

**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, 2019
RFP #19-061 (Harrison County)

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
MUNICIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General
Coal Severance Tax
Municipal Sales and Use Tax Fund

PROPRIETARY FUND TYPES

MAJOR FUNDS

Municipal Building Commission

NONMAJOR FUNDS

Special Revenue Funds

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

Debt Service Fund

Urban Renewal Authority

FIDUCIARY FUND TYPES

Pension Trust

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

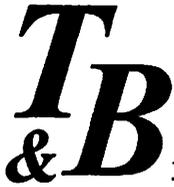
COMPONENT UNITS

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, 2019 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, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements for the year ended June 30, 2019, the Municipality of Clarksburg, West Virginia adopted new accounting guidance, GASB 83 – *Certain Asset Retirement Obligations* and GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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 revenues, expenditures and changes in fund balance – budget and actual – General Fund – budgetary basis, schedule of revenues, expenditures and changes in fund balance – Coal Severance Fund – budgetary basis, 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 92 through 110 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 and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures 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, fiduciary 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 February 11, 2020, 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.

Detrick . Baillou . PHC

Clarksburg, West Virginia
February 11, 2020

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental</u>	<u>Business</u>	<u>Total</u>	<u>Component Units</u>	
				<u>Activities</u>	<u>Type</u>
		<u>Activities</u>		<u>Board</u>	<u>Authority</u>
Assets					
Cash	\$ 5,320,406	\$ 790,937	\$ 6,111,343	\$ 818,698	\$ 35,841
Receivables	5,000,143	-0-	5,000,143	1,028,716	-0-
Due to/from other activities	(8,811)	-0-	(8,811)	8,811	-0-
Inventory	-0-	-0-	-0-	313,173	-0-
Restricted assets	-0-	970,576	970,576	694,082	-0-
Capital assets, net	<u>19,148,338</u>	<u>28,793,781</u>	<u>47,942,119</u>	<u>19,169,458</u>	<u>6,196,870</u>
Total assets	<u>29,460,076</u>	<u>30,555,294</u>	<u>60,015,370</u>	<u>22,032,938</u>	<u>6,232,711</u>
Deferred Outflows of Resources					
Deferred outflows - WVPERS	414,416	-0-	414,416	179,800	-0-
Deferred outflows - Police and Fire Pension	1,543,964	-0-	1,543,964	-0-	-0-
Deferred outflows - WVRHBT	<u>548,954</u>	<u>-0-</u>	<u>548,954</u>	<u>92,778</u>	<u>1,221</u>
Total deferred outflows of resources	<u>2,507,334</u>	<u>-0-</u>	<u>2,507,334</u>	<u>272,578</u>	<u>1,221</u>
Liabilities					
Accounts payable	372,079	\$ -0-	\$ 372,079	\$ 73,367	\$ 2,968
Accrued payroll	99,941	-0-	99,941	-0-	-0-
Accrued interest payable	-0-	8,512	8,512	-0-	-0-
Long-term liabilities					
Due within one year	901,785	755,223	1,657,008	901,403	-0-
Due in more than one year	<u>53,195,732</u>	<u>16,864,028</u>	<u>70,059,760</u>	<u>11,537,533</u>	<u>7,384</u>
Total liabilities	<u>54,569,537</u>	<u>17,627,763</u>	<u>72,197,300</u>	<u>12,512,303</u>	<u>10,352</u>
Deferred Inflows of Resources					
Deferred inflows - WVPERS	352,673	-0-	352,673	152,384	-0-
Deferred inflows - Police and Fire Pension	2,602,374	-0-	2,602,374	-0-	-0-
Deferred inflows - WVRHBT	<u>716,749</u>	<u>-0-</u>	<u>716,749</u>	<u>121,777</u>	<u>1,595</u>
Total deferred inflows of resources	<u>3,671,796</u>	<u>-0-</u>	<u>3,671,796</u>	<u>274,161</u>	<u>1,595</u>
Net Position					
Net investment in capital assets	17,600,346	11,174,530	28,774,876	7,632,144	6,196,870
Restricted	-0-	970,576	970,576	694,082	-0-
Unrestricted	<u>(43,874,269)</u>	<u>782,425</u>	<u>(43,091,844)</u>	<u>1,192,826</u>	<u>25,115</u>
Total net position	\$ <u>(26,273,923)</u>	\$ <u>12,927,531</u>	\$ <u>(13,346,392)</u>	\$ <u>9,519,052</u>	\$ <u>6,221,985</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<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>
Governmental Activities									
General government	\$ 3,115,573	\$ 637,956	\$ 15,000	\$ -0-	\$ (2,462,617)	\$ -0-	\$ (2,462,617)	\$ -0-	\$ -0-
Public safety	9,513,301	1,951,742	613,279	-0-	(6,948,280)	-0-	(6,948,280)	-0-	-0-
Highways and streets	5,316,670	-0-	-0-	646,177	(4,670,493)	-0-	(4,670,493)	-0-	-0-
Health and sanitation	442,489	7,110	-0-	-0-	(435,379)	-0-	(435,379)	-0-	-0-
Community development	16,376	43,180	-0-	-0-	26,804	-0-	26,804	-0-	-0-
Culture and recreation	3,196,856	936,632	36,564	-0-	(2,223,660)	-0-	(2,223,660)	-0-	-0-
Social services	25,500	-0-	-0-	-0-	(25,500)	-0-	(25,500)	-0-	-0-
Benefit payments	<u>2,105,072</u>	<u>-0-</u>	<u>1,959,506</u>	<u>-0-</u>	<u>(145,566)</u>	<u>-0-</u>	<u>(145,566)</u>	<u>-0-</u>	<u>-0-</u>
Total governmental activities	<u>23,731,837</u>	<u>3,576,620</u>	<u>2,624,349</u>	<u>646,177</u>	<u>(16,884,691)</u>	<u>-0-</u>	<u>(16,884,691)</u>	<u>-0-</u>	<u>-0-</u>
Business-Type Activities									
Municipal Building Commission	<u>1,182,815</u>	<u>-0-</u>	<u>3,146,836</u>	<u>-0-</u>	<u>-0-</u>	<u>1,964,021</u>	<u>1,964,021</u>	<u>-0-</u>	<u>-0-</u>
Total business-type activities	<u>1,182,815</u>	<u>-0-</u>	<u>3,146,836</u>	<u>-0-</u>	<u>-0-</u>	<u>1,964,021</u>	<u>1,964,021</u>	<u>-0-</u>	<u>-0-</u>
Total primary government	\$ <u>24,914,652</u>	\$ <u>3,576,620</u>	\$ <u>5,771,185</u>	\$ <u>646,177</u>	<u>(16,884,691)</u>	<u>1,964,021</u>	<u>(14,920,670)</u>	<u>-0-</u>	<u>-0-</u>
Component Units									
Sanitary Board	\$ 4,712,547	\$ 4,804,482	\$ -0-	\$ -0-	-0-	-0-	-0-	91,935	-0-
Parking Authority	<u>228,943</u>	<u>155,014</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(73,929)</u>
Total component units	\$ <u>4,941,490</u>	\$ <u>4,959,496</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>91,935</u>	<u>(73,929)</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF ACTIVITIES (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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					\$ 4,165,676	\$ -0-	\$ 4,165,676	\$ -0-	\$ -0-
Excise utility					738,797	-0-	738,797	-0-	-0-
Business and occupation					7,823,665	-0-	7,823,665	-0-	-0-
Alcoholic beverage					132,062	-0-	132,062	-0-	-0-
Hotel occupancy					393,381	-0-	393,381	-0-	-0-
Animal control					4,793	-0-	4,793	-0-	-0-
Oil and gas					34,822	-0-	34,822	-0-	-0-
Municipal sales and use tax					4,460,847	-0-	4,460,847	-0-	-0-
Licenses and permits					366,354	-0-	366,354	-0-	-0-
Franchises fees					189,096	-0-	189,096	-0-	-0-
Interest and investment earnings					34,645	7,776	42,421	21,147	300
Intergovernmental – state					51,389	-0-	51,389	-0-	-0-
Video lottery and gaming income					110,683	-0-	110,683	-0-	-0-
Miscellaneous					61,866	-0-	61,866	2,763	-0-
Total general revenues					<u>18,568,076</u>	<u>7,776</u>	<u>18,575,852</u>	<u>23,910</u>	<u>300</u>
Change in net position before transfers					1,683,385	1,971,797	3,655,182	115,845	(73,629)
Operating transfers in (out)					(107,912)	107,912	-0-	-0-	-0-
Change in net position					1,575,473	2,079,709	3,655,182	115,845	(73,629)
Net position – beginning – restated					(27,849,396)	10,847,822	(17,001,574)	9,403,207	6,295,614
Net position – ending					\$ (26,273,923)	\$ 12,927,531	\$ (13,346,392)	\$ 9,519,052	\$ 6,221,985

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
FUND BALANCE SHEETS -
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<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	\$ 2,132,138	\$ 33,333	\$ 1,920,293	\$ 1,234,642	\$ 5,320,406
Receivables, net of allowances:					
Accounts	1,070,820	-0-	-0-	8,561	1,079,381
Taxes	2,362,195	16,805	1,140,737	169,920	3,689,657
Grants	161,630	-0-	-0-	-0-	161,630
Other	51,752	-0-	-0-	-0-	51,752
Note	-0-	-0-	-0-	17,723	17,723
Due to/(from) other activities	(266,244)	-0-	77,056	180,377	(8,811)
TOTAL ASSETS	\$ 5,512,291	\$ 50,138	\$ 3,138,086	\$ 1,611,223	\$ 10,311,738
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 183,278	\$ -0-	\$ -0-	\$ 188,801	\$ 372,079
Accrued payroll	728,197	-0-	-0-	20,974	749,171
Total liabilities	<u>911,475</u>	<u>-0-</u>	<u>-0-</u>	<u>209,775</u>	<u>1,121,250</u>
Deferred Inflows of Resources					
Deferred revenue – taxes	301,417	-0-	-0-	142,257	443,674
Total deferred inflows of resources	<u>301,417</u>	<u>-0-</u>	<u>-0-</u>	<u>142,257</u>	<u>443,674</u>
Fund Balances					
Committed	-0-	50,138	-0-	-0-	50,138
Assigned	-0-	-0-	3,138,086	1,410,300	4,548,386
Unassigned	4,299,399	-0-	-0-	(151,109)	4,148,290
Total fund balance	<u>4,299,399</u>	<u>50,138</u>	<u>3,138,086</u>	<u>1,259,191</u>	<u>8,746,814</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,512,291	\$ 50,138	\$ 3,138,086	\$ 1,611,223	\$ 10,311,738

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, 2019**

Fund balance, fund level statement June 30, 2019 \$ 8,746,814

The total fund balance of the Municipality of Clarksburg, West Virginia's governmental funds differs 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	(617,576)
Obligation under capital lease	(1,142,415)
Net pension obligation payable	(47,964,613)
Other postemployment benefit obligations	(3,318,106)
Notes payable	(405,577)

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. 19,148,338

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 – WVPERS	414,416
Deferred outflow – Police and Fire Pensions	1,543,964
Deferred outflow – WVRHBT	548,954
Deferred inflow – WVPERS	(352,673)
Deferred inflow – Police and Fire Pensions	(2,602,374)
Deferred inflow – WVRHBT	(716,749)

Some revenues are reported as deferred in the governmental funds:

Deferred revenue	<u>443,674</u>
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Net position of governmental activities \$ (26,273,923)

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, 2019**

	<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	\$ 2,777,916	\$ -0-	\$ -0-	\$ 1,362,898	\$ 4,140,814
Excise utility	738,797	-0-	-0-	-0-	738,797
Business and occupation	7,824,903	-0-	-0-	-0-	7,824,903
Alcoholic beverage	132,062	-0-	-0-	-0-	132,062
Hotel occupancy	393,381	-0-	-0-	-0-	393,381
Animal control	4,793	-0-	-0-	-0-	4,793
Oil and gas	34,822	-0-	-0-	-0-	34,822
Municipal sales and use tax	-0-	-0-	4,460,847	-0-	4,460,847
Licenses and permits	366,354	-0-	-0-	-0-	366,354
Charges for services	2,118,333	-0-	-0-	977,432	3,095,765
Fines and forfeits	347,514	-0-	-0-	133,341	480,855
Franchise fees	189,096	-0-	-0-	-0-	189,096
Interest	7,199	242	10,997	16,207	34,645
Donations	16,557	-0-	-0-	23,180	39,737
Intergovernmental:					
Federal	1,034,507	-0-	-0-	21,896	1,056,403
State	214,880	51,389	-0-	-0-	266,269
Contributions from employees	-0-	-0-	-0-	330,612	330,612
Contributions from employer	-0-	-0-	-0-	1,628,894	1,628,894
Video lottery and gaming income	110,683	-0-	-0-	-0-	110,683
Other	39,506	-0-	-0-	5,974	45,480
Total revenue	<u>16,351,303</u>	<u>51,631</u>	<u>4,471,844</u>	<u>4,500,434</u>	<u>25,375,212</u>
Expenditures					
General government	3,060,477	276	55,457	653	3,116,863
Public safety	8,538,085	15,312	1,000,000	343,856	9,897,253
Highways and streets	3,054,149	3,827	1,236,836	783,769	5,078,581
Health and sanitation	558,158	768	-0-	-0-	558,926
Community development	-0-	-0-	-0-	16,376	16,376
Culture and recreation	1,574,426	7,000	-0-	1,446,016	3,027,442
Social services	25,500	-0-	-0-	-0-	25,500
Benefit payments	-0-	0-	-0-	2,105,072	2,105,072
Debt service – principal	-0-	-0-	-0-	68,853	68,853
Debt service – interest	-0-	-0-	-0-	14,434	14,434
Total expenditures	<u>16,810,795</u>	<u>27,183</u>	<u>2,292,293</u>	<u>4,779,029</u>	<u>23,909,300</u>
Excess (deficiency) of revenues over (under) expenditures	(459,492)	24,448	2,179,551	(278,595)	1,465,912

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 108,606	\$ -0-	\$ -0-	\$ 16,380	\$ 124,986
Operating transfers in	3,483,444	-0-	1,779,424	771,067	6,033,935
Operating transfers (out)	(1,179,073)	-0-	(4,155,119)	(807,655)	(6,141,847)
Total other financing sources (uses)	<u>2,412,977</u>	<u>-0-</u>	<u>(2,375,695)</u>	<u>(20,208)</u>	<u>17,074</u>
Net change in fund balance	1,953,485	24,448	(196,144)	(298,803)	1,482,986
Fund balance at beginning of year – restated	<u>2,345,914</u>	<u>25,690</u>	<u>3,334,230</u>	<u>1,557,994</u>	<u>7,263,828</u>
Fund balance at end of year	\$ <u>4,299,399</u>	\$ <u>50,138</u>	\$ <u>3,138,086</u>	\$ <u>1,259,191</u>	\$ <u>8,746,814</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, 2019**

Net change in fund balances – total governmental funds	\$ 1,482,986
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.	(659,568)
Revenues in the Statement of Activities that do not provided current financial resources are not reported as revenues in the funds:	
Change in deferred revenue	23,624
Capital leases provide current financial resources to governmental funds, but entering into capital leases increases long-term liabilities in the Statement of Net Assets. Repayment of capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Repayment of obligation under capital lease	160,858
Proceeds from obligation under capital lease	(108,600)
Notes payable provide current financial resources to governmental funds, but entering into notes payable increases long-term liabilities in the Statement of Net Assets. Repayment of notes payable is an expenditure of the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
Repayment of notes payable	82,990
Proceeds from notes payable	(16,380)
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.	
Change in net pension obligation	458,030
Change in OPEB obligation	143,301
Accrued compensated absences	<u>8,232</u>
Change in net assets of governmental activities	\$ <u>1,575,473</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
JUNE 30, 2019

Business-Type Activities
Municipal Building
Commission

ASSETS

Current Assets

Cash	\$ <u>790,937</u>
Total current assets	<u>790,937</u>

Noncurrent Assets

Restricted assets	<u>970,576</u>
Total noncurrent assets	<u>970,576</u>

Capital Assets

Buildings	32,942,754
Equipment	179,691
Less: Accumulated depreciation	(4,328,664)
Net capital assets	<u>28,793,781</u>

Total assets	\$ <u>30,555,294</u>
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LIABILITIES AND NET POSITION

Current Liabilities (payable from restricted assets)

Revenue bonds payable	\$ 755,223
Accrued revenue bond interest payable	<u>8,512</u>
Total current liabilities (payable from restricted assets)	<u>763,735</u>

Long-Term Liabilities (net of current portion)

Revenue bonds payable	<u>16,864,028</u>
Total long-term liabilities (net of current portion)	<u>16,864,028</u>

Total liabilities	<u>17,627,763</u>
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Net Position

Net investment in capital assets	11,174,530
Restricted for debt service	970,576
Unrestricted	<u>782,425</u>
Total net position	\$ <u>12,927,531</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, 2019**

	<u>Business-Type Activities</u> <u>Municipal Building</u> <u>Commission</u>
Operating Expenses	
Depreciation	\$ <u>737,256</u>
Total operating expenses	<u>737,256</u>
 Operating income (loss)	 (<u>737,256</u>)
Nonoperating Revenues (Expenses)	
Interest	7,776
Contributions	3,146,836
Interest and fiscal charges	(<u>445,559</u>)
Total nonoperating revenues (expenses)	<u>2,709,053</u>
 Change in net position before operating transfers in (out)	 1,971,797
Operating transfers in (out)	<u>107,912</u>
 Change in net position	 2,079,709
 Total net position – beginning	 <u>10,847,822</u>
 Total net position – ending	 \$ <u>12,927,531</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, 2019**

	<u>Municipal Building Commission</u>
Cash Flows from Operating Activities	
Payments to suppliers	\$ <u>-0-</u>
Net cash provided by (used in) operating activities	<u>-0-</u>
Cash Flows from Noncapital Financing Activities	
Contributions from other funds	<u>107,912</u>
Net cash provided by noncapital financing activities	<u>107,912</u>
Cash Flows from Capital and Related Financing Activities	
Repayment of revenue bonds	(401,257)
Repayment of bond anticipation notes	(11,337,059)
Proceeds from revenue bonds	11,250,000
Proceeds from bond anticipation notes	340,075
Acquisition of capital assets	(1,107,325)
Donations from other entities	3,146,836
(Increase) in restricted assets	(970,576)
Interest expense	(447,305)
Net cash provided by capital and related financing activities	<u>473,389</u>
Cash Flows from Investing Activities	
Interest on investments	<u>7,775</u>
Net cash provided by investing activities	<u>7,775</u>
Net increase in cash	589,076
Cash at beginning of year	<u>201,861</u>
Cash at end of year	\$ <u>790,937</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (737,256)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	<u>737,256</u>
Net cash provided by (used in) operating activities	\$ <u>-0-</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 FIDUCIARY RESPONSIBILITIES
 STATEMENT OF NET POSITION
 JUNE 30, 2019

	<u>Pension Trust Funds</u>
Assets	
Cash	\$ 88,879
Investments:	
Cash reserves	2,495,259
Federal government securities	1,011,908
Mutual funds	12,253,215
Certificates of deposit	248,833
Corporate bonds	1,569,075
Corporate stocks	1,652,631
Receivables:	
Accrued interest	<u>13,675</u>
Total assets	<u>19,333,475</u>
Liabilities	
Accounts payable	<u>-0-</u>
Total liabilities	<u>-0-</u>
Net Position	
Held in trust for pension benefits	\$ <u>19,333,475</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, 2019**

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 3,154,816
Employee	359,198
Insurance premium tax allocation	<u>892,627</u>
Total contributions	<u>4,406,641</u>
Investment income:	
Net appreciation in fair value of investments	279,414
Net gain (loss) on sale of investments	356,146
Interest and dividends	<u>297,811</u>
Total investment income	<u>933,371</u>
Miscellaneous	<u>882</u>
Total additions	<u>5,340,894</u>
Deductions	
General and administrative	139,759
Benefit payments	<u>2,659,412</u>
Total deductions	<u>2,799,171</u>
Net increase	2,541,723
Net position – beginning of year	<u>16,791,752</u>
Net position – end of year	\$ <u>19,333,475</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, 2019**

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, 2019**

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, 2019**

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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

(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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

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, 2019**

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
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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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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The rates levied by the Municipality per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2019, 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	\$ 202,259,312	25.00 cents	12.50 cents
Class IV	\$ 420,564,011	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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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:

<u>Assets</u>	<u>Years</u>
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.

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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

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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.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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8. Change in Accounting Principle

During the year ended June 30, 2019, the Municipality adopted the following GASB statements:

GASB 83 – *Certain Asset Retirement Obligations* – This Statement enhances the 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 enhances the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. This statement was effective for reporting periods beginning after June 15, 2018 and had no effect on the accompanying financial statements.

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 was effective for reporting periods beginning after June 15, 2018 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, 2019:

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.

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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, 2020.

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 an amendment of GASB Statements No. 14 and No. 61* – This Statement's objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. This statement is effective for reporting periods beginning after December 15, 2018.

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GASB 91 – Conduit Debt Obligations – This Statement's objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for reporting periods beginning after December 15, 2020.

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.

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.

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11. Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits liability and deferred outflows/inflows of the resources related to other postemployment benefits, information about the fiduciary net position of Municipality of Clarksburg, West Virginia OPEB Plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the West Virginia Retiree Health Benefit Trust Fund. 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.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

13. 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 \$2,120,615.

14. 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.

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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 no material supplementary budgetary appropriations throughout the year:

III. Detailed Notes on All Funds

A. Deposits and Investments

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

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Police's Pension and Relief			
TD Ameritrade Cash	\$ 721,003	\$ 721,003	\$ -0-
Mutual Funds	<u>8,590,457</u>	<u>8,455,998</u>	<u>134,459</u>
	<u>\$ 9,311,460</u>	<u>\$ 9,177,001</u>	<u>\$ 134,459</u>

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	<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			
TD Ameritrade cash	\$ 721,003	AAA	AAA
Mutual funds	<u>8,590,457</u>	N/A	N/A
	<u>\$ 9,311,460</u>		

<u>Interest Rate Risk</u>	<u>Less Than 1 Year</u>	<u>1 – 5 Years</u>	<u>6 – 10 Years</u>	<u>Over 10 Years</u>	<u>Total</u>
TD Ameritrade cash	\$ 721,003	\$ -0-	\$ -0-	\$ -0-	\$ 721,003
Mutual funds	<u>8,590,457</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,590,457</u>
	<u>\$ 9,311,460</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 9,311,460</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>
TD Ameritrade Cash Reserves	\$ 721,003	7.74%
Fidelity 500 Index Retail	1,461,381	15.69%
Fidelity New Insights	1,762,490	18.93%
Fidelity Total Bond	1,162,838	12.49%
Fidelity Secs Fd Adv Real Estate	744,066	7.99%
Fidelity Advisor Strategic Income	1,155,711	12.41%
Parnassus Mid Cap Fund	1,170,287	12.57%
Wasatch Ultra Growth Fund	911,246	9.79%

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

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Firemen's Pension and Relief			
Fidelity government cash reserves	\$ 1,774,256	\$ 1,774,256	\$ -0-
Federal government securities	1,011,908	999,000	12,908
Mutual funds	3,662,758	2,189,705	1,473,053
Certificates of deposit	248,833	249,236	(403)
Corporate bonds	1,569,075	1,559,365	9,710
Corporate stocks	<u>1,652,631</u>	<u>892,317</u>	<u>760,314</u>
	\$ <u>9,919,461</u>	\$ <u>7,663,879</u>	\$ <u>2,255,582</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	\$ 1,774,256	AAA	AAA
Federal government securities	1,011,908	AAA	AAA
Mutual funds	3,662,758	N/A	N/A
Certificates of deposit	248,833	N/A	N/A
Corporate bonds	1,569,075	BBB+-AAA	A1-AAA
Corporate stocks	<u>1,652,631</u>	N/A	N/A
	\$ <u>9,919,461</u>		

	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Over 10 Years</u>	<u>Total</u>
Interest Rate Risk					
Fidelity government cash reserves	\$ 1,774,256	\$ -0-	\$ -0-	\$ -0-	\$ 1,774,256
Federal government securities	99,374	150,567	749,993	11,974	1,011,908
Mutual funds	3,662,758	-0-	-0-	-0-	3,662,758
Certificates of deposit	100,007	148,826	-0-	-0-	248,833
Corporate bonds	250,553	1,100,832	97,999	119,691	1,569,075
Corporate stocks	<u>1,652,631</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,652,631</u>
	\$ <u>7,539,579</u>	\$ <u>1,400,225</u>	\$ <u>847,992</u>	\$ <u>131,665</u>	\$ <u>9,919,461</u>

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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	\$ 1,774,256	17.89%
Ishares Russell Midcap Value ETF	622,127	6.27%
Ishares Russell Midcap Growth	531,290	5.36%
Ishares Core S & P Mid Cap ETF	520,423	5.25%
Ishares Russal 2000 Value ETF	507,305	5.11%

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	\$ 282,570	Not Rated	Not Rated
Money market	<u>411,512</u>	Not Rated	Not Rated
	<u>\$ 694,082</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	\$ 282,570	\$ -0-	\$ -0-	\$ -0-	\$ 282,570
Money market	<u>411,512</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>411,512</u>
	<u>\$ 694,082</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 694,082</u>

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At year end, the government had the following investments in Proprietary Funds:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>			
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>		
Municipal Building Commission					
Money Market	\$ <u>970,576</u>	Not Rated	Not Rated		
<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>
Money Market	\$ <u>970,576</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>970,576</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 \$7,054,761, which were collateralized with a depository bond.

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 \$20,895,579. The entire balance is considered secured.

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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	\$	7,054,761
Investments – collateralized and secured		<u>20,895,579</u>
Total	\$	<u>27,950,340</u>
Cash and cash equivalents	\$	7,054,761
Cash and investments – restricted		1,664,658
Investments		<u>19,230,921</u>
Total	\$	<u>27,950,340</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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	\$ 1,070,820	\$ -0-	\$ -0-	\$ 8,561	\$ 1,079,381	\$ -0-	\$ 1,028,716
Taxes	2,362,195	16,805	1,140,737	169,920	3,689,657	-0-	-0-
Grants	161,630	-0-	-0-	-0-	161,630	-0-	-0-
Other	51,752	-0-	-0-	-0-	51,752	-0-	-0-
Notes	-0-	-0-	-0-	17,723	17,723	-0-	-0-
Loan draw downs	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>13,675</u>	<u>-0-</u>
Total	\$ <u>3,646,397</u>	\$ <u>16,805</u>	\$ <u>1,140,737</u>	\$ <u>196,204</u>	\$ <u>5,000,143</u>	\$ <u>13,675</u>	\$ <u>1,028,716</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTD)
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The above receivables are shown net of allowance for doubtful accounts as follows:

	<u>General Fund</u>	<u>Coal Severance Fund</u>	<u>Municipal Sales and Use Tax Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Unit Sanitary Board Fund</u>
Receivables:							
Accounts	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 34,640
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>34,640</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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	\$ 422,684
Business and occupation tax receivable	<u>20,990</u>
 Total deferred revenue for governmental funds	 \$ <u>443,674</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019, 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>9,095,390</u>	<u>278,418</u>	<u>-0-</u>	<u>9,373,808</u>
Totals at historical cost	41,688,547	278,418	-0-	41,966,965
Less: Accumulated depreciation	<u>22,591,168</u>	<u>937,986</u>	<u>-0-</u>	<u>23,529,154</u>
Total depreciable assets – net	<u>19,097,379</u>	<u>(659,568)</u>	<u>-0-</u>	<u>18,437,811</u>
Governmental activities capital assets – net	\$ <u>19,807,906</u>	\$ <u>(659,568)</u>	\$ <u>-0-</u>	\$ <u>19,148,338</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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Depreciation expense was charged to governmental activities as follows:

General government	\$ 142,419
Public safety	208,044
Highways and streets	370,233
Health and sanitation	21,047
Culture and recreation	<u>196,243</u>
	\$ <u>937,986</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>21,072,461</u>	\$ <u>-0-</u>	\$ <u>21,072,461</u>	\$ <u>-0-</u>
Total nondepreciable assets	<u>21,072,461</u>	<u>-0-</u>	<u>21,072,461</u>	<u>-0-</u>
Depreciable Assets:				
Buildings	10,762,968	22,179,786	-0-	32,942,754
Equipment	<u>179,691</u>	<u>-0-</u>	<u>-0-</u>	<u>179,691</u>
Total at historical cost	10,942,659	22,179,786	-0-	33,122,445
Less: Accumulated depreciation	<u>3,591,408</u>	<u>737,256</u>	<u>-0-</u>	<u>4,328,664</u>
Total depreciable assets	<u>7,351,251</u>	<u>21,442,530</u>	<u>-0-</u>	<u>28,793,781</u>
Business-type activities capital assets – net	\$ <u>28,423,712</u>	\$ <u>21,442,530</u>	\$ <u>21,072,461</u>	\$ <u>28,793,781</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
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	<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>216,250</u>	<u>174,550</u>	<u>-0-</u>	<u>390,800</u>
Total nondepreciable assets	<u>300,315</u>	<u>174,550</u>	<u>-0-</u>	<u>474,865</u>
Depreciable Assets:				
Buildings	1,532,698	-0-	-0-	1,532,698
Structures and improvements	7,895,033	-0-	-0-	7,895,033
Transmission and distribution	<u>28,639,682</u>	<u>158,378</u>	<u>-0-</u>	<u>28,798,060</u>
Total at historical cost	38,067,413	158,378	-0-	38,225,791
Less: Accumulated depreciation	<u>18,817,993</u>	<u>713,205</u>	<u>-0-</u>	<u>19,531,198</u>
Total depreciable assets – net	<u>19,249,420</u>	<u>(554,827)</u>	<u>-0-</u>	<u>18,694,593</u>
Business-type activities capital assets – net	\$ <u>19,549,735</u>	\$ <u>(380,277)</u>	\$ <u>-0-</u>	\$ <u>19,169,458</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
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	<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	\$ <u>2,543,901</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>2,543,901</u>
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>4,673,582</u>	<u>109,937</u>	<u>-0-</u>	<u>4,783,519</u>
Total depreciable assets – net	<u>3,762,906</u>	<u>(109,937)</u>	<u>-0-</u>	<u>3,652,969</u>
Business-type activities capital assets – net	\$ <u>6,306,807</u>	\$ <u>(109,937)</u>	\$ <u>-0-</u>	\$ <u>6,196,870</u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Tax Increment Financing District	Financial Stabilization Fund	\$ 267,000
Park Board	Park Board Special Levy	\$ 42,876
Park Board Special Levy	Capital Levy Improvement Fund	\$ 34,193
Capital Levy Improvement Fund	General Fund	\$ 198,477
Financial Stabilization Fund	Capital Levy Improvement Fund	\$ 272,100
General Fund	Dental and Vision Benefit Fund	\$ 13,000
Sanitary Board	General Fund	\$ 8,811
Municipal Sales and Use Tax Fund	General Fund	\$ 77,056

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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>Park Board</u>	<u>Municipal Sales and Use Tax Fund</u>	<u>General Fund</u>	<u>Total</u>
<u>Transfers Out:</u>								
Urban Renewal Authority	\$ -0-	\$ -0-	\$ 32,049	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 32,049
Park Board Special Levy Fund	-0-	-0-	146,008	-0-	-0-	-0-	-0-	146,008
Municipal Building Commission	-0-	-0-	-0-	-0-	-0-	1,779,424	232,048	2,011,472
Municipal Sales and Use Tax Fund	-0-	-0-	903,723	-0-	-0-	-0-	3,251,396	4,155,119
Park Board	125,528	-0-	-0-	-0-	-0-	-0-	-0-	125,528
Capital Improvement Levy Fund	504,070	-0-	-0-	-0-	-0-	-0-	-0-	504,070
General Fund	<u>20,000</u>	<u>3,600</u>	<u>1,037,604</u>	<u>83,288</u>	<u>34,581</u>	<u>-0-</u>	<u>-0-</u>	<u>1,179,073</u>
Total	\$ <u>649,598</u>	\$ <u>3,600</u>	\$ <u>2,119,384</u>	\$ <u>83,288</u>	\$ <u>34,581</u>	\$ <u>1,779,424</u>	\$ <u>3,483,444</u>	\$ <u>8,153,319</u>

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

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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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>50,138</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>50,138</u>
Assigned:					
Public safety	-0-	-0-	-0-	382,717	382,717
Capital improvements	-0-	-0-	-0-	115,899	115,899
General government	-0-	-0-	3,138,086	-0-	3,138,086
Culture and recreation	-0-	-0-	-0-	359,976	359,976
Community development	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>551,708</u>	<u>551,708</u>
Total assigned	<u>-0-</u>	<u>-0-</u>	<u>3,138,086</u>	<u>1,410,300</u>	<u>4,548,386</u>
Unassigned	<u>4,299,399</u>	<u>-0-</u>	<u>-0-</u>	<u>(151,109)</u>	<u>4,148,290</u>
Total fund balance	\$ <u>4,299,399</u>	\$ <u>50,138</u>	\$ <u>3,138,086</u>	\$ <u>1,259,191</u>	\$ <u>8,746,814</u>

It was determined during this examination that the Dental and Vision Benefit Fund had a deficit fund balance of \$9,014. It was also determined during this examination that the PEIA Fund had a deficit fund balance of \$142,095. The elimination of these deficit fund balances are 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 \$26,273,923 at June 30, 2019. The elimination of this deficit is dependent on the increase of revenues and decrease of expenditures in future periods.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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F. Long-Term Debt

Long-term liability activity for Governmental Activities for the year ended June 30, 2019 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>
Governmental Activities						
Obligation under capital lease	\$ 1,194,673	\$ 108,600	\$ 160,858	\$ 1,142,415	\$ 159,915	\$ 982,500
Accrued compensated absences	1,275,038	-0-	8,232	1,266,806	649,230	617,576
Accrued other postemployment benefit obligations	3,489,260	-0-	171,154	3,318,106	-0-	3,318,106
Net pension obligation	47,614,317	350,296	-0-	47,964,613	-0-	47,964,613
General obligation notes payable	<u>472,187</u>	<u>16,380</u>	<u>82,990</u>	<u>405,577</u>	<u>92,640</u>	<u>312,937</u>
 Governmental activities long-term liabilities	 \$ <u>54,045,475</u>	 \$ <u>475,276</u>	 \$ <u>423,234</u>	 \$ <u>54,097,517</u>	 \$ <u>901,785</u>	 \$ <u>53,195,732</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Long-term liability activity for the year ended June 30, 2019 was as follows:

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, 2019:

For the Year Ended June 30,

2020		\$ 95,100
2021		98,700
2022		102,100
2023		103,400
2024		101,038
2025		<u>21,190</u>
		521,528
Less: Amount representing interest		<u>(87,287)</u>
Present value of future minimum lease payments		434,241
Less: Current portion		<u>(71,720)</u>
Non-current portion		\$ <u>362,521</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

For the Year Ended June 30,

	\$ 14,686
2020	14,686
2021	<u>7,342</u>
2022	36,714
Less: Amount representing interest	<u>(1,091)</u>
Present value of future minimum lease payments	35,623
Less: Current portion	<u>(14,014)</u>
Non-current portion	\$ <u>21,609</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

For the Year Ended June 30,

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>
	92,198
Less: Amount representing interest	<u>(9,264)</u>
Present value of future minimum lease payments	82,934
Less: Current portion	<u>(10,075)</u>
Non-current portion	\$ <u>72,859</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

For the Year Ended June 30,

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>
		562,989
Less: Amount representing interest		<u>(87,382)</u>
Present value of future minimum lease payments		475,607
Less: Current portion		<u>(38,675)</u>
Non-current portion		\$ <u>436,932</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

For the Year Ended June 30,

	\$ 11,463
2020	8,597
2021	<u>20,060</u>
Less: Amount representing interest	<u>(705)</u>
Present value of future minimum lease payments	19,355
Less: Current portion	<u>(10,951)</u>
Non-current portion	\$ <u>8,404</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on June 22, 2018 to finance the lease of a yard waste collection truck. 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, 2019:

For the Year Ended June 30,

	\$ 17,554
2020	17,554
2021	17,554
2022	17,554
2023	17,554
2024	17,554
2025	<u>17,554</u>
	105,324
Less: Amount representing interest	<u>(10,669)</u>
Present value of future minimum lease payments	94,655
Less: Current portion	<u>(14,480)</u>
Non-current portion	\$ <u>80,175</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

For the Year Ended June 30,

2020	\$ 204,714
2021	205,448
2022	192,907
2023	186,865
2024	184,503
2025	104,655
2026	65,911
2027	59,765
2028	53,618
2029	53,618
2030	<u>26,809</u>
	1,338,813
Less: Amount representing interest	<u>(196,398)</u>
Present value of future minimum lease payments	1,142,415
Less: Current portion	<u>(159,915)</u>
Non-current portion	\$ <u>982,500</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>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 18,591	\$ 14,189	\$ 4,402
2021	18,591	14,722	3,869
2022	18,591	15,274	3,317
2023	18,591	15,847	2,744
2024	18,591	16,442	2,149
2025 – 2027	<u>50,383</u>	<u>47,759</u>	<u>2,624</u>
	\$ <u>143,338</u>	\$ <u>124,233</u>	\$ <u>19,105</u>

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MVB Bank, Inc.

\$400,000 loan obligation from MVB Bank, Inc. Interest rate is 5.05%. Monthly installments of \$7,572. Matures 10/22/2023. Secured by real estate.

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 90,860	\$ 78,451	\$ 12,409
2021	90,860	82,506	8,354
2022	90,860	86,770	4,090
2023	<u>33,995</u>	<u>33,617</u>	<u>378</u>
	<u>\$ 306,575</u>	<u>\$ 281,344</u>	<u>\$ 25,231</u>

Long-term liability activity for Business-Type Activities Unit for the year ended June 30, 2019 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	\$ 1,588,567	\$ -0-	\$ 174,244	\$ 1,414,323	\$ 183,900	\$ 1,230,423
United States Department of Agriculture	62,213	-0-	12,624	49,589	13,231	36,358
United States Department of Agriculture	523,748	-0-	20,084	503,664	21,116	482,548
United States Department of Agriculture	69,907	-0-	2,620	67,287	2,763	64,524
Lease Revenue Bonds – Series 2012	1,908,053	-0-	62,330	1,845,723	65,192	1,780,531
Lease Revenue Bonds – Series 2013	668,225	-0-	31,866	636,359	32,970	603,389
Lease Revenue Bond – MVB	278,913	-0-	26,127	252,786	27,006	225,780
Lease Revenue Bond – Series 2016A	128,554	-0-	40,909	87,645	43,186	44,459
Sales Tax Revenue Bonds, Series 2016A	1,542,328	-0-	30,453	1,511,875	31,583	1,480,292
Sales Tax Revenue Bond Anticipation Notes – Series 2017A	10,996,984	340,075	11,337,059	-0-	-0-	-0-
Sales Tax Revenue Refunding Bonds – Series 2019A	-0-	8,500,000	-0-	8,500,000	121,445	8,378,555
Sales Tax Revenue Bonds – Series 2019B	<u>-0-</u>	<u>2,750,000</u>	<u>-0-</u>	<u>2,750,000</u>	<u>212,831</u>	<u>2,537,169</u>
Total bonds and notes payable	<u>\$ 17,767,492</u>	<u>\$ 11,590,075</u>	<u>\$ 11,738,316</u>	<u>\$ 17,619,251</u>	<u>\$ 755,223</u>	<u>\$ 16,864,028</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, 2019**

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.

\$ 1,414,323

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 250,440	\$ 183,900	\$ 66,540
2021	250,440	193,309	57,131
2022	250,440	203,199	47,241
2023	250,440	213,595	36,845
2024	250,440	224,523	25,917
2025 – 2026	<u>413,177</u>	<u>395,797</u>	<u>17,380</u>
	\$ <u>1,665,377</u>	\$ <u>1,414,323</u>	\$ <u>251,054</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.

\$ 49,589

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 15,192	\$ 13,231	\$ 1,961
2021	15,192	13,839	1,353
2022	15,192	14,475	717
2023	<u>8,156</u>	<u>8,044</u>	<u>112</u>
	\$ <u>53,732</u>	\$ <u>49,589</u>	\$ <u>4,143</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

\$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. \$ 503,664

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 41,496	\$ 21,116	\$ 20,380
2021	41,496	22,004	19,492
2022	41,496	22,929	18,567
2023	41,496	23,893	17,603
2024	41,496	24,897	16,599
2025 – 2029	207,480	141,094	66,386
2030 – 2034	207,480	173,351	34,129
2035 – 2036	<u>77,404</u>	<u>74,380</u>	<u>3,024</u>
	\$ <u>699,844</u>	\$ <u>503,664</u>	\$ <u>196,180</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. \$ 67,287

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 5,652	\$ 2,763	\$ 2,889
2021	5,652	2,887	2,765
2022	5,652	3,015	2,637
2023	5,652	3,150	2,502
2024	5,652	3,291	2,361
2025 – 2029	28,260	18,791	9,469
2030 – 2034	28,260	23,378	4,882
2035 – 2036	<u>10,441</u>	<u>10,012</u>	<u>429</u>
	\$ <u>95,221</u>	\$ <u>67,287</u>	\$ <u>27,934</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

\$ 1,845,723

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 146,008	\$ 65,192	\$ 80,816
2021	146,008	68,153	77,855
2022	146,008	71,249	74,759
2023	146,008	74,485	71,523
2024	146,008	77,868	68,140
2025 – 2029	730,040	445,712	284,328
2030 – 2034	730,040	556,553	173,487
2035 – 2038	<u>527,564</u>	<u>486,511</u>	<u>41,053</u>
	\$ <u>2,717,684</u>	\$ <u>1,845,723</u>	\$ <u>871,961</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.

\$ 636,359

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 52,852	\$ 32,970	\$ 19,882
2021	52,852	34,040	18,812
2022	52,852	35,146	17,706
2023	52,852	36,287	16,565
2024	52,852	37,466	15,386
2025 – 2029	264,260	206,386	57,874
2030 – 2034	264,260	242,145	22,115
2035 – 2038	<u>11,972</u>	<u>11,919</u>	<u>53</u>
	\$ <u>804,752</u>	\$ <u>636,359</u>	\$ <u>168,393</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.

\$ 252,786

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 34,702	\$ 27,006	\$ 7,696
2021	34,702	27,883	6,819
2022	34,702	28,789	5,913
2023	34,702	29,724	4,978
2024	34,702	30,689	4,013
2025 – 2028	<u>114,685</u>	<u>108,695</u>	<u>5,990</u>
	\$ <u>288,195</u>	\$ <u>252,786</u>	\$ <u>35,409</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

\$ 87,645

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 45,332	\$ 43,186	\$ 2,146
2021	<u>45,296</u>	<u>44,459</u>	<u>837</u>
	\$ <u>90,628</u>	\$ <u>87,645</u>	\$ <u>2,983</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, 2019 and concluding on June 1, 2051.

\$ 1,511,875

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 74,824	\$ 31,583	\$ 43,241
2021	74,824	32,498	42,326
2022	74,824	33,439	41,385
2023	74,824	34,407	40,417
2024	74,824	35,403	39,421
2025 – 2029	374,120	193,000	181,120
2030 – 2034	374,120	222,608	151,512
2035 – 2039	374,120	256,760	117,360
2040 – 2044	374,120	296,151	77,969
2045 – 2049	374,120	341,584	32,536
2050	<u>34,938</u>	<u>34,442</u>	<u>496</u>
	\$ <u>2,279,658</u>	\$ <u>1,511,875</u>	\$ <u>767,783</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 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. This bond was paid in full on May 24, 2019 with the proceeds of the City of Clarksburg Sales Tax Revenue Refunding Bonds Series 2019A.

\$ -0-

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Sales Tax Revenue Refunding Bonds Series 2019A

This \$8,500,000 issue was authorized on May 24, 2019 for the purpose of refunding and redeeming in full the Series 2017A bond anticipation notes. This bond was purchased by the United States Department of Agriculture, Rural Housing Services and bears interest of 3.25%. 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 and other funds and accounts that constitute the trust estate under the second supplemental indenture. The principal amount of the Series 2019A bonds plus interest on the unpaid principal balance shall be repaid as follows: (i) interest on the principal amount of the Series 2019A bonds shall accrue from the date of issue and the initial payment of all accrued interest on the Series 2019A bonds shall be due and payable on November 24, 2019; (ii) thereafter, the principal amount of the Series 2019A bonds, together with all interest which shall accrue thereon shall be due and payable each May 24 and November 24 in equal amortizing semi-annual installment payments consisting of principal and interest in the approximate amount of \$198,358 commencing November 24, 2019 and concluding on May 24, 2056. \$ 8,500,000

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 396,716	\$ 121,445	\$ 275,271
2021	396,716	125,424	271,292
2020	396,716	129,533	267,183
2023	396,716	133,777	262,939
2024	396,716	138,160	258,556
2025 – 2029	1,983,580	761,742	1,221,838
2030 – 2034	1,983,580	894,981	1,088,599
2035 – 2039	1,983,580	1,051,524	932,056
2040 – 2044	1,983,580	1,235,449	748,131
2045 – 2049	1,983,580	1,451,544	532,036
2050 – 2054	1,983,580	1,705,438	278,142
2055 – 2056	<u>781,450</u>	<u>750,983</u>	<u>30,467</u>
	\$ <u>14,666,510</u>	\$ <u>8,500,000</u>	\$ <u>6,166,510</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, 2019**

Sales Tax Revenue Bonds Series 2019B

This \$2,750,000 issue was authorized on June 14, 2019 for the purpose of financing costs of repairs of road embankment failures through the City, together with all site work and appurtenances related thereto and the payment of engineering costs and fees and other costs for consulting or professional services that may be necessary in connection therewith. The bond was purchased by MVB Bank, Inc. and bears interest of 5.50%. 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 and any funds pledged under the third supplemental indenture for the payment of the Series 2019B bonds. The principal amount of the Series 2019B bonds plus interest on the unpaid principal balance shall be due and payable each June 1 and December 1 in equal amortizing semi-annual installment amounts commencing December 1, 2019 and concluding on December 1, 2029.

\$ 2,750,000

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 361,195	\$ 212,831	\$ 148,364
2021	361,195	224,698	136,497
2022	361,195	237,226	123,969
2023	361,195	250,453	110,742
2024	361,195	264,417	96,778
2025 – 2029	<u>1,805,975</u>	<u>1,560,375</u>	<u>245,600</u>
	\$ <u>3,611,950</u>	\$ <u>2,750,000</u>	\$ <u>861,950</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,424,409	\$ 755,223	\$ 669,186
2021	1,424,373	789,194	635,179
2022	1,379,077	779,000	600,077
2023	1,373,041	807,815	565,226
2024	1,363,885	836,714	527,171
2025 – 2029	5,921,577	3,831,592	2,089,985
2030 – 2034	3,587,740	2,113,016	1,474,724
2035 – 2039	2,985,081	1,891,106	1,093,975
2040 – 2044	2,357,700	1,531,600	826,100
2045 – 2049	2,357,700	1,793,128	564,572
2050 – 2054	2,018,518	1,739,880	278,638
2055 – 2056	<u>781,450</u>	<u>750,983</u>	<u>30,467</u>
	\$ <u>26,974,551</u>	\$ <u>17,619,251</u>	\$ <u>9,355,300</u>

Long-term liability activity for Business-Type Activities – Component Unit for the year ended June 30, 2019 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 – Component Units						
Bonds and notes payable:						
2009A Sewer Revenue Bonds	\$ 600,000	\$ -0-	\$ 50,000	\$ 550,000	\$ 50,000	\$ 500,000
2014A Sewer Revenue Bonds	10,973,352	-0-	376,838	10,596,514	378,727	10,217,787
West Union Bank Note	3,154	-0-	3,154	-0-	-0-	-0-
MVB Bank	<u>216,250</u>	<u>174,550</u>	<u>-0-</u>	<u>390,800</u>	<u>390,800</u>	<u>-0-</u>
Total bonds and notes payable	<u>11,792,756</u>	<u>174,550</u>	<u>429,992</u>	<u>11,537,314</u>	<u>819,527</u>	<u>10,717,787</u>
Other long-term debt						
Accrued compensated absences	72,994	8,882	-0-	81,876	81,876	-0-
Net pension obligation	424,221	-0-	165,265	258,956	-0-	258,956
Net other postemployment benefit obligation	<u>617,201</u>	<u>-0-</u>	<u>49,027</u>	<u>568,174</u>	<u>-0-</u>	<u>568,174</u>
Total other long-term debt	<u>1,114,416</u>	<u>8,882</u>	<u>214,292</u>	<u>909,006</u>	<u>81,876</u>	<u>827,130</u>
Total long-term debt	\$ <u>12,907,172</u>	\$ <u>183,432</u>	\$ <u>644,284</u>	\$ <u>12,446,320</u>	\$ <u>901,403</u>	\$ <u>11,544,917</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

\$ 550,000

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	50,000	50,000	-0-
2025 – 2029	250,000	250,000	-0-
2030	<u>50,000</u>	<u>50,000</u>	<u>-0-</u>
	\$ <u>550,000</u>	\$ <u>550,000</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, 2019 was \$61,482.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
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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.

\$ 10,596,514

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 431,000	\$ 378,727	\$ 52,273
2021	431,000	380,624	50,376
2022	431,000	382,531	48,469
2023	431,000	384,447	46,553
2024	431,000	386,373	44,627
2025 – 2029	2,155,000	1,961,091	193,909
2030 – 2034	2,155,000	2,010,705	144,295
2035 – 2039	2,155,000	2,061,573	93,427
2040 – 2044	2,155,000	2,113,730	41,270
2045 – 2048	<u>538,750</u>	<u>536,713</u>	<u>2,037</u>
	\$ <u>11,313,750</u>	\$ <u>10,596,514</u>	\$ <u>717,236</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, 2019 was \$221,088.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 481,000	\$ 428,727	\$ 52,273
2021	481,000	430,624	50,376
2022	481,000	432,531	48,469
2023	481,000	434,447	46,553
2024	481,000	436,373	44,627
2025 – 2029	2,405,000	2,211,091	193,909
2030 – 2034	2,205,000	2,060,705	144,295
2035 – 2039	2,155,000	2,061,573	93,427
2040 – 2044	2,155,000	2,113,730	41,270
2045 – 2048	<u>538,750</u>	<u>536,713</u>	<u>2,037</u>
	\$ <u>11,863,750</u>	\$ <u>11,146,514</u>	\$ <u>717,236</u>

MVB Bank

Line of Credit – MVB Bank - \$500,000. 4.75% line of credit dated 5/25/16 maturing 2/23/20, secured by various equipment. \$ 390,800

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	\$ 411,512
Revenue bond account	<u>282,570</u>
Total restricted assets	\$ <u>694,082</u>

The balances of the restricted asset accounts for the Proprietary Fund Types are as follows:

Revenue Bond account	\$ <u>970,576</u>
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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

H. Benefits Funded by the State of West Virginia

For the year ended June 30, 2019, 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	\$ 446,236
Firemen's Pension and Relief Fund	<u>446,391</u>
 Total	 \$ <u>892,627</u>

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

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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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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, 2019 the Municipality's ad valorem tax revenues were decreased by \$101,159.

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, 2019.

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, 2019.

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.

See independent auditor's report.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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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>

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	<p>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.</p>	
Plan Members	7% of covered payroll	7% of covered payroll
Period required to vest	<p>No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.</p>	
Post-Retirement benefit increases	<p>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.</p>	

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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	<u>PPRF</u>	<u>FPRF</u>
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

Actuarial Assumptions and Rate of Return

The total pension liability was determined by an actuarial valuation as of June 30, 2019 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, 2017, through June 30, 2018. 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 Mortality tables with generational projection using Scale MP-2014, 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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 31,171,073	\$ 35,522,255
Plan fiduciary net position	<u>9,371,818</u>	<u>9,953,711</u>
Net pension liability	\$ <u>21,799,255</u>	\$ <u>25,568,544</u>
Plan fiduciary net position as a percentage of the total pension liability	30.07%	28.02%

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	\$ 26,843,885	\$ 21,799,255	\$ 17,797,418
FPRF's net pension liability	\$ 31,107,219	\$ 25,568,544	\$ 21,138,050

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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For the year ended June 30, 2019, 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	\$ -0-	\$ 346,413
Difference between expected and actual non-investment experience	720,124	1,666,395
Changes in assumptions	<u>823,840</u>	<u>589,566</u>
	\$ <u>1,543,964</u>	\$ <u>2,602,374</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:

For the Year Ended June 30,

2020	\$(744,677)
2021	(324,201)
2022	(11,601)
2023	<u>22,069</u>
	<u>\$(1,058,410)</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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	\$ 54,830	\$ 34,049	\$ 88,879
Investments:			
Cash reserves	721,003	1,774,256	2,495,259
Federal government securities	-0-	1,011,908	1,011,908
Mutual funds	8,590,457	3,662,758	12,253,215
Certificates of deposit	-0-	248,833	248,833
Corporate bonds	-0-	1,569,075	1,569,075
Corporate stocks	-0-	1,652,631	1,652,631
Receivables:			
Accrued interest	-0-	13,675	13,675
Total assets	<u>9,366,290</u>	<u>9,967,185</u>	<u>19,333,475</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>9,366,290</u>	\$ <u>9,967,185</u>	\$ <u>19,333,475</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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	<u>Policemen's Pension and Relief Fund</u>	<u>Firemen's Pension and Relief Fund</u>	<u>Total (Memorandum Only)</u>
Additions			
Contributions:			
Employer	\$ 1,573,002	\$ 1,581,814	\$ 3,154,816
Employee	192,160	167,038	359,198
Insurance premium tax allocation	<u>446,236</u>	<u>446,391</u>	<u>892,627</u>
Total contributions	<u>2,211,398</u>	<u>2,195,243</u>	<u>4,406,641</u>
Investment income:			
Net appreciation in fair value of investments	(80,152)	359,566	279,414
Net gain (loss) on sale of investments	353,144	3,002	356,146
Interest and dividends	<u>99,594</u>	<u>198,217</u>	<u>297,811</u>
Total investment income	<u>372,586</u>	<u>560,785</u>	<u>933,371</u>
Miscellaneous	<u>319</u>	<u>563</u>	<u>882</u>
Total additions	<u>2,584,303</u>	<u>2,756,591</u>	<u>5,340,894</u>
Deductions			
General and administrative	87,331	52,428	139,759
Benefit payments	<u>1,417,693</u>	<u>1,241,719</u>	<u>2,659,412</u>
Total deductions	<u>1,505,024</u>	<u>1,294,147</u>	<u>2,799,171</u>
Net increase	1,079,279	1,462,444	2,541,723
Net position – beginning of year	<u>8,287,011</u>	<u>8,504,741</u>	<u>16,791,752</u>
Net position – end of year	\$ <u>9,366,290</u>	\$ <u>9,967,185</u>	\$ <u>19,333,475</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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	10.00%
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)
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V.B.2 Trend Information

Public Employees Retirement System (PERS)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2019	\$ 483,178	100%
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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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, 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. For the year ended June 30, 2019, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 10.0 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, 2019 the Municipality reported a liability of \$855,770 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and rolled forward to June 30, 2018 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, 2019, the Municipality reported the following proportions and increases/decreases from its proportion measured as of June 30, 2018:

Amount for proportionate share of net pension liability	\$ 855,770
Percentage for proportionate share of net pension liability	0.33137%
Increase (decrease) % from prior proportion measured	3.28%

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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For the year ended June 30, 2019, the Municipality recognized pension expense of \$721,433 on its government wide financial statements. At June 30, 2019, 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-	\$ 502,940
Differences between expected and actual experience	42,452	2,117
Changes in proportion and differences between employer contributions and proportionate share of contributions	68,586	-0-
Employer contributions subsequent to measurement period	<u>483,178</u>	<u>-0-</u>
	\$ <u>594,216</u>	\$ <u>505,057</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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,

2020	\$(98,505)
2021	(98,505)
2022	(98,505)
2023	<u>(98,504)</u>
	\$ <u>(394,019)</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
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Actuarial Assumptions

The total pension liability in the June 30, 2018 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 Annuitant, Scale AA
- Healthy Females: 101% of RP – 2,000 Annuitant, Scale AA
- Disabled Males: 96% of RP – 2,000 Disable Annuitant, Scale AA
- Disabled Females: 107% of RP – 2000 Disable Annuitant, Scale AA

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2016.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>	<u>Weighted Average Expected Real Rate of Return</u>
Domestic Equity	27.5%	4.5%	1.24%
International Equity	27.5%	8.6%	2.37%
Fixed Income	15.0%	3.3%	0.50%
Real Estate	10.0%	6.0%	0.60%
Private Equity	10.0%	6.4%	0.64%
Hedge Funds	<u>10.0%</u>	4.0%	<u>0.40%</u>
Total	<u>100.0%</u>		5.75%
Inflation (CPI)			<u>2.10%</u>
			<u>7.85%</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, 2019**

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</u> <u>(6.50%)</u>	<u>Current Discount</u> <u>Rate (7.50%)</u>	<u>1% Increase</u> <u>(8.50%)</u>
Municipality's proportionate share of the net pension liability	\$ 3,446,352	\$ 855,770	\$ (1,607,992)

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.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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, 2018. 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).

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, 2017 and June 30, 2018. Contributions to the OPEB plan from the Municipality were \$370,162 for the current fiscal year.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 \$3,886,280 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, 2017, rolled forward to June 30, 2018, 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, 2018, the government's proportion was .181142%, which was a decrease of 7.81% from its proportion measured as of June 30, 2018.

For this fiscal year, the Municipality recognized OPEB expense of \$178,502. 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-	\$ 58,128
Net difference between expected and actual earnings on OPEB plan investments	-0-	71,934
Changes in proportion and differences between employer contributions and proportionate share of contributions	272,791	322,020
Difference in assumptions	-0-	388,039
Employer contributions subsequent to the measurement date	<u>370,162</u>	<u>-0-</u>
Total	\$ <u>642,953</u>	\$ <u>840,121</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
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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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended June 30,

2020	\$ (141,833)
2021	(141,833)
2022	(141,832)
2023	<u>(141,832)</u>
 Total	 \$ <u>(567,330)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, 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 2018. For fiscal years on and after 2019, trend starts at 8.00% and 10.00% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 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, 2019**

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-2014 Healthy Annuitant Mortality Table projected with Scale MP-2016 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-2014 Employee Mortality Table projected with Scale M-2016 on a fully generational basis 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 (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 RHBT 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 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> (6.15%)	<u>Discount Rate</u> (7.15%)	<u>1% Increase</u> (8.15%)
Net OPEB liability	\$ 4,567,511	\$ 3,886,279	\$ 3,318,325

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</u> <u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 3,215,678	\$ 3,886,279	\$ 4,703,444

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 (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019:

Operating revenues	\$ 4,804,482
Operating expenses	<u>4,594,500</u>
Total operating income	209,982
Add: Depreciation expense	713,205
Add: Interest income	<u>21,147</u>
Amount available for debt service and capital expenditures	\$ <u>944,334</u>
Maximum annual debt service	\$ <u>481,000</u>
Calculated debt service coverage factor	1.96
Required debt service coverage factor	1.10

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, 2019.

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	\$ 2,418,908
Restatement: Understatement of accrued payroll	(<u>72,994</u>)
Fund balance beginning as restated	\$ <u>2,345,914</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

It was determined during this audit that the beginning net position of the Municipal Sales and Use Tax Fund required restatement as follows:

Fund balance as previously stated	\$ 1,415,440
Restatement: Understatement of investment balance	<u>1,918,790</u>
Fund balance beginning of year as restated	\$ <u>3,334,230</u>

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

Net position as previously stated	\$ (29,695,192)
Restatement: Understatement of accrued payroll	(72,994)
Restatement: Understatement of investment balances	<u>1,918,790</u>
Net position beginning of year as restated	\$ <u>(27,849,396)</u>

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

Net position as previously stated	\$ 9,617,732
Restatement: Understatement of construction in process	30,000
Restatement: Understatement of accumulated depreciation	<u>(244,525)</u>
Net position beginning of year as restated	\$ <u>9,403,207</u>

IX. Subsequent Events

The Municipality has considered all subsequent events through February 11, 2020, the date the financial statements were made available.

See independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

**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, 2019**

	<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>
Revenues						
Taxes (including interest and penalties):						
Ad valorem	\$ 2,335,843	\$ 2,335,843	\$ 2,708,929	\$ 78,864	\$ 2,787,793	\$ 373,086
Excise utility	809,400	809,400	682,590	56,207	738,797	(126,810)
Business and occupation	9,284,000	9,284,000	7,947,434	(123,769)	7,823,665	(1,336,566)
Alcoholic beverage	111,000	111,000	118,574	13,488	132,062	7,574
Hotel occupancy	353,000	353,000	357,093	36,288	393,381	4,093
Animal control	4,500	4,500	4,793	-0-	4,793	293
Oil and gas	30,000	30,000	34,822	-0-	34,822	4,822
Licenses and permits	222,420	222,420	366,354	-0-	366,354	143,934
Charges for services	1,935,750	1,935,750	1,678,082	440,250	2,118,332	(257,668)
Fines and forfeitures	198,800	198,800	332,254	15,260	347,514	133,454
Franchise fees	180,000	180,000	146,782	42,314	189,096	(33,218)
Interest	7,000	7,000	4,320	-0-	4,320	(2,680)
Donations	30,000	30,000	16,000	557	16,557	(14,000)
Intergovernmental:						
Federal	25,000	25,000	1,003,174	31,333	1,034,507	978,174
State	168,450	168,450	262,414	(154,092)	108,322	93,964
Other	5,000	5,000	-0-	-0-	-0-	(5,000)
Video lottery and gaming income	102,000	102,000	110,903	780	111,683	8,903
Miscellaneous	<u>94,300</u>	<u>94,300</u>	<u>312,333</u>	<u>(33,346)</u>	<u>278,987</u>	<u>218,033</u>
Total revenues	<u>15,896,463</u>	<u>15,896,463</u>	<u>16,086,851</u>	<u>404,134</u>	<u>16,490,985</u>	<u>190,388</u>
Expenditures						
General government	3,236,604	3,236,604	3,920,084	(73,411)	3,846,673	(683,480)
Public safety	9,846,018	9,846,018	8,595,939	(383,066)	8,212,873	1,250,079
Highways and streets	2,883,100	2,883,100	3,163,773	194,378	3,358,151	(280,673)
Health and sanitation	460,072	460,072	560,096	(118,374)	441,722	(100,024)
Culture and recreation	1,402,169	1,402,169	1,534,923	219,379	1,754,302	(132,754)
Social services	<u>28,500</u>	<u>28,500</u>	<u>25,500</u>	<u>-0-</u>	<u>25,500</u>	<u>3,000</u>
Total expenditures	<u>17,856,463</u>	<u>17,856,463</u>	<u>17,800,315</u>	<u>(161,094)</u>	<u>17,639,221</u>	<u>56,148</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(1,960,000)</u>	<u>(1,960,000)</u>	<u>(1,713,464)</u>	<u>565,228</u>	<u>(1,148,236)</u>	<u>246,536</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND - BUDGETARY BASIS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 1,800,000	\$ 1,800,000	\$ 904,549	\$ 160,023	\$ 1,064,572	\$(895,451)
Operating transfers (out)	(200,000)	(200,000)	(200,000)	-0-	(200,000)	-0-
Total other financing sources (uses)	<u>1,600,000</u>	<u>1,600,000</u>	<u>704,549</u>	<u>160,023</u>	<u>864,572</u>	<u>(895,451)</u>
Net change in fund balance	(360,000)	(360,000)	(1,008,915)	725,251	(283,664)	(648,915)
Fund balance at beginning of year	<u>360,000</u>	<u>360,000</u>	<u>(3,362,982)</u>	<u>(31,199,101)</u>	<u>(34,562,083)</u>	<u>(3,722,982)</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(4,371,897)</u>	\$ <u>(30,473,850)</u>	\$ <u>(34,845,747)</u>	\$ <u>(4,371,897)</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, 2019**

	<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	\$ 190	\$ 190	\$ 242	\$ -0-	\$ 242	\$ 52
Intergovernmental:						
State	36,000	36,000	50,919	(470)	51,389	14,919
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total revenues	<u>36,190</u>	<u>36,190</u>	<u>51,161</u>	<u>(470)</u>	<u>51,631</u>	<u>14,971</u>
Expenditures						
General government	6,540	6,540	276	-0-	276	6,264
Public safety	15,000	15,000	15,312	-0-	15,312	(312)
Highways and streets	7,050	7,050	3,827	-0-	3,827	3,223
Health and sanitation	3,600	3,600	768	-0-	768	2,832
Culture and recreation	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-0-</u>	<u>7,000</u>	<u>-0-</u>
Total expenditures	<u>39,190</u>	<u>39,190</u>	<u>27,183</u>	<u>-0-</u>	<u>27,183</u>	<u>12,007</u>
Net change in fund balance	(3,000)	(3,000)	23,978	(470)	24,448	26,978
Fund balance at beginning of year	<u>3,000</u>	<u>3,000</u>	<u>26,160</u>	<u>470</u>	<u>25,690</u>	<u>23,160</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>50,138</u>	\$ <u>-0-</u>	\$ <u>50,138</u>	\$ <u>50,138</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Fiscal Year Ended June 30, 2019</u>	<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)	0.33%	0.32%	0.31%	0.31%	0.31%
Municipality's proportionate share of the net pension liability (asset)	\$ 855,770	\$ 1,384,985	\$ 2,875,093	\$ 1,735,341	\$ 1,148,488
Municipality's covered – employee payroll	\$ 4,831,790	\$ 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	17.72%	28.50%	65.08%	40.26%	27.22%
Plan fiduciary net position as a percentage of the total pension liability	96.33%	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, 2019. 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, 2019**

	<u>Fiscal Year</u> <u>Ended</u> <u>June 30, 2019</u>	<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	\$ 483,178	\$ 534,591	\$ 471,409	\$ 581,122	\$ 590,023
Contributions in relation to the contractually required contribution	<u>483,178</u>	<u>534,591</u>	<u>471,409</u>	<u>581,122</u>	<u>590,023</u>
Contribution deficiency (excess)	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	<u><u>-0-</u></u>	\$ <u><u>-0-</u></u>
Municipality's covered – employee payroll	\$ 4,831,790	\$ 4,859,918	\$ 3,928,408	4,310,474	\$ 4,218,741
Contributions as a percentage of covered – employee payroll	10.00%	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, 2019. 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, 2019**

Change of Assumptions

Actuarial Revisions

Subsequent to the issuance of the West Virginia Consolidated Public Retirement Board's June 30, 2018 Comprehensive Annual Financial Report, certain actuarial amounts from the actuarial valuation as of July 1, 2017 rolled forward to June 30, 2018 were revised. The amounts revised as of June 30, 2018 were used to prepare these schedules and are described below:

Total Pension Liability	\$ 7,027,806,000
Plan Fiduciary Net Position	(6,769,554,000)
Net Pension Liability	\$ <u>258,252,000</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	96.33%

<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)	\$ 1,040,033,000	\$ 258,252,000	\$ (403,124,000)

See 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, 2019**

<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%
2019	\$ 35,522,255	\$ 9,953,711	\$ 25,568,544	28.02%	\$ 1,963,141	1,302.43%

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, 2019**

**Schedule of Employer Contributions
Last 10 Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,327,809	\$ 2,026,406	\$ 2,031,009	\$ 2,124,224	\$ 1,697,409	\$ 1,676,866	\$ 1,603,979
Contributions in relation to the actuarially determined contribution:							
Employer provided	1,581,814	1,592,742	1,345,298	936,850	867,454	803,198	743,702
State provided	<u>452,369</u>	<u>436,840</u>	<u>445,631</u>	<u>424,421</u>	<u>421,288</u>	<u>407,276</u>	<u>473,392</u>
Contribution deficiency (excess)	\$ <u>293,626</u>	\$ <u>(3,176)</u>	\$ <u>240,080</u>	\$ <u>762,953</u>	\$ <u>408,667</u>	\$ <u>466,392</u>	\$ <u>386,885</u>
Covered payroll	\$ 1,963,141	\$ 1,912,017	\$ 1,919,071	\$ 1,868,455	\$ 1,826,835	\$ 1,812,838	\$ 1,712,139
Contributions as a percentage of covered employee payroll	103.62%	106.00%	93.00%	73.00%	71.00%	67.00%	71.00%

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, 2019**

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, 2019, measurement date based on actuarial liabilities as of July 1, 2018
<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, 2019, and 5.00% at June 30, 2018
<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, 2019**

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, 2019. 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>4.0000%</u>	<u>Current Single Discount</u> <u>Rate Assumption</u> <u>5.0000%</u>	<u>1% Increase</u> <u>6.0000%</u>
\$ 31,107,219	\$ 25,568,544	\$ 21,138,050

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, 2019**

**Change in the Employers Net Pension Liability and Related Ratios
Last 10 Fiscal Years**

Fiscal year ending June 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 979,662	\$ 964,909	\$ 940,194	\$ 678,319	\$ 618,071	\$ 666,702
Interest	1,458,048	1,429,392	1,404,357	1,370,741	1,338,559	1,332,234
Change of benefit terms	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	281,256	(630,123)	(1,132,945)	(192,337)	(345,859)	-0-
Changes of assumption	-0-	-0-	-0-	3,317,951	-0-	-0-
Benefit payments, including refunds of member contributions	(1,417,693)	(1,259,755)	(1,192,439)	(1,208,416)	(1,210,149)	(1,150,677)
Net change in total pension liability	1,301,273	504,423	19,167	3,966,258	400,622	848,259
Total pension liability – beginning	<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>	<u>24,131,071</u>
Total pension liability – ending (a)	<u>\$ 31,171,073</u>	<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						
Contributions – employer (including Premium Tax Allocation)	\$ 2,024,660	\$ 2,015,709	\$ 1,758,504	\$ 1,333,490	\$ 1,261,009	\$ 1,189,034
Contributions - member	192,160	176,039	168,474	157,241	154,449	151,027
Net investment income	297,401	469,963	669,529	(21,235)	133,494	632,587
Benefit payments, including refunds of member contributions	(1,417,693)	(1,259,755)	(1,192,439)	(1,208,416)	(1,210,149)	(1,150,677)
Administrative expense	(7,500)	(7,500)	(7,500)	(7,750)	(7,500)	(7,500)
Other	(30)	-0-	-0-	-0-	-0-	206
Net change in plan fiduciary net position	1,088,998	1,394,456	1,396,568	253,330	331,303	814,677
Plan fiduciary net position – beginning	<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>	<u>4,092,485</u>
Plan fiduciary net position – ending *(b)	<u>9,371,819</u>	<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>
Employer's net pension liability – ending (a) – (b)	<u>\$ 21,799,254</u>	<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	30.07%	27.73%	23.46%	18.71%	20.64%	19.64%
Covered payroll	\$ 2,250,404	\$ 2,118,610	\$ 2,085,929	\$ 1,989,442	\$ 1,808,232	\$ 1,958,068
Employer's net pension liability as a percentage of covered payroll	958.68%	1,018.92%	1,077.55%	1,199.05%	1,113.88%	1,025.10%
Expected average remaining service years of all participants	5.00	5.41	5.34	5.30	4.75	-0-

Notes to Schedule:

Benefit changes: There were no changes for FY2019
 Changes in assumptions: The discount rate changed from 5.0000% to 5.0000%

*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, 2019**

<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%
2019	\$ 31,171,073	\$ 9,371,819	\$ 21,799,254	30.07%	\$ 2,250,404	968.69%

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, 2019**

**Schedule of Employer Contributions
Last 10 Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,139,078	\$ 1,878,699	\$ 1,864,693	\$ 1,802,392	\$ 1,392,630	\$ 1,419,464	\$ 1,517,921
Contributions in relation to the actuarially determined contribution:							
Employer provided	1,573,002	1,583,840	1,337,055	929,217	860,386	796,654	737,643
State provided	<u>451,658</u>	<u>431,869</u>	<u>421,449</u>	<u>404,273</u>	<u>400,623</u>	<u>392,380</u>	<u>525,982</u>
Contribution deficiency (excess)	\$ <u>114,418</u>	\$ <u>(137,010)</u>	\$ <u>106,189</u>	\$ <u>468,902</u>	\$ <u>131,621</u>	\$ <u>230,430</u>	\$ <u>254,296</u>
Covered payroll	\$ 2,250,404	\$ 2,118,610	\$ 2,085,929	\$ 1,989,442	\$ 1,808,232	\$ 1,958,068	\$ 2,017,329
Contributions as a percentage of covered employee payroll	89.97%	95.00%	84.00%	67.00%	70.00%	61.00%	63.00%

Notes to Schedule

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	32.5 years
Asset valuation method	Market Value
Inflation	2.75 percent
Salary increases	Rates vary by years of service
Investment rate of return	5.00 percent, net of pension plan investment expense, including inflation
Retirement age	Rates vary by age
Mortality	RP-2104 Blue Collar Mortality Table with generational projection using Scale MP-2014

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, 2019**

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, 2019, measurement date based on actuarial liabilities as of July 1, 2018
<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.

Actuarial Assumptions:

<i>Investment Rate of Return</i>	5.00% per year
<i>GASB 67/68 Discount Rate</i>	5.00% per year at June 30, 2019, and 5.00% at June 30, 2018
<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 (CONT'D)
POLICEMEN'S PENSION AND RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019. 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>4.0000%</u>	<u>Current Single Discount</u> <u>Rate Assumption</u> <u>5.0000%</u>	<u>1% Increase</u> <u>6.0000%</u>
\$ 26,843,885	\$ 21,799,254	\$ 17,797,418

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, 2019**

**Public Employees Insurance Agency
Three Fiscal Years***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Municipality's proportion of the net OPEB liability	0.181142%	0.1661998%	0.1895212%
Municipality's proportionate share of the net OPEB liability	\$ 3,886,279	\$ 4,106,461	\$ 4,706,425
Municipality's covered-employee payroll	\$ 4,568,011	\$ 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%	85.08%	108.73%
Plan fiduciary net position as a percentage of the total OPEB liability	30.98%	25.10%	21.64%

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

This schedule presents the only years available at June 30, 2019. 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, 2019**

**Public Employees Insurance Agency
Three Fiscal Years***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 370,162	\$ 343,011	\$ 324,207
Contributions in relation to the contractually required contribution	(<u>370,162</u>)	(<u>343,011</u>)	(<u>324,207</u>)
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Municipality's covered-employee payroll	\$ 4,568,011	\$ 4,826,817	\$ 4,828,711
Contributions as a percentage of covered-employee payroll	8.11%	7.93%	6.72%

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

This schedule presents the only years available at June 30, 2019. 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, 2019**

Change of Assumptions

Actuarial Revisions

Subsequent to the issuance of the State of West Virginia's June 30, 2018 West Virginia Retiree Health Benefit Trust Fund's Report, certain actuarial amounts from the actuarial valuation as of July 1, 2017 rolled forward to June 30, 2018 were revised. The amounts revised as of June 30, 2018 were used to prepare these schedules and are described below:

Total OPEB Liability	\$ 3,108,550,896
Plan OPEB Net Position	(963,115,000)
Net OPEB Liability	\$ <u>2,145,435,896</u>
Plan OPEB Net Position as a percentage of the total pension liability	104.62%

	<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)	\$ 2,521,532,915	\$ 2,145,435,896	\$ 1,831,918,777
		<u>Health Care</u> <u>Cost Trend</u> <u>Rates</u>	<u>1% Increase</u>
<u>Sensitivity to Health Care Trends</u>	<u>1% Decrease</u>		
Net OPEB Liability	\$ 1,775,232,733	\$ 2,145,435,896	\$ 2,596,515,982

See independent auditor's report.

SUPPLEMENTARY INFORMATION

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION -
COMPONENT UNITS
JUNE 30, 2019

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash	\$ 818,698	\$ 35,841
Receivables, net of allowances:		
Accounts	1,028,716	-0-
Due to/from other activities	8,811	-0-
Inventory	<u>313,173</u>	<u>-0-</u>
Total current assets	<u>2,169,398</u>	<u>35,841</u>
Noncurrent Assets		
Restricted assets	<u>694,082</u>	<u>-0-</u>
Capital Assets		
Land	84,065	2,543,901
Construction in process	390,800	-0-
Buildings	1,532,698	7,644,604
Structures and improvements	7,895,033	453,583
Machinery and equipment	28,798,060	-0-
Transmission and distribution	-0-	338,301
Less: Accumulated depreciation	<u>(19,531,198)</u>	<u>(4,783,519)</u>
Net capital assets	<u>19,169,458</u>	<u>6,196,870</u>
Total assets	<u>22,032,938</u>	<u>6,232,711</u>
Deferred Outflow of Resources		
Deferred outflows – WVPERS	179,800	-0-
Deferred outflows – WVRHBT	<u>92,778</u>	<u>1,221</u>
Total deferred outflow of resources	<u>272,578</u>	<u>1,221</u>

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION –
COMPONENT UNITS (CONTD)
JUNE 30, 2019

	<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	\$ 390,800	\$ -0-
Accounts payable	73,367	2,968
Accrued compensated absences	<u>81,876</u>	<u>-0-</u>
Total current liabilities (payable from current assets)	<u>546,043</u>	<u>2,968</u>
Current Liabilities (payable from restricted assets)		
Revenue bonds payable	<u>428,727</u>	<u>-0-</u>
Total current liabilities (payable from restricted assets)	<u>428,727</u>	<u>-0-</u>
Long-Term Liabilities (net of current portion)		
Revenue bonds payable	10,717,787	-0-
Other postemployment benefits payable	560,790	7,384
Net pension obligation	<u>258,956</u>	<u>-0-</u>
Total long-term liabilities (net of current portion)	<u>11,537,533</u>	<u>7,384</u>
Total liabilities	<u>12,512,303</u>	<u>10,352</u>
Deferred Inflow of Resources		
Deferred inflows – WVPERS	152,384	-0-
Deferred inflows – WVRHBT	<u>121,777</u>	<u>1,595</u>
Total deferred inflow of resources	<u>274,161</u>	<u>1,595</u>

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION -
COMPONENT UNITS (CONTD)
JUNE 30, 2019

	<u>Sanitary</u> <u>Board</u> <u>Fund</u>	<u>Parking</u> <u>Authority</u> <u>Fund</u>
Net Position		
Net investment in capital assets	\$ 7,632,144	\$ 6,196,870
Restricted for debt service	282,570	-0-
Restricted for renewal and replacement	411,512	-0-
Unrestricted	<u>1,192,826</u>	<u>25,115</u>
Total net position	\$ <u>9,519,052</u>	\$ <u>6,221,985</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, 2019**

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
Operating Revenues		
Charges for services	\$ <u>4,804,482</u>	\$ <u>155,014</u>
Total operating revenues	<u>4,804,482</u>	<u>155,014</u>
Operating Expenses		
Personal services	1,922,519	50,591
Contractual services	454,407	3,500
Administrative and general	355,851	2,297
Fuel and oil	79,456	-0-
Liability insurance	193,769	6,414
Materials and supplies	322,357	7,208
Utilities	238,687	32,141
Depreciation	713,205	109,937
Maintenance	<u>314,249</u>	<u>16,827</u>
Total operating expenses	<u>4,594,500</u>	<u>228,915</u>
Operating income (loss)	<u>209,982</u>	(<u>73,901</u>)
Nonoperating Revenues (Expenses)		
Interest	21,147	300
Miscellaneous income	2,763	-0-
Interest and fiscal charges	(<u>118,047</u>)	(<u>28</u>)
Total nonoperating revenues (expenses)	(<u>94,137</u>)	<u>272</u>
Change in net position before operating transfers in (out)	115,845	(<u>73,629</u>)
Operating transfers in (out)	<u>-0-</u>	<u>-0-</u>
Change in net position	115,845	(<u>73,629</u>)
Total net position – beginning - restated	<u>9,403,207</u>	<u>6,295,614</u>
Total net position – ending	\$ <u>9,519,052</u>	\$ <u>6,221,985</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, 2019

	<u>Sanitary Sewer Board</u>	<u>Parking Authority Fund</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 4,747,677	\$ 155,014
Payments to suppliers	(2,555,358)	(78,499)
Payments to employees	(1,489,981)	(51,729)
Net cash provided by (used in) operating activities	<u>702,338</u>	<u>24,786</u>
Cash Flows from Capital and Related Financing Activities		
(Increase) decrease in restricted assets	97,699	-0-
Repayment of revenue bonds	(426,838)	-0-
Repayment of notes payable	-0-	(3,154)
Proceeds from notes payable	174,550	-0-
Acquisition of capital assets	(332,928)	-0-
Interest expense	(118,047)	(28)
Net cash (used in) capital and related financing activities	<u>(605,564)</u>	<u>(3,182)</u>
Cash Flows from Investing Activities		
Interest on investments	<u>21,147</u>	<u>300</u>
Net cash provided by investing activities	<u>21,147</u>	<u>300</u>
Net increase (decrease) in cash	117,921	21,904
Cash at beginning of year	<u>700,777</u>	<u>13,937</u>
Cash at end of year	\$ <u>818,698</u>	\$ <u>35,841</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF CASH FLOWS –
COMPONENT UNITS (CONTD)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Sanitary Sewer Board</u>	<u>Parking Authority Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 209,982	\$ (73,901)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	713,205	109,937
Miscellaneous income	2,763	-0-
(Increase) decrease in:		
Accounts receivable	(56,805)	-0-
Due to/from other funds	(255)	-0-
Inventory	(24,466)	-0-
Deferred outflows – WVPERS	30,328	-0-
Deferred outflows – WVRHBT	(42,561)	(1,221)
Increase (decrease) in:		
Accounts payable	(4,791)	(964)
Accrued compensated absences	8,882	-0-
Accrued postemployment benefits payable	(40,396)	(8,631)
Net pension obligation	(165,265)	-0-
Deferred inflow of resources – WVPERS	26,062	-0-
Deferred inflow of resources – WVRHBT	<u>45,655</u>	<u>(434)</u>
Net cash provided by (used in) operating activities	\$ <u>702,338</u>	\$ <u>24,786</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
COMBINING FUND BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Memorandum Only)</u>
ASSETS			
Cash	\$ 1,190,080	\$ 44,562	\$ 1,234,642
Receivables (net of allowances for uncollectibles of \$7,000):			
Accounts	8,561	-0-	8,561
Taxes	169,920	-0-	169,920
Notes	17,723	-0-	17,723
Due from/(to) other activities	<u>180,377</u>	<u>-0-</u>	<u>180,377</u>
TOTAL ASSETS	\$ <u>1,566,661</u>	\$ <u>44,562</u>	\$ <u>1,611,223</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 188,801	\$ -0-	\$ 188,801
Accrued payroll	<u>20,974</u>	<u>-0-</u>	<u>20,974</u>
Total liabilities	<u>209,775</u>	<u>-0-</u>	<u>209,775</u>
Deferred Inflows of Resources			
Deferred taxes	<u>142,257</u>	<u>-0-</u>	<u>142,257</u>
Total liabilities and deferred inflows of resources	<u>352,032</u>	<u>-0-</u>	<u>352,032</u>
Fund Balances			
Assigned	1,365,738	44,562	1,410,300
Unassigned	<u>(151,109)</u>	<u>-0-</u>	<u>(151,109)</u>
Total fund balances	<u>1,214,629</u>	<u>44,562</u>	<u>1,259,191</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>1,566,661</u>	\$ <u>44,562</u>	\$ <u>1,611,223</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, 2019**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total (Memorandum Only)</u>
Revenues			
Taxes – Ad valorem	\$ 1,362,898	\$ -0-	\$ 1,362,898
Charges for services	936,632	40,800	977,432
Fines and forfeits	133,341	-0-	133,341
Interest	15,806	401	16,207
Donations	23,180	-0-	23,180
Intergovernmental:			
Federal	21,896	-0-	21,896
Contributions from employees	330,612	-0-	330,612
Contributions from employer	1,628,894	-0-	1,628,894
Other	5,974	-0-	5,974
Total revenues	<u>4,459,233</u>	<u>41,201</u>	<u>4,500,434</u>
Expenditures			
General government	653	-0-	653
Public safety	343,856	-0-	343,856
Highways and streets	783,769	-0-	783,769
Community development	16,376	-0-	16,376
Culture and recreation	1,446,016	-0-	1,446,016
Benefit payments	2,105,072	-0-	2,105,072
Debt service – principle	68,853	-0-	68,853
Debt service – interest	14,434	-0-	14,434
Total expenditures	<u>4,779,029</u>	<u>-0-</u>	<u>4,779,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(319,796)</u>	<u>41,201</u>	<u>(278,595)</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, 2019**

	<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	\$ 16,380	\$ -0-	\$ 16,380
Operating transfers in	771,067	-0-	771,067
Operating transfers (out)	(775,606)	(32,049)	(807,655)
Total other financing sources (uses)	<u>11,841</u>	<u>(32,049)</u>	<u>(20,208)</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	 (307,955)	 9,152	 (298,803)
 Fund balance beginning of year	 <u>1,522,584</u>	 <u>35,410</u>	 <u>1,557,994</u>
 Fund balance end of year	 \$ <u>1,214,629</u>	 \$ <u>44,562</u>	 \$ <u>1,259,191</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING FUND BALANCE SHEETS -
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019**

	<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	\$ 367,018	\$ 222,307	\$ 116	\$ 317,739	\$ 43,452	\$ 207,117	\$ 3,986	\$ 21,207	\$ 7,138	\$ 1,190,080
Receivables (net of allowances for uncollectibles of \$7,000)										
Accounts	8,561	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,561
Taxes	-0-	-0-	-0-	-0-	67,968	101,952	-0-	-0-	-0-	169,920
Notes	-0-	-0-	17,723	-0-	-0-	-0-	-0-	-0-	-0-	17,723
Due from/(to) other activities	<u>-0-</u>	<u>267,000</u>	<u>-0-</u>	<u>42,876</u>	<u>(8,683)</u>	<u>(107,816)</u>	<u>(13,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>180,377</u>
TOTAL ASSETS	\$ <u>375,579</u>	\$ <u>489,307</u>	\$ <u>17,839</u>	\$ <u>360,615</u>	\$ <u>102,737</u>	\$ <u>201,253</u>	\$ <u>(9,014)</u>	\$ <u>21,207</u>	\$ <u>7,138</u>	\$ <u>1,566,661</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING FUND BALANCE SHEETS -
 NONMAJOR SPECIAL REVENUE FUNDS (CONTD)
 JUNE 30, 2019**

	<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-	\$ 25,499	\$ -0-	\$ -0-	\$ -0-	\$ 163,302	\$ -0-	\$ 188,801
Accrued payroll	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>20,974</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>20,974</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>46,473</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>163,302</u>	<u>-0-</u>	<u>209,775</u>
Deferred Inflows										
Deferred Taxes	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>56,903</u>	<u>85,354</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>142,257</u>
Fund Balances										
Assigned	375,579	489,307	17,839	314,142	45,834	115,899	-0-	-0-	7,138	1,365,738
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(9,014)</u>	<u>(142,095)</u>	<u>-0-</u>	<u>(151,109)</u>
Total fund balances	<u>375,579</u>	<u>489,307</u>	<u>17,839</u>	<u>314,142</u>	<u>45,834</u>	<u>115,899</u>	<u>(9,014)</u>	<u>(142,095)</u>	<u>7,138</u>	<u>1,214,629</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 375,579</u>	<u>\$ 489,307</u>	<u>\$ 17,839</u>	<u>\$ 360,615</u>	<u>\$ 102,737</u>	<u>\$ 201,253</u>	<u>\$ (9,014)</u>	<u>\$ 21,207</u>	<u>\$ 7,138</u>	<u>\$ 1,566,661</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, 2019**

	<u>Police</u>	<u>Tax</u> <u>Increment</u> <u>Financing</u>	<u>Urban</u> <u>Renewal</u> <u>Authority</u>	<u>Park</u> <u>Board</u>	<u>Park Board</u> <u>Special</u> <u>Levy</u>	<u>Capital</u> <u>Improvement</u> <u>Levy Fund</u>	<u>Dental and</u> <u>Vision Benefit</u> <u>Fund</u>	<u>PEIA</u> <u>Fund</u>	<u>Police</u> <u>National</u> <u>Nightout</u> <u>Fund</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
Revenues										
Taxes – Ad Valorem	\$ -0-	\$ 99,367	\$ -0-	\$ -0-	\$ -0-	\$ 1,263,531	\$ -0-	\$ -0-	\$ -0-	\$ 1,362,898
Charges for services	-0-	-0-	-0-	936,632	-0-	-0-	-0-	-0-	-0-	936,632
Fines and forfeits	133,341	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	133,341
Interest	3,952	5,077	1	4,039	-0-	1,974	75	623	65	15,806
Donations	-0-	-0-	-0-	3,605	16,000	-0-	-0-	-0-	3,575	23,180
Intergovernmental:										
Federal	4,937	-0-	-0-	-0-	16,959	-0-	-0-	-0-	-0-	21,896
Contributions from employees	-0-	-0-	-0-	-0-	-0-	-0-	70,292	260,320	-0-	330,612
Contributions from employer	-0-	-0-	-0-	-0-	-0-	-0-	58,021	1,570,873	-0-	1,628,894
Other	2,296	-0-	-0-	-0-	3,678	-0-	-0-	-0-	-0-	5,974
Total revenues	<u>144,526</u>	<u>104,444</u>	<u>1</u>	<u>944,276</u>	<u>36,637</u>	<u>1,265,505</u>	<u>128,388</u>	<u>1,831,816</u>	<u>3,640</u>	<u>4,459,233</u>
Expenditures										
General government	-0-	-0-	-0-	-0-	-0-	653	-0-	-0-	-0-	653
Public safety	73,437	-0-	-0-	-0-	-0-	260,457	-0-	-0-	9,962	343,856
Highways and streets	-0-	299,794	-0-	-0-	-0-	483,975	-0-	-0-	-0-	783,769
Community development	-0-	-0-	16,376	-0-	-0-	-0-	-0-	-0-	-0-	16,376
Culture and recreation	-0-	-0-	-0-	847,598	598,418	-0-	-0-	-0-	-0-	1,446,016
Benefit payments	-0-	-0-	-0-	-0-	-0-	-0-	129,065	1,976,007	-0-	2,105,072
Debt service – principle	-0-	-0-	68,853	-0-	-0-	-0-	-0-	-0-	-0-	68,853
Debt service – interest	-0-	-0-	14,434	-0-	-0-	-0-	-0-	-0-	-0-	14,434
Total expenditures	<u>73,437</u>	<u>299,794</u>	<u>99,663</u>	<u>847,598</u>	<u>598,418</u>	<u>745,085</u>	<u>129,065</u>	<u>1,976,007</u>	<u>9,962</u>	<u>4,779,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,089</u>	<u>(195,350)</u>	<u>(99,662)</u>	<u>96,678</u>	<u>(561,781)</u>	<u>520,420</u>	<u>(677)</u>	<u>(144,191)</u>	<u>(6,322)</u>	<u>(319,796)</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, 2019**

	<u>Police</u> <u>Fund</u>	<u>Tax</u> <u>Increment</u> <u>Financing</u> <u>District</u> <u>Fund</u>	<u>Urban</u> <u>Renewal</u> <u>Authority</u>	<u>Park</u> <u>Board</u>	<u>Park Board</u> <u>Special</u> <u>Levy</u>	<u>Capital</u> <u>Improvement</u> <u>Levy Fund</u>	<u>Dental and</u> <u>Vision Benefit</u> <u>Fund</u>	<u>PEIA</u> <u>Fund</u>	<u>Police</u> <u>National</u> <u>Nightout</u> <u>Fund</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
Other Financing Sources (Uses)										
Proceeds from debt financing	\$ -0-	\$ -0-	\$ 16,380	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 16,380
Operating transfers in	-0-	-0-	83,288	34,581	649,598	-0-	-0-	-0-	3,600	771,067
Operating transfers (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(125,528)</u>	<u>(146,008)</u>	<u>(504,070)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(775,606)</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>99,668</u>	<u>(90,947)</u>	<u>503,590</u>	<u>(504,070)</u>	<u>-0-</u>	<u>-0-</u>	<u>3,600</u>	<u>11,841</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	71,089	(195,350)	6	5,731	(58,191)	16,350	(677)	(144,191)	(2,722)	(307,955)
Fund balance beginning of year	<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>
Fund balance end of year	\$ <u>375,579</u>	\$ <u>489,307</u>	\$ <u>17,839</u>	\$ <u>314,142</u>	\$ <u>45,834</u>	\$ <u>115,899</u>	\$ <u>(9,014)</u>	\$ <u>(142,095)</u>	\$ <u>7,138</u>	\$ <u>1,214,629</u>

See accompanying notes and independent auditor's report.

MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
 COMBINING FUND BALANCE SHEET -
 NONMAJOR DEBT SERVICE FUND
 JUNE 30, 2019

Urban
Renewal
Authority

ASSETS

Cash	\$ <u>44,562</u>
TOTAL ASSETS	\$ <u>44,562</u>

LIABILITIES AND FUND BALANCES

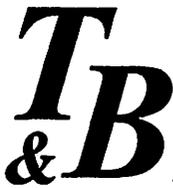
Liabilities	
Accounts payable	\$ <u>-0-</u>
Total liabilities	<u>-0-</u>
 Fund Balances	
Assigned	<u>44,562</u>
Total fund balances	<u>44,562</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>44,562</u>

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, 2019**

	<u>Urban Renewal Authority</u>
Revenues	
Charges for services	\$ 40,800
Interest	<u>401</u>
Total revenues	<u>41,201</u>
Excess of revenues over expenditures	41,201
Other Financing Sources (Uses)	
Operating transfers (out)	<u>(32,049)</u>
Excess of revenues and other financing sources over expenditures and other financing (uses)	9,152
Fund balance beginning of year	<u>35,410</u>
Fund balance end of year	\$ <u>44,562</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, 2019, 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 February 11, 2020.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality of Clarksburg, West Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items #2019-001 thru #2019-002.

We noted certain other matters that we reported to management of the Municipality of Clarksburg, West Virginia in a separate letter dated February 11, 2020.

Municipality of Clarksburg, West Virginia's Response to Findings

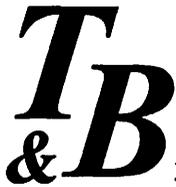
Municipality of Clarksburg, West Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Municipality of Clarksburg, West Virginia's responses were not subjected to the auditing procedures applied in the audit of the financial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

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.

T. Patrick Bartlett, PLLC

Clarksburg, West Virginia
February 11, 2020



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Municipality of Clarksburg, West Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Municipality of Clarksburg, West Virginia's major federal programs for the year ended June 30, 2019. Municipality of Clarksburg, West Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Municipality of Clarksburg, West Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Municipality of Clarksburg, West Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Municipality of Clarksburg, West Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the Municipality of Clarksburg, West Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Municipality of Clarksburg, West Virginia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Municipality of Clarksburg, West Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Municipality of Clarksburg, West Virginia's internal control over compliance.

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

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

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

Detrick + Bartlett, PLLC

Clarksburg, West Virginia
February 11, 2020

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified Opinion</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u> No</u>
Deficiency(s) identified not considered to be material weaknesses?	<u> None reported</u>
Noncompliance material to financial statements noted?	<u> Yes</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u> No</u>
Deficiency(s) identified that are not considered to be material weaknesses?	<u> None reported</u>

Type of auditor's report issued on compliance for major programs:	<u>Unmodified Opinion</u>
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u> No</u>
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Identification of major programs:

United States Department of Agriculture – Community Facilities Loans and Grants – Cluster	CFDA #10.766
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United States Department Transportation – Highway Safety Cluster –	
State and Community Highway Safety	CFDA #20.600
Safety Belt Performance Grants	CFDA #20.609
State Traffic Safety Information System Improvement Grants	CFDA #20.610
National Priority Safety Programs	CFDA #20.616

Department of Homeland Security – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	CFDA #97.036
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Dollar threshold used to distinguish between Type A and Type B programs	<u> \$750,000</u>
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Auditee qualified as low-risk auditee	___ yes <u> X </u> no
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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2019**

B. Findings – Financial Statement Audit

#2019-001 Failure to Submit Budget Revision to Appropriate the Unexpended Balance – General Fund and Coal Severance Fund

Criteria: West Virginia Code 6-9-3 states in part that:

"...All unexpended balances or appropriations shall be transferred to the credit of the fund from which originally appropriated or levied whenever the account with an appropriation is closed."

Condition: It was noted during this audit that the Municipality of Clarksburg failed to submit a budget revision for the General Fund and the Coal Severance Fund to appropriate the actual expended fund balance at June 30, 2018.

Cause: The Municipality of Clarksburg failed to revise the carryover balance of the General Fund and the Coal Severance Fund.

Effect: The Municipality of Clarksburg did not appropriate all funds available for expenditure.

Recommendation: The Municipality of Clarksburg should exercise proper budgetary practices.

Views of Responsible Officials and Planned Corrective Action: The Municipality of Clarksburg did exercise proper budgetary practices. During the fiscal year ended June 30, 2019, budget revisions were prepared and submitted electronically to the West Virginia State Auditor's Office for approval. However, due to an unknown technical issue, the West Virginia State Auditor's Office did not have record of having received the submitted budget revisions. For future budget revisions, the Municipality of Clarksburg will implement a procedure to follow up and document the approval of all submitted budget revisions.

#2019-002 Over Expenditure of General Fund and Coal Severance Budget

Criteria: West Virginia Code 11-8-26 states in part that:

- "...a local fiscal body shall not expend money or incur obligations
- (1) In an unauthorized manner;
 - (2) For an unauthorized purpose;
 - (3) In excess of the amount allocated to the fund in the levy order;
 - (4) In excess of the funds available for current expenses..."

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2019**

Condition: It was noted during this audit that the Municipality of Clarksburg expended funds in excess of the approved budget for the General Fund as follows:

	<u>Approved Budget</u>	<u>Actual</u>	<u>Over Expenditure</u>
General government	\$ 3,236,604	\$ 3,920,084	\$ (683,480)
Highways and streets	\$ 2,883,100	\$ 3,163,773	\$ (280,673)
Health and sanitation	\$ 460,072	\$ 560,096	\$ (100,024)
Culture and recreation	\$ 1,402,169	\$ 1,534,923	\$ (132,754)

It was noted during this audit the Municipality of Clarksburg expended funds in excess of the approved budget for the Coal Severance Fund as follows:

	<u>Approved Budget</u>	<u>Actual</u>	<u>Over Expenditure</u>
Public Safety	\$ 15,000	\$ 15,312	\$ (312)

Cause: The Municipality of Clarksburg failed to amend the budget for general government, highways and streets, health and sanitation and culture and recreation in the General Fund and failed to amend the budget for public safety in the Coal Severance Fund.

Effect: Because of the Municipality of Clarksburg's failure to amend the General Fund Budget and the Coal Severance Fund Budget with the State Tax Commissioner, the General Fund over expended in the general government, highways and streets, health and sanitation and culture and recreation categories and the Coal Severance Fund over expended in the public safety category.

Recommendation: The Municipality of Clarksburg should exercise proper budgetary practices.

Views of Responsible Officials and Planned Corrective Action: The Municipality of Clarksburg did exercise proper budgetary practices. During the fiscal year ended June 30, 2019, budget revisions were prepared and submitted electronically to the West Virginia State Auditor's Office for approval. However, due to an unknown technical issue, the West Virginia State Auditor's Office did not have record of having received the submitted budget revisions. For future budget revisions, the Municipality of Clarksburg will implement a procedure to follow up and document the approval of all submitted budget revisions.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2019**

C. Findings and Questioned Costs - Major Federal Award Program Audit

United States Department of Agriculture – Community Facilities Loans and Grants Cluster – CFDA #10.766 – Fiscal Year Ended June 30, 2019; United States Department of Transportation – Highway Safety Cluster – State and Community Highway Safety – CFDA #20.600 – Fiscal Year Ended June 30, 2019, Safety Belt Performance Grants – CFDA #20.609 – Fiscal Year Ended June 30, 2019, State Traffic Safety Information System Improvement Grants – CFDA #20.610 – Fiscal Year Ended June 30, 2019, National Priority Safety Programs – CFDA #20.616 – Fiscal Year Ended June 30, 2019; and Department of Homeland Security – Disaster Grants – Public Assistance (Presidentially Declared Disasters) – CFDA #97.036 – Fiscal Year Ended June 30, 2019.

There were no findings and questioned costs identified in the major federal award program audit.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<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>
Communities Facilities Loans and Grants Cluster					
United States Department of Agriculture					
Community Facilities Loans and Grants	10.766	2019A Bonds	\$ 8,500,000	\$ <u>8,500,000</u>	\$ <u>8,500,000</u>
Total United States Department of Agriculture – CFDA Number 10.766				<u>8,500,000</u>	<u>8,500,000</u>
Total Communities Facilities Loans and Grants Cluster				<u>8,500,000</u>	<u>8,500,000</u>
Total United States Department of Agriculture				<u>8,500,000</u>	<u>8,500,000</u>
Highway Planning and Construction Cluster					
United States Department of Transportation					
<u>West Virginia Department of Transportation</u>					
<u>West Virginia Division of Motor Vehicles</u>					
Highway Planning and Construction	20.205	F19-HS-05-DOHDD	10,000	8,369	8,369
Highway Planning and Construction	20.205	F18-HS-05-DOHDD	30,000	<u>8,790</u>	<u>8,790</u>
Total United States Department of Transportation – CFDA Number 20.205				<u>17,159</u>	<u>17,159</u>
Total Highway Planning and Construction Cluster				<u>17,159</u>	<u>17,159</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2019**

<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>
Highway Safety Cluster					
United States Department of Transportation					
<u>West Virginia Department of Transportation</u>					
<u>West Virginia Division of Motor Vehicles</u>					
State and Community Highway Safety	20.600	F19-HS-05-402	\$ 128,000	\$ 79,549	\$ 79,549
State and Community Highway Safety	20.600	F18-HS-05-402	131,300	<u>40,925</u>	<u>40,925</u>
Total United States Department of Transportation – CFDA Number 20.600				<u>120,474</u>	<u>120,474</u>
Safety Belt Performance Grants	20.609	F18-HS-05-406	2,500	<u>1,502</u>	<u>1,502</u>
Total United States Department of Transportation – CFDA Number 20.609				<u>1,502</u>	<u>1,502</u>
State Traffic Safety Information System Improvement Grants	20.610	F18-HS-05-408	158,750	<u>157,997</u>	<u>157,997</u>
Total United States Department of Transportation – CFDA Number 20.610				<u>157,997</u>	<u>157,997</u>
National Priority Safety Programs	20.616	F19-HS-05-405B	18,500	6,513	6,513
National Priority Safety Programs	20.616	F19-HS-05-405C	80,000	57,611	57,611
National Priority Safety Programs	20.616	F19-HS-05-405D	108,000	67,576	67,576
National Priority Safety Programs	20.616	F18-HS-05-405D	180,500	51,903	51,903
National Priority Safety Programs	20.616	F18-HS-05-405B	44,500	<u>25,817</u>	<u>25,817</u>
Total United States Department of Transportation – CFDA Number 20.616				<u>209,420</u>	<u>209,420</u>
Total United States Department of Transportation – Highway Safety Cluster				<u>489,393</u>	<u>489,393</u>
Total United States Department of Transportation				<u>506,552</u>	<u>506,552</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2019**

<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>
Executive Office of the President					
Financial Commission for Appalachia High Intensity Drug Trafficking Area					
<u>Laurel County Fiscal Court</u>					
High Intensity Drug Trafficking Areas Program	95.001	G18AP0001A	\$ 22,250	\$ 10,906	\$ 10,906
High Intensity Drug Trafficking Areas Program	95.001	G19AP0001A	36,000	<u>5,941</u>	<u>5,941</u>
Total Executive Office of the President – CFDA Number 95.001				<u>16,847</u>	<u>16,847</u>
Total Executive Office of the President				<u>16,847</u>	<u>16,847</u>
United States Department of Homeland Security					
<u>West Virginia Department of Military Affairs and Public Safety Division of Homeland Security and Emergency Management</u>					
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	GAX19-8284	526,997	<u>484,565</u>	<u>484,565</u>
Total United States Department of Homeland Security – CFDA Number 97.036				<u>484,565</u>	<u>484,565</u>
Total United States Department of Homeland Security				<u>484,565</u>	<u>484,565</u>
United States Department of Interior/National Park Services					
<u>West Virginia Department of Commerce West Virginia Development Office</u>					
Outdoor Recreation Acquisition, Development and Planning	15.916	16LECF0517	33,933	<u>16,959</u>	<u>16,959</u>
Total United States Department of Interior/National Park Services – CFDA Number 15.916				<u>16,959</u>	<u>16,959</u>
Total United States Department of Interior/National Park Services				<u>16,959</u>	<u>16,959</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2019**

<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 Violence Against Women Office					
<u>West Virginia Division of Justice and Community Services</u>					
<u>Task Force on Domestic Violence</u>					
Violence Against Women Formula Grants	16.588	2016-16	\$ 43,176	\$ <u>1,955</u>	\$ <u>1,955</u>
Total United States Department of Justice – CFDA Number 16.588				<u>1,955</u>	<u>1,955</u>
United States Department of Justice Bureau of Justice Assistance					
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0290	4,937	4,937	4,937
United States Department of Justice Bureau of Justice Assistance					
<u>State of West Virginia Division of Justice and Community Services</u>					
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0101	15,000	<u>15,000</u>	<u>15,000</u>
Total United States Department of Justice – CFDA Number 16.738				<u>19,937</u>	<u>19,937</u>
Total United States Department of Justice				<u>21,892</u>	<u>21,892</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2019**

<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 Health and Human Services					
<u>West Virginia Department of Health and Human Resources</u>					
<u>Bureau of Behavioral Health and Human Facilities: Office of Programs and Policies</u>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	G180574	\$ 30,000	\$ <u>9,588</u>	\$ <u>9,588</u>
Total United States Department of Health and Human Services – CFDA Number 93.243				<u>9,588</u>	<u>9,588</u>
Total United States Department of Health and Human Services				<u>9,588</u>	<u>9,588</u>
Total Expenditures of Federal Awards				\$ <u>9,556,403</u>	\$ <u>9,556,403</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMG Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Municipality of Clarksburg, West Virginia has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.
- (3) The United States Department of Agriculture – Community Facilities Loans and Grants Program – CFDA Number 10.766 represented in refinancing of a bond anticipation note purchased by the United States Department of Agriculture on May 24, 2019 in the amount of \$8,500,000. The outstanding balance of the bonds at June 30, 2019 was \$8,500,000.

See independent auditor's report.



OFFICE OF
DIRECTOR OF FINANCE

CITY OF CLARKSBURG

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February 11, 2020

Corrective Action Plan

United States Department of Agriculture

The Municipality of Clarksburg, West Virginia respectfully submits the following corrective action plan for the year ended June 30, 2019. Name and address of independent public accounting firm: Tetrick & Bartlett, PLLC, P.O. Box 1916, Clarksburg, WV 26302-1916. Audit period: July 1, 2018 through June 30, 2019.

The findings from the June 30, 2019 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. Findings – Financial Statement Audit

Material Weaknesses:

#2019-001 Failure to Submit Budget Revision to Appropriate the Unexpended Balance – General Fund and Coal Severance Fund

Recommendation: The Municipality of Clarksburg should exercise proper budgetary practices.

Action Taken: The Municipality of Clarksburg did exercise proper budgetary practices. During the fiscal year ended June 30, 2019, budget revisions were prepared and submitted electronically to the West Virginia State Auditor's Office for approval. However, due to an unknown technical issue, the West Virginia State Auditor's Office did not have record of having received the submitted budget revisions. For future budget revisions, the Municipality of Clarksburg will implement a procedure to follow up and document the approval of all submitted budget revisions.

#2019-002 Over Expenditure of General Fund and Coal Severance Budget

Recommendation: The Municipality of Clarksburg should exercise proper budgetary practices.

Action Taken: The Municipality of Clarksburg did exercise proper budgetary practices. During the fiscal year ended June 30, 2019, budget revisions were prepared and submitted electronically to the West Virginia State Auditor's Office for approval. However, due to an unknown technical issue, the West Virginia State Auditor's Office did not have record of having received the submitted budget revisions. For future budget revisions, the Municipality of Clarksburg will implement a procedure to follow up and document the approval of all submitted budget revisions.

C. Findings and Questioned Costs – Major Federal Award Program Audit United States Department of Agriculture – Community Facilities Loans and Grants Cluster – CFDA 10.766 – Fiscal Year Ended June 30, 2019; United States Department of Transportation – Highway Safety Cluster – State and Community Highway Safety – CFDA 20.600 – Fiscal Year Ended June 30, 2019, Safety Belt Performance Grants – CFDA 20.609 – Fiscal Year Ended June 30, 2019, State Traffic Safety Information System Improvements Grant – CFDA 20.610 – Fiscal Year Ended June 30, 2019 and National Priority Safety Programs – CFDA 20.616 – Fiscal Year Ended June 30, 2019; Department of Homeland Security – Disaster Grants – Public Assistance (Presidentially Declared Disasters) – CFDA 97.036 – Fiscal Year Ended June 30, 2019

There were no findings related to these programs.

If the United States Department of Agriculture has questions regarding this plan, please contact Kim Karakiozis, Director of Finance, at 304-624-1650.

Sincerely yours



Kim Karakiozis
Director of Finance

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

The Municipality of Clarksburg, West Virginia was not required to have an audit performed under the Uniform Guidance Requirements for the year ended June 30, 2018. Therefore a summary schedule of prior audit findings is not applicable.