

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
A CLASS II MUNICIPALITY IN HARRISON COUNTY**

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018
*RFP #17-028 (Harrison County)***

TABLE OF CONTENTS

	Page
Municipal Officials	1
Schedule of Funds Included in Report	2
Independent Auditor's Report	3-6
Basic Financial Statements:	
Statement of Net Position	7-8
Statement of Activities	9-10
Fund Financial Statements:	
Fund Balance Sheets – Governmental Funds	11
Reconciliation of Fund Balance Sheets – Governmental Funds to the Statement of Net Position	12-13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14-15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund – Budgetary Basis	20-21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Coal Severance Fund – Budgetary Basis	22
Fiduciary Responsibilities – Statement of Net Position	23
Fiduciary Responsibilities – Statement of Changes in Net Position	24
Notes to Financial Statements	25-96

TABLE OF CONTENTS (CONTD)

	Page
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability	97
Schedule of Municipality Contributions	98
Notes to Required Supplementary Information	99
<i>Firemen's Pension and Relief Fund</i>	
Schedule of Changes in Net Pension Liability and Related Ratios Multiyear	100
Schedule of the Net Pension Liability Multiyear	101
Schedule of Contributions Multiyear	102
Notes to Schedule of Contributions	103-104
<i>Policemen's Pension and Relief Fund</i>	
Schedule of Changes in Net Pension Liability and Related Ratios Multiyear	105
Schedule of the Net Pension Liability Multiyear	106
Schedule of Contributions Multiyear	107
Notes to Schedule of Contributions	108-109
<i>Other Postemployment Benefit Plans</i>	
Schedule of Proportionate Share of the Net OPEB Liability	110
Schedule of Municipality Contributions – OPEB	111
Notes to Required Supplementary Information – Net OPEB Liability	112
Supplementary Information:	
<i>Combining and Individual Fund Statements:</i>	
Statement of Net Position – Component Unit	113-115
Statement of Revenues, Expenses and Changes in Fund Net Position – Component Unit	116
Statement of Cash Flows – Component Unit	117-119
Combining Fund Balance Sheet – Nonmajor Governmental Funds	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	121-122
Combining Fund Balance Sheet – Nonmajor Special Revenue Funds	123-124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	125-126

TABLE OF CONTENTS (CONT'D)

	Page
Supplementary Information (Cont'd):	
Combining Fund Balance Sheet – Nonmajor Debt Service Fund	127
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Fund	128
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 <i>Government Auditing Standards</i>	129-130
Schedule of Findings and Responses	131
Schedule of Federal Awards	132-134
Notes to Schedule of Federal Awards	135

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
MUNICIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Office	Name	Term
	Elective	
Mayor:	Catherine Goings	07/01/15 – 06/30/19
Vice Mayor:	Jim Malfregeot	07/01/17 – 06/30/21
Council Members:	Chad Sigmon	07/01/15 – 06/30/19
	Frank Ferrari	07/01/17 – 06/30/21
	Gary R. Bowden	07/01/15 – 06/30/19
	E. Ryan Kennedy	07/01/17 – 06/30/21
	Marshall Goff	07/01/17 – 06/30/21
	Appointed	
City Manager:	Martin Howe	
Finance Director:	Kim Karakiozis	
City Clerk:	Annette Wright	

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General
Coal Severance Tax
Municipal Sales and Use Tax Fund

PROPRIETARY FUND TYPES

MAJOR FUNDS

Building Commission

NONMAJOR FUNDS

Special Revenue Funds

Police Fund
Urban Renewal Authority
Park Board
Park Board Special Levy
Dental and Vision
Capital Levy Improvement Fund
PEIA Fund
Police National Night Out
Tax Increment Financing District

Debt Service Fund

Urban Renewal Authority

FIDUCIARY FUND TYPES

Pension Trust

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

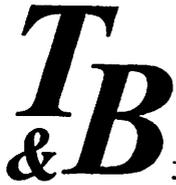
COMPONENT UNITS

Blended

Building Commission

Discretely Presented

Sanitary Board
Parking Authority



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council
Municipality of Clarksburg
Clarksburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the blended component units, each major fund, and the aggregate remaining fund information of the Municipality of Clarksburg, West Virginia, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Municipality of Clarksburg, West Virginia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, the blended component units, each major fund, and the aggregate remaining fund information of the Municipality of Clarksburg, West Virginia, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Coal Severance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements for the year ended June 30, 2018, the Municipality of Clarksburg, West Virginia adopted new accounting guidance, GASB 85 – *Omnibus 2017* and GASB 86 – *Certain Debt Extinguishment Issues*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an

appropriate operational, economic, or historical context. Our opinion 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 schedule of proportionate share of the net pension liability, schedule of Municipality's contributions, notes to required supplementary information, schedule of changes in net pension liability and related ratios multiyear – Firemen's Pension and Relief Fund, schedule of net pension liability multiyear – Firemen's Pension and Relief Fund, schedule of contributions multiyear – Firemen's Pension and Relief Fund, notes to schedule of contributions – Firemen's Pension and Relief Fund, schedule of changes in net pension liability and related ratios multiyear – Policemen's Pension and Relief Fund, schedule of the net pension liability multiyear – Policemen's Pension and Relief Fund, schedule of contributions multiyear – Policemen's Pension and Relief Fund, notes to schedule of contributions – Policemen's Pension and Relief Fund, schedule of proportionate share of the net OPEB liability, schedule of municipality's contribution – OPEB and notes to required supplementary information – net OPEB liability on pages 97 through 112 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality of Clarksburg, West Virginia's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of federal awards is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of federal awards are 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. Such 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 and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2019, on our consideration of the Municipality of Clarksburg, West Virginia'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 Municipality of Clarksburg, West Virginia'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 Municipality of Clarksburg, West Virginia's internal control over financial reporting and compliance.

T. Stuck, BA, CPA

Clarksburg, West Virginia
January 19, 2019

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental</u>	<u>Business</u>	<u>Total</u>	<u>Component Units</u>	
	<u>Activities</u>	<u>Type</u> <u>Activities</u>		<u>Sanitary</u>	<u>Parking</u>
				<u>Board</u>	<u>Authority</u>
Assets					
Cash	\$ 2,217,862	\$ 201,861	\$ 2,419,723	\$ 700,777	\$ 13,937
Receivables	4,759,319	-0-	4,759,319	971,911	-0-
Due to/from other activities	(8,556)	-0-	(8,556)	8,556	-0-
Inventory	-0-	-0-	-0-	288,707	-0-
Restricted assets	-0-	-0-	-0-	791,778	-0-
Capital assets, net	<u>19,807,906</u>	<u>28,423,712</u>	<u>48,231,618</u>	<u>19,764,263</u>	<u>6,306,807</u>
Total assets	<u>26,776,531</u>	<u>28,625,573</u>	<u>55,402,104</u>	<u>22,525,992</u>	<u>6,320,744</u>
Deferred Outflows of Resources					
Net difference between projected and actual investment earnings on pension plan investments	166,128	-0-	166,128	-0-	-0-
Employer contributions subsequent to measurement period – pension plan	355,509	-0-	355,509	156,999	-0-
Differences between expected and actual experience – pension plan	85,688	-0-	85,688	37,835	-0-
Changes in assumptions – pension plan	2,452,541	-0-	2,452,541	-0-	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	34,640	-0-	34,640	15,294	-0-
Employer contributions subsequent to measurement period – OPEB plan	<u>291,456</u>	<u>-0-</u>	<u>291,456</u>	<u>50,217</u>	<u>-0-</u>
Total deferred outflows of resources	<u>3,385,962</u>	<u>-0-</u>	<u>3,385,962</u>	<u>260,345</u>	<u>-0-</u>

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION (CONTD)
JUNE 30, 2018

	<u>Governmental</u>	<u>Business</u>		<u>Component Units</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>	<u>Sanitary</u>	<u>Parking</u>
		<u>Activities</u>		<u>Board</u>	<u>Authority</u>
Liabilities					
Accounts payable	\$ 448,407	\$ -0-	\$ 448,407	\$ 78,158	\$ 3,932
Construction contracts payable	-0-	-0-	-0-	-0-	-0-
Accrued payroll	22,444	-0-	22,444	-0-	-0-
Other postemployment benefits payable	-0-	-0-	-0-	-0-	-0-
Unearned revenues	-0-	-0-	-0-	-0-	-0-
Accrued interest payable	-0-	10,259	10,259	-0-	-0-
Long-term liabilities					
Due within one year	891,272	886,521	1,777,793	716,082	3,154
Due in more than one year	<u>53,154,203</u>	<u>16,880,971</u>	<u>70,035,174</u>	<u>12,171,921</u>	<u>16,015</u>
Total liabilities	<u>54,516,326</u>	<u>17,777,751</u>	<u>72,294,077</u>	<u>12,966,161</u>	<u>23,101</u>
Deferred Inflows of Resources					
Net difference between projected and actual investment earnings on pension plan investments	904,858	-0-	904,858	103,135	-0-
Changes in assumptions – pension plan	1,254,202	-0-	1,254,202	22,004	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	553	-0-	553	244	-0-
Differences between expected and actual experience – pension plan	2,126	-0-	2,126	939	-0-
Difference between expected and actual non-investment experience – pension plan	2,737,806	-0-	2,737,806	-0-	-0-
Differences between expected and actual experience – OPEB plan	11,684	-0-	11,684	2,013	54
Net difference between projected and actual investment earnings on OPEB plan investments	55,691	-0-	55,691	9,595	256
Changes in proportion and differences between employer contributions and proportionate share of contributions – OPEB plan	<u>374,439</u>	<u>-0-</u>	<u>374,439</u>	<u>64,514</u>	<u>1,719</u>
Total deferred inflows of resources	<u>5,341,359</u>	<u>-0-</u>	<u>5,341,359</u>	<u>202,444</u>	<u>2,029</u>
Net Position					
Net investment in capital assets	18,141,046	10,656,220	28,797,266	7,974,661	6,303,653
Restricted	-0-	-0-	-0-	791,778	-0-
Unrestricted	<u>(47,836,238)</u>	<u>191,602</u>	<u>(47,644,636)</u>	<u>851,293</u>	<u>(8,039)</u>
Total Net Position	<u>\$ (29,695,192)</u>	<u>\$ 10,847,822</u>	<u>\$ (18,847,370)</u>	<u>\$ 9,617,732</u>	<u>\$ 6,295,614</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Sanitary Board	Parking Authority
Governmental Activities									
General government	\$ 3,796,735	\$ 339,017	\$ -0-	\$ -0-	\$ (3,457,718)	\$ -0-	\$ (3,457,718)	\$ -0-	\$ -0-
Public safety	8,941,325	1,651,003	350,310	-0-	(6,940,012)	-0-	(6,940,012)	-0-	-0-
Highways and streets	3,956,182	-0-	-0-	-0-	(3,956,182)	-0-	(3,956,182)	-0-	-0-
Health and sanitation	435,928	-0-	-0-	-0-	(435,928)	-0-	(435,928)	-0-	-0-
Community development	478,987	31,666	-0-	-0-	(447,321)	-0-	(447,321)	-0-	-0-
Culture and recreation	3,051,639	815,033	25,547	114,144	(2,096,915)	-0-	(2,096,915)	-0-	-0-
Social services	26,100	-0-	-0-	-0-	(26,100)	-0-	(26,100)	-0-	-0-
Benefit payments	<u>2,100,511</u>	<u>-0-</u>	<u>2,102,476</u>	<u>-0-</u>	<u>1,965</u>	<u>-0-</u>	<u>1,965</u>	<u>-0-</u>	<u>-0-</u>
Total governmental activities	<u>22,787,407</u>	<u>2,836,719</u>	<u>2,478,333</u>	<u>114,144</u>	<u>(17,358,211)</u>	<u>-0-</u>	<u>(17,358,211)</u>	<u>-0-</u>	<u>-0-</u>
Business-Type Activities									
Municipal Building Commission	<u>1,080,736</u>	<u>-0-</u>	<u>6,565,730</u>	<u>-0-</u>	<u>-0-</u>	<u>5,484,994</u>	<u>5,484,994</u>	<u>-0-</u>	<u>-0-</u>
Total business-type activities	<u>1,080,736</u>	<u>-0-</u>	<u>6,565,730</u>	<u>-0-</u>	<u>-0-</u>	<u>5,484,994</u>	<u>5,484,994</u>	<u>-0-</u>	<u>-0-</u>
Total primary government	\$ <u>23,868,143</u>	\$ <u>2,836,719</u>	\$ <u>9,044,063</u>	\$ <u>114,144</u>	<u>(17,358,211)</u>	<u>5,484,994</u>	<u>(11,873,217)</u>	<u>-0-</u>	<u>-0-</u>
Component Units									
Sanitary Board	\$ 4,993,802	\$ 4,735,615	\$ -0-	\$ -0-	-0-	-0-	-0-	(258,187)	-0-
Parking Authority	<u>234,230</u>	<u>138,178</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(96,052)</u>
Total component units	\$ <u>5,228,032</u>	\$ <u>4,873,793</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(258,187)</u>	<u>(96,052)</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF ACTIVITIES (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>			<u>Component Units</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Sanitary Board</u>	<u>Parking Authority</u>
General Revenues									
Taxes and special assessments:									
Ad valorem					\$ 4,086,085	\$ -0-	\$ 4,086,085	\$ -0-	\$ -0-
Excise utility					684,769	-0-	684,769	-0-	-0-
Business and occupation					7,657,184	-0-	7,657,184	-0-	-0-
Alcoholic beverage					117,675	-0-	117,675	-0-	-0-
Hotel occupancy					362,780	-0-	362,780	-0-	-0-
Animal control					4,682	-0-	4,682	-0-	-0-
Oil and gas					21,753	-0-	21,753	-0-	-0-
Municipal sales and use tax					4,148,098	-0-	4,148,098	-0-	-0-
Licenses and permits					465,307	-0-	465,307	-0-	-0-
Franchises fees					182,469	-0-	182,469	-0-	-0-
Interest and investment earnings					49,984	110,668	160,652	12,132	91
Intergovernmental – state					44,437	-0-	44,437	-0-	-0-
Video lottery and gaming income					104,085	-0-	104,085	-0-	-0-
Gain on disposal of capital assets					-0-	-0-	-0-	-0-	-0-
Miscellaneous					<u>189,010</u>	<u>-0-</u>	<u>189,010</u>	<u>445,512</u>	<u>-0-</u>
Total general revenues					<u>18,118,318</u>	<u>110,668</u>	<u>18,228,986</u>	<u>457,644</u>	<u>91</u>
Change in net position before transfers					760,107	5,595,662	6,355,769	199,457	(95,961)
Operating transfers in (out)					(3,075,212)	<u>3,020,602</u>	(54,610)	<u>54,610</u>	<u>-0-</u>
Change in net position					(2,315,105)	8,616,264	6,301,159	254,067	(95,961)
Net position – beginning					(27,380,087)	<u>2,231,558</u>	(25,148,529)	<u>9,363,665</u>	<u>6,391,575</u>
Net position – ending					\$ (29,695,192)	\$ <u>10,847,822</u>	\$ (18,847,370)	\$ <u>9,617,732</u>	\$ <u>6,295,614</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
FUND BALANCE SHEETS -
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u> <u>Fund</u>	<u>Coal</u> <u>Severance</u> <u>Fund</u>	<u>Municipal</u> <u>Sales and</u> <u>Use Tax</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS					
Cash	\$ 152,982	\$ 12,085	\$ 237,911	\$ 1,814,884	\$ 2,217,862
Receivables, net of allowances:					
Accounts	788,759	-0-	-0-	2,380	791,139
Taxes	2,489,004	13,605	1,177,529	149,340	3,829,478
Grants	73,771	-0-	-0-	-0-	73,771
Other	47,208	-0-	-0-	-0-	47,208
Note	-0-	-0-	-0-	17,723	17,723
Due to/(from) other activities	<u>63,967</u>	<u>-0-</u>	<u>-0-</u>	<u>(72,523)</u>	<u>(8,556)</u>
TOTAL ASSETS	\$ <u>3,615,691</u>	\$ <u>25,690</u>	\$ <u>1,415,440</u>	\$ <u>1,911,804</u>	\$ <u>6,968,625</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 238,700	\$ -0-	\$ -0-	\$ 209,707	\$ 448,407
Accrued payroll	665,306	-0-	-0-	16,830	682,136
Other postemployment benefits payable	-0-	-0-	-0-	-0-	-0-
Unearned revenues	-0-	-0-	-0-	-0-	-0-
Total liabilities	<u>904,006</u>	<u>-0-</u>	<u>-0-</u>	<u>226,537</u>	<u>1,130,543</u>
Deferred Inflows of Resources					
Deferred revenue – taxes	<u>292,777</u>	<u>-0-</u>	<u>-0-</u>	<u>127,273</u>	<u>420,050</u>
Total deferred inflows of resources	<u>292,777</u>	<u>-0-</u>	<u>-0-</u>	<u>127,273</u>	<u>420,050</u>
Fund Balances					
Committed	-0-	-0-	-0-	-0-	-0-
Assigned	-0-	25,690	1,415,440	1,566,331	3,007,461
Unassigned	<u>2,418,908</u>	<u>-0-</u>	<u>-0-</u>	<u>(8,337)</u>	<u>2,410,571</u>
Total fund balance	<u>2,418,908</u>	<u>25,690</u>	<u>1,415,440</u>	<u>1,557,994</u>	<u>5,418,032</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>3,615,691</u>	\$ <u>25,690</u>	\$ <u>1,415,440</u>	\$ <u>1,911,804</u>	\$ <u>6,968,625</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
RECONCILIATION OF FUND BALANCE SHEETS -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Fund balance, fund level statement June 30, 2018 \$ 5,418,032

The total fund balance of the Municipality of Clarksburg, West Virginia's governmental funds differ from the net position of the governmental activities reported on the Statement of Net Position as follows:

Some liabilities are not due and payable in the current period and therefore, are not reported in the fund level statements:

Accrued compensated absences	(615,346)
Obligation under capital lease	(1,194,673)
Net pension obligation payable	(47,614,317)
Notes payable	(472,187)
Other postemployment benefit obligation payable	(3,489,260)

Capital assets, that are used in governmental activities and are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. However, the Statement of Net Position includes those assets and their associated accumulated depreciation. 19,807,906

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

Deferred outflow – differences between expected and actual experience – pension plan	85,688
Deferred outflow – changes in assumptions – pension plan	2,452,541
Deferred outflow – employer contributions subsequent to measurement period – pension plan	355,509
Deferred outflow – changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	34,640
Deferred outflow – net difference between projected and actual investment earnings on pension plan investments	166,128
Deferred outflow – employer contributions subsequent to measurement period – OPEB plan	291,456

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
RECONCILIATION OF FUND BALANCE SHEETS -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION (CONTD)
JUNE 30, 2018**

Deferred inflow – net difference between projected and actual investment earnings on pension plan investments	\$ (904,858)
Deferred inflow – change in assumptions – pension plan	(1,254,202)
Deferred inflow – changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	(553)
Deferred inflow – differences between expected and actual experience – pension plan	(2,126)
Deferred inflow – difference between expected and actual non-investment experience – pension plan	(2,737,806)
Deferred inflow – differences between expected and actual experience – OPEB plan	(11,684)
Deferred inflow – net difference between projected and actual investment earnings on OPEB plan investments	(55,691)
Deferred inflow – changes in proportion and differences between employer contributions and proportionate share of contributions – OPEB plan	(374,439)
 Some revenues are reported as deferred in the governmental funds:	
Deferred revenue	<u>420,050</u>
Net position of governmental activities	\$ <u>(29,695,192)</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General</u> <u>Fund</u>	<u>Coal</u> <u>Severance</u> <u>Fund</u>	<u>Municipal</u> <u>Sales and</u> <u>Use Tax</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues					
Taxes and special assessments:					
Ad valorem	\$ 2,548,845	\$ -0-	\$ -0-	\$ 1,537,240	\$ 4,086,085
Excise utility	684,769	-0-	-0-	-0-	684,769
Business and occupation	7,648,846	-0-	-0-	-0-	7,648,846
Alcoholic beverage	117,675	-0-	-0-	-0-	117,675
Hotel occupancy	362,780	-0-	-0-	-0-	362,780
Animal control	4,682	-0-	-0-	-0-	4,682
Oil and gas	21,753	-0-	-0-	-0-	21,753
Municipal sales and use tax	-0-	-0-	4,148,098	-0-	4,148,098
Licenses and permits	465,307	-0-	-0-	-0-	465,307
Charges for services	1,597,356	-0-	-0-	834,716	2,432,072
Fines and forfeits	294,004	-0-	-0-	110,643	404,647
Franchise fees	182,469	-0-	-0-	-0-	182,469
Interest	21,162	162	11,045	17,615	49,984
Donations	9,216	-0-	-0-	27,742	36,958
Intergovernmental:					
Federal	322,354	-0-	-0-	130,689	453,043
State	-0-	44,437	-0-	-0-	44,437
Contributions from employees	-0-	-0-	-0-	913,572	913,572
Contributions from employer	-0-	-0-	-0-	1,188,904	1,188,904
Video lottery and gaming income	104,085	-0-	-0-	-0-	104,085
Other	187,708	-0-	-0-	1,302	189,010
Total revenue	<u>14,573,011</u>	<u>44,599</u>	<u>4,159,143</u>	<u>4,762,423</u>	<u>23,539,176</u>
Expenditures					
General government	3,750,391	2,353	-0-	5,910	3,758,654
Public safety	8,595,400	20,098	1,000,000	145,238	9,760,736
Highways and streets	2,943,582	5,248	-0-	649,726	3,598,556
Health and sanitation	427,832	1,237	-0-	-0-	429,069
Community development	-0-	-0-	-0-	473,048	473,048
Culture and recreation	1,716,806	11,000	-0-	1,312,030	3,039,836
Social services	26,100	-0-	-0-	-0-	26,100
Benefit payments	-0-	0-	-0-	2,100,511	2,100,511
Debt service – principal	-0-	-0-	-0-	18,538	18,538
Debt service – interest	-0-	-0-	-0-	5,939	5,939
Total expenditures	<u>17,460,111</u>	<u>39,936</u>	<u>1,000,000</u>	<u>4,710,940</u>	<u>23,210,987</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(2,887,100)</u>	<u>4,663</u>	<u>3,159,143</u>	<u>51,483</u>	<u>328,189</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Coal Severance Fund</u>	<u>Municipal Sales and Use Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)					
Proceeds from debt financing	\$ -0-	\$ -0-	\$ -0-	\$ 352,356	\$ 352,356
Operating transfers in	662,500	-0-	-0-	765,407	1,427,907
Operating transfers (out)	(67,056)	-0-	(3,552,725)	(883,338)	(4,503,119)
Total other financing sources (uses)	<u>595,444</u>	<u>-0-</u>	<u>(3,552,725)</u>	<u>234,425</u>	<u>(2,722,856)</u>
Net change in fund balance	(2,291,656)	4,663	(393,582)	285,908	(2,394,667)
Fund balance at beginning of year – restated	<u>4,710,564</u>	<u>21,027</u>	<u>1,809,022</u>	<u>1,272,086</u>	<u>7,812,699</u>
Fund balance at end of year	\$ <u>2,418,908</u>	\$ <u>25,690</u>	\$ <u>1,415,440</u>	\$ <u>1,557,994</u>	\$ <u>5,418,032</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Net change in fund balances – total governmental funds \$ (2,394,667)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation exceeded capital outlay in the current period. (1,157,900)

Governmental funds report the proceeds of long-term debt as income while government-wide financial statements report it as a liability. (352,356)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Decrease in compensated absences	341,952
Repayment of obligation under capital lease	159,110
Decrease in notes payable	67,390
Decrease in other postemployment benefit obligation	359,431

Some revenues are reported as deferred in the governmental funds:

Change in deferred revenue – taxes	8,338
------------------------------------	-------

Certain pension expenses in the Statement of Activities are recognized on the accrual basis of accounting in accordance with GASB 68:

Amount of pension expenditures at fund modified accrual level	2,531,179
Amount of pension expenses recognized at government-wide level	<u>(1,877,582)</u>

Change in Net Position of Governmental Activities \$ (2,315,105)

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
JUNE 30, 2018

Business-Type Activities
Municipal Building
Commission

ASSETS

Current Assets

Cash	\$ <u>201,861</u>
Total current assets	<u>201,861</u>

Capital Assets

Construction in progress	21,072,461
Buildings	10,762,968
Equipment	179,691
Less: Accumulated depreciation	<u>(3,591,408)</u>
Net capital assets	<u>28,423,712</u>

Total assets	\$ <u>28,625,573</u>
--------------	----------------------

LIABILITIES AND NET POSITION

Current Liabilities (payable from restricted assets)

Revenue bonds payable	\$ 403,654
Bond anticipation notes payable	482,867
Accrued revenue bond interest payable	<u>10,259</u>
Total current liabilities (payable from restricted assets)	<u>896,780</u>

Long-Term Liabilities (net of current portion)

Revenue bonds payable	6,366,854
Bond anticipation notes payable	<u>10,514,117</u>
Total long-term liabilities (net of current portion)	<u>16,880,971</u>

Total liabilities	<u>17,777,751</u>
-------------------	-------------------

Net Position

Net investment in capital assets	10,656,220
Unrestricted	<u>191,602</u>
Total net position	\$ <u>10,847,822</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activities</u> <u>Municipal Building</u> <u>Commission</u>
Operating Expenses	
Depreciation	\$ 293,659
Maintenance	<u>18,970</u>
Total operating expenses	<u>312,629</u>
Operating income (loss)	(312,629)
Nonoperating Revenues (Expenses)	
Interest	110,668
Contributions	6,565,730
Interest and fiscal charges	<u>(768,107)</u>
Total nonoperating revenues (expenses)	<u>5,908,291</u>
Change in net position before operating transfers in (out)	5,595,662
Operating transfers in (out)	<u>3,020,602</u>
Change in net position	8,616,264
Total net position – beginning	<u>2,231,558</u>
Total net position – ending	\$ <u>10,847,822</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Municipal Building</u> <u>Commission</u>
Cash Flows from Operating Activities	
Payments to suppliers	\$ (1,618,748)
Net cash (used in) operating activities	<u>(1,618,748)</u>
Cash Flows from Noncapital Financing Activities	
Contributions from other funds	<u>1,494,047</u>
Net cash provided by noncapital financing activities	<u>1,494,047</u>
Cash Flows from Capital and Related Financing Activities	
Repayment of revenue bonds	(392,821)
Repayment of bond anticipation notes	(458,034)
Proceeds from revenue bonds	128,430
Proceeds from bond anticipation notes	9,245,319
Acquisition of capital assets	(15,712,828)
Donations from other entities	8,092,285
Interest expense	(766,903)
Net cash provided by capital and related financing activities	<u>135,448</u>
Cash Flows from Investing Activities	
Interest on investments	<u>110,668</u>
Net cash provided by investing activities	<u>110,668</u>
Net increase in cash	121,415
Cash at beginning of year	<u>80,446</u>
Cash at end of year	\$ <u>201,861</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (312,629)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	293,659
Increase (decrease) in accounts payable	<u>(1,599,778)</u>
Net cash provided by (used in) operating activities	\$ <u>(1,618,748)</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Budget to</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>GAAP</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Basis)</u>	<u>Difference</u>	<u>GAAP Basis</u>	<u>Budget</u>
						<u>Favorable</u>
						<u>(Unfavorable)</u>
Revenues						
Taxes (including interest and penalties):						
Ad valorem	\$ 2,459,544	\$ 2,918,544	\$ 2,544,406	\$ 4,439	\$ 2,548,845	\$ (374,138)
Excise utility	804,800	770,300	764,370	(79,601)	684,769	(5,930)
Business and occupation	9,102,000	9,102,000	7,627,470	31,926	7,659,396	(1,474,530)
Alcoholic beverage	110,000	131,697	131,698	(14,023)	117,675	1
Hotel occupancy	295,300	318,000	322,295	40,485	362,780	4,295
Animal control	5,000	5,000	4,682	-0-	4,682	(318)
Oil and gas	32,000	21,754	21,754	-0-	21,754	-0-
Licenses and permits	283,500	418,500	471,244	(5,937)	465,307	52,744
Charges for services	1,737,300	1,751,404	1,635,931	(38,442)	1,597,489	(115,473)
Fines and forfeitures	179,700	282,408	294,004	-0-	294,004	11,596
Franchise fees	180,000	180,370	180,370	2,099	182,469	-0-
Interest	5,000	5,800	6,034	-0-	6,034	234
Donations	-0-	-0-	9,216	-0-	9,216	9,216
Intergovernmental:						
Federal	25,000	25,000	327,295	(4,941)	322,354	302,295
State	266,347	266,347	-0-	-0-	-0-	(266,347)
Other	13,500	13,500	-0-	-0-	-0-	(13,500)
Video lottery and gaming income	97,000	97,000	103,313	772	104,085	6,313
Miscellaneous	129,107	146,596	217,241	(29,667)	187,574	70,645
Total revenues	<u>15,725,098</u>	<u>16,454,220</u>	<u>14,661,323</u>	<u>(92,890)</u>	<u>14,568,433</u>	<u>(1,792,897)</u>
Expenditures						
General government	4,322,953	3,989,926	3,909,019	(37,059)	3,871,960	80,907
Public safety	9,546,419	8,636,935	8,526,264	(683,266)	7,842,998	110,671
Highways and streets	2,941,253	3,112,081	3,108,083	193,125	3,301,208	3,998
Sanitation	413,067	458,717	426,775	7,917	434,692	31,942
Culture and recreation	1,316,842	1,403,870	1,356,017	372,592	1,728,609	47,853
Social services	26,100	26,100	26,100	-0-	26,100	-0-
Total expenditures	<u>18,566,634</u>	<u>17,627,629</u>	<u>17,352,258</u>	<u>(146,691)</u>	<u>17,205,567</u>	<u>275,371</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(2,841,536)</u>	<u>(1,173,409)</u>	<u>(2,690,935)</u>	<u>(239,581)</u>	<u>(2,637,134)</u>	<u>(1,517,526)</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Budget to</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u> <u>Basis)</u>	<u>GAAP</u> <u>Difference</u>	<u>Amounts</u> <u>GAAP Basis</u>	<u>With Final</u> <u>Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Other Financing Sources (Uses)						
Operating transfers in	\$ 2,841,536	\$ 1,126,980	\$ 662,500	\$ -0-	\$ 662,500	\$ (464,480)
Operating transfers (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources (uses)	<u>2,841,536</u>	<u>1,126,980</u>	<u>662,500</u>	<u>-0-</u>	<u>662,500</u>	<u>(464,480)</u>
Net change in fund balance	-0-	(46,429)	(2,028,435)	(239,581)	(1,974,634)	(1,982,006)
Fund balance at beginning of year	<u>-0-</u>	<u>46,429</u>	<u>(2,466,903)</u>	<u>-0-</u>	<u>(32,514,455)</u>	<u>(2,513,332)</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(4,495,338)</u>	\$ <u>(239,581)</u>	\$ <u>(34,489,089)</u>	\$ <u>(4,495,338)</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
COAL SEVERANCE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Budget to</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>GAAP</u>	<u>Amounts</u>	<u>With Final</u>
			<u>Basis)</u>	<u>Difference</u>	<u>GAAP Basis</u>	<u>Budget</u>
						<u>Favorable</u>
						<u>(Unfavorable)</u>
Revenues						
Interest	\$ 25	\$ 139	\$ 162	\$ -0-	\$ 162	\$ 23
Intergovernmental:						
State	36,000	44,907	44,907	(470)	44,437	-0-
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total revenues	<u>36,025</u>	<u>45,046</u>	<u>45,069</u>	<u>(470)</u>	<u>44,599</u>	<u>23</u>
Expenditures						
General government	7,067	12,294	3,353	1,000	2,353	8,941
Public safety	9,800	19,950	19,098	(1,000)	20,098	852
Highways and streets	5,408	5,518	5,248	-0-	5,248	270
Health and sanitation	2,750	3,237	1,237	-0-	1,237	2,000
Culture and recreation	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-0-</u>	<u>11,000</u>	<u>-0-</u>
Total expenditures	<u>36,025</u>	<u>51,999</u>	<u>39,936</u>	<u>-0-</u>	<u>39,936</u>	<u>12,063</u>
Net change in fund balance	-0-	(6,953)	5,133	(470)	4,663	12,086
Fund balance at beginning of year	<u>-0-</u>	<u>6,953</u>	<u>21,027</u>	<u>-0-</u>	<u>21,027</u>	<u>14,074</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>26,160</u>	\$ <u>(470)</u>	\$ <u>25,690</u>	\$ <u>26,160</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 FIDUCIARY RESPONSIBILITIES
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

	<u>Pension Trust Funds</u>
Assets	
Cash	\$ 212,347
Investments:	
Fidelity government cash reserves	760,681
Federal government securities	989,939
Mutual funds	11,272,364
Certificates of deposit	343,486
Corporate bonds	1,807,806
Corporate stocks	1,378,445
Receivables:	
Contributions	11,400
Accrued interest	<u>15,284</u>
Total assets	<u>16,791,752</u>
Liabilities	
Accounts payable	<u>-0-</u>
Total liabilities	<u>-0-</u>
Net Position	
Held in trust for pension benefits	\$ <u>16,791,752</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 FIDUCIARY RESPONSIBILITIES
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Pension</u> <u>Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 3,176,582
Employee	331,635
Insurance premium tax allocation	880,109
Total contributions	<u>4,388,326</u>
Investment income:	
Net appreciation in fair value of investments	431,569
Net gain (loss) on sale of investments	409,933
Interest and dividends	240,608
Total investment income	<u>1,082,110</u>
Miscellaneous	<u>2,064</u>
Total additions	<u>5,472,500</u>
Deductions	
General and administrative	98,528
Benefit payments	<u>2,459,059</u>
Total deductions	<u>2,557,587</u>
Net increase	2,914,913
Net position – beginning of year	<u>13,876,839</u>
Net position – end of year	\$ <u>16,791,752</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

I. Summary of Significant Accounting Policies

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

(a) Reporting Entity

The Municipality of Clarksburg, West Virginia is a municipal corporation governed by an elected mayor, vice mayor and five member council. The accompanying financial statements present the government and its component units as required by generally accepted accounting principles.

The services provided by the government and accounted for within these financial statements include law enforcement for the Municipality, health and sanitation services, cultural and recreational programs, and other governmental services.

The accompanying financial statements present the government as required by the accounting principles generally accepted in the United States. In determining whether to include a governmental department, agency, commission or organization as a component unit, the government must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set for by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of: (1) its corporate name, (2) the right to sue and be sued and (3) the right to buy, sell or lease and mortgage property. Financial accountability is based on: (1) the appointment of the governing authority, and (2) the ability to impose will, or (3) the providing of specific financial benefit or imposition of specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the Municipality.

The Municipality complies with GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". This statement established standards for defining and reporting component units in the financial statements of the reporting entity. It defines component units as legally separate organizations for which the component unit not only has a fiscal dependency on the reporting entity but also a financial benefit or burden relationship must be present between the reporting entity and the entity that is to be included as a component unit. In addition, an entity may be included as a component unit in the financial statements of the reporting entity, if the reporting entity's management determines that it would be misleading to exclude them.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Blended Component Units

The entities below are legally separate from the Municipality and meet GAAP criteria for component units. These entities are blended with the primary government because they provide services entirely or almost entirely to the Municipality.

The *Clarksburg Building Commission* serves Municipality of Clarksburg, West Virginia, and is governed by a board comprised of five-members appointed by the Municipality for a term of five years each. The Building Commission acquires property and debt on behalf of the Municipality. The Municipality of Clarksburg Building Commission is reported as an enterprise fund.

The *Clarksburg Urban Renewal Authority* serves Municipality of Clarksburg, West Virginia, and is governed by a board comprised of five-members appointed by the Municipality for a term of five years each. The Clarksburg Urban Renewal Authority develops property and demolishes condemned structures on behalf of the Municipality and is reported as a special revenue fund.

Discretely Presented Component Units

Discretely presented component units are entities which are legally separate from the Municipality, but are financially accountable to the Municipality, or whose relationship with the Municipality is such that exclusion would cause the Municipality's financial statements to be misleading or incomplete. Because of the nature of services they provide and the Municipality's ability to impose its will on them or a financial benefit/burden relationship exists, the following component units are discretely presented in accordance with GASB Statement No. 14 (as amended by GASB Statement No. 39). The discretely presented component units are presented on the government-wide statements.

The *Clarksburg Sanitary Board* services all the citizens of the Municipality of Clarksburg, West Virginia and is governed by a three member board comprised of the City Manager and two members appointed by council. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The *Clarksburg Parking Authority* serves Municipality of Clarksburg, West Virginia, and is governed by a board comprised of five-members appointed by the Municipality for a term of three years each. The Clarksburg Parking Authority provides parking areas within the Municipality.

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

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants whose purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for governmental activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public through service charges or user fees. Fiduciary funds are used to account for assets held by the Municipality in a trustee or agency capacity. The fund types used by the Municipality of Clarksburg, West Virginia are described as follows:

Governmental Fund Types

General Fund: The General Fund is the general operating fund of the municipality. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for capital purposes.

Debt Service Funds: The Debt Service Funds are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for debt retirement.

Capital Project Funds: Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary Funds.

Proprietary Fund Types

Enterprise Funds: Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The government reports the following major governmental funds:

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

The *Coal Severance Tax fund*, a special revenue fund, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia municipalities.

The *Municipal Sales and Use Tax fund*, a special revenue fund, accounts for the collection of the municipal sales and use tax of the Municipality.

The government reports the following major proprietary funds:

The *Municipal Building Commission fund* serves the Municipality by providing facilities that provide facilities to the public. The legally separate entity leases these facilities to the primary government in accordance to lease agreements. The Board promulgates rules and regulations governing the usage and maintenance of the facilities.

Additionally, the government reports the following fund types:

The *Pension Trust funds* account for the activities of the Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified public safety employees. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Expenses for the enterprise fund include the administrative expense, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

The accounts of the Municipality are organized into funds, each of which is considered to be a separate accounting entity. The major fund categories and account groups for the fund financial statements are:

1. Deposits and Investments

The Municipality of Clarksburg, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition. For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Municipality reports its investments at fair value, except for non-participating investment contracts (certificates of deposits and repurchase agreements) which are reported at costs, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal mortgage association; indebtedness or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

State statute §8-13-22c places limitations on the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

Municipal Pension Funds are governed as to type of investments by *West Virginia Code §8-22-22*. Pension funds are permitted to invest in all of the above mentioned types of investments with the exceptions of: (1) Direct and general obligations of the State and (2) Pooled mortgage trusts. Additionally, pension funds are permitted to invest funds in the following categories of investments: (1) Repurchase agreements and (2) Common stock, securities convertible into common stocks, or warrants and rights to purchase such securities. Pension funds have different rules concerning the purchase of marketable debt securities.

The following restrictions apply only to pension portfolios and are separate and distinct from the limitations mentioned above: (1) fixed income securities which are issued by one issuer (with the exception of the United States government) are not to exceed five percent of the total pension fund assets; and (2) at no time can the non-real estate equity portion of the portfolio exceed seventy-five percent of the total portfolio.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

2. Receivables and Payables

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables or payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Trade Receivables

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

Property Tax Receivable

All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If the taxes are not paid on or before the date in which they become delinquent, including both first and second installments, interest at the rate of nine percent annum is added for the date they become delinquent until the date they are paid.

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents) ; On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The rates levied by the Municipality per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2018, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>
Class II	\$ 197,260,152	25.00 cents	12.50 cents
Class IV	\$ 445,271,365	50.00 cents	25.00 cents

3. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain proceeds set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

4. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets are materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is not reflected in the capitalized value of the asset constructed, net of interest earned on the invest proceeds during the same period.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 – 50
Structure and improvements	5 – 50
Infrastructure	40 – 50
Machinery and equipment	5 – 40

5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees accrue 1.25 sick days per month to a maximum of 40 days. Employees meeting certain criteria can convert sick leave into cash. Vacation is accrued up to certain limits based on years of service.

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

When a permanent full time employee retires, the employee may elect to have any accrued sick leave converted to insurance benefits based on the formula of two days sick leave for one month single coverage insurance premium or three days sick leave for one month family coverage insurance premium.

6. Long-Term Obligations

In the government-wide financial statements, the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are recognized as an expense in the period incurred.

7. Fund Balances

Equity Classification

Effective July 1, 2010, the Municipality adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes new standards for accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the Municipality is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

Net Position Classifications:

GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position – divided net position for Government-wide net position into three components:

- a. Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- b. Restricted net position – consists of net position that is restricted by the Municipality's creditors (for example through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- c. Unrestricted – all other net position is reported in this category

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

GASB Statement No. 54 – “Fund Balance Reporting and Governmental Fund Type Definitions” – divided fund balance for fund level into five components:

- a. **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. **Restricted** – Amounts that can be spent only for specific purposes because of the Municipality's code, state or federal laws, or externally imposed conditions by grantors or creditors.
- c. **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Municipality's council.
- d. **Assigned** – Amounts that are designed by the Municipality's council for a particular purpose but are not spendable until there is a majority vote approval by the Municipality's council.
- e. **Unassigned** – All amounts not included in other spendable classifications.

The Municipality Council is the government's highest level of decision-making authority. The Council would take formal action to establish, and modify or rescind, a fund balance commitment or to assign fund balance amounts to a specific purpose. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the Municipality.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

8. Change in Accounting Principle

During the fiscal year ended June 30, 2018 the Municipality adopted the following GASB statements.

GASB 85 – *Omnibus 2017* – This Statement establishes accounting and reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits). The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017.

GASB 86 – *Certain Debt Extinguishment Issues* – This Statement improves consistency in accounting and financial reporting for in substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for reporting periods beginning after June 15, 2017 and had no effect on the accompanying financial statements.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements).

The following are recent GASB Pronouncements for which the Municipality has not adopted as of June 30, 2018:

GASB 83 – *Certain Asset Retirement Obligations* – This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain Asset Retirement Obligations (AROs), including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. This statement is effective for reporting periods beginning after June 15, 2018.

See independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GASB 84 – *Fiduciary Activities* – This Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for reporting periods beginning after December 15, 2018.

GASB 87 – *Leases* – This Statement's objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the rights to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities. This statement is effective for reporting periods beginning after December 15, 2019.

GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* – This Statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

See independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

GASB 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. The 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 cost 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 90 – Majority Equity Interests – The requirements of the Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interest in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

10. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of Municipality of Clarksburg, West Virginia's Retirement System (PERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Stabilization Arrangements

The government has created a stabilization arrangement in accordance with West Virginia Code §8-37-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for any unforeseen shortfalls. The stabilization balance at fiscal year-end was \$112,770.

12. Inventories

The Municipality considers inventories of materials and supplies utilized in governmental fund types operations as expended at the time of purchase therefore, they do not appear in the municipality's financial statements. Inventories of materials and supplies utilized in the proprietary fund type operation are considered expended at the time of consumption; therefore, balances on hand at year end, valued at cost (first-in, first-out) are presented in the Municipality's financial statements.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund, except that the amounts held for stabilization are not included for budgeting purposes. All annual appropriations lapse at fiscal year end.

The governing body of the Municipality is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the Municipality and to prepare the levy estimate (budget) for the fiscal year commencing July 1. The budget is then forthwith submitted to the State Auditor for approval. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and formally lay the levy.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year:

General Fund

<u>Amount</u>	<u>Description</u>
\$(333,027)	General Government Expenditure (Decrease)
(909,484)	Public Safety Expenditure (Decrease)
170,828	Highways and Streets Expenditure Increase
45,650	Health and Sanitation Expenditure Increase
87,028	Culture and Recreation Expenditure Increase

Coal Severance

<u>Amount</u>	<u>Description</u>
\$ 5,227	General Government Expenditure Increase
10,150	Public Safety Expenditure Increase
110	Highways and Streets Expenditure Increase
487	Health and Sanitation Expenditure Increase

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

III. Detailed Notes on All Funds

A. Deposits and Investments

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Policemen's Pension and Relief			
Mutual Funds	\$ <u>8,174,186</u>	Not Rated	Not Rated
<i>Interest Rate Risk</i>			
		<u>0 – 3 Years</u>	
Mutual Funds	\$ <u>8,174,186</u>		

Concentration of Credit Risk:

The government's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investment. In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, it requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the policemen's pension fund had the following investments that equaled or exceeded 5% of the total investments:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
Fidelity Adv Financial Services – CL C	\$ 672,028	8.22%
Fidelity Adv Health Care – CL C	771,655	9.44%
Fidelity Adv Large Cap – CL C	1,379,986	16.88%
Fidelity Adv New Insights – CL C	1,461,559	17.88%
Fidelity Adv Total Bond – CL C	1,398,921	17.11%
Fidelity Adv Small Cap Growth – CL C	790,365	9.67%
Fidelity Adv Mid Cap Value – CL C	658,600	8.06%
Fidelity Adv Global Comm Stck – CL C	514,596	6.30%
Fidelity Government Mkt Daily Money – CL	526,476	6.44%

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Firemen's Pension and Relief			
Mutual Funds	\$ <u>3,098,178</u>	Not Rated	Not Rated
<i>Interest Rate Risk</i>			
	<u>0 – 3 Years</u>		
Mutual Funds	\$ <u>3,098,178</u>		

Concentration of Credit Risk:

The government's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investment. In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, it requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the firemen's pension fund had the following investments that comprised 5% or more of the total investments:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
Fidelity Government Cash Reserves	\$ 760,681	9.08%
Ishares Russell Midcap Value ETF	483,155	5.77%
Ishares Russell Midcap Growth	472,196	5.64%
Ishares Core S & P Mid Cap ETF	430,659	5.14%

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Firemen's Pension and Relief			
Fidelity government cash reserves	\$ 760,681	\$ 760,681	\$ -0-
Federal government securities	989,939	1,012,152	(22,213)
Mutual funds	3,098,178	1,734,124	1,364,054
Certificates of deposit	343,486	349,226	(5,740)
Corporate bonds	1,807,806	1,859,365	(51,559)
Corporate stocks	<u>1,378,445</u>	<u>751,003</u>	<u>627,442</u>
	\$ <u>8,378,535</u>	\$ <u>6,466,551</u>	\$ <u>1,911,984</u>

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Firemen's Pension and Relief			
Fidelity government cash reserves	\$ 760,681	AAA	AAA
Federal government securities	989,939	AAA	AAA
Mutual funds	3,098,178	N/A	N/A
Certificates of deposit	343,486	N/A	N/A
Corporate bonds	1,807,806	BBB+-AAA	A1-AAA
Corporate stocks	<u>1,378,445</u>	N/A	N/A
Total	\$ <u>8,378,535</u>		

	<u>Less Than</u>					
<u>Interest Rate Risk</u>	<u>1 Year</u>	<u>1 – 5 Years</u>	<u>6 – 10 Years</u>	<u>Over 10 Years</u>	<u>Total</u>	
Fidelity government cash reserves	\$ 760,681	\$ -0-	\$ -0-	\$ -0-	\$ 760,681	\$ 760,681
Federal government securities	-0-	246,015	730,535	13,389	989,939	989,939
Mutual funds	3,098,178	-0-	-0-	-0-	3,098,178	3,098,178
Certificates of deposit	99,987	196,070	47,429	-0-	343,486	343,486
Corporate bonds	298,420	1,116,924	280,603	111,859	1,807,806	1,807,806
Corporate stocks	<u>1,378,445</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,378,445</u>	<u>1,378,445</u>
	\$ <u>5,635,711</u>	\$ <u>1,559,009</u>	\$ <u>1,058,567</u>	\$ <u>125,248</u>	\$ <u>8,378,535</u>	\$ <u>8,378,535</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

At year end, the government had the following investments in Proprietary Fund Component Units:

Sanitary Sewer Board

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
WV Municipal Bond Commission	\$ 233,160	Not Rated	Not Rated
Money market	<u>558,618</u>	Not Rated	Not Rated
	<u>\$ 791,778</u>		

<u>Interest Rate Risk</u>	<u>0 – 3 Years</u>	<u>4 – 7 Years</u>	<u>8 – 10 Years</u>	<u>Over 10 Years</u>	<u>Total</u>
WV Municipal Bond Commission	\$ 233,160	\$ -0-	\$ -0-	\$ -0-	\$ 233,160
Money market	<u>558,618</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>558,618</u>
	<u>\$ 791,778</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 791,778</u>

Credit Risk

State law limit investments as described in Note I.D.1. It is the government's policy to limit its investments as stated in the West Virginia Code. The government does not have a policy for credit risk in addition to governing statutes.

Concentration of Credit Risk

The government's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investment. In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments.

Custodial Credit Risk

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government's policy for custodial credit risk is to require a depository bond as collateral for all investments. At year end, the primary government's, component units' and fiduciary funds' bank balances were \$3,346,784, which were collateralized with a depository bond.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

For Investments, the government could be exposed to risk in the event of the failure of the counterparty where the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The government has adopted State Code requirements as its policy for custodial credit risk. At year end, the investment balances were \$17,344,499. The entire balance is considered secured.

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

Cash and cash equivalents		\$ 3,346,784
Investments – collateralized and secured		<u>17,344,499</u>
Total		\$ <u>20,691,283</u>
Cash and cash equivalents		\$ 3,346,784
Cash and investments – restricted		791,778
Investments		<u>16,552,721</u>
Total		\$ <u>20,691,283</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

B. Receivables

Receivables at year end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate are as follows:

	<u>General</u> <u>Fund</u>	<u>Coal</u> <u>Severance</u> <u>Fund</u>	<u>Municipal</u> <u>Sales and</u> <u>Use Tax</u> <u>Fund</u>	<u>Other</u> <u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Primary</u> <u>Government</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Component</u> <u>Unit</u> <u>Sanitary</u> <u>Board</u> <u>Fund</u>
Receivables:							
Accounts	\$ 788,759	\$ -0-	\$ -0-	\$ 2,380	\$ 791,139	\$ -0-	\$ 971,911
Taxes	2,489,004	13,605	1,177,529	149,340	3,829,478	-0-	-0-
Grants	73,771	-0-	-0-	-0-	73,771	-0-	-0-
Other	47,208	-0-	-0-	-0-	47,208	-0-	-0-
Notes	-0-	-0-	-0-	17,723	17,723	-0-	-0-
Contributions	-0-	-0-	-0-	-0-	-0-	11,400	-0-
Interest	-0-	-0-	-0-	-0-	-0-	15,284	-0-
Total	\$ <u>3,398,742</u>	\$ <u>13,605</u>	\$ <u>1,177,529</u>	\$ <u>169,443</u>	\$ <u>4,759,319</u>	\$ <u>26,684</u>	\$ <u>971,911</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The above receivables are shown net of allowance for doubtful accounts as follows:

	<u>General</u> <u>Fund</u>	<u>Coal</u> <u>Severance</u> <u>Fund</u>	<u>Municipal</u> <u>Sales and</u> <u>Use Tax</u> <u>Fund</u>	<u>Other</u> <u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Primary</u> <u>Government</u>	<u>Fiduciary</u> <u>Funds</u>	<u>Component</u> <u>Unit</u> <u>Sanitary</u> <u>Board</u> <u>Fund</u>
Receivables:							
Accounts	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 31,438
Note	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,000</u>	<u>7,000</u>	<u>-0-</u>	<u>-0-</u>
Total	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>7,000</u>	\$ <u>7,000</u>	\$ <u>-0-</u>	\$ <u>31,438</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Property taxes receivable	\$ 397,822
Business and occupation tax receivable	<u>22,228</u>
 Total deferred revenue for governmental funds	 \$ <u>420,050</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Nondepreciable assets:				
Land	\$ <u>710,527</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>710,527</u>
Total nondepreciable assets	<u>710,527</u>	<u>-0-</u>	<u>-0-</u>	<u>710,527</u>
Depreciable assets:				
Structures and improvements	14,728,208	-0-	-0-	14,728,208
Infrastructure	17,864,949	-0-	-0-	17,864,949
Machinery and equipment	<u>9,056,847</u>	<u>38,543</u>	<u>-0-</u>	<u>9,095,390</u>
Totals at historical cost	41,650,004	38,543	-0-	41,688,547
Less: Accumulated depreciation	<u>21,394,725</u>	<u>1,196,443</u>	<u>-0-</u>	<u>22,591,168</u>
Total depreciable assets – net	<u>20,255,279</u>	<u>(1,157,900)</u>	<u>-0-</u>	<u>19,097,379</u>
Governmental activities capital assets – net	\$ <u>20,965,806</u>	\$ <u>(1,157,900)</u>	\$ <u>-0-</u>	\$ <u>19,807,906</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Depreciation expense was charged to governmental activities as follows:

General government	\$	181,662
Public safety		265,369
Highways and streets		472,248
Health and sanitation		26,847
Culture and recreation		<u>250,317</u>
	\$	<u>1,196,443</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-Type Activities				
<i>Municipal Building Commission</i>				
Nondepreciable Assets:				
Construction in process	\$ <u>5,359,633</u>	\$ <u>15,712,828</u>	\$ -0-	\$ <u>21,072,461</u>
Total nondepreciable assets	<u>5,359,633</u>	<u>15,712,828</u>	-0-	<u>21,072,461</u>
Depreciable Assets:				
Buildings	10,762,968	-0-	-0-	10,762,968
Equipment	<u>179,691</u>	-0-	-0-	<u>179,691</u>
Total at historical cost	10,942,659	-0-	-0-	10,942,659
Less: Accumulated depreciation	<u>3,297,749</u>	<u>293,659</u>	-0-	<u>3,591,408</u>
Total depreciable assets	<u>7,644,910</u>	(<u>293,659</u>)	-0-	<u>7,351,251</u>
Business-type activities capital assets – net	\$ <u>13,004,543</u>	\$ <u>15,419,169</u>	\$ -0-	\$ <u>28,423,712</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-Type Activities – Component Unit				
<i>Sanitary Fund</i>				
Nondepreciable Assets:				
Land	\$ 84,065	\$ -0-	\$ -0-	\$ 84,065
Construction in process	<u>356,760</u>	<u>-0-</u>	<u>356,760</u>	<u>-0-</u>
Total nondepreciable assets	<u>440,825</u>	<u>-0-</u>	<u>356,760</u>	<u>84,065</u>
Depreciable Assets:				
Buildings	1,532,698	-0-	-0-	1,532,698
Structures and improvements	7,208,797	686,236	-0-	7,895,033
Transmission and distribution	<u>28,680,517</u>	<u>145,415</u>	<u>-0-</u>	<u>28,825,932</u>
Total at historical cost	37,422,012	831,651	-0-	38,253,663
Less: Accumulated depreciation	<u>18,122,374</u>	<u>451,091</u>	<u>-0-</u>	<u>18,573,465</u>
Total depreciable assets – net	<u>19,299,638</u>	<u>380,560</u>	<u>-0-</u>	<u>19,680,198</u>
Business-type activities capital assets – net	\$ <u>19,740,463</u>	\$ <u>380,560</u>	\$ <u>356,760</u>	\$ <u>19,764,263</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-Type Activities – Component Unit				
<i>Parking Authority</i>				
Nondepreciable Assets:				
Land	\$ 2,543,901	\$ -0-	\$ -0-	\$ 2,543,901
Total nondepreciable assets	<u>2,543,901</u>	<u>-0-</u>	<u>-0-</u>	<u>2,543,901</u>
Depreciable Assets:				
Buildings	7,644,604	-0-	-0-	7,644,604
Structures and improvements	453,583	-0-	-0-	453,583
Machinery and equipment	<u>338,301</u>	<u>-0-</u>	<u>-0-</u>	<u>338,301</u>
Total at historical cost	8,436,488	-0-	-0-	8,436,488
Less: Accumulated depreciation	<u>4,563,642</u>	<u>109,940</u>	<u>-0-</u>	<u>4,673,582</u>
Total depreciable assets – net	<u>3,872,846</u>	<u>(109,940)</u>	<u>-0-</u>	<u>3,762,906</u>
Business-type activities capital assets – net	\$ <u>6,416,747</u>	\$ <u>(109,940)</u>	\$ <u>-0-</u>	\$ <u>6,306,807</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Park Board Special Levy	Capital Improvement Levy Fund	\$ 34,193
General Fund	Capital Improvement Levy Fund	\$ 59,523
Sanitary Board Fund	General Fund	\$ 8,556
Park Board	Park Board Special Levy	\$ 42,876
General Fund	Dental and Vision Benefit Fund	\$ 13,000

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Interfund Transfers:

	<u>Park Board Special Levy Fund</u>	<u>Police National Nightout Fund</u>	<u>Municipal Building Commission</u>	<u>Urban Renewal Authority</u>	<u>Police Fund Total</u>	<u>General Fund</u>	<u>Capital Improvement Levy Fund</u>	<u>Sanitary Board</u>	<u>Total</u>
<u>Transfers Out:</u>									
Tax Increment Financing District Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 150,000	\$ -0-	\$ 150,000
Park Board Special Levy Fund	-0-	-0-	146,008	-0-	-0-	-0-	-0-	-0-	146,008
Municipal Sales and Use Tax Fund	-0-	-0-	2,874,594	-0-	-0-	662,500	-0-	15,631	3,552,725
Park Board	100,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	100,000
Capital Improvement Levy Fund	487,330	-0-	-0-	-0-	-0-	-0-	-0-	-0-	487,330
General Fund	<u>-0-</u>	<u>3,600</u>	<u>-0-</u>	<u>24,477</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>38,979</u>	<u>67,056</u>
Total	\$ <u>587,330</u>	\$ <u>3,600</u>	\$ <u>3,020,602</u>	\$ <u>24,477</u>	\$ <u>-0-</u>	\$ <u>662,500</u>	\$ <u>150,000</u>	\$ <u>54,610</u>	\$ <u>4,503,119</u>

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

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

E. Fund Balance Detail

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

	<u>General Fund</u>	<u>Coal Severance</u>	<u>Municipal Sales and Tax Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Committed:					
Streets and transportation	\$ <u>-0-</u>	\$ <u>25,690</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>25,690</u>
Assigned:					
Public safety	-0-	-0-	-0-	314,350	314,350
Capital improvements	-0-	-0-	-0-	99,549	99,549
General government	-0-	-0-	1,415,440	2,096	1,417,536
Culture and recreation	-0-	-0-	-0-	412,436	412,436
Community development	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>737,900</u>	<u>737,900</u>
Total assigned	<u>-0-</u>	<u>-0-</u>	<u>1,415,440</u>	<u>1,566,331</u>	<u>2,981,771</u>
Unassigned	<u>2,418,908</u>	<u>-0-</u>	<u>-0-</u>	(<u>8,337</u>)	<u>2,410,571</u>
Total fund balance	\$ <u>2,418,908</u>	\$ <u>25,690</u>	\$ <u>1,415,440</u>	\$ <u>1,557,994</u>	\$ <u>5,418,032</u>

It was determined during this examination that the Dental and Vision Benefit Fund had a deficit fund balance of \$8,337. The elimination of this deficit fund balance is dependent on the increase of revenues and decreases of expenditures in future periods.

It was determined during this examination that the Governmental Activities had a deficit net position of \$28,683,237 at June 30, 2018. The elimination of this deficit is dependent on the increase of revenues and decrease of expenditures in future periods.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

F. Long-Term Debt

Long-term liability activity for Governmental Activities for the year ended June 30, 2018 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Amounts</u> <u>Due After</u> <u>One Year</u>
Governmental Activities						
Obligation under capital lease	\$ 1,353,783	\$ -0-	\$ 159,110	\$ 1,194,673	\$ 141,239	\$ 1,053,434
Accrued compensated absences	1,531,389	-0-	256,351	1,275,038	659,692	615,346
Accrued other postemployment benefit obligations	3,999,049	-0-	509,789	3,489,260	-0-	3,489,260
Net pension obligation	50,890,465	-0-	3,276,148	47,614,317	-0-	47,614,317
General obligation notes payable	<u>187,221</u>	<u>352,356</u>	<u>67,390</u>	<u>472,187</u>	<u>90,341</u>	<u>381,846</u>
Governmental activities long-term liabilities	<u>\$ 57,961,907</u>	<u>\$ 352,356</u>	<u>\$ 4,268,788</u>	<u>\$ 54,045,475</u>	<u>\$ 891,272</u>	<u>\$ 53,154,203</u>

Long-term liability activity for the year ended June 30, 2018 was as follows:

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on June 28, 2006 for the acquisition of fire equipment. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of its inception. This lease was refinanced on July 29, 2009. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,

2019	\$ 7,096
Less: Amount representing interest	(73)
Present value of future minimum lease payments	7,023
Less: Current portion	(7,023)
Non-current portion	\$ <u>-0-</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on December 10, 2009 to finance the lease of energy conversation project (city hall lighting upgrade and boiler upgrade, parking garage lighting upgrade, pike street parking garage lighting upgrade, city wide traffic signals upgrade and street lighting). This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payment as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,

2019		\$ 91,500
2020		95,100
2021		98,700
2022		102,100
2023		103,400
2024		101,038
2025		<u>21,190</u>
		613,028
Less: Amount representing interest		<u>(110,448)</u>
Present value of future minimum lease payments		502,580
Less: Current portion		<u>(62,509)</u>
Non-current portion		\$ <u>440,071</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on October 9, 2014 to finance the lease of a dump truck. This lease qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the minimum lease payments as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,

2019	\$ 14,686
2020	14,686
2021	14,686
2022	<u>7,342</u>
	51,400
Less: Amount representing interest	<u>(2,069)</u>
Present value of future minimum lease payments	49,331
Less: Current portion	<u>(13,734)</u>
Non-current portion	\$ <u>35,597</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on October 9, 2014 to finance the lease of a street flusher. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payment as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,

2019		\$ 12,293
2020		12,293
2021		12,293
2022		12,293
2023		12,293
2024		12,293
2025		12,293
2026		12,293
2027		<u>6,147</u>
		104,491
Less: Amount representing interest		<u>(11,749)</u>
Present value of future minimum lease payments		92,742
Less: Current portion		<u>(9,831)</u>
Non-current portion		\$ <u>82,911</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on October 9, 2014 to finance the lease of a fire truck and bull dozer. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payment as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,

2019		\$ 53,618
2020		53,618
2021		53,618
2022		53,618
2023		53,618
2024		53,618
2025		53,618
2026		53,618
2027		53,618
2028		53,618
2029		53,618
2030		<u>26,809</u>
		616,607
Less: Amount representing interest		<u>(103,553)</u>
Present value of future minimum lease payments		513,054
Less: Current portion		<u>(37,550)</u>
Non-current portion		\$ <u>475,504</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on March 18, 2017 to finance a track loader. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payment as of the date of inception. The following is a schedule of future minimum lease payments required under this capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,

2019	\$ 11,463
2020	11,463
2021	<u>8,597</u>
	31,523
Less: Amount representing interest	<u>(1,580)</u>
Present value of future minimum lease payments	29,943
Less: Current portion	<u>(10,592)</u>
Non-current portion	\$ <u>19,351</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The following is a schedule of the total future minimum lease payments required under all of the capital leases and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,

2019	\$ 190,656
2020	187,160
2021	187,894
2022	175,353
2023	169,311
2024	166,949
2025	87,101
2026	65,911
2027	59,765
2028	53,618
2029	53,618
2030	<u>26,809</u>
	1,424,145
Less: Amount representing interest	<u>(229,472)</u>
Present value of future minimum lease payments	1,194,673
Less: Current portion	<u>(141,239)</u>
Non-current portion	\$ <u>1,053,434</u>

West Union Bank

\$154,000 loan obligation from West Union Bank. Interest rate is 3.70%. Quarterly installments of \$4,648. Matures 1/5/2027. Secured by an HVAC System.

Future maturities of debt retirement based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 19,520	\$ 14,602	\$ 4,918
2020	19,520	15,149	4,371
2021	19,520	15,718	3,802
2022	19,520	16,307	3,213
2023	19,520	16,919	2,601
2024 – 2027	<u>63,619</u>	<u>59,674</u>	<u>3,945</u>
	\$ <u>161,219</u>	\$ <u>138,369</u>	\$ <u>22,850</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

MVB Bank, Inc.

\$400,000 loan obligation from MVB Bank, Inc. Interest rate is 5.05%. Monthly installments of \$7,572. Matures 6/28/2022. Secured by real estate.

Future maturities of debt retirement based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 90,860	\$ 75,739	\$ 15,121
2020	90,860	79,654	11,206
2021	90,860	83,771	7,089
2022	90,860	88,100	2,760
2023	<u>6,584</u>	<u>6,554</u>	<u>30</u>
	\$ <u>370,024</u>	\$ <u>333,818</u>	\$ <u>36,206</u>

Long-term liability activity for Business-Type Activities Unit for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due After One Year</u>
Business-Type Activities – Municipal Building Commission						
Bonds and notes payable:						
United States Department of Agriculture	\$ 1,756,115	\$ -0-	\$ 167,548	\$ 1,588,567	\$ 174,986	\$ 1,413,581
United States Department of Agriculture	74,348	-0-	12,135	62,213	12,651	49,562
United States Department of Agriculture	543,491	-0-	19,743	523,748	20,272	503,476
United States Department of Agriculture	72,481	-0-	2,574	69,907	2,646	67,261
Lease Revenue Bonds – Series 2012	1,969,586	-0-	61,533	1,908,053	62,361	1,845,692
Lease Revenue Bonds – Series 2013	699,029	-0-	30,804	668,225	31,935	636,290
Lease Revenue Bond – MVB	304,191	-0-	25,278	278,913	26,158	252,755
Lease Revenue Bond – Series 2016A	170,271	-0-	41,717	128,554	41,944	86,610
Sales Tax Revenue Bonds, Series 2016A	1,445,387	128,430	31,489	1,542,328	30,701	1,511,627
Sales Tax Revenue Bond Anticipation Notes – Series 2017A	<u>2,209,699</u>	<u>9,245,319</u>	<u>458,034</u>	<u>10,996,984</u>	<u>482,867</u>	<u>10,514,117</u>
Total bonds and notes payable	\$ <u>9,244,598</u>	\$ <u>9,373,749</u>	\$ <u>850,855</u>	\$ <u>17,767,492</u>	\$ <u>886,521</u>	\$ <u>16,880,971</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

United States Department of Agriculture

\$3,767,000 bond obligation from Rural Economic and Community Development. Monthly payments of \$20,870. Matures 2/6/2026. Interest rate of 5%. Secured by revenues from a lease agreement between the City of Clarksburg, West Virginia and the Municipality of Clarksburg, West Virginia Municipal Building Commission and a deed of trust on real estate. Interest payments only for the first two years.

\$ 1,588,567

Future maturities of debt retirement based on current financing arrangements are as follows:

<u>For the Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 250,440	\$ 174,986	\$ 75,454
2020	250,440	183,938	66,502
2021	250,440	193,349	57,091
2022	250,440	203,241	47,199
2023	250,440	213,639	36,801
2024 – 2026	<u>662,582</u>	<u>619,414</u>	<u>43,168</u>
	\$ <u>1,914,782</u>	\$ <u>1,588,567</u>	\$ <u>326,215</u>

\$200,000 bond obligation from Rural Economic and Community Development. Monthly payments of \$1,266. Matures April 2023. Interest rate is 4.50%. Secured by deed of trust on real estate.

\$ 62,213

Future maturities of debt retirement based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 15,192	\$ 12,651	\$ 2,541
2020	15,192	13,232	1,960
2021	15,192	13,840	1,352
2022	15,192	14,476	716
2023	<u>8,125</u>	<u>8,014</u>	<u>111</u>
	\$ <u>68,893</u>	\$ <u>62,213</u>	\$ <u>6,680</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

\$700,000 bond obligation from Rural Economic and Community Development. Monthly payments of \$3,458. Matures May 2036. Interest rate is 4.125%. Secured by deed of trust on real estate. \$ 523,748

Future maturities of debt retirement based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 41,496	\$ 20,272	\$ 21,224
2020	41,496	21,124	20,372
2021	41,496	22,012	19,484
2022	41,496	22,937	18,559
2023	41,496	23,902	17,594
2024 – 2028	207,480	135,452	72,028
2029 – 2033	207,480	166,420	41,060
2034 – 2036	<u>118,527</u>	<u>111,629</u>	<u>6,898</u>
	\$ <u>740,967</u>	\$ <u>523,748</u>	\$ <u>217,219</u>

\$92,600 bond obligation from Rural Economic and Community Development. Monthly payments of \$471. Matures May 2036. Interest rate is 4.375%. Secured by deed of trust on real estate. \$ 69,907

Future maturities of debt retirement based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 5,652	\$ 2,646	\$ 3,006
2020	5,652	2,764	2,888
2021	5,652	2,888	2,764
2022	5,652	3,017	2,635
2023	5,652	3,151	2,501
2024 – 2028	28,260	17,996	10,264
2029 – 2033	28,260	22,388	5,872
2034 – 2036	<u>16,037</u>	<u>15,057</u>	<u>980</u>
	\$ <u>100,817</u>	\$ <u>69,907</u>	\$ <u>30,910</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Lease Revenue Bonds Series 2012

This \$2,200,000 issue was authorized on February 21, 2012 for the purpose of financing costs of the design, acquisition, construction and equipping of a new family aquatics center at the existing site of the Municipality of Clarksburg Municipal Swimming Pool facility located at the Veteran's Memorial Park, Municipality of Clarksburg, West Virginia, together with all necessary appurtenances and the payment of costs of issuance of such bonds. The bonds are issued as draw-down bonds with MVB Bank, Inc. advancing a portion of the purchase price and authorized principal amount thereof as necessary to pay costs of issuance of the bonds and costs of the project as incurred.

\$ 1,908,053

Future debt maturities based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 146,008	\$ 62,361	\$ 83,647
2020	146,008	65,194	80,814
2021	146,008	68,155	77,853
2022	146,008	71,250	74,758
2023	146,008	74,486	71,522
2024 – 2028	730,040	426,357	303,683
2029 – 2033	730,040	532,384	197,656
2034 – 2038	<u>673,513</u>	<u>607,866</u>	<u>65,647</u>
	\$ <u>2,863,633</u>	\$ <u>1,908,053</u>	\$ <u>955,580</u>

Lease Revenue Bonds Series 2013

This \$780,000 issue was authorized on May 30, 2013 for the purpose of financing costs of acquisition of property, purchase of equipment and for improvements to the Municipality's Municipal Building, Public Works Center and Jackson Square Parking Facility. The bonds were issued as draw-down bonds with MVB Bank, Inc. and bear interest of 3.25%. The bonds are secured by deed of trust on real estate and improvement, assignment of all rents and leases with respect to financed property and a security interest in the equipment to be purchased.

\$ 668,225

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Future debt maturities based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 52,852	\$ 31,935	\$ 20,917
2020	52,852	32,972	19,880
2021	52,852	34,043	18,809
2022	52,852	35,148	17,704
2023	52,852	36,290	16,562
2024 – 2028	264,260	199,908	64,352
2029 – 2033	264,260	234,545	29,715
2034 – 2035	<u>64,726</u>	<u>63,384</u>	<u>1,342</u>
	\$ <u>857,506</u>	\$ <u>668,225</u>	\$ <u>189,281</u>

Lease Revenue Bonds – MVB

This \$361,000 issue was authorized on March 20, 2014 for the purpose of financing costs of acquisition of property, purchase of equipment and for improvements to the Municipality's Municipal Building, Public Works Center and Jackson Square Parking Facility. The bonds were issued as draw-down bonds with MVB Bank, Inc. and bear interest of 3.20%. The bonds are secured by deed of trust on real estate and improvement, assignment of all rents and leases with respect to financed property and a security interest in the equipment to be purchased.

\$ 278,913

Future debt maturities based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 34,702	\$ 26,158	\$ 8,544
2020	34,702	27,007	7,695
2021	34,702	27,884	6,818
2022	34,702	28,790	5,912
2023	34,702	29,725	4,977
2024 – 2028	<u>149,349</u>	<u>139,349</u>	<u>10,000</u>
	\$ <u>322,859</u>	\$ <u>278,913</u>	\$ <u>43,946</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Lease Revenue Bonds Series 2016A

This \$220,000 issue was authorized on February 5, 2016 for the purpose of financing costs of the acquisition of the Harrison County YMCA Lowndes Hill facility and costs of issuance of the Series 2016A Bonds. The bond was purchased by the Harrison County Economic Alliance Corporation and bear interest of 3.00%. The bonds are secured by a deed of trust on real estate and improvements of the acquired financed property.

\$ 128,554

Future debt maturities based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 45,332	\$ 41,944	\$ 3,388
2020	45,332	43,217	2,115
2021	<u>44,197</u>	<u>43,393</u>	<u>804</u>
	\$ <u>134,861</u>	\$ <u>128,554</u>	\$ <u>6,307</u>

Sales Tax Revenue Bonds Series 2016A

This \$1,616,033 issue was authorized on April 21, 2016 for the purpose of (i) to finance costs of the design, acquisition, construction and equipping of road and bridge improvements within the Municipality, including but limited to improvements to Second Street and Van Buren Street and the replacement of the Sycamore Street Bridge together with all necessary appurtenances and (ii) to pay the costs of issuance of such obligations and related costs. The bond was purchased by the United States of America, acting through the Rural Housing Service, United States Department of Agriculture and bearing interest of 2.875%. The bond is secured solely by a pledge of the Municipality's municipal sales tax revenues after first deducting therefrom an amount not to exceed \$1,000,000 in each bond year which may be transferred by the Municipality to the pension fund. The bonds are payable each June 1 and December 1 in equal semi-annual installment payments consisting of principal and interest in the amount of \$37,412 commencing on December 1, 2018 and concluding on June 1, 2051.

\$ 1,542,328

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Future debt maturities based on current financing arrangements are as follows:

<u>For the Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 74,824	\$ 30,701	\$ 44,123
2020	74,824	31,590	43,234
2021	74,824	32,505	42,319
2022	74,824	33,446	41,378
2023	74,824	34,415	40,409
2024 – 2028	374,120	187,611	186,509
2029 – 2033	374,120	216,393	157,727
2034 – 2038	374,120	249,591	124,529
2039 – 2043	374,120	287,882	86,238
2044 – 2048	374,120	332,047	42,073
2049 – 2050	<u>109,170</u>	<u>106,147</u>	<u>3,023</u>
	\$ <u>2,353,890</u>	\$ <u>1,542,328</u>	\$ <u>811,562</u>

Sales Tax Revenue Bonds Series 2017A

This \$15,310,000 issue was authorized on February 28, 2017 for the purpose of (i) to finance costs of the design, acquisition, construction and equipping of renovations and improvements to the Robinson Grand Theater together with the acquisition of real and personal property, fixtures, furnishings and equipment in connection therewith and new or additional improvements or facilities relating thereto and the payment of architectural and engineering costs and fees and costs for other consulting or professional services that may be necessary in connection therewith and (ii) to pay the costs of issuance of such obligations and related costs. The bond anticipation note was purchased by MVB Bank, Inc. and bears interest of 5.35%. The bond anticipation note is secured solely by a pledge of the Municipality's municipal sales tax revenues after first deducting therefrom an amount not to exceed \$1,000,000 in each bond year which may be transferred by the Municipality to the pension fund. As of June 30, 2018 the Municipality had drawn down \$11,559,788 of the bond issue and had repaid \$562,804 of the total drawn down.

\$ 10,996,984

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Future debt maturities based on current financing arrangements are as follows:

<u>For the Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,064,833	\$ 482,867	\$ 581,966
2020	<u>10,795,370</u>	<u>10,514,117</u>	<u>281,253</u>
	\$ <u>11,860,203</u>	\$ <u>10,996,984</u>	\$ <u>863,219</u>

Total future debt maturities based on current financing arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,731,331	\$ 886,521	\$ 844,810
2020	11,461,868	10,935,155	526,713
2021	665,363	438,069	227,294
2022	621,166	412,305	208,861
2023	614,099	423,622	190,477
2024 – 2028	2,416,091	1,726,087	690,004
2029 – 2033	1,604,160	1,172,130	432,030
2034 – 2038	1,246,923	1,047,527	199,396
2039 – 2043	374,120	287,882	86,238
2044 – 2048	374,120	332,047	42,073
2049 – 2050	<u>109,170</u>	<u>106,147</u>	<u>3,023</u>
	\$ <u>21,218,411</u>	\$ <u>17,767,492</u>	\$ <u>3,450,919</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Long-term liability activity for Business-Type Activities – Component Unit for the year ended June 30, 2018 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Amounts</u> <u>Due After</u> <u>One Year</u>
Business-Type Activities – Component Units						
Bonds and notes payable:						
1996 Sewer Revenue Bonds	\$ 389,286	\$ -0-	\$ 389,286	\$ -0-	\$ -0-	\$ -0-
2009A Sewer Revenue Bonds	650,000	-0-	50,000	600,000	50,000	550,000
2014A Sewer Revenue Bonds	11,348,311	-0-	374,959	10,973,352	376,838	10,596,514
West Union Bank Note	15,607	-0-	12,453	3,154	3,154	-0-
MVB Bank	<u>135,750</u>	<u>80,500</u>	<u>-0-</u>	<u>216,250</u>	<u>216,250</u>	<u>-0-</u>
Total bonds and notes payable	<u>12,538,954</u>	<u>80,500</u>	<u>826,698</u>	<u>11,792,756</u>	<u>646,242</u>	<u>11,146,514</u>
Other long-term debt						
Accrued compensated absences	69,361	3,633	-0-	72,994	72,994	-0-
Net pension obligation	771,675	-0-	347,454	424,221	-0-	424,221
Net other postemployment benefit obligation	<u>707,376</u>	<u>-0-</u>	<u>90,175</u>	<u>617,201</u>	<u>-0-</u>	<u>617,201</u>
Total other long-term debt	<u>1,548,412</u>	<u>3,633</u>	<u>437,629</u>	<u>1,114,416</u>	<u>72,994</u>	<u>1,041,422</u>
Total long-term debt	\$ <u>14,087,366</u>	\$ <u>84,133</u>	\$ <u>1,264,327</u>	\$ <u>12,907,172</u>	\$ <u>719,236</u>	\$ <u>12,187,936</u>

Sewer Revenue Bond – Series 2009A

This issue was authorized to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Municipality. The bond was issued in a denomination of \$1,000,000 bearing interest of 0.00% payable quarterly on the first day of September, December, March and June beginning on September 1, 2010.

\$ 600,000

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Future debt maturity based on current financing arrangements is as follows:

<u>For the Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 50,000	\$ 50,000	\$ -0-
2020	50,000	50,000	-0-
2021	50,000	50,000	-0-
2022	50,000	50,000	-0-
2023	50,000	50,000	-0-
2024 – 2028	250,000	250,000	-0-
2029 – 2030	<u>100,000</u>	<u>100,000</u>	<u>-0-</u>
	\$ <u>600,000</u>	\$ <u>600,000</u>	\$ <u>-0-</u>

The 2009A bond issue is secured with a lien and pledge on the net revenues derived from the system.

As required by the 2009A Series Bond Ordinance, a sinking fund has been established with the West Virginia Municipal Bond Commission. Moneys in the sinking fund are to be used only for the purposes of paying principal on the bonds. Payments are required to be made into the sinking fund to pay principal which will become due on the next payment date. The balance in the sinking fund account with the Municipal Bond Commission at June 30, 2018 was \$60,107.

Sewer Revenue Bonds, Series 2014A

This issue was authorized to pay for the acquisition and construction of certain extensions, additions, betterments and improvements for the existing public sewerage system, consisting of upgrades to the waste water treatment plant and all necessary appurtenances, which constitutes properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewerage or industrial wastes. The bond is issued in the amount of \$12,000,000 bearing interest of .5% payable quarterly on the first day of March, June, September and December beginning on December 1, 2015.

\$ 10,973,352

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Future debt maturity based on current financing arrangements is as follows:

<u>For the Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 431,000	\$ 376,838	\$ 54,162
2020	431,000	378,726	52,274
2021	431,000	380,623	50,377
2022	431,000	382,530	48,470
2023	431,000	384,446	46,554
2024 – 2028	2,155,000	1,951,312	203,688
2029 – 2033	2,155,000	2,000,679	154,321
2034 – 2038	2,155,000	2,051,293	103,707
2039 – 2043	2,155,000	2,103,190	51,810
2044 – 2046	<u>969,750</u>	<u>963,715</u>	<u>6,035</u>
	\$ <u>11,744,750</u>	\$ <u>10,973,352</u>	\$ <u>771,398</u>

The 2014A bond issue is secured with a lien and pledge on the net revenues derived from the system.

As required by the 2014A Series Bond Ordinance, a sinking fund has been established with the West Virginia Municipal Bond Commission. Moneys in the sinking fund are to be used only for the purposes of paying principal on the bonds. Payments are required to be made into the sinking fund to pay principal which will become due on the next payment date. The balance in the sinking fund account with the Municipal Bond Commission at June 30, 2018 was \$173,053.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The future bond debt maturity based on current financing arrangements for all bonds is as follows:

<u>For the Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 481,000	\$ 426,838	\$ 54,162
2020	481,000	428,726	52,274
2021	481,000	430,623	50,377
2022	481,000	432,530	48,470
2023	481,000	434,446	46,554
2024 – 2028	2,405,000	2,201,312	203,688
2029 – 2033	2,255,000	2,100,679	154,321
2034 – 2038	2,155,000	2,051,293	103,707
2039 – 2043	2,155,000	2,103,190	51,810
2044 – 2048	<u>969,750</u>	<u>963,715</u>	<u>6,035</u>
	\$ <u>12,344,750</u>	\$ <u>11,573,352</u>	\$ <u>771,398</u>

MVB Bank

Line of Credit – MVB Bank - \$500,000. 5.00% line of credit dated 7/25/17 maturing 7/25/18, secured by various equipment. \$ 216,250

West Union Bank

3.10%; installment obligation; payable in quarterly installments of \$3,202; maturing 7/15/18; secured by parking pay stations. \$ 3,154

The future debt maturities based on current financing arrangements is as follows:

<u>For the Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ <u>3,181</u>	\$ <u>3,154</u>	\$ <u>27</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

G. Restricted Assets

The balances of the restricted asset accounts for the component unit are as follows:

	<u>Business-Type Activities</u>
Construction and maintenance account	\$ 233,160
Revenue bond account	<u>558,618</u>
Total restricted assets	\$ <u>791,778</u>

H. Benefits Funded by the State of West Virginia

For the year ended June 30, 2018, the State of West Virginia contributed estimated payments on behalf of the governments public safety employees as follows:

<u>Plan</u>	<u>Amount</u>
Policemen's Pension and Relief Fund	\$ 437,291
Firemen's Pension and Relief Fund	<u>442,818</u>
Total	\$ <u>880,109</u>

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

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

IV. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with Commercial Insurance Company for umbrella (general liability) insurance for these various risks.

Workers' Compensation Fund (WCF): Private insurance companies could begin to offer workers compensation coverage to government employers beginning July 1, 2010.

Workers compensation coverage is provided for this entity by Brickstreet Insurance.

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

B. Contingent Liabilities

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material effect on the financial condition of the government.

C. Tax Abatements

Pursuant to the provisions of the West Virginia Code 8-1-5a, "The Home Rule Statute" and the Municipality of Clarksburg, West Virginia's participation in Home Rule, the Municipality enacted an Ordinance to permit certain incentives for new and expanding business and to provide for business expansion in certain districts within the Municipality. For the fiscal year ended June 30, 2018 the Municipality's ad valorem tax revenues were decreased by \$102,076.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

V. Employee Retirement System and Plans

Plan Descriptions, Contribution Information, and Funding Policies

The Municipality of Clarksburg, West Virginia participates in two single employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees. The PPRF's Board consists of a chairman which is the city manager and four members from the municipal police department. The Municipality is authorized in accordance with State Code §8-22 to establish and maintain this plan. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, June 30, 2018.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. The FPRF's Board consists of a chairman which is the city manager and four members from the municipal fire department. The Municipality is authorized in accordance with State Code §8-22 to establish and maintain this plan. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, June 30, 2018.

Actuarial valuations are required to be performed once every three years per state statute. However, the actuarial valuations can be performed in shorter intervals at the discretion of the PPRF and FPRF's Board.

The investment policies of the PPRF and the FPRF are restricted by State Code and may be restricted further as determined by the Boards. There were not significant changes in the investment policies for the current year.

Memberships of the plans are as follows:

<u>Group</u>	<u>PPRF</u>	<u>FPRF</u>	<u>Totals</u>
Active employees	44	42	86
Retirees and beneficiaries currently receiving benefits	46	51	97
Inactive – non-retired members	<u>4</u>	<u>-0-</u>	<u>4</u>
	<u>94</u>	<u>93</u>	<u>187</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

These plans are defined benefit plans. The following is a summary of funding policies, contribution methods and benefit provisions.

	<u>PPRF</u>	<u>FPRF</u>
Determination of contribution requirements	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years in accordance with West Virginia State code §8-022-10. However, municipalities may utilize an alternative contribution method which allows the Municipality to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by West Virginia State Code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary. The Municipality contributes 107% of the prior year's contributions for both police and fire pension plans.	
Plan Members	7% of covered payroll	7% of covered payroll
Period required to vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Post-Retirement benefit increases	Cost of living adjustment after two years of retirement. Adjustment calculated on the first \$15,000 of the total annual benefit in the first year and then the cumulative index for the preceding year. The supplementary pension benefit shall not exceed four percent.	
Eligibility for distribution	20 years of credited service or age 65; whichever comes first. Must be at least 50.	
Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability benefits	Yes	Yes
Death benefits	Yes	Yes

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Actuarial Assumptions and Rate of Return

The total pension liability was determined by an actuarial valuation as of June 30, 2018 for both plans, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2016, through June 30, 2017. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

	<u>Policemen's Pension & Relief Fund</u>	<u>Firemen's Pension & Relief Fund</u>
Actuarial assumptions:		
Inflation rate	2.75%	2.75%
Salary increases	2.75 percent on average	2.75 percent on average
Investment rate of return	5.00%	5.00%

Mortality rates were based on the RP – 2014 Blue Collar Healthy Employee tables, as appropriate, with adjustments for mortality improvements based upon the status of members.

Net Pension Liability, Reserves and Discount Rate

Current year net pension liability for the PPRF and FPRF are shown below. The annual required contributions were made in accordance with State Code by both the PPRF and FPRF.

Reserves

There are no assets legally reserved for purposes other than the payment of plan members benefits for either plan.

Net Pension Liability

The Municipality's net pension liability for the Policemen's and Firemen's Pension and Relief funds are as follows:

	<u>PPRF</u>	<u>FPRF</u>
Total pension liability	\$ 29,869,800	\$ 33,550,617
Plan fiduciary net position	<u>8,282,821</u>	<u>8,484,043</u>
Net pension liability	\$ <u>21,586,979</u>	\$ <u>25,066,574</u>
Plan fiduciary net position as a percentage of the total pension liability	27.73%	25.29%

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Discount Rate

The discount rate used to measure the total pension liability was 5.00% for the PPRF and 5.00% for the FPRF, and the municipal bond rate of 3.62% for both plans. The projection of cash flows used to determine these discount rates assumed that the plans sponsor would make the statutory required contribution in accordance with alternative funding method which is 107% of the prior year's contribution as allowed by West Virginia State Code. Based on those assumptions, the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PPRF's net pension liability	\$ 26,283,945	\$ 21,586,979	\$ 17,836,820
FPRF's net pension liability	\$ 30,204,155	\$ 25,066,574	\$ 20,935,071

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

For the year ended June 30, 2018, the Municipality's Policemen's Pension and Relief and Firemen's Pension and Relief reported deferred outflows of resources and deferred inflows of resources related to these pension plans from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ 166,128	\$ 671,280
Difference between expected and actual non-investment experience	-0-	2,737,806
Changes in assumptions	<u>2,452,541</u>	<u>1,204,369</u>
	\$ <u>2,618,669</u>	\$ <u>4,613,455</u>

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

Year Ending June 30,

2019	\$(1,308,825)
2020	(271,993)
2021	(324,476)
2022	<u>(89,492)</u>
	<u>\$(1,994,786)</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Pension Trust Funds Financial Statements

	<u>Policemen's Pension and Relief Fund</u>	<u>Firemen's Pension and Relief Fund</u>	<u>Total (Memorandum Only)</u>
Assets			
Cash	\$ 107,403	\$ 104,944	\$ 212,347
Investments:			
Fidelity government cash reserves	-0-	760,681	760,681
Federal government securities	-0-	989,939	989,939
Mutual funds	8,174,186	3,098,178	11,272,364
Certificates of deposit	-0-	343,486	343,486
Corporate bonds	-0-	1,807,806	1,807,806
Corporate stocks	-0-	1,378,445	1,378,445
Receivables:			
Contributions	5,422	5,978	11,400
Accrued interest	<u>-0-</u>	<u>15,284</u>	<u>15,284</u>
Total assets	<u>8,287,011</u>	<u>8,504,741</u>	<u>16,791,752</u>
Liabilities			
Accounts payable	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Position			
Held in trust for pension benefits	\$ <u>8,287,011</u>	\$ <u>8,504,741</u>	\$ <u>16,791,752</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Policemen's Pension and Relief Fund</u>	<u>Firemen's Pension and Relief Fund</u>	<u>Total (Memorandum Only)</u>
Additions			
Contributions:			
Employer	\$ 1,583,840	\$ 1,592,742	\$ 3,176,582
Employee	176,039	155,596	331,635
Insurance premium tax allocation	<u>437,291</u>	<u>442,818</u>	<u>880,109</u>
Total contributions	<u>2,197,170</u>	<u>2,191,156</u>	<u>4,388,326</u>
Investment income:			
Net appreciation in fair value of investments	36,214	395,355	431,569
Net gain (loss) on sale of investments	405,102	4,831	409,933
Interest and dividends	<u>83,300</u>	<u>157,308</u>	<u>240,608</u>
Total investment income	<u>524,616</u>	<u>557,494</u>	<u>1,082,110</u>
Miscellaneous	<u>876</u>	<u>1,188</u>	<u>2,064</u>
Total additions	<u>2,722,662</u>	<u>2,749,838</u>	<u>5,472,500</u>
Deductions			
General and administrative	64,260	34,268	98,528
Benefit payments	<u>1,259,754</u>	<u>1,199,305</u>	<u>2,459,059</u>
Total deductions	<u>1,324,014</u>	<u>1,233,573</u>	<u>2,557,587</u>
Net increase	1,398,648	1,516,265	2,914,913
Net position – beginning of year	<u>6,888,363</u>	<u>6,988,476</u>	<u>13,876,839</u>
Net position – end of year	\$ <u>8,287,011</u>	\$ <u>8,504,741</u>	\$ <u>16,791,752</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

V.B.1 Plan Descriptions Contribution Information and Funding Policies

Public Employees Retirement system (PERS)

The Municipality of Clarksburg, West Virginia participates in a state-wide, cost sharing, multiply-employer defined benefit plan on behalf of general Municipality 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 following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees' Retirement System (PERS)

Eligibility to participate	All Municipal full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate	4.50% and 6.00%
Municipality's contribution rate	11.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

V.B.2 Trend Information

Public Employees Retirement System (PERS)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2018	\$ 354,597	100%
2017	\$ 471,409	100%
2016	\$ 581,123	100%

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, 4101 MacCorkle Ave S.E., Charleston, WV 25304.

The Municipality of Clarksburg, West Virginia elected to become a participating employer under the West Virginia Employees Retirement System (PERS plan).

General Information about the Plan

The plan is a defined benefit plan and provides pensions for all participating employees of the Municipality. The PERS plan is a statewide, cost-sharing, multiple-employer, defined benefit retirement plan for public employees established on July 1, 1961. All employees of the State of West Virginia and any political subdivision whose governing body elects to participate are required (with certain exceptions) to become members. The PERS Plan is managed by a Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: for residents of the State who are not participants in the retirement plans, one State and one non-state employee participant in PERS, and one participant each from TRS, SPDDRS, SPRS, DSRS, EMSRS, MPFRS, and TDCRS.

Participants in the PERS Plan who retire at age 60 with at least five years of credited service or at least age 55 with their age plus service equal to 80 or greater are entitled to a retirement benefit, payable monthly for life, equal to 2% of average salary multiplied by years of service. Average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their benefits at age 62. The PERS Plan also provides death and disability benefits.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Employees covered by benefit terms are all active employees.

Contribution rates for the PERS Plan are subject to Chapter 5, Article 10 of the West Virginia State Code. For the year ended June 30, 2017, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 12.0 percent of the member's compensation into the plan. For the year ended June 30, 2018, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 11.0 percent of the member's compensation into the plan.

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

At June 30, 2018 the Municipality reported a liability of \$1,384,985 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and rolled forward to June 30, 2017 using the actuarial assumption and methods described in the appropriate section of the notes. The Municipality's portion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating public employers actuarially determined.

At June 30, 2018, the Municipality reported the following proportions and increases/decreases from its proportion measured as of June 30, 2017:

Amount for proportionate share of net pension liability	\$ 1,384,985
Percentage for proportionate share of net pension liability	0.32086%
Increase (decrease) % from prior proportion measured	0.00806%

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

For the year ended June 30, 2018, the Municipality recognized pension expense of \$1,877,582 on its government wide financial statements. At June 30, 2018, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ -0-	\$ 336,713
Differences between expected and actual experience	123,523	3,065
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,934	797
Employer contributions subsequent to measurement period	512,508	-0-
Changes in assumptions	<u>-0-</u>	<u>71,837</u>
	\$ <u>685,965</u>	\$ <u>412,412</u>

The amount reported as deferred outflows of resources related to pensions resulting from governmental contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2019	\$ (59,739)
2020	(59,739)
2021	(59,739)
2022	<u>(59,738)</u>
	\$ <u>(238,955)</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.0 percent
Salary increases:	3.0 – 6.0 percent, including inflation
Investment rate of return:	7.5 percent, net of pension plan investment expenses, including inflation.

Mortality rates were based on the following:

- Healthy Males: 110% of RP – 2,000 Non-Annuitant, Scale AA
- Healthy Females: 101% of RP – 2,000 Non-Annuitant, Scale AA
- Disabled Males: 96% of RP – 2,000 Disable Annuitant, Scale AA
- Disabled Females: Revenue Rule 107% of RP – Disable Annuitant, Scale AA

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	30.0%	7.00%
International Equity	30.0%	7.70%
Fixed Income	<u>40.0%</u>	2.70%
 Total	 <u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assuming that employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Municipality's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Municipality's proportionate share of the net pension liability	\$ 3,834,254	\$ 1,384,985	\$ (685,866)

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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.

VI. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan Description. The Municipality contributes to the West Virginia Other Postemployment Benefit Plan (the Plan), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan. The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. The four remaining members represent the public at large. The Plan had approximately 43,000 policyholders and 63,000 covered lives at June 30, 2017. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE, Suite 2, Charleston, WV 25304.

Benefits provided. The Plan provides medical 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).

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Contributions. Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately \$150 million for both fiscal years ending June 30, 2016 and June 30, 2017. Contributions to the OPEB plan from the Municipality were \$4,248 for the current fiscal year.

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

At fiscal year-end, the Municipality reported a liability of \$4,106,461 for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2016, rolled forward to June 30, 2017, which is the measurement date. The Municipality's proportion of the net OPEB liability was based on a projection of the government's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2017, the government's proportion was .166998%, which was a decrease of 11.88% from its proportion measured as of June 30, 2017.

For this fiscal year, the Municipality recognized OPEB expense of \$(359,431). The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ (13,751)
Net difference between expected and actual earnings on OPEB plan investments	-0-	(65,542)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-0-	(440,672)
Employer contributions subsequent to the measurement date	<u>341,673</u>	<u>-0-</u>
Total	\$ <u>341,673</u>	\$ <u>(519,965)</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The amount reported as deferred outflows of resources related to OPEB resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. 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,

2019	\$ (129,992)
2020	(129,991)
2021	(129,991)
2022	<u>(129,991)</u>
Total	\$ <u>(519,965)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate:	2.75%
Salary Increases:	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation
Investment Rate of Return:	7.15%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Rates:	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.50% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the excise tax.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2000 Healthy Annuitant Mortality Table projected to 2025 with Scale BB for Troopers A and B. Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2000 Non-Annuitant Mortality Table projected to 2020 with Scale BB for Troopers A and B.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015.

The long-term rates on an 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 weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI. Best estimates of long-term geometric rates are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%
Cash	0.0%

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Discount rate. The discount rate used to measure the OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. 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. Discount rates are subject to change between measurement dates.

Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the discount rate. The following chart presents the Municipality's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	(6.15%)	(7.15%)	(8.15%)
Net OPEB liability	\$ 4,781,502	\$ 4,106,461	\$ 3,545,313

Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following chart presents the Municipality's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower 1 percentage point higher than the current healthcare cost trend rates described in the actuarial assumptions:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 3,449,485	\$ 4,106,461	\$ 4,909,978

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.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

VII. Debt Service Coverage

The debt service coverage factor for the Sanitary Board Fund has been calculated as follows for the year ended June 30, 2018:

Operating revenues	\$ 4,735,615
Operating expenses	<u>4,465,194</u>
Total operating income	270,421
Add: Depreciation expense	451,091
Add: Interest income	<u>12,132</u>
Amount available for debt service and capital expenditures	\$ <u>733,644</u>
Maximum annual debt service	\$ <u>481,000</u>
Calculated debt service coverage factor	1.53
Required debt service coverage factor	1.15

Based on this calculation, it appears that the Sanitary Board Fund was in compliance with the provisions set forth in its bond ordinance as of June 30, 2018.

VIII. Restatement of Fund Balance/Net Position

It was determined during this audit that the beginning fund balance of General Fund required restatement as follows:

Fund balance as previously stated	\$ (690,501)
Restatement: Implementation of adoption of GASB 75	<u>5,401,065</u>
Fund balance beginning as restated	\$ <u>4,710,564</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

It was determined during this audit that the beginning net position of the Governmental Activities required restatement as follows:

Net position as previously stated	\$ (28,782,103)
Restatement: Implementation of adoption of GASB 75	<u>1,402,016</u>
Net position beginning as restated	\$ <u>(27,380,087)</u>

It was determined during this audit that the beginning net position of the Sanitary Board Fund required restatement as follows:

Net position as previously stated	\$ 8,797,349
Restatement: Implementation of adoption of GASB 75	393,306
Restatement: Overstatement of accrued leave	<u>173,010</u>
Net position beginning as restated	\$ <u>9,363,665</u>

It was determined during this audit that the beginning net position of the Parking Authority Fund required restatement as follows:

Net position as previously stated	\$ 6,369,520
Restatement: Implementation of adoption of GASB 75	<u>22,055</u>
Net position beginning as restated	\$ <u>6,391,575</u>

IX. Subsequent Events

The Municipality has considered all subsequent events through January 19, 2019, the date the financial statements were made available.

See independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Fiscal Year Ended June 30, 2018</u>	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>
Municipality's proportion of the net pension liability (asset)	0.32%	0.31%	0.31%	0.31%
Municipality's proportionate share of the net pension liability (asset)	\$ 1,384,985	\$ 2,875,093	\$ 1,735,341	\$ 1,148,488
Municipality's covered – employee payroll	\$ 4,859,918	\$ 3,928,408	\$ 4,310,474	\$ 4,218,741
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered – employee payroll	28.50%	65.08%	40.26%	27.22%
Plan fiduciary net position as a percentage of the total pension liability	93.67%	86.11%	91.29%	93.98%

The information presented in the schedule of the proportionate share of the net pension liability is the only years available as of June 30, 2018. The Municipality will be adding additional years to the accompanying schedule as information is available.

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY CONTRIBUTIONS
FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Fiscal Year</u> <u>Ended</u> <u>June 30, 2018</u>	<u>Fiscal Year</u> <u>Ended</u> <u>June 30, 2017</u>	<u>Fiscal Year</u> <u>Ended</u> <u>June 30, 2016</u>	<u>Fiscal Year</u> <u>Ended</u> <u>June 30, 2015</u>
Contractually required contribution	\$ 534,591	\$ 471,409	\$ 581,122	\$ 590,023
Contributions in relation to the contractually required contribution	<u>534,591</u>	<u>471,409</u>	<u>581,122</u>	<u>590,023</u>
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	<u>-0-</u>	\$ <u>-0-</u>
Municipality's covered – employee payroll	\$ 4,859,918	\$ 3,928,408	4,310,474	\$ 4,218,741
Contributions as a percentage of covered – employee payroll	11.00%	12.00%	13.50%	14.00%

The information presented in the schedule of Municipality's contributions is the only years available as of June 30, 2018. The Municipality will be adding additional years to the accompanying schedules as information is available.

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Change of Assumptions

Actuarial Revisions

Subsequent to the issuance of the West Virginia Consolidated Public Retirement Board's June 30, 2017 Comprehensive Annual Financial Report, certain actuarial amounts from the actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 were revised. The amounts revised as of June 30, 2017 were used to prepare these schedules and are described below:

Total Pension Liability	\$ 6,816,742,000
Plan Fiduciary Net Position	<u>(6,385,097,000)</u>
Net Pension Liability	\$ <u>431,645,000</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	93.67%

<u>Sensitivity of Discount Rate</u>	<u>1% Decrease</u> (6.5%)	<u>Current</u> <u>Discount Rate</u> (7.5%)	<u>1% Increase</u> (8.5%)
Total Net Pension Liability (Asset)	\$ 1,194,983,000	\$ 431,645,000	\$ 213,751,000

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTIYEAR
FIREMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Fiscal year ending June 30,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 911,837	\$ 1,041,846	\$ 739,794	\$ 735,159	\$ 729,815
Interest on the total pension liability	1,604,493	1,540,729	1,503,073	1,480,035	1,492,730
Benefit changes	-0-	-0-	-0-	-0-	-0-
Difference between expected and actual experience	(1,021,000)	(962,572)	(511,633)	(837,150)	-0-
Assumption changes	-0-	(2,433,972)	4,020,701	-0-	-0-
Benefit payments	(1,197,572)	(1,178,192)	(1,239,292)	(1,247,385)	(1,281,861)
Refunds	(1,733)	(44,817)	-0-	(3,554)	(21,320)
Net change in total pension liability	296,025	(2,036,978)	4,512,643	127,105	919,364
Total pension liability – beginning	<u>33,254,592</u>	<u>35,335,487</u>	<u>30,822,844</u>	<u>30,695,739</u>	<u>29,776,375</u>
Total pension liability – ending (a)	<u>\$ 33,550,617</u>	<u>\$ 33,298,509</u>	<u>\$ 35,335,487</u>	<u>\$ 30,822,844</u>	<u>\$ 30,695,739</u>
Plan Fiduciary Net Position					
Employer contributions (local and state)	\$ 2,029,582	\$ 1,790,929	\$ 1,361,271	\$ 1,288,742	\$ 1,210,474
Employee contributions	155,596	148,321	145,720	140,550	135,019
Pension plan net investment income	561,109	586,180	315,511	185,060	465,521
Benefit payments	(1,197,572)	(1,134,275)	(1,239,292)	(1,247,385)	(1,281,861)
Refunds	(1,733)	(44,817)	-0-	(3,554)	(21,320)
Pension plan administrative expense	(7,500)	(7,500)	(6,000)	(6,000)	(6,000)
Other	-0-	-0-	-0-	-0-	-0-
Net change in plan fiduciary net position	1,539,482	1,338,838	577,210	357,413	501,833
Plan fiduciary net position – beginning	<u>6,944,559</u>	<u>5,649,638</u>	<u>5,072,427</u>	<u>4,715,014</u>	<u>4,213,181</u>
Plan fiduciary net position – ending *(b)	<u>8,484,043</u>	<u>6,988,476</u>	<u>5,649,637</u>	<u>5,072,427</u>	<u>4,715,014</u>
Net pension liability – ending (a) – (b)	<u>\$ 25,066,574</u>	<u>\$ 26,310,033</u>	<u>\$ 29,685,850</u>	<u>\$ 25,750,417</u>	<u>\$ 25,980,725</u>
Plan fiduciary net position as a percentage of total pension liability	25.29%	20.88%	15.99%	16.46%	15.36%
Covered employee payroll	<u>\$ 1,912,017</u>	<u>\$ 1,919,071</u>	<u>\$ 1,868,455</u>	<u>\$ 1,826,835</u>	<u>\$ 1,812,838</u>
Net pension liability as a percentage of covered employee payroll	1,311.00%	1,370.98%	1,588.79%	1,409.56%	1,433.15%

Notes to Schedule:

**Totals may not add due to rounding*

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY MULTIYEAR
LAST 10 FISCAL YEARS (WHICH MAY BE BUILT PROSPECTIVELY)
FIREMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>FY Ending June 30.</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2014	\$ 30,695,739	\$ 4,715,014	\$ 25,980,725	15.36%	\$ 1,812,838	1,433.15%
2015	\$ 30,822,844	\$ 5,072,427	\$ 25,750,417	16.46%	\$ 1,826,835	1,409.56%
2016	\$ 35,335,487	\$ 5,649,637	\$ 29,685,850	15.99%	\$ 1,868,455	1,588.79%
2017	\$ 33,254,592	\$ 6,944,559	\$ 26,310,033	20.88%	\$ 1,919,071	1,370.98%
2018	\$ 33,550,617	\$ 8,484,043	\$ 25,066,574	25.29%	\$ 1,912,017	1,311.00%

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF CONTRIBUTIONS MULTIYEAR
FIREMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution (a)</u>	<u>Employer Contribution (b)</u>	<u>State Contribution (c)</u>	<u>Percentage Contributed [(b)+(c)]/(a)</u>	<u>Covered Payroll (f)</u>	<u>Actual Contribution as a % of Covered Payroll [(b)+(c)]/(f)</u>
06/30/2013	\$ 1,603,979	\$ 743,702	\$ 473,392	76%	\$ 1,712,139	71%
06/30/2014	\$ 1,676,866	\$ 803,198	\$ 407,276	72%	\$ 1,812,838	67%
06/30/2015	\$ 1,697,409	\$ 867,454	\$ 421,288	76%	\$ 1,826,835	71%
06/30/2016	\$ 2,124,224	\$ 936,850	\$ 424,421	64%	\$ 1,868,455	73%
06/30/2017	\$ 2,031,009	\$ 1,345,298	\$ 445,631	88%	\$ 1,919,071	93%
06/30/2018	\$ 2,026,406	\$ 1,592,742	\$ 436,840	100%	\$ 1,912,017	106%

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
FIREMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The information requested in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<i>Measurement Date</i>	June 30, 2018, measurement date based on actuarial liabilities as of July 1, 2017
<i>Actuarial Cost Method</i>	Entry Age Normal, Level-Percentage-of-Pay
<i>Actuarial Value of Assets</i>	Market value used for GASB Statement Nos. 67 and 68 reporting
<i>Contribution Policy and Amortization Method</i>	The sponsor finances benefits using the Alternative funding policy as defined in state statute. Sponsor contributions are equal to 107 percent of the prior year contribution. The plan also receives state contributions based on an allocation of premium tax that depends on the number of active and retired members. This funding policy does not directly amortize the unfunded actuarial liability. However, projected sponsor, state and member contributions along with projected investment earnings are expected to fully fund the projected actuarial liability for current plan members by 2042.
<i>Actuarial Assumptions:</i>	
<i>Investment Rate of Return</i>	5.00% per year
<i>GASB 67/68 Discount Rate</i>	5.00% per year at June 30, 2018, and 5.00% at June 30, 2017
<i>Projected Salary Increases</i>	Service-based increases: 20.00% in year 1, 6.50% in year 2, reducing over years of service down to 1.25% in years 30-34. 0% increases for service over 34.
<i>Cost of Living Increases</i>	2.75% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years. Assumed to be payable to all members receiving payments.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS (CONTD)
FIREMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Single Discount Rate

A GASB Statement Nos. 67 and 68 single discount rate of 5.00% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on the expected rate of return on pension plan investments of 5.00%, and the municipal bond rate of 3.62%. The projection of cash flows used to determine this single discount rate assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members for all future plan years. Therefore, the single discount rate of 5.00% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 5.00%, 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:

<u>1% Decrease</u>	<u>Current Single Discount</u>	<u>1% Increase</u>
<u>4.0000%</u>	<u>Rate Assumption</u>	<u>6.0000%</u>
<u>5.0000%</u>	<u>5.0000%</u>	<u>6.0000%</u>
\$ 30,204,155	\$ 25,066,574	\$ 20,935,071

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS MULTIYEAR
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Fiscal year ending June 30,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 964,909	\$ 940,194	\$ 678,319	\$ 618,071	\$ 666,702
Interest on the total pension liability	1,429,392	1,404,357	1,370,741	1,338,559	1,332,234
Benefit changes	-0-	-0-	-0-	-0-	-0-
Difference between expected and actual experience	(630,123)	(1,132,945)	(192,337)	(345,859)	-0-
Assumption changes	-0-	-0-	3,317,951	-0-	-0-
Benefit payments	(1,214,998)	(1,149,829)	(1,160,463)	(1,126,094)	(1,059,430)
Refunds	(44,757)	(42,610)	(47,953)	(84,055)	(91,247)
Net change in total pension liability	504,423	19,167	3,966,258	400,622	848,259
Total pension liability – beginning	<u>29,365,377</u>	<u>29,346,210</u>	<u>25,379,952</u>	<u>24,979,330</u>	<u>24,131,071</u>
Total pension liability – ending (a)	<u>\$ 29,869,800</u>	<u>\$ 29,365,377</u>	<u>\$ 29,346,210</u>	<u>\$ 25,379,952</u>	<u>\$ 24,979,330</u>
Plan Fiduciary Net Position					
Employer contributions (local and state)	\$ 2,015,709	\$ 1,758,504	\$ 1,333,490	\$ 1,261,009	\$ 1,189,034
Employee contributions	176,039	168,474	157,241	154,449	151,027
Pension plan net investment income	469,963	669,529	(21,235)	133,494	632,587
Benefit payments	(1,214,998)	(1,149,829)	(1,160,463)	(1,126,094)	(1,059,430)
Refunds	(44,757)	(42,610)	(47,953)	(84,055)	(91,247)
Pension plan administrative expense	(7,500)	(7,500)	(7,750)	(7,500)	(7,500)
Other	-0-	-0-	-0-	-0-	206
Net change in plan fiduciary net position	1,394,456	1,396,568	253,330	331,303	814,677
Plan fiduciary net position – beginning	<u>6,888,363</u>	<u>5,491,795</u>	<u>5,238,465</u>	<u>4,907,162</u>	<u>4,092,485</u>
Plan fiduciary net position – ending *(b)	<u>8,282,821</u>	<u>6,888,363</u>	<u>5,491,795</u>	<u>5,238,465</u>	<u>4,907,162</u>
Net pension liability – ending (a) – (b)	<u>\$ 21,586,979</u>	<u>\$ 22,477,014</u>	<u>\$ 23,854,415</u>	<u>\$ 20,141,487</u>	<u>\$ 20,072,168</u>
Plan fiduciary net position as a percentage of total pension liability	27.73%	23.46%	18.71%	20.64%	19.64%
Covered employee payroll	<u>\$ 2,118,610</u>	<u>\$ 2,085,929</u>	<u>\$ 1,989,442</u>	<u>\$ 1,808,232</u>	<u>\$ 1,958,068</u>
Net pension liability as a percentage of covered employee payroll	1,018.92%	1,077.55%	1,199.05%	1,113.88%	1,025.10%

Notes to Schedule:

**Totals may not add due to rounding*

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY MULTIYEAR
LAST 10 FISCAL YEARS (WHICH MAY BE BUILT PROSPECTIVELY)
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>FY Ending June 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2014	\$ 24,979,330	\$ 4,907,162	\$ 20,072,168	19.64%	\$ 1,958,068	1,025.10%
2015	\$ 25,379,952	\$ 5,238,465	\$ 20,141,487	20.64%	\$ 1,808,232	1,113.88%
2016	\$ 29,346,210	\$ 5,491,795	\$ 23,854,415	18.71%	\$ 1,989,442	1,199.05%
2017	\$ 29,365,377	\$ 6,888,363	\$ 22,477,014	23.46%	\$ 2,085,929	1,077.55%
2018	\$ 29,869,800	\$ 8,282,821	\$ 21,586,979	27.73%	\$ 2,118,610	1,018.92%

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF CONTRIBUTIONS MULTIYEAR
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution (a)</u>	<u>Employer Contribution (b)</u>	<u>State Contribution (c)</u>	<u>Percentage Contributed [(b)+(c)]/(a)</u>	<u>Covered Payroll (f)</u>	<u>Actual Contribution as a % of Covered Payroll [(b)+(c)]/(f)</u>
06/30/2013	\$ 1,517,921	\$ 737,643	\$ 525,982	83%	\$ 2,017,329	63%
06/30/2014	\$ 1,419,464	\$ 796,654	\$ 392,380	84%	\$ 1,958,068	61%
06/30/2015	\$ 1,392,690	\$ 860,386	\$ 400,623	91%	\$ 1,808,232	70%
06/30/2016	\$ 1,802,392	\$ 929,217	\$ 404,273	74%	\$ 1,989,442	67%
06/30/2017	\$ 1,864,693	\$ 1,337,055	\$ 421,449	94%	\$ 2,085,929	84%
06/30/2018	\$ 1,878,699	\$ 1,583,840	\$ 431,869	107%	\$ 2,118,610	95%

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The information requested in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<i>Measurement Date</i>	June 30, 2018, measurement date based on actuarial liabilities as of July 1, 2017
<i>Actuarial Cost Method</i>	Entry Age Normal, Level-Percentage-of-Pay
<i>Actuarial Value of Assets</i>	Market value used for GASB Nos. 67 and 68 reporting
<i>Contribution Policy and Amortization Method</i>	The sponsor finances benefits using the Alternative funding policy as defined in state statute. Sponsor contributions are equal to 107 percent of the prior year contribution. The plan also receives state contributions based on an allocation of premium tax that depends on the number of active and retired members. This funding policy does not directly amortize the unfunded actuarial liability. However, projected sponsor, state and member contributions along with projected investment earnings are expected to fully fund the projected actuarial liability for current plan members by 2042.
<i>Actuarial Assumptions:</i>	
<i>Investment Rate of Return</i>	5.00% per year
<i>GASB 67/68 Discount Rate</i>	5.00% per year at June 30, 2018, and 5.00% at June 30, 2017
<i>Projected Salary Increases</i>	Service-based increases: 20.00% in year 1, 6.50% in year 2, reducing over years of service down to 1.25% in years 30-34. 0% increases for service over 34
<i>Cost of Living Increases</i>	2.75% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years. Assumed to be payable to all members receiving payments.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO SCHEDULE OF CONTRIBUTIONS (CONTD)
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Single Discount Rate

A GASB Statement Nos. 67 and 68 single discount rate of 5.00% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on the expected rate of return on pension plan investments of 5.00%, and the municipal bond rate of 3.62%. The projection of cash flows used to determine this single discount rate assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members for all future plan years. Therefore, the single discount rate of 5.00% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 5.00%, 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:

<u>1% Decrease</u>	<u>Current Single Discount</u> <u>Rate Assumption</u>	<u>1% Increase</u>
<u>4.0000%</u>	<u>5.0000%</u>	<u>6.0000%</u>
\$ 26,283,945	\$ 21,586,979	\$ 17,836,820

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Public Employees Insurance Agency
Two Fiscal Years***

	<u>2018</u>	<u>2017</u>
Municipality's proportion of the net OPEB liability	0.166998%	0.189521%
Municipality's proportionate share of the net OPEB liability	\$ 4,106,461	\$ 4,706,425
Municipality's covered-employee payroll	\$ 4,826,817	\$ 4,828,711
Municipality's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	85.08%	108.73%
Plan fiduciary net position as a percentage of the total OPEB liability	25.10%	21.64%

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

This schedule presents the only years available at June 30, 2018. Additional years will be presented as they become available.

See accompanying notes to required supplementary information and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 SCHEDULE OF MUNICIPALITY CONTRIBUTIONS – OPEB
 JUNE 30, 2018**

**Public Employees Insurance Agency
 Two Fiscal Years***

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 343,011	\$ 324,207
Contributions in relation to the contractually required contribution	(<u>343,011</u>)	(<u>324,207</u>)
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>
Municipality's covered-employee payroll	\$ 4,826,817	\$ 4,828,711
Contributions as a percentage of covered-employee payroll	7.93%	6.72%

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

This schedule presents the only years available at June 30, 2018. Additional years will be presented as they become available.

See accompanying notes to required supplementary information and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
NET OPEB LIABILITY
JUNE 30, 2018**

Change of Assumptions

Actuarial Revisions

Subsequent to the issuance of the State of West Virginia's June 30, 2017 West Virginia Retiree Health Benefit Trust Fund's Report, certain actuarial amounts from the actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 were revised. The amounts revised as of June 30, 2017 were used to prepare these schedules and are described below:

Total OPEB Liability	\$ 3,282,900,408
Plan OPEB Net Position	(823,911,315)
Net OPEB Liability	\$ <u>2,458,989,093</u>
Plan OPEB Net Position as a percentage of the total pension liability	111.82%

	<u>1% Decrease</u> (6.15%)	<u>Current</u> <u>Discount Rate</u> (7.15%)	<u>1% Increase</u> (8.15%)
<u>Sensitivity of Discount Rate</u>			
Net OPEB Liability (Asset)	\$ 2,863,210,522	\$ 2,458,989,093	\$ 2,122,968,119
		<u>Health Care</u> <u>Cost Trend</u>	
<u>Sensitivity to Health Care Trends</u>	<u>1% Decrease</u>	<u>Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 2,065,585,627	\$ 2,458,989,093	\$ 2,940,143,149

See independent auditor's report.

SUPPLEMENTARY INFORMATION

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION –
COMPONENT UNITS
JUNE 30, 2018

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash	\$ 700,777	\$ 13,937
Receivables, net of allowances:		
Accounts	971,911	-0-
Due to/from other funds	8,556	-0-
Inventory	<u>288,707</u>	<u>-0-</u>
Total current assets	<u>1,969,951</u>	<u>13,937</u>
Noncurrent Assets		
Restricted assets	<u>791,778</u>	<u>-0-</u>
Capital Assets		
Land	84,065	2,543,901
Buildings	1,532,698	7,644,604
Structures and improvements	7,895,033	453,583
Machinery and equipment	-0-	338,301
Transmission and distribution	28,825,932	-0-
Less: Accumulated depreciation	<u>(18,573,465)</u>	<u>(4,673,582)</u>
Net capital assets	<u>19,764,263</u>	<u>6,306,807</u>
Total assets	<u>22,525,992</u>	<u>6,320,744</u>
Deferred Outflows of Resources		
Net difference between projected and actual investment earnings on pension plan investments	-0-	-0-
Employer contributions subsequent to measurement period – pension plan	156,999	-0-
Differences between expected and actual experience – pension plan	37,835	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	15,294	-0-
Employer contributions subsequent to measurement period – OPEB plan	<u>50,217</u>	<u>-0-</u>
Total deferred outflow of resources	<u>260,345</u>	<u>-0-</u>

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION –
COMPONENT UNITS (CONTD)
JUNE 30, 2018

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
Current Liabilities (payable from current assets)		
Notes payable	\$ 216,250	\$ 3,154
Accounts payable	78,158	3,932
Accrued compensated absences	<u>72,994</u>	<u>-0-</u>
Total current liabilities (payable from current assets)	<u>367,402</u>	<u>7,086</u>
Current Liabilities (payable from restricted assets)		
Revenue bonds payable	<u>426,838</u>	<u>-0-</u>
Total current liabilities (payable from restricted assets)	<u>426,838</u>	<u>-0-</u>
Long-Term Liabilities (net of current portion)		
Revenue bonds payable	11,146,514	-0-
Other postemployment benefits payable	601,186	16,015
Net pension obligation	<u>424,221</u>	<u>-0-</u>
Total long-term liabilities (net of current portion)	<u>12,171,921</u>	<u>16,015</u>
Total liabilities	<u>12,966,161</u>	<u>23,101</u>
Deferred Inflow of Resources		
Net difference between projected and actual investment earnings on pension plan investments	103,135	-0-
Differences in assumptions – pension plan	22,004	-0-
Changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	244	-0-
Differences between expected and actual experience – pension plan	939	-0-
Differences between expected and actual experience – OPEB plan	2,013	54
Net difference between projected and actual investment earnings on OPEB plan investments	9,595	256
Changes in proportion an differences between employer contributions and proportionate share of contributions – OPEB plan	<u>64,514</u>	<u>1,719</u>
Total deferred inflow of resources	<u>202,444</u>	<u>2,029</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION –
COMPONENT UNITS (CONTD)
JUNE 30, 2018**

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
Net Position		
Net investment in capital assets	\$ 7,974,661	\$ 6,303,653
Restricted for debt service	233,160	-0-
Restricted for renewal and replacement	558,618	-0-
Unrestricted	<u>851,293</u>	<u>(8,039)</u>
Total net position	\$ <u>9,617,732</u>	\$ <u>6,295,614</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION -
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
Operating Revenues		
Charges for services	\$ 4,735,615	\$ 138,178
Total operating revenues	<u>4,735,615</u>	<u>138,178</u>
Operating Expenses		
Personal services	2,028,500	61,852
Contractual services	435,122	1,500
Administrative and general	408,579	732
Fuel and oil	86,454	-0-
Liability insurance	179,061	5,136
Materials and supplies	350,763	7,580
Utilities	247,795	37,089
Depreciation	451,091	109,940
Maintenance	<u>277,829</u>	<u>9,887</u>
Total operating expenses	<u>4,465,194</u>	<u>233,716</u>
Operating income (loss)	<u>270,421</u>	<u>(95,538)</u>
Nonoperating Revenues (Expenses)		
Interest	12,132	91
Miscellaneous income	445,512	-0-
Interest and fiscal charges	<u>(528,608)</u>	<u>(514)</u>
Total nonoperating revenues (expenses)	<u>(70,964)</u>	<u>(423)</u>
Change in net position before operating transfers in (out)	199,457	(95,961)
Operating transfers in (out)	<u>54,610</u>	<u>-0-</u>
Change in net position	254,067	(95,961)
Total net position – beginning - restated	<u>9,363,665</u>	<u>6,391,575</u>
Total net position – ending	\$ <u>9,617,732</u>	\$ <u>6,295,614</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF CASH FLOWS -
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Sanitary Sewer Board</u>	<u>Parking Authority Fund</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 4,685,403	\$ 138,178
Payments to suppliers	(2,059,299)	(70,691)
Payments to employees	(1,486,996)	(50,527)
Net cash provided by (used in) operating activities	<u>1,139,108</u>	<u>16,960</u>
Cash Flows from Non-Capital Financing Activities		
Contributions from other funds	<u>54,610</u>	<u>-0-</u>
Net cash provided by non-capital financing activities	<u>54,610</u>	<u>-0-</u>
Cash Flows from Capital and Related Financing Activities		
(Increase) decrease in restricted assets	295,448	-0-
Repayment of revenue bonds	(814,245)	-0-
Repayment of notes payable	-0-	(12,453)
Proceeds from notes payable	80,500	-0-
Acquisition of capital assets	(474,891)	-0-
Interest expense	(528,608)	(514)
Net cash (used in) capital and related financing activities	<u>(1,441,796)</u>	<u>(12,967)</u>
Cash Flows from Investing Activities		
Interest on investments	<u>12,132</u>	<u>91</u>
Net cash provided by investing activities	<u>12,132</u>	<u>91</u>
Net (decrease) increase in cash	(235,946)	4,084
Cash at beginning of year	<u>936,723</u>	<u>9,853</u>
Cash at end of year	\$ <u>700,777</u>	\$ <u>13,937</u>

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF CASH FLOWS -
COMPONENT UNITS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Sanitary</u> <u>Sewer</u> <u>Board</u>	<u>Parking</u> <u>Authority</u> <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 270,421	\$ (95,538)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	451,091	109,940
Miscellaneous income	445,512	-0-
(Increase) decrease in:		
Accounts receivable	(50,212)	-0-
Due to/from other funds	(984)	-0-
Inventory	22,883	-0-
Deferred outflows of resources – net difference between projected and actual investment earnings on pension plan investments	241,766	723
Deferred outflows of resources – employer contributions subsequent to measurement period – pension plan	15,439	547
Deferred outflows of resources – differences between expected and actual experience – pension plan	26,325	192
Deferred outflows of resources – changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	(3,787)	34
Deferred outflows of resources – employer contributions subsequent to measurement period – OPEB plan	(50,217)	-0-
Increase (decrease) in:		
Accounts payable	35,593	3,786
Accrued compensated absences	(169,377)	-0-
Accrued postemployment benefits payable	85,276	(2,340)
Net pension obligation	(345,154)	(2,300)
Deferred inflow of resources – net difference between projected and actual investment earnings on pension plan investments	103,135	-0-
Deferred inflow of resources – deferred difference in assumptions – pension plan	(15,479)	(112)
Deferred inflow of resources – changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan	(184)	(1)

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF CASH FLOWS –
COMPONENT UNITS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Sanitary Sewer Board</u>	<u>Parking Authority Fund</u>
Deferred inflow of resources – differences between expected and actual experience – pension plan	\$ 939	\$ -0-
Deferred inflow of resources – differences between expected and actual experience – OPEB plan	2,013	54
Deferred inflow of resources – net difference between projected and actual investment earnings on OPEB investments	9,595	256
Deferred inflow of resources – changes in proportion and differences between employer contribution and proportionate share of contributions – OPEB plan	<u>64,514</u>	<u>1,719</u>
Net cash provided by (used in) operating activities	\$ <u>1,139,108</u>	\$ <u>16,960</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
COMBINING FUND BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Memorandum Only)</u>
ASSETS			
Cash	\$ 1,779,474	\$ 35,410	\$ 1,814,884
Receivables (net of allowances for uncollectibles of \$7,000):			
Accounts	2,380	-0-	2,380
Taxes	149,340	-0-	149,340
Notes	17,723	-0-	17,723
Due from/(to) other activities	(72,523)	-0-	(72,523)
TOTAL ASSETS	\$ <u>1,876,394</u>	\$ <u>35,410</u>	\$ <u>1,911,804</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 209,707	\$ -0-	\$ 209,707
Accrued payroll	16,830	-0-	16,830
Unearned revenue	-0-	-0-	-0-
Total liabilities	<u>226,537</u>	<u>-0-</u>	<u>226,537</u>
Deferred Inflows of Resources			
Deferred taxes	<u>127,273</u>	<u>-0-</u>	<u>127,273</u>
Total liabilities and deferred inflows of resources	<u>353,810</u>	<u>-0-</u>	<u>353,810</u>
Fund Balances			
Assigned	1,530,921	35,410	1,566,331
Unassigned	(8,337)	-0-	(8,337)
Total fund balances	<u>1,522,584</u>	<u>35,410</u>	<u>1,557,994</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>1,876,394</u>	\$ <u>35,410</u>	\$ <u>1,911,804</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total (Memorandum Only)</u>
Revenues			
Taxes – Ad valorem	\$ 1,537,240	\$ -0-	\$ 1,537,240
Charges for services	816,634	18,082	834,716
Fines and forfeits	110,643	-0-	110,643
Interest	17,555	60	17,615
Donations	27,742	-0-	27,742
Intergovernmental:			
Federal	130,689	-0-	130,689
Contributions from employees	913,572	-0-	913,572
Contributions from employer	1,188,904	-0-	1,188,904
Other	<u>1,302</u>	<u>-0-</u>	<u>1,302</u>
Total revenues	<u>4,744,281</u>	<u>18,142</u>	<u>4,762,423</u>
Expenditures			
General government	5,910	-0-	5,910
Public safety	145,238	-0-	145,238
Highways and streets	649,726	-0-	649,726
Community development	473,048	-0-	473,048
Culture and recreation	1,312,030	-0-	1,312,030
Benefit payments	2,100,511	-0-	2,100,511
Debt service – principle	18,538	-0-	18,538
Debt service – interest	<u>5,939</u>	<u>-0-</u>	<u>5,939</u>
Total expenditures	<u>4,710,940</u>	<u>-0-</u>	<u>4,710,940</u>
Excess of revenues over expenditures	<u>33,341</u>	<u>18,142</u>	<u>51,483</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total (Memorandum Only)</u>
Other Financing Sources (Uses)			
Proceeds from debt financing	\$ 352,356	\$ -0-	\$ 352,356
Operating transfers in	765,407	-0-	765,407
Operating transfers (out)	(883,338)	-0-	(883,338)
Total other financing sources (uses)	<u>234,425</u>	<u>-0-</u>	<u>234,425</u>
 Excess of revenues and other financing sources over expenditures and other financing (uses)	 267,766	 18,142	 285,908
 Fund balance beginning of year	 <u>1,254,818</u>	 <u>17,268</u>	 <u>1,272,086</u>
 Fund balance end of year	 \$ <u>1,522,584</u>	 \$ <u>35,410</u>	 \$ <u>1,557,994</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING FUND BALANCE SHEETS -
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018**

	<u>Police Fund</u>	<u>Tax Increment Financing District Fund</u>	<u>Urban Renewal Authority</u>	<u>Park Board</u>	<u>Park Board Special Levy</u>	<u>Capital Improvement Levy Fund</u>	<u>Dental and Vision Benefit Fund</u>	<u>PEIA Fund</u>	<u>Police National Nightout Fund</u>	<u>Total (Memorandum Only)</u>
ASSETS										
Cash	\$ 302,110	\$ 684,657	\$ 110	\$ 323,667	\$ 108,267	\$ 180,025	\$ 4,663	\$ 166,115	\$ 9,860	\$ 1,779,474
Receivables (net of allowances for uncollectibles of \$7,000)										
Accounts	2,380	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,380
Taxes	-0-	-0-	-0-	-0-	59,736	89,604	-0-	-0-	-0-	149,340
Notes	-0-	-0-	17,723	-0-	-0-	-0-	-0-	-0-	-0-	17,723
Due from/(to) other funds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>42,876</u>	<u>(8,683)</u>	<u>(93,716)</u>	<u>(13,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>(72,523)</u>
TOTAL ASSETS	\$ <u>304,490</u>	\$ <u>684,657</u>	\$ <u>17,833</u>	\$ <u>366,543</u>	\$ <u>159,320</u>	\$ <u>175,913</u>	\$ <u>(8,337)</u>	\$ <u>166,115</u>	\$ <u>9,860</u>	\$ <u>1,876,394</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
COMBINING FUND BALANCE SHEETS -
NONMAJOR SPECIAL REVENUE FUNDS (CONTD)
JUNE 30, 2018**

	<u>Police Fund</u>	<u>Tax Increment Financing District Fund</u>	<u>Urban Renewal Authority</u>	<u>Park Board</u>	<u>Park Board Special Levy</u>	<u>Capital Improvement Levy Fund</u>	<u>Dental and Vision Benefit Fund</u>	<u>PEIA Fund</u>	<u>Police National Nightout Fund</u>	<u>Total (Memorandum Only)</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ 41,302	\$ 4,386	\$ -0-	\$ -0-	\$ 164,019	\$ -0-	\$ 209,707
Accrued payroll	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>16,830</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>16,830</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>58,132</u>	<u>4,386</u>	<u>-0-</u>	<u>-0-</u>	<u>164,019</u>	<u>-0-</u>	<u>226,537</u>
Deferred Inflows										
Deferred Taxes	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50,909</u>	<u>76,364</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>127,273</u>
Fund Balances										
Assigned	304,490	684,657	17,833	308,411	104,025	99,549	-0-	2,096	9,860	1,530,921
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(8,337)</u>	<u>-0-</u>	<u>-0-</u>	<u>(8,337)</u>
Total fund balances	<u>304,490</u>	<u>684,657</u>	<u>17,833</u>	<u>308,411</u>	<u>104,025</u>	<u>99,549</u>	<u>(8,337)</u>	<u>2,096</u>	<u>9,860</u>	<u>1,522,584</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
	\$ <u>304,490</u>	\$ <u>684,657</u>	\$ <u>17,833</u>	\$ <u>366,543</u>	\$ <u>159,320</u>	\$ <u>175,913</u>	\$ <u>(8,337)</u>	\$ <u>166,115</u>	\$ <u>9,860</u>	\$ <u>1,876,394</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Police Fund</u>	<u>Tax Increment Financing District Fund</u>	<u>Urban Renewal Authority</u>	<u>Park Board</u>	<u>Park Board Special Levy</u>	<u>Capital Improvement Levy Fund</u>	<u>Dental and Vision Benefit Fund</u>	<u>PEIA Fund</u>	<u>Police National Nightout Fund</u>	<u>Total (Memorandum Only)</u>
Revenues										
Taxes – Ad Valorem	\$ -0-	\$ 317,017	\$ -0-	\$ -0-	\$ -0-	\$ 1,220,223	\$ -0-	\$ -0-	\$ -0-	\$ 1,537,240
Charges for services	-0-	1,601	-0-	815,033	-0-	-0-	-0-	-0-	-0-	816,634
Fines and forfeits	110,643	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	110,643
Interest	3,074	7,364	1	3,017	1,479	1,781	73	676	90	17,555
Donations	-0-	-0-	-0-	25,547	-0-	-0-	-0-	-0-	2,195	27,742
Intergovernmental:										
Federal	16,545	-0-	-0-	-0-	114,144	-0-	-0-	-0-	-0-	130,689
Contributions from employees	-0-	-0-	-0-	-0-	-0-	-0-	71,879	841,693	-0-	913,572
Contributions from employer	-0-	-0-	-0-	-0-	-0-	-0-	54,127	1,134,777	-0-	1,188,904
Other	36	-0-	-0-	-0-	1,266	-0-	-0-	-0-	-0-	1,302
Total revenues	<u>130,298</u>	<u>325,982</u>	<u>1</u>	<u>843,597</u>	<u>116,889</u>	<u>1,222,004</u>	<u>126,079</u>	<u>1,977,146</u>	<u>2,285</u>	<u>4,744,281</u>
Expenditures										
General government	-0-	-0-	-0-	-0-	-0-	5,886	24	-0-	-0-	5,910
Public safety	60,736	-0-	-0-	-0-	-0-	82,289	-0-	-0-	2,213	145,238
Highways and streets	-0-	-0-	-0-	-0-	-0-	649,726	-0-	-0-	-0-	649,726
Community development	-0-	120,688	352,360	-0-	-0-	-0-	-0-	-0-	-0-	473,048
Culture and recreation	-0-	-0-	-0-	745,748	566,282	-0-	-0-	-0-	-0-	1,312,030
Benefit payments	-0-	-0-	-0-	-0-	-0-	-0-	126,596	1,973,915	-0-	2,100,511
Debt service – principle	-0-	-0-	18,538	-0-	-0-	-0-	-0-	-0-	-0-	18,538
Debt service – interest	-0-	-0-	5,939	-0-	-0-	-0-	-0-	-0-	-0-	5,939
Total expenditures	<u>60,736</u>	<u>120,688</u>	<u>376,837</u>	<u>745,748</u>	<u>566,282</u>	<u>737,901</u>	<u>126,620</u>	<u>1,973,915</u>	<u>2,213</u>	<u>4,710,940</u>
Excess (deficiency) of revenues over (under) expenditures	<u>69,562</u>	<u>205,294</u>	<u>(376,836)</u>	<u>97,849</u>	<u>(449,393)</u>	<u>484,103</u>	<u>(541)</u>	<u>3,231</u>	<u>72</u>	<u>33,341</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS (CONTD)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Tax</u>	<u>Increment</u>	<u>Urban</u>	<u>Park</u>	<u>Park Board</u>	<u>Capital</u>	<u>Dental and</u>	<u>PEJA</u>	<u>Police</u>	<u>Total</u>
	<u>Funding</u>	<u>Renewal</u>	<u>Special</u>	<u>Levy</u>	<u>Improvement</u>	<u>Vision Benefit</u>	<u>Fund</u>	<u>Fund</u>	<u>Nightout</u>	<u>(Memorandum</u>
	<u>District</u>	<u>Authority</u>	<u>Levy</u>	<u>Board</u>	<u>Levy Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Only)</u>
	<u>Fund</u>	<u>Board</u>	<u>Levy</u>	<u>Board</u>	<u>Levy Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Only)</u>
Other Financing Sources (Uses)										
Proceeds from debt financing	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 352,356
Operating transfers in	-0-	24,477	587,330	-0-	150,000	-0-	-0-	-0-	3,600	765,407
Operating transfers (out)	-0-	(150,000)	(100,000)	(100,000)	(487,330)	-0-	-0-	-0-	-0-	(883,338)
Total other financing sources (uses)	<u>-0-</u>	<u>(150,000)</u>	<u>376,833</u>	<u>(100,000)</u>	<u>(337,330)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,600</u>	<u>234,425</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	69,562	(3)	(2,151)	(8,071)	146,773	(541)	(3,231)	3,672	267,766	
Fund balance beginning of year	<u>234,928</u>	<u>629,363</u>	<u>17,836</u>	<u>310,562</u>	<u>(47,224)</u>	<u>(7,796)</u>	<u>(1,135)</u>	<u>6,188</u>	<u>1,254,818</u>	
Fund balance end of year	<u>\$ 304,490</u>	<u>\$ 684,657</u>	<u>\$ 17,833</u>	<u>\$ 308,411</u>	<u>\$ 99,549</u>	<u>\$ (8,337)</u>	<u>\$ 2,096</u>	<u>\$ 9,860</u>	<u>\$ 1,522,584</u>	

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING FUND BALANCE SHEET -
 NONMAJOR DEBT SERVICE FUND
 JUNE 30, 2018

Urban
Renewal
Authority

ASSETS

Cash	\$ <u>35,410</u>
TOTAL ASSETS	\$ <u>35,410</u>

LIABILITIES AND FUND BALANCES

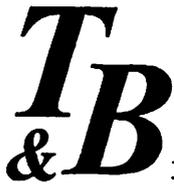
Liabilities	
Accounts payable	\$ <u>-0-</u>
Total liabilities	<u>-0-</u>
 Fund Balances	
Assigned	<u>35,410</u>
Total fund balances	<u>35,410</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>35,410</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Urban Renewal Authority</u>
Revenues	
Charges for services	\$ 18,082
Interest	<u>60</u>
Total revenues	<u>18,142</u>
Excess of revenues over expenditures	18,142
Fund balance beginning of year	<u>17,268</u>
Fund balance end of year	\$ <u>35,410</u>

See accompanying notes and independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**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***

To the Honorable Mayor and Council
Municipality of Clarksburg
Clarksburg, West Virginia

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, the aggregate discretely presented component units, the blended component units, each major fund, and the aggregate remaining fund information of the Municipality of Clarksburg, West Virginia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Municipality of Clarksburg, West Virginia's basic financial statements and have issued our report thereon dated January 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality of Clarksburg, West Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality of Clarksburg, West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality of Clarksburg, West Virginia'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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item #2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality of Clarksburg, West Virginia's financial statements are free of 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 determination of financial statement amounts. 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Municipality of Clarksburg, West Virginia's Response to Findings

Municipality of Clarksburg, West Virginia's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. Municipality of Clarksburg, West Virginia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Detrick A. Bantel, Ph.D.

Clarksburg, West Virginia
January 19, 2019

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

Finding #2018-001 Timely Deposits of Funds

Criteria: All funds received by the Municipality should be deposited in a financial institution in a timely manner.

Condition: It was noted during our audit that there were no deposits made during the fiscal year for police evidence funds that were confiscated property.

Cause: The Municipality failed to deposit the funds timely.

Effect: The failure to timely deposit funds could result in funds being misplaced or misappropriated.

Recommendation: The Municipality should adhere to its policies and controls and ensure that all police evidence funds that were confiscated property is deposited in a financial institution in a timely manner.

View of Responsible Officials and Planned Corrective Action: A policy is being implemented to ensure that all police evidence funds that are confiscated are deposited into the financial institution in a timely manner. While the funds may not have been deposited in a timely manner in fiscal year 2016-2018, please note that funds were secured in a locked evidence room, with access limited to only the Chief and Deputy Chief of Police.

Status: This condition was reported in the prior year's audit as finding #2017-001.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
United States Department of Justice					
<i>Bureau of Justice Assistance</i>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0290	\$ 14,075	\$ 14,075	\$ 14,075
ARRA – Edward Byrne Memorial Justice Assistance Grant	16.803		2,470	2,470	2,470
United States Department of Justice					
<i>Bureau of Justice Assistance</i>					
<u>State of West Virginia Division of Justice and Community Services</u>					
Edward Byrne Memorial Formula Grant Program	16.579	17-JAG-05	18,00	18,000	18,000
United States Department of Justice/Violence Against Women Office					
<u>West Virginia Division of Justice and Community Services</u>					
<u>Task Force on Domestic Violence</u>					
ARRA – Violence Against Women Formula Grant	16.588		43,176	<u>1,290</u>	<u>1,290</u>
Total United States Department of Justice				<u>35,835</u>	<u>35,835</u>
United States Department of Agriculture					
<i>Rural Housing Service</i>					
Community Facilities Loans and Grants	10.766		1,616,033	<u>128,431</u>	<u>128,431</u>
Total United States Department of Agriculture – CFDA 10.766				<u>128,431</u>	<u>128,431</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Receipts or Revenues Recognized</u>	<u>Federal Disbursements/ Expenditures</u>
National Endowment for the Arts					
<u>State of West Virginia Division of Culture and History</u> Promotion of Arts Partnership Agreements	45.025	AH17-7876	\$ 255,270	\$ <u>52,355</u>	\$ <u>52,355</u>
Total National Endowment for the Arts – CFDA 45.025				<u>52,355</u>	<u>52,355</u>
United States Department of Transportation/National Highway Traffic Safety Administration					
<i>West Virginia Department of Transportation/West Virginia Division of Motor Vehicles</i>					
State and Community Highway Safety	20.600	F17-HS-05-402	\$ 143,600	\$ 20,262	\$ 20,262
State and Community Highway Safety	20.600	F17-HS-05-405B	44,500	12,033	12,033
State and Community Highway Safety	20.600	F17-HS-45-405D	218,500	27,744	27,744
State and Community Highway Safety	20.600	F17-HS-05-DOHWZ	10,000	4,969	4,969
State and Community Highway Safety	20.600	F17-HS-05-DHHR	22,500	13,974	13,974
State and Community Highway Safety	20.600	F18-HS-05-402	131,300	67,535	67,535
State and Community Highway Safety	20.600	F18-HS-05-405D	180,500	56,119	56,119
State and Community Highway Safety	20.600	F18-HS-05-406	2,500	2,500	2,500
State and Community Highway Safety	20.600	F18-HS-05-405B	44,500	44,500	44,500
State and Community Highway Safety	20.600	F18-HS-05-DOHDD	30,000	<u>14,534</u>	<u>14,534</u>
Total United States Department of Transportation – CFDA 20.600				<u>264,170</u>	<u>264,170</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Executive Office of the President

*Financial Commission for Appalachia High Intensity Drug Trafficking Area
Laurel County Fiscal Court*

High Intensity Drug Trafficking Areas Program	95.001	G18AP0001A	\$ 22,250	\$ 8,605	\$ 8,605
High Intensity Drug Trafficking Areas Program	95.001	G17AP0001A	38,250	<u>9,503</u>	<u>9,503</u>

Total Executive Office of the President – CFDA 95.001				<u>18,108</u>	<u>18,108</u>
---	--	--	--	---------------	---------------

United States Department of Health and Human Services

*West Virginia Department of Health and Human Resources
Bureau of Behavioral Health and Health Facilities: Office of Programs
and Policies*

Substance Abuse and Mental Health Service Projects of Regional and National Significance	93.243	G180574	30,000	<u>20,786</u>	<u>20,786</u>
--	--------	---------	--------	---------------	---------------

Total United States Department of Health and Human Services – CFDA 93.243				<u>20,786</u>	<u>20,786</u>
---	--	--	--	---------------	---------------

United States Department of the Interior/National Park Service

*West Virginia Department of Commerce
West Virginia Development Office*

Land and Water Conservation Fund	15.916	16LWCF0517	33,933	21,789	21,789
Land and Water Conservation Fund	15.916	16LWCF0511	40,000	<u>40,000</u>	<u>40,000</u>

Total United States Department of the Interior – CFDA 15.916				<u>61,789</u>	<u>61,789</u>
--	--	--	--	---------------	---------------

Total Federal Assistance				\$ <u>581,474</u>	\$ <u>581,474</u>
---------------------------------	--	--	--	--------------------------	--------------------------

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Municipality of Clarksburg, West Virginia under programs of the federal government for the year ended June 30, 2018. Because the Schedule presents only a selected portion of the operations of the Municipality of Clarksburg, West Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Municipality of Clarksburg, West Virginia.

Note B – Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Note C – Outstanding Loan Balance

The United States Department of Agriculture, Rural Housing Service, Community Facilities Loans and Grants program (CFDA 10.755) is the Municipality's Sales Tax Revenue Bonds, Series 2016A that was purchased in its entirety by the United States Department of Agriculture. The outstanding balance on this bond issue at June 30, 2018 was \$1,542,328.

See independent auditor's report.