	370,000	14,470,000
Net pension obligation (asset)	70,738	-	(70,738)	-	-	-
Net other postemployment benefit obligation	1,156,337	-	(65,610)	1,090,727	-	1,090,727
Total long-term debt component unit	<u>\$ 1,391,235</u>	<u>\$ 14,840,000</u>	<u>\$ (243,964)</u>	<u>\$ 15,987,271</u>	<u>\$ 426,544</u>	<u>\$ 15,560,727</u>
Component Unit	<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>
<i>Morgantown Public Library</i>						
Note payable	\$ 7,380	\$ -	\$ (4,838)	\$ 2,542	\$ 2,542	\$ -
Net pension obligation (asset)	65,664	-	(67,604)	(1,940)	-	(1,940)
Net other postemployment benefit obligation	873,639	25,086	-	898,725	-	898,725
Total long-term debt component unit	<u>\$ 946,683</u>	<u>\$ 25,086</u>	<u>\$ (72,442)</u>	<u>\$ 899,327</u>	<u>\$ 2,542</u>	<u>\$ 896,785</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	\$ 270,000	\$ 146,150	\$ 416,150
2026	280,000	133,190	413,190
2027	295,000	119,750	414,750
2028	310,000	105,000	415,000
2029	325,000	89,500	414,500
2030 - 2033	<u>1,245,000</u>	<u>143,750</u>	<u>1,388,750</u>
	<u>\$ 2,725,000</u>	<u>\$ 737,340</u>	<u>\$ 3,462,340</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	\$ -	\$ 103,843	\$ 103,843
2026	-	103,843	103,843
2027	-	103,843	103,843
2028	-	103,843	103,843
2029	-	103,843	103,843
2030 - 2033	<u>1,720,000</u>	<u>415,368</u>	<u>2,135,368</u>
	<u>\$ 1,720,000</u>	<u>\$ 934,583</u>	<u>\$ 2,654,583</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 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 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:

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 689,200	\$ 689,200
2026	-	689,200	689,200
2027	-	689,200	689,200
2028	-	689,200	689,200
2029	-	689,200	689,200
2030 - 2033	<u>8,615,000</u>	<u>2,756,800</u>	<u>11,371,800</u>
	<u>\$ 8,615,000</u>	<u>\$ 6,202,800</u>	<u>\$ 14,817,800</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>
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>
	<u>\$ 2,330,000</u>	<u>\$ 209,510</u>	<u>\$ 2,539,510</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 is \$6,047,685. 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	248,561	326,561
2023	82,000	245,480	327,480
2024	85,000	242,241	327,241
2025	87,000	238,883	325,883
2026	91,000	235,447	326,447
2027	95,000	231,852	326,852
2028	99,000	228,100	327,100
2029	103,000	224,190	327,190
2030	530,000	220,121	750,121
2031	551,000	199,186	750,186
2032	572,000	177,421	749,421
2033	595,000	154,828	749,828
2034	618,000	131,325	749,325
2035	643,000	106,914	749,914
2036	668,000	81,516	749,516
2037	695,000	55,130	750,130
2038	700,685	27,677	728,362
Total	<u>\$ 7,124,685</u>	<u>\$ 3,554,205</u>	<u>\$ 10,678,890</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	\$ 87,000	\$ 238,883	\$ 325,883
2026	91,000	235,447	326,447
2027	95,000	231,852	326,852
2028	99,000	228,100	327,100
2029	103,000	224,190	327,190
2030 - 2034	2,866,000	882,882	3,748,882
2035 - 2038	<u>2,706,685</u>	<u>271,237</u>	<u>2,977,922</u>
	<u>\$6,047,685</u>	<u>\$2,312,591</u>	<u>\$8,360,276</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>
2025	\$ 719,000	\$ 1,228,588	\$ 1,947,588
2026	742,000	1,202,634	1,944,634
2027	771,000	1,175,806	1,946,806
2028	800,000	1,147,245	1,947,245
2029	1,253,000	1,117,512	2,370,512
2030 - 2034	14,446,000	4,198,802	18,644,802
2035 - 2038	<u>2,706,685</u>	<u>271,237</u>	<u>2,977,922</u>
	<u>\$21,437,685</u>	<u>\$10,341,824</u>	<u>\$31,779,509</u>

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	<u>\$ 56,901</u>	<u>\$ 1,245</u>	<u>\$ 58,146</u>
Total	<u><u>\$ 56,901</u></u>	<u><u>\$ 1,245</u></u>	<u><u>\$ 58,146</u></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>
2025	<u>\$ 56,544</u>	<u>\$ 1,237</u>	<u>\$ 57,781</u>
Total	<u><u>\$ 56,544</u></u>	<u><u>\$ 1,237</u></u>	<u><u>\$ 57,781</u></u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

2023A Revenue Bond

On December 15, 2023, the Board of Parks and Recreation Commission of the City of Morgantown entered into an agreement for the acquisition of an aquatic complex. This agreement issued \$14,840,000 for the aquatic complex at a 4.41% interest rate. This bond is to be paid annually starting December 1, 2024 and lasting until December 1, 2048.

Fiscal Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Discount Amortization</u>	<u>Total</u>
2025	\$ 370,000	\$ 606,509	\$ (11,861)	\$ 964,648
2026	365,000	612,550	(11,861)	965,689
2027	380,000	594,300	(11,861)	962,439
2028	395,000	579,100	(11,861)	962,239
2029	415,000	563,300	(11,861)	966,439
2030 - 2034	2,330,000	2,554,700	(59,306)	4,825,394
2035 - 2039	2,835,000	2,049,300	(59,306)	4,824,994
2040 - 2044	3,460,000	1,418,513	(59,306)	4,819,207
2045 - 2049	4,290,000	656,025	(59,306)	4,886,719
	<u>\$ 14,840,000</u>	<u>\$ 9,634,297</u>	<u>\$ (296,529)</u>	<u>\$24,177,768</u>

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>
2025	<u>2,542</u>	<u>56</u>	<u>2,598</u>
Total	<u>\$ 2,542</u>	<u>\$ 56</u>	<u>\$ 2,598</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Long-term liability activity for Business-Type Activities Unit for the year ended June 30, 2024 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>
Business-Type Activities						
Note Payable - CLT	\$ 76,410	\$ -	\$ (50,091)	\$ 26,319	\$ 26,319	\$ -
Discretely Presneted Component Unit						
Note Payable - CLT	36,855	-	(24,160)	12,695	12,695	-
Total notes payable	113,265	-	(74,251)	39,014	39,014	-
Bonds Payable						
2013A Municipal Building Lease Revenue Refunding Bonds	1,275,000	-	(280,000)	995,000	290,000	705,000
2021 Parking System Revenue Bonds	2,075,728	-	(143,162)	1,932,566	145,735	1,786,831
2019 Taxable Lease Revenue Bonds	1,326,962	-	(99,120)	1,227,842	96,240	1,131,602
2022A Municipal Building Lease Bonds	2,325,468	3,280,820	(222,966)	5,383,322	453,965	4,929,357
Total bonds Payable	7,003,158	3,280,820	(745,248)	9,538,730	985,940	8,552,790
Other Long-Term Debt						
Net pension obligation	2,443,456	-	(515,310)	1,928,146	-	1,928,146
Net other postemployment benefit obligation	509,197	-	(21,870)	487,327	-	487,327
Total other long-term debt	2,952,653	-	(537,180)	2,415,473	-	2,415,473
Component Units						
Net pension obligation	1,588,540	-	(708,551)	879,989	-	879,989
Net other postemployments benefit obligation	640,328	-	(29,160)	611,168	-	611,168
Total other long-term debt - component units	2,228,868	-	(737,711)	1,491,157	-	1,491,157
Total other long-term debt	5,181,521	-	(1,274,891)	3,906,630	-	3,906,630
Total long-term debt	<u>\$12,297,944</u>	<u>\$3,280,820</u>	<u>\$(2,094,390)</u>	<u>\$13,484,374</u>	<u>\$1,024,954</u>	<u>\$12,459,420</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	\$ 290,000	\$ 27,069	\$ 317,069
2026	300,000	17,851	317,851
2027	305,000	8,206	313,206
2028	100,000	1,625	101,625
	<u>\$ 995,000</u>	<u>\$ 54,751</u>	<u>\$ 1,049,751</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, 2024 was \$279,032.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	\$ 145,735	\$ 33,944	\$ 179,679
2026	148,356	31,323	179,679
2027	151,023	28,656	179,679
2028	153,739	25,940	179,679
2029	156,503	23,176	179,679
2030 - 2034	825,750	72,647	898,397
2035 - 2036	<u>351,460</u>	<u>7,899</u>	<u>359,359</u>
	<u>\$ 1,932,566</u>	<u>\$ 223,585</u>	<u>\$ 2,156,151</u>

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

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

Morgantown Land Reuse and Preservation Agency

Taxable Lease Revenue Bonds, Series 2019

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 102,364	\$ 36,738	\$ 139,102
2026	105,593	33,509	139,102
2027	108,924	30,178	139,102
2028	112,289	26,813	139,102
2029	115,903	23,199	139,102
2030 -2034	636,692	58,818	695,510
2035	46,077	299	46,376
	<u>\$ 1,227,842</u>	<u>\$ 209,554</u>	<u>\$ 1,437,396</u>

The 2019 bonds are secured by real estate.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 the City had drawn down \$5,383,322 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	\$ -	\$ 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	464,019	5,062	469,081
Total	<u>\$ 7,000,000</u>	<u>\$ 1,424,676</u>	<u>\$ 8,424,676</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

The following is a schedule of future debt retirement based on the current drawdown balance of \$5,383,322:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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 - 2034	2,726,135	401,070	3,127,205
2035 - 2037	264,237	9,883	274,120
	<u>\$5,383,322</u>	<u>\$1,145,208</u>	<u>\$6,528,530</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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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 plant, 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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Long-term debt bond activity for the year ended June 30, 2024 was as follows:

	<u>Beginning</u>	<u>Payments</u>	<u>Acquired/ Proceeds</u>	<u>Ending</u>	<u>Current Portion</u>
Morgantown 2000A	\$ 889,295	\$ (323,380)	\$ -	\$ 565,915	\$ 323,380
Morgantown 2000B	1,080,288	(65,472)	-	1,014,816	65,472
Morgantown 2006A	1,849,678	(355,324)	-	1,494,354	362,484
Morgantown 2007A	2,969,859	(479,219)	-	2,490,640	488,876
Morgantown 2010C	7,877,417	(783,237)	-	7,094,180	799,020
Morgantown 2010D	4,772,109	(474,482)	-	4,297,627	484,044
Morgantown 2010E	51,219	(5,093)	-	46,126	5,196
Morgantown 2012A	403,270	(18,491)	-	384,779	18,584
Morgantown 2013A	3,289,460	(131,580)	-	3,157,880	131,580
Morgantown 2014B	320,955	(24,357)	-	296,598	25,138
Morgantown 2015A	71,172	(5,759)	-	65,413	6,206
Morgantown 2015B	1,057	(117)	-	940	118
Morgantown 2015C	4,322,727	(213,468)	-	4,109,259	213,468
Morgantown 2015D	1,169,711	(44,140)	-	1,125,571	44,140
Morgantown 2015E	539,949	(16,876)	-	523,073	16,876
Morgantown 2016A	62,155,000	(1,490,000)	-	60,665,000	1,565,000
Morgantown 2016B	20,154,661	(796,530)	-	19,358,131	802,521
Morgantown 2017A	2,415,000	(60,000)	-	2,355,000	60,000
Morgantown 2018A	356,036	(8,688)	-	347,348	8,776
Morgantown 2018B	41,685,000	(645,000)	-	41,040,000	190,000
Morgantown 2018A2	128,672	(3,088)	-	125,584	3,116
Morgantown 2019B	2,107,344	(81,059)	-	2,026,285	81,464
Morgantown 2020A	29,695,000	(1,240,000)	-	28,455,000	1,275,000
Total Bonds Payable	<u>188,304,879</u>	<u>(7,265,360)</u>	-	<u>181,039,519</u>	<u>6,970,459</u>
Unamortized Bond Premium	<u>11,307,153</u>	<u>(523,330)</u>	-	<u>10,783,823</u>	-
Net Bonds Payable	<u>\$ 199,612,032</u>	<u>\$ (7,788,690)</u>	<u>\$ -</u>	<u>\$ 191,823,342</u>	<u>\$ 6,970,459</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Maturities of the Board's debt principal for the years subsequent to June 30, 2024 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>
2025	\$ 323,380	\$ 65,472	\$ 362,484	\$ 488,876	\$ 484,044	\$ 484,044	\$ 5,196	\$ 18,584
2026	242,535	65,472	369,788	498,727	493,797	493,797	5,300	18,676
2027	-	65,472	377,241	508,777	503,746	503,746	5,407	18,770
2028	-	65,472	384,841	519,030	513,897	513,897	5,515	18,864
2029	-	65,472	-	263,423	524,252	524,252	5,626	18,960
2030-2034	-	327,360	-	211,807	1,777,891	1,777,891	19,082	96,223
2035-2039	-	327,360	-	-	-	-	-	98,662
2040-2044	-	32,736	-	-	-	-	-	96,040
2045-2049	-	-	-	-	-	-	-	-
2050-2054	-	-	-	-	-	-	-	-
2050-2055	-	-	-	-	-	-	-	-
Total	\$ 565,915	\$ 1,014,816	\$ 1,494,354	\$ 2,490,640	\$ 4,297,627	\$ 4,297,627	\$ 46,126	\$ 384,779

	<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>
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	131,580	28,520	8,365	118	213,468	44,140	16,876	1,895,000
2030-2034	657,900	156,917	29,188	350	1,067,340	220,700	84,380	10,635,000
2035-2039	657,895	5,669	-	-	1,067,340	220,700	84,380	13,010,000
2040-2044	657,880	-	-	-	907,239	220,700	84,380	16,520,000
2045-2049	526,305	-	-	-	-	220,700	84,380	11,840,000
2050-2054	-	-	-	-	-	22,071	84,380	-
2050-2055	-	-	-	-	-	-	16,793	-
Total	\$ 3,157,880	\$ 296,598	\$ 65,413	\$ 940	\$ 4,109,259	\$ 1,125,571	\$ 523,073	\$ 60,665,000

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

	<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>
2025	\$ 802,521	\$ 60,000	\$ 8,776	\$ 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	832,938	70,000	9,132	335,000	3,244	419,730	1,430,000
2030-2034	4,228,922	405,000	46,926	3,520,000	16,719	430,348	7,955,000
2035-2039	4,390,363	490,000	49,684	7,795,000	17,574	441,239	9,490,000
2040-2044	4,557,970	575,000	52,176	19,585,000	18,473	406,652	4,230,000
2045-2049	2,101,460	545,000	54,669	8,845,000	19,420	-	-
2050-2054	-	-	56,646	-	20,415	-	-
2055-2059	-	-	42,485	-	17,083	-	-
Total	\$ 19,358,131	\$ 2,355,000	\$ 347,348	\$ 41,040,000	\$ 125,584	\$ 2,026,285	\$ 28,455,000

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>
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	-	4,095	69,540	42,126	452	1,514	5,628	2,910	2,312,763
2030-2034	-	-	103,742	62,847	675	6,135	13,825	4,637	10,392,188
2035-2039	-	-	-	-	-	3,601	22	-	8,024,419
2040-2044	-	-	-	-	-	1,205	-	-	4,518,600
2045-2049	-	-	-	-	-	-	-	-	781,750
2050-2054	-	-	-	-	-	-	-	-	-
2055-2059	-	-	-	-	-	-	-	-	-
Total	\$ 64,302	\$ 128,836	\$ 619,038	\$ 375,010	\$ 4,025	\$ 19,450	\$ 50,577	\$ 24,787	\$ 36,092,097

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

	<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>
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	118,515	73,300	3,083	1,839,913	1,117	8,334	861,550
2030-2034	498,343	324,075	14,022	8,957,575	5,091	35,384	3,407,750
2035-2039	36,921	244,288	11,612	7,668,700	4,235	24,732	1,698,550
2040-2044	169,299	151,022	9,080	3,515,625	3,144	13,570	191,100
2045-2049	19,807	40,509	7,017	311,700	2,389	2,981	-
2050-2054	-	-	3,618	-	1,404	-	-
2055-2059	-	-	791	-	-	-	-
Total	<u>\$ 1,378,217</u>	<u>\$ 1,148,982</u>	<u>\$ 62,455</u>	<u>\$ 29,736,115</u>	<u>\$ 22,166</u>	<u>\$ 122,460</u>	<u>\$ 10,024,050</u>

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>
2025	<u>\$ 26,319</u>	<u>\$ 576</u>	<u>\$ 26,895</u>
Total	<u>\$ 26,319</u>	<u>\$ 576</u>	<u>\$ 26,895</u>

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	<u>\$ 12,695</u>	<u>\$ 278</u>	<u>\$ 12,973</u>
Total	<u>\$ 12,695</u>	<u>\$ 278</u>	<u>\$ 12,973</u>

G. Benefits Funded by the State of West Virginia

For the year ended June 30, 2024, 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	\$ 737,407
Firemen's Pension and Relief Fund	<u>690,530</u>
Total	<u>\$ 1,427,937</u>

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024.

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, 2024.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

The Employees Pension and Relief Fund (ERP) 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, 2023.

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	
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

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024**

Annual Required Contributions and Significant Actuarial Assumptions

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

	Policemen's and Firemen's Pension & Relief Fund	Employees Pension and Relief Fund
Valuation Date	7/1/2023	7/1/2023
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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Other Post Employment Benefits

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

Accrued Other Post Employment Benefits

Plan description/contribution information

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

Pension Trust Funds Financial Statements

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>
Assets			
Cash	\$ 626,835	\$ 84,975	\$ 1,526
Investments	17,719,772	15,395,834	77,015,745
Receivables:			
Contributions	9,410	-	-
Accounts	-	-	326,626
Total Assets	<u>18,356,017</u>	<u>15,480,809</u>	<u>77,343,897</u>
Liabilities			
Accounts Payable	<u>5,988</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,988</u>	<u>-</u>	<u>-</u>
Net Position			
Held in trust	<u>\$ 18,350,029</u>	<u>\$ 15,480,809</u>	<u>\$ 77,343,897</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>	<u>Employee's Retirement and Benefit</u>
Additions			
Contributions:			
Employer	\$ 1,401,389	\$ 1,267,217	\$ 3,404,448
Employee	443,758	393,437	926,906
Insurance premium tax allocation	737,407	690,530	-
Other	-	-	-
Total contributions	<u>2,582,554</u>	<u>2,351,184</u>	<u>4,331,354</u>
Investment Income:			
Gain (loss) on investments	1,451,593	1,094,956	7,648,539
Interest and dividends	126,785	223,538	1,903,893
Total investment income	<u>1,578,378</u>	<u>1,318,494</u>	<u>9,552,432</u>
Total additions	<u>4,160,932</u>	<u>3,669,678</u>	<u>13,883,786</u>
Deductions			
General and administrative	78,967	65,949	247,807
Contribution refunds	44,943	76,904	323,524
Benefit payments	2,654,713	2,330,242	4,723,227
Total deductions	<u>2,778,623</u>	<u>2,473,095</u>	<u>5,294,558</u>
Net increase (decrease)	1,382,309	1,196,583	8,589,228
Net position - beginning of year - restated	<u>16,967,720</u>	<u>14,284,226</u>	<u>68,754,669</u>
Net position - end of year	<u>\$ 18,350,029</u>	<u>\$ 15,480,809</u>	<u>\$ 77,343,897</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

At June 30, 2024, 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	\$ 5,887,470	\$ 611,544
Changes in assumption	915,081	4,321,070
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>25,877</u>
Total	<u>\$ 6,802,551</u>	<u>\$ 4,958,491</u>

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>	
2025	\$ (878,604)
2026	1,710,542
2027	1,171,587
2028	(159,465)
2029	-
Thereafter	-

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

For the year ended June 30, 2024, 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	\$ 4,830,164	\$ 1,161,768
Changes in assumption	-	6,064,619
Net difference between projected and actual earnings on pension plan investments	54,263	-
Total	\$ 4,884,427	\$ 7,226,387

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>	
2025	\$(1,370,173)
2026	(524,054)
2027	(1,160,853)
2028	713,120
2029	-
Thereafter	-

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

For the year ended June 30, 2024, 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	\$ 1,059,668	\$ 1,247,221
Changes in assumption	1,166,969	-
Net difference between projected and actual earnings on pension plan investments	-	1,824,840
Total	\$ 2,226,637	\$ 3,072,061

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>	
2025	\$ (394,157)
2026	1,671,297
2027	(798,548)
2028	(1,042,610)
2029	(170,571)
2030	(110,835)
Total	\$ (845,424)

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 is as follows:

	<i>Component Unit Board of Parks and Recreation Commission</i>	<i>Component Unit Morgantown Public Library</i>
Total wages	\$ 1,826,538	\$ 1,060,467
Covered wages	\$ 1,047,482	\$ 803,666
Employer share 9.00 %	\$ 94,273	\$ 72,106
Employee share 4.50% and 6.00%	\$ 57,404	\$ 43,764

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.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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, 601 57th Steet, SE, Suite 5 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, SPOORS, 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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, 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, 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.

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 2024, 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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Benefit Payments

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

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

Required Minimum Distributions

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

Disability Retirement

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

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

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

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 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. For the year ended June 30, 2024, 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.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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

At June 30, 2024 the City's Component Units reported an asset of \$4,054 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and rolled forward to June 30, 2023 using the actuarial 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, 2024, the City's Component Units reported the following proportions and increases/decreases from its proportion measured as of June 30, 2023:

Amount for proportionate share of net pension liability (asset)	\$ (4,054)
Percentage of proportionate share of net pension liability	0.0904%
Increase (decrease) percentage from prior proportion measured	-1.26%

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

For the year ended June 30, 2024, the City's Component Units recognized pension expense of \$128,905 on its government wide financial statements. At June 30, 2024, 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 Inflow of Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ 24,633	\$ -
Net difference between expected and actual experience	34,353	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	813	2,925
Employer contributions subsequent to measurement period	166,607	-
Changes in assumptions	26,219	-
Total	\$ 252,625	\$ 2,925

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, 2025. 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,	
2025	\$ 20,773
2026	\$ 20,773
2027	\$ 20,773
2028	\$ 20,773
	\$ 83,093

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

Actuarial Information

The total pension liabilities for financial reporting purposes were determined by actuarial valuation as of July 1, 2023 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	<i>Active</i> - Pub-2010 General Employee Tables, below-median, headcount-weighted, projected generationally with Scale MP-2018 <i>Health Male Retirees</i> - 108% of Pub-2010 General Retiree Male Table, below-median, headcount-weighted, projected generationally with Scale MP-2018 <i>Health Female Retirees</i> -122% of Pub-210 General Retiree Female Table, below-median, headcount-weighted, projected generationally with Scale MP-2018 <i>Disabled Males</i> -118% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected generationally with Scale MP-2018 <i>Disabled Females</i> - 117% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected generationally with Scale MP-2018

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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 7.25 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)	60.00%	45.00%
Fixed Income	40.00%	15.00%
Private Markets:		
Private Credit and Income	0.00%	6.00%
Private Equity	0.00%	12.00%
Real Estate	0.00%	12.00%
Hedge Fund	0.00%	10.00%

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Financial Highlights (in \$000s)

Progression of Plan Balance

June 30, 2022	\$	8,004,835
Contributions		99,230
Withdrawals		(374,844)
Net		(275,614)
Investment Income		672
Net appreciation		668,541
June 30, 2023	\$	8,398,434

<u>Asset Allocation</u>	<u>Fair Value</u>	<u>Percentage of Securities</u>
Portable Alpha	\$ 2,063,608	24.60%
Non-Large Cap Domestic	381,971	4.50%
International Qualified	537,494	6.40%
International Equity	1,010,684	12.00%
Short-Term Fixed Income	9,213	0.10%
Total Return Fixed Income	619,106	7.40%
Core Fixed Income	582,903	6.90%
Private Markets	2,348,329	28.00%
Hedge Fund	845,126	10.10%
Total	\$ 8,398,434	100.00%

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	8.60%	7.25%
Three-year	10.60%	7.25%
Five-year	8.00%	7.25%
Ten-year	8.60%	7.25%
Twenty-year	8.10%	7.25%

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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)	\$ (840,262)	\$ 4,054	\$ 716,502

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 601 57th Street, SE, Suite 5, 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.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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 2024, 2023 and 2022 rates were 21.66%, 20.49% and 20.49% of annual covered payroll. The Board's contributions to the Plan for the years ended June 30, 2024, 2023 and 2022 were \$1,934,814, \$1,641,110, and \$1,817,807.

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 \$29,790 and \$22,500, for 2024 and 2023; 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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 and 2022 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 2023 and 2022. At June 30, 2024 and 2023, the Board's reported the following proportions:

	<u>2024</u>	<u>2023</u>
Amount for proportionate share of net pension liability	\$ 10,015,276	\$ 12,567,937
Percentage for proportionate share of net pension liability	51.1942%	59.0866%
Increase/(decrease) in % from prior proportion measured	-7.8923861%	1.6698794%

For the years ended June 30, 2024 and 2023, the Board recognized the following pension expense:

	<u>2024</u>	<u>2023</u>
Pension Expense	<u>\$ 2,284,183</u>	<u>\$ 2,349,884</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 1,285,470	\$ -
Net difference between expected and actual experience	722,999	303,945
Changes in assumptions	855,010	-
Changes in proportion and differences between employer contributions and proportionate share of contributionss	<u>156,965</u>	<u>1,543,462</u>
Totals	<u>\$ 3,020,444</u>	<u>\$ 1,847,407</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, 2023:

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 and 2023 as follows:

<u>Year Ended June 30,</u>	<u>2024</u>	<u>Year Ended June 30,</u>	<u>2023</u>
2024	\$ 218,839	2024	\$ 926,342
2025	36,943	2025	625,224
2026	1,137,627	2026	415,818
2027	(39,609)	2027	1,679,515
2028	(103,744)	2028	307,350
Thereafter	<u>(68,019)</u>	Thereafter	<u>65,350</u>
Total	<u>\$ 1,182,037</u>	Total	<u>\$ 4,019,599</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2023 and 2022, 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, 2023</u>	<u>June 30, 2022</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

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

<u>Methods and Assumptions</u>	<u>June 30, 2023</u>	<u>June 30, 2022</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.

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.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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

<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
\$ 15,564,254	\$ 10,015,276	\$ 5,375,812

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

General Information About the OPEB Plan

Employer. City of Morgantown, WV

Summary of Plan Provisions

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).

**CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024**

Covered Employees

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

Type of Coverage

Spouse

City Employees, Policemen & Firemen

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	\$ 8,370,000
Inactive employees entitles to but not yet receiving benefits	0	-
Active employees	<u>200</u>	<u>9,149,000</u>
Total	<u><u>269</u></u>	<u><u>\$ 17,519,000</u></u>

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 for the employer fiscal year and reporting period of July 1, 2023 to June 30, 2024. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2023 and the corresponding measurement period of July 1, 2022 to July 1, 2023. 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, 2023 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.86%
Salary Scale:	2.50%
Healthcare Cost Trend Rates:	(3.00%) for fiscal year end 2023 then 6.75% for fiscal year end 2024, 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%

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Discount Rate

The discount rate has been set equal to 3.86% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	<u>Total</u> <u>OPEB</u> <u>Liability</u> <u>(a)</u>	<u>Plan</u> <u>Fiduciary Net</u> <u>Position</u> <u>(b)</u>	<u>Net OPEB</u> <u>Liability/</u> <u>(Asset)</u> <u>(a) - (b)</u>
Balances at July 1, 2023	\$ 18,469,000	\$ 1,439,000	\$ 17,030,000
Changes for the year:			
Service cost	453,000	-	453,000
Interest	682,000	-	682,000
Differences between expected and actual experiences	(654,000)	-	(654,000)
Contributions - employer	-	914,000	(914,000)
Contributions - employee	-	-	-
Net investment income	-	7,000	(7,000)
Benefit payments	(914,000)	(914,000)	-
Changes of benefit terms	-	-	-
Administrative expenses	-	-	-
Assumption changes	(289,000)	-	(289,000)
Net Changes	(722,000)	7,000	(729,000)
Balances at June 30, 2024**	\$ 17,747,000	\$ 1,446,000 ¹	\$ 16,301,000 ²

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

** Measurement date is July 1, 2023

¹Assets are the combination of two accounts (CD and Checking). CD is \$746,000 and checking is \$700,000.

²The 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.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

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)	\$ 19,559,000	\$ 17,747,000	\$ 16,168,000

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 Discount Rate</u>	<u>1% Increase</u>
Employer's Net OPEB Liability/(Asset)	\$ 15,876,000	\$ 17,747,000	\$ 19,942,000

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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

For the year ended June 30, 2024, under GASB 75 the employer OPEB expense is \$216,000. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of June 30, 2024 from various sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ (4,947,000)
Changes of assumptions	1,611,000	(1,795,000)
Net rence between projected and actual earnings on OPEB plan investment	-	-
Employer contributions after Measurement date but prior to fiscal year end	<u>TBD</u> ³	<u>\$ -</u>
Total	<u>\$ 1,611,000</u>	<u>\$ (6,742,000)</u>

³GASB 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, 2023.

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
2025	\$ (974,000)
2026	(974,000)
2027	(974,000)
2028	(976,000)
2029	(741,000)
Thereafter	(492,000)
	\$ (5,131,000)

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 63,000 covered lives at June 30, 2023. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th. Street, SE, Suite 2, Charleston, WV 25304.

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

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 was \$-. Contributions to the OPEB plan from the Board were \$0 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, 2023 for the Board's fiscal year ended June 30, 2024, 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, 2024, the Board reported the following proportions and increase/decreases from its proportion as of June 30, 2024:

	<u>2024</u>	<u>2023</u>
Amount for proportionate share of net OPEB liability/(assets)	\$ (173,531)	\$ 132,083
Percentage of proportionate share of net OPEB liability/(assets)	0.109657133%	0.118674314%
Increase/(decrease) in % from prior proportion measured	-0.009017181%	0.095598859%

For the year ended June 30, 2024 and 2023, the Board recognized the following OPEB expense and support provided by the State:

	<u>2024</u>	<u>2023</u>
OPEB expense/(offset) Commission	\$ (39,642)	\$ (154,967)
OPEB expense/(offset) State support	<u>-</u>	<u>114,777</u>
Total OPEB expense/(offset)	<u>\$ (39,642)</u>	<u>\$ (40,190)</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 2,894
Differences between projected and actual experiences	-	101,014
Changes in assumptions	47,850	96,817
Changes in proportion and differences between contributions and proportionate share of contributions	<u>506,509</u>	<u>29,225</u>
Total	<u>\$ 554,359</u>	<u>\$ 229,950</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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 Inflow of Resources</u>
Net difference between projected and actual investment earnings	\$ 20,502	\$ -
Differences between projected and actual experiences	-	168,498
Changes in assumptions	84,705	335,600
Changes in proportion and differences between contributions and proportionate share of contributions	879,803	(376)
Contributions subsequent to measurement date	<u>109,970</u>	<u>-</u>
Total	<u>\$ 1,094,980</u>	<u>\$ 503,722</u>

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, 2025. 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,

2025	\$ 257,750
2026	71,635
2027	1,479
2028	<u>(6,455)</u>
Total	<u>\$ 324,409</u>

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

Actuarial Assumptions

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

<u>OPEB</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Actuarial Assumptions:		
Investment Rate of Return	7.40%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation
Inflation Rate	2.50%	
Healthcare Cost Trends	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in the plan year of 2032.	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 capital 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.
Mortality Rates	<p>Postretirement: Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Sub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B.</p> <p>Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B</p>	<p>Post-Retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables Projected with MP-2021</p>
Date Range in most Recent Experience Study	July 1, 2015 to June 30, 2020	July 1, 2015 to June 30, 2020

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>
Equity	7.40%
Fixed Income	3.90%
Private Credit and Income	7.40%
Private Equity	10.00%
Real Estate	7.20%
Hedge Funds	4.50%

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

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>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>6.40%</u>	<u>Rate 7.40%</u>	<u>8.40%</u>
Proportionate share of OPEBs			
Net OPEB liability(asset)	\$ (29,363)	\$ (173,531)	\$ (331,651)

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>1% Increase</u>
		<u>Trend Rates</u>	
Proportionate share of OPEBs			
Net OPEB liability(asset)	\$ (442,056)	\$ (173,531)	\$ 145,796

CITY OF MORGANTOWN, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2024

VI. Debt Service Coverage

The debt service coverage factor for the Parking Authority has been calculated as follows for the year ended June 30, 2024:

Total revenues	\$ 2,920,049
Investment income	160,249
Adjusted gross revenues	<u>3,080,298</u>
Total expenses	<u>2,430,767</u>
	649,531
Add: Depreciation expense	<u>371,699</u>
Amount available for debt service and capital expenditures	<u>\$ 1,021,230</u>
Maximum annual debt service	<u>\$ 179,680</u>
Calculated debt service coverage factor	5.68
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, 2024.

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.

CITY OF MORGANTOWN, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2024

VIII. Deficit Fund Balance

The Tax Increment Financing Debt Service fund had a deficit fund balance of \$4,870,184. 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, 2024, the City abated property taxes totaling \$421,726.

X. GASB 101 Error Correction

During 2023, the Morgantown Public Library Component unit overstated health insurance withholdings. These had the following impact on Fund balance and Net position:

Morgantown Public Library

Fund Balance 6/30/2023	\$	4,008,956
Error correction		14,969
Fund Balance 6/30/2023 as corrected		\$ 4,023,925
Net Position 6/30/2023	\$	6,902,101
Error correction		14,969
Net Position 6/30/2023 as corrected		\$ 6,917,070

XI. Subsequent Events

The City has considered all subsequent events through August 29, 2025, the date the financial statements were made available.

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 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Budget to GAAP Difference	Actual Amounts (GAAP Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues						
Taxes (including interest and penalties):						
Ad valorem	\$ 4,787,561	\$ 4,587,561	\$ 4,764,369	\$ -	\$ 4,764,369	\$ 176,808
Gas and oil severance	150,000	300,000	310,215	-	310,215	10,215
Utility	1,144,000	1,144,000	1,215,590	-	1,215,590	71,590
Business and occupation	14,450,000	15,250,000	15,517,433	-	15,517,433	267,433
Wine and liquor	830,000	830,000	844,748	-	844,748	14,748
Animal control	3,000	3,000	3,208	-	3,208	208
Hotel and motel	1,100,000	1,100,000	1,194,598	-	1,194,598	94,598
Amusement	4,000	4,000	1,391	-	1,391	(2,609)
Municipal sales tax	3,497,807	3,497,807	-	-	-	(3,497,807)
Total taxes	25,966,368	26,716,368	23,851,552	-	23,851,552	(2,864,816)
Licenses and permits	315,000	315,000	613,046	-	613,046	298,046
Charges for services	10,621,700	10,621,700	10,358,727	-	10,358,727	(262,973)
Fines and forfeitures	380,000	380,000	183,176	-	183,176	(196,824)
Franchise fees	260,000	260,000	241,492	-	241,492	(18,508)
Interest	80,000	80,000	139,191	88,658	227,849	59,191
Intergovernmental:				-		
Federal	205,000	205,000	93,153	-	93,153	(111,847)
State	51,440	51,440	-	-	-	(51,440)
Other	10,000	10,000	-	-	-	(10,000)
Video lottery and gaming income	142,000	142,000	153,271	-	153,271	11,271
Miscellaneous	125,000	125,000	561,754	-	561,754	436,754
Total revenues	38,156,508	38,906,508	36,195,362	88,658	36,284,020	(2,711,146)
Expenditures						
General government	14,212,951	17,182,459	7,355,124	-	7,355,124	9,827,335
Public safety	18,080,846	18,716,750	16,928,625	103,363	16,825,262	1,788,125
Highways and streets	4,726,488	4,856,387	4,220,360	-	4,220,360	636,027
Health and sanitation	1,800,000	1,808,242	2,051,177	-	2,051,177	(242,935)
Culture and recreation	3,985,582	3,985,582	267,470	-	267,470	3,718,112
Social services	360,641	366,101	511,271	-	511,271	(145,170)
Debt service - principal	-	-	108,294	-	108,294	(108,294)
Debt service - interest	-	-	6,063	-	6,063	(6,063)
Total expenditures	43,166,508	46,915,521	31,448,384	103,363	31,345,021	15,467,137
Excess (deficiency) of revenues over (under) expenditures	(5,010,000)	(8,009,013)	4,746,978	(14,705)	4,938,999	12,755,991

City of Morgantown, West Virginia
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual-
General Fund - Budgetary Basis (Continued)
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Budget to GAAP Difference	Actual Amounts (GAAP Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Other Financing Sources (Uses)						
Sale of Fixed Assets	10,000	10,000	-	-	-	(10,000)
Operating transfers in	-	-	3,482,440	-	3,482,440	3,482,440
Operating transfers (out)	-	-	(9,809,617)	-	(9,809,617)	(9,809,617)
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>(6,327,177)</u>	<u>-</u>	<u>(6,327,177)</u>	<u>(6,337,177)</u>
Net change in fund balance	(5,000,000)	(7,999,013)	(1,580,199)	(14,705)	(1,388,178)	6,418,814
Fund balance at beginning of year	<u>5,000,000</u>	<u>7,999,013</u>	<u>8,327,303</u>	<u>328,290</u>	<u>18,934,306</u>	<u>328,290</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,747,104</u>	<u>\$ 313,585</u>	<u>\$ 17,546,128</u>	<u>\$ 6,747,104</u>

Explanation of Differences:

The City budgets for capital expenditures as a current period expenditure rather than a capital expenditure on the accrual basis of accounting.

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.

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
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual -
Coal Severance Fund - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Budget to GAAP Difference	Actual Amounts (GAAP Basis)	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues						
Interest	\$ 500	\$ 500	\$ 697	\$ -	\$ 697	\$ 197
Intergovernmental:						
State	120,000	120,000	130,893	-	130,893	10,893
Total revenues	120,500	120,500	131,590	-	131,590	11,090
Expenditures						
General government	12,050	18,030	-	-	-	18,030
Culture and recreation	108,450	162,270	162,014	162,014	-	256
Total expenditures	120,500	180,300	162,014	162,014	-	18,286
Excess (deficiency) of revenues over (under) expenditures	-	(59,800)	(30,424)	(162,014)	131,590	29,376
Other Financing Sources (Uses)						
Operating transfers (in)	-	-	-	-	-	-
Operating transfers (out)	-	-	-	(162,014)	(162,014)	-
Total other financing sources (uses)	-	-	-	(162,014)	(162,014)	-
Net change in fund balance	-	(59,800)	(30,424)	(324,028)	(30,424)	29,376
Fund balance at beginning of year	-	59,800	64,853	-	64,853	5,053
Fund balance at end of year	\$ -	\$ -	\$ 34,429	\$ (324,028)	\$ 34,429	\$ 34,429

Expination 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 frm 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
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
West Virginia Public Employees Retirement System
*Last Eight Years **

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total plan pension liability	\$ 8,396,617,000	\$ 8,150,369,000	\$ 7,927,948,000	\$ 7,431,924,000	\$ 7,140,467,000	\$ 7,027,806,000	\$ 6,816,742,000	\$ 6,616,588,000	\$ 6,130,174,000
Plan net position	8,401,099,000	8,001,450,000	8,805,884,000	6,903,253,000	6,925,454,000	6,769,554,000	6,385,097,000	5,697,470,000	5,761,109,000
Net pension liability (asset)	\$ (4,482,000)	\$ 148,919,000	\$ (877,936,000)	\$ 528,671,000	\$ 215,013,000	\$ 258,252,000	\$ 431,645,000	\$ 919,118,000	\$ 558,404,000
City's proportion of the net pension liability	0.09044400%	0.09160000%	0.09000000%	0.10000000%	0.10000000%	0.99000000%	0.10000000%	0.09200000%	0.85000000%
City's proportionate share of the net pension liability (asset)	\$ (4,054)	\$ 136,402	\$ (788,535)	\$ 513,642	\$ 210,946	\$ 256,671	\$ 438,062	\$ 845,671	\$ 474,487
City's covered payroll	\$ 1,595,132	\$ 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 as a percentage of its covered payroll	-0.30%	9.20%	-52.90%	35.00%	14.70%	18.40%	32.40%	62.60%	41.20%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.05%	98.17%	111.07%	92.89%	93.90%	96.33%	93.67%	86.11%	91.29%

* - Information for years prior to 2014 was not available.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of City Contributions
West Virginia Public Employees Retirement System
*Last Ten Years **

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 166,607	\$ 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>(166,607)</u>	<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>\$ -</u>									
City covered payroll	\$ 1,666,070	\$ 1,595,132	\$ 1,488,393	\$ 1,489,393	\$ 1,466,710	\$ 1,431,740	\$ 1,395,289	\$ 1,351,744	\$ 1,351,170	\$ 1,151,193
Contributions as a percentage of covered payroll	10.00%	9.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	12.60%	14.00%
* - Information for years prior to 2014 was not available.										
Pension Allocation	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
West Virginia Firemen's Pension and Relief Fund
Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total plan pension liability	\$ 66,242,946	\$ 59,468,268	\$ 57,325,328	\$ 65,789,931	\$ 64,887,379	\$ 57,832,399	\$ 51,995,644	\$ 50,822,626	\$ 53,826,064	\$ 41,124,486
Plan net position	<u>15,480,810</u>	<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>
Net pension liability (asset)	50,762,136	45,183,643	43,616,179	49,261,035	51,297,227	44,292,443	39,277,496	38,589,519	42,687,412	29,578,163
Plan net position as a % of total pension liability	23.37%	24.02%	23.91%	25.12%	20.94%	23.41%	24.46%	24.07%	20.69%	28.08%
Covered payroll	\$ 4,626,324	\$ 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
Net pension liability (asset) as a % of Covered Payroll	1097.25%	1210.27%	1171.09%	1375.88%	1372.73%	1218.12%	1445.81%	1489.41%	1684.42%	1211.44%

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of City Contributions
West Virginia Firemen's Pension and Relief Fund
*Last Ten Years **

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$4,409,931	\$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
Employer contribution	1,267,217	1,046,841	981,069	920,455	933,095	909,000	986,830	870,926	728,343	618,813
State contribution	690,530	587,680	629,778	638,747	631,772	548,107	507,846	485,359	460,023	451,492
Percentage contributed	44%	39%	40%	40%	42%	46%	53%	51%	47%	57%
Covered payroll	\$4,626,324	\$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
Actual contribution as a % of covered payroll	42%	44%	43%	44%	42%	40%	55%	52%	47%	44%

* - Information for years prior to 2014 was not available.

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
West Virginia Policemen's Pension and Relief Fund
Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total plan pension liability	\$ 87,104,381	\$ 78,739,847	\$ 77,638,288	\$ 89,066,326	\$ 89,108,088	\$ 77,274,558	\$ 73,190,607	\$ 69,292,792	\$ 72,638,594	\$ 54,217,026
Plan net position	18,350,029	16,967,721	16,258,285	19,707,129	16,395,710	16,633,959	15,731,259	15,181,765	13,826,768	14,478,912
Net pension liability (Asset)	68,754,352	61,772,126	61,380,003	69,359,197	72,712,378	60,640,599	57,459,348	54,111,027	58,811,826	39,738,114
Plan net position as a % of total pension liability	21.07%	21.55%	20.94%	22.13%	18.40%	21.53%	21.49%	21.91%	55.16%	47.27%
Covered payroll	\$ 4,877,096	\$ 3,979,529	\$ 4,261,421	\$ 4,446,616	\$ 4,683,481	\$ 4,424,855	\$ 336,918	\$ 4,054,650	\$ 3,527,889	\$ 3,381,767
Net pension liability as a % of Covered Payroll	1409.74%	1552.25%	1440.36%	1559.82%	1552.53%	1370.45%	17054.40%	1334.54%	1667.05%	1175.07%

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of City Contributions
West Virginia Policemen's Pension and Relief Fund
*Last Ten Years **

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$4,990,420	\$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
Employer contribution	1,401,389	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
State contribution	737,407	647,136	711,889	763,467	738,271	705,979	691,798	629,967	597,542	578,715
Percentage contributed	43%	40%	40%	38%	42%	44%	48%	46%	44%	52%
Covered payroll	\$4,877,096	\$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
Actual contribution as a % of covered payroll	44%	49%	46%	43%	42%	45%	43%	42%	41%	38%

* - Information for years prior to 2014 was not available.

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Employee Retirement Pension and Relief Fund
Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total plan pension liability	\$ 90,466,209	\$ 88,317,319	\$ 85,229,201	\$ 81,497,323	\$ 74,153,412	\$ 71,571,110	\$ 68,909,486	\$ 66,754,921	\$ 59,738,718	\$ 56,768,669
Plan net position	<u>77,344,289</u>	<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>
Net pension liability (Asset)	13,121,920	19,563,296	21,270,366	9,627,289	15,345,634	14,327,999	14,780,817	15,429,637	12,769,969	9,131,877
Plan net position as a % of total pension liability	85.50%	77.85%	75.04%	88.19%	79.31%	79.98%	78.55%	76.89%	55.16%	47.27%
Covered payroll	\$ 15,094,393	\$ 16,091,923	\$ 15,114,310	\$ 14,763,639	\$ 14,510,386	\$ 14,785,000	\$ 336,918	\$ 13,321,335	\$ 13,182,134	\$ 12,172,614
Net pension liability as a % of Covered Payroll	86.93%	121.57%	140.73%	65.21%	105.76%	96.91%	4387.07%	115.83%	96.87%	75.02%

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of City Contributions
Employee Retirement Pension and Relief Fund
*Last Ten Years **

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 3,274,800	\$ 3,093,050	\$ 2,973,178	\$ 2,362,643	\$ 2,063,537	\$ 1,919,607	\$ 1,743,996	\$ 1,620,175	\$ 1,657,313	\$ 1,850,655
Actual Contributions	3,404,449	3,205,655	3,076,513	2,312,062	2,357,915	1,986,467	1,770,496	1,819,231	1,745,681	1,879,379
Percentage contributed	104%	104%	103%	98%	114%	103%	102%	112%	105%	102%
Covered payroll	\$15,094,393	\$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
Actual contribution as a % of covered payroll	23%	20%	20%	16%	16%	13%	13%	14%	13%	15%

* - Information for years prior to 2014 was not available.

(1) Information for 2022 is presented to be consistent with other reporting throughout these schedules.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
*Last Seven Years **

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total plan OPEB liability (Asset)	\$ 17,747,000	\$ 18,469,000	\$ 21,489,000	\$ 23,507,000	\$ 22,699,000	\$ 21,922,000	\$ 20,447,000
Plan net position	1,446,000	1,439,000	1,245,000	508,000	723,000	711,000	709,000
Net OPEB liability (Asset)	\$ 16,301,000	\$ 17,030,000	\$ 20,244,000	\$ 22,999,000	\$ 21,976,000	\$ 21,211,000	\$ 19,738,000
City's covered payroll (1)	\$ 11,547,000	\$ 11,547,000	\$ 13,152,000	\$ 13,152,000	\$ 11,696,000	\$ 11,696,000	\$ 7,220,000
City's proportionate share of the net OPEB liability as a percentage of its covered payroll (1)	141.17%	147.48%	153.92%	174.87%	187.89%	181.35%	273.38%
Plan fiduciary net position as a percentage of the total OPEB liability (Asset)	8.15%	7.79%	5.79%	2.16%	3.19%	3.24%	3.47%

* - Information for years prior to 2018 was not available.

- Information for 2022 is presented to be consistent with other reporting throughout these schedules.

(1) This is not applicable as the City does not have payroll for these employees as they are already retired.

City of Morgantown, West Virginia
Required Supplementary Information
Schedule of City Contributions
*Last Seven Years **

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 914,000	\$ 597,000	\$ 445,000	\$ 729,000	\$ 959,000	\$ 797,000	\$ 955,000
Contributions in relation to the contractually required contribution	<u>(914,000)</u>	<u>(597,000)</u>	<u>(445,000)</u>	<u>(729,000)</u>	<u>(959,000)</u>	<u>(797,000)</u>	<u>(955,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>						
City covered payroll (1)	\$11,547,000	\$11,547,000	\$13,152,000	\$ 13,152,000	\$ 11,696,000	\$ 11,696,000	\$ 7,220,000
Contributions as a percentage of covered payroll (1)	8%	5%	3%	6%	8%	7%	13%

* - Information for years prior to 2018 was not available.

(1) This is not applicable as the City does not have payroll for these employees as they are already retired.

SUPPLEMENTARY INFORMATION

City of Morgantown, West Virginia
Combining Fund Balance Sheets -
Nonmajor Governmental Funds
June 30, 2024

	<i>Primary Government</i>			<i>Component Unit</i>		
	Special Revenue Funds	Capital Projects Funds	Total	Special Revenue Funds	Capital Projects Funds	Total
Assets						
Cash	\$ 11,906,926	\$ 1,598,666	\$ 13,505,592	\$ 17,815,404	\$ -	\$ 17,815,404
Investments	1,565,029	-	1,565,029	-	286,764	286,764
Receivables (net of allowances for uncollectables)						
Taxes	-	107,314	107,314	-	-	-
Accounts	-	-	-	143,247	-	143,247
Grants	-	-	-	-	-	-
Due from other funds	127,889	-	127,889	-	-	-
Total Assets	<u>\$ 13,599,844</u>	<u>\$ 1,705,980</u>	<u>\$ 15,305,824</u>	<u>\$ 17,958,651</u>	<u>\$ 286,764</u>	<u>\$ 18,245,415</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts Payable	\$ 75,175	\$ -	\$ 75,175	\$ 103,058	\$ -	\$ 103,058
Due to other funds	229,149	16,000	245,149	-	-	-
Accrued payroll and compensated absences	11,574	-	11,574	77,152	-	77,152
Total liabilities	<u>315,898</u>	<u>16,000</u>	<u>331,898</u>	<u>180,210</u>	<u>-</u>	<u>180,210</u>
Deferred Inflows of Resources						
Deferred revenues - taxes	-	62,815	62,815	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>62,815</u>	<u>62,815</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	75,356	-	75,356	-	21,862	21,862
Assigned	13,208,590	1,627,165	14,835,755	17,778,441	264,902	18,043,343
Unassigned	-	-	-	-	-	-
Total fund balances	<u>13,283,946</u>	<u>1,627,165</u>	<u>14,911,111</u>	<u>17,778,441</u>	<u>286,764</u>	<u>18,065,205</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,599,844</u>	<u>\$ 1,705,980</u>	<u>\$ 15,305,824</u>	<u>\$ 17,958,651</u>	<u>\$ 286,764</u>	<u>\$ 18,245,415</u>

City of Morgantown, West Virginia
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<i>Primary Government</i>			<i>Component Unit</i>		
	Special Revenue Funds	Capital Projects Funds	Total	Special Revenue Funds	Capital Projects Funds	Total
Revenues						
Amusement Tax	\$ 5,609		\$ 5,609	\$ -	\$ -	\$ -
Charges for services	537,338	-	537,338	913,199	-	913,199
Fines and forfeits	11,144	-	11,144	-	-	-
Investment income	141,540	20,866	162,406	401,377	6,048	407,425
Donations	554,740	-	554,740	-	-	-
Taxes:						
Ad valorem	-	1,570,093	1,570,093	-	-	-
Intergovernmental:						
Federal	706,551	-	706,551	-	-	-
Total revenues	<u>1,956,922</u>	<u>1,590,959</u>	<u>3,547,881</u>	<u>1,314,576</u>	<u>6,048</u>	<u>1,320,624</u>
Expenditures						
General Government	8,880	45,400	54,280	-	-	-
Public safety	81,066	-	81,066	-	-	-
Culture and recreation	850,395	-	850,395	5,106,537	17,238	5,123,775
Community development	1,072,149	-	1,072,149	-	-	-
Capital outlay	-	180,600	180,600	5,823,896	-	5,823,896
Debt service - principal	-	-	-	107,616	-	107,616
Debt service - interest	-	-	-	297,009	-	297,009
Debt issuance costs	-	-	-	309,000	-	309,000
Benefit payments	841,755	-	841,755	-	-	-
Total expenditures	<u>2,854,245</u>	<u>226,000</u>	<u>3,080,245</u>	<u>11,644,058</u>	<u>17,238</u>	<u>11,661,296</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(897,323)</u>	<u>1,364,959</u>	<u>467,636</u>	<u>(10,329,482)</u>	<u>(11,190)</u>	<u>(10,340,672)</u>
Other Financing Sources (Uses)						
Operating transfers in	3,491,918	-	3,491,918	-	-	-
Operating transfers (out)	-	(1,431,015)	(1,431,015)	-	-	-
Issuance of debt	-	-	-	14,840,000	-	14,840,000
Bond discount	-	-	-	(296,529)	-	(296,529)
Total other financing sources (uses)	<u>3,491,918</u>	<u>(1,431,015)</u>	<u>2,060,903</u>	<u>14,543,471</u>	<u>-</u>	<u>14,543,471</u>
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing (uses)	2,594,595	(66,056)	2,528,539	4,213,989	(11,190)	4,202,799
Fund balance beginning of year	<u>10,689,351</u>	<u>1,693,221</u>	<u>12,382,572</u>	<u>7,830,524</u>	<u>297,954</u>	<u>8,128,478</u>
Fund balance end of year	<u><u>13,283,946</u></u>	<u><u>1,627,165</u></u>	<u><u>14,911,111</u></u>	<u><u>12,044,513</u></u>	<u><u>286,764</u></u>	<u><u>12,331,277</u></u>

**City of Morgantown, West Virginia
Combining Fund Balance Sheets -
Nonmajor Governmental Funds -
Special Revenue Funds
For the Year Ended June 30, 2024**

	Economic Development Grant	Community Development Block Grant	Police Forfeiture	Special Grants	Local Law Enforcement Grant	I.C. White Coal 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
Assets																
Cash	\$ 39,658	\$ 70,244	\$ 236,464	\$ 144	\$ 32,105	\$ 108,735	\$ 848,563	\$ 415,257	\$ 13,549	\$ 71,665	\$ 118,932	\$ 37,861	\$ 1,112,896	\$ 8,800,853	\$ 11,906,926	\$ 17,815,404
Investments	-	-	-	-	-	-	758,218	-	-	-	-	-	806,811	-	1,565,029	-
Receivables (net of allowances for uncollectibles)																
Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143,247
Due from other funds	-	-	-	-	-	-	79,466	48,196	-	-	-	-	227	-	127,889	-
Total Assets	\$ 39,658	\$ 70,244	\$ 236,464	\$ 144	\$ 32,105	\$ 108,735	\$ 1,686,247	\$ 463,453	\$ 13,549	\$ 71,665	\$ 118,932	\$ 37,861	\$ 1,919,934	\$ 8,800,853	\$ 13,599,844	\$ 17,958,651
Liabilities and Fund Balances																
Liabilities																
Accounts payable	\$ -	\$ 65,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,832	\$ -	\$ 1,381	\$ -	\$ -	\$ 68	\$ -	\$ 75,175	\$ 103,058
Due to other funds	-	901	1,181	-	-	-	56,414	45,315	-	25,497	93,683	-	6,158	-	229,149	-
Accrued payroll and compensated absences	-	-	-	-	-	-	-	2,436	-	-	9,138	-	-	-	11,574	77,152
Total liabilities	-	66,795	1,181	-	-	-	56,414	55,583	-	26,878	102,821	-	6,226	-	315,898	180,210
Fund Balances																
Restricted	39,658	3,449	-	144	32,105	-	-	-	-	-	-	-	-	-	75,356	-
Assigned	-	-	235,283	-	-	108,735	1,629,833	407,870	13,549	44,787	16,111	37,861	1,913,708	8,800,853	13,208,590	17,778,441
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	39,658	3,449	235,283	144	32,105	108,735	1,629,833	407,870	13,549	44,787	16,111	37,861	1,913,708	8,800,853	13,283,946	17,778,441
Total Liabilities and Fund Balances	\$ 39,658	\$ 70,244	\$ 236,464	\$ 144	\$ 32,105	\$ 108,735	\$ 1,686,247	\$ 463,453	\$ 13,549	\$ 71,665	\$ 118,932	\$ 37,861	\$ 1,919,934	\$ 8,800,853	\$ 13,599,844	\$ 17,958,651

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, 2024

	Economic Development Grant	Community Development Block Grant	Police Forfeiture	Special Grants	Local Law Enforcement Grant	I.C. White Coal 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
Revenues																
Amusement Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,609	\$ -
Charges for services	-	-	-	-	-	-	-	441,100	-	45,660	-	-	50,578	-	537,338	913,199
Fines and forfeits	-	-	5,155	-	-	-	-	-	-	-	5,989	-	-	-	11,144	-
Investment Income	501	1,107	3,266	2	407	1,376	20,778	4,022	171	830	1,733	440	27,208	141,540	401,377	
Donations	-	-	-	-	-	-	-	-	-	-	35,000	-	519,740	-	554,740	-
Intergovernmental																
Federal	-	706,551	-	-	-	-	-	-	-	-	-	-	-	-	706,551	-
Local	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,952,822
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	388,916
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	392,190
Total revenues	501	707,658	8,421	2	407	1,376	20,778	450,731	171	46,490	36,733	6,429	597,526	79,699	1,956,922	7,048,504
Expenditures																
General Government	-	-	-	-	-	-	8,880	-	-	-	-	-	-	-	8,880	-
Public Safety	-	-	79,469	-	-	-	-	-	-	-	-	1,597	-	-	81,066	-
Culture and recreation	-	-	-	-	-	-	-	363,255	-	35,729	-	-	451,411	-	850,395	5,106,537
Community development	-	709,559	-	-	-	-	-	-	-	-	362,590	-	-	-	1,072,149	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,823,896
Debt service - principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	107,616
Debt service - interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	297,009
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	309,000
Benefit payments	-	-	-	-	-	-	841,755	-	-	-	-	-	-	-	841,755	-
Total expenditures	-	709,559	79,469	-	-	-	850,635	363,255	-	35,729	362,590	1,597	451,411	-	2,854,245	11,644,058
(Deficiency) excess of revenues (under) over expenditures	501	(1,901)	(71,048)	2	407	1,376	(829,857)	87,476	171	10,761	(325,857)	4,832	146,115	79,699	(897,323)	(4,595,554)
Other Financing Sources (Uses)																
Operating transfers in (out)	-	-	-	-	-	-	1,017,054	100,715	-	-	250,000	-	(349,500)	2,473,649	3,491,918	-
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,840,000
Bond discount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(296,529)
Total other financing sources (uses)	-	-	-	-	-	-	1,017,054	100,715	-	-	250,000	-	(349,500)	2,473,649	3,491,918	14,543,471
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing (uses)	501	(1,901)	(71,048)	2	407	1,376	187,197	188,191	171	10,761	(75,857)	4,832	(203,385)	2,553,348	2,594,595	9,947,917
Fund balance beginning of year - restated	39,157	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	10,689,351	7,830,524
Fund balance end of year	\$ 39,658	\$ 3,449	\$ 235,283	\$ 144	\$ 32,105	\$ 108,735	\$ 1,629,833	\$ 407,870	\$ 13,549	\$ 44,787	\$ 16,111	\$ 37,861	\$ 1,913,708	\$ 8,800,853	\$ 13,283,946	\$ 17,778,441

**City of Morgantown, West Virginia
Combining Fund Balance Sheets -
Nonmajor Governmental Funds -
Capital Project Funds
June 30, 2024**

	<i>Primary Government</i>				<i>Component Unit</i>	
	Business Improvement District	Tax Increment Financing	Airport Access Road	Total	Morgantown Public Library Capital Project Clay Battelle Branch	Total
Assets						
Cash	\$ 17,847	\$ 1,324,364	\$ 256,455	\$ 1,598,666	\$ -	\$ -
Investments	-	-	-	-	286,764	286,764
Taxes receivable	-	107,314	-	107,314	-	-
Total Assets	<u>\$ 17,847</u>	<u>\$ 1,431,678</u>	<u>\$ 256,455</u>	<u>\$ 1,705,980</u>	<u>\$ 286,764</u>	<u>\$ 286,764</u>
Liabilities, Deferred Inflow of Resources and Fund Balance						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	16,000	-	16,000	-	-
Total liabilities	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources						
Deferred revenue - taxes	-	62,815	-	62,815	-	-
Total deferred inflow of resources	<u>-</u>	<u>62,815</u>	<u>-</u>	<u>62,815</u>	<u>-</u>	<u>-</u>
Fund Balance						
Restricted	-	-	-	-	21,862	21,862
Assigned	17,847	1,352,863	256,455	1,627,165	264,902	264,902
Total fund balances	<u>17,847</u>	<u>1,352,863</u>	<u>256,455</u>	<u>1,627,165</u>	<u>286,764</u>	<u>286,764</u>
Total liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 17,847</u>	<u>\$ 1,431,678</u>	<u>\$ 256,455</u>	<u>\$ 1,705,980</u>	<u>\$ 286,764</u>	<u>\$ 286,764</u>

City of Morgantown, West Virginia
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds -
Capital Project Funds
June 30, 2024

	<i>Primary Government</i>				<i>Component Unit</i>	
	Business Improvement District	Tax Increment Financing	Airport Access Road	Total	Morgantown Public Library Capital Project Clay Battelle Branch	Total
Revenues						
Investment Income	\$ 226	\$ 17,030	\$ 3,610	\$ 20,866	\$ 6,048	\$ 6,048
Taxes:						
Ad valorem	-	1,570,093	-	1,570,093	-	-
Total revenues	<u>226</u>	<u>1,587,123</u>	<u>3,610</u>	<u>1,590,959</u>	<u>6,048</u>	<u>6,048</u>
Expenditures						
General Government	-	45,400	-	45,400	-	-
Capital Outlay	-	150,000	30,600	180,600	-	-
Culture and recreation	-	-	-	-	17,238	17,238
Total expenditure	<u>-</u>	<u>195,400</u>	<u>30,600</u>	<u>226,000</u>	<u>17,238</u>	<u>17,238</u>
(Deficient) excess of revenues (under) over expenditures	<u>226</u>	<u>1,391,723</u>	<u>(26,990)</u>	<u>1,364,959</u>	<u>(11,190)</u>	<u>(11,190)</u>
Other Financing Sources (uses)						
Operating transfers (out)	-	(1,431,015)	-	(1,431,015)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,431,015)</u>	<u>-</u>	<u>(1,431,015)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	226	(39,292)	(26,990)	(66,056)	(11,190)	(11,190)
Fund balance beginning 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>
Fund balance end of year	<u>\$ 17,847</u>	<u>\$ 1,352,863</u>	<u>\$ 256,455</u>	<u>\$ 1,627,165</u>	<u>\$ 286,764</u>	<u>\$ 286,764</u>

City of Morgantown, West Virginia
Combining Statement of Net Position -
Fiduciary Responsibilities
June 30, 2024

	Policemen's Pension and Relief	Firemen's Pension and Relief	Employee's Retirement and Benefit	Total	Component Unit		
					Nonexpendable Trust	Morgantown Public Library Endowment Fund	Total
Assets							
Cash	\$ 626,835	\$ 84,975	\$ 1,526	\$ 713,336	\$ -	\$ -	\$ -
Investments	17,719,772	15,395,834	77,015,745	110,131,351	108,912	40,892	149,804
Receivables:							
Contributions	9,410	-	-	9,410	-	-	-
Accounts	-	-	326,626	326,626	-	-	-
Total assets	<u>18,356,017</u>	<u>15,480,809</u>	<u>77,343,897</u>	<u>111,180,723</u>	<u>108,912</u>	<u>40,892</u>	<u>149,804</u>
Liabilities							
Accounts Payable	<u>5,988</u>	<u>-</u>	<u>-</u>	<u>5,988</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,988</u>	<u>-</u>	<u>-</u>	<u>5,988</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position							
Held in trust	<u>\$ 18,350,029</u>	<u>\$ 15,480,809</u>	<u>\$ 77,343,897</u>	<u>\$ 111,174,735</u>	<u>\$ 108,912</u>	<u>\$ 40,892</u>	<u>\$ 149,804</u>

City of Morgantown, West Virginia
Combining Statement of Changes Net Position -
Fiduciary Responsibilities
June 30, 2024

	Policemen's Pension and Relief	Firemen's Pension and Relief	Employee's Retirement and Benefit	Total	Component Unit		
					Nonexpendable Trust	Morgantown Public Library Endowment Fund	Total
Additions							
Contributions:							
Employer	\$ 1,401,389	\$ 1,267,217	\$ 3,404,448	\$ 6,073,054	\$ -	\$ -	\$ -
Employee	443,758	393,437	926,906	1,764,101	-	-	-
Insurance premium tax allocation	737,407	690,530	-	1,427,937	-	-	-
Total contributions	<u>2,582,554</u>	<u>2,351,184</u>	<u>4,331,354</u>	<u>9,265,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment Income							
Gain (loss) on investments	1,451,593	1,094,956	7,648,539	10,195,088	33,959	3,865	37,824
Interest and dividends	126,785	223,538	1,903,893	2,254,216	1,516	1,108	2,624
Total investment income	<u>1,578,378</u>	<u>1,318,494</u>	<u>9,552,432</u>	<u>12,449,304</u>	<u>35,475</u>	<u>4,973</u>	<u>40,448</u>
Total additions	<u>4,160,932</u>	<u>3,669,678</u>	<u>13,883,786</u>	<u>21,714,396</u>	<u>35,475</u>	<u>4,973</u>	<u>40,448</u>
Deductions							
General and administrative	78,967	65,949	247,807	392,723	713	642	1,355
Contribution refunds	44,943	76,904	323,524	445,371	-	-	-
Benefit payments	2,654,713	2,330,242	4,723,227	9,708,182	-	-	-
Total deduction	<u>2,778,623</u>	<u>2,473,095</u>	<u>5,294,558</u>	<u>10,546,276</u>	<u>713</u>	<u>642</u>	<u>1,355</u>
Net increase (decrease)	1,382,309	1,196,583	8,589,228	11,168,120	34,762	4,331	39,093
Net position - beginning 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>
Net position - end of year	<u>\$ 18,350,029</u>	<u>\$ 15,480,809</u>	<u>\$ 77,343,897</u>	<u>\$ 111,174,735</u>	<u>\$ 108,912</u>	<u>\$ 40,892</u>	<u>\$ 149,804</u>

City of Morgantown, West Virginia
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity's Number	Federal AL Number	Disbursements
United States Department of Housing and Urban Development			
<i>Office of Community Planning and Development</i>			
Community Development Program	B20-MC-54-0007	14.218	\$ 877,417
Community Development Program	B21-MC-54-0007	14.228	<u>500,000</u>
Total United States Department of Housing and Urban Development			<u>1,377,417</u>
United States Department of the Interior			
<i>Direct Award</i>			
Outdoor Recreation Acquisition	N/A	15.916	<u>12,000</u>
Total United States Department of the Interior			<u>12,000</u>
United States Department of Justice			
<i>State of West Virginia Department of Military Affairs & Public Safety</i> <i>/Division of Justice & Community Services</i>			
Juvenile Justice and Delinquency Prevention	21-JAG-12	16.540	29,809
Violence Against Women Formula Grants	20-VAW	16.588	<u>7,871</u>
Total United States Department of Justice			<u>37,680</u>
United States Department of Defense			
<i>Direct Program:</i>			
Equitable Sharing Program	USMS	16.922	<u>20,179</u>
Total United States Department of Defense			<u>20,179</u>
United States Department of Transportation			
<i>Direct Program:</i>			
Airport Improvement Program	N/A	20.106	<u>3,475,080</u>
Total United States Department of the Transportation			<u>3,475,080</u>
United States Department of Treasury			
<i>Direct Program:</i>			
Coronavirus State and Local Fiscal Recovery Funds	CVRF-2020	21.027	<u>2,136,805</u>
Total United States Department of the Treasury			<u>2,136,805</u>
United States Department of Homeland Security			
<i>Direct Program:</i>			
Home Land Security Grant Program	N/A	97.067	<u>8,020</u>
Total United States Department of Homeland Security			<u>8,020</u>
Total Federal Awards Expenditures			<u>\$ 7,067,181</u>

N/A - pass-through entity number not available.

See the accompanying notes to the schedule of federal awards expenditures.

City of Morgantown, West Virginia
Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Fiscal Year Ended June 30, 2024

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 (the City's) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared 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 the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Note 3 – Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Morgantown, West Virginia
Schedule of State Grant Receipts and Expenditures
For the Fiscal Year Ended June 30, 2024

	Grant Number	Award Amount	Under (Over) Expended Beginning of the Year	Total Current Year Revenues	Total Current Year Expenditures	Under (Over) Expended End of Year
General Revenue Grant	CIMO015024	\$ 36,216	\$ -	\$ 36,216	\$ 36,216	\$ -
Transportation Alternatives Program	U331-MOR	100,000	-	-	6,714	93,286
Cultural Facilities Projects	CT24-079461	75,000	-	75,000	75,000	-
Community Arts Grant Awards	CA24-079509	20,000	-	20,000	20,000	-
		<u>231,216</u>	<u>-</u>	<u>131,216</u>	<u>137,930</u>	<u>93,286</u>
Total State Awards		<u>\$ 231,216</u>	<u>\$ -</u>	<u>\$ 131,216</u>	<u>\$ 137,930</u>	<u>\$ 93,286</u>

City of Morgantown, West Virginia
Notes to the Schedule of State Grant Receipts and Expenditures
For the Fiscal Year Ended June 30, 2024

Note 1 – 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.

Note 2 – 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 Expenditures of Passenger Facility Charges
For the Fiscal Year Ended June 30, 2024

	<u>3rd Qtr. FY 2023</u>	<u>4th Qtr. FY 2023</u>	<u>1st Qtr. FY 2024</u>	<u>2nd Qtr. FY 2024</u>	<u>Total FY 2024</u>
Receipts					
Collections	\$ 10,068	\$ 11,144	\$ 7,872	\$ 8,319	\$ 37,403
Interest	482	526	290	225	1,523
Total Revenues	<u>\$ 10,550</u>	<u>\$ 11,670</u>	<u>\$ 8,162</u>	<u>\$ 8,544</u>	<u>\$ 38,926</u>
Disbursements					
Application 09-07-C00-MGW					
Project 07-007	\$ 10,550	\$ 11,670	\$ 5,060	\$ -	\$ 27,280
Project 07-008	-	-	1,061	-	1,061
Project 07-009	-	-	2,041	8,288	10,329
Project 07-010	-	-	-	256	256
Total Disbursements	<u>\$ 10,550</u>	<u>\$ 11,670</u>	<u>\$ 8,162</u>	<u>\$ 8,544</u>	<u>\$ 38,926</u>
Net PFC Revenue	-	-	-	-	-
PFC Account Balance - Beginning	-	-	-	-	-
PFC Account Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the schedule of passenger facility charges are an integral part of this schedule.

City of Morgantown, West Virginia
Notes to the Schedule of Passenger Facility Charges
For the Fiscal Year Ended June 30, 2024

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.



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

To the Honorable Mayor and Council
City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505

We have audited, in accordance with auditing standards generally accepted in the United States of America and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Morgantown, West Virginia (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated August 29, 2025

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’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 the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

BHM CPA Group

BHM CPA Group Inc.
Huntington, West Virginia
August 29, 2025



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

To the Honorable Mayor and Council
City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505

Report on Compliance for each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Morgantown’s (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal program for the year ended June 30, 2024. The City’s major federal programs are identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings.

In our opinion, the City of Morgantown complied, in all material respects with the 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, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City'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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of finding as item 2024-001. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and corrective action plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A *deficiency in internal control over* exists when the design or operation of a control over compliance does not allow management or employees, in normal course of performing their assigned function, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



BHM CPA Group, Inc
Huntington, West Virginia
August 29, 2025



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

To the Honorable Mayor and Council
City of Morgantown
389 Spruce Street
Morgantown, West Virginia 26505

Compliance

We have audited the compliance of 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, 2024. Compliance with the requirements of laws and regulation applicable to its passenger facility charge program is the responsibility of the City of Morgantown’s management. Our responsibility is to express an opinion on the City of Morgantown’s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 requirement 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’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstance. 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’s compliance with those requirements.

In our opinion, City of Morgantown 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, 2024.

Internal Control Over Compliance

The management of the City of Morgantown is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City of Morgantown’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 the Guide.

City of Morgantown
Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger
Facility Charge Program and on Internal Control Over Compliance
Page 2

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

This report is intended solely for the information and use of the audit committee, management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.
Huntington, West Virginia
August 29, 2025

City of Morgantown, West Virginia

Schedule of Findings

2 CRT § 200.515

June 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR §200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Airport Improvement Program AL #20.106 Community Development Program AL #14.218 and 14.228
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee 2 CFR §200.520?	No

City of Morgantown, West Virginia

Schedule of Findings

2 CRT § 200.515

June 30, 2024

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

None noted

3. FINDINGS FOR FEDERAL AWARDS

Finding Number 2024-001

Material Noncompliance – Timeliness of Single Audit

We noted that the City did not submit the single audit reporting package to the Federal Audit Clearinghouse within the prescribed timeframe.

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) section 200.512 states:

“The audit must be completed and the data collection form...and reporting package...must be submitted within the earlier of 30 calendar days after receipt of the auditor’s report, or nine months after the end of the audit period.

The federal awarding agency or pass-through entity may impose additional conditions, or take actions that could include in part: temporarily withhold cash payments, disallow all or part of the cost of the activity, wholly or partly suspend or terminate the Federal award, withhold further Federal awards for the project or program, or take other remedies that may be legally available.

For future single audits, the City should endeavor to ensure that their complied financial statements are completed prior to the single audit deadline.

Officials Response:

The City of Morgantown agrees with the noncompliance finding related to not submitting the Single Audit reporting package to the Federal Audit Clearinghouse within the timeframe required by 2 CFR §200.512.

The delay was due to the unanticipated turnover of key Finance Department personnel in the Spring of 2024. This staffing turnover was unrelated to any fraud or misconduct but resulted in delays to year-end financial processes.

The City’s corrective action included appointing a new Finance Director and promoting the Compliance Manager to Assistant Finance Director to restore operational continuity and leveraged institutional knowledge within the Finance Department. Internal controls and audit timelines were reviewed and reinforced to ensure future compliance.

With these measures in place, City Leadership expects full compliance with Single Audit submission requirements going forward.

Corrective Action Plan
Uniform Guidance Reference: 2 CFR §200.511(c)
Fiscal Year Ending June 30, 2024

Finding Number: 2024-001

Condition Identified:

The City did not submit the Single Audit reporting package to the Federal Audit Clearinghouse within the timeframe prescribed by 2 CFR §200.512. The regulation requires submission within the earlier of:

- 30 calendar days after receipt of the auditor’s report, or
- Nine months after the end of the audit period.

Cause:

The delay in submission was directly attributable to the unexpected turnover of key personnel within the City’s Finance Department during the Spring of 2024.

It is important to note that this turnover was not related to any suspected or actual fraud, misconduct, or performance issues.

As a result, critical year-end accounting processes and audit preparation tasks were delayed, impacting the timely completion of the Single Audit.

Effect:

The City was unable to meet the federally mandated deadline for submission of the Single Audit reporting package. This resulted in a material noncompliance finding in the Fiscal Year Ended June 30, 2024 audit report.

Corrective Action Taken:

To promptly address the turnover disruption and restore full compliance functionality within the Finance Department, the City undertook the following actions:

- A new Finance Director was appointed, and the existing Compliance Manager was promoted to Assistant Finance Director. This approach ensured operational continuity and leveraged institutional knowledge to maintain momentum in key financial processes.
- The City's Finance Department conducted a comprehensive review of its internal controls over audit preparation timelines. These procedures were strengthened to support timely and accurate financial reporting in alignment with federal compliance standards.

Federal Compliance Oversight:

The City of Morgantown has designated the Finance Director responsible for monitoring federal reporting requirements and coordinating with external auditors to ensure timely submission.

Anticipated Outcome:

With these corrective actions in place, the City is confident that future Single Audit submissions will be completed within the required timeframe. The Finance Department is now fully staffed and operational, and the internal processes have been strengthened to prevent recurrence of this issue.

Contact for Follow-Up:

For questions or additional information regarding this corrective action plan, please contact:

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