

Brooke and Hancock Counties

RFP# 22-386

City of Weirton, West Virginia

Financial Statements and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2022

CITY OF WEIRTON, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT
For the Fiscal Year Ended June 30, 2022

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General
Coal Severance Tax
TIF
ARPA

NONMAJOR FUNDS

Youth Job Program
Public Safety
CDBG

PROPRIETARY FUND TYPES

MAJOR FUNDS

Water
Sewerage
Board of Park Commissions

NONMAJOR FUNDS

Parking

OTHER FUNDS
Internal Service Fund-Gasoline

COMPONENT UNITS

Blended

Library

FIDUCIARY FUNDS

Policemen's Pension
Firemen's Pension

CITY OF WEIRTON, WEST VIRGINIA
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Introductory Section

CITY OF WEIRTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2022

OFFICE	NAME	TERM ENDS
<u>Elected</u>		
Mayor:	Harold Miller	December 31, 2024
Council Members:		
Ward 1:	Tim Connell	December 31, 2024
Ward 2:	Christopher Jonczak	December 31, 2024
Ward 3:	Fred Marsh	December 31, 2024
Ward 4:	George Ash, Sr.	December 31, 2024
Ward 5:	Flora Perrone	December 31, 2024
Ward 6:	Enzo Fracasso	December 31, 2024
Ward 7:	Terry Weigel	December 31, 2024
<u>Appointed</u>		
City Manager:	Michael Adams	
Chief Code Official:	Matt Burskey	
City Attorney:	Vincent Gurrera	
City Clerk:	Kimberly Long	
City Judge:	Dean Makricostas	
Finance Director:	Diana Smoljanovich	
Fire Chief:	Kevin Himmelrick	
Library Director:	Richard Rekowski	
Planning and Development Director:	Mark Miller	
Police Chief:	Charlie Kush	
Public Works Director:	Bruce Lamp	
Utilities Director:	A.D. Butch Mastrantoni	

Financial Section

Ferrari & Associates, PLLC

616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report

Honorable Mayor and City Council
City of Weirton
Weirton, West Virginia 26062

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weirton, West Virginia (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weirton, West Virginia as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

The City has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedules of defined benefit pension trusts, the schedules of cost sharing multi-employer plans – pensions, and the schedules of cost sharing multi – employer plan – OPEB listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements of individual nonmajor fund financial statements and fiduciary fund financial statements, and schedule of state grant receipts and expenditures is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of individual nonmajor fund financial statements and fiduciary fund financial statements, schedule of state grant receipts and expenditures, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Emphasis of Matter

As discussed in Note I, during the year ended June 30, 2022, the Authority adopted new accounting guidance, the Governmental Accounting Standards Board (GASB) Statements No. 87, *Leases* and No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Ferrari & Associates, PLLC

Morgantown, West Virginia

March 23, 2023

CITY OF WEIRTON, WEST VIRGINIA

STATEMENT OF NET POSITION

June 30, 2022

	Primary Government			
	Governmental Activities		Business-type Activities	
			Total	
Assets				
Cash and cash equivalents	\$ 10,175,110	\$ 1,402,236	\$ 11,577,346	
Investments	4,393,004	195,690	4,588,694	
Receivables, net:				
Taxes	2,511,004	-	2,511,004	
Charges for services	529,178	1,637,882	2,167,060	
Intergovernmental	484,136	-	484,136	
Other fees and proceeds	12	-	12	
Internal balances	(807,786)	807,786	-	
Inventories	-	154,544	154,544	
Other assets	208,406	6,437	214,843	
Net pension asset	1,955,814	1,162,026	3,117,840	
Net OPEB asset	20,970	22,634	43,604	
Restricted assets:				
Cash and cash equivalents	7,057,325	2,068,721	9,126,046	
Capital assets:				
Land and construction in progress	2,549,294	3,292,903	5,842,197	
Other capital assets, net of depreciation	23,306,568	29,758,946	53,065,514	
Total assets	<u>52,383,035</u>	<u>40,509,805</u>	<u>92,892,840</u>	
Deferred Outflows				
OPEB items	300,536	265,320	565,856	
Pension items	4,643,264	598,766	5,242,030	
Total deferred outflows of resources	<u>4,943,800</u>	<u>864,086</u>	<u>5,807,886</u>	
Total assets and deferred outflows	<u>\$ 57,326,835</u>	<u>\$ 41,373,891</u>	<u>\$ 98,700,726</u>	

CITY OF WEIRTON, WEST VIRGINIA

STATEMENT OF NET POSITION

June 30, 2022

	Primary Government			
	Governmental Activities		Business-type Activities	
			Total	
Liabilities				
Accounts payable	\$ 2,209,666	\$ 507,499	\$ 2,717,165	
Wages and benefits payable	678,702	178,729	857,431	
Notes payable, current	-	323,074	323,074	
Lease liabilities, current	348,469	71,888	420,357	
Compensated absences	723,903	105,738	829,641	
Unearned revenues	4,189,249	-	4,189,249	
Security deposit	25,000	-	25,000	
Grant advances	1,269	-	1,269	
Liabilities payable from restricted assets:				
Bonds payable, current	-	1,072,794	1,072,794	
Accrued interest payable	-	163,299	163,299	
Lease liabilities, non-current	478,170	20,789	498,959	
Bonds payable, non-current	-	12,143,900	12,143,900	
Bond anticipation notes payable, non-current	-	2,170,625	2,170,625	
Net pension liability	<u>28,869,356</u>	<u>-</u>	<u>28,869,356</u>	
Total liabilities	<u>37,523,784</u>	<u>16,758,335</u>	<u>54,282,119</u>	
Deferred Inflows				
OPEB items	753,930	813,533	1,567,463	
Pension items	<u>5,304,733</u>	<u>1,534,415</u>	<u>6,839,148</u>	
Total deferred inflows of resources	<u>6,058,663</u>	<u>2,347,948</u>	<u>8,406,611</u>	
Net Position				
Net investment in capital assets	25,029,223	17,248,779	42,278,002	
Restricted for:				
Capital projects	3,019,176	-	3,019,176	
Debt service	-	1,261,762	1,261,762	
Net pension asset	638,681	226,377	865,058	
Grant expenditures	5,376	-	5,376	
Other purposes	2,604,790	806,959	3,411,749	
Unrestricted	<u>(17,552,858)</u>	<u>2,723,731</u>	<u>(14,829,127)</u>	
Total net position	<u>13,744,388</u>	<u>22,267,608</u>	<u>36,011,996</u>	
Total liabilities, deferred inflows, and net position	<u>\$ 57,326,835</u>	<u>\$ 41,373,891</u>	<u>\$ 98,700,726</u>	

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Functions/Programs	Program Revenues						Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total			
Primary government:										
Governmental activities:										
General government	\$ 3,371,251	\$ 593,573	\$ 46,275	\$ 161,145	\$ (2,570,258)	\$ -	\$ (2,570,258)			
Public safety	7,047,681	2,347,531	4,958,814	36,285	294,949	-	294,949			
Highway and streets	3,346,160	848,349	472,512	409,664	(1,615,635)	-	(1,615,635)			
Health and sanitation	1,327,503	1,669,311	238,034	-	579,842	-	579,842			
Culture and recreation	965,738	22	168,075	-	(797,641)	-	(797,641)			
Social services	45,769	-	46,808	-	1,039	-	1,039			
Interest	15,136	-	-	-	(15,136)	-	(15,136)			
Total governmental activities	<u>16,119,238</u>	<u>5,458,786</u>	<u>5,930,518</u>	<u>607,094</u>	<u>(4,122,840)</u>	<u>-</u>	<u>(4,122,840)</u>			
Business-type activities:										
Water board	3,646,834	4,976,364	24,000	35,735	-	1,389,265	1,389,265			
Sanitary board	2,945,145	3,481,997	57,412	3,382	-	597,646	597,646			
Board of park commissions	1,202,560	351,938	30,000	43,121	-	(777,501)	(777,501)			
Total business-type activities	<u>7,794,539</u>	<u>8,810,299</u>	<u>111,412</u>	<u>82,238</u>	<u>-</u>	<u>1,209,410</u>	<u>1,209,410</u>			
Total government	<u>\$ 23,913,777</u>	<u>\$ 14,269,085</u>	<u>\$ 6,041,930</u>	<u>\$ 689,332</u>	<u>(4,122,840)</u>	<u>1,209,410</u>	<u>(2,913,430)</u>			
General revenues:										
Taxes:										
Property taxes				3,569,305	-	3,569,305				
B & O taxes				4,776,937	-	4,776,937				
Sales taxes				3,452,592	-	3,452,592				
Excise tax on utilities				1,054,533	-	1,054,533				
Other taxes				770,328	-	770,328				
Video lottery and table gaming				525,905	-	525,905				
Unrestricted investment earnings				26,932	3,993	30,925				
Other				95,020	146,973	241,993				
Gain (loss) on sale of assets				-	(508)	(508)				
Capital transfers				(508,403)	508,403	-				
Transfers				(582,300)	582,300	-				
Total general revenues and transfers				<u>13,180,849</u>	<u>1,241,161</u>	<u>14,422,010</u>				
Changes in net position				9,058,009	2,450,571	11,508,580				
Net position - beginning, as restated				<u>4,686,379</u>	<u>19,817,037</u>	<u>24,503,416</u>				
Net position - ending				<u>\$ 13,744,388</u>	<u>\$ 22,267,608</u>	<u>\$ 36,011,996</u>				

CITY OF WEIRTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	Coal				Nonmajor Governmental Funds	Total Governmental Funds
	General	Severance Tax	TIF	ARPA		
Assets						
Cash and cash equivalents	\$ 6,189,142	\$ 62,941	\$ 3,087,707	\$ -	\$ 648,197	\$ 9,987,987
Investments	4,393,004	-	-	-	-	4,393,004
Receivables, net						
Taxes	2,470,303	25,290	15,411	-	-	2,511,004
Charges for services	506,974	-	-	-	-	506,974
Intergovernmental	-	-	60,372	-	423,764	484,136
Other fees and proceeds	12	-	-	-	-	12
Due from other funds	2,942,202	-	-	-	-	2,942,202
Prepaid expenses	206,446	-	-	-	1,960	208,406
Restricted cash and cash equivalents	41,405	-	-	7,015,880	40	7,057,325
Total assets	\$ 16,749,488	\$ 88,231	\$ 3,163,490	\$ 7,015,880	\$ 1,073,961	\$ 28,091,050
Liabilities, Deferred Inflows and Fund Balances						
Liabilities						
Accounts payable	\$ 1,608,449	\$ 7,187	\$ 128,903	\$ -	\$ 421,931	\$ 2,166,470
Wages and benefits payable	671,345	-	-	-	7,357	678,702
Compensated absences	126,308	-	-	-	3,196	129,504
Due to other funds	862,496	33,286	-	2,884,430	20,581	3,800,793
Security deposit	-	-	-	-	25,000	25,000
Unearned revenue	-	-	-	4,126,074	63,175	4,189,249
Grant advances	-	-	-	-	1,269	1,269
Total liabilities	3,268,598	40,473	128,903	7,010,504	542,509	10,990,987
Deferred Inflows						
Unavailable revenue-taxes	36,738	-	15,411	-	-	52,149
Fund balances						
Non-spendable for:						
Prepaid expenses	206,446	-	-	-	1,960	208,406
Restricted for:						
Culture and recreation	2,604,790	-	-	-	-	2,604,790
Grant expenditures	-	-	-	-	-	-
Committed for:						
Capital projects	86,018	-	3,019,176	5,376	-	3,110,570
General expenditures	336,088	-	-	-	-	336,088
Assigned for:						
General expenditures	-	47,758	-	-	529,492	577,250
Unassigned for:						
Unassigned	10,210,810	-	-	-	-	10,210,810
Total fund balances	13,444,152	47,758	3,019,176	5,376	531,452	17,047,914
Total liabilities, deferred inflows, and fund balances	\$ 16,749,488	\$ 88,231	\$ 3,163,490	\$ 7,015,880	\$ 1,073,961	\$ 28,091,050

CITY OF WEIRTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balance, governmental funds	\$ 17,047,914
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets of \$55,854,438 net of accumulated depreciation of \$29,998,576, used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 25,855,862

Certain other long-term assets are not available to pay current period expenditures and, therefore, are unearned in the funds. These consist of unearned property taxes and business and occupational taxes. 52,149

The net position of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. 216,935

The portion of compensated absences that are not due and payable in the current period and are not reported in the funds, but are included in the governmental activities of the Statement of Net Position. (594,398)

Deferred inflows and outflows related to OPEB and pension activity are not required to be reported in the funds but are required to be reported at the government - wide level:

OPEB deferred outflows	300,536
OPEB deferred inflows	<u>(753,930)</u>
	(453,394)
Pension deferred outflows	4,643,264
Pension deferred inflows	<u>(5,304,733)</u>
	(661,469)

Long-term net pension (liabilities) assets and the Net OPEB (liabilities) assets are not due and payable in the current period and not reported in the funds.

Net pension asset	1,955,814
Net OPEB asset	20,970
Net pension liability	<u>(28,869,356)</u>
	(26,892,572)

Capital lease obligations do not require the use of current financial resources and therefore are reported only in the Statement of Net Position. (826,639)

Net position of governmental activities in the Statement of Net Position \$ 13,744,388

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	Coal Severance				Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Tax	TIF	ARPA		
Revenues						
Property taxes	\$ 2,994,818	\$ -	\$ 410,473	\$ -	\$ 189,990	\$ 3,595,281
B&O taxes	4,769,123	-	-	-	-	4,769,123
Sales taxes	3,452,592	-	-	-	-	3,452,592
Excise tax on utilities	1,054,533	-	-	-	-	1,054,533
Other taxes	695,450	74,878	-	-	-	770,328
Fines and forfeitures	122,522	-	-	-	22	122,544
Licenses, permits, and fees	249,330	-	-	-	-	249,330
Intergovernmental	1,303,806	-	161,145	4,326,515	548,809	6,340,275
Charges for services	4,865,191	-	-	-	-	4,865,191
Video lottery and table gaming	525,905	-	-	-	-	525,905
Investment income	16,789	4	3,394	5,184	1,561	26,932
Contributions	-	-	-	-	197,337	197,337
Other	54,952	-	-	-	150	55,102
Total revenues	20,105,011	74,882	575,012	4,331,699	937,869	26,024,473
Expenditures						
Current:						
General government	3,590,214	-	589,465	-	78,734	4,258,413
Public safety	5,799,257	15,140	-	4,088,481	43,707	9,946,585
Highways and streets	4,701,013	8,245	-	-	409,664	5,118,922
Health and sanitation	1,257,598	-	-	238,034	-	1,495,632
Culture and recreation	212,858	17,090	-	-	793,620	1,023,568
Social services	10,842	-	-	-	34,927	45,769
Debt Service:						
Leases - principal	326,957	-	-	-	-	326,957
Leases - interest	15,136	-	-	-	-	15,136
Total expenditures	15,913,875	40,475	589,465	4,326,515	1,360,652	22,230,982
Excess (deficiency) of revenues over expenditures	4,191,136	34,407	(14,453)	5,184	(422,783)	3,793,491
Other Financing Sources (Uses)						
Proceeds from leases	666,985	-	-	-	-	666,985
Transfers from other funds	-	-	-	-	454,040	454,040
Capital transfers to other funds	(508,403)	-	-	-	-	(508,403)
Transfers to other funds	(1,036,340)	-	-	-	-	(1,036,340)
Net other financing sources (uses)	(877,758)	-	-	-	454,040	(423,718)
Net changes in fund balances	3,313,378	34,407	(14,453)	5,184	31,257	3,369,773
Fund balances - beginning, as restated	10,130,774	13,351	3,033,629	192	500,195	13,678,141
Fund balances - ending	<u>\$ 13,444,152</u>	<u>\$ 47,758</u>	<u>\$ 3,019,176</u>	<u>\$ 5,376</u>	<u>\$ 531,452</u>	<u>\$ 17,047,914</u>

CITY OF WEIRTON, WEST VIRGINIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Net change in fund balances - total governmental funds:	\$ 3,369,773
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlays as expense. The outlays are allocated over their estimated useful lives and reported as depreciation expense for the period. This is the amount by which capital outlays of \$3,375,175 exceeded depreciation expense of \$1,437,675 in the current period.	1,937,500
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This consists of an increase in property taxes and a decrease in business and occupational taxes.	(18,162)
Governmental funds report lease proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of lease liabilities as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which new leases of \$666,985 exceeded new capital leases of \$326,957.	(340,028)
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB Statement No. 68 and No. 75:	
Amount of pension expenditures at fund modified accrual level	2,910,236
Amount of pension expenses recognized at government - wide level	<u>542,197</u>
	3,452,433
Amount of OPEB expenditures at fund modified accrual level	133,251
Amount of OPEB expenses recognized at government - wide level	<u>373,135</u>
	506,386
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. These result in a net decrease in compensated absences of \$258,658.	
	258,658
An internal service fund is used by management to charge the cost of gasoline to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	<u>(108,551)</u>
Change in net position of governmental activities	<u><u>\$ 9,058,009</u></u>

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities - Enterprise Funds						
	Water Board	Sanitary Board	Board of Park Commissions	Nonmajor Enterprise Fund Parking		Total Enterprise Funds	Internal Service Fund-Gasoline
Assets							
Current assets							
Cash and cash equivalents	\$ 829,361	\$ 201,329	\$ 370,539	\$ 1,007	\$ 1,402,236	\$ 187,123	
Investments	-	-	195,690	-	195,690	-	
Accounts receivable, net	882,773	755,109	-	-	1,637,882	22,204	
Due from other funds	169,106	654,128	4,972	-	828,206	50,804	
Prepaid expenses	1,124	1,123	4,190	-	6,437	-	
Inventories	154,544	-	-	-	154,544	-	
Total current assets	2,036,908	1,611,689	575,391	1,007	4,224,995	260,131	
Restricted assets							
Cash and cash equivalents	1,136,628	932,093	-	-	2,068,721	-	
Total restricted assets	1,136,628	932,093	-	-	2,068,721	-	
Non-current assets							
Capital assets							
Land and construction in progress	1,282,360	1,191,559	514,403	304,581	3,292,903	-	
Other capital assets, net of accumulated depreciation and amortization	17,542,870	11,418,779	797,297	-	29,758,946	-	
Net pension asset	550,167	511,169	100,690	-	1,162,026	-	
Net OPEB asset	14,465	8,169	-	-	22,634	-	
Total non-current assets	19,389,862	13,129,676	1,412,390	304,581	34,236,509	-	
Total assets	22,563,398	15,673,458	1,987,781	305,588	40,530,225	260,131	
Deferred outflows							
OPEB items	189,225	76,095	-	-	265,320	-	
Pension items	290,795	250,445	57,526	-	598,766	-	
Total deferred outflows of resources	480,020	326,540	57,526	-	864,086	-	
Total assets and deferred outflows of resources	\$ 23,043,418	\$ 15,999,998	\$ 2,045,307	\$ 305,588	\$ 41,394,311	\$ 260,131	

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities - Enterprise Funds						Internal Service Fund-Gasoline	
	Water Board	Sanitary Board	Board of Park Commissions	Nonmajor Enterprise Fund Parking		Total Enterprise Funds		
Liabilities								
Current liabilities								
Accounts payable	\$ 392,256	\$ 56,090	\$ 59,153	\$ -	\$ 507,499	\$ 43,196		
Wages and benefits payable	80,457	73,212	25,060	-	178,729	-		
Due to other funds	10,775	8,031	1,614	-	20,420	-		
Compensated absences	40,772	56,180	8,786	-	105,738	-		
Note payable, current	323,074	-	-	-	323,074	-		
Lease liabilities, current	-	71,888	-	-	71,888	-		
Total current liabilities	<u>847,334</u>	<u>265,401</u>	<u>94,613</u>	<u>-</u>	<u>1,207,348</u>	<u>43,196</u>		
Liabilities payable from restricted assets								
Bond interest payable, current	85,591	77,708	-	-	163,299	-		
Bonds payable, current	564,486	508,308	-	-	1,072,794	-		
Total liabilities payable from restricted assets	<u>650,077</u>	<u>586,016</u>	<u>-</u>	<u>-</u>	<u>1,236,093</u>	<u>-</u>		
Non-current liabilities								
Lease liabilities, non-current	-	20,789	-	-	20,789	-		
Bond anticipation notes payable, non-current	1,060,233	1,110,392	-	-	2,170,625	-		
Bonds payable, non-current	7,169,463	4,974,437	-	-	12,143,900	-		
Total non-current liabilities	<u>8,229,696</u>	<u>6,105,618</u>	<u>-</u>	<u>-</u>	<u>14,335,314</u>	<u>-</u>		
Total liabilities	<u>9,727,107</u>	<u>6,957,035</u>	<u>94,613</u>	<u>-</u>	<u>16,778,755</u>	<u>43,196</u>		
Deferred inflows								
OPEB items	510,268	302,390	875	-	813,533	-		
Pension items	730,187	669,249	134,979	-	1,534,415	-		
Total deferred inflows of resources	<u>1,240,455</u>	<u>971,639</u>	<u>135,854</u>	<u>-</u>	<u>2,347,948</u>	<u>-</u>		
Net Position								
Net investment in capital assets	9,707,974	5,924,524	1,311,700	304,581	17,248,779	-		
Restricted for:								
Debt service	633,025	628,737	-	-	1,261,762	-		
Pension	110,775	92,365	23,237	-	226,377	-		
Other purposes	503,602	303,357	-	-	806,959	-		
Unrestricted	1,120,480	1,122,341	479,903	1,007	2,723,731	216,935		
Total net position	<u>12,075,856</u>	<u>8,071,324</u>	<u>1,814,840</u>	<u>305,588</u>	<u>22,267,608</u>	<u>216,935</u>		
Total liabilities, deferred inflows, and net position	<u>\$ 23,043,418</u>	<u>\$ 15,999,998</u>	<u>\$ 2,045,307</u>	<u>\$ 305,588</u>	<u>\$ 41,394,311</u>	<u>\$ 260,131</u>		

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds					
	Water Board	Sanitary Board	Board of Park Commissions	Nonmajor Enterprise Fund Parking	Total Enterprise Funds	Internal Service Fund-Gasoline
Operating Revenues						
Charges for services:						
Fees for services	\$ 4,976,364	\$ 3,481,997	\$ 282,613	\$ -	\$ 8,740,974	\$ -
Concessions, merchandise sales and commissions	-	-	69,325	-	69,325	-
Internal service charges	-	-	-	-	-	455,846
Total charges for services	<u>4,976,364</u>	<u>3,481,997</u>	<u>351,938</u>	<u>-</u>	<u>8,810,299</u>	<u>455,846</u>
Operating grants and contributions	24,000	57,412	30,000	-	111,412	-
Total operating revenues	<u>5,000,364</u>	<u>3,539,409</u>	<u>381,938</u>	<u>-</u>	<u>8,921,711</u>	<u>455,846</u>
Operating Expenses						
Personal services	1,334,273	1,414,366	573,170	-	3,321,809	-
Operations, maintenance, and contractual services	1,214,357	764,506	340,783	-	2,319,646	-
Materials and supplies	183,221	127,154	92,556	-	402,931	564,397
Depreciation and amortization	661,061	502,613	196,051	-	1,359,725	-
Total operating expenses	<u>3,392,912</u>	<u>2,808,639</u>	<u>1,202,560</u>	<u>-</u>	<u>7,404,111</u>	<u>564,397</u>
Operating income (loss)	<u>1,607,452</u>	<u>730,770</u>	<u>(820,622)</u>	<u>-</u>	<u>1,517,600</u>	<u>(108,551)</u>
Non-Operating Revenues (Expenses)						
Investment income	2,121	1,295	577	-	3,993	-
Interest on bonds and note obligations	(253,922)	(136,506)	-	-	(390,428)	-
Gain (losses) on disposal of capital assets	-	-	(508)	-	(508)	-
Other revenue	73,158	72,461	1,354	-	146,973	-
Total non-operating revenue (expenses)	<u>(178,643)</u>	<u>(62,750)</u>	<u>1,423</u>	<u>-</u>	<u>(239,970)</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>1,428,809</u>	<u>668,020</u>	<u>(819,199)</u>	<u>-</u>	<u>1,277,630</u>	<u>(108,551)</u>
Capital grants and contributions	35,735	3,382	43,121	-	82,238	-
Capital transfers from other funds	-	-	508,403	-	508,403	-
Transfers from other funds	-	-	582,300	-	582,300	-
Change in net position	<u>1,464,544</u>	<u>671,402</u>	<u>314,625</u>	<u>-</u>	<u>2,450,571</u>	<u>(108,551)</u>
Total net position - beginning, as restated	<u>10,611,312</u>	<u>7,399,922</u>	<u>1,500,215</u>	<u>305,588</u>	<u>19,817,037</u>	<u>325,486</u>
Total net position - ending	<u>\$ 12,075,856</u>	<u>\$ 8,071,324</u>	<u>\$ 1,814,840</u>	<u>\$ 305,588</u>	<u>\$ 22,267,608</u>	<u>\$ 216,935</u>

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds					
	Water Board	Sanitary Board	Board of Park Commissions	Nonmajor Enterprise Fund Parking	Total Enterprise Funds	Internal Service Fund-Gasoline
Cash Flows from Operating Activities						
Cash received from customers	\$ 4,921,187	\$ 3,162,288	\$ 351,938	\$ -	\$ 8,435,413	\$ 121,758
Cash received for internal services	-	-	-	-	-	333,639
Cash payments to suppliers for goods and services	(1,502,545)	(853,317)	(395,042)	-	(2,750,904)	(542,271)
Cash payments to employees and professional contractors for services	(1,894,292)	(1,797,448)	(625,027)	-	(4,316,767)	-
Payments (to) for internal services	(26,440)	(16,109)	(5,188)	-	(47,737)	-
Other operating revenues and grants received	24,000	57,412	30,000	-	111,412	-
Net cash provided (used) by operating activities	<u>1,521,910</u>	<u>552,826</u>	<u>(643,319)</u>	<u>-</u>	<u>1,431,417</u>	<u>(86,874)</u>
Cash Flows from Non-Operating Activities						
Other non-operating revenues	73,158	72,461	1,354	-	146,973	-
Net cash provided by non-operating activities	<u>73,158</u>	<u>72,461</u>	<u>1,354</u>	<u>-</u>	<u>146,973</u>	<u>-</u>
Cash Flows from Non-Capital Financing Activities						
Transfers from other funds	-	-	628,853	-	628,853	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>628,853</u>	<u>-</u>	<u>628,853</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition and construction of capital assets	(720,512)	(265,732)	(637,001)	-	(1,623,245)	-
Proceeds from sale of capital assets	-	-	(508)	-	(508)	-
Proceeds from issue of bonds, bond anticipation notes, notes, and capital leases	283,924	265,468	-	-	549,392	-
Principal paid on bonds, notes and capital leases	(690,476)	(564,774)	-	-	(1,255,250)	-
Interest paid on bonds and notes	(233,387)	(120,795)	-	-	(354,182)	-
Capital contributions and grants received	35,735	3,382	551,524	-	590,641	-
Net cash provided (used) by capital and related financing activities	<u>(1,324,716)</u>	<u>(682,451)</u>	<u>(85,985)</u>	<u>-</u>	<u>(2,093,152)</u>	<u>-</u>
Cash Flows from Investing Activities						
Investment income	2,121	1,295	450	-	3,866	-
Net cash provided (used) by investing activities	<u>2,121</u>	<u>1,295</u>	<u>450</u>	<u>-</u>	<u>3,866</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	272,473	(55,869)	(98,647)	-	117,957	(86,874)
Cash and cash equivalents - beginning	1,693,516	1,189,291	469,186	1,007	3,353,000	273,997
Cash and cash equivalents - ending	<u>\$ 1,965,989</u>	<u>\$ 1,133,422</u>	<u>\$ 370,539</u>	<u>\$ 1,007</u>	<u>\$ 3,470,957</u>	<u>\$ 187,123</u>

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds						Internal Service Fund-Gasoline						
	Water Board	Sanitary Board	Board of Park Commissions	Nonmajor Enterprise Fund		Total Enterprise Funds							
				Parking									
Reconciliation of Operating Income (Loss) to Net Cash													
Provided (Used) by Operating Activities													
Operating income (loss)	\$ 1,607,452	\$ 730,770	\$ (820,622)	\$ -	\$ 1,517,600	\$ (108,551)							
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities													
Depreciation	661,061	502,613	196,051	-	1,359,725	-							
Changes in assets and liabilities:													
(Increase) decrease in accounts receivable	(55,177)	(233,674)	-	-	(288,851)	3,666							
(Increase) decrease in due from other funds	(124,000)	(86,035)	-	-	(210,035)	(4,115)							
(Increase) decrease in inventories	(49,256)	-	-	-	(49,256)	-							
(Increase) decrease in prepaid expenses	(1,124)	(1,123)	3,768	-	1,521	-							
Increase (decrease) in net OPEB asset	(14,465)	(8,169)	-	-	(22,634)	-							
Increase (decrease) in net pension asset	(550,167)	(511,169)	(100,690)	-	(1,162,026)	-							
(Increase) decrease in OPEB related deferred outflows of resources	(12,415)	41,973	-	-	29,558	-							
(Increase) decrease in pension related deferred outflows of resources	(27,268)	(21,302)	(7,411)	-	(55,981)	-							
Increase (decrease) in accounts payable	39,680	22,305	28,872	-	90,857	22,126							
Increase (decrease) in wages and benefits payable	22,319	7,678	4,721	-	34,718	-							
Increase (decrease) in due to other funds	3,293	1,052	469	-	4,814	-							
Increase (decrease) in compensated absences	(37,647)	(16,377)	628	-	(53,396)	-							
Increase (decrease) in net OPEB liability	(187,650)	(121,232)	-	-	(308,882)	-							
Increase (decrease) in net pension liability	(354,230)	(302,865)	(69,256)	-	(726,351)	-							
Increase (decrease) in OPEB related deferred inflows of resources	(81,870)	(82,618)	(3,908)	-	(168,396)	-							
Increase (decrease) in pension related deferred inflows of resources	683,374	630,999	124,059	-	1,438,432	-							
Net cash provided (used) by operating activities:	\$ 1,521,910	\$ 552,826	\$ (643,319)	\$ -	\$ 1,431,417	\$ (86,874)							
Reconciliation of Cash and Cash Equivalents													
Cash and cash equivalents	\$ 829,361	\$ 201,329	\$ 370,539	\$ 1,007	\$ 1,402,236	\$ 187,123							
Restricted cash and cash equivalents	1,136,628	932,093	-	-	2,068,721	-							
Total cash and cash equivalents	\$ 1,965,989	\$ 1,133,422	\$ 370,539	\$ 1,007	\$ 3,470,957	\$ 187,123							

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2022

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 767,220
Investments, at fair value:	
Money markets	242,076
Corporate obligations	198,970
Mutual funds	10,007,158
Equities	<u>13,128,932</u>
Total investments	<u>23,577,136</u>
Total assets	<u>24,344,356</u>
Net Position	
Net position held in trust	<u>\$ 24,344,356</u>

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2022

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 1,821,480
Plan members	308,820
Insurance premium tax allocation	<u>676,860</u>
Total contributions	<u>2,807,160</u>
Investment income	
Interest and dividends	486,811
Net realized and unrealized gains (losses)	(3,899,758)
Less: investment expense	<u>(79,168)</u>
Net investment income	<u>(3,492,115)</u>
Other income	<u>92</u>
Total additions	<u>(684,863)</u>
Deductions	
Benefits and refunds	2,446,983
Administrative	<u>11,783</u>
Total deductions	<u>2,458,766</u>
Change in net position	<u>(3,143,629)</u>
Net position held in trust for pension benefits	
Beginning of year, as restated	<u>27,487,985</u>
End of year	<u>\$ 24,344,356</u>

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the more significant accounting principles and practices of the City of Weirton, West Virginia (the City) conform to generally accepted accounting principles as applicable to governmental units and are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2022.

A. Reporting Entity

The City is a charter city in which citizens elect the mayor at large and seven council members by wards. The accompanying financial statements present the City's primary government and its component unit. This blended component unit, although a legally separate entity, is in substance part of the City's operations. The Library is reported as a blended component unit as a nonmajor governmental fund.

B. Related Organizations

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Financial statements are available from the respective organizations. Related organizations are described as follows:

City of Weirton Housing Authority

Administers federal funding and/or other financing for improvement of housing conditions in the City. The five citizens who serve as the governing board are approved by the City Council. The City has no significant influence over the management, budget, or policies of the Housing Authority. The Housing Authority reports independently.

City of Weirton Transit Authority

Administers federal funding and/or other financing for operating a bus transportation system in the City. The eleven citizens who serve as the governing board are approved by the City Council. The City has no significant influence over the management, budget, or policies of the Transit Authority. The Transit Authority reports independently.

City of Weirton Redevelopment Authority

Administers federal funding and/or other financing for the redevelopment of real estate within the City. The six citizens who serve as the governing board are approved by the City Council. The City has no significant influence over the management, budget, or policies of the Redevelopment Authority. The Redevelopment Authority reports independently.

C. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financials. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely, to a significant extent on fees and charges to external customers for support.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

D. Basis of Presentation, Measurement Focus, and Basis of Accounting

1. Basis of Presentation – Government – Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while the business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. Basis of Presentation – Fund Financial Statements

The accounts of the City are organized on the basis of funds or group of accounts, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows of resources, fund balances, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate financial statements for each fund category - governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in a single column.

The City reports the following major governmental fund types and funds:

General Fund - The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes. The City reports the following as major special revenue funds:

Coal Severance Fund - This special revenue fund accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia municipalities.

TIF Fund - This special revenue fund accounts for revenues and expenditures from property tax levied with the TIF district.

ARPA Fund - This special revenue fund accounts for the federal funding received under the American Rescue Plan Act (ARPA) of 2021 for Covid-19 expenses and for necessary investments in infrastructure.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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The City reports the following proprietary fund types and funds:

Enterprise funds – Enterprise funds are employed to report on activities financed primarily by revenues generated by the activities themselves.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The City reports the following major proprietary funds.

Water Board Fund - This fund accounts for the revenues and expenses generated by water services provided to the residents of the City as well as other entities.

Sanitary Board Fund - This fund accounts for the revenues and expenses generated by sewage services provided to the residents of the City as well as other entities.

Board of Park Commissions Fund - This fund accounts for the revenues and expenses generated by recreational facilities and services provided to the residents of the City.

Internal Service Fund - The internal service fund is used to account for operations that provide, on a user charge basis, services to other departments. The City's only internal service fund is the Gasoline Fund. As a general rule, the effect of internal service activity has been eliminated from the governmental-wide financial statements. However, it is reported as a proprietary fund in the fund financial statements.

The City reports the following fiduciary funds types and funds:

Pension Trust Funds - Report fiduciary resources held in trust and the receipt, investment, and distribution of retirement benefits. The City's pension trust funds are limited to uniformed employees (policemen and firemen).

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements.

Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

3. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 to be 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 collected within 60 days of the end of the current fiscal year.

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 pending litigation are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, business and occupation taxes, utility excise taxes, hotel/motel taxes, wine/liquor sales taxes, other miscellaneous tax revenue, video lottery proceeds, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. All other revenue items are considered to be measurable and available only when the government receives cash.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents in governmental funds include cash on hand, deposits with financial institutions or fiscal agents, and money market deposits with trust departments.

2. Investments

The City reports its investments at fair value as determined primarily by quoted market prices and matrix pricing of similar debt securities, except for 1) non-participating investment contracts (nonnegotiable certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair market value and 2) investments held by 2a-7 like external investment pools such as the WV Money Market and WV Government Money Market pools, which are measured at amortized cost, as permissible under Governmental Accounting Standards Board (GASB) Statement No. 31, as amended by GASB Statements No. 72 and 79. All investment income, including changes in fair market value of investments, are recognized as revenue in the operating statement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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The investment policy for the City, including the Pension funds, follows the guidelines established under Section 8-22-22a of the West Virginia State Code. State statutes authorize the City to invest in the Municipal Bond Commission, obligations of the United States or any agency thereof, obligations of the state, and high graded debt of private corporations. In addition to the above, the Pension funds can also invest in equities and mutual funds. The City does not have a policy for concentration of credit, interest, and credit risk in addition to the state's governing statutes.

3. Restricted Assets

Certain proceeds of the proprietary funds revenue bonds, as well as certain resources set aside for their bond repayment, maintenance and construction, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants and/or public service commission requirements.

Total restricted assets, which consist of interest-bearing checking accounts and deposits with the West Virginia Municipal Bond Commission, amounted to \$9,126,046.

4. Trade Receivables

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

5. Inventories

All funds, except the Water Board, consider inventories as expenditures at the time of purchase; therefore, they do not appear on the City's financial statements. Inventory for the Water Board is stated at cost.

6. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position and or fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time.

7. Right to Use Leased Assets

The City has recorded the right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

8. Capital Assets and Depreciation

The City's property, plant, equipment, and proprietary fund infrastructure and governmental fund infrastructure purchased or constructed after June 30, 1980 with useful lives of more than one year are stated at historical cost, or estimated historical cost, if actual cost is unavailable, and are comprehensively reported in the government-wide financial statements. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more as acquisition and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Infrastructure recorded by the City includes roads/streets, alleys, bridges, trails, and trail bridges.

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Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset-type</u>	<u>Years</u>
Land Improvements	5-70
Building and improvements	5-70
Infrastructure	10-50
General plant	20-50
Furniture, machinery, and equipment	4-45

9. Compensated Absences

Full-time, permanent employees are granted vacation, other paid time off and comp time benefits in varying amounts to specified maximums depending on tenure with the City. Employees are entitled to their accrued vacation leave upon termination. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued in the government-wide and proprietary financial statements. The current portion of this debt is estimated based on historical trends. Governmental funds report only the compensated absences liability payable from expendable, available financial resources in the fund financial statements.

10. Long – Term Debt

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond discounts and premiums are amortized over the terms of the respective bonds using the straight-line method. Debt discounts and premiums are netted against the respective portions of current and non-current bonds payable on the government-wide statement of net position. Gain or loss upon refunding of debt is reported as deferred inflows or deferred outflows and amortized over the term of the related debt. Bond issuance costs are expensed as incurred.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

11. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position and or fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

12. Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net position is reported as restricted when there are legal limitations imposed on their use by external restrictions by creditors, grantors, laws or regulations of other governments. Net position is reported as invested in capital assets for the portion of net position related to the historical cost of capital assets less any accumulated depreciation and less any debt that remains outstanding that was used to finance those capital assets. All other net position is reported as unrestricted. When an expense is incurred that can be paid using either restricted or unrestricted resources, the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

13. Fund Balance

The City's fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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Nonspendable	The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.
Restricted	A fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.
Committed	The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action. The City's highest level of decision-making authority is City Council. Formal action is required to be taken to establish, modify or rescind a fund balance commitment is through an ordinance.
Assigned	Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts are intended uses established by City Council or a City official delegated with that authority.
Unassigned	Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

The City applies restricted resources first when expenditures are incurred for the purposes for which either restricted, committed, assigned, or unassigned amounts are available. Similarly, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these fund balance classifications could be used.

14. Estimates

The presentation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

15. Pension

For purposes of measuring the net pension asset and liability and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net positions of the West Virginia Public Employee Retirement System (PERS) and the West Virginia Municipal Police Officer and Firefighter Retirement System (MPFRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the PERS and MPFRS. 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.

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16. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of the resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Retiree Health Benefits Trust Fund (RHBT) and additions to/deductions from the RHBT's fiduciary net position have been determined on the same basis as they are reported by the RHBT. RHBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

17. Change in Accounting Principle

Effective July 1, 2021, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of the requirements of this statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. There is no effect on beginning net position as adoption did not materially affect beginning net position.

Effective July 1, 2021, The City adopted Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest costs incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Adopting this statement resulted in a prior period restatement of \$46,806 and \$52,029 on the Water Board and Sanitary Board, respectively.

F. Revenues and Expenditures/Expenses

1. Program Revenues

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.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sanitary Board, Water Board, Board of Park Commissions Fund, and Internal Service Fund are charges to customers for sales and services. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE II - TRANSFERS

Transfers and payments within the reporting entity are primarily for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

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Substantial operating subsidies are provided by the General Fund to the Mary H. Weir Library and Board of Park Commissions. In addition, during the year the General Fund made capital transfers to the Board of Park Commissions for project costs. Such payments are reported as transfers in the accompanying financial statements. These payments are detailed in the schedule below.

The government-wide statement of activities eliminates transfers as reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

The following schedule reports transfers and payments within the primary government reporting entity for the year ended June 30, 2022:

	Major governmental fund	
	General fund	
Governmental activities		
Nonmajor governmental funds	\$	454,040
Business – type activities		
Major enterprise funds		
Board of park commissions		1,090,703
 Total transfers	\$	 1,544,743

NOTE III – PROPERTY TAXES

Real property taxes attach as an enforceable lien on all real property on which taxes are assessed on July first. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. 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, and the second installment is payable on the first day of 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 taxes are not paid on or before the date on 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 paid.

The sheriff of each county, as ex officio county treasurer, collects all taxes levied in that particular county. Each month the sheriff is required to pay all monies collected for any municipal corporation into the respective treasury of that municipality, payment to be made on or before the tenth day of each month for all monies collected during the preceding month. After the sheriff has collected eighty-five percent of the combined total of all taxes assessed on real and personal property, the sheriff is allowed a commission of two and one-half percent, not to exceed \$15,000, on the remainder of the taxes actually collected, exclusive of interest and charges thereon. The commission so allowed is charged against the various funds for which the taxes are collected.

All municipalities within the state are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: Class I property, twelve and five-tenths cents (12.5 cents); on Class II property, twenty-five cents (25.0 cents); and on class IV property, fifty cents (50.0 cents). In addition, counties may provide for an election to lay an excess levy, the rates not to exceed statutory limitations, provide that at least sixty percent of the votes cast ballots in favor of the excess levy.

The levy rates of the City for the fiscal year ended June 30, 2022 were assessed as follows:

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Assessed class of property	Assessed valuation for tax purposes	Current expense
Class I	\$ -	12.5 cents
Class II	313,521,590	25.0 cents
Class IV	440,097,121	50.0 cents

NOTE IV – BUDGETARY INFORMATION

The General Fund and Coal Severance Tax Fund appropriated budgets are prepared on a detailed line-item basis. This detail is then submitted to the West Virginia State Auditor's Office, Chief Inspector Division, for approval. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions require approval by the City Council. Revisions that change a "departmental total" must also have approval of the West Virginia State Auditor, Chief Inspector. Revisions to the budget were made throughout the year.

The budgets for the General Fund and Coal Severance Tax Fund are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

NOTE V – STABILIZATION FUND

City Council has established, through ordinance, a stabilization fund to set aside amounts to be used in emergency situations or for short-term cash flow purposes. The City maintains the stabilization fund within the general fund. As of June 30, 2022, the balance of the stabilization fund is \$4,991,131.

NOTE VI – DEPOSITS AND INVESTMENTS

1. Custodial Credit Risk

Deposits - The City has \$19,429,449 in deposits with financial institutions collateralized by securities held by pledging financial institutions or their agents in the City's name as of June 30, 2022 and \$1,197,619 in deposits with financial institutions that are in excess of the Federal Deposit Insurance Corporation limitations and uncollateralized.

Investments - As of June 30, 2022, the City held the following investments:

Level (Note VII)	Governmental	Fiduciary	Business – type activities	Total
Money markets	1	\$ 4,393,004	\$ 242,076	\$ -
Certificate of deposits	*	-	-	195,690
Corporate obligations	2	-	198,970	198,970
Mutual funds	1	-	10,007,158	10,007,158
Equities	1	-	13,128,932	13,128,932
Municipal bond commission	**	-	1,261,763	1,261,763
Total Investments	\$ 4,393,004	\$ 23,577,136	\$ 1,457,453	\$ 29,427,593

**Certificate of Deposits*: The City has determined that certificates of deposit held by the City do not meet the definition of a security as defined by Statement No. 72 of the Governmental Accounting Standards Board, *Fair Value Measurement and Application*, and are therefore not subject to the disclosure requirements.

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****Municipal Bond Commission:** The City's business-type activities investments include funds held at the WV Municipal Bond Commission (MBC) for the revenue bond issuances. The funds held by the MBC are invested in the WV Government Money Market Pool at the WV Board of Treasury Investments (BTI), through the West Virginia State Treasury. The investment of the WV Government Money Market Pool is carried at amortized cost and measured at amortized cost for financial reporting purposes. Additional information regarding the pool as well as the most recent financial statements can be found at www.wvbt.org.

The West Virginia Legislature created the MBC to act as the fiscal agent/trustee for bond issuances of the State and its political subdivisions. The oversight of the MBC is the State Treasurer's Office, the State Auditor's Office, and other financial professionals not associated with government. Since 1932, the Legislature has made a blanket appropriation annually to cover possible deficiencies that could arise in sinking fund accounts. Standard and Poor's has recognized this annual Legislative appropriation and the MBC's management as a Credit Enhancement Program.

2. Concentration of Credit, Interest Rate, and Credit Risks

Governmental and Proprietary Funds – On the Statement of Net Position and Balance Sheet, the governmental and proprietary money market funds, certificates of deposit, and mutual funds are included in investments and the Municipal Bond Commission is included in restricted cash and cash equivalents. All of the governmental and proprietary investments are insured or registered securities held by the City or its agent in the City's name. The governmental and proprietary investments are rated using Standard & Poor's and Moody's Investment Services.

The interest rate and credit risk ratings of these investments are as follows:

	Interest Rate and Credit Risk Ratings	
	Maturity Range	Credit Quality
		Rating Range
Money markets and certificates of deposit	Less than 1 year	N/A
Bond mutual funds	Not available	Not rated
Municipal bond commission pool	Less than 1 year	Not rated

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, external investment pools are excluded from the requirements of concentration of credit risk.

Fiduciary Funds – On the Statement of Fiduciary Net Position, the fiduciary money market funds, corporate obligations, municipal obligations, corporate obligations, mutual funds, and common stock are included in investments. All of the fiduciary funds' investments are insured or registered securities held by the City or its agent in the City's name. The fiduciary investments are rated using Moody's Investment Services. The credit risk ratings of these investments are as follows:

At year end, the City Policemen's Pension Fund had the following investments:

	Level (Note III.A.4)	Fair Value	Credit Risk Rating
Wesbanco Bank Inc. Premium Yield	1	\$ 107,361	
Total Mutual Funds	1	4,608,600	
Total Equities	1	5,465,954	
Total Investments		\$ 10,181,915	

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At year end, the City Firemen's Pension Fund had the following investments:

	Level (Note III.A.4)	Fair Value	Credit Risk Rating
Federated U.S. Treasury Cash Reserves	1	\$ 134,715	
Corporate Obligations –			
Wells Fargo	2	98,749	A2
Bristol – Myers Squibb	2	100,221	A2
Total Corporate Obligations		198,970	
Total Mutual Funds	1	5,398,558	
Total Equities	1	7,662,978	
Total Investments		<u>\$ 13,395,221</u>	

NOTE VII – FAIR VALUE

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Methodologies

The following is a description of the valuation methodologies used by the City. There have been no changes in the methodologies of the City's investments.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the City are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the City are actively traded.

Equities and money market funds: Valued at the closing price in the active market in which the security is traded.

Corporate Obligations: Valued at closing price in the active market in which the security is traded.

NOTE VIII – RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS

Governmental Funds

Taxes receivable include business and occupation taxes, municipal sales tax, property taxes, utility excise taxes, wine and liquor taxes, and hotel and motel taxes. Charges for services include amounts due from customers for police and fire service fees and sanitation services. These receivables are due within one year. Certain funds report accounts receivable net of an allowance for uncollectible accounts and revenues net of uncollectibles. Related amounts are shown in the following table:

<u>Receivable Type</u>	<u>General Fund</u>	<u>Coal Severance</u>	<u>TIF</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes	\$ 2,573,837	\$ 25,290	\$ 15,411	\$ -	\$ 2,614,538
Charges for services	1,551,680	-	-	-	1,551,680
Fees and other receivables	12	-	-	-	12
Intergovernmental	-	-	60,372	423,764	484,136
Less: Allowance for uncollectible accounts	<u>(1,148,240)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,148,240)</u>
Net accounts receivable	<u>\$ 2,977,289</u>	<u>\$ 25,290</u>	<u>\$ 75,783</u>	<u>\$ 423,764</u>	<u>\$ 3,502,126</u>
Uncollectible amounts netted with revenues	\$ 170,464	\$ -	\$ -	\$ -	\$ 170,464

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Proprietary Funds

Receivables include amounts due from customers primarily for water and sewer services. These receivables are due within one year. Certain enterprise funds report accounts receivable net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 90 days. Related amounts are shown in the following table:

	Water Board	Sanitary Board	Total
Accounts receivable	\$ 976,347	\$ 835,793	\$ 1,812,140
Less: Allowance for uncollectible accounts	<u>(93,574)</u>	<u>(80,684)</u>	<u>(174,258)</u>
Net accounts receivable	<u>\$ 882,773</u>	<u>\$ 755,109</u>	<u>\$ 1,637,882</u>
Uncollectible amounts netted with revenues	<u>\$ 19,983</u>	<u>\$ 14,936</u>	<u>\$ 34,919</u>

NOTE IX – CAPITAL ASSETS

Construction in progress

Active construction in progress is composed of the following:

	Expended	Remaining Commitment
<i>Governmental Activities</i>		
Development	<u>\$ 1,636,148</u>	<u>\$ -</u>
<i>Business – Type Activities</i>		
Water Board		
Water Plant Expansion	\$ 1,164,472	\$ 135,528
Sanitary Board		
Sanitary Plant Expansion	1,142,082	157,918
Board of Park Commissions		
Foundation Repairs	508,404	-
Total Business-Type Activities	<u>\$ 2,814,958</u>	<u>\$ 293,446</u>

Business-type activities include construction funded with user charges, capital contributions, and BAN or bond proceeds.

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A summary of changes in fixed assets for the fiscal year ended June 30, 2022 is as follows:

Governmental Activities	Balance			Balance	Accumulated Depreciation and Amortization Prior Years	Depreciation and Amortization Expense Current Year	Deductions	Net Balance 6/30/2022
	06/30/2021 (restated)	Additions	Deductions	06/30/2022		Current Year		
Non-Depreciable capital assets								
Land	\$ 913,146	\$ -	\$ -	\$ 913,146	\$ -	\$ -	\$ -	\$ 913,146
Construction in progress	1,052,544	583,604	-	1,636,148	-	-	-	1,636,148
Depreciable capital assets								
Land improvements	1,900,098	-	-	1,900,098	1,898,322	605	-	1,171
Infrastructure	21,904,624	1,613,567	-	23,518,191	6,456,011	376,022	-	16,686,158
Buildings and improvements	9,447,572	175,360	-	9,622,932	7,085,717	299,875	-	2,237,340
Vehicle and equipment	16,385,976	552,114	(58,065)	16,880,025	12,979,878	699,146	(58,065)	3,259,066
Leased vehicle and equipment	933,368	450,530	-	1,383,898	199,038	62,027	-	1,122,833
Total Governmental	\$ 52,537,328	\$ 3,375,175	\$ (58,065)	\$ 55,854,438	\$ 28,618,966	\$ 1,437,675	\$ (58,065)	\$ 25,855,862
Business-Type Activities								
Non-Depreciable capital assets								
Land	\$ 477,945	\$ -	\$ -	\$ 477,945	\$ -	\$ -	\$ -	\$ 477,945
Construction in progress	1,799,585	1,015,373	-	2,814,958	-	-	-	2,814,958
Depreciable capital assets								
Land improvements	151,246	18,000	-	169,246	136,055	2,500	-	30,691
Infrastructure	51,917,193	86,940	-	52,004,133	32,443,923	637,449	-	18,922,761
Buildings and improvements	10,236,527	74,061	-	10,310,588	6,430,995	281,583	-	3,598,010
Vehicle and equipment	5,646,430	352,879	(5,718)	5,993,591	2,964,735	277,059	(3,621)	2,755,418
Leased vehicle and equipment	384,713	-	-	384,713	182,850	38,471	-	163,392
General plant facilities	6,515,979	-	-	6,515,979	2,104,642	122,663	-	4,288,674
Total Business-Type	\$ 77,129,618	\$ 1,547,253	\$ (5,718)	\$ 78,671,153	\$ 44,263,200	\$ 1,359,725	\$ (3,621)	\$ 33,051,849

CITY OF WEIRTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2022

Depreciation

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities		Business – type activities	
General Government	\$ 199,348	Water Board	\$ 661,061
Public Safety	383,952	Sanitary Board	502,613
Highways and Streets	608,155	Board of Park Commissions	196,051
Health and Sanitation	95,672		
Culture and Recreation	150,548		
	<u>\$ 1,437,675</u>		<u>\$ 1,359,725</u>

NOTE X – LEASE LIABILITIES

The City has the following outstanding lease liabilities:

Governmental Activities

Maturity Date	Interest Rate	Issued	Collateral	Balance at June 30, 2022
11/21/2022	2.72%	\$ 175,000	Street vehicle	\$ 25,169
3/16/2023	2.59%	\$ 241,490	Street vehicle	62,195
6/22/2023	2.61%	\$ 160,826	Sanitation truck	55,032
5/17/2025	2.50%	\$ 116,000	Street equipment	85,737
9/8/2024	2.35%	\$ 104,097	Garage equipment	78,802
10/18/2024	2.15%	\$ 102,423	Police vehicles	80,229
3/14/2027	2.45%	\$ 196,900	Street vehicle	187,631
5/4/2026	2.99%	\$ 165,608	Sanitation truck	159,100
5/4/2025	2.99%	\$ 97,957	Street vehicle	92,744
				<u>\$ 826,639</u>

Business-type Activities

Maturity Date	Interest Rate	Issued	Collateral	Balance at June 30, 2022
1/19/2023	2.75%	\$ 241,000	Freightliner	\$ 45,636
2/14/2024	4.50%	\$ 125,000	Dump truck	47,041
				<u>\$ 92,677</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

	Governmental activities	Business-type activities
<u>Year Ending June 30</u>		
2023	\$ 365,681	\$ 74,319
2024	221,963	21,085
2025	165,756	-
2026	82,097	-
2027	25,805	-
Total lease liabilities	861,302	95,404
Less: Interest costs	(34,663)	(2,727)
Present value of future minimum lease payments	826,639	92,677
Less: Current portion	(348,469)	(71,888)
Lease liabilities, non-current	\$ 478,170	\$ 20,789

CITY OF WEIRTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2022

NOTE XI – LONG TERM DEBT

Revenue Bonds

Revenue bonds outstanding as of June 30, 2022 consist of debt issued by the City for its water and sewer treatment facilities. The debt is payable solely from and secured by a pledge of the gross revenues to be derived from the operation of the treatment facilities.

Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts. The general bond indentures and their supplements for the bonds require the use of revenue, depreciation, operations and maintenance, reserve, construction, renewal and replacement, rebate and sinking fund accounts.

The annual debt service requirements to maturity for bond debt as of June 30, 2022 are as follows:

Year Ending June 30	Water Board		Sanitary Board	
	Principal	Interest	Principal	Interest
2023	\$ 564,486	\$ 200,755	\$ 508,308	\$ 105,858
2024	578,572	186,670	518,552	95,616
2025	593,431	171,813	528,999	85,169
2026	608,493	156,750	539,661	74,507
2027	623,961	141,283	550,536	63,633
2028-2032	2,607,126	484,026	1,794,199	191,722
2033-2037	1,907,050	163,514	1,042,490	34,191
2038-2039	250,830	3,930	-	-
Total	<u>\$ 7,733,949</u>	<u>\$ 1,508,741</u>	<u>\$ 5,482,745</u>	<u>\$ 650,696</u>

Additional Debt Disclosure

	Amount of Original Issue	Ranges of Final Maturity Date	Ranges of Interest Rates
Water Board	\$ 11,951,208	2028-2038	2% - 3.52% plus .50-1% administration fee
Sanitary Board	10,103,404	2028-2035	2% plus 1% administration fee
Total	<u>\$ 22,054,612</u>		

Bond Anticipation Notes (BANs)

The City issued \$2,600,000 of BANs on April 29, 2020 through the West Virginia Development Authority to finance the cost of the design of expansion to the existing public combined waterworks and sanitary system. The BANs mature on September 1, 2023. The City plans to issue long-term revenue bonds prior to the maturity date of the BANs to finance the remainder of the expansion projects. Prior to the issuance of the bonds, the City will be required to adopt a rate increase. Semiannual interest payments at a fixed rate of 2.90% are required based on the amount of principal advanced. The outstanding balances as of June 30, 2022 were \$1,060,233 and \$1,110,392 for the Water Board and Sanitary Board, respectively, as the BANs had not been fully drawn down yet. There were no principal payments in the current year. Interest payments were expensed.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Business Type Activities	<u>Payable at June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Payable at June 30, 2022</u>
Major enterprise funds				
Water Board	\$ 757,953	\$ 302,280	\$ -	\$ 1,060,233
Sanitary Board	842,534	267,858	-	1,110,392
Total Business Type Activities	<u>\$ 1,600,487</u>	<u>\$ 570,138</u>	<u>\$ -</u>	<u>\$ 2,170,625</u>

Notes Payable – Direct Borrowing

The City entered into a loan agreement with a local bank to finance improvements to water facilities. A description of this loan activity is as follows:

Business - Type Activities	<u>Maturity Date</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u>
United Bank	7/28/2029	\$550,000	226,926	\$323,074

Interest Rate – The interest rate on this note is 4.5% per annum from January 29, 2019 until January 29, 2023. The rate may change on January 29, 2023 and every 5 years thereafter based on the Federal Home Loan Bank rate – 5 year amortizing in effect on the date of change plus 2.5 percentage points. The interest rate will never be greater than 8.0% or less than 3.5%.

Significant Default and Termination Events with Finance Related Consequences

The note contains provisions in the agreement with the lender which provide for the security (collateral) for the borrowing as well as default provisions and/or termination events with finance-related consequences for the City. Furthermore, the agreement may have subjective loan acceleration clauses. The following provides a description of the significant conditions present in the agreement.

Covenants

- **Notices of Claims and Litigation/Notice of Adverse Events** - City will promptly notify Lender in writing of all threatened and actual litigation, governmental proceeding, default, and every other occurrence that may have a material adverse effect on City's business, financial condition, or the property.
- **Insurance** - City will maintain adequate fire and extended risk insurance coverage, business interruption, workers' compensation, commercial general liability, and other insurance required by law or as may be required by Lender. If the City fails to maintain required insurance, the absence of the required insurance will be an Event of Default.
- **Confirmatory Documents and Actions** - City agrees that on Lender's request, City will do any act or execute any additional documents that are or may be required to make the terms of the Loan conform to the conditions contained in Lender's commitment to City.
- **Payment of taxes** - City will pay all taxes, levies, and assessments required by all local, state, and federal agencies. City's failure to promptly pay any tax, levy, or assessment due will be an Event of Default unless City is diligently disputing the amount and City has established a reserve account for the payment of the taxes if City does not prevail in the dispute.
- **Business Existence and Operations** - City will keep City's existence in its current organizational form in full force and effect unless Lender gives prior written consent to City's proposed change. City will not sell or merge City's business or any part of City's business without the Lender's prior written consent, City will continue its business as currently conducted. City will not change its name, its identification number, or its place of organization without Lender's prior written consent. City will keep

CITY OF WEIRTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2022

its books and records at the address in this Agreement. City will promptly notify Lender in writing of any planned change in City's principal place of business.

- **Environmental Compliance** - City will comply with all laws affecting the environment.
- **Use of Proceeds** - City will use the Loan proceeds in its business.
- **No Encumbrances or Transfer of Assets** - City will not mortgage, assign, hypothecate, or encumber any of the Property except to Lender without Lender's prior written permission. City will not sell, transfer, or assign any of the Property without Lender's prior written permission. City will not merge, consolidate, sell, transfer, license, lease, encumber or otherwise dispose of City's Property or City's business.
- **Other Information** - City will submit Annual Financial Statements within 120 days after the end of each fiscal Year in form acceptable to Lender.

Default Events

- **Noncompliance with Lender Agreements** - Default by City under any provision of this Agreement, the Related Documents, or any other agreement with Lender.
- **False Statements** - If a Party made or makes a false or misleading misrepresentation in this Agreement, in the Related Documents, in any supporting material submitted to Lender or to third parties providing reports to Lender, or in Financial Statements given or to be given to Lender
- **Material Adverse Change** - Any material adverse change in the City's business, financial condition, or the Property has occurred or is imminent; if the full performance of the obligations of any Party is materially impaired; or if the Collateral and its value or Lender's rights with respect thereto are materially impaired in any way.
- **Insolvency or Liquidation** - A Party voluntarily suspends transaction of its business or does not generally pay debts as they mature.
- **Default on Unrelated Debt** - If City materially defaults under a provision of an agreement with a third party or if the indebtedness under such an agreement is accelerated.
- **Judgements or Attachments** - If there is entered against the City a judgment that materially affects the City's business, financial condition, or the property, or if a tax lien, levy, writ of attachment, garnishment, execution, or similar item is or will be issued against the Collateral.
- **Collateral Impairment** - Lender has a good-faith belief that Lender's rights in the collateral are or will soon be impaired or that the collateral itself is or soon will be impaired.
- **Termination of Existence or Change of Control** - If the City is sold or merged or if the City's suspends business or ceases to exist.
- **Insecurity** - If Lender has a good-faith belief that City is unable or will soon be unable to perform duties.
- **Default of Insurance and Payment of taxes covenants**, as described above.

Default Remedies

- **Acceleration, Set Off** - Upon an Event of Default, the Loan and the Indebtedness may, at Lender's sole option, be declared immediately due and payable. Lender may apply the Parties' bank accounts and any other property held by Lender against the Indebtedness.

Subsequent to year end, the City elected to pay off the debt prior to the maturity date. The annual debt service requirements to maturity for notes payable as of June 30, 2022 are as follows:

Year Ending June 30	Principal	Interest
2023	\$ 323,074	\$ 16,154

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Interest Expense

Governmental Activities – The City incurred \$15,136 in interest expense during the year ended June 30, 2022.

Business-type Activities – The City incurred \$253,922 and \$136,506 in interest expense on the Water fund and Sanitary fund, respectively, during the year ended June 30, 2022.

The following is a summary of changes in long – term debt for the year ended June 30, 2022:

	Payable at June 30, 2021	Additions	Deductions	Payable at June 30, 2022
Governmental Activities				
Leases payable	\$ 486,611	\$ 666,985	\$ (326,957)	\$ 826,639
Compensated absences	990,232	-	(266,329)	723,903
Net OPEB liability	300,424	-	(300,424)	-
Net pension liability	<u>23,387,329</u>	<u>6,465,133</u>	<u>(983,106)</u>	<u>28,869,356</u>
Total Governmental Activities	<u>\$ 25,164,596</u>	<u>\$ 7,312,118</u>	<u>\$ (1,876,816)</u>	<u>\$ 30,419,898</u>
Business - Type Activities				
	Payable at June 30, 2021	Additions	Deductions	Payable at June 30, 2022
Compensated absences	\$ 159,134	\$ -	\$ (53,396)	\$ 105,738
Notes payable				
- Direct borrowing	462,974	-	(139,900)	323,074
Leases payable	159,182	-	(66,505)	92,677
BANs payable	1,600,487	570,138	-	2,170,625
Revenue bonds payable	14,265,539	-	(1,048,845)	13,216,694
Net OPEB liability	308,882	-	(308,882)	-
Net pension liability	<u>726,351</u>	<u>-</u>	<u>(726,351)</u>	<u>-</u>
Total Business - Type Activities	<u>\$ 17,682,549</u>	<u>\$ 570,138</u>	<u>\$ (2,343,879)</u>	<u>\$ 15,908,808</u>

NOTE XII – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In order to manage its risk of loss, the City purchases commercial insurance for liability, property and casualty losses as well as for employee health and basic life coverage. In addition, the City participates in the West Virginia Workers' Compensation Fund for coverage against injuries to employees. The West Virginia Workers' Compensation Fund risk pool retains the risk of loss under the program.

NOTE XIII – INTERFUND RECEIVABLES AND PAYABLES

Generally, outstanding balances between funds reported as "due to/from other funds" are related to purposes described in Note I as well as for other miscellaneous receivables/payables between funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF WEIRTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2022

The following schedule reports receivables and payables within the government reporting entity at fiscal year-end:

	Governmental funds		Proprietary funds			Internal Service Fund	Total due from		
	General Fund	Water Board	Sanitary Board	Board of Park Commissions					
Governmental activities									
Major governmental funds									
General Fund	\$ -	\$ 169,106	\$ 654,128	\$ -	\$ 39,262	\$ 862,496			
Coal Severance	33,286	-	-	-	-	33,286			
ARPA	2,884,430	-	-	-	-	2,884,430			
Non-major governmental funds									
Library	8,174	-	-	-	-	8,174			
CDBG	7,435	-	-	4,972	-	12,407			
Business-type activities									
Major enterprise funds									
Water Board	4,220	-	-	-	6,555	10,775			
Sanitary Board	4,658	-	-	-	3,373	8,031			
Board of Park Commissions	-	-	-	-	1,614	1,614			
Total due to	<u>\$ 2,942,203</u>	<u>\$ 169,106</u>	<u>\$ 654,128</u>	<u>\$ 4,972</u>	<u>\$ 50,804</u>	<u>\$ 3,821,213</u>			

NOTE XIV – REVENUES AND EXPENDITURES – BENEFITS FUNDED BY THE STATE OF WEST VIRGINIA

For the year ended June 30, 2022, the State of West Virginia contributed payments on behalf of City employees as follows:

City of Weirton Policemen's Pension and Relief Fund	\$ 421,139
City of Weirton Firemen's Pension and Relief Fund	255,721
Total	<u>\$ 676,860</u>

State contributions are funded by allocations of the state's insurance premium tax. The City is not legally responsible for these contributions.

NOTE XV – RETIREMENT PLANS

The City reporting entity participates in two single-employer, defined benefit, public employee retirement plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans.

The City also participates in two state-wide cost sharing, multi-employer defined benefit public employee retirement systems which covers employees of the State of West Virginia and its participating political subdivisions. Both systems are administered by the State of West Virginia and are funded by contributions from participants, employers, and state appropriations, as necessary.

Actuarially Determined Contribution

Information used to determine the actuarially determined contribution for the two single-employer plans are located in the Required Supplementary Information section of the report.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Defined Benefit Plans

Policemen's Pension and Relief Fund and Firemen's Pension Relief Fund

Plan Descriptions:

Unless otherwise indicated, The Policemen's Pension and Relief Fund (PPRF) and Firemen's Pension and Relief Fund (FPRF) information in this Note is provided as of the latest actuarial valuation, July 1, 2021 and GASB Statement Nos. 67 and 68 Plan Reporting and Accounting Schedules at measurement date of June 30, 2022.

All permanent full-time police department personnel hired prior to February 1, 2019 and permanent full-time fire department personnel hired prior to October 1, 2016 are covered by these plans which is being funded in accordance with Chapter 8, Article 22 of the West Virginia Code.

Members are eligible for normal retirement at the earlier of age 50 with 20 years of credited service or age 65. Annual retirement pension benefits commence upon retirement or upon the member attaining age fifty, whichever is later, payable in twelve monthly installments. The annual retirement benefit equals 60% of average annual compensation, not less than \$6,000, plus an additional percentage of average annual compensation for service over 20 years equal to 2% for each year of service between 20 and 25 years and 1% for each year of service between 25 and 30 years. Employees serving in the military are eligible for an additional 1% of average annual compensation for each year of military service up to 4 years. The maximum benefit is limited to 75% of average annual compensation. Benefits continue for life.

Members are eligible for disability retirement after earning five years of service. There is no service requirement if disability is service related. The monthly disability benefit equals the greater of 60% of monthly salary at disability or \$500. Employees serving in the military are eligible for an additional benefit of 1% of monthly salary at disability for each year of military service up to four years. Disability benefits, when aggregated with monthly state workers compensation benefits, shall not exceed 100% of the member's monthly compensation at the time of disability. Benefits continue for life or until recovery.

Members are eligible for death benefits after earning five years of service. There is no service requirement if death is service related. Retirees and terminated vested participants are also eligible. The benefit is equal to 60% of the participant's benefit, but not less than \$300 per month, payable to the spouse until death or remarriage. Other dependents (children, parents, brothers and sisters) are also eligible for death benefits. To each child, twenty percent of the participant's benefit until the child attains eighteen or marries; to each dependent orphaned child, twenty-five percent of the participant's benefit until the child attains eighteen or marries; to each dependent parent, ten percent of the participant's benefit for life, and to each dependent brother or sister, the sum of fifty dollars per month (but a total not to exceed \$100 per month) until such individual attains the age of eighteen or marries. In no case shall the payments to the surviving spouse and children be reduced below sixty-five percent of the total amount paid to all dependents.

All retirees, surviving beneficiaries and disability pensioners are eligible for automatic cost-of-living benefits commencing on the first day of July following two years of retirement. The benefit equals the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees), and multiplied by the sum of the allowable amount which is the first \$15,000 of the total annual benefits paid and the accumulated supplemental pension amounts for prior years.

Any member who terminates employment prior to retirement will be entitled to a refund of contributions without interest.

CITY OF WEIRTON, WEST VIRGINIA
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As of July 1, 2021, membership of the plan is as follows:

	PPRF	FPRF
Retirees and Beneficiaries	49	21
Inactive, Non retired Members	-	-
Active Members	29	19
Total	78	40

Funding Policies:

Eligible policemen hired prior to January 1, 2010 contribute 9% of their monthly salary. Eligible policemen hired between January 1, 2010 and February 1, 2019 contribute 9.5% of their monthly salary. The total covered payroll for fiscal year ended June 30, 2022 was \$2,020,499. The total employee contribution was \$192,562.

Eligible firemen hired prior to January 1, 2010 contribute 7% of their monthly salary. Eligible firemen hired between January 1, 2010 and October 1, 2016 contribute 9.5% of their monthly salary. The total covered payroll for fiscal year ended June 30, 2022 was \$1,462,471. The total employee contribution was \$116,258.

The City does not contribute to the PPRF or the FPRF based upon the latest actuarial study. The City's contributions are based upon a fifteen-year solvency plan which stipulates the minimum contribution the City may make to this plan. This contribution method has been approved by the West Virginia legislature and projects the PPRF and the FPRF to be solvent under this method for the next consecutive fifteen-year period. This solvency plan must be actuarially updated on an annual basis.

Policemen's Pension and Relief Fund - The minimum required contribution of the City and State, according to the July 1, 2021 actuarial report, was \$1,811,593. Actual contributions were \$1,833,773 for the year ended June 30, 2022.

Firemen's Pension and Relief fund - The minimum required contribution of the City and State, according to the July 1, 2021 actuarial report, was \$579,066. Actual contributions were \$664,567 for the year ended June 30, 2022.

Net Pension Liability (Asset):

The components of net pension liability are as follows:

	PPRF	FPRF
Total pension liability	\$ 34,616,461	\$ 18,597,251
Less – Plan fiduciary net position	10,846,275	13,498,081
Plan net pension liability	\$ 23,770,186	\$ 5,099,170
Plan fiduciary net position as a percentage of total pension liability	31.33%	72.58%
Single discount rate	5.50%	6.50%

Single Discount Rate

PPRF - A single discount rate of 5.500% was used to measure the total pension liability as of June 30, 2022. This single discount rate was based on the expected rate of return on pension plan investments of 5.500%, and the municipal bond rate of 3.69%.

FPRF - A single discount rate of 6.500% was used to measure the total pension liability as of June 30, 2022. This single discount rate was based on the expected rate of return on pension plan investments of 6.500%, and the municipal bond rate of 3.69%.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability (asset), calculated using the single discount rate, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

PPRF	Discount Rate		
	1% Decrease	Assumption	1% Increase
	4.500%	5.500%	6.500%
\$	28,636,876	\$ 23,770,186	\$ 19,836,269
FPRF		Discount Rate	
		Assumption	1% Increase
	1% Decrease	6.500%	7.500%
\$	7,445,358	\$ 5,099,170	\$ 3,158,451

Changes in Net Pension Liability:

At fiscal year-end, the government reported the following net pension liability related to the PPRF and FPRF. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and rolled forward to June 30, 2022 using the actuarial assumptions and methods described in the appropriate section of this note.

PPRF	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a - b)
Balances at June 30, 2021, as restated	\$ 33,121,249	\$ 12,025,105	\$ 21,096,144
Service costs	572,792	-	572,792
Interest on total pension liability	1,771,036	-	1,771,036
Difference between expected and actual experience	831,254	-	831,254
Changes of assumptions	-	-	-
Employer contributions	-	1,412,634	(1,412,634)
State contributions	-	421,139	(421,139)
Employee contributions	-	192,562	(192,562)
Net investment income	-	(1,516,223)	1,516,223
Benefit payments, including employee refunds	(1,679,870)	(1,679,870)	-
Administrative expense	-	(9,113)	9,113
Other	-	41	(41)
Balances at June 30, 2022	\$ 34,616,461	\$ 10,846,275	\$ 23,770,186

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For the Fiscal Year Ended June 30, 2022

<u>FPRF</u>	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a - b)</u>
Balances at June 30, 2021, as restated	\$ 16,750,105	\$ 15,462,880	\$ 1,287,225
Service costs	539,768	-	539,768
Interest on total pension liability	1,066,501	-	1,066,501
Difference between expected and actual experience	1,007,990	-	1,007,990
Changes of assumptions	-	-	-
Employer contributions	-	408,846	(408,846)
State contributions	-	255,721	(255,721)
Employee contributions	-	116,258	(116,258)
Net investment income	-	(1,975,892)	1,975,892
Benefit payments, including employee refunds	(767,113)	(767,113)	-
Administrative expense	-	(2,670)	2,670
Other	-	51	(51)
Balances at June 30, 2022	<u>\$ 18,597,251</u>	<u>\$ 13,498,081</u>	<u>\$ 5,099,170</u>

The City recognized government-wide pension expense related to the PPRF of \$(1,098,013) and contribution revenue of \$421,139 for support provided to the plan by the State of West Virginia.

The City recognized government-wide pension expense related to the FPRF of \$876,650 and contribution revenue of \$255,721 for support provided to the plan by the State of West Virginia.

Deferred Outflows and Deferred Inflows of Resources:

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

CITY OF WEIRTON, WEST VIRGINIA
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PPRF	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 554,169	\$ 266,700
Changes in actuarial assumptions	-	2,222,191
Net difference between projected and actual earnings on pension plan investments	<u>772,076</u>	<u>-</u>
	<u><u>\$ 1,326,245</u></u>	<u><u>\$ 2,488,891</u></u>
FPRF	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,269,499	\$ 61,615
Changes in actuarial assumptions	-	425,911
Net difference between projected and actual earnings on pension plan investments	<u>1,036,337</u>	<u>-</u>
	<u><u>\$ 2,305,836</u></u>	<u><u>\$ 487,526</u></u>

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

Year Ended June 30	PPRF	FPRF
2023	\$ (2,127,161)	\$ 452,460
2024	389,110	367,875
2025	142,876	406,241
2026	<u>432,529</u>	<u>591,734</u>
Total	<u><u>\$ (1,162,646)</u></u>	<u><u>\$ 1,818,310</u></u>

The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation Percentage	Expected Annualized Returns
Common Stocks – Large Cap	38.00%	6.00%
Common Stocks – Mid Cap	6.00%	7.50%
Common Stocks – Small Cap	6.00%	7.50%
International Equity	10.00%	6.50%
Alternatives	5.00%	5.00%
Fixed Income	35.00%	4.50%

Actuarial Methods and Assumptions:

The net pension liability is the actuarial present value of credited projected benefits. It is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date.

PPFR: According to the most recent actuarial report as of July 1, 2021, the average annual salary for benefits was \$73,941. There were 29 pensioners as of June 30, 2022 receiving an average of \$57,927 in pension benefits with expected cost-of-living increases up to 2.75%.

CITY OF WEIRTON, WEST VIRGINIA
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FPRF: According to the most recent actuarial report as of July 1, 2021, the average annual salary for benefits was \$84,807. There were 19 pensioners as of June 30, 2022 receiving an average of \$40,374 in pension benefits with expected cost-of-living increases up to 2.75%.

The actuarial assumptions and other information used to determine the net pension liability are as follows:

	<u>PPRF</u>	<u>FPRF</u>
General inflation rate:	2.50%	2.50%
Expected salary increase:		3.75% general and wage inflation adjustment plus service-based increase of 20.0% for one year of service, 6.5% for two years of service, 3.5% for three years of service, 2.75% for four years of service, 2.5% for five to nine years of service, 2.0% for ten to twenty-nine years of service, 1.25% for thirty to thirty-four years of service, and 0% thereafter.
Discount rate:		
July 1, 2020	5.500%	6.500%
July 1, 2021	5.500%	6.500%
Investment rate of return:		
July 1, 2020	5.500%	6.500%
July 1, 2021	5.500%	6.500%
	<i>Net of pension plan expense, including inflation</i>	
Mortality:		
	<i>Pre-Retirement</i>	
	SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.	
	<i>Post Retirement</i>	
	For Healthy Retirees and Beneficiaries:	
	SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.	
	<i>For Disabled Retirees:</i>	
	SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.	
	Mortality improvement projections to the valuation date represent current mortality and mortality improvement projections beyond the valuation date represent future mortality improvement.	
Year fund is projected to be fully funded:	2050	2033
Changes in assumptions:		
	There were no changes in methods or assumptions.	There were no changes in methods or assumptions.
Money Weighted Rate of Return:		
	<u>PPRF</u>	<u>FPRF</u>
	(12.3%)	(12.7%)

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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Investment Details:

The following represents the investment details for the Policemen's and Firemen's Pension and Relief Funds:

Investment Policy – The investment policy covering the allocation of invested assets for the City is established by the Board of Trustees and is subject to the limitations defined in West Virginia Code 8-22-22 and 8-22-22a.

Concentration of Credit Risk – Except for investments in a mutual fund, no individual investments in any one issuer represents more than 5% of the total investments for the pension funds and, within each pension fund, no individual investment in any one issuer represents more than 5% of the total investments for that fund.

Credit Risk – The City's investment policy does not specify that investments must be rated at a specified level. As of June 30, 2022, the City's investments were rated using Moody's Investor Services, when available.

Interest Rate Risk – The City's pension plans follow West Virginia State Code 8-22-22. The City does not have a policy for interest rate risk in addition to the governing West Virginia statutes.

West Virginia Public Employees Retirement System (PERS)

Plan Description, Contribution Information, and Funding Policies:

The City participates in the Public Employees Retirement System (PERS), a state-wide, cost-sharing, multiple-employer defined benefit plan, on behalf of City employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

The cost-sharing multiple employer plan is 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 plan regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wwretirement.com. The following is a summary of eligibility factors, contributions methods and benefit provisions:

Eligibility to participate	All City of Weirton full-time employees, except those covered by other pension plans.
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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.
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	<u>Tier I</u> (hired before <u>7/1/2015</u>)	<u>Tier II</u> (hired after <u>7/1/2015</u>)
Plan member's contribution rate	4.50%	6.00%
City of Weirton's contribution rate	10.00%	10.00%
Period required to vest	Five years	Ten years

CITY OF WEIRTON, WEST VIRGINIA
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Benefits and eligibility for distribution

Tier I

A member who has attained age 60 and had 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.

Tier II

A member who has attained age 62 and has earned 10 years or more of contributing service, between ages 60 and 62, with credited service of 10 years, between ages 57 and 62, with credited service of 20 years, or between ages 55 and 62, with credited service of 30 years. The final average salary (five highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.

Deferred retirement portion

No

Provisions for:

Cost of living	No
Death benefits	Yes

Trend Information:

Fiscal Year	Annual Pension Cost	Percentage Contributed
2022	\$ 563,583	100%
2021	\$ 509,076	100%
2020	\$ 520,057	100%

Pension Liability (Asset), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:

At fiscal year-end, the City reported the following liability (asset) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2020 and rolled forward to June 30, 2021 using the actuarial assumptions and methods described in the appropriate section of this note.

The City's proportion of the net pension liability (asset) was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined.

At June 30, 2022, the City reported the following proportion and increases/decreases from its proportion measured as of June 30, 2021:

Amount for proportionate share of net pension liability (asset)	\$	(2,818,814)
Percentage for proportionate share of net pension liability (asset)	(0.3211%)	
Increase / (decrease) % from prior proportion measured	(0.0023%)	

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

For the year ended June 30, 2022, the government recognized the following pension expense:

	Government Activities	Business-Type Activities
Government – wide pension expense	<u>\$ (283,925)</u>	<u>\$ (257,005)</u>

The City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Governmental activities		Business-type activities	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,122,075	\$ -	\$ 1,488,368
Net changes in proportion and differences between employer contributions and proportionate share of contributions	42,535	4,059	2,103	32,223
Differences between expected and actual experience with regard to economic or demographic factors	189,082	6,283	132,616	4,406
Changes in assumptions	315,230	13,429	221,094	9,418
Employer contributions to pension plan subsequent to the measurement date	320,630	-	242,953	-
	<u>\$ 867,477</u>	<u>\$ 2,145,846</u>	<u>\$ 598,766</u>	<u>\$ 1,534,415</u>

The amount reported as deferred outflows of resources related to the pension plan 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, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized in pension expense as follows:

Year ended June 30	Governmental activities		Business-type activities	
	Pension expense	Pension expense	Pension expense	Pension expense
2023	\$ (279,744)		\$ (232,527)	
2024	(257,364)		(198,577)	
2025	(436,855)		(309,114)	
2026	(625,036)		(438,384)	
Total	<u>\$ (1,598,999)</u>		<u>\$ (1,178,602)</u>	

Annual money-weighted rate of return:

Money-weighted rate of return, net of investment expenses, for the year ended June 30, 2022, based on the measurement date of June 30, 2021 was 32.02%.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Actuarial Assumptions:

The total pension liability (asset) was determined by an actuarial valuation as of July 1, 2020 and rolled forward to June 30, 2021 for the pension plan, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through fiscal year 2035
Inflation rate	2.75%
Discount rate	7.25%
Salary increases	State – 2.75% - 5.55% Nonstate – 3.60% - 6.75%
Investment rate of return	7.25%, net of pension plan investment expense
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 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
Withdrawal rates	State 2.28% - 45.63% Nonstate 2.50% - 35.88%
Disability rates	0.005% - 0.540%
Retirement rates	12.00% - 100%

The actuarial assumptions used in the July 1, 2020 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which 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 percentages and by adding the expected inflation.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The target allocation and best estimates of arithmetic real rates of return for each major asset class included are summarized in the following chart:

Investment	PERS Target Asset Allocation	Long – term Expected Real Rate of Return	Weighted Average Expected Real Rate of Return
Fixed income	15.0%	2.2%	0.33%
Domestic equity	27.5%	5.5%	1.51%
International equity	27.5%	7.0%	1.93%
Real Estate	10.0%	6.6%	0.66%
Private Equity	10.0%	8.5%	0.85%
Hedge Funds	10.0%	4.0%	0.40%
Total	100%		5.68%
Inflation (CPI)			2.10%
			7.78%

Discount Rate:

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

The following table presents the sensitivity of the net pension liability (asset) to changes in the discount rate, calculated using the current discount rate 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 6.25%	Current Discount		1% Increase 8.25%
		Rate 7.25%	Rate 7.25%	
City's proportionate share of PERS's net pension liability (asset)	\$ 32,210	\$ (2,818,814)	\$ (5,225,216)	

Pension Plan Fiduciary Net Position:

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

West Virginia Municipal Police Officers and Firefighters Retirement System (MPFRS)

Plan Description, Contribution Information, and Funding Policies:

The City participates in the Municipal Police Officers and Firefighters Retirement System, a state-wide, cost-sharing, multiple-employer defined benefit plan, on behalf of City employees for firefighters hired after October 1, 2016 and police officers hired after February 1, 2019. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

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The cost-sharing multiple employer plan is 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 plan regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com. The following is a summary of eligibility factors, contributions methods and benefit provisions:

Eligibility to participate	All City of Weirton firefighters hired after October 1, 2016 and police officers hired after February 1, 2019.
Authority establishing contribution obligations and benefit provisions	State statute.
Plan member's contribution rate	8.50%
City of Weirton's contribution rate	8.50%
Period required to vest	Five years
Benefits and eligibility for distribution	<p>A MPFRS member is eligible for "normal" retirement when one of the following occurs:</p> <ul style="list-style-type: none"> • Attainment of age 50 and the completion of 20 years of contributory service; or • Attainment of age 50 when age plus contributory service equals 70 while still in covered employment; or • Attainment of age 60 and completion of 10 years contributory service while still in covered employment; or • Attainment of age 62 and completion of 5 years of contributory service. <p>The final average salary or FAS (5 highest consecutive years in the last 10 years of service) times the years of service times the benefit percentage equals the annual retirement benefit. The accrued benefit on behalf of any member is calculated as follows, not to exceed 67%:</p> <p style="text-align: center;">2.6% x FAS x Years of Credited Service for years 1- 20 2.0% x FAS x Years of Credited Service for years 21- 25 1.0% x FAS x Years of Credited Service for years 26- 30</p>
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefit	Yes
Disability benefit	Yes

The MPFRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

Trend Information:

Fiscal Year	Annual Pension Cost	Percentage Contributed
2022	\$ 91,266	100%
2021	\$ 60,152	100%
2020	\$ 38,449	100%

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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Pension Liability (Asset), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:

At fiscal year-end, the City reported the following asset for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2020 and rolled forward to June 30, 2021 using the actuarial assumptions and methods described in the appropriate section of this note.

The City's proportion of the net pension liability (asset) was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, the City reported the following proportion and increases/decreases from its proportion measured as of June 30, 2021:

Amount for proportionate share of net pension liability (asset)	\$ (299,026)
Percentage for proportionate share of net pension liability (asset)	(2.7398%)
Increase / (decrease) % from prior proportion measured	0.5900%

For the year ended June 30, 2022, the government recognized the following pension expense:

	<u>Governmental Activities</u>
Government – wide pension expense	<u>\$ (42,204)</u>

The City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	<u>Governmental activities</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 74,826
Net changes in proportion and differences between employer contributions and proportionate share of contributions	-	98,934
Changes in actuarial assumptions	32,686	1,781
Differences between expected and actual experience with regard to economic or demographic factors	19,754	6,932
Employer contributions to pension plan subsequent to the measurement date	91,266	-
	<u>\$ 143,706</u>	<u>\$ 182,473</u>

The amount reported as deferred outflows of resources related to the pension plan 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, 2023.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized in pension expense as follows:

Year ended June 30	Governmental activities	Pension expense
2023	\$ (31,382)	
2024	(30,250)	
2025	(31,109)	
2026	(35,128)	
2027	(3,318)	
Thereafter	1,154	
Total	\$ (130,033)	

Annual money-weighted rate of return:

Money-weighted rate of return, net of investment expenses, for the year ended June 30, 2022, based on the measurement date of June 30, 2021 was 31.86%.

Actuarial Assumptions:

The total pension liability (asset) was determined by an actuarial valuation as of July 1, 2020 and rolled forward to June 30, 2021 for the pension plan, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	-
Investment rate of return	7.50%
Projected salary increases	By age from 4.75% at age 30 declining to 3.25% at age 65
Inflation rate	2.75%
Discount rate	7.25%
Mortality rate	Active - 100% of Pub-2010 Safety Employee Table, Amount-weighted, projected generationally with Scale MP-2020 Healthy Male Retirees - 98% of Pub-2010 Safety Retiree Male Table, Amount-weighted, projected generationally with Scale MP-2020 Healthy Female Retirees - 99% of Pub-2010 Safety Retiree Female Table, Amount-weighted, projected generationally with Scale MP- 2020 Disabled Males - 124% of Pub-2010 Safety Disabled Male Table, Amount weighted, projected generationally with Scale MP-2020 Disabled Females - 100% of Pub-2010 Safety Disabled Female Table, Amount-weighted, projected generationally with Scale MP- 2020
Withdrawal rates	3.00% – 21.00%
Disability rates	0.03% – 0.40%
Retirement rates	25% - 100%

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The actuarial assumptions used in the July 1, 2020 MPFRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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 percentages and by adding the expected inflation.

The target allocation and best estimates of long-term geometric rates of return for each major asset class included are summarized in the following chart:

Investment	PERS Target Asset Allocation	Long – term Expected Real Rate of Return	Weighted Average Expected Real Rate of Return
Fixed income	15.0%	2.2%	0.33%
Domestic equity	27.5%	5.5%	1.51%
International equity	27.5%	7.0%	1.93%
Real Estate	10.0%	6.6%	0.66%
Private Equity	10.0%	8.5%	0.85%
Hedge Funds	10.0%	4.0%	0.40%
 Total	 100%		5.68%
Inflation			2.10%
			7.78%

Discount rate:

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

The following table presents the sensitivity of the net pension liability (asset) to changes in the discount rate, calculated using the current discount rate of 7.25% as used in the actuarial evaluation, and what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's proportionate share of MPFRS's net pension liability (asset)	\$ (201,406)	\$ (299,026)	\$ (372,481)

Pension plan fiduciary net position:

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

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

NOTE XVI – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

West Virginia Public Employees Insurance Agency (WV PEIA)

General Information about the OPEB Plan

Plan description – The City participates in PERS. Although the City is a non-participating agency with the WV PEIA, eligible retirees have the option of obtaining health insurance benefits through WV PEIA under PERS. The West Virginia Other Postemployment Benefit Plan (the Plan), is a cost-sharing, multiple-employer defined benefit postemployment healthcare plan. The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the WV PEIA and the RHBT staff. Plan benefits are established and revised by WV PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. The four remaining members represent the public at large.

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

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

As noted above, because the City participates in the PERS, retirees have the option of choosing to participate in the WV PEIA. The retiree's insurance premium is dependent on the number of years worked. Since the City is not a participant in PEIA, a fee is charged for each of the retirees who choose this option. This fee also is based on the number of years worked. The State of West Virginia bears the remaining costs to fund this program. The City's retirees' insurance fees were as follows:

<u>Governmental activities</u>		<u>Business-type activities</u>	
General	\$ 133,251	Water Board	\$ 75,270
Total	<u>\$ 133,251</u>	Sanitary Board	<u>53,228</u>
		Total	<u>\$ 128,498</u>

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At fiscal year-end, the City reported a liability (asset) for its proportionate share of the net OPEB liability (asset) that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City as its proportionate share of the net OPEB liability (asset), the related State support, and the total portion of the net OPEB liability (asset) that was associated with the City were as follows:

<u>OPEB</u>		
City's proportionate share of net OPEB liability (asset)	\$	(43,604)
State's proportionate share of the net OPEB liability (asset)		
associated with the City		(8,586)
Total proportionate share of the net OPEB liability (asset)	\$	<u>(52,190)</u>

CITY OF WEIRTON, WEST VIRGINIA
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The net OPEB liability (asset), deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2021, which is the measurement date. The City's proportion of the net OPEB liability (asset) was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. The amounts may differ from the net OPEB liability (asset) reported on the Statement of Net Position due to rounding and changes to the allocation schedules. At June 30, 2021 measurement date, the City's proportionate share and change from the prior proportion measured is as follows:

Percentage for proportionate share of net OPEB liability (asset)	(0.14664%)
Increase/(decrease) % from prior proportion measured	0.00870%

For the year ended June 30, 2022, the City recognized support provided by the State revenue of \$39,918 and the following OPEB expense:

	Government activities	Business-type activities
Government – wide pension expense	<u>\$ (373,135)</u>	<u>\$ (341,856)</u>

The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental activities		Business-type activities	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual investment earnings on OPEB plan investments	\$ -	\$ 144,718	\$ -	\$ 156,205
Changes in proportion and differences between employer contributions and proportionate share of contributions	167,285	14,718	136,822	14,720
Difference between expected and actual experience	-	144,450	-	155,916
Changes in assumptions	-	443,729	-	478,951
Reallocation of opt-out employer change in proportionate share	-	6,315	-	7,741
Employer contributions subsequent to the measurement date	133,251	-	128,498	-
	<u>\$ 300,536</u>	<u>\$ 753,930</u>	<u>\$ 265,320</u>	<u>\$ 813,533</u>

The amount reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

Year ended June 30	Governmental activities		Business-type activities	
	OPEB expense		OPEB expense	
2023	\$	(314,024)	\$	(340,773)
2024		(205,152)		(270,882)
2025		(37,964)		(28,853)
2026		(29,505)		(36,203)
Total	\$	(586,645)	\$	(676,711)

Actuarial assumptions:

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

Public Employees Insurance Agency (WV PEIA)

Actuarial assumptions:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20 year closed period, beginning June 30, 2017.
Remaining amortization period	20 years closed as of June 30, 2017.
Asset valuation method	Market value
Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation.
Inflation rate	2.25%
Wage inflation	2.75%
Salary increases	Ranging from 2.75% to 5.18%, for PERS, including inflation.
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for June 30, 2020 actuarial valuation.
Mortality	Post-Retirement: RP-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females. Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.1% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year ending 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

There were no assumption changes from the actuarial valuation as of June 30, 2020 measured as of June 30, 2020 to a roll-forward measurement date of June 30, 2021.

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

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

<u>Asset Class</u>	Long-term Expected Real Rate of Return	Target Allocation
Global equity	4.8%	55%
Core plus fixed income	2.1%	15%
Core real estate	4.1%	10%
Hedge fund	2.4%	10%
Private equity	6.8%	10%

Real returns by asset class, as shown in the above table, were estimated using a static inflation assumption of 2.0%. Consequently, real returns may not reflect the potential volatility of inflation by asset class.

Discount rate:

A single discount rate of 6.65% was used to measure the total OPEB liability (asset). This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset). Discount rates are subject to change between measurement dates.

Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate:

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

	1% Decrease	Current Discount Rate	1% Increase
	5.65%	6.65%	7.65%
City's proportionate share of net OPEB liability (asset)	\$ 223,984	\$ (43,604)	\$ (274,081)

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the healthcare cost trend rates:

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

	1% Decrease	Health Care Cost Trend Rates	1% Increase
City's proportionate share of the net OPEB liability (asset)	\$ (321,949)	\$ (43,604)	\$ 295,452

OPEB plan fiduciary net position:

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report available at the West Virginia Public Employee Insurance Agency's website at peia.wv.gov. That information can also be obtained by writing to the West Virginia Public Employee Insurance Agency, 601 57th Street, Suite 2, Charleston, WV, 25304.

NOTE XVII – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. All of the City's deferred outflows on the statement of net position are related to its defined benefit pension plans and OPEB plan.

In addition to liabilities, the statement of financial position and or balance sheet 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(s) and so will not be recognized as an inflow of resources (revenue) until that time.

All of the City's deferred inflows on the statement of net position are related to the defined benefit pension plans and OPEB plan. On the governmental funds balance sheet, the portion of the City's property taxes and business and occupational taxes receivable expected to be collected more than 60 days after the end of the fiscal year qualify for reporting in this category, as follows:

Property taxes	\$ 42,319
Business and occupational taxes	9,830
Total	<hr/> \$ 52,149

NOTE XIII – CONTINGENCIES

Litigation:

The City is a defendant in a number of lawsuits arising principally in the normal course of operations. All claims are protected by insurance, up to a certain amount, and would not likely have a material effect on the municipality's financial statements. The city attorney aggressively defends each case filed against the City.

Federal and State Grants:

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by the granting authorities for the purpose of ensuring compliance with the conditions of the awards. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

NOTE XIX – CONCENTRATION OF CREDIT RISK

The General Fund charges Weirton residents and businesses a police and fire service fee and a refuse fee. The Water and Sanitary Boards are suppliers of water and sewer services to the residents and businesses of Weirton. The Gasoline Fund supplies gas and oil to various entities in addition to other departments of the City. These services and goods are provided on a credit basis without requiring collateral or any other security. At June 30, 2022, the City's accounts receivable on the statement of net position pertaining to these goods and services were \$2,157,600.

NOTE XX – RISKS AND UNCERTAINTIES

The City's Pension Trust Funds invest in various investment securities and mutual funds. Investment securities and mutual funds are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of fiduciary net position.

The actuarial present values of pension benefit obligations in Note XV are reported based on certain assumptions pertaining to interest rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE XXI – Prior Period Restatement

The following restatements of the net position at the beginning of the year were made by the City:

	Statement of Activities	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		
		Governmental Activities		Other Nonmajor Governmental Funds
		General Fund		
Net position/ fund balance, as previously stated	\$ 3,003,449	\$ 8,574,594	\$ 373,445	
Reconciliation between fiduciary funds	(20,154)	(20,154)		-
Reconciliation for grant expenditures	1,576,334	1,576,334		-
Library asset adjustment	(11,039)	-		(11,039)
Deferred revenue removed	137,789	-		137,789
Net position/ fund balance, as restated	<u>\$ 4,686,379</u>	<u>\$ 10,130,774</u>	<u>\$ 500,195</u>	

CITY OF WEIRTON, WEST VIRGINIA
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	Statement of Activities	Statement of Revenues, Expenditures, and Changes in Fund Balances - Enterprise Funds	
	Business-type Activities	Water Board	Sanitary Board
Net position/ fund balance, as previously stated	\$ 19,915,872	\$ 10,658,118	\$ 7,451,951
Capitalized interest removed	<u>(98,835)</u>	<u>(46,806)</u>	<u>(52,029)</u>
Net position/ fund balance, as restated	<u><u>\$ 19,817,037</u></u>	<u><u>\$ 10,611,312</u></u>	<u><u>\$ 7,399,922</u></u>

	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	
	Pension Trust Funds	Policemen's Pension	Firemen's Pension
Net position, as previously stated	\$ 27,467,131	\$ 12,067,862	\$ 15,399,269
Reconciliation between fiduciary funds	20,854	(42,757)	63,611
Net position, as restated	<u><u>\$ 27,487,985</u></u>	<u><u>\$ 12,025,105</u></u>	<u><u>\$ 15,462,880</u></u>

NOTE XXII – SUBSEQUENT EVENTS

The City's management has evaluated the effect that subsequent events would have on the City's financial statements through March 23, 2023, which is the date the financial statements were available to be released.

Required Supplementary Information

CITY OF WEIRTON, WEST VIRGINIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Employer Defined Benefit Plans

Policemen's Pension and Relief Fund

I. Schedules of Changes in the Net Pension Liability and Related Ratios - Multiyear

Fiscal year end June 30	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 572,792	\$ 1,000,699	\$ 1,039,528	\$ 1,101,726	\$ 1,269,051	\$ 1,375,945	\$ 855,645	\$ 774,528	\$ 692,087
Interest on the total pension liability	1,771,036	1,791,997	1,727,025	1,452,498	1,422,562	1,285,632	1,411,041	1,423,372	1,409,584
Difference between expected and actual experience	831,254	(5,420)	(1,059,582)	3,147,075	(484,433)	(1,925,042)	52,844	678,004	-
Assumption changes	-	(4,685,948)	(2,640,836)	(4,820,731)	(405,564)	(3,768,469)	8,829,277	1,564,166	1,226,117
Benefit payments	(1,679,870)	(1,636,715)	(1,563,689)	(1,590,800)	(1,495,095)	(1,519,854)	(1,526,035)	(1,453,587)	(1,368,711)
Net change in total pension liability	1,495,212	(3,535,387)	(2,497,554)	(710,232)	306,521	(4,551,788)	9,622,772	2,986,483	1,959,077
Total Pension Liability- beginning	33,121,249	36,656,636	39,154,190	39,864,422	39,557,901	44,109,689	34,486,917	31,500,434	29,541,357
Total Pension Liability- ending (a)	<u>\$34,616,461</u>	<u>\$33,121,249</u>	<u>\$36,656,636</u>	<u>\$39,154,190</u>	<u>\$39,864,422</u>	<u>\$39,557,901</u>	<u>\$44,109,689</u>	<u>\$34,486,917</u>	<u>\$31,500,434</u>
Plan Fiduciary Net Position									
Employer contributions	\$ 1,833,773	\$ 2,534,036	\$ 2,754,232	\$ 2,726,520	\$ 1,294,687	\$ 1,955,294	\$ 972,529	\$ 841,146	\$ 876,690
Employee contributions	192,562	199,731	199,231	186,200	194,206	175,462	163,095	166,071	158,156
Pension plan net investment income	(1,516,223)	1,937,562	506,241	410,827	361,868	433,149	(46,782)	192,027	641,466
Benefit payments	(1,679,870)	(1,636,715)	(1,563,689)	(1,590,800)	(1,495,095)	(1,519,854)	(1,523,831)	(1,456,339)	(1,368,711)
Pension plan administrative expense	(9,113)	(10,313)	(5,276)	(3,750)	(1,990)	(2,074)	(2,646)	(3,140)	(2,764)
Other	41	-	-	-	-	-	-	204,304	-
Net change in plan fiduciary net position	(1,178,830)	3,024,301	1,890,739	1,728,997	353,676	1,041,977	(437,635)	(55,931)	304,837
Plan fiduciary net position- beginning	12,067,862	9,043,561	7,152,822	5,423,825	5,070,149	4,028,172	4,465,807	4,521,738	4,216,901
Prior period restatement	(42,757)	-	-	-	-	-	-	-	-
Plan fiduciary net position- ending (b)	<u>\$10,846,275</u>	<u>\$12,067,862</u>	<u>\$ 9,043,561</u>	<u>\$ 7,152,822</u>	<u>\$ 5,423,825</u>	<u>\$ 5,070,149</u>	<u>\$ 4,028,172</u>	<u>\$ 4,465,807</u>	<u>\$ 4,521,738</u>
Net pension liability (a) - (b)	<u>\$23,770,186</u>	<u>\$21,053,387</u>	<u>\$27,613,075</u>	<u>\$32,001,368</u>	<u>\$34,440,597</u>	<u>\$34,487,752</u>	<u>\$40,081,517</u>	<u>\$30,021,110</u>	<u>\$26,978,696</u>
Plan fiduciary net position as a percentage of total pension liability	31.33%	36.44%	24.67%	18.27%	13.61%	12.82%	9.13%	12.95%	14.35%
Covered employee payroll	2,020,499	2,061,163	2,062,336	2,133,389	1,907,577	1,740,164	1,658,979	1,607,962	1,622,175
Net pension liability as a percentage of covered employee payroll	1176.45%	1021.43%	1338.92%	1500.02%	1805.46%	1981.87%	2416.04%	1867.03%	1663.12%

II. Schedule of Net Pension Liability - Multiyear

Fiscal Year Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2022	\$ 34,616,461	\$10,846,275	\$23,770,186	31.33%	\$ 2,020,499	1176.45%
2021	\$ 33,121,249	\$12,067,862	\$21,053,387	36.44%	\$ 2,061,163	1021.43%
2020	\$ 36,656,636	\$ 9,043,561	\$27,613,075	24.67%	\$ 2,062,336	1338.92%
2019	\$ 39,154,190	\$ 7,152,822	\$32,001,368	18.27%	\$ 2,133,389	1500.02%
2018	\$ 39,864,422	\$ 5,423,825	\$34,440,597	13.61%	\$ 1,907,577	1805.46%
2017	\$ 39,557,901	\$ 5,070,149	\$34,487,752	12.82%	\$ 1,740,164	1981.87%
2016	\$ 44,109,689	\$ 4,028,172	\$40,081,517	9.13%	\$ 1,658,979	2416.04%
2015	\$ 34,486,917	\$ 4,465,807	\$30,021,110	12.95%	\$ 1,607,962	1867.03%
2014	\$ 31,500,434	\$ 4,521,738	\$26,978,696	14.35%	\$ 1,622,175	1663.12%

CITY OF WEIRTON, WEST VIRGINIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Employer Defined Benefit Plans

Policemen's Pension and Relief Fund

III Schedule of Contributions - Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,811,593	\$ 2,498,485	\$ 2,797,576	\$ 2,726,520	\$ 2,412,280	\$ 2,298,887	\$ 2,228,433	\$ 1,639,294	\$ 1,536,682	\$ 1,477,051
City contributions in relation to the actuarially determined contribution	(1,412,634)	(2,087,383)	(2,345,497)	(2,336,451)	(895,000)	(1,574,527)	(626,941)	(501,814)	(514,687)	(546,064)
State contributions in relation to the actuarially determined contribution	<u>(421,139)</u>	<u>(446,653)</u>	<u>(408,735)</u>	<u>(390,069)</u>	<u>(399,687)</u>	<u>(380,767)</u>	<u>(345,588)</u>	<u>(339,332)</u>	<u>(362,002)</u>	<u>(363,021)</u>
Contribution deficiency (excess)	\$ <u>(22,180)</u>	\$ <u>(35,551)</u>	\$ <u>43,344</u>	\$ <u>-</u>	\$ <u>1,117,593</u>	\$ <u>343,593</u>	\$ <u>1,255,904</u>	\$ <u>798,148</u>	\$ <u>659,993</u>	\$ <u>567,966</u>
Government's covered-employee payroll	\$ 2,020,499	\$ 2,061,163	\$ 2,062,336	\$ 2,133,389	\$ 1,907,577	\$ 1,740,164	\$ 1,658,979	\$ 1,607,962	\$ 1,622,175	\$ 1,593,506
Employer contributions as a percentage of covered-employee payroll	69.92%	101.27%	113.73%	109.52%	46.92%	90.48%	37.79%	30.03%	31.73%	34.27%
City and state contributions as a percentage of covered-employee payroll	90.76%	122.94%	133.55%	127.80%	67.87%	112.36%	58.62%	50.34%	54.04%	57.05%

CITY OF WEIRTON, WEST VIRGINIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Employer Defined Benefit Plans
Firemen's Pension and Relief Fund

I. Schedules of Changes in the Net Pension Liability and Related Ratios - Multiyear

Fiscal year end June 30	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 539,768	\$ 423,225	\$ 416,158	\$ 452,415	\$ 371,654	\$ 414,783	\$ 305,455	\$ 262,275	\$ 275,216
Interest on the total pension liability	1,066,501	1,031,478	1,005,440	912,022	888,071	836,975	856,444	797,673	780,380
Difference between expected and actual experience	1,007,990	704,086	(246,457)	807,333	(2,930)	(910,435)	390,283	(58,032)	-
Assumption changes	-	(851,821)	-	-	-	(852,836)	2,057,993	-	-
Benefit payments	(767,113)	(810,699)	(747,498)	(737,747)	(679,743)	(649,622)	(651,642)	(612,845)	(600,032)
Net change in total pension liability	<u>1,847,146</u>	<u>496,269</u>	<u>427,643</u>	<u>1,434,023</u>	<u>577,052</u>	<u>(1,161,135)</u>	<u>2,958,533</u>	<u>389,071</u>	<u>455,564</u>
Total Pension Liability- beginning	<u>16,750,105</u>	<u>16,253,836</u>	<u>15,826,193</u>	<u>14,392,170</u>	<u>13,815,118</u>	<u>14,976,253</u>	<u>12,017,720</u>	<u>11,628,649</u>	<u>11,173,085</u>
Total Pension Liability- ending (a)	<u><u>\$ 18,597,251</u></u>	<u><u>\$ 16,750,105</u></u>	<u><u>\$ 16,253,836</u></u>	<u><u>\$ 15,826,193</u></u>	<u><u>\$ 14,392,170</u></u>	<u><u>\$ 13,815,118</u></u>	<u><u>\$ 14,976,253</u></u>	<u><u>\$ 12,017,720</u></u>	<u><u>\$ 11,628,649</u></u>
Plan Fiduciary Net Position									
Employer contributions	\$ 664,567	\$ 645,790	\$ 637,405	\$ 627,874	\$ 643,214	\$ 681,189	\$ 455,266	\$ 431,213	\$ 563,823
Employee contributions	116,258	126,460	105,687	95,312	97,251	85,170	82,461	84,967	80,120
Pension plan net investment income	(1,975,892)	2,936,528	769,939	791,908	771,192	1,015,378	(57,862)	347,248	1,162,109
Benefit payments	(767,113)	(810,699)	(747,498)	(737,747)	(679,743)	(649,622)	(643,235)	(615,116)	(600,032)
Pension plan administrative expense	(2,670)	(3,780)	(3,001)	(5,275)	(2,458)	(5,546)	(5,453)	(2,396)	(8,950)
Other	51	-	-	-	-	-	-	264,114	-
Net change in plan fiduciary net position	<u>(1,964,799)</u>	<u>2,894,299</u>	<u>762,532</u>	<u>772,072</u>	<u>829,456</u>	<u>1,126,569</u>	<u>(168,823)</u>	<u>510,030</u>	<u>1,197,070</u>
Plan fiduciary net position- beginning	<u>15,399,269</u>	<u>12,504,970</u>	<u>11,742,438</u>	<u>10,970,366</u>	<u>10,140,910</u>	<u>9,014,341</u>	<u>9,183,164</u>	<u>8,673,134</u>	<u>7,476,064</u>
Prior period restatement	<u>63,611</u>	<u>-</u>							
Plan fiduciary net position- ending (b)	<u><u>\$ 13,498,081</u></u>	<u><u>\$ 15,399,269</u></u>	<u><u>\$ 12,504,970</u></u>	<u><u>\$ 11,742,438</u></u>	<u><u>\$ 10,970,366</u></u>	<u><u>\$ 10,140,910</u></u>	<u><u>\$ 9,014,341</u></u>	<u><u>\$ 9,183,164</u></u>	<u><u>\$ 8,673,134</u></u>
Net pension liability (a) - (b)	<u><u>\$ 5,099,170</u></u>	<u><u>\$ 1,350,836</u></u>	<u><u>\$ 3,748,866</u></u>	<u><u>\$ 4,083,755</u></u>	<u><u>\$ 3,421,804</u></u>	<u><u>\$ 3,674,208</u></u>	<u><u>\$ 5,961,912</u></u>	<u><u>\$ 2,834,556</u></u>	<u><u>\$ 2,955,515</u></u>
Plan fiduciary net position as a percentage of total pension liability	72.58%	91.94%	76.94%	74.20%	76.22%	73.40%	60.19%	76.41%	74.58%
Covered employee payroll	1,462,471	1,254,930	1,178,596	1,264,119	1,039,842	1,026,836	1,115,043	958,555	983,476
Net pension liability as a percentage of covered employee payroll	348.67%	107.64%	318.08%	323.05%	329.07%	357.82%	534.68%	295.71%	300.52%

II. Schedule of Net Pension Liability - Multiyear

Fiscal Year Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2022	\$ 18,597,251	\$ 13,498,081	\$ 5,099,170	72.58%	\$ 1,462,471	348.67%
2021	\$ 16,750,105	\$ 15,399,269	\$ 1,350,836	91.94%	\$ 1,254,930	107.64%
2020	\$ 16,253,836	\$ 12,504,970	\$ 3,748,866	76.94%	\$ 1,178,596	318.08%
2019	\$ 15,826,193	\$ 11,742,438	\$ 4,083,755	74.20%	\$ 1,264,119	323.05%
2018	\$ 14,392,170	\$ 10,970,366	\$ 3,421,804	76.22%	\$ 1,039,842	329.07%
2017	\$ 13,815,118	\$ 10,140,910	\$ 3,674,208	73.40%	\$ 1,026,836	357.82%
2016	\$ 14,976,253	\$ 9,014,341	\$ 5,961,912	60.19%	\$ 1,115,043	534.68%
2015	\$ 12,017,720	\$ 9,183,164	\$ 2,834,556	76.41%	\$ 958,555	295.71%
2014	\$ 11,628,649	\$ 8,673,134	\$ 2,955,515	74.58%	\$ 983,476	300.52%

CITY OF WEIRTON, WEST VIRGINIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Employer Defined Benefit Plans

Firemen's Pension and Relief Fund

III Schedule of Contributions - Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 579,066	\$ 599,764	\$ 650,523	\$ 559,116	\$ 503,189	\$ 530,081	\$ 613,070	\$ 354,731	\$ 396,427	\$ 518,823
City contributions in relation to the actuarially determined contribution	(408,846)	(380,396)	(395,103)	(400,000)	(425,000)	(467,280)	(247,273)	(231,096)	(215,978)	(201,850)
State contributions in relation to the actuarially determined contribution	(255,721)	(265,394)	(242,302)	(227,874)	(218,214)	(213,909)	(207,993)	(200,118)	(347,845)	(206,660)
Contribution deficiency (excess)	\$ <u>(85,501)</u>	\$ <u>(46,026)</u>	\$ <u>13,118</u>	\$ <u>(68,758)</u>	\$ <u>(140,025)</u>	\$ <u>(151,108)</u>	\$ <u>157,804</u>	\$ <u>(76,483)</u>	\$ <u>(167,396)</u>	\$ <u>110,313</u>
Government's covered-employee payroll	\$ 1,462,471	\$ 1,254,930	\$ 1,178,596	\$ 1,264,119	\$ 1,039,842	\$ 1,026,836	\$ 1,115,043	\$ 958,555	\$ 983,476	\$ 918,877
Employer contributions as a percentage of covered-employee payroll	27.96%	30.31%	33.52%	31.64%	40.87%	45.51%	22.18%	24.11%	21.96%	21.97%
City and state contributions as a percentage of covered-employee payroll	45.44%	51.46%	54.08%	49.67%	61.86%	66.34%	40.83%	44.99%	57.33%	44.46%

CITY OF WEIRTON, WEST VIRGINIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Employer Defined Benefit Plans

Policemen's and Firemen's Pension and Relief Fund

IV Money-Weighted Rates of Return - Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Policemen's Pension and Relief Fund	-12.30%	20.20%	6.50%	7.10%	7.10%	10.80%	(1.20)%	4.10%	15.80%	-
Firemen's Pension and Relief Fund	-12.70%	24.10%	6.60%	7.30%	7.60%	11.20%	(0.80)%	4.00%	15.70%	-

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CITY OF WEIRTON, WEST VIRGINIA
COST SHARING MULTI - EMPLOYER PLANS - PENSIONS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Cost Sharing Multi - Employer Plans

West Virginia Public Employee Retirement System (PERS)

I. Schedule of Government's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years *

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Government's proportion of the net pension liability (asset) (percentage)	-0.3211%	0.3234%	0.3126%	0.3164%	0.3208%	0.2954%	0.3116%	0.3100%	0.2903%	-
Government's proportionate share of the net pension liability (asset)	\$ #####	\$ 1,709,457	\$ 672,021	\$ 816,465	\$ 1,384,557	\$ 2,715,379	\$ 1,740,061	\$ 1,144,273	\$ 2,646,569	\$ -
Government's covered-employee payroll	\$ 5,090,760	\$ 5,200,570	\$ 4,579,590	\$ 4,268,618	\$ 4,295,958	\$ 4,085,289	\$ 4,285,371	\$ 4,151,848	\$ 3,885,621	\$ -
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-55.37%	32.87%	14.67%	19.13%	32.23%	66.47%	40.60%	27.56%	68.11%	-
Plan fiduciary net position as a percentage of the total pension liability	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	98.98%	79.70%	-

II. Schedule of Government Contributions - Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution.	\$ 563,583	\$ 509,076	\$ 520,057	\$ 457,959	\$ 469,548	\$ 515,515	\$ 551,514	\$ 599,952	\$ 602,018	\$ 543,987
Contributions in relation to the contractually required contribution	(563,583)	(509,076)	(520,057)	(457,959)	(469,548)	(515,515)	(551,514)	(599,952)	(602,018)	(543,987)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government's covered-employee payroll	\$ 5,635,830	\$ 5,090,760	\$ 5,200,570	\$ 4,579,590	\$ 4,268,618	\$ 4,295,958	\$ 4,085,289	\$ 4,285,371	\$ 4,151,848	\$ 3,885,621
Contributions as a percentage of covered-employee payroll	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%	14.00%

* - The amounts presented for each fiscal year were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CITY OF WEIRTON, WEST VIRGINIA
COST SHARING MULTI - EMPLOYER PLANS - PENSIONS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Cost Sharing Multi - Employer Plans

West Virginia Municipal Police Officers and Firefighters Retirement System (MPFRS)

I. Schedule of Government's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years *

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Government's proportion of the net pension liability (asset) (percentage)	(2.73985%)	(2.149810%)	(0.535593%)	(0.315723%)	(0.018256%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Government's proportionate share of the net pension liability (asset)	\$ (299,026)	\$ (134,449)	\$ (24,557)	\$ (11,675)	\$ (513)	\$ -	\$ -	\$ -	\$ -	\$ -
Government's covered-employee payroll	\$ 707,671	\$ 452,341	\$ 90,118	\$ 39,729	\$ 2,482	\$ -	\$ -	\$ -	\$ -	\$ -
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(42.25%)	(29.72%)	(27.25%)	(29.39%)	(20.67%)	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	(182.78%)	(172.43%)	(168.31%)	(184.45%)	(203.46%)	0.00%	0.00%	0.00%	0.00%	0.00%

II. Schedule of Government Contributions - Last 10 Fiscal Years *

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution.	\$ 91,266	\$ 60,152	\$ 38,449	\$ 7,660	\$ 3,377	\$ 211	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(91,266)</u>	<u>(60,152)</u>	<u>(38,449)</u>	<u>(7,660)</u>	<u>(3,377)</u>	<u>(211)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Government's covered-employee payroll	\$ 1,073,718	\$ 707,671	\$ 452,341	\$ 90,118	\$ 39,729	\$ 2,482	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	0.00%	0.00%	0.00%	0.00%

* - The amounts presented for each fiscal year were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CITY OF WEIRTON, WEST VIRGINIA
COST SHARING MULTI - EMPLOYER PLAN - OPEB
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

Cost Sharing Multi - Employer OPEB Plan

West Virginia Public Employees Insurance Agency (WV PEIA)

I. Schedule of Government's Proportionate Share of the Net OPEB Liability - Last 10 Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset) (percentage)	(0.14664%)	0.137940%	0.126178%	0.107460%	0.117770%	0.147370%
City's proportionate share of the net OPEB liability (asset)	\$ (43,604)	\$ 609,306	\$ 2,093,481	\$ 2,642,486	\$ 2,895,979	\$ 3,659,668
City's covered-employee payroll	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**	\$ N/A**
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	39.69%	30.98%	25.10%	21.64%

II. Schedule of Government OPEB Contributions - Last 10 Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 267,416	\$ 266,826	\$ 256,303	\$ 259,965	\$ 251,690	\$ 241,900
Contributions in relation to the contractually required contribution	<u>(267,416)</u>	<u>(266,826)</u>	<u>(256,303)</u>	<u>(259,965)</u>	<u>(251,690)</u>	<u>(241,900)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ N/A**					
Contributions as a percentage of covered-employee payroll	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**

* - The amounts presented for each fiscal year were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City's should present information for those years for which information is available.

** - The City does not have covered-employee payroll as the participants of the plan are retired.

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance with with Final Budget - Positive (Negative)
Revenues						
Taxes:						
Property taxes	\$ 3,007,892	\$ 3,007,892	\$ 2,922,541	\$ 72,277	\$ 2,994,818	\$ 85,351
B&O	3,900,000	4,600,000	4,684,616	84,507	4,769,123	(84,616)
Sales taxes	3,800,000	3,800,000	3,473,672	(21,080)	3,452,592	326,328
Excise tax on utilities	1,200,000	1,200,000	1,070,125	(15,592)	1,054,533	129,875
Other taxes	690,500	745,180	704,815	(9,365)	695,450	40,365
Total taxes	12,598,392	13,353,072	12,855,769	110,747	12,966,516	497,303
Fines and forfeitures	121,000	121,000	134,743	(12,221)	122,522	(13,743)
Licenses, permits, and fees	255,000	255,000	249,330	-	249,330	5,670
Intergovernmental	1,191,175	732,225	579,178	724,628	1,303,806	153,047
Charges for services	5,161,500	5,164,000	5,087,100	(221,909)	4,865,191	76,900
Video lottery and table gaming proceeds	460,000	460,000	525,848	57	525,905	(65,848)
Charges to other funds	92,000	3,110,420	3,097,044	(3,097,044)	-	13,376
Investment income	10,500	10,500	16,789	-	16,789	(6,289)
Reimbursements	52,500	52,500	25,484	(25,484)	-	27,016
Other	45,000	90,000	33,015	21,937.00	54,952	56,985
Total revenues before prior year fund balance	19,987,067	23,348,717	22,604,300	(2,499,289)	20,105,011	744,417
Prior year fund balance (1)	2,800,000	3,500,000	-	-	-	3,500,000
Total revenues and prior year fund balance	22,787,067	26,848,717	22,604,300	(2,499,289)	20,105,011	4,244,417
Expenditures						
Current:						
General government	4,924,762	8,695,955	3,649,599	(59,385)	3,590,214	5,046,356
Public safety	10,340,899	9,542,570	9,098,033	(3,298,776)	5,799,257	444,537
Highway and streets	4,569,551	4,977,850	4,486,760	214,253	4,701,013	491,090
Health and sanitation	1,721,315	1,763,962	1,362,762	(105,164)	1,257,598	401,200
Culture and recreation	1,215,540	1,853,380	212,858	-	212,858	1,640,522
Social services	15,000	15,000	10,842	-	10,842	4,158
Debt Service:						
Principal	-	-	-	326,957	326,957	-
Interest and other charges	-	-	-	15,136	15,136	-
Total expenditures	22,787,067	26,848,717	18,820,854	(2,906,979)	15,913,875	8,027,863
Excess (deficiency) of revenues over expenditures	-	-	3,783,446	407,690	4,191,136	(3,783,446)
Other Financing Sources (Uses)						
Proceeds from leases	-	-	-	666,985	666,985	-
Capital transfer out	-	-	(508,403)	-	(508,403)	-
Transfers out	-	-	(1,066,340)	30,000	(1,036,340)	1,066,340
Net other financing sources (uses)	-	-	(1,574,743)	696,985	(877,758)	1,066,340
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	2,208,703	1,104,675	3,313,378	
Fund balances - beginning, as restated	1,586,902	2,408,498	10,115,774	15,000	10,130,774	
Less prior year fund balance budgeted	(1,586,902)	(2,408,498)	-	-	-	
Fund balances - ending	\$ -	\$ -	\$ 12,324,477	\$ 1,119,675	\$ 13,444,152	

(1) Budget includes fund balance carried over from prior years. It is not revenue of the current period but is presented as revenue only for budgeting purposes.
Beginning budgetary fund balance, as restated has been reduced for carryover to reflect the budgetary ending fund balance projected.

CITY OF WEIRTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - COAL SEVERANCE TAX FUND
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences	Actual Amounts GAAP Basis	Variance Actual Cash Basis with Final Budget - Positive (Negative)
Revenues						
Other taxes	\$ 35,000	\$ 60,000	\$ 60,824	\$ 14,054	\$ 74,878	\$ (824)
Investment income	70	70	4	-	4	66
Total revenues before prior year fund balance	35,070	60,070	60,828	14,054	74,882	(758)
Prior year fund balance (1)	10,275	10,725	-	-	-	10,725
Total revenues and prior year fund balance	45,345	70,795	60,828	14,054	74,882	9,967
Expenditures						
General government	-	5,000	-	-	-	5,000
Public Safety	-	15,250	15,140	-	15,140	110
Highway and streets	30,345	18,545	8,245	-	8,245	10,300
Culture and recreation	-	17,000	17,090	-	17,090	(90)
Social services	15,000	15,000	-	-	-	15,000
Total expenditures	45,345	70,795	40,475	-	40,475	30,320
Excess (deficiency) of revenues over expenditures	-	-	20,353	14,054	34,407	(20,353)
Fund balance, beginning	10,275	10,725	10,735	2,616	13,351	
Less prior year fund balance budgeted	(10,275)	(10,725)	-	-	-	
Fund balance, ending	\$ -	\$ -	\$ 31,088	\$ 16,670	\$ 47,758	

(1) Budget includes fund balance carried over from prior years. It is not revenue of the current period but is presented as revenue only for budgetary purposes. Beginning budgetary fund balance has been reduced for carryover to reflect the budgetary ending fund balance projected.

Supplementary Information

CITY OF WEIRTON, WEST VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Youth Job Program	Public Safety	Library	CDBG	Total
Assets					
Cash and cash equivalents	\$ 309	\$ 90,687	\$ 555,475	\$ 1,726	\$ 648,197
Receivables, net					
Intergovernmental	-	-	-	423,764	423,764
Prepaid expenses	-	-	1,960	-	1,960
Restricted cash and cash equivalents	-	40	-	-	40
Total assets	\$ 309	\$ 90,727	\$ 557,435	\$ 425,490	\$ 1,073,961
Liabilities and Fund Balances					
Accounts payable	\$ -	\$ -	\$ 10,117	\$ 411,814	\$ 421,931
Wages and benefits payable	-	-	7,357	-	7,357
Compensated absences	-	-	3,196	-	3,196
Due to other funds	-	-	8,174	12,407	20,581
Security deposit	-	25,000	-	-	25,000
Unearned revenue	-	63,175	-	-	63,175
Grant advances	-	-	-	1,269	1,269
Total liabilities	-	88,175	28,844	425,490	542,509
Fund Balances					
Non-spendable for:					
Prepaid expenses	-	-	1,960	-	1,960
Assigned for:					
General expenditures	309	2,552	526,631	-	529,492
Total fund balances	309	2,552	528,591	-	531,452
Total liabilities and fund balances	\$ 309	\$ 90,727	\$ 557,435	\$ 425,490	\$ 1,073,961

CITY OF WEIRTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Youth Job Program	Public Safety	Library	CDBG	Total
Revenues					
Property taxes	\$ -	\$ -	\$ 189,990	\$ -	\$ 189,990
Fees and fines	-	-	22	-	22
Intergovernmental	-	-	-	548,809	548,809
Investment income	-	14	1,547	-	1,561
Contributions	-	29,262	168,075	-	197,337
Other	-	-	150	-	150
Total revenues	<u>-</u>	<u>29,276</u>	<u>359,784</u>	<u>548,809</u>	<u>937,869</u>
Expenditures					
Current:					
General government	-	-	-	78,734	78,734
Public safety	-	18,223	-	25,484	43,707
Highway and streets	-	-	-	409,664	409,664
Culture and recreation	-	-	793,620	-	793,620
Social services	-	-	-	34,927	34,927
Total expenditures	<u>-</u>	<u>18,223</u>	<u>793,620</u>	<u>548,809</u>	<u>1,360,652</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>11,053</u>	<u>(433,836)</u>	<u>-</u>	<u>(422,783)</u>
Other Financing Sources (Uses)					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>454,040</u>	<u>-</u>	<u>454,040</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>454,040</u>	<u>-</u>	<u>454,040</u>
Net changes in fund balances	-	11,053	20,204	-	31,257
Fund balances - beginning, as restated	309	(8,501)	508,387	-	500,195
Fund balances - ending	<u>\$ 309</u>	<u>\$ 2,552</u>	<u>\$ 528,591</u>	<u>\$ -</u>	<u>\$ 531,452</u>

CITY OF WEIRTON, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Pension Trust Funds			Total Pension Trust Funds
	Policemen's Pension Trust Funds	Firemen's Pension		
Assets				
Cash and cash equivalents	\$ 664,360	\$ 102,860	\$	767,220
Investments, at fair value:				
Money markets	107,361	134,715	242,076	
Corporate obligations	-	198,970	198,970	
Mutual funds	4,608,600	5,398,558	10,007,158	
Equities	5,465,954	7,662,978	13,128,932	
Total investments	<u>10,181,915</u>	<u>13,395,221</u>	<u>23,577,136</u>	
Total assets	<u>10,846,275</u>	<u>13,498,081</u>	<u>24,344,356</u>	
Net Position				
Net position held in trust for pension benefits	<u>\$ 10,846,275</u>	<u>\$ 13,498,081</u>	<u>\$ 24,344,356</u>	

CITY OF WEIRTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2021

	Policemen's Pension	Firemen's Pension	Total Pension Trust
Additions			
Contributions:			
Employer	\$ 1,412,634	\$ 408,846	\$ 1,821,480
Plan members	192,562	116,258	308,820
Insurance premium tax allocation	421,139	255,721	676,860
Total contributions	<u>2,026,335</u>	<u>780,825</u>	<u>2,807,160</u>
Investment income:			
Interest and dividends	207,709	279,102	486,811
Net realized and unrealized gains (losses)	(1,688,805)	(2,210,953)	(3,899,758)
Less: investment expense	(35,127)	(44,041)	(79,168)
Net investment income	<u>(1,516,223)</u>	<u>(1,975,892)</u>	<u>(3,492,115)</u>
Other income	<u>41</u>	<u>51</u>	<u>92</u>
Total additions	<u>510,153</u>	<u>(1,195,016)</u>	<u>(684,863)</u>
Deductions			
Benefits	1,679,870	767,113	2,446,983
Administrative	9,113	2,670	11,783
Total deductions	<u>1,688,983</u>	<u>769,783</u>	<u>2,458,766</u>
Change in net position	<u>(1,178,830)</u>	<u>(1,964,799)</u>	<u>(3,143,629)</u>
Net position held in trust for pension benefits			
Beginning of year, as restated	<u>12,025,105</u>	<u>15,462,880</u>	<u>27,487,985</u>
End of year	<u>\$ 10,846,275</u>	<u>\$ 13,498,081</u>	<u>\$ 24,344,356</u>

CITY OF WEIRTON, WEST VIRGINIA
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
For the Fiscal Year Ended June 30, 2022

	Grant Number	Award Amount	Under (Over) Expended Beginning of Year	Total Current Year Revenues	Total Current Year Expenditures	Under (Over) Expended End of Year
West Virginia Department of Arts, Culture and History						
Fairs & Festivals	FF22-798	\$ 11,881	\$ -	\$ 11,881	\$ 11,881	\$ -
Total West Virginia Department of Arts, Culture and History		\$ 11,881	\$ -	\$ 11,881	\$ 11,881	\$ -
West Virginia Division of Health						
Safe Water Drinking Program	3256-3771	30,460	-	30,460	30,460	-
Total West Virginia Division of Health		30,460	-	30,460	30,460	-
West Virginia Water Development Authority						
Loan Funding	2019S-1797/IL24	1,300,000	457,466	267,858	267,858	189,608
Loan Funding	2019W-1795/IL25	1,300,000	542,047	351,031	351,031	191,016
Total West Virginia Water Development Authority		2,600,000	999,513	618,889	618,889	380,624
Total State Awards		\$ 2,642,341	\$ 999,513	\$ 661,230	\$ 661,230	\$ 380,624

CITY OF WEIRTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development				
CDBG-Entitlement Grants Cluster: Community Development Block Grant	14.218	N/A	\$ -	\$ 560,809
Total Department of Housing and Urban Development			-	560,809
Department of Homeland Security				
<u>West Virginia Division of Homeland Security</u> Homeland Security Grant Program	97.067	1005925664	-	36,285
Total Department of Homeland Security			-	36,285
Department of Transportation				
Federal Transit Cluster: Federal Transit Formula Grant	20.507	N/A	472,512	472,512
<u>West Virginia Department of Transportation</u> Highway Safety Cluster: State and Community Highway Safety	20.600	21-04/22-04	-	2,274
National Property Safety Programs	20.616	21-04/22-04	-	1,211
National Property Safety Programs	20.616	21-04/22-04	-	304
National Property Safety Programs	20.616	21-04/22-04	-	2,871
			-	6,660
Total Department of Transportation			472,512	479,172
Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	4,326,515
Total Department of Treasury			-	4,326,515
Environmental Protection Agency				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	-	40,452
Total Environmental Protection Agency			-	40,452
Executive Office of the President				
<u>Laurel County Fiscal Court</u> High Intensity Drug Trafficking Areas Program	95.001	N/A	-	35,188
Total Executive Office of the President			-	35,188
Department of Commerce				
Public Works and Economic Development Facilities	11.300	N/A	-	161,145
Total Executive Office of the President			-	161,145
Total Expenditures of Federal Awards			\$ 472,512	\$ 5,639,566

CITY OF WEIRTON, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Weirton, West Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Weirton, West Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Weirton, West Virginia.

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

The City of Weirton, West Virginia has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Ferrari & Associates, PLLC

616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Weirton
Weirton, West Virginia 26062

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining information of the City of Weirton, West Virginia (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 23, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Ferrari & Associates, PLLC

616 Schubert Place | Morgantown, WV 26505

Purpose of this Report

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

Ferrari & Associates, PLLC

Morgantown, West Virginia

March 23, 2023

Ferrari & Associates, PLLC

616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and City Council
City of Weirton
Weirton, West Virginia 26062

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Weirton, West Virginia's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Ferrari & Associates, PLLC

616 Schubert Place | Morgantown, WV 26505

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Ferrari & Associates, PLLC

Morgantown, West Virginia
March 23, 2023

CITY OF WEIRTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiencies identified that is not considered to be a material weakness? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiencies identified that is not considered to be a material weakness? No

Type of auditor's report issued on compliance for major programs: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

Federal Assistance Listing Number (AL) 21.027 Name of Federal Program or Cluster Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

Section IV – Status of Prior Year Audit Findings

There were no audit findings in the prior year.