

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, 2016

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, 2016

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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, 2016, and the related notes. We have also audited the total for all entities of the columns titled net pension asset, 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, 2016, 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 an opinion 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.

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 opinion.

### **Opinion**

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension asset, 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, 2016, 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, 2016, and our report thereon dated March 31, 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  
August 10, 2017

**WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND FIREFIGHTERS RETIREMENT SYSTEM**

**SCHEDULE OF EMPLOYER ALLOCATIONS**

As of and for the Year Ended June 30, 2016

<b>Employer Name</b>	<b>Employer Contributions</b>	<b>Employer Allocation Percentage</b>
City of Moundsville Municipal Fire	\$ 2,936	0.45718%
City of Huntington Municipal Fire	63,152	9.801399%
City of Charleston Municipal Fire	101,955	15.823930%
City of Grafton Municipal Firefighters	2,803	0.435099%
City of Wheeling Fire	30,088	4.669835%
City of Moundsville Municipal Police	19,458	3.019893%
Town of Belle	3,521	0.546402%
City of Elkins - Police	10,584	1.642678%
City of Huntington Municipal Police	132,126	20.506523%
City of Charleston Municipal Police	168,547	26.159244%
City of Grafton Municipal Police Officers	4,923	0.764059%
City of Dunbar	15,299	2.374497%
City of Cameron	-	0.000000%
City of Oak Hill	27,047	4.197824%
City of Welch	-	0.000000%
City of Wheeling Police	28,181	4.373879%
City of Point Pleasant	8,592	1.333575%
City of Westover	25,099	3.895445%
	<b>\$ 644,311</b>	<b>100.000000%</b>

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, 2016

Employer	Deferred Outflows of Resources				Deferred Inflows of Resources				Pension Expense Excluding That Attributable to Net Amortization of Deferred			Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions
	Net Pension Liability (Asset)	Differences Between Expected and Actual Experience	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 Outflows of Resources	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows	Proportionate Share of Allocable Pension Expense	Proportionate Share of Contributions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Net Amortization of Deferred	
City of Moundsville Municipal Fire	\$ (6,444)	\$ 333	\$ 721	\$ 331	\$ 1,385	\$ (2,478)	\$ (2,478)	\$ 87	\$ (274)	\$ (187)		
City of Huntington Municipal Fire	(138,592)	7,155	15,506	43,414	66,075	(4,957)	(4,957)	1,862	4,289	6,151		
City of Charleston Municipal Fire	(223,751)	11,550	25,034	17,933	54,517	(44,684)	(44,684)	3,007	(3,212)	(204)		
City of Grafton Municipal Firefighters	(6,152)	318	688	-	1,006	(2,777)	(2,777)	83	(326)	(244)		
City of Wheeling Fire	(66,031)	3,409	7,388	-	10,797	(36,900)	(36,900)	887	(4,135)	(3,248)		
City of Moundsville Municipal Police	(42,701)	2,205	4,777	17,457	24,439	-	-	574	2,221	2,795		
Town of Belle	(7,726)	399	864	7,910	9,173	-	-	104	931	1,035		
City of Elkins - Police	(23,227)	1,199	2,599	-	3,798	(14,820)	(14,820)	312	(1,619)	(1,307)		
City of Huntington Municipal Police	(289,962)	14,970	32,441	91,763	139,174	-	-	3,896	10,614	14,510		
City of Charleston Municipal Police	(369,892)	19,096	41,384	-	60,480	(31,486)	(31,486)	4,970	(3,869)	1,102		
City of Grafton Municipal Police Officers	(10,804)	558	1,209	-	1,767	(5,760)	(5,760)	145	(652)	(507)		
City of Dunbar	(33,575)	1,733	3,756	11,158	16,647	(2,810)	(2,810)	451	835	1,286		
City of Cameron	-	3,064	-	1,360	1,360	(506)	(506)	-	101	101		
City of Oak Hill	(59,357)	-	6,641	9,578	19,283	(4,832)	(4,832)	798	739	1,536		
City of Welch	-	-	-	2,018	2,018	-	-	-	277	277		
City of Wheeling Police	(61,847)	3,193	6,919	-	10,112	(34,359)	(34,359)	831	(3,855)	(3,024)		
City of Point Pleasant	(18,857)	974	2,110	2,830	5,914	(2,586)	(2,586)	253	(20)	233		
City of Westover	(55,082)	2,844	6,163	-	9,007	(16,797)	(16,797)	740	(2,045)	(1,305)		
	<b>\$ (1,414,000)</b>	<b>\$ 73,000</b>	<b>\$ 158,200</b>	<b>\$ 205,752</b>	<b>\$ 436,952</b>	<b>\$ (205,752)</b>	<b>\$ (205,752)</b>	<b>\$ 19,000</b>	<b>\$ -</b>	<b>\$ 19,000</b>		

The accompanying notes are an integral part of this schedule

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 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, 2016. 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 June 30, 2015 rolled forward to June 30, 2016, which is the measurement date.

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

**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 remaining service life of 10.19 years.

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):

<u>Measurement date 6/30</u>	June 30 <u>2014</u>	June 30, <u>2015</u>	June 30, <u>2016</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	<u>Total</u>
Amount	\$ (61)	\$ 61	\$ 183			
Recognition period (years)	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	50	(13)	37
2018	(9)	13	37	50	(9)	41
2019	-	9	37	46	-	46
2020	-	-	35	35	-	35
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	131	(9)	122
2018	-	9	72	81	-	81
2019	-	-	35	35	-	35



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

**2 - AMORTIZATION (Continued)**

Differences Between Expected and Actual Experience (in thousands):

<u>Measurement date 6/30</u>	June 30, <u>2015</u>	June 30, <u>2016</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	<u>Total</u>
Amount	\$ 49	\$ 38			
Recognition period (years)	10.00	10.19			
Amount recognized in					
fiscal year					
2015	\$ 5	\$ -	\$ 5	\$ -	\$ 5
2016	5	4	9	-	9
2017	5	4	9	-	9
2018	5	4	9	-	9
2019	5	4	9	-	9
2020	5	4	9	-	9
2021	5	4	9	-	9
2022	5	4	9	-	9
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	64	-	64
2018	29	26	55	-	55
2019	24	22	46	-	46
2020	19	18	37	-	37
2021	14	14	28	-	28
2022	9	10	19	-	19
2023	4	6	10	-	10
2024	-	2	2	-	2

**3 - SENSITIVITY OF THE NET PENSION ASSET TO CHANGES 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	\$ (955,000)	\$ (1,414,000)	\$ (1,765,000)