

Audited Schedules of Employer Allocations and Pension Amounts By Employer

**West Virginia Municipal Police Officers
and Firefighters Retirement System
Administered by
The West Virginia Consolidated Public Retirement Board**

As of and for the Year Ended June 30, 2017



West Virginia Municipal Police Officers and Firefighters Retirement System
Audited Schedules of Employer Allocations and Pension Amounts By Employer
As of and for the Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
West Virginia Consolidated Public Retirement Board
Charleston, West Virginia

Report on the Schedules

We have audited the accompanying schedule of employer allocations of the West Virginia Municipal Police Officers and Firefighters Retirement System (MPFRS), administered by the West Virginia Consolidated Public Retirement Board, as of and for the year ended June 30, 2017, and the related notes. We have also audited the total for all entities of the columns titled net pension asset (liability), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the accompanying schedule of pension amounts by employer of the MPFRS as of and for the year ended June 30, 2017, and the related notes.

Management's Responsibility for the Schedules

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

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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

Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension asset (liability), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions for the total of all participating entities for the West Virginia Municipal Police Officers and Firefighters Retirement System, as of and for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the West Virginia Consolidated Public Retirement Board as of and for the year ended June 30, 2017, and our report thereon dated October 13, 2017, expressed an unmodified opinion on those financial statements.

Restrictions on Use

Our report is intended solely for the information and use of the West Virginia Consolidated Public Retirement Board, the West Virginia Municipal Police Officers and Firefighters Retirement System's participating employers and their auditors and is not intended to be used by anyone other than these specified parties.



Charleston, West Virginia
June 13, 2018

WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS RETIREMENT SYSTEM
Schedule of Employer Allocations
As of and for the Year Ended June 30, 2017

Employer Name	Employer Contributions	Employer Allocation Percentage
City of Moundsville Municipal Fire	\$ 3,297	0.388325%
City of Elkins Municipal Fire	9,578	1.128110%
City of Huntington Municipal Fire	75,999	8.951263%
City of Charleston Municipal Fire	144,771	17.051321%
City of Grafton Municipal Fire	3,541	0.417064%
City of Weirton Municipal Fire	155	0.018256%
City of Buckhannon Municipal Fire	5,202	0.612698%
City of Wheeling Municipal Fire	50,083	5.898842%
City of Moundsville Municipal Police	22,990	2.707793%
Town of Belle	6,065	0.714344%
City of Elkins Municipal Police	15,847	1.866481%
City of Huntington Municipal Police	150,855	17.767902%
City of Charleston Municipal Police	222,402	26.194802%
City of Hurricane Municipal Police	525	0.061835%
City of Grafton Municipal Police	10,656	1.255078%
City of Dunbar Municipal Police	14,718	1.733506%
City of Oak Hill	31,290	3.685378%
City of Welch	1,044	0.122964%
City of Wheeling Municipal Police	50,712	5.972927%
City of Point Pleasant	7,627	0.898318%
City of Westover	21,674	2.552793%
	<u>\$ 849,031</u>	<u>100.000000%</u>

The accompanying notes are an integral part of this schedule

WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS RETIREMENT SYSTEM
Schedule of Pension Amounts by Employer
As of and for the Year Ended June 30, 2017

Employer	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense		
	Net Pension Asset (Liability)	Differences Between Expected and Actual Experience	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions
City of Moundsville Municipal Fire	\$ 10,904	\$ 287	\$ 1,228	\$ 1,515	\$ (1,045)	\$ (404)	\$ (2,168)	\$ (3,617)	\$ (66)	\$ (98)	\$ (164)
City of Elkins Municipal Fire	31,677	835	-	835	(3,035)	(1,173)	(15,626)	(19,834)	(192)	(2,941)	(3,133)
City of Huntington Municipal Fire	251,351	6,624	50,281	56,905	(24,079)	(9,309)	(4,337)	(37,725)	(1,522)	6,504	4,982
City of Charleston Municipal Fire	478,801	12,618	15,691	28,309	(45,868)	(17,733)	(56,236)	(119,837)	(2,899)	(6,408)	(9,307)
City of Grafton Municipal Fire	11,711	309	250	559	(1,122)	(434)	(2,451)	(4,007)	(71)	(279)	(350)
City of Weirton Municipal Fire	513	14	-	14	(49)	(19)	(252)	(320)	(3)	(48)	(51)
City of Buckhannon Municipal Fire	17,205	453	-	453	(1,648)	(637)	(8,487)	(10,772)	(104)	(1,597)	(1,701)
City of Wheeling Municipal Fire	165,639	4,365	-	4,365	(15,868)	(6,135)	(49,788)	(71,791)	(1,003)	(7,339)	(8,342)
City of Moundsville Municipal Police	76,035	2,004	19,559	21,563	(7,284)	(2,816)	-	(10,100)	(460)	3,035	2,575
Town of Belle	20,059	529	6,979	7,508	(1,922)	(743)	(2,326)	(4,991)	(121)	493	372
City of Elkins Municipal Police	52,411	1,381	-	1,381	(5,021)	(1,941)	(16,301)	(23,263)	(317)	(2,203)	(2,520)
City of Huntington Municipal Police	498,923	13,148	119,087	132,235	(47,796)	(18,479)	-	(66,275)	(3,021)	17,750	14,729
City of Charleston Municipal Police	735,550	19,383	-	19,383	(70,463)	(27,243)	(28,110)	(125,816)	(4,452)	(3,960)	(8,412)
City of Hurricane Municipal Police	1,736	46	-	46	(166)	(64)	(857)	(1,087)	(11)	(161)	(172)
City of Grafton Municipal Police	35,243	929	-	929	(3,376)	(1,305)	(11,909)	(16,590)	(213)	(1,932)	(2,145)
City of Dunbar Municipal Police	48,677	1,283	18,823	20,106	(4,663)	(1,803)	(2,431)	(8,897)	(295)	2,506	2,211
City of Cameron	-	-	1,190	1,190	-	-	(437)	(437)	-	101	101
City of Oak Hill	103,485	2,727	15,411	18,138	(9,914)	(3,833)	(4,306)	(18,053)	(627)	2,075	1,448
City of Welch	3,453	91	1,741	1,832	(331)	(128)	(1,703)	(2,162)	(21)	(44)	(65)
City of Wheeling Municipal Police	167,720	4,420	-	4,420	(16,067)	(6,212)	(52,655)	(74,934)	(1,015)	(8,024)	(9,039)
City of Point Pleasant	25,225	665	8,551	9,216	(2,416)	(934)	(2,258)	(5,608)	(153)	1,115	962
City of Westover	71,682	1,889	18,598	20,487	(6,867)	(2,655)	(14,751)	(24,273)	(434)	1,455	1,021
	<u>\$ 2,808,000</u>	<u>\$ 74,000</u>	<u>\$ 277,389</u>	<u>\$ 351,389</u>	<u>\$ (269,000)</u>	<u>\$ (104,000)</u>	<u>\$ (277,389)</u>	<u>\$ (650,389)</u>	<u>\$ (17,000)</u>	<u>\$ -</u>	<u>\$ (17,000)</u>

The accompanying notes are an integral part of this schedule

WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS
RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction - The Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB Statement No. 68 requires governmental employers to recognize a net pension liability and/or a net pension asset as employees earn pension benefits. Governments participating in the West Virginia Municipal Police Officers and Firefighters Retirement System (the MPFRS) will recognize their proportionate share of the collective pension amounts for all benefits provided through the plan.

Basis of Accounting - The schedules of employer allocations and pension amounts by employer of the MPFRS have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles for governmental units.

Basis of Allocation - Pension amounts have been allocated to each participating employer based on their proportionate share of employer contributions to the MPFRS for the fiscal year ended June 30, 2017. Employer contributions are recognized when due. Retroactive service, military service, out of state service, and back pay employer contributions have been excluded from the allocation.

Accounting Estimates - The preparation of the schedules of employer allocations and pension amounts by employer in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of the net pension asset, deferred inflows of resources, deferred outflows of resources, and pension expense as of the measurement date. Actual amounts could differ from those estimates.

Measurement Date - Net pension asset, deferred inflows of resources, deferred outflows of resources, and pension expense were determined by actuarial valuations as of July 1, 2016 rolled forward to June 30, 2017, which is the measurement date.

2 - AMORTIZATION

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five year period. All other deferred outflows of resources and deferred inflows of resources relating to pension amounts reported in these schedules are amortized and included in pension expense over the average expected remaining service life of 6.31 years.

WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS
RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER
(Continued)

2 - AMORTIZATION (Continued)

The amortization of the deferred outflows and deferred inflows related to changes in the proportionate share of contributions from year to year for each entity is available from the West Virginia Consolidated Public Retirement Board.

Information regarding the amortization of deferred outflows and deferred inflows of resources related to pension amounts are as follows.

Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments
(in thousands, excluding the recognition period):

<u>Measurement date June 30</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ (61)	\$ 61	\$ 183	\$ (283)			
Recognition period (years)	5.00	5.00	5.00	5.00			
Amount recognized in							
fiscal year:							
2014	\$ (13)	\$ -	\$ -	\$ -	\$ -	\$ (13)	\$ (13)
2015	(13)	13	-	-	13	(13)	-
2016	(13)	13	37	-	50	(13)	37
2017	(13)	13	37	(57)	50	(70)	(20)
2018	(9)	13	37	(57)	50	(66)	(16)
2019	-	9	37	(57)	46	(57)	(11)
2020	-	-	35	(57)	35	(57)	(22)
2021	-	-	-	(55)	-	(55)	(55)
Balance as of June 30:							
2014	\$ (48)	\$ -	\$ -	\$ -	\$ -	\$ (48)	\$ (48)
2015	(35)	48	-	-	48	(35)	13
2016	(22)	35	146	-	181	(22)	159
2017	(9)	22	109	(226)	131	(235)	(104)
2018	-	9	72	(169)	81	(169)	(88)
2019	-	-	35	(112)	35	(112)	(77)
2020	-	-	-	(55)	-	(55)	(55)

WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS
RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER
(Continued)

2 - AMORTIZATION (Continued)

Differences Between Expected and Actual Experience (in thousands, excluding the recognition period):

<u>Measurement date June 30</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ 49	\$ 38	\$ 12			
Recognition period (years)	10.00	10.19	6.31			
Amount recognized in						
fiscal year:						
2015	\$ 5	\$ -	\$ -	\$ 5	\$ -	\$ 5
2016	5	4	-	9	-	9
2017	5	4	2	11	-	11
2018	5	4	2	11	-	11
2019	5	4	2	11	-	11
2020	5	4	2	11	-	11
2021	5	4	2	11	-	11
2022	5	4	2	11	-	11
2023	5	4	-	9	-	9
2024	4	4	-	8	-	8
2025	-	2	-	2	-	2
Balance as of June 30:						
2015	\$ 44	\$ -	\$ -	\$ 44	\$ -	\$ 44
2016	39	34	-	73	-	73
2017	34	30	10	74	-	74
2018	29	26	8	63	-	63
2019	24	22	6	52	-	52
2020	19	18	4	41	-	41
2021	14	14	2	30	-	30
2022	9	10	-	19	-	19
2023	4	6	-	10	-	10
2024	-	2	-	2	-	2

WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS
RETIREMENT SYSTEM

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS AND
PENSION AMOUNTS BY EMPLOYER
(Continued)

2 - AMORTIZATION (Continued)

Change in Assumptions (in thousands, excluding the recognition period):

<u>Measurement date June 30</u>	<u>2017</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ (320)			
Recognition period (years)	6.31			
Amount recognized in				
fiscal year:				
2017	\$ (51)	\$ -	\$ (51)	\$ (51)
2018	(51)	-	(51)	(51)
2019	(51)	-	(51)	(51)
2020	(51)	-	(51)	(51)
2021	(51)	-	(51)	(51)
2022	(51)	-	(51)	(51)
2023	(14)	-	(14)	(14)
Balance as of June 30:				
2017	\$ (269)	\$ -	\$ (269)	\$ (269)
2018	(218)	-	(218)	(218)
2019	(167)	-	(167)	(167)
2020	(116)	-	(116)	(116)
2021	(65)	-	(65)	(65)
2022	(14)	-	(14)	(14)

3 – SENSITIVITY OF THE NET PENSION ASSET (LIABILITY) TO CHANGE IN THE DISCOUNT RATE

<u>Sensitivity of Discount Rate</u>	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Total net pension asset (liability)	<u>\$ 2,078,000</u>	<u>\$ 2,808,000</u>	<u>\$ 3,352,000</u>