

**COUNTY CLERK OF MONONGALIA COUNTY, WEST VIRGINIA
MORGANTOWN, WEST VIRGINIA**

TRANSMITTAL LETTER

Honorable Members of the
Monongalia County Commission

The Monongalia County Clerk's Office is pleased to submit to the Monongalia County Commission the unaudited Annual Financial Report for Monongalia County, West Virginia for the fiscal year ended June 30, 2020. The financial statements included in this report conform to the generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB), and meet or exceed requirements of the state's regulatory agency, the State Auditor as Chief Inspector.

These Statements are published to provide the County Commission, taxpayers, and other interested parties with detailed information concerning the financial condition and activities of the County government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County.

To the best of our knowledge and belief the enclosed data are accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operation of the County as measured by the financial activity of its various funds and account groups. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included, and contain any/all information that is determined necessary to achieve full disclosure.

The government-wide financial statements, along with the Vendors List are published annually in the local newspaper as a Class 1-0 legal advertisement in compliance with West Virginia Code §7-5-16. These statements, along with the full Comprehensive Annual Financial Report, are available for public inspection in the Office of the Monongalia County Clerk during regular business hours and are also posted on our web page at www.monongaliacountyclerk.com.

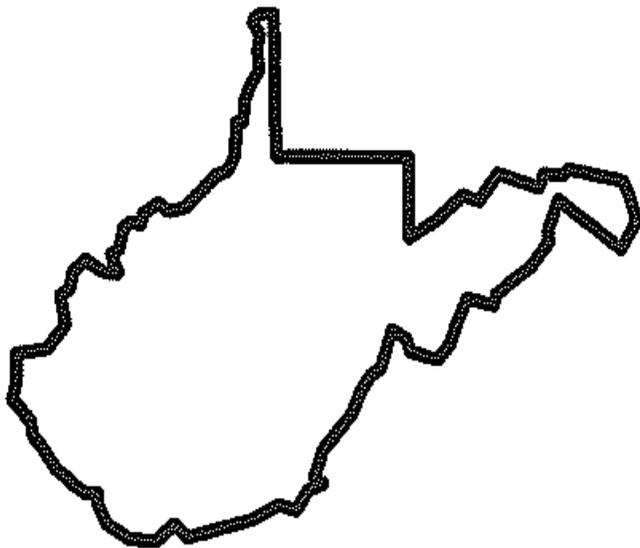
Respectfully Submitted,



Carye L. Blaney
County Clerk

COUNTY OF MONONGALIA WEST VIRGINIA

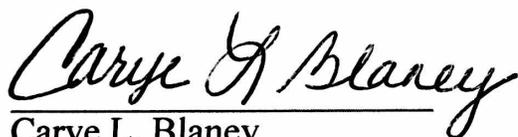
Annual Financial Report For the Fiscal Year ended June 30, 2020



CARYE L. BLANEY
- MONONGALIA COUNTY CLERK

STATE OF WEST VIRGINIA
COUNTY OF MONONGALIA, TO WIT:

I, Carye L. Blaney, County Clerk of the Monongalia County Commission, hereby state under oath that the preceding financial statement of the funds of Monongalia County, of and for the fiscal year ended June 30, 2020 are true and accurate to the best of our knowledge and belief. However, these statements are not audited and thereby subject to change.

A handwritten signature in cursive script that reads "Carye L. Blaney". The signature is written in black ink and is positioned above a horizontal line.

Carye L. Blaney
Monongalia County Clerk



Certified Public Accountants, A.C.

**MONONGALIA COUNTY COMMISSION
Compilation Report
For the Year Ended June 30, 2020**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

MONONGALIA COUNTY, WEST VIRGINA

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MONONGALIA COUNTY, WEST VIRGINIA

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MONONGALIA COUNTY, WEST VIRGINIA
COUNTY OFFICIALS
For the Fiscal Year Ended June 30, 2020

OFFICE	NAME	TERM
	<u>Elective</u>	
County Commission:	Tom Bloom	01-01-18 / 12-31-23
	Edward Hawkins	01-01-15 / 12-31-20
	Sean Sikora	01-01-17 / 12-31-22
Clerk of the County Commission:	Carye Blaney	01-01-17 / 12-31-22
Clerk of the Circuit Court:	Jean Friend	01-01-17 / 12-31-22
Sheriff:	Perry Palmer	01-01-17 / 12-31-20
Prosecuting Attorney:	Perri DeChristopher	01-01-17 / 12-31-20
Assessor:	Mark Musick	01-01-17 / 12-31-20

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Monongalia County Commission
243 High Street Room 123
Morgantown, WV 26505

To the Board of Commissioners:

Management is responsible for the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Monongalia County**, West Virginia (the County), as of and for the year ended June 30, 2020, which collectively comprise the County's basic financial statements as listed in the table of contents, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Generally accepted accounting principles requires that Management's Discussion and Analysis, on pages 4-12, Schedules of the County's Proportionate Share of the Net Pension Liability, Schedules of County Pension Contributions, Schedule of the County's Proportionate Share of the Net OPEB Liability, and Schedule of County OPEB Contributions on pages 57-62 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been compiled by us without audit or review and we do not express an opinion, a conclusion, nor provide any assurance on it.

The supplementary information contained in Budgetary Comparison Schedule – Assessor's Valuation Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Accounting principles generally accepted in the United States of America require that discretely presented component units be presented in the financial statements of the primary government. Due to the discretely presented component unit information not being readily available, the County has not presented the discretely presented component units in the accompanying financial statements. Management has not determined the effect of this departure on the financial statements.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

October 7, 2020

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

The discussion and analysis of Monongalia County's (the "County") financial performance provides an overall review of the County's

Financial Highlights

Key financial highlights for 2020 are as follows:

The assets and deferred outflows of resources of Monongalia County were less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$114,165,767. Of this amount, \$23,764,046 is restricted in use.

Total assets and deferred outflows increased by \$14,685,802, which represents a 23 percent increase over 2019. The primary change that contributed to this increase was the increase in restricted cash related to TIF bonds.

Total liabilities and deferred inflows of resources increased by \$43,273,243, which represents an increase of 29 percent over 2019. The main factor contributing to this increase was the issuance of \$38,458,752 in TIF bonds payable and the issuance of \$52,731,497 in Excise tax bonds payable, related to the University Town Centre project.

In total, net position decreased by \$28,587,441 during 2020. This represents a 33 percent decrease from 2019.

For 2020, the County's net pension liability increased by \$700,701 and the OPEB liability decreased by \$605,621, for a total increase of \$95,080.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to Monongalia County's basic financial statements. Monongalia County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements – Reporting Monongalia County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position presents information on all Monongalia County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the four reported as *net position*. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of Monongalia County is improving or deteriorating. However, in evaluating the overall position of the County, nonfinancial factors such as the County's tax base, change in property and municipal income tax laws, and the condition of the capital assets should also be considered.

The statement of activities presents information showing how the County's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

Both the statement of net position and the statement of activities use the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

In the statement of net position and the statement of activities, we report the County activities as follows:

Governmental activities: most of the County's basic services are reported here, including law enforcement for unincorporated areas of the County, health and social services, cultural and recreational programs, and other governmental services. Property and other taxes, state and county taxes, licenses, permits and charges for services finance most of these activities.

Fund Financial Statements - Reporting Monongalia County's Most Significant Funds

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. Monongalia County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Monongalia County are reported as governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all *other financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds.

Information on the County's individual governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund, coal severance tax fund, and the university town center debt service fund, all of which are considered to be major funds. The remaining funds are combined and presented within the column titled other nonmajor governmental funds.

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the basic financial statement of this report.

MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

Government-wide Financial Analysis - Monongalia County as a Whole

Table 1
Net Position

	Government Activities		Change
	2020	2019	
Assets			
Current and Other Assets	\$ 17,582,667	\$ 16,502,512	\$ 1,080,155
Capital Assets, Net	35,699,549	35,837,221	(137,672)
Restricted Assets	23,507,375	9,805,881	13,701,494
Total Assets	<u>76,789,591</u>	<u>62,145,614</u>	<u>14,643,977</u>
Deferred Outflows of Resources			
Pension	1,598,374	1,550,532	47,842
OPEB	195,311	201,328	(6,017)
Total Deferred Outflows	<u>1,793,685</u>	<u>1,751,860</u>	<u>41,825</u>
Liabilities			
Current and Other Liabilities	1,254,578	959,773	294,805
Long-Term Liabilities:			
Due Within One Year	1,915,000	2,183,710	(268,710)
Other Amounts Due in More than One Year	183,401,723	140,111,392	43,290,331
Net Pension Liability	2,136,153	1,435,452	700,701
Net OPEB Liability	1,621,282	2,226,903	(605,621)
Total Liabilities	<u>190,328,736</u>	<u>146,917,230</u>	<u>43,411,506</u>
Deferred Inflows of Resources			
Pension	1,344,246	1,667,900	(323,654)
OPEB	1,076,061	890,670	185,391
Total Deferred Inflows	<u>2,420,307</u>	<u>2,558,570</u>	<u>(138,263)</u>
Net Position			
Net Investment in Capital Assets	21,859,964	20,500,336	1,359,628
Restricted	23,507,375	9,805,881	13,701,494
Unrestricted (Deficit)	<u>(159,533,106)</u>	<u>(115,884,543)</u>	<u>(43,648,563)</u>
Total Net Position	<u>\$ (114,165,767)</u>	<u>\$ (85,578,326)</u>	<u>\$ (28,587,441)</u>

MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of West Virginia's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In West Virginia, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In West Virginia, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result, the County is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

A portion of the County's net position reflects its net investment in capital assets. Capital assets include construction in progress, land, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure. The County uses those capital assets to provide services to its citizens; consequently, they are not available for future spending. Net investment in capital assets as of June 30, 2020, was \$21,859,964. Although the County's investment is reported net of related debt, it should be noted that resources to repay the debt must be provided from other sources since capital assets cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net position of a negative \$159,789,777 may be used to meet the County's ongoing obligations to citizens and creditors.

Total net position of the County decreased \$28,587,441. The following factors were primarily responsible for this decrease:

- An increase in current and other assets of \$823,484.
- A decrease in capital assets, net of \$137,672.
- An increase in deferred outflows of resources – pension and OPEB of \$41,825.
- An increase in net pension liability of \$700,701.
- A decrease in net OPEB liability of \$605,621.
- A decrease in deferred inflows of resources – pension and OPEB of \$228,263.
- An increase in other long-term liabilities of \$43,290,331.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further detail regarding the results of activities for the current year in comparison to 2019.

MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

Table 2
Change in Net Position

	Governmental Activities		
	2020	2019	Change
Program Revenues:			
Charges for Services	\$ 4,464,110	\$ 4,804,662	\$ (340,552)
Operating Grants and Contributions	731,209	5,406,344	(4,675,135)
Capital Grants and Contributions	4,575,622	-	4,575,622
Total Program Revenues	<u>9,770,941</u>	<u>10,211,006</u>	<u>(440,065)</u>
General Revenues:			
Property Taxes	27,931,487	28,384,518	(453,031)
Coal Severance & Other Taxes	4,741,965	5,101,752	(359,787)
Licenses and Permits	39,485	54,097	(14,612)
Fines and Forfeits	345,429	-	345,429
Investment Income	680,731	378,432	302,299
Refunds and Reimbursements	3,260,706	4,425,513	(1,164,807)
Sale of Assets	6,945	-	6,945
State OPEB Special Funding Revenue	95,159	-	95,159
Miscellaneous	849,513	735,271	114,242
Total General Revenues	<u>37,951,420</u>	<u>39,079,583</u>	<u>(1,128,163)</u>
Total Revenues	<u>47,722,361</u>	<u>49,290,589</u>	<u>(1,568,228)</u>
Program Expenses			
General Government	17,271,629	18,173,004	(901,375)
Public Safety	14,426,494	14,493,273	(66,779)
Health and Sanitation	799,614	772,255	27,359
Administrative and General	51,123	79,686	(28,563)
Culture and Recreation	2,258,339	2,770,912	(512,573)
Social Services	2,591,655	350,476	2,241,179
Capital Projects	32,488,696	27,687,952	4,800,744
Interest on Long-Term Debt	6,422,252	7,291,828	(869,576)
Total Program Expenses	<u>76,309,802</u>	<u>71,619,386</u>	<u>4,690,416</u>
Change in Net Position	(28,587,441)	(22,328,797)	(6,258,644)
Net Position, Beginning of Year	<u>(85,578,326)</u>	<u>(63,249,529)</u>	<u>(22,328,797)</u>
Net Position, End of Year	<u>\$ (114,165,767)</u>	<u>\$ (85,578,326)</u>	<u>\$ (28,587,441)</u>

MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

Governmental Activities

Several revenue sources fund our governmental activities with the property tax being the largest contributor. During 2020, the revenues generated from property tax collections amounted to \$27,931,487, which represents 74 percent of all County general revenues.

General government and public safety are the major activities of the County generating 42 percent of the governmental expenses. Public safety includes the cost of providing police, dispatch, and fire services. Techniques such as defensive and emergency vehicle operations training, technical skills evaluation, practical drills, and on-line education help keep the men and women updated to perform their jobs most efficiently.

General government expense accounted for \$17,271,629, or 23 percent, of the governmental expenses. Expenses for this program decreased \$901,375 compared to 2019. The decrease in expense is due to a combined decrease in wages and health care and workers compensation expenditures, and decreases in repairs and maintenance expenditures that did not meet capitalization threshold during the current year.

Capital projects expense accounted for \$32,488,696, or 43 percent, of the governmental expenses. Expenses for this program increased \$4,800,744 compared to 2019 due to an increase in expenditures related to the University Town Center project and related TIF and excise tax bond activity.

The County's Funds

Governmental Funds

Information about the County's major funds starts on the balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$47,574,950, other financing sources of \$110,707,021, expenditures of \$79,110,674 and other financing uses of \$64,736,705. Overall fund balance increased \$14,434,592, or 61 percent during the year.

The net change in fund balance for the general fund was a decrease in fund balance of 58,304 in 2020 which decreases its fund balance to \$9,523,637.

The net change in fund balance in the university town center debt service fund was an increase of \$10,804,160 in 2020 which increases its fund balance to \$19,501,669. Restricted cash increase to \$23,507,375 as unspent TIF and excise tax bond proceeds remained on hand at the end of the year. The coal severance tax fund reflected a decrease of \$112,650, or 57 percent. Net change in fund balance for all other non-major funds was an increase of \$3,801,386, or 72 percent.

MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020

General Fund Budgeting Highlights

The County's budget is prepared according to West Virginia law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. An annual appropriation budget is legally required to be prepared for all funds of the County other than agency funds. County Commissioners are provided with a detailed line item budget for all departments and after a discussion at a regularly held meeting, which is open to the public; the budget is adopted by the Commissioners. The Commissioners must approve legislation for any revisions in the budget that alter totals or the total appropriations for any department or fund. The finance department watches all the departmental budgets closely to monitor compliance with allocated budgets and provides monthly reports to the County Commissioners depicting monthly and year-to-date activity.

For the general fund, final budget basis revenue, excluding other financing sources was \$28,784,754, more than the original budget estimates of \$27,781,622. The County continues the conservative practice of estimating low in the tax, intergovernmental revenue and interest revenue areas. The final appropriations of \$36,685,075, excluding other financing uses, was sufficient to meet the expenditures for the year, which ended up at \$28,634,828. The final budget of expenditures, excluding other financing uses, increased \$1,275,566 from the original budget.

The County's ending unobligated budgetary fund balance was \$10,482,139 higher than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2020, Monongalia County had \$35,699,549, invested in land, construction in progress, buildings and improvements, structures and improvements and machinery and equipment, net of accumulated depreciation.

Table 3 shows fiscal 2020 balances of capital assets as compared to the 2019 balances:

Table 3
Capital Assets at Decemer 31
(Net of Accumulated Depreciation)

	Governmental Activities		
	2020	2019	Change
Construction in Progress	\$ 4,465,880	\$ 3,450,000	\$ 1,015,880
Land	984,200	984,200	-
Building and Improvements	35,854,328	35,854,328	-
Structures and Improvements	5,464,911	5,464,911	-
Machinery and Equipment	6,357,051	5,805,280	551,771
Less: Total Accumulated Depreciation	(17,426,821)	(15,721,498)	(1,705,323)
 Total Capital Assets	 \$ 35,699,549	 \$ 35,837,221	 \$ (137,672)

The County has an aggressive stance on maintaining its assets, including infrastructure, in excellent condition. Vehicles such as trucks and plows are planned for well in advance by the respective department heads and a scheduled maintenance and replacement timetable is followed to provide peak performance for the maximum time frame. Vehicles no longer in service are either traded in or sold at an auction or online.

Additional information concerning the County's capital assets can be found in the Note III. C to the financial statements.

**MONONGALIA COUNTY, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2020**

Debt

At June 30, 2020, Monongalia County had \$189,074,158 in outstanding debt, notes payable, net pension liability, net OPEB liability and

**Table 4
Outstanding Long-Term Obligations at Year End**

	Governmental Activities		Change
	2020	2019	
Lease Revenue Bonds, Net of Premium and Discount	\$ 13,839,585	\$ 14,603,235	\$ (763,650)
TIF Bonds	43,900,296	32,426,254	11,474,042
Excise Tax Bonds, Net of Discount	126,626,291	94,182,912	32,443,379
Notes Payable	-	259,710	(259,710)
Net Pension Liability	2,136,153	1,435,452	700,701
Net OPEB Liability	1,621,282	2,226,903	(605,621)
Compensated Absences	950,551	822,991	127,560
Total	\$ 189,074,158	\$ 145,957,457	\$ 43,116,701

Lease revenue bonds were issued for the design, acquisition, construction, and equipping of a Monongalia County Justice Center. The TIF bonds consist of projects related to the Morgantown Industrial Park, the Monongalia General Hospital, the Star City project, and the University Town Center project.

Other obligations include notes payable, the net pension liability, the net OPEB liability and accrued compensated absences. Additional information concerning the County's debt can be found in Note III. G to the financial statements.

Current Related Financial Activities

The fund balance in the General Fund decreased in 2020 as a result of the property and other taxes revenue decreases. Due to the stagnation in the national economy and increases in federal and state funding cutbacks in recent years, the Commissioners and the department heads have worked diligently in reducing expenses. The Commissioners are reviewing all "non-statutorily" mandated expenditure functions to determine what can be further reduced and/or eliminated, and they are stringently monitoring all expenses and are curtailing travel and equipment purchases unless absolutely needed.

The County's portion of federal and state-based revenue has also been affected by the economic conditions. The State of West Virginia has experienced revenue losses and, as a result, has instituted cutbacks to state agencies and in their allocations to county and other local governments. These reduced federal and state funding/reimbursements for various programs have, in some cases, resulted in additional pressure on the General Fund balance.

Inflationary trends for the County improved in 2020. Monongalia County's economy has been resilient in contrast to other counties in the State of West Virginia who are facing significant financial hardships and budget reductions. The key factor is the County's diversified commercial and industrial economic base. The County is fortunate to have a fairly large amount of undeveloped land in the portions of the County which can hopefully house future new development once the economy improves.

Contacting Monongalia County's Finance Department

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional financial information, contact County Administrator, Renetta McClure, Monongalia County, Morgantown, West Virginia 26505, telephone (304) 291-7293.

MONONGALIA COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2020

		<u>Primary Government</u>
		<u>Governmental Activities</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	15,460,781
Receivables:		
Taxes		1,942,439
Grants		179,447
Total current assets		<u>17,582,667</u>
Restricted assets:		
Restricted cash		23,507,375
Capital assets:		
Nondepreciable:		
Land		984,200
Construction in progress		4,465,880
Depreciable:		
Buildings		35,854,328
Structures and improvements		5,464,911
Machinery and equipment		6,357,051
Less: accumulated depreciation		<u>(17,426,821)</u>
Total noncurrent assets		<u>59,206,924</u>
Total assets		<u>76,789,591</u>
DEFERRED OUTFLOWS		
Pension		1,598,374
OPEB		<u>195,311</u>
Total deferred outflows of resources	\$	<u>1,793,685</u>

MONONGALIA COUNTY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government
	Governmental Activities
LIABILITIES	
Current liabilities payable	
from current assets:	
Accounts payable	\$ 721,606
Interest payable	532,972
Noncurrent liabilities:	
Bonds payable - due within one year	1,915,000
Bonds payable - due in more than one year	182,451,172
Compensated absences payable	950,551
Net pension liability	2,136,153
Net OPEB Liability	1,621,282
 Total liabilities	 190,328,736
DEFERRED INFLOWS	
Pension	1,344,246
OPEB	1,076,061
 Total deferred inflows of resources	 2,420,307
NET POSITION	
Net investment in capital assets	21,859,964
Restricted for:	
Debt service	23,507,375
Unrestricted	(159,533,106)
 Total net position	 \$ (114,165,767)

MONONGALIA COUNTY, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for	Operating Grants and	Capital Grants and	Primary Government
		Services	Contributions	Contributions	Governmental Activities
Functions / Programs					
Primary government:					
Governmental activities:					
General government	\$ 17,271,629	\$ 4,464,110	\$ 435,022	\$ -	\$ (12,372,497)
Public safety	14,426,494	-	296,187	-	(14,130,307)
Health and sanitation	799,614	-	-	-	(799,614)
Administrative and general	51,123	-	-	-	(51,123)
Culture and recreation	2,258,339	-	-	-	(2,258,339)
Social services	2,591,655	-	-	-	(2,591,655)
Capital projects	32,488,696	-	-	4,575,622	(27,913,074)
Interest on long-term debt	6,422,252	-	-	-	(6,422,252)
	<u>76,309,802</u>	<u>4,464,110</u>	<u>731,209</u>	<u>4,575,622</u>	<u>(66,538,861)</u>
Total governmental activities	76,309,802	4,464,110	731,209	4,575,622	(66,538,861)
Total primary government	<u>\$ 76,309,802</u>	<u>\$ 4,464,110</u>	<u>\$ 731,209</u>	<u>\$ 4,575,622</u>	<u>(66,538,861)</u>
General revenues:					
Ad valorem property taxes					27,931,487
Alcoholic beverages tax					302,916
Hotel occupancy tax					835,593
Gas and oil severance tax					546,455
Other taxes					2,869,147
Coal severance tax					187,854
Licenses and permits					39,485
Fines and Forfeits					345,429
Unrestricted investment earnings					680,731
Refunds					2,950,512
Reimbursement					310,194
Sale of capital assets					6,945
State Special Funding Revenue					95,159
Miscellaneous					849,513
					<u>37,951,420</u>
Total general revenues					37,951,420
Change in net position					(28,587,441)
Net position - beginning					<u>(85,578,326)</u>
Net position - ending					<u>\$ (114,165,767)</u>

MONONGALIA COUNTY, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	<u>General</u>	<u>Coal Severance Tax</u>	<u>University Town Center Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS					
Assets:					
Current:					
Cash and cash equivalents	\$ 9,774,102	\$ 108,598	\$ -	\$ 5,578,081	\$ 15,460,781
Receivables:					
Taxes	1,560,864	-	-	381,575	1,942,439
Grants	179,447	-	-	-	179,447
Restricted cash	-	-	19,959,666	3,547,709	23,507,375
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets and deferred outflows of resources	\$ <u>11,514,413</u>	\$ <u>108,598</u>	\$ <u>19,959,666</u>	\$ <u>9,507,365</u>	\$ <u>41,090,042</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 652,771	\$ 22,656	\$ -	\$ 46,179	\$ 721,606
Other accrued expenses	-	-	457,997	74,975	532,972
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	652,771	22,656	457,997	121,154	1,254,578
Deferred Inflows:					
Unavailable revenue - taxes	1,338,005	-	-	271,084	1,609,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	1,338,005	-	-	271,084	1,609,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	1,990,776	22,656	457,997	392,238	2,863,667
Fund balances:					
Restricted	-	-	19,501,669	9,115,127	28,616,796
Assigned	9,121,331	85,942	-	-	9,207,273
Unassigned	402,306	-	-	-	402,306
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	9,523,637	85,942	19,501,669	9,115,127	38,226,375
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows and fund balances	\$ <u>11,514,413</u>	\$ <u>108,598</u>	\$ <u>19,959,666</u>	\$ <u>9,507,365</u>	\$ <u>41,090,042</u>

MONONGALIA COUNTY, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances on the governmental fund's balance sheet	\$ 38,226,375
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds. (Note III.C.)	35,699,549
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. (Note III.B.)	1,609,089
Deferred inflows and outflows related to pension activity are not required to be reported in the funds but are required to be reported at the government-wide level (Note V):	
Deferred outflow - Pension	1,598,374
Deferred outflow - OPEB	195,311
Deferred outflow (inflow) - Pension	(1,344,246)
Deferred outflow (inflow) - OPEB	(1,076,061)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (Note III.F.)	<u>(189,074,158)</u>
Net position of governmental activities	<u>\$ (114,165,767)</u>

MONONGALIA COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	<u>General</u>	<u>Coal Severance Tax</u>	<u>University Town Center Debt Service</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Ad valorem property taxes	\$ 19,323,656	\$ -	\$ -	\$ 8,555,579	\$ 27,879,235
Alcoholic beverages tax	302,916	-	-	-	302,916
Hotel occupancy tax	835,593	-	-	-	835,593
Gas and oil severance tax	546,455	-	-	-	546,455
Other taxes	1,627,894	-	-	1,241,253	2,869,147
Coal severance tax	-	187,359	-	495	187,854
Licenses and permits	3,000	-	-	36,485	39,485
Intergovernmental:					
Federal	435,022	-	-	-	435,022
State	196,187	-	4,575,622	100,000	4,871,809
Charges for services	1,301,099	-	-	3,163,011	4,464,110
Fines and forfeits	-	-	-	345,429	345,429
Interest and investment earnings	225,184	2,772	328,177	124,598	680,731
Refunds	2,956,841	-	-	(6,329)	2,950,512
Reimbursements	-	-	-	310,194	310,194
Payments in lieu of taxes	594,545	-	-	117,351	711,896
Contributions and donations	3,640	-	-	-	3,640
Miscellaneous	26,202	-	89,216	25,504	140,922
Total revenues	<u>28,378,234</u>	<u>190,131</u>	<u>4,993,015</u>	<u>14,013,570</u>	<u>47,574,950</u>
EXPENDITURES					
Current:					
General government	13,445,300	79,755	-	2,040,940	15,565,995
Public safety	10,952,015	-	-	3,187,639	14,139,654
Health and sanitation	786,718	2,875	-	-	789,593
Administrative and general	-	-	30,482	20,641	51,123
Culture and recreation	787,409	19,580	-	1,583,914	2,390,903
Social services	196,137	200,571	-	2,194,910	2,591,618
Capital outlay	1,191,683	-	31,090,112	1,229,430	33,511,225
Debt service:					
Principal	-	-	750,000	2,115,310	2,865,310
Interest	-	-	5,649,854	723,633	6,373,487
Bond issuance costs	-	-	781,766	50,000	831,766
Total expenditures	<u>27,359,262</u>	<u>302,781</u>	<u>38,302,214</u>	<u>13,146,417</u>	<u>79,110,674</u>
Excess (deficiency) of revenues over expenditures	<u>1,018,972</u>	<u>(112,650)</u>	<u>(33,309,199)</u>	<u>867,153</u>	<u>(31,535,724)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	600,452	-	2,125,747	3,419,232	6,145,431
Transfers (out)	(1,677,728)	-	-	(4,467,703)	(6,145,431)
Currently Refunded TIF Bonds	-	-	(58,591,274)	-	(58,591,274)
TIF Bonds Issued	-	-	100,578,886	3,982,704	104,561,590
Total other financing sources (uses)	<u>(1,077,276)</u>	<u>-</u>	<u>44,113,359</u>	<u>2,934,233</u>	<u>45,970,316</u>
Net change in fund balances	(58,304)	(112,650)	10,804,160	3,801,386	14,434,592
Fund balances - beginning	<u>9,581,941</u>	<u>198,592</u>	<u>8,697,509</u>	<u>5,313,741</u>	<u>23,791,783</u>
Fund balances - ending	<u>\$ 9,523,637</u>	<u>\$ 85,942</u>	<u>\$ 19,501,669</u>	<u>\$ 9,115,127</u>	<u>\$ 38,226,375</u>

MONONGALIA COUNTY, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 14,434,592
Capital outlays are reported as an expenditure in the governmental funds but are considered an asset at the government-wide level. This is the amount of capital assets that were purchased during the fiscal year. (Note III.C.)	1,643,575
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year. (Note III.C.)	(1,781,247)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between prior and current year unavailable/unearned revenues.	52,252
Prior year unavailable/unearned revenues: \$1,556,837	
Current year unavailable/unearned revenues: \$1,609,089	
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note III.G.)	(42,894,061)
Certain pension & OPEB expenses and revenues in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68 and 75. (Note V)	
Amount of pension expenses recognized at government-wide level	(329,205)
Amount of OPEB expenses recognized at government-wide level	319,054
Amount of OPEB state special funding revenue recognized at government-wide level	95,159
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note III.F.)	<u>(127,560)</u>
Change in net position of governmental activities	<u>\$ (28,587,441)</u>

MONONGALIA COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	Adjustments	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Modified Accrual Basis</u>	<u>Budget Basis</u>	<u>Budget Basis</u>	Final Budget <u>Positive (Negative)</u>
REVENUES						
Taxes:						
Ad valorem property taxes	\$ 20,477,972	\$ 20,477,972	\$ 19,323,656	\$ -	\$ 19,323,656	\$ (1,154,316)
Alcoholic beverages tax	80,000	80,000	302,916	-	302,916	222,916
Hotel occupancy tax	900,000	900,000	835,593	-	835,593	(64,407)
Gas and oil severance tax	300,000	300,000	546,455	-	546,455	246,455
Other taxes	1,425,000	1,425,000	1,627,894	-	1,627,894	202,894
Licenses and permits	3,550	3,550	3,000	-	3,000	(550)
Intergovernmental:						
Federal	250,000	250,000	435,022	-	435,022	185,022
State	200,000	262,500	196,187	-	196,187	(66,313)
Local	35,000	35,000	-	-	-	(35,000)
Charges for services	1,496,600	1,497,316	1,301,099	-	1,301,099	(196,217)
Interest and investment earnings	50,000	50,000	225,184	-	225,184	175,184
Refunds	1,503,000	1,761,376	2,956,841	-	2,956,841	1,195,465
Payments in lieu of taxes	500,500	500,500	594,545	-	594,545	94,045
Contributions and donations	-	-	3,640	-	3,640	3,640
Miscellaneous	560,000	572,500	26,202	406,520	432,722	(139,778)
Total revenues	27,781,622	28,115,714	28,378,234	406,520	28,784,754	669,040
EXPENDITURES						
Current:						
General government	20,473,556	21,096,752	13,445,300	1,275,566	14,720,866	6,375,886
Public safety	11,387,803	12,218,690	10,952,015	-	10,952,015	1,266,675
Health and sanitation	1,054,263	1,063,208	786,718	-	786,718	276,490
Culture and recreation	1,340,000	853,000	787,409	-	787,409	65,591
Social services	175,000	203,425	196,137	-	196,137	7,288
Capital outlay	1,250,000	1,250,000	1,191,683	-	1,191,683	58,317
Total expenditures	35,680,622	36,685,075	27,359,262	1,275,566	28,634,828	8,050,247
Excess (deficiency) of revenues over expenditures	<u>(7,899,000)</u>	<u>(8,569,361)</u>	<u>1,018,972</u>	<u>(869,046)</u>	<u>149,926</u>	<u>8,719,287</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,000	1,000	600,452	(406,520)	193,932	192,932
Transfers (out)	<u>(2,500)</u>	<u>(502,500)</u>	<u>(1,677,728)</u>	<u>1,275,566</u>	<u>(402,162)</u>	<u>100,338</u>
Total other financing sources (uses)	(1,500)	(501,500)	(1,077,276)	869,046	(208,230)	293,270
Net change in fund balance	(7,900,500)	(9,070,861)	(58,304)	-	(58,304)	9,012,557
Fund balance - beginning	8,000,000	9,317,356	10,786,938	-	10,786,938	1,469,582
Fund balance - ending	<u>\$ 99,500</u>	<u>\$ 246,495</u>	<u>\$ 10,728,634</u>	<u>\$ -</u>	<u>\$ 10,728,634</u>	<u>\$ 10,482,139</u>

MONONGALIA COUNTY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	Adjustments	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Modified Accrual Basis</u>	<u>Budget Basis</u>	<u>Budget Basis</u>	Final Budget <u>Positive (Negative)</u>
REVENUES						
Taxes:						
Coal severance tax	\$ 194,100	\$ 194,100	\$ 187,359	\$ -	\$ 187,359	\$ (6,741)
Interest and investment earnings	-	-	2,772	-	2,772	2,772
Total revenues	<u>194,100</u>	<u>194,100</u>	<u>190,131</u>	<u>-</u>	<u>190,131</u>	<u>(3,969)</u>
EXPENDITURES						
Current:						
General government	20,000	158,592	79,755	-	79,755	78,837
Health and sanitation	-	-	2,875	-	2,875	(2,875)
Culture and recreation	30,000	30,000	19,580	-	19,580	10,420
Social services	<u>204,100</u>	<u>204,100</u>	<u>200,571</u>	<u>-</u>	<u>200,571</u>	<u>3,529</u>
Total expenditures	<u>254,100</u>	<u>392,692</u>	<u>302,781</u>	<u>-</u>	<u>302,781</u>	<u>89,911</u>
Net change in fund balance	(60,000)	(198,592)	(112,650)	-	(112,650)	85,942
Fund balance - beginning	<u>60,000</u>	<u>198,592</u>	<u>198,592</u>	<u>-</u>	<u>198,592</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,942</u>	<u>\$ -</u>	<u>\$ 85,942</u>	<u>\$ 85,942</u>

MONONGALIA COUNTY, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	Agency <u>Funds</u>
ASSETS	
Non-pooled cash	\$ <u>2,329,742</u>
Receivables:	
Other	<u>6,742,934</u>
Total assets and deferred outflows of resources	\$ <u><u>9,072,676</u></u>
LIABILITIES	
Due to: other governments	<u>9,072,676</u>
Total liabilities and deferred inflows of resources	\$ <u><u>9,072,676</u></u>

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Monongalia County is one of fifty-five counties established under the Constitution and the Laws of the State of West Virginia. There are six offices elected county-wide, which are: County Commission, County Clerk, Circuit Clerk, Assessor, Sheriff, and Prosecuting Attorney.

The County Commission is the legislative body for the government, and as such budgets and provides all the funding used by the separate Constitutional Offices except for the offices of the Assessor and the Sheriff, which also have additional revenue sources. The County Clerk's office maintains the accounting system for the County's operations. The operations of the County as a whole, however, including all the Constitutional offices have been combined in these financial statements.

The services provided by the government and accounted for within these financial statements include law enforcement for unincorporated areas of the County, health and social services, cultural and recreational programs, and other governmental services.

The accompanying financial statements do not present all of the primary government's component units as required by generally accepted accounting principles. 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 forth 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 County.

Blended Component Unit

The entity below is legally separate from the County and meets GASB criteria for component units. This entity is blended with the primary government because it provides services entirely or almost entirely to the County.

The Monongalia County Building Commission serves Monongalia County, West Virginia, and is governed by a board comprised of five members appointed by the County Commission for a term of six years each. The Building Commission acquires property and debt on behalf of the County.

Complete financial statements for each of the individual component units can be obtained at the entity's administrative offices.

Jointly Governed Organizations

The County, in conjunction with the City of Morgantown, has created the Monongalia County Urban Mass Transit Authority. The authority is composed of seven members with three members appointed by the Monongalia County Commission, three members appointed by the City of Morgantown, and a seventh being an agreed upon appointee who is a representative of West Virginia University.

MONONGALIA COUNTY, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2020

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of 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 who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

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

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 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. 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.

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The government reports the following major governmental funds:

The *General fund* is the government's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.

The *Coal Severance Tax fund*, a special revenue fund, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia counties. The State Auditor's Office requires an annual budget be submitted for approval for this fund.

The *University Town Center Debt Service fund*, a debt service fund, accounts for the activity in the trustee bank accounts associated with bonds issued by the Monongalia County Commission for the University Series bonds.

Additionally, the government reports the following fund types:

The agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the full accrual basis of accounting. These funds are used to account for assets that Monongalia County, West Virginia holds for others in an agency capacity.

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.

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.

Use of Estimates – The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenditures during the period reported. These estimates may include the collectability or taxes receivable and the useful lives of impairment of both tangible and intangible assets. Any estimates or assumptions are periodically reviewed and any revisions are reflected in the financial statements in the period determined to be necessary. Actual results may differ from these estimates.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Deposits and Investments

Monongalia County, 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.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the County reports its investments at fair value, except for non-participating investment contracts (certificates of deposit 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.

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State statutes authorize the government to enter into agreements with the State Treasurer for the investment of monies. Authority is provided for investment in the Investment Management Board, the West Virginia Board of Treasury or the Municipal Bond Commission, or to invest such funds in the following classes of securities: Any investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. §80a, the portfolio of which is limited: (i) To obligations issued by or guaranteed as to the payment of both principal and interest by the United States of America or its agencies or instrumentalities; and (ii) to repurchase agreements fully collateralized by obligations of the United States government or its agencies or instrumentalities: Provided, That the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian: Provided, however, That the investment company or investment trust is rated within one of the top two rating categories of any nationally recognized rating service such as Moody's or Standard & Poor's.

2. Receivables and Payables

Property Tax Receivable

The property tax receivable allowance is equal to 16 percent of the property taxes outstanding at June 30, 2020.

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 per annum is added from the date they become delinquent until the date they are paid. Taxes paid on or before the due date are allowed a two and one half percent discount. A tax lien is issued for all unpaid real estate taxes as of the date of the sheriff's sale and these liens are sold between October 14th and November 23rd of each year. Sixty days of estimated property tax collections are recorded in revenues at the end of each fiscal year.

All counties 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, fourteen and three-tenths cents (14.30 cents); On Class II property, twenty-eight and six-tenths cents (28.60 cents); On Class III property, fifty-seven and two-tenths cents (57.20 cents); On Class IV property, fifty-seven and two-tenths cents (57.20 cents). In addition, counties 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.

MONONGALIA COUNTY, WEST VIRGINIA
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The rates levied by the County per \$100 of assessed valuation for each class of property for the fiscal year ended June 30 were as follows:

Class of Property	Assessed Valuation For Tax Purposes	Current Expense	Mass Transit Excess Levy	Parks and Recreation Excess Levy	Fire Protection Excess Levy	Public Libraries Excess Levy
Class I	\$ -	11.75 cents	1.10 cents	0.58 cents	0.37 cents	0.27 cents
Class II	2,653,199,238	23.50 cents	2.20 cents	1.16 cents	0.74 cents	0.54 cents
Class III	2,383,215,388	47.00 cents	4.40 cents	2.32 cents	1.48 cents	1.08 cents
Class IV	1,211,744,310	47.00 cents	4.40 cents	2.32 cents	1.48 cents	1.08 cents

Monongalia County, West Virginia held a special election on May 10, 2016. The County was authorized to lay an excess levy to provide approximately \$1,803,711 annually during the five fiscal years ended June 30, 2017 through June 30, 2021, for the purpose of contributing funds from such levy to the Monongalia County Urban Mass Transportation Authority (Mountain Line) for the acquisition of equipment and other capital improvements, and payment of a portion of its general operating, maintenance and other expenses.

Monongalia County, West Virginia held a special election on May 10, 2016. The County was authorized to lay an excess levy to provide approximately \$951,047 annually during the five fiscal years ended June 30, 2017 through June 30, 2021, for the purpose of providing funding and maintenance of the Parks, Trails, and Recreation programs. Those funding items include: Operation, Expenses, and other Capital Improvements for Camp Muffly Park, Chestnut Ridge Park, Mason-Dixon Historical Park, Mon River and Deckers Creek Rail-Trails, Westover Park Baseball Facilities, Cheat Lake and Laurel Point soccer fields, and the Morgantown Ice Arena.

Monongalia County, West Virginia held a special election on May 10, 2016. The County was authorized to lay an excess levy to provide approximately \$688,689 annually during the five fiscal years ended June 30, 2017 through June 30, 2021, for the Monongalia County Volunteer Fire Departments, the Monongalia Hazardous Incident Response Team, the Monongalia County Brush Fire Team, and the Monongalia County Volunteer Fire Companies Association Inc.

Monongalia County, West Virginia held a special election on May 10, 2016. The County was authorized to lay an excess levy to provide approximately \$442,730 annually during the five fiscal years ended June 30, 2017 through June 30, 2021, for the Morgantown Public Library System.

MONONGALIA COUNTY, WEST VIRGINIA
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3. Restricted Assets

Certain assets of the University Town Center Project Debt Service fund, the Star City Project Debt Service fund, the Morgantown Industrial Project Debt Service fund, the Mon General Project Debt Service fund, and the Justice Center Project Debt Service fund are classified as restricted assets because their use is restricted by bond agreements.

The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months.

The "reserve" account is used to report resources set aside to make up potential future deficiencies in the regular account.

The "reserve for construction account" is used to report those proceeds of revenue bonds that are restricted for use in construction.

4. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 or materially extend assets lives are not capitalized.

The government depreciates the capital assets using the straight-line method. Capital assets depreciation and capitalization policies are defined by the government as follows:

<u>Asset</u>	<u>Straight-line Years</u>	<u>Inventory Purposes</u>	<u>Capitalize/ Depreciate</u>
Land	not applicable	\$ 1	\$ Capitalize only
Land improvement	20 to 30 years	1	5,000
Building	40 years	1	5,000
Building improvements	20 to 25 years	1	5,000
Construction in progress	not applicable	1	Capitalize only
Equipment	5 to 10 years	1,000	5,000
Vehicles	5 to 10 years	1,000	5,500
Infrastructure	40 to 50 years	50,000	100,000

5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and fiduciary fund financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

7. 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 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 for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

8. Fund Balances

In the governmental fund financial statements, fund balance is reported in five classifications.

Nonspendable fund balance	Inventories and prepaid amounts represent fund balance amounts that are not in spendable form.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation.
Committed	The committed category is the portion of fund balance whose use is constrained by limitations have been approved by an order (the highest level of formal action) of the County Commission, and that remain binding unless removed in the same manner. The approval does not automatically lapse at the end of the fiscal year. The government does not have any committed fund balance this fiscal year.
Assigned	The assigned category is the portion of fund balance that has been approved by formal action of the County Commission for any amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance.

MONONGALIA COUNTY, WEST VIRGINIA
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The County Commission is the government's highest level of decision-making authority. The Commission 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 County.

The County has not adopted a minimum fund balance policy that requires management to maintain a total spendable general fund balance.

9. 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 Monongalia County's Public Employee Retirement System (PERS) and Deputy Sheriffs' Retirement System (DSRS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS and DSRS. 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.

10. Other Post-Employment Benefits (OPEB)

It is the Commission's policy to permit employees to accumulate earned but unused sick pay benefits. Sick benefits can be accumulated for unlimited days and carried forward to the subsequent fiscal year. When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board. The payment of health insurance premiums must be absorbed by the last agency employing the retiree and is included as part of the OPEB liability.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost. See Note W for further discussion.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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. All annual appropriations lapse at fiscal year end.

Monongalia County, West Virginia prepares its budget on the cash less accounts payable basis of accounting. Therefore, a reconciliation has been performed on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for both the General and Coal Severance Tax Funds.

Prior to March 2nd of each year, the various elected officials submit to the County Commission proposed requests for their respective offices for the fiscal year commencing July 1. Upon review and approval of these requests, the County Commission prepares proposed budgets on forms prescribed by the State Auditor and submits them to the State Auditor by March 28 for approval. The County Commission then reconvenes on the third Tuesday in April to hear objections from the public and to 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.

<u>Description</u>	<u>General Fund</u> <u>Amount</u>	<u>Coal Severance</u> <u>Amount</u>
General government expenditure increase	\$ 623,196	\$ 138,592
Public safety expenditure increase	830,887	-
Health and sanitation expenditure increase	8,945	-
Culture and recreation expenditure (decrease)	(487,000)	-
Social services expenditure increase	28,425	-

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year-end, the government had no 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 comply with statutory provisions for depository bond coverage, which provides that no public money should be deposited until the banking institution designated executes a bond with good and sufficient sureties which may not be less than the maximum sum that is deposited in the depository at any one time.

At year end, the government's bank balances were lower than book balances. The bank balance was collateralized by federal depository insurance or with securities held by the pledging financial institution's trust department or agent in the government's name.

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

Cash and cash equivalents	\$	15,460,781
Cash and cash equivalents-restricted		23,507,375
Cash and cash equivalents-restricted (fiduciary)		<u>2,329,742</u>
Total	\$	<u><u>41,297,898</u></u>

B. Receivables

Receivables at year end for the government's individual major and aggregate nonmajor funds, and aggregate fiduciary funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Other Nonmajor Governmental	Total	Fiduciary
Receivables:				
Taxes	\$ 1,858,172	\$ 454,255	\$ 2,312,427	\$ 6,742,934
Grants	<u>179,447</u>	<u>-</u>	<u>179,447</u>	<u>-</u>
Gross Receivables	<u>2,037,619</u>	<u>454,255</u>	<u>2,491,874</u>	<u>6,742,934</u>
Less: Allowance for Uncollectible	<u>(297,308)</u>	<u>(72,680)</u>	<u>(369,988)</u>	<u>-</u>
Net Total Receivables	<u><u>\$ 1,740,311</u></u>	<u><u>\$ 381,575</u></u>	<u><u>\$ 2,121,886</u></u>	<u><u>\$ 6,742,934</u></u>

MONONGALIA COUNTY, WEST VIRGINIA
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Governmental funds report unavailable/unearned 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 connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows - Unavailable
Delinquent property taxes receivable (General Fund)	\$ 1,338,005
Delinquent property taxes receivable (Other Nonmajor Governmental Funds)	271,084
Total unavailable/unearned revenue for governmental funds	\$ 1,609,089

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 984,200	\$ -	\$ -	\$ 984,200
Construction in progress	3,450,000	1,015,880	-	4,465,880
Total capital assets not being depreciated	4,434,200	1,015,880	-	5,450,080
Capital assets being depreciated:				
Buildings and improvements	35,854,328	-	-	35,854,328
Structures and improvements	5,464,911	-	-	5,464,911
Machinery and equipment	5,805,280	627,695	(75,924)	6,357,051
Less: Total accumulated depreciation	(15,721,498)	(1,781,247)	75,924	(17,426,821)
Total capital assets being depreciated, net	31,403,021	(1,153,552)	-	30,249,469
Governmental activities capital assets, net	\$ 35,837,221	\$ (137,672)	\$ -	\$ 35,699,549

MONONGALIA COUNTY, WEST VIRGINIA
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,501,998
Public safety	224,680
Health and sanitation	11,708
Culture and recreation	42,825
Social services	36
	<u>36</u>
Total depreciation expense-governmental activities	<u>\$ 1,781,247</u>

Construction in Progress

The government has active construction projects as of the fiscal year ended June 30, 2020. The projects include the extension office at Mylan Park. At year end the amounts for governmental activities spent-to-date are as follows:

<u>Project</u>	<u>Funded</u>	<u>Spent-to</u> <u>Date</u>
Extension office at Mylan Park	General Fund	\$ 4,465,880
		<u>\$ 4,465,880</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund transfers as of the fiscal year ended June 30, 2020, is as follows:

Interfund Transfers:

<u>Transferred from:</u>	<u>Transferred to:</u>	<u>Purpose</u>	<u>Amount</u>
General County	Mason/Dixon Park	contribution	\$ 200,000
General County	Chestnut Ridge Park	contribution	102,162
General County	Camp Muffly	contribution	100,000
General County	Justice Center Project DS	bond payments	1,275,566
Dog & Kennel	General County	reimbursement	51,144
General School	General County	care for prisoners	352,966
Magistrate Court	General County	reimbursement	50,616
Home Confinement	General County	regional jail bills	92,173
Teen Court	General County	payroll reimbursement	53,553
Mon General TIF	Mon General Project DS	TIF tax collections	537,335
Morgantown Industrial TIF	Morgantown Industrial DS	TIF tax collections	923,084
Star City TIF	Star City Project DS	TIF tax collections	281,085
University Town Center TIF	University Town Center Project DS	TIF tax collections	<u>2,125,747</u>
Total			<u>\$ 6,145,431</u>

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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E. Fund Balance Detail

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

	General Fund	Coal Severance Fund	University Town Center Debt Service	Non-major Funds	Total
Restricted:					
General government	\$ -	\$ -	\$ -	\$ 1,232,402	\$ 1,232,402
Public safety	-	-	-	2,248,257	2,248,257
Culture and recreation	-	-	-	1,893,404	1,893,404
Social services	-	-	-	50,881	50,881
Debt service	-	-	19,501,669	3,690,183	23,191,852
Assigned:					
Budget carryover	9,121,331	85,942	-	-	9,207,273
Unassigned	402,306	-	-	-	402,306
Total fund balances	\$ 9,523,637	\$ 85,942	\$ 19,501,669	\$ 9,115,127	\$ 38,226,375

F. Long-term Debt

Revenue Bonds

The county issues bonds where the government pledges income derived either from acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

Governmental Activities					
Purpose	Maturity Date	Interest Rates	Issued	Retired	Balance June 30, 2020
Building Commission Series 2014A	2/1/2034	3.00%	\$ 18,070,000	\$ 4,280,000	\$ 13,790,000
Total			\$ 18,070,000	\$ 4,280,000	\$ 13,790,000

Monongalia County Building Commission Taxable Lease Revenue bonds, Series 2014A (Monongalia County Justice Center)

On March 13, 2014, the Monongalia County Building Commission, a blended component unit of Monongalia County, West Virginia, issued \$18,070,000 of Monongalia County Building Commission Lease Revenue Bonds, Series 2014 A (Monongalia County Justice Center) bearing interest at 3%. The proceeds of these bonds are being used to finance the design, acquisition, construction, and equipping of a Monongalia County Justice Center. The bonds are secured by the Justice Center and an irrevocable pledge of lease payments, which are required to be in sufficient amount to pay principal and interest on the bonds when due. The total principal and interest remaining to be paid on the bond is \$17,966,193. Lease revenue bond debt service requirements to maturity are as follows:

MONONGALIA COUNTY, WEST VIRGINIA
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Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2021	\$ 775,000	\$ 507,815
2022	805,000	476,815
2023	840,000	444,615
2024	875,000	411,015
2025	900,000	384,765
2026 - 2030	4,940,000	1,476,468
2031 - 2035	4,655,000	474,800
Total	<u>\$ 13,790,000</u>	<u>\$ 4,176,293</u>

Pledged Revenues - Lease Revenue Bonds

The Monongalia County Building Commission, a blended component unit of Monongalia County, West Virginia, has pledged future lease rentals to be paid by the Monongalia County Commission to repay \$18,070,000 in lease revenue bonds issued in 2014. Proceeds from the bonds provided financing for the B1018. The bonds are payable solely from lease revenues paid by the County Commission through 2036. Annual principal and interest payments on the bonds are expected to require 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds outstanding is \$17,966,293. Principal and interest paid for the current year and total customer net revenues were \$1,313,730 and \$1,256,592, respectively.

Tax Increment Financing (TIF) Revenue Bonds

The county issues bonds where the government pledges income derived from tax increment financing revenue to pay debt service. Tax increment financing (TIF) revenue bonds currently outstanding are as follows:

Purpose	Maturity Dates	Interest Rates	Governmental Activities		
			Issued	Retired	Balance June 30, 2020
TIF Morgantown Industrial Park	6/1/2033	5.15%	\$ 4,387,122	\$ 1,809,000	\$ 2,578,122
TIF Monongalia General Hospital	6/1/2038	5.00%	41,775,604	854,000	40,921,604
TIF Star City Project	6/1/2027	4.95%	1,870,000	1,469,430	400,570
University Town Center Project	6/1/2042	6.00%	39,000,741	39,000,741	-
Total TIF revenue bonds			<u>\$ 87,033,467</u>	<u>\$ 43,133,171</u>	<u>\$ 43,900,296</u>

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Tax Increment Financing (TIF) Revenue & Refunding Bonds (Morgantown Industrial Park) Series 2017A

In 2009, the Monongalia County Commission issued Tax Increment Financing (TIF) revenue bonds to provide funds to finance the cost for the design, acquisition, construction, and equipping of certain infrastructure improvements in Monongalia County, West Virginia, consisting generally of all or some of the following: acquisition and construction of certain infrastructure improvements in the Development District, which improvements include upgrade of roads, sanitary sewer and water lines, including the installation of a required surge tank to handle the gray water and sanitary discharge anticipated with business expansion, installation of necessary storm water management systems to accommodate the additional runoff from the expanded road system and provide for the necessary expansion of natural gas and electric lines to facilitate future business expansion and other related infrastructure and utilities improvements and all necessary appurtenances. The Series 2009 Bonds were currently refunded and re-issued in November of 2017 in the aggregate principal amount of \$5,284,721 of which \$2,578,122 is the amount outstanding. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. Estimated annual debt service requirements to maturity for the tax increment financing bonds that are not available as the project is not complete and the loan is still being drawn down.

Pledged Revenues - Tax Increment Financing (TIF) Revenue Bonds

The County has pledged future tax increment revenue to repay \$5,284,721 in tax increment financing revenue bonds issued in 2017 of which \$4,387,122 has been advanced, \$1,809,000 has been repaid and \$2,578,122 is outstanding. Proceeds from the bonds provided financing for the design, acquisition and construction of certain infrastructure improvements in Monongalia County, West Virginia, consisting generally of all or some of the following: acquisition and construction of certain infrastructure improvements in the Development District, which improvements include upgrade of roads, sanitary sewer and water lines, including the installation of a required surge tank to handle the gray water and sanitary discharge anticipated with business expansion, installation of necessary storm water management systems to accommodate the additional runoff from the expanded road system and provide for the necessary expansion of natural gas and electric lines to facilitate future business expansion and other related infrastructure and utilities improvements and all necessary appurtenances. The bonds are payable solely from the tax increment property taxes assessed and are collected in the district area and are payable through 2033. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total estimated principal and interest remaining to be paid on the bonds are not yet available as the loan is still being drawn down. Principal and interest paid for the current year and total customer net revenues were \$790,000 (principal) and \$147,965 (interest) and \$201,813, respectively.

Tax Increment Financing (TIF) Revenue & Refunding Bonds (Monongalia General Hospital Maple Drive Improvement Project) Series 2016 C

In 2011, the Monongalia County Commission issued Tax Increment Financing (TIF) revenue bonds to provide funds to finance the cost for the design, acquisition, construction, and equipping of certain infrastructure improvements in Monongalia County, West Virginia, consisting generally of all or some of the following: acquisition and construction of a new access road to Monongalia General Hospital and Mon Emergency Services from WV Route 705, with appropriate intersection improvements, curbing, grading, drainage, signage and all necessary appurtenances. The Series 2011 A Bonds were issued in the aggregate principal amount of \$3,015,000 and were refunded in October of 2016. The series 2016 C bonds were issued in the amount of \$5,153,000 of which \$4,378,604 was advanced, \$854,000 was repaid and \$3,604,604 remains outstanding. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. Estimated annual debt service requirements to maturity for the tax increment financing bonds that are not available as the loan is still being drawn down.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Pledged Revenues - Tax Increment Financing (TIF) Revenue Bonds

The County has pledged future tax increment revenue to repay \$5,153,000 in tax increment financing revenue bonds issued in 2016 of which \$4,378,604 has been advanced, \$854,000 has been repaid and \$3,604,604 is outstanding. Proceeds from the bonds provided financing for the design, acquisition, construction, and equipping of certain infrastructure improvements in Monongalia County, West Virginia, consisting generally of all or some of the following: acquisition and construction of a new access road to Monongalia General Hospital and Mon Emergency Medical Services from WV Route 705, with appropriate intersection improvements, curbing, grading, drainage, signage and all necessary appurtenances. The bonds are payable solely from the tax increment property taxes assessed and are collected in the district area and are payable through 2031. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds advanced and outstanding is not available as the loan is still being drawn down. Principal and interest paid for the current year and total customer net revenues were \$334,000 and \$196,930, respectively.

Tax Increment Financing (TIF) Revenue & Refunding Bonds (Monongalia General Hospital Maple Drive Improvement Project) Series 2020 A/B

In 2011, the Monongalia County Commission issued Tax Increment Financing (TIF) revenue bonds to provide funds to finance the cost for the design, acquisition, construction, and equipping of certain infrastructure improvements in Monongalia County, West Virginia, consisting generally of all or some of the following: acquisition and construction of a new access road to Monongalia General Hospital and Mon Emergency Services from WV Route 705, with appropriate intersection improvements, curbing, grading, drainage, signage and all necessary appurtenances. The Series 2011 A Bonds were issued in the aggregate principal amount of \$3,015,000 of which \$2,975,178 was advanced and \$2,515,639 was currently refunded in October of 2016. The series 2016 C bonds were issued in the amount of \$5,153,000 of which \$2,653,000 was advanced, \$80,000 was repaid and \$2,573,000 remains outstanding. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. Estimated annual debt service requirements to maturity for the tax increment financing bonds that are not available as the loan is still being drawn down.

Pledged Revenues - Tax Increment Financing (TIF) Revenue Bonds

The County has pledged future tax increment revenue to repay \$5,153,000 in tax increment financing revenue bonds issued in 2016 of which \$2,653,000 has been advanced, \$80,000 has been repaid and \$2,573,000 is outstanding. Proceeds from the bonds provided financing for the design, acquisition, construction, and equipping of certain infrastructure improvements in Monongalia County, West Virginia, consisting generally of all or some of the following: acquisition and construction of a new access road to Monongalia General Hospital and Mon Emergency Medical Services from WV Route 705, with appropriate intersection improvements, curbing, grading, drainage, signage and all necessary appurtenances. The bonds are payable solely from the tax increment property taxes assessed and are collected in the district area and are payable through 2031. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total principal and interest remaining to be paid on the bonds advanced and outstanding is not available as the loan is still being drawn down. Principal and interest paid for the current year and total customer net revenues were \$614,389 and \$505,656, respectively.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Tax Increment Financing (TIF) Revenue Bonds (Star City Project No 1) Series 2012 A

In 2012, the Monongalia County Commission issued Tax Increment Financing (TIF) revenue bonds to provide funds to finance the cost for the design, acquisition, construction, and equipping of certain infrastructure improvements in Monongalia County, West Virginia. The Series 2012 Bonds were issued in the aggregate principal amount of \$1,870,000, all of which has been advanced, \$1,469,430 has been repaid and \$400,570 is the amount outstanding. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. Estimated annual debt service requirements to maturity for the tax increment financing bonds that are outstanding are as follows:

Fiscal Year Ended	Governmental Activities	
	Principal	Interest
2021	\$ 125,000	\$ 13,641
2022	132,000	7,107
2023	138,000	2,760
2024	5,570	-
Totals	\$ 400,570	\$ 46,723

Pledged Revenues - Tax Increment Financing (TIF) Revenue Bonds

The County has pledged future tax increment revenue to repay \$1,870,000 in tax increment financing revenue bonds issued in 2012 of which \$1,870,000 has been advanced, \$1,469,430 has been repaid and \$400,570 is outstanding. Proceeds from the bonds provided financing for the design, acquisition, construction, and equipping of certain infrastructure improvements in Monongalia County, West Virginia, consisting generally of all or some of the following: acquisition and construction of public improvements in the TIF District: road and intersection improvements (including utility relocation, pedestrian ways, lighting, land and right of way acquisition, and related infrastructure), water lines, storm water culverts and facilities, sewer line, demolition and site preparation necessary for and incidental to the construction and installation of public infrastructure improvements, and other related public infrastructure. The bonds are payable solely from the tax increment property taxes assessed and are collected in the district area and are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The total estimated principal and interest remaining to be paid on the bonds is \$421,594. Principal and interest paid for the current year and total customer net revenues were \$231,310 (principal) \$31,853 (interest) and \$200,428, respectively.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Tax Increment Financing (TIF) Revenue Bonds (University Project) Series 2014 B Taxable

On January 30, 2014, the Monongalia County Commission issued \$4,515,000 of Series 2014 B Taxable Tax Increment Financing (TIF) Revenue Bonds to finance the development and financing of certain public infrastructure improvements within the TIF district including, but not limited to, the following: water lines, sanitary sewer lines, storm water drainage, new road construction, and road improvements, including without limitation a new interstate highway interchange and related improvements, intersection improvements, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and the costs of planning, acquiring, constructing and equipping certain intercollegiate and other athletic facilities, including without limitation, a baseball park and other facilities, fields, parks and/or stadiums, and appurtenances and amenities relating thereto, all within or benefitting the TIF District. The bonds do not constitute a general obligation, or pledge the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in the TIF district area. On August 25, 2016, Monongalia County issued TIF Refunding Revenue Bonds (Development District No.4 - University Town Centre) Series 2016 A to retire the Series 2014 bonds.

Tax Increment Financing (TIF) Refunding Revenue Bonds (University Town Centre) Series 2016 A

On August 25, 2016, the Monongalia County Commission issued Taxable Tax Increment Financing (TIF) revenue bonds to provide funds to finance the current refunding and redemption of the outstanding TIF revenue bonds (University Project) Series 2014 B, for the purpose of paying project costs, and pay costs of issuance and related costs. The bonds do not constitute a general obligation, or pledge the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. The County made principal and interest payments of \$28,000,000 and \$1,320,881, respectively this year, and the balance at June 30, 2020 of the Series 2016 A Bonds was \$0.

Pledged Revenues - Tax Increment Financing (TIF) Revenue Bonds

The County has pledged future tax increment revenue to repay \$28,000,000 in tax increment financing revenue bonds issued in 2016 of which \$380,000 has been advanced and is outstanding. Proceeds from the bonds provided funds to finance the current refunding and redemption of the outstanding TIF revenue bonds (University Project) Series 2014 B, for the purpose of paying project costs, and pay costs of issuance and related costs. The bonds are payable solely from the tax increment property taxes assessed and are collected in the district area and are payable through 2042. These bonds were currently refunded in 2016.

Debt Refunding

On August 25, 2016, the County issued \$28,000,000 in Senior Tax Increment Revenue and Refunding Bonds (Development District No.4 - University Town Centre) Series 2016 A with an average interest rate of 5.00 percent to refund \$4,515,000 of outstanding Tax Increment Revenue Bonds (University Project) Series 2014 B bonds with an average interest rate of 6.00 percent. The net proceeds of \$4,649,400 (after payment of \$841,633 in underwriting fees, insurance, other issuance costs, and reserve funds) were used to retire the old debt. As a result, the Series 2014 B bonds are defeased and the liability for those bonds has been removed from the Statement of Net Position.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Monongalia County, West Virginia, completed the refunding to reduce its total debt service payments over the next 25 years by \$1,419,078 and to obtain an economic gain of \$704,388.

Tax Increment Financing (TIF) Revenue Bonds (University Town Centre) Series 2016 B Taxable

On August 25, 2016, the Monongalia County Commission issued Taxable Tax Increment Financing (TIF) revenue bonds to provide funds to finance the costs of the design, acquisition, construction, and equipping of the Phase II TIF Project and paying costs of issuance of the bonds. The Series 2016 B Bonds were issued in the aggregate principal amount of \$15,380,000 of which \$11,000,741 was advanced and \$0 is outstanding. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. The County made principal and interest payments of \$11,000,741 and \$18,868, respectively, this year, and the balance at June 30, 2020 of the Series 2016 A Bonds was \$0.

Pledged Revenues - Tax Increment Financing (TIF) Revenue Bonds

The County has pledged future tax increment revenue to repay \$15,380,000 in tax increment financing revenue bonds issued in 2016 of which \$11,000,741 has been advanced and \$0 is outstanding. Proceeds from the bonds provided funds to finance the costs of the design, acquisition, construction, and equipping of the Phase II TIF Project and paying costs of issuance of the bonds. The bonds are payable solely from the tax increment property taxes assessed and are collected in the district area and are payable through 2042. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The principal balance at June 30, 2020, is \$0. Principal and interest paid for the current year and total customer net revenues were \$11,000,741 (principal) and \$18,868 (interest) and \$0, respectively.

Tax Increment Financing (TIF) Revenue Bonds (University Town Centre) Series 2020 A and B Taxable

The Monongalia County Commission issued Taxable Tax Increment Financing (TIF) revenue bonds in 2020 to provide funds to finance the costs of the design, acquisition, construction, and equipping of the TIF Project and paying costs of issuance of the bonds. Of the aggregate principal amount issued in the Series 2020 A and B Bonds, \$37,317,000 was advanced and outstanding. The bonds do not constitute a general obligation, or pledge of the full faith and credit of the County of Monongalia. The principal and interest on the tax increment revenue bonds are to be paid solely by the property taxes generated in association with the increased assessed values of property within the TIF district area. A schedule of principal and interest payments is not available because the bonds have not been fully drawn.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Special District Excise Tax Revenue Bonds

The county issues bonds where the government pledges income derived from special district excise tax revenue to pay debt service. Excise Tax revenue bonds currently outstanding are as follows:

Governmental Activities					
Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2018
University Series 2017 A Taxable	6/1/2043	variable	\$ 76,360,000	\$ 1,050,000	\$ 75,310,000
University Series 2017 B Taxable	6/1/2043	variable	43,137,000	20,184,533	22,952,467
University Series 2020 A Taxable	6/1/2043	7.50%	27,265,000	-	27,265,000
University Series 2020 B Taxable	N/A	9.75%	25,466,497	-	25,466,497
Total Excise Tax revenue bonds			<u>\$ 172,228,497</u>	<u>\$ 21,234,533</u>	<u>\$ 150,993,964</u>

Special District Excise Tax Revenue Bonds (University Project) Series 2014 A Taxable, Series 2014 B Taxable, and Series 2014 C Taxable

In 2014, the Monongalia County Commission issued special district excise tax revenue bonds to provide funds to finance the development and financing of certain public infrastructure improvements within the excise tax district including, but not limited to, the following: water lines, sanitary sewer lines, storm water drainage, new road construction, and road improvements, including without limitation a new interstate highway interchange and related improvements, intersection improvements, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and the costs of planning, acquiring, constructing and equipping certain intercollegiate and other athletic facilities, including without limitation, a baseball park and other facilities, fields, parks and/or stadiums, and appurtenances and amenities relating thereto, all within or benefitting the Excise Tax District. The Series 2014 A Bonds were issued in the aggregate principal amount of \$22,165,000 of which \$21,383,813 was currently refunded. The Series 2014 B Bonds were issued in the aggregate principal amount of \$21,830,000 all of which was currently refunded. The Series 2014 C Bonds were issued in the aggregate principal amount of \$670,000 of which \$630,000 was currently refunded. According to the Bond Indenture the 2014 Excise Tax Bonds shall evidence indebtedness only to the extent that such principal has been advanced and is outstanding as reflected on such Record of Advances. The principal and interest on the Series 2014 A Bonds are to be paid from and secured by a pledge of 50% of the net excise tax revenues generated in the Excise Tax District with additional rent to be payable from time to time by West Virginia University pursuant to the lease purchase agreement. The principal and interest on the Series 2014 B and C Bonds are to be paid from and secured by a pledge of the remaining 50% of the net excise tax revenues generated in the Excise Tax District. These bonds are currently refunded at June 30, 2020.

Pledged Revenues - Special District Excise Tax Revenue Bonds

The County has pledged future excise tax revenues to repay \$44,665,000 in special district excise tax revenue bonds issued in 2014. Proceeds from the bonds provided funds to finance the development and financing of certain public infrastructure improvements within the excise tax district including, but not limited to, the following: water lines, sanitary sewer lines, storm water drainage, new road construction, and road improvements, including without limitation a new interstate highway interchange and related improvements, intersection improvements, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and the costs of planning, acquiring, constructing and equipping certain intercollegiate and other athletic facilities, including without limitation, a baseball park and other facilities, fields, parks and/or stadiums, and appurtenances and amenities relating thereto, all within or benefitting the Excise Tax District. The bonds are payable solely from the excise taxes assessed and are collected in the district area and are payable through 2043. Annual principal and interest payments on the bonds are expected to require less than 100 percent of net revenues. The bonds were currently refunded in October of 2017.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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Special District Excise Tax Revenue Refunding and Improvement Bonds (University Town Centre Economic Opportunity Development District) Series 2017 A

In 2017, the Monongalia County Commission issued special district excise tax revenue bonds to provide funds to finance the development and financing of certain public infrastructure improvements within the excise tax district including, but not limited to, the following: water lines, sanitary sewer lines, storm water drainage, new road construction, and road improvements, including without limitation a new interstate highway interchange and related improvements, intersection improvements, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and the costs of planning, acquiring, constructing and equipping certain intercollegiate and other athletic facilities, including without limitation, a baseball park and other facilities, fields, parks and/or stadiums, and appurtenances and amenities relating thereto, all within or benefitting the Excise Tax District. The Series 2017 A Bonds were issued in the aggregate principal amount of \$76,360,000 all of which was advanced and is outstanding. According to the Bond Indenture the 2017 Excise Tax Bonds shall evidence indebtedness only to the extent that such principal has been advanced and is outstanding as reflected on such Record of Advances. The principal and interest on the Series 2017 A Bonds are to be paid from and secured by a pledge of 50% of the net excise tax revenues generated in the Excise Tax District with additional rent to be payable from time to time by West Virginia University pursuant to the lease purchase agreement. Estimated annual debt service requirements to maturity for the bonds that are outstanding are as follows:

Year Ended	Special District Excise 2017 A	
	Principal	Interest
2021	\$ 1,015,000	\$ 4,122,463
2022	1,160,000	4,076,788
2023	1,320,000	4,024,588
2024	1,485,000	3,965,188
2025	1,660,000	3,898,363
2026 - 2030	11,270,000	18,127,188
2031 - 2035	15,620,000	14,586,413
2036 - 2040	20,445,000	9,761,225
2041 - 2045	21,335,000	2,833,888
Totals	\$ <u>75,310,000</u>	\$ <u>65,396,104</u>

Special District Excise Tax Revenue Refunding and Improvement Bonds (University Town Centre Economic Opportunity Development District) Series 2020 A and 2020 B

In 2020, the Monongalia County Commission issued special district excise tax revenue bonds to provide funds to finance the development and financing of certain public infrastructure improvements within the excise tax district including, but not limited to, the following: water lines, sanitary sewer lines, storm water drainage, new road construction, and road improvements, including without limitation a new interstate highway interchange and related improvements, intersection improvements, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and the costs of planning, acquiring, constructing and equipping certain intercollegiate and other athletic facilities, including without limitation, a baseball park and other facilities, fields, parks and/or stadiums, and appurtenances and amenities relating thereto, all within or benefitting the Excise Tax District. Of the aggregate principal amount issued in the Series 2020 A Bonds, \$27,265,000 has been drawn and is outstanding. The aggregate amount issued in the Series 2020 B Bonds was \$80,000,000, of which \$25,466,497 has been drawn and is outstanding. According to the Bond Indenture the 2020 Excise Tax Bonds shall evidence indebtedness only to the extent that such principal has been advanced and is outstanding as reflected on such Record of Advances. The principal and interest on the Series 2020 A and B Bonds are to be paid from and secured by a pledge of 50% of the net excise tax revenues generated in the Excise Tax District with additional rent to be payable from time to time by West Virginia University pursuant to the lease purchase agreement. Estimated annual debt service requirements to maturity for the bonds are not yet available because the bonds have not been fully drawn.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Changes in Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease revenue					
bonds payable	\$ 14,550,000	\$ -	\$ (760,000)	\$ 13,790,000	\$ 775,000
Plus: unamortized					
bond premium	178,929	-	(12,269)	166,660	-
Less: unamortized					
bond discount	(125,694)	-	8,619	(117,075)	-
Net lease revenue bonds payable	14,603,235	-	(763,650)	13,839,585	775,000
TIF bonds payable	32,426,254	51,830,093	(40,356,051)	43,900,296	125,000
Excise tax bonds payable	95,650,533	52,731,497	(20,340,533)	128,041,497	1,015,000
Less: Discount on Bond Issuance	(1,467,621)	-	52,415	(1,415,206)	-
Total bonds payable	141,212,401	104,561,590	(61,407,819)	184,366,172	1,915,000
Net pension obligation	1,435,452	700,701	-	2,136,153	-
Net OPEB obligation	2,226,903	-	(605,621)	1,621,282	-
Notes	259,710	-	(259,710)	-	-
Compensated absences	822,991	127,560	-	950,551	-
Governmental activities					
Long-term liabilities	\$ <u>145,957,457</u>	\$ <u>105,389,851</u>	\$ <u>(62,273,150)</u>	\$ <u>189,074,158</u>	\$ <u>1,915,000</u>

Conduit Debt Obligations

The Monongalia County Building Commission has issued Series 2010 Revenue Bonds to provide financial assistance to Sundale Nursing Home for the design, acquisition, construction, and equipping of a palliative care wing to the existing facility deemed to be in the public interest. The notes are secured by Sundale Nursing Home and are payable solely from charges for services. Upon repayment of the notes, ownership of the acquired equipment and facilities transfers to Sundale Nursing Home. Neither the Building Commission, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the notes. Accordingly, the notes are not reported as liabilities in the accompanying financial statements.

G. Restricted Assets

The balances of the restricted asset accounts for the primary government are as follows:

	Governmental Activities
Revenue bond debt service accounts	\$ 3,547,709
TIF bond debt service accounts	19,959,666
Excise tax bond debt service accounts	-
Total restricted assets	\$ <u>23,507,375</u>

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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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 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 Brick Street.

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

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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.

C. 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.

D. COVID-19 CARES Act Funding

For Fiscal Year 2020, the County received \$100,000 from the WV Governor's Office (COVID-19 Pandemic County Block Grant). These block grant funds may only be expended for purposes allowable under the federal Coronavirus Aid, Relief, and Economic Security Act (H.R. 748, the CARES Act), which means that these funds may only be used to cover expenses that:

- Are necessary expenditures incurred due to the public health emergency with respect to COVID-19 pandemic;
- Were not accounted for in the budget most recently approved as of March 27, 2020 for the county; and
- Were or will be incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

**MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020**

E. Subsequent Events

The Commission evaluated subsequent events and transactions that occurred after the date of the statement of net position up to the date that the financial statements were issued. Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Commission's financial position and/or the results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

General Information about the Pension Plans

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

All of the County's cost-sharing multiple-employer plans are administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com. The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees Retirement System

Eligibility to participate	All county full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	West Virginia State Code §5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia.
Tier 1 Plan member's contribution rate hired before 7/1/2015	4.50%
County's contribution rate hired before 7/1/2015	10.00%
Tier 2 Plan member's contribution rate hired after 7/1/2015	6.00%
County's contribution rate hired after 7/1/2015	10.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	<p><u>Tier 1</u></p> <p>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.</p> <p><u>Tier 2</u></p> <p>Qualification for normal retirement is age 62 with 10 years of services or at least age 55 with and service equal to 80 or greater. The average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings) times the years of service times 2% equals the retirement benefit.</p>
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

**MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020**

West Virginia Deputy Sheriff Retirement System (WVDRS)

Eligibility to participate	West Virginia deputy sheriffs first employed after the effective date and any deputy sheriffs hired prior to the effective date who elect to become members.
Authority establishing contribution obligations and benefit provisions	West Virginia State Code §5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia. The WVDRS is also discussed in West Virginia State Code §7-14d.
Funding policy and contributions	Certain fees for reports generated by sheriff's offices are paid to this plan in accordance with West Virginia State Code. WVDRS members are required to contribute 8.5% of their annual covered salary and the county is required to contribute 12.0%. The contribution requirements of WVDRS members are established and may be amended only by the State of West Virginia Legislature.
Period required to vest	Five years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 or more years of contributing service or age 50 and if the sum of his/her age plus years of credited service is equal to or greater than 70. The final average salary (three highest consecutive years in the last ten years) times the years of service times 2.25% equals the annual retirement benefit.
Deferred retirement option	No deferred retirement option is available.
Provisions for cost of living adjustments or death benefits	This plan has no provisions for cost of living adjustments. There are provisions for death benefits.

Trend Information

<u>Fiscal Year</u>	<u>Public Employees Retirement System (PERS)</u>		<u>West Virginia Deputy Sheriff Retirement System (WVDRS)</u>	
	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2020	\$ 1,533,909	100%	\$ 463,634	100%
2019	\$ 1,396,829	100%	\$ 435,967	100%
2018	\$ 1,412,858	100%	\$ 401,444	100%

PERS and WVDRS issue a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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

At fiscal year-end, the government reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2019, and the total pension liability used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The government's proportion of the net pension liabilities was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2020, the government's reported the following proportions and increase/decreases from its proportion measured as of June 30, 2019:

	<u>PERS</u>	<u>WVDRS</u>
Amount for proportionate share of net pension liability	\$ 1,371,637	\$ 764,516
Percentage for proportionate share of net pension liability	0.637932%	3.804321%
Increase/decrease % from prior proportion measured	0.000260%	-0.132847%

For this fiscal year, the government recognized the following pension expenses.

	<u>PERS</u>	<u>WVDRS</u>
Pension expense	<u>\$ 666,237</u>	<u>\$ 955,962</u>

The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees Retirement System

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ 80,918	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(495,782)
Difference between expected and actual experience	53,089	(119,797)
Government contributions subsequent to the measurement date	<u>1,021,716</u>	<u>-</u>
	<u>\$ 1,155,723</u>	<u>(867,384)</u>

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Year Ended June 30:

2020	\$	(98,739)
2021		(691,884)
2022		(86,691)
2023		<u>143,937</u>
	\$	<u><u>(733,377)</u></u>

West Virginia Deputy Sheriff Retirement System

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ 49,098	\$ (46,137)
Net difference between projected and actual investment earnings on pension plan investments	-	(104,581)
Difference between expected and actual experience	122,157	(257,324)
Deferred difference in assumptions	-	(68,820)
Government contributions subsequent to the measurement date	<u>271,396</u>	<u>-</u>
	<u><u>442,651</u></u>	<u><u>(476,862)</u></u>

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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:

2020	\$	(74,657)
2021		(120,708)
2022		(208,542)
2023		(92,904)
2024		(78,244)
Thereafter		<u>(5,535)</u>
Total	\$	<u><u>(580,590)</u></u>

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Summary of Deferred Outflow/Inflow Balances

	Total	PERS	DSRS
Difference between expected and actual experience	\$ (201,875)	\$ (66,708)	\$ (135,167)
Changes of assumptions	(320,625)	(251,805)	(68,820)
Net difference between projected and actual earnings on pension plan investments	(600,363)	(495,782)	(104,581)
Changes in proportion and differences between government contributions and proportionate share of contributions	83,879	80,918	2,961
Government contributions subsequent to the measurement date	1,293,112	1,021,716	271,396

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2018 and rolled forward to June 30, 2019 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employees Retirement System

Actuarial assumptions

Inflation rate	3.00%
Salary increases	3.35% - 6.0%
Investment Rate of Return	7.50%

Mortality Rates

Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General/Teachers Disabled Male table, below-median headcount weighted, projected with scale MP-2018; Disabled females-118% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted projected with scale MP-2018

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020**

West Virginia Deputy Sheriff Retirement System

Actuarial assumptions

Inflation rate	3.00%
Salary increases	5.0% for first 2 years of service 4.5% for next 3 years of service 4.0% for the next 5 years of service, and 3.5% thereafter
Investment Rate of Return	7.50%

Mortality Rates

Pre-Retirement: RP-2014 Employee Mortality Tables, rolled back to 2006 and projected with Scale MP-2016 on a fully generational basis. Post-Retirement: Healthy Male - 103% of RP-2014 Healthy Annuitant Mortality Table, rolled back to 2006 and projected with Scale MP-2016 on a fully generational basis; Healthy Female - RP-2014 Healthy Annuitant Mortality Table, rolled back to 2006 and projected with Scale MP-2016 on a fully generational basis; Disabled - RP-2014 Disabled Retiree Mortality Table, rolled back to 2006 and projected with Scale MP-2016 on a fully generational basis

The actuarial assumptions used in the July 1, 2016 DSRS valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2016.

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

<u>Investment</u>	Long-term Expected Real Rate of Return	PERS Target Asset Allocation	DSRS Target Asset Allocation
US Equity	5.8%	27.5%	27.5%
International Equity	7.7%	27.5%	27.5%
Fixed Income	3.3%	15.0%	15.0%
Real Estate	6.1%	10.0%	10.0%
Private Equity	8.8%	10.0%	10.0%
Hedge Funds	4.4%	10.0%	10.0%
		100.0%	100.0%

**MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020**

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate		1% Increase
	6.50%	7.50%		8.50%
Government's proportionate share of PERS's net pension liability (asset)	\$ 6,389,189	\$ 1,371,637	\$	(2,872,901)
Government's proportionate share of WVDSRS's net pension liability (asset)	\$ (2,101,469)	\$ 764,516	\$	337,443

W. OTHER POST-EMPLOYMENT BENEFIT PLAN

West Virginia Retiree Health Benefit Trust Fund (RHBT)

Plan description:

The Commission participates in the West Virginia Other Postemployment Benefit Plan (the Plan) a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). 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 the Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

RHBT issues publicly available reports that include a full description of the other post-employment benefit plan regarding benefit provisions, assumptions and membership information that can be obtained by contacting Public Employees Insurance Agency, 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, by calling (888) 680-7342 or can be found on the PEIA website at www.peia.wv.gov.

Benefits Provided:

The Commission's employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility. The RHBT Medicare-eligible retired employees and their Medicare-eligible dependents receive medical and drug coverage from a closed plan to new entrants. Eligible participants hired after June 30, 2010, will be required to fully fund premium contributions upon retirement. The Plan is a closed plan to new entrants.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

Contribution Requirements:

Employer contributions consist of pay as you go premiums, commonly referred to as paygo, and retiree leave conversion billings. Employees are not required to contribute to the OPEB plan.

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rates for fiscal year 2018 was \$177.

The Commission's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2018 was \$96,996. No amount was payable at year-end.

The State of West Virginia (the State) is a nonemployer contributing entity that provides funding through Senate Bill 419, effective July 1, 2012 and amended by West Virginia Code §11-21-96. For fiscal years beginning on and after July 1, 2016, this Senate Bill and corresponding State Code section requires that an annual amount of \$30 million from the State shall be dedicated for payment of the unfunded liability of the RHBT fund. The \$30 million annual contribution is to continue through July 1, 2037, or until the unfunded liability has been eliminated, whichever comes first.

The State is a nonemployer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 Million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020.

The State is a nonemployer contributing entity that provides funding through Senate Bill 469 which was passed February 10, 2012, granting OPEB liability relief to the 55 County Boards of Education effective July 1, 2012. This special funding under the school aid formula subsidizes employer contributions of the county boards of education and contributes to the overall unfunded OPEB liability.

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

At fiscal year-end, the Commission reported the following liability for its proportionate share of the net OPEB liability. The net pension liability was measured as of June 30, 2019 for the Commission's fiscal year ended June 30, 2020, using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2020, the Commission reported the following proportions and increase/decreases from its proportion as of June 30, 2019:

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

	2020
Amount of proportionate share of net OPEB liability	\$ 1,621,282
Percentage of proportionate share of the net OPEB liability	0.097718660%
Increase/(decrease) in % from prior proportion measured	-0.006078562%

	2020
Commission's proportionate share of the net OPEB liability	\$ 1,621,282
State's proportional share of the net OPEB liability associated with the Commission	321,211
Total portion of the net OPEB liability associated with the Commission	\$ 1,942,493

For the year ended June 30, 2020, the Commission recognized the following OPEB expense and support provided by the State:

	2020
OPEB expense Commission	\$ (219,302)
OPEB expense State support	95,159
Total OPEB expense	\$ (124,143)
State support revenue	\$ 95,159

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

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 17,490
Differences between expected and actual experience	-	189,087
Changes in assumptions	-	328,809
Changes in proportion and differences between contributions and proportionate share of contributions	400	540,675
Contributions subsequent to the measurement date	194,911	
	\$ 195,311	\$ 1,076,061
Total		

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability on June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020**

Fiscal Year	Amount
Ending June 30:	Amount
2021	(442,634)
2022	(388,284)
2023	(205,245)
2024	(39,498)
Total	<u>(1,075,661)</u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

OPEB	June 30, 2019
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Fair value
Amortization Method	Level percentage of payroll, closed
Amortization Period	20 years closed as of June 30, 2018
Actuarial Assumptions:	
Investment Rate of Return	7.15%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	Dependent upon pension system. Ranging from 3.0% to 6.5% including inflation
Inflation Rate	2.75%
Discount Rate	7.15%
Healthcare Cost Trends	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
Mortality Rates	Post-Retirement: RP-2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis; Pre-Retirement: FP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis
Date Range in Most Recent Experience Study	July 1, 2010 to June 30, 2015

The long term expected rate of return of 7.15% on the OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 3.00% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTL.

MONONGALIA COUNTY, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

The long-term expected rate of return on OPEB plan investments were determined using a building-block method in which estimates of expected future real rates of returns (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of geometric rates of return for each asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Rate of Return</u>	<u>Target Asset Allocation</u>
Global Equity	4.8%	49.5%
Core Plus Fixed Income	2.1%	13.5%
Core Real Estate	4.1%	9.0%
Hedge Fund	2.4%	9.0%
Private Equity	6.8%	9.0%
Cash and Cash Equivalents	0.3%	10.0%
		<u>100.0%</u>

Discount Rate

The discount rate used to measure the OPEB liability was 7.15 percent. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	<u>1% decrease (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Proportionate share of net OPEB liability	\$ 1,934,952	\$ 1,621,282	\$ 1,358,793

Healthcare Cost Trend Rate

The following table presents the Commission's proportionate share of its net OPEB liability calculated using the healthcare cost trend rate of percent and the impact of using a discount rate that is 1% higher or lower than the current rate.

	<u>1% decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Proportionate share of net OPEB liability	\$ 1,307,330	\$ 1,621,282	\$ 200,263

MONONGALIA COUNTY, WEST VIRGINIA
SCHEDULES OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System
 Last 7 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's proportion of the net pension liability (asset)	0.637932	0.637672	0.615423	0.602609	0.580496	0.560897	0.518484
County's proportionate share of the net pension liability (asset)	\$ 1,371,637	\$ 1,646,799	\$ 2,656,443	\$ 5,538,692	\$ 3,241,513	\$ 2,070,075	\$ 4,726,656
County's covered-employee payroll	\$ 9,365,641	\$ 8,812,858	\$ 8,463,408	\$ 8,282,748	\$ 10,379,714	\$ 9,841,538	\$ 9,174,064
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	14.65%	18.69%	31.39%	66.87%	31.23%	21.03%	51.52%
Plan fiduciary net position as a percentage of the total pension liability	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	84.58%

* - Applicable information was available for seven years for this schedule.

MONONGALIA COUNTY, WEST VIRGINIA
SCHEDULES OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

West Virginia Deputy Sheriff Retirement System
 Last 7 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's proportion of the net pension liability (asset) (percentage)	3.804321	3.937168	3.913477	3.798734	3.477091	3.628928	4.040833
County's proportionate share of the net pension liability (asset)	\$ 764,516	\$ (211,347)	\$ 146,638	\$ 1,209,365	\$ 713,221	\$ 618,768	\$ 1,353,841
County's covered-employee payroll	\$ 2,126,671	\$ 2,045,630	\$ 1,958,258	\$ 1,827,317	\$ 2,676,800	\$ 2,780,215	\$ 2,780,215
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.95%	-10.33%	7.49%	66.18%	26.64%	22.26%	48.70%
Plan fiduciary net position as a percentage of the total pension liability	92.08%	102.50%	98.17%	84.48%	89.31%	90.52%	80.20%

* - Applicable information was available for seven years for this schedule.

MONONGALIA COUNTY, WEST VIRGINIA
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2020

Public Employees Retirement System
Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 1,021,716	\$ 936,564	\$ 969,414	\$ 1,015,609	\$ 1,118,171	\$ 1,453,160	\$ 1,427,023	\$ 1,284,369	\$ 1,056,069	\$ 1,016,428
Contributions in relation to the contractually required contribution	<u>(1,021,716)</u>	<u>(936,564)</u>	<u>(969,414)</u>	<u>(1,015,609)</u>	<u>(1,118,171)</u>	<u>(1,453,160)</u>	<u>(1,427,023)</u>	<u>(1,284,369)</u>	<u>(1,056,069)</u>	<u>(1,016,428)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
County's covered-employee payroll	\$ 10,217,147	\$ 9,365,641	\$ 8,812,858	\$ 8,463,408	\$ 8,282,748	\$ 10,379,714	\$ 9,841,538	\$ 9,174,064	\$ 7,283,234	\$ 8,131,424
Plan fiduciary net position as a percentage of the total pension liability	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%	14.00%	14.50%	12.50%

MONONGALIA COUNTY, WEST VIRGINIA
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2020

West Virginia Deputy Sheriff Retirement System
 Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 271,396	\$ 255,200	\$ 245,476	\$ 234,991	\$ 219,278	\$ 347,984	\$ 361,428	\$ 382,065	\$ 371,439	\$ 317,385
Contributions in relation to the contractually required contribution	<u>(271,396)</u>	<u>(255,200)</u>	<u>(245,476)</u>	<u>(234,991)</u>	<u>(219,278)</u>	<u>(347,984)</u>	<u>(361,428)</u>	<u>(382,065)</u>	<u>(371,439)</u>	<u>(317,385)</u>
Contribution deficiency (excess)	<u>\$ --</u>									
County's covered-employee payroll	\$ 2,261,630	\$ 2,126,671	\$ 2,045,630	\$ 1,958,258	\$ 1,827,317	\$ 2,676,800	\$ 2,780,215	\$ 2,938,962	\$ 2,857,223	\$ 3,022,714
Plan fiduciary net position as a percentage of the total pension liability	12.00%	12.00%	12.00%	12.00%	12.00%	13.00%	13.00%	13.00%	13.00%	10.50%

MONONGALIA COUNTY, WEST VIRGINIA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
For the Fiscal Year Ended June 30, 2020

Retiree Health Benefit Trust
Last 4 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net OPEB liability (asset)	0.09771866	0.10379722	0.10836747	0.14364055
County's proportionate share of the net OPEB liability (asset)	\$ 1,621,282	\$ 2,226,903	\$ 2,664,744	\$ 3,567,062
State's proportionate share of the net OPEB liability (asset) associated with the County	<u>321,211</u>	<u>460,241</u>	<u>806,845</u>	<u>-</u>
Total	<u><u>1,942,493</u></u>	<u><u>2,687,144</u></u>	<u><u>3,471,589</u></u>	<u><u>3,567,062</u></u>
County's covered-employee payroll	\$ 11,492,312	\$ 10,858,488	\$ 10,421,666	\$ 10,110,065
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	14.11%	20.51%	25.57%	35.28%
Plan fiduciary net position as a percentage of the total OPEB liability	39.69%	30.98%	25.10%	21.64%

* - Applicable information was available for four years for this schedule.

MONONGALIA COUNTY, WEST VIRGINIA
SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2020

Retiree Health Benefit Trust
Last 4 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 194,911	\$ 201,328	\$ 212,109	\$ 222,585	\$ 245,721
Contributions in relation to the contractually required contribution	<u>(194,911)</u>	<u>(201,328)</u>	<u>(212,109)</u>	<u>(222,585)</u>	<u>(245,721)</u>
Contribution deficiency (excess)	<u>\$ --</u>				
County's covered-employee payroll	\$ 12,478,777	\$ 11,492,312	\$ 10,858,488	\$ 10,421,666	\$ 10,110,065
Plan fiduciary net position as a percentage of the total OPEB liability	1.56%	1.75%	1.95%	2.14%	2.43%

MONONGALIA COUNTY COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Note 1 - Changes in Assumptions PERS

Changes in the assumptions between the 2019 and 2018 valuations:

Projected salary increases went from 3-6% in 2018 to 3.1-6.5% in 2019; the inflation rate remained at 3% in 2019 from 2018; mortality rates changed due to changing from the RP-2000 model to the Pub-2010 model; withdrawal rates went from 1.75-35.88% in 2018 to 2.28-35.88% in 2019; disability rates went from 0-.675% in 2018 to 0-.54% in 2019. The range of the experience study was 2004-2009 in 2018 and 2013-2018 in 2019. These changes in assumptions lead to deferred inflows of \$55,650,000 in 2019.

Changes in the assumptions between the 2015 and 2014 valuations:

Projected salary increases went from 4.25-6% in 2014 to 3-6% in 2015; the inflation rate went from 2.2% in 2015 to 1.9% in 2015; mortality rates changed due to from the Gam model to RP-2000 model; withdrawal rates went from 1-31.2% in 2014 to 1.75-35.8% in 2015; disability rates went from 0-.8% in 2014 to 0-.675% in 2015; The range of the experience study was 2004-2009 in 2014 and 2009-2014 in 2015. These changes in assumptions lead to deferred inflows of \$89,556,000 in 2015.

Note 2 – Changes in Assumptions OPEB

Changes in the assumptions between the 2019 and 2018 valuations:

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the per capita claims costs for Pre-Medicare and Medicare decreased the liability by approximately \$12 million and a capped subsidy costs implemented in December 2019 decreased the liability by approximately \$224 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

Changes in the assumptions between the 2018 and 2017 valuations:

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the inclusion of waived annuitants increased the liability by approximately \$17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately \$68 million; a change in certain healthcare-related assumptions decreased the liability by approximately \$232 million; and an update to the mortality tables increased the liability by approximately \$25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

Changes in the assumptions between the 2016 and 2015 valuations

Certain economic and behavioral assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claims costs, the likelihood that a member selects healthcare coverage and the likelihood that a retiree selects one-person, two person or family coverage. These assumptions were updated based on a recent experience study performed by the RHBT actuaries using five-year experience data through June 30, 2015. The updated per capita claims costs were also based on recent claims, enrollment and premium information as of the valuation date.

For the June 30, 2016 valuation, the retiree healthcare participation assumption for each retirement plan is slightly higher than the previous assumption used in the June 30, 2015 OPEB valuation. More members who were covered as actives will be assumed to participate as retirees.

Note 2 – Changes in Assumptions OPEB (Continued)

The 2016 and 2015 valuations include consideration of the \$30 million annual appropriations under Senate Bill 419, through July 1, 2037, or if earlier, the year the benefit obligation is fully funded. Additionally, the presentation of covered payroll was changed for the June 30, 2015, actuarial valuation. Participating employees hired before July 1, 2010, pay retiree premiums that are subsidized based on years of service at retirement. Participating employees hired on or after July 1, 2010, are required to fully fund premium contributions upon retirement. Consequently, beginning June 30, 2015, actuarial valuation covered payroll represents only the payroll for those OPEB eligible participating employees that were hired before July 1, 2010, allowing a better representation of the UAAL as a percentage of covered payroll, whereas, for the prior years, covered payroll is in total for all participating employees.

MONONGALIA COUNTY, WEST VIRGINIA
 BUDGETARY COMPARISON SCHEDULE -
 ASSESSOR'S VALUATION FUND
 For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>Modified</u> <u>Accrual Basis</u>	<u>Budget</u> <u>Basis</u>	<u>Budget</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
REVENUES:						
Other taxes	\$ 1,144,263	\$ 1,144,263	\$ 1,213,049	\$ -	\$ 1,213,049	\$ 68,786
Charges for services	30,200	35,450	35,451	-	35,451	1
Interest	200	200	11,664	-	11,664	11,464
Reimbursements	-	-	199	-	199	199
Total revenues	<u>1,174,663</u>	<u>1,179,913</u>	<u>1,260,363</u>	<u>-</u>	<u>1,260,363</u>	<u>80,450</u>
EXPENDITURES:						
Current:						
General government	1,404,663	1,665,141	1,309,936	-	1,309,936	355,205
Capital outlay	70,000	115,000	13,447	-	13,447	101,553
Total expenditures	<u>1,474,663</u>	<u>1,780,141</u>	<u>1,323,383</u>	<u>-</u>	<u>1,323,383</u>	<u>456,758</u>
Net change in fund balance	<u>(300,000)</u>	<u>(600,228)</u>	<u>(63,020)</u>	<u>-</u>	<u>(63,020)</u>	<u>537,208</u>
Fund balance at beginning of year	<u>300,000</u>	<u>600,228</u>	<u>600,227</u>	<u>-</u>	<u>600,227</u>	<u>(1)</u>
Fund balance at end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>537,207</u>	\$ <u>-</u>	\$ <u>537,207</u>	\$ <u>537,207</u>