

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

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

**\*\*\*\*\***

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
***RFP #19-061 (Harrison County)***

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
MUNICIPAL OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>Office</b>	<b>Name</b>	<b>Term</b>
	<b>Elective</b>	
Mayor:	E. Ryan Kennedy	07/01/17 – 06/30/21
Vice Mayor:	James Marino	07/01/19 – 06/30/23
Council Members:	Gary Keith	07/01/19 – 06/30/23
	Frank Ferrari	07/01/17 – 06/30/21
	James Malfregeot	07/01/17 – 06/30/21
	Lillie Scott-Junkins	07/01/19 – 06/30/23
	Marshall Goff	07/01/17 – 06/30/21
	<b>Appointed</b>	
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, 2020**

**GOVERNMENTAL FUND TYPES**

**MAJOR FUNDS**

General  
Coal Severance Tax  
Municipal Sales and Use Tax Fund

**PROPRIETARY FUND TYPE**

**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 Benefit  
Capital Improvement Levy Fund  
PEIA Fund  
Police National Nightout

***Debt Service Fund***

Urban Renewal Authority

**FIDUCIARY FUND TYPES**

***Pension Trust***

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

**COMPONENT UNITS**

***Blended***

Municipal Building Commission

***Discretely Presented***

Sanitary Board  
Parking Authority



***Tetrick & Bartlett, PLLC***

**Certified Public Accountants  
Consultants**

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## INDEPENDENT AUDITOR'S REPORT

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 unit, 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, 2020 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 unit, the blended component unit, each major fund, and the aggregate remaining fund information of the Municipality of Clarksburg, West Virginia, as of June 30, 2020, 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, 2020, the Municipality of Clarksburg, West Virginia adopted new accounting guidance, GASB 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. Our opinion is not modified with respect to this matter.

### ***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 – budget and actual – Coal Severance Fund – budgetary basis, schedule of proportionate share of the net pension liability, schedule of Municipality contributions, notes to required supplementary information – net pension liability, schedule of changes in net pension liability and related ratios multiyear – Firemen's Pension and Relief Fund, schedule of the 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 contributions – OPEB, notes to required supplementary information – net OPEB liability on pages 104 through 124 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality of Clarksburg, West Virginia's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, 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.

*Tuttle & Bartlett, P.C.*

Clarksburg, West Virginia  
January 28, 2021

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<u>Governmental</u>	<u>Business</u>		<u>Component Units</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>	<u>Sanitary</u>	<u>Parking</u>
		<u>Activities</u>		<u>Board</u>	<u>Authority</u>
<b>Assets</b>					
Cash	\$ 4,449,582	\$ 693,824	\$ 5,143,406	\$ 748,955	\$ 28,816
Receivables	6,957,487	-0-	6,957,487	1,110,914	-0-
Due to/from other activities	( 8,812)	-0-	( 8,812)	8,812	-0-
Inventory	-0-	-0-	-0-	241,660	-0-
Restricted assets	-0-	875,384	875,384	901,724	-0-
Capital assets, net	<u>18,827,251</u>	<u>28,056,525</u>	<u>46,883,776</u>	<u>18,442,391</u>	<u>6,110,556</u>
Total assets	<u>30,225,508</u>	<u>29,625,733</u>	<u>59,851,241</u>	<u>21,454,456</u>	<u>6,139,372</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows of resources – WVPERS	371,015	-0-	371,015	183,415	-0-
Deferred outflows of resources – Police and Fire Pension	1,652,946	-0-	1,652,946	-0-	-0-
Deferred outflows of resources – WVRHBT	<u>594,551</u>	<u>-0-</u>	<u>594,551</u>	<u>113,764</u>	<u>780</u>
Total deferred outflows of resources	<u>2,618,512</u>	<u>-0-</u>	<u>2,618,512</u>	<u>297,179</u>	<u>780</u>
<b>Liabilities</b>					
Accounts payable	242,233	-0-	242,233	25,782	243
Accrued payroll	-0-	-0-	-0-	103,055	104
Accrued interest payable	-0-	7,274	7,274	-0-	-0-
Long-term liabilities					
Due within one year	1,023,561	776,777	1,800,338	820,080	-0-
Due in more than one year	<u>50,310,311</u>	<u>16,118,686</u>	<u>66,428,997</u>	<u>11,024,202</u>	<u>3,425</u>
Total liabilities	<u>51,576,105</u>	<u>16,902,737</u>	<u>68,478,842</u>	<u>11,973,119</u>	<u>3,772</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources – WVPERS	304,222	-0-	304,222	150,422	-0-
Deferred inflows of resources – Police and Fire Pension	3,094,833	-0-	3,094,833	-0-	-0-
Deferred inflows of resources – WVRHBT	<u>1,118,116</u>	<u>-0-</u>	<u>1,118,116</u>	<u>213,705</u>	<u>1,476</u>
Total deferred inflows of resources	<u>4,517,171</u>	<u>-0-</u>	<u>4,517,171</u>	<u>364,127</u>	<u>1,476</u>
<b>Net Position</b>					
Net investment in capital assets	17,149,519	11,161,062	28,310,581	7,335,146	6,110,556
Restricted	-0-	875,384	875,384	1,412,996	25,487
Unrestricted	<u>(40,398,775)</u>	<u>686,550</u>	<u>(39,712,225)</u>	<u>666,247</u>	<u>( 1,139)</u>
Total net position	<u>\$ (23,249,256)</u>	<u>\$ 12,722,996</u>	<u>\$ (10,526,260)</u>	<u>\$ 9,414,389</u>	<u>\$ 6,134,904</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total	Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities		Sanitary Board	Parking Authority
<b>Governmental Activities</b>									
General government	\$ 4,289,481	\$ 135,265	\$ 2,222,207	\$ -0-	\$ ( 1,932,009)	\$ -0-	\$ ( 1,932,009)	\$ -0-	\$ -0-
Public safety	8,457,880	1,752,118	400,087	-0-	( 6,305,675)	-0-	( 6,305,675)	-0-	-0-
Highways and streets	3,148,310	-0-	-0-	-0-	( 3,148,310)	-0-	( 3,148,310)	-0-	-0-
Health and sanitation	450,208	-0-	-0-	-0-	( 450,208)	-0-	( 450,208)	-0-	-0-
Community development	363,775	-0-	-0-	-0-	( 363,775)	-0-	( 363,775)	-0-	-0-
Culture and recreation	2,427,450	764,945	50,017	-0-	( 1,612,488)	-0-	( 1,612,488)	-0-	-0-
Social services	34,609	-0-	-0-	-0-	( 34,609)	-0-	( 34,609)	-0-	-0-
Benefit payments	2,063,439	-0-	2,200,288	-0-	136,849	-0-	136,849	-0-	-0-
Total governmental activities	<u>21,235,152</u>	<u>2,652,328</u>	<u>4,872,599</u>	<u>-0-</u>	<u>(13,710,225)</u>	<u>-0-</u>	<u>(13,710,225)</u>	<u>-0-</u>	<u>-0-</u>
<b>Business-Type Activities</b>									
Municipal Building Commission	2,348,111	536,703	279,000	64,227	-0-	( 1,468,181)	( 1,468,181)	-0-	-0-
Total business-type activities	<u>2,348,111</u>	<u>536,703</u>	<u>279,000</u>	<u>64,227</u>	<u>-0-</u>	<u>( 1,468,181)</u>	<u>( 1,468,181)</u>	<u>-0-</u>	<u>-0-</u>
Total primary government	\$ <u>23,583,263</u>	\$ <u>3,189,031</u>	\$ <u>5,151,599</u>	\$ <u>64,227</u>	<u>(13,710,225)</u>	<u>( 1,468,181)</u>	<u>(15,178,406)</u>	<u>-0-</u>	<u>-0-</u>
<b>Component Units</b>									
Sanitary Board	\$ 4,571,614	\$ 4,733,919	\$ -0-	\$ -0-	-0-	-0-	-0-	162,305	-0-
Parking Authority	<u>238,197</u>	<u>131,578</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>( 106,619)</u>
Total component units	\$ <u>4,809,811</u>	\$ <u>4,865,497</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>162,305</u>	<u>( 106,619)</u>



**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF ACTIVITIES (CONT'D)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		<u>Total</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>Sanitary Board</u>	<u>Parking Authority</u>
<b>General Revenues</b>									
Taxes and special assessments:									
Ad valorem					\$ 4,104,410	\$ -0-	\$ 4,104,410	\$ -0-	\$ -0-
Excise utility					706,504	-0-	706,504	-0-	-0-
Business and occupation					6,767,491	-0-	6,767,491	-0-	-0-
Alcoholic beverage					119,583	-0-	119,583	-0-	-0-
Hotel occupancy					343,766	-0-	343,766	-0-	-0-
Animal control					4,671	-0-	4,671	-0-	-0-
Oil and gas					39,395	-0-	39,395	-0-	-0-
Municipal sales and use tax					4,364,487	-0-	4,364,487	-0-	-0-
Licenses and permits					560,368	-0-	560,368	-0-	-0-
Franchises fees					170,763	-0-	170,763	-0-	-0-
Interest and investment earnings					65,948	26,988	92,936	19,924	432
Intergovernmental – state					42,193	-0-	42,193	-0-	-0-
Video lottery and gaming income					89,248	-0-	89,248	-0-	-0-
Miscellaneous					<u>169,391</u>	<u>-0-</u>	<u>169,391</u>	<u>13,117</u>	<u>-0-</u>
Total general revenues					<u>17,548,218</u>	<u>26,988</u>	<u>17,575,206</u>	<u>33,041</u>	<u>432</u>
Change in net position before transfers					3,837,993	( 1,441,193)	2,396,800	195,346	( 106,187)
Operating transfers in (out)					( 813,326)	<u>1,113,335</u>	<u>300,009</u>	( 300,009)	<u>-0-</u>
Change in net position					3,024,667	( 327,858)	2,696,809	( 104,663)	( 106,187)
Net position – beginning – restated					(26,273,923)	<u>13,050,854</u>	(13,223,069)	<u>9,519,052</u>	<u>6,241,091</u>
Net position – ending					\$ (23,249,256)	\$ <u>12,722,996</u>	\$ (10,526,260)	\$ <u>9,414,389</u>	\$ <u>6,134,904</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**FUND BALANCE SHEETS -**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	<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>
<b>ASSETS</b>					
Cash	\$ 1,660,948	\$ 31,674	\$ 933,341	\$ 1,823,619	\$ 4,449,582
Receivables, net of allowances:					
Accounts	1,135,529	-0-	-0-	-0-	1,135,529
Taxes	2,239,063	7,237	1,052,984	223,273	3,522,557
Grants	2,243,036	-0-	-0-	-0-	2,243,036
Other	38,643	-0-	-0-	-0-	38,643
Notes	-0-	-0-	-0-	17,722	17,722
Due to/(from) other activities	( 606,728)	-0-	684,741	( 86,825)	( 8,812)
<b>TOTAL ASSETS</b>	<b>\$ 6,710,491</b>	<b>\$ 38,911</b>	<b>\$ 2,671,066</b>	<b>\$ 1,977,789</b>	<b>\$ 11,398,257</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 81,808	\$ -0-	\$ -0-	\$ 160,425	\$ 242,233
Accrued payroll	710,587	-0-	-0-	1,305	711,892
Total liabilities	792,395	-0-	-0-	161,730	954,125
<b>Deferred Inflows of Resources</b>					
Deferred revenue – taxes	396,012	-0-	-0-	183,758	579,770
Total deferred inflows of resources	396,012	-0-	-0-	183,758	579,770
<b>Fund Balances</b>					
Committed	-0-	38,911	-0-	-0-	38,911
Assigned	-0-	-0-	2,671,066	1,645,849	4,316,915
Unassigned	5,522,084	-0-	-0-	( 13,548)	5,508,536
Total fund balance	5,522,084	38,911	2,671,066	1,632,301	9,864,362
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,710,491</b>	<b>\$ 38,911</b>	<b>\$ 2,671,066</b>	<b>\$ 1,977,789</b>	<b>\$ 11,398,257</b>

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, 2020**

Fund balance, fund level statement June 30, 2020	\$ 9,864,362
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The total fund balance of the Municipality of Clarksburg, West Virginia's governmental funds differ from the net position of the governmental activities reported on the Statement of Net Position as follows:

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

Accrued compensated absences	( 734,010)
Obligation under capital lease	( 1,364,436)
Net pension obligation payable	(45,598,568)
Notes payable	( 313,296)
Other post-employment benefit obligation payable	( 2,611,670)

Capital assets, that are used in governmental activities and are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those assets and their associated accumulated depreciation.	18,827,251
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Deferred inflows and outflows of resources related to pension and other post-employment benefit are not required to be reported in the funds but are required to be reported at the government-wide level:

Deferred outflows of resources – WVPERS	371,015
Deferred outflows of resources – Police and Fire Pension	1,652,946
Deferred outflows of resources – WVRHBT	594,551
Deferred inflows of resources – WVPERS	( 304,222)
Deferred inflows of resources – Police and Fire Pension	( 3,094,833)
Deferred inflows of resources – WVRHBT	( 1,118,116)

Some revenues are reported as deferred in the governmental funds:

Deferred revenue	<u>579,770</u>
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Net position of governmental activities	\$ <u>(23,249,256)</u>
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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, 2020**

	<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>
<b>Revenues</b>					
Taxes and special assessments:					
Ad valorem	\$ 2,404,296	\$ -0-	\$ -0-	\$ 1,623,702	\$ 4,027,998
Excise utility	706,504	-0-	-0-	-0-	706,504
Business and occupation	6,749,309	-0-	-0-	-0-	6,749,309
Alcoholic beverage	119,583	-0-	-0-	-0-	119,583
Hotel occupancy	343,766	-0-	-0-	-0-	343,766
Animal control	4,671	-0-	-0-	-0-	4,671
Oil and gas	39,395	-0-	-0-	-0-	39,395
Municipal sales and use tax	-0-	-0-	4,364,487	-0-	4,364,487
Licenses and permits	560,368	-0-	-0-	-0-	560,368
Charges for services	1,650,277	-0-	-0-	764,945	2,415,222
Fines and forfeits	207,922	-0-	-0-	29,184	237,106
Franchise fees	170,763	-0-	-0-	-0-	170,763
Interest	13,076	505	29,955	22,412	65,948
Donations	23,442	-0-	-0-	26,575	50,017
Intergovernmental:					
Federal	2,621,352	-0-	-0-	942	2,622,294
State	-0-	42,193	-0-	-0-	42,193
Contributions from employees	-0-	-0-	-0-	361,157	361,157
Contribution from employer	-0-	-0-	-0-	1,839,131	1,839,131
Video lottery and gaming income	89,248	-0-	-0-	-0-	89,248
Miscellaneous income	<u>161,376</u>	<u>-0-</u>	<u>-0-</u>	<u>8,015</u>	<u>169,391</u>
Total revenue	<u>15,865,348</u>	<u>42,698</u>	<u>4,394,442</u>	<u>4,676,063</u>	<u>24,978,551</u>
<b>Expenditures</b>					
General government	3,444,395	8,283	-0-	-0-	3,452,678
Public safety	9,308,377	28,585	1,000,000	243,950	10,580,912
Highways and streets	2,753,441	4,057	13,181	68,805	2,839,484
Health and sanitation	443,598	-0-	-0-	-0-	443,598
Community development	344,500	-0-	-0-	19,275	363,775
Culture and recreation	1,485,334	13,000	-0-	1,028,941	2,527,275
Social services	34,609	-0-	-0-	-0-	34,609
Benefit payments	-0-	0-	-0-	2,063,439	2,063,439
Capital outlay	-0-	-0-	-0-	756,454	756,454
Debt service – principal	275,125	-0-	-0-	26,925	302,050
Debt service – interest	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,160</u>	<u>5,160</u>
Total expenditures	<u>18,089,379</u>	<u>53,925</u>	<u>1,013,181</u>	<u>4,212,949</u>	<u>23,369,434</u>
Excess (deficiency) of revenues over (under) expenditures	( 2,224,031)	(11,227)	3,381,261	463,114	1,609,117

**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, 2020**

	<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>
<b>Other Financing Sources (Uses)</b>					
Proceeds from debt financing	\$ -0-	\$ -0-	\$ -0-	\$ 321,757	\$ 321,757
Operating transfers in	3,714,420	-0-	-0-	961,474	4,675,894
Operating transfers (out)	( 267,704)	-0-	(3,848,281)	(1,373,235)	( 5,489,220)
Total other financing sources (uses)	<u>3,446,716</u>	<u>-0-</u>	<u>(3,848,281)</u>	<u>( 90,004)</u>	<u>( 491,569)</u>
Net change in fund balance	1,222,685	(11,227)	( 467,020)	373,110	1,117,548
Fund balance at beginning 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>
Fund balance at end of year	\$ <u>5,522,084</u>	\$ <u>38,911</u>	\$ <u>2,671,066</u>	\$ <u>1,632,301</u>	\$ <u>9,864,362</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, 2020**

Net change in fund balances – total governmental funds \$ 1,117,548

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. ( 321,087)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in deferred revenue 94,594

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 99,736  
Proceeds from obligation under capital lease ( 321,757)

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 92,281

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 accrued compensated absences ( 116,434)

Long-term pension liability is not due and payable in the current period and therefore is not reported in the fund statements. This is the change in long-term pension liability in the current year 2,366,045

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Long-term other post-employment benefit obligations is a long-term liability, not due and payable in the current period and therefore is not reported in the fund statements. This is the change in long-term other post-employment benefit obligations in the current year.	\$ 706,436
Some assets do not provided current financial resources and are not reported as assets in the fund level statements.	
This is the change in pension and other post-employment benefit plans deferred outflows of resources	( 111,179)
Some liabilities are not due and payable in the current period and therefore, are not reported in the fund level statements.	
This the change in pension and other post-employment benefit plans deferred inflows of resources.	( <u>581,516</u> )
Change in net position of governmental activities	\$ <u><u>3,024,667</u></u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF NET POSITION –**  
**PROPRIETARY FUND**  
**JUNE 30, 2020**

Business-Type Activities  
Municipal Building  
Commission

**ASSETS**

**Current Assets**

Cash	\$ 693,824
Total current assets	<u>693,824</u>

**Noncurrent Assets**

Restricted assets	<u>875,384</u>
Total noncurrent assets	<u>875,384</u>

**Capital Assets**

Buildings	32,942,754
Equipment	179,691
Less: Accumulated depreciation	<u>( 5,065,920)</u>
Net capital assets	<u>28,056,525</u>

Total assets	\$ <u>29,625,733</u>
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**LIABILITIES AND NET POSITION**

**Current Liabilities (payable from restricted assets)**

Revenue bonds payable	\$ 776,777
Accrued revenue bond interest payable	<u>7,274</u>
Total current liabilities (payable from restricted assets)	<u>784,051</u>

**Long-Term Liabilities (net of current portion)**

Revenue bonds payable	<u>16,118,686</u>
Total long-term liabilities (net of current portion)	<u>16,118,686</u>

Total liabilities	<u>16,902,737</u>
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**Net Position**

Net investment in capital assets	11,161,062
Restricted for debt service	875,384
Unrestricted	<u>686,550</u>
Total net position	\$ <u>12,722,996</u>

See accompanying notes and independent auditor's report.



**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION –  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Business-Type Activities</u> <u>Municipal Building</u> <u>Commission</u>
<b>Operating Revenues</b>	
Charges for services	\$ 536,703
Operating donations	<u>279,000</u>
Total operating revenues	<u>815,703</u>
<b>Operating Expenses</b>	
Maintenance	20,980
Theatre expense	880,919
Depreciation	<u>737,256</u>
Total operating expenses	<u>1,639,155</u>
Operating income (loss)	( <u>823,452</u> )
<b>Nonoperating Revenues (Expenses)</b>	
Interest	26,988
Contributions	64,227
Interest and fiscal charges	( <u>708,956</u> )
Total nonoperating revenues (expenses)	( <u>617,741</u> )
Change in net position before operating transfers in (out)	( 1,441,193 )
Operating transfers in (out)	<u>1,113,335</u>
Change in net position	( 327,858 )
Total net position – beginning – restated	<u>13,050,854</u>
Total net position – ending	\$ <u>12,722,996</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS –**  
**PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Business-Type Activities  
Municipal Building  
Commission

**Cash Flows from Operating Activities**

Payments to suppliers	\$ ( 86,196)
Net cash (used in) operating activities	( 86,196)

**Cash Flows from Noncapital Financing Activities**

Contributions from other funds	1,113,335
Net cash provided by noncapital financing activities	1,113,335

**Cash Flows from Capital and Related Financing Activities**

Repayment of revenue bonds	( 723,788)
Donations from other entities	64,227
(Increase) in restricted assets	95,192
Interest expense	( 710,194)
Net cash (used in) capital and related financing activities	(1,274,563)

**Cash Flows from Investing Activities**

Interest on investments	26,988
Net cash provided by investing activities	26,988

Net (decrease) in cash	( 220,436)
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Cash at beginning of year	914,260
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Cash at end of year	\$ 693,824
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**Reconciliation of operating income (loss) to net cash (used in) operating activities:**

Operating income (loss)	\$ ( 823,452)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	737,256
Net cash (used in) operating activities	\$ ( 86,196)

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
FIDUCIARY RESPONSIBILITIES  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<u>Pension Trust Funds</u>
<b>Assets</b>	
Cash	\$ 15,666
Investments:	
Cash reserves	1,778,191
Federal government securities	9,776
Mutual funds	15,015,660
Certificates of deposit	558,835
Corporate bonds	3,382,665
Corporate stocks	1,858,668
Receivables:	
State insurance premium tax	80,556
Accrued interest	<u>14,551</u>
Total assets	<u>22,714,568</u>
<b>Liabilities</b>	
Accounts payable	<u>-0-</u>
Total liabilities	<u>-0-</u>
<b>Net Position</b>	
Held in trust for pension benefits	\$ <u>22,714,568</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, 2020**

	<u>Pension</u> <u>Trust Funds</u>
<b>Additions</b>	
Contributions:	
Employer	\$ 3,711,152
Employee	376,915
Insurance premium tax allocation	<u>936,477</u>
Total contributions	<u>5,024,544</u>
Investment income:	
Net appreciation in fair value of investments	671,762
Net gain (loss) on sale of investments	267,709
Interest and dividends	<u>397,278</u>
Total investment income	<u>1,336,749</u>
Miscellaneous	<u>743</u>
Total additions	<u>6,362,036</u>
<b>Deductions</b>	
General and administrative	201,143
Benefit payments	<u>2,779,800</u>
Total deductions	<u>2,980,943</u>
Net increase	3,381,093
Net position – beginning of year	<u>19,333,475</u>
Net position – end of year	\$ <u><u>22,714,568</u></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, 2020**

**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 (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

***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 (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**(b) Government-Wide and Fund Financial Statements**

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

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

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

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**(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, 2020**

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, 2020**

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 (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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  
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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.

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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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The rates levied by the Municipality per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2020, 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	\$ 206,506,542	25.00 cents	12.50 cents
Class IV	\$ 418,624,674	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  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
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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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**8. Change in Accounting Principle**

During the year ended June 30, 2020, the Municipality adopted the following GASB statements:

***GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance*** – The primary objective of this Statement is to provide temporary relief to governments and stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of the following pronouncements are postponed by one year, GASB Statement 83 – *Certain Asset Retirement Obligations*, GASB Statement 84 – *Fiduciary Activities*, GASB Statement 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, GASB Statement 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, GASB Statement 90 – *Majority Equity Interests*, GASB Statement 91 – *Conduit Debt Obligations*, GASB Statement 92 – *Omnibus 2020*, GASB Statement 93 – *Replacement of Interbank Offered Rates*. The effective dates of the following pronouncements are postponed by 18 months, GASB Statement 87 – *Leases*. The requirements of this Statement are effective immediately.

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

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The following are recent GASB Pronouncements for which the Municipality has not adopted as of June 30, 2020:

**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 June 15, 2021 with early implementation permissible.

**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, 2020.

**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, 2019.

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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, 2021.

**GASB 92 – *Omnibus 2020*** – The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions regarding the effective date of GASB Statement 87, *Leases* and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post-employment benefit (OPEB) plan; The applicability of GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68*; the applicability of certain requirements of GASB Statement 84, *Fiduciary Activities*; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The effective dates of this Statement are as follows, the requirements related to GASB Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; the requirements related to intra-entity transfers of assets and those related to the applicability of GASB Statement 73, GASB Statement 74, GASB Statement 84 are effective for fiscal years beginning after June 15, 2021.

**GASB 93 – *Replacement of Interbank Offered Rates*** – Some government's have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021,

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prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is effective for reporting periods ending after June 15, 2021.

***GASB 94 – Public – Private and Public – Public Partnerships and Availability Payment Arrangements*** – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement is effective for fiscal years beginning after June 15, 2022.

***GASB 96 – Subscription-Based Information Technology Arrangements*** – This Statement provides guidance on the accounting and financial reporting for subscription-based technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement is effective for fiscal years beginning after June 15, 2022.

***GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*** – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other post-employment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for

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Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits through those plans. This Statement is effective for fiscal years beginning after June 15, 2021.

**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.

**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.

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**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 \$364,015.

**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.

**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.

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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:

**General Fund**

<u>Amount</u>	<u>Description</u>
\$ 269,852	General Government expenditures increase
(1,271,010)	Public Safety expenditures (decrease)
( 199,278)	Streets and Transportation expenditures (decrease)
( 27,930)	Health and Sanitation expenditures (decrease)
( 131,626)	Culture and Recreation expenditures (decrease)
1,000	Social Services expenditures increase

**Coal Severance Fund**

<u>Amount</u>	<u>Description</u>
\$ 6,655	General Government expenditures increase
12,400	Public Safety expenditures increase
19,898	Streets and Transportation expenditures increase
( 2,000)	Health and Sanitation expenditures (decrease)
6,000	Culture and Recreation expenditures increase

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**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>
<b>Policemen's Pension and Relief</b>			
TD Ameritrade Cash	\$ 720,091	\$ 720,091	\$ -0-
Mutual Funds	<u>10,599,559</u>	<u>9,728,793</u>	<u>870,766</u>
	<u>\$ 11,319,650</u>	<u>\$ 10,448,884</u>	<u>\$ 870,766</u>

	<u>Fair Value</u>	<u>Credit Risk Rating Standard &amp; Poor's and Fitch</u>	<u>Moody's Investment Services</u>
<b>Policemen's Pension and Relief</b>			
TD Ameritrade cash	\$ 720,091	AAA	AAA
Mutual funds	<u>10,599,559</u>	N/A	N/A
	<u>\$ 11,319,650</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	\$ 720,091	\$ -0-	\$ -0-	\$ -0-	\$ 720,091
Mutual funds	<u>10,599,559</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>10,599,559</u>
	<u>\$ 11,319,650</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 11,319,650</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 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 Reserve	\$ 720,091	6.36%
Ishares Trust Core US Aggbd Et Etf	1,153,730	10.19%
Fidelity Investments Advisor Strategic Income Z	983,161	8.69%
Fidelity Investments Total Bond Z	1,655,146	14.62%
Morgan Stanley Institutional Funds Growth A	2,469,168	21.81%
Parnassus Investments Mid Cap Inst	1,136,547	10.04%
Vanguard Div Growth Investor	1,742,752	15.40%
Wasatch Funds Ultra Growth Investor	1,043,837	9.22%

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>
<b>Firemen's Pension and Relief</b>			
Fidelity government cash reserves	\$ 1,058,100	\$ 1,058,100	\$ -0-
Asset back securities bonds	9,776	-0-	9,776
Mutual funds	4,416,101	2,973,398	1,442,703
Certificates of deposit	558,835	548,173	10,662
Corporate bonds	3,382,665	3,347,528	35,137
Corporate stocks	<u>1,858,668</u>	<u>1,195,012</u>	<u>663,656</u>
	<u>\$ 11,284,145</u>	<u>\$ 9,122,211</u>	<u>\$ 2,161,934</u>

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		<u>Credit Risk Rating</u>	
		<u>Standard &amp; Poor's and Fitch</u>	<u>Moody's Investment Services</u>
	<u>Fair Value</u>		
<b>Firemen's Pension and Relief</b>			
Fidelity government cash reserves	\$ 1,058,100	AAA	AAA
Asset back securities bonds	9,776	AAA	AAA
Mutual funds	4,416,101	N/A	N/A
Certificates of deposit	558,835	N/A	N/A
Corporate bonds	3,382,665	BBB+-AAA	A1-AAA
Corporate stocks	<u>1,858,668</u>	N/A	N/A
	<u>\$ 11,284,145</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>
<b>Firemen's Pension and Relief</b>					
Fidelity government cash reserves	\$ 1,058,100	\$ -0-	\$ -0-	\$ -0-	\$ 1,058,100
Asset back securities bonds	149	-0-	-0-	9,627	9,776
Mutual funds	4,416,101	-0-	-0-	-0-	4,416,101
Certificates of deposit	252,170	306,665	-0-	-0-	558,835
Corporate bonds	1,160,813	1,821,230	207,740	192,882	3,382,665
Corporate stocks	<u>1,858,668</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,858,668</u>
	<u>\$ 8,746,001</u>	<u>\$ 2,127,895</u>	<u>\$ 207,740</u>	<u>\$ 202,509</u>	<u>\$ 11,284,145</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	\$ 1,058,100	9.38%
Ishares Russell Midcap Value ETF	706,984	6.27%
Ishares Russell Midcap Growth	684,818	6.07%
Ishares Core S & P Mid Cap ETF	634,817	5.63%
Spdr S & P 500 ETF Trust Unit	592,459	5.25%

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 &amp; Poor's and Fitch</u>	<u>Moody's Investment Services</u>
WV Municipal Bond Commission	\$ 330,950	Not Rated	Not Rated
Money market	<u>570,774</u>	Not Rated	Not Rated
	<u>\$ 901,724</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	\$ 330,950	\$ -0-	\$ -0-	\$ -0-	\$ 330,950
Money market	<u>570,774</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>570,774</u>
	<u>\$ 901,724</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 901,724</u>

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

		<u>Credit Risk Rating</u>			
		<u>Fair</u>	<u>Standard &amp;</u>	<u>Moody's</u>	
		<u>Value</u>	<u>Poor's and</u>	<u>Investment</u>	
			<u>Fitch</u>	<u>Services</u>	
<b>Municipal Building Commission</b>					
Money Market		\$ <u>875,384</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</u> <u>10 Years</u>	<u>Total</u>
Money Market	\$ 875,384	\$ -0-	\$ -0-	\$ -0-	\$ 875,384

***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 \$5,936,843, which were collateralized with a depository bond.

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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 \$24,380,903. The entire balance is considered secured.

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

Cash and cash equivalents	\$ 5,936,843
Investments – collateralized and secured	<u>24,380,903</u>
Total	<u>\$ 30,317,746</u>
Cash and cash equivalents	\$ 5,936,843
Cash and investments – restricted	1,777,108
Investments	<u>22,603,795</u>
Total	<u>\$ 30,317,746</u>

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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 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	\$ 1,135,529	\$ -0-	\$ -0-	\$ -0-	\$ 1,135,529	\$ -0-	\$ 1,110,914
Taxes	2,239,063	7,237	1,052,984	223,273	3,522,557	-0-	-0-
Grants	2,243,036	-0-	-0-	-0-	2,243,036	-0-	-0-
Other	38,643	-0-	-0-	-0-	38,643	-0-	-0-
Notes	-0-	-0-	-0-	17,722	17,722	-0-	-0-
Interest	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>14,551</u>	<u>-0-</u>
Total	\$ <u>5,656,271</u>	\$ <u>7,237</u>	\$ <u>1,052,984</u>	\$ <u>240,995</u>	\$ <u>6,957,487</u>	\$ <u>14,551</u>	\$ <u>1,110,914</u>

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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-	\$ 37,590
Notes	<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>37,590</u>

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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	\$ 540,547
Business and occupation tax receivable	<u>39,173</u>
Total deferred revenue for governmental funds	\$ <u>579,770</u>

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
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>9,373,808</u>	<u>631,290</u>	<u>-0-</u>	<u>10,005,098</u>
Totals at historical cost	41,966,965	631,290	-0-	42,598,255
Less: Accumulated depreciation	<u>23,529,154</u>	<u>952,377</u>	<u>-0-</u>	<u>24,481,531</u>
Total depreciable assets – net	<u>18,437,811</u>	<u>(321,087)</u>	<u>-0-</u>	<u>18,116,724</u>
Governmental activities capital assets – net	\$ <u>19,148,338</u>	\$ <u>(321,087)</u>	\$ <u>-0-</u>	\$ <u>18,827,251</u>

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Depreciation expense was charged to governmental activities as follows:

General government	\$ 142,419
Public safety	222,434
Highways and streets	370,233
Health and sanitation	21,048
Culture and recreation	<u>196,243</u>
	<u>\$ 952,377</u>

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
<b>Business-Type Activities</b>				
<i><b>Municipal Building Commission</b></i>				
Depreciable Assets:				
Buildings	\$ 32,942,754	\$ -0-	\$ -0-	\$ 32,942,754
Equipment	<u>179,691</u>	<u>-0-</u>	<u>-0-</u>	<u>179,691</u>
Total at historical cost	33,122,445	-0-	-0-	33,122,445
Less: Accumulated depreciation	<u>4,328,664</u>	<u>737,256</u>	<u>-0-</u>	<u>5,065,920</u>
Total depreciable assets	<u>28,793,781</u>	<u>(737,256)</u>	<u>-0-</u>	<u>28,056,525</u>
Business-type activities capital assets – net	\$ <u>28,793,781</u>	\$ <u>(737,256)</u>	\$ <u>-0-</u>	\$ <u>28,056,525</u>

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-Type Activities – Component Unit</b>				
<i><b>Sanitary Fund</b></i>				
Nondepreciable Assets:				
Land	\$ 84,065	\$ -0-	\$ -0-	\$ 84,065
Construction in process	<u>390,800</u>	<u>-0-</u>	<u>-0-</u>	<u>390,800</u>
Total nondepreciable assets	<u>474,865</u>	<u>-0-</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>28,798,060</u>	<u>-0-</u>	<u>-0-</u>	<u>28,798,060</u>
Total at historical cost	38,225,791	-0-	-0-	38,225,791
Less: Accumulated depreciation	<u>19,531,198</u>	<u>727,067</u>	<u>-0-</u>	<u>20,258,265</u>
Total depreciable assets – net	<u>18,694,593</u>	<u>(727,067)</u>	<u>-0-</u>	<u>17,967,526</u>
Business-type activities capital assets – net	\$ <u>19,169,458</u>	\$ <u>(727,067)</u>	\$ <u>-0-</u>	\$ <u>18,442,391</u>

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-Type Activities – Component Unit</b>				
<i><b>Parking Authority</b></i>				
Nondepreciable Assets:				
Land	\$ 2,543,901	\$ -0-	\$ -0-	\$ 2,543,901
Total nondepreciable assets	<u>2,543,901</u>	<u>-0-</u>	<u>-0-</u>	<u>2,543,901</u>
Depreciable Assets:				
Buildings	7,663,710	-0-	-0-	7,663,710
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	8,455,594	-0-	-0-	8,455,594
Less: Accumulated depreciation	<u>4,783,519</u>	<u>105,420</u>	<u>-0-</u>	<u>4,888,939</u>
Total depreciable assets – net	<u>3,672,075</u>	<u>(105,420)</u>	<u>-0-</u>	<u>3,566,655</u>
Business-type activities capital assets – net	\$ <u>6,215,976</u>	\$ <u>(105,420)</u>	\$ <u>-0-</u>	\$ <u>6,110,556</u>

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Park Board Special Levy Fund	Capital Levy Improvement Fund	\$ 34,193
General Fund	Dental and Vision Benefit Fund	\$ 17,833
Capital Levy Improvement Fund	General Fund	\$ 198,477
General Fund	PEIA Fund	\$ 4,323
Park Board	Park Board Special Levy Fund	\$ 42,876
Financial Stabilization Fund	General Fund	\$ 3,497,672
Financial Stabilization Fund	Capital Levy Improvement Fund	\$ 272,100
Municipal Sales and Use Tax Fund	General Fund	\$ 684,741
Police Fund	General Fund	\$ 8,954
Sanitary Board	General Fund	\$ 8,812

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**Interfund Transfers:**

	<u>Park Board Special Levy Fund</u>	<u>Police National Nightout Fund</u>	<u>Municipal Building Commission</u>	<u>Urban Renewal Authority</u>	<u>Police Fund</u>	<u>General Fund</u>	<u>Capital Improvement Levy Fund</u>	<u>Park Board</u>	<u>Total</u>
<b><u>Transfers Out:</u></b>									
Tax Increment Financing District Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 337,945	\$ -0-	\$ -0-	\$ 337,945
Park Board Special Levy Fund	-0-	-0-	146,008	-0-	-0-	25,000	-0-	-0-	171,008
Municipal Sales and Use Tax Fund	-0-	-0-	848,281	-0-	-0-	2,900,000	-0-	-0-	3,748,281
Park Board	138,035	-0-	-0-	-0-	-0-	-0-	-0-	-0-	138,035
Urban Renewal Debt Service	-0-	-0-	-0-	-0-	-0-	83,212	-0-	-0-	83,212
Urban Renewal Authority	-0-	-0-	-0-	-0-	-0-	68,254	-0-	-0-	68,254
Police Fund	-0-	-0-	-0-	-0-	-0-	-0-	64,121	-0-	64,121
Sanitary Board	-0-	-0-	-0-	-0-	-0-	300,009	-0-	-0-	300,009
Capital Improvement Levy Fund	510,660	-0-	-0-	-0-	-0-	-0-	-0-	-0-	510,660
General Fund	<u>-0-</u>	<u>3,600</u>	<u>119,046</u>	<u>83,288</u>	<u>115,328</u>	<u>-0-</u>	<u>-0-</u>	<u>46,442</u>	<u>367,704</u>
<b>Total</b>	<b>\$ <u>648,695</u></b>	<b>\$ <u>3,600</u></b>	<b>\$ <u>1,113,335</u></b>	<b>\$ <u>83,288</u></b>	<b>\$ <u>115,328</u></b>	<b>\$ <u>3,714,420</u></b>	<b>\$ <u>64,121</u></b>	<b>\$ <u>46,442</u></b>	<b>\$ <u>5,789,229</u></b>

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  
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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>38,911</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>38,911</u>
Assigned:					
Public safety	-0-	-0-	-0-	371,432	371,432
Capital improvements	-0-	-0-	-0-	492,704	492,704
General government	-0-	-0-	2,671,066	-0-	2,671,066
Culture and recreation	-0-	-0-	-0-	301,549	301,549
Community development	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>480,164</u>	<u>480,164</u>
Total assigned	<u>-0-</u>	<u>-0-</u>	<u>2,671,066</u>	<u>1,645,849</u>	<u>4,316,915</u>
Unassigned	<u>5,522,084</u>	<u>-0-</u>	<u>-0-</u>	<u>( 13,548)</u>	<u>5,508,536</u>
Total fund balance	\$ <u>5,522,084</u>	\$ <u>38,911</u>	\$ <u>2,671,066</u>	\$ <u>1,632,301</u>	\$ <u>9,864,362</u>

It was determined during this examination that the Dental and Vision Benefit Fund had a deficit fund balance of \$9,809. It was also determined during this examination that the PEIA Fund had a deficit fund balance of \$3,739. 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 \$23,249,256 at June 30, 2020. The elimination of this deficit is dependent on the increase of revenues and decrease of expenditures in future periods.

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**F. Long-Term Debt**

Long-term liability activity for Governmental Activities for the year ended June 30, 2020 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>
<b>Governmental Activities</b>						
Obligation under capital lease	\$ 1,142,415	\$ 321,757	\$ 99,736	\$ 1,364,436	\$ 214,460	\$ 1,149,976
Accrued compensated absences	1,266,806	179,096	-0-	1,445,902	711,892	734,010
Accrued other post-employment benefit obligation	3,318,106	-0-	706,436	2,611,670	-0-	2,611,670
Net pension obligation	47,964,613	-0-	2,366,045	45,598,568	-0-	45,598,568
General obligation notes payable	<u>405,577</u>	<u>-0-</u>	<u>92,281</u>	<u>313,296</u>	<u>97,209</u>	<u>216,087</u>
Governmental activities long-term liabilities	<u>\$ 54,097,517</u>	<u>\$ 500,853</u>	<u>\$ 3,264,498</u>	<u>\$ 51,333,872</u>	<u>\$ 1,023,561</u>	<u>\$ 50,310,311</u>

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Long-term liability activity for the year ended June 30, 2020 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, 2020:

For the Year Ended June 30,

2021	\$ 98,700
2022	102,100
2023	103,400
2024	101,038
2025	<u>21,190</u>
	426,428
Less: Amount representing interest	( <u>58,869</u> )
Present value of future minimum lease payments	367,559
Less: Current portion	( <u>75,275</u> )
Non-current portion	\$ <u><u>292,284</u></u>

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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, 2020:

For the Year Ended June 30,

2021	\$ 14,686
2022	<u>7,342</u>
	22,028
Less: Amount representing interest	<u>( 419)</u>
Present value of future minimum lease payments	21,609
Less: Current portion	<u>(14,353)</u>
Non-current portion	\$ <u><u>7,256</u></u>

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020:

For the Year Ended June 30,

2021	\$ 12,293
2022	12,293
2023	12,293
2024	12,293
2025	12,293
2026	12,293
2027	<u>6,147</u>
	79,905
Less: Amount representing interest	( <u>7,046</u> )
Present value of future minimum lease payments	72,859
Less: Current portion	( <u>10,393</u> )
Non-current portion	\$ <u>62,466</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020:

For the Year Ended June 30,

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>
	509,371
Less: Amount representing interest	( <u>72,439</u> )
Present value of future minimum lease payments	436,932
Less: Current portion	( <u>40,053</u> )
Non-current portion	\$ <u>396,879</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020:

For the Year Ended June 30,

2021	\$ 11,463
Less: Amount representing interest	( <u>281</u> )
Present value of future minimum lease payments	11,182
Less: Current portion	( <u>11,182</u> )
Non-current portion	\$ <u><u>-0-</u></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, 2020**

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, 2020:

For the Year Ended June 30,

2021	\$ 17,554
2022	17,554
2023	17,554
2024	17,554
2025	<u>17,554</u>
	87,770
Less: Amount representing interest	( <u>7,553</u> )
Present value of future minimum lease payments	80,217
Less: Current portion	( <u>14,992</u> )
Non-current portion	\$ <u>65,225</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, 2020**

The Park Board of the Municipality of Clarksburg, West Virginia entered into a lease agreement on October 1, 2019 to finance the lease of a bobcat excavator. 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 as of June 30, 2020:

For the Year Ended June 30,

2021	\$ 12,133
2022	12,133
2023	12,133
2024	12,133
2025	<u>5,909</u>
	54,441
Less: Amount representing interest	( <u>5,368</u> )
Present value of future minimum lease payments	49,073
Less: Current portion	( <u>10,093</u> )
Non-current portion	\$ <u>38,980</u>

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on July 17, 2019 to finance the lease of waterpark equipment. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of 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 as of June 30, 2020:

For the Year Ended June 30,

2021	\$ 33,022
2022	33,022
2023	33,022
2024	33,022
2025	33,022
2026	33,022
2027	33,022
2028	33,022
2029	33,022
2030	<u>6,868</u>
	304,066
Less: Amount representing interest	( <u>52,929</u> )
Present value of future minimum lease payments	251,137
Less: Current portion	( <u>22,831</u> )
Non-current portion	\$ <u>228,306</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, 2020**

The General Fund of the Municipality of Clarksburg, West Virginia entered into a lease agreement on April 24, 2020 to finance the lease of equipment. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payments as of the date of 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 as of June 30, 2020:

For the Year Ended June 30,

2021	\$ 15,288
2022	15,288
2023	15,288
2024	15,288
2025	<u>12,716</u>
	73,868
Less: Amount representing interest	<u>-0-</u>
Present value of future minimum lease payments	73,868
Less: Current portion	<u>(15,288)</u>
Non-current portion	\$ <u>58,580</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, 2020**

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, 2020:

For the Year Ended June 30,

2021	\$ 268,757
2022	253,350
2023	247,308
2024	244,946
2025	156,302
2026	98,933
2027	92,787
2028	86,640
2029	86,640
2030	<u>33,677</u>
	1,569,340
Less: Amount representing interest	( <u>204,904</u> )
Present value of future minimum lease payments	1,364,436
Less: Current portion	( <u>214,460</u> )
Non-current portion	\$ <u>1,149,976</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>
2021	\$ 18,591	\$ 14,720	\$ 3,871
2022	18,591	15,273	3,318
2023	18,591	15,846	2,745
2024	18,591	16,440	2,151
2025	18,591	17,057	1,534
2026 – 2027	<u>31,836</u>	<u>30,744</u>	<u>1,092</u>
	\$ <u>124,791</u>	\$ <u>110,080</u>	\$ <u>14,711</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, 2020**

**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>
2021	\$ 90,860	\$ 82,489	\$ 8,371
2022	90,860	86,753	4,107
2023	<u>34,358</u>	<u>33,974</u>	<u>384</u>
	<u>\$ 216,078</u>	<u>\$ 203,216</u>	<u>\$ 12,862</u>

Long-term liability activity for Business-Type Activities Unit for the year ended June 30, 2020 was as follows:

	<u>Beginning</u>			<u>Ending</u>	<u>Amounts</u>	<u>Amounts</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due Within</u>	<u>Due After</u>
					<u>One Year</u>	<u>One Year</u>
<b>Business-Type Activities – Municipal Building Commission</b>						
Bonds and notes payable:						
United States Department of Agriculture	\$ 1,414,323	\$ -0-	\$ 180,340	\$ 1,233,983	\$ 193,127	\$ 1,040,856
United States Department of Agriculture	49,589	-0-	13,132	36,457	13,834	22,623
United States Department of Agriculture	503,664	-0-	20,002	483,662	21,957	461,705
United States Department of Agriculture	67,287	-0-	2,605	64,682	2,879	61,803
Lease Revenue Bonds – Series 2012	1,845,723	-0-	64,291	1,781,432	68,112	1,713,320
Lease Revenue Bonds – Series 2013	636,359	-0-	29,989	606,370	33,944	572,426
Lease Revenue Bond – MVB	252,786	-0-	24,647	228,139	27,807	200,332
Lease Revenue Bond – Series 2016A	87,645	-0-	54,150	33,495	33,495	-0-
Sales Tax Revenue Bonds, Series 2016A	1,511,875	-0-	28,042	1,483,833	32,407	1,451,426
Sales Tax Revenue Refunding Bonds – Series 2019A	8,500,000	-0-	93,759	8,406,241	124,517	8,281,724
Sales Tax Revenue Bonds – Series 2019B	<u>2,750,000</u>	<u>-0-</u>	<u>212,831</u>	<u>2,537,169</u>	<u>224,698</u>	<u>2,312,471</u>
Total bonds and notes payable	<u>\$ 17,619,251</u>	<u>\$ -0-</u>	<u>\$ 723,788</u>	<u>\$ 16,895,463</u>	<u>\$ 776,777</u>	<u>\$ 16,118,686</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, 2020**

**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.

\$ 1,233,983

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>
2021	\$ 250,440	\$ 193,127	\$ 57,313
2022	250,440	203,008	47,432
2023	250,440	213,394	37,046
2024	250,440	224,311	26,129
2025	250,440	235,787	14,653
2026	<u>167,460</u>	<u>164,356</u>	<u>3,104</u>
	\$ <u>1,419,660</u>	\$ <u>1,233,983</u>	\$ <u>185,677</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.

\$ 36,457

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>
2021	\$ 15,192	\$ 13,834	\$ 1,358
2022	15,192	14,470	722
2023	<u>8,266</u>	<u>8,153</u>	<u>113</u>
	\$ <u>38,650</u>	\$ <u>36,457</u>	\$ <u>2,193</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, 2020**

\$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.

\$ 483,662

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>
2021	\$ 41,496	\$ 21,957	\$ 19,539
2022	41,496	22,880	18,616
2023	41,496	23,842	17,654
2024	41,496	24,844	16,652
2025	41,496	25,889	15,607
2026 – 2030	207,480	146,712	60,768
2031 – 2035	207,480	180,255	27,225
2036	<u>38,057</u>	<u>37,283</u>	<u>774</u>
	\$ <u>660,497</u>	\$ <u>483,662</u>	\$ <u>176,835</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.

\$ 64,682

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>
2021	\$ 5,652	\$ 2,879	\$ 2,773
2022	5,652	3,008	2,644
2023	5,652	3,142	2,510
2024	5,652	3,283	2,369
2025	5,652	3,429	2,223
2026 – 2030	28,260	19,583	8,677
2031 – 2035	28,260	24,361	3,899
2036	<u>5,104</u>	<u>4,997</u>	<u>107</u>
	\$ <u>89,884</u>	\$ <u>64,682</u>	\$ <u>25,202</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, 2020**

**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. \$ 1,781,432

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>
2021	\$ 146,008	\$ 68,112	\$ 77,896
2022	146,008	71,206	74,802
2023	146,008	74,440	71,568
2024	146,008	77,821	68,187
2025	146,008	81,355	64,653
2026 – 2030	730,040	465,676	264,364
2031 – 2035	730,040	581,481	148,559
2036 – 2038	<u>383,522</u>	<u>361,341</u>	<u>22,181</u>
	\$ <u>2,573,642</u>	\$ <u>1,781,432</u>	\$ <u>792,210</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. \$ 606,370

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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>
2021	\$ 52,852	\$ 33,944	\$ 18,908
2022	52,852	35,046	17,806
2023	52,852	36,184	16,668
2024	52,852	37,359	15,493
2025	52,852	38,572	14,280
2026 – 2030	264,260	212,482	51,778
2031 – 2035	<u>228,093</u>	<u>212,783</u>	<u>15,310</u>
	\$ <u>756,613</u>	\$ <u>606,370</u>	\$ <u>150,243</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.

\$ 228,139

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>
2021	\$ 34,702	\$ 27,807	\$ 6,895
2022	34,702	28,710	5,992
2023	34,702	29,642	5,060
2024	34,702	30,605	4,097
2025	34,702	31,598	3,104
2026 – 2028	<u>82,968</u>	<u>79,777</u>	<u>3,191</u>
	\$ <u>256,478</u>	\$ <u>228,139</u>	\$ <u>28,339</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, 2020**

**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.

\$ 33,495

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>
2021	\$ <u>33,999</u>	\$ <u>33,495</u>	\$ <u>504</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.

\$ 1,483,833

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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>
2021	\$ 74,824	\$ 32,407	\$ 42,417
2022	74,824	33,345	41,479
2023	74,824	34,311	40,513
2024	74,824	35,304	39,520
2025	74,824	36,326	38,498
2026 – 2030	374,120	198,033	176,087
2031 – 2035	374,120	228,413	145,707
2036 – 2040	374,120	263,456	110,664
2041 – 2045	374,120	303,873	70,247
2046 – 2050	<u>341,924</u>	<u>318,365</u>	<u>23,559</u>
	\$ <u>2,212,524</u>	\$ <u>1,483,833</u>	\$ <u>728,691</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, 2020**

**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. \$ 8,406,241

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>
2021	\$ 396,716	\$ 124,517	\$ 272,199
2022	396,716	128,596	268,120
2023	396,716	132,810	263,906
2024	396,716	137,161	259,555
2025	396,716	141,655	255,061
2026 – 2030	1,983,580	781,010	1,202,570
2031 – 2035	1,983,580	917,619	1,065,961
2036 – 2040	1,983,580	1,078,122	905,458
2041 – 2045	1,983,580	1,266,699	716,881
2046 – 2050	1,983,580	1,488,291	495,289
2051 – 2055	1,983,580	1,748,547	235,033
2056	<u>473,102</u>	<u>461,214</u>	<u>11,888</u>
	\$ <u>14,358,162</u>	\$ <u>8,406,241</u>	\$ <u>5,951,921</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, 2020**

**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. \$ 2,537,169

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>
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	361,195	279,161	82,034
2026 – 2029	<u>1,444,780</u>	<u>1,281,214</u>	<u>163,566</u>
	\$ <u>3,250,755</u>	\$ <u>2,537,169</u>	\$ <u>713,586</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, 2020**

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>
2021	\$ 1,413,076	\$ 776,777	\$ 636,299
2022	1,379,077	777,495	601,582
2023	1,372,151	806,371	565,780
2024	1,363,885	835,105	528,780
2025	1,363,885	873,772	490,113
2026 – 2030	5,282,948	3,348,843	1,934,105
2031 – 2035	3,551,573	2,144,912	1,406,661
2036 – 2040	2,784,383	1,745,199	1,039,184
2041 – 2045	2,357,700	1,570,572	787,128
2046 – 2050	2,325,505	1,806,656	518,849
2051 – 2055	1,983,580	1,748,547	235,033
2056	<u>473,102</u>	<u>461,214</u>	<u>11,888</u>
	\$ <u>25,650,865</u>	\$ <u>16,895,463</u>	\$ <u>8,755,402</u>

Long-term liability activity for Business-Type Activities – Component Unit for the year ended June 30, 2020 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>
<b>Business-Type Activities – Component Units</b>						
<b>Bonds and notes payable:</b>						
2009A Sewer Revenue Bonds	\$ 550,000	\$ -0-	\$ 50,000	\$ 500,000	\$ 50,000	\$ 450,000
2014A Sewer Revenue Bonds	10,596,514	-0-	378,726	10,217,788	380,623	9,837,165
MVB Bank	<u>390,800</u>	<u>-0-</u>	<u>1,343</u>	<u>389,457</u>	<u>389,457</u>	<u>-0-</u>
Total bonds and notes payable	<u>11,537,314</u>	<u>-0-</u>	<u>430,069</u>	<u>11,107,245</u>	<u>820,080</u>	<u>10,287,165</u>
<b>Other long-term debt</b>						
Accrued compensated absences	81,876	21,179	-0-	103,055	103,055	-0-
Net pension obligation	258,956	-0-	21,085	237,871	-0-	237,871
Net other post-employment benefit obligation	<u>568,174</u>	<u>-0-</u>	<u>69,008</u>	<u>499,166</u>	<u>-0-</u>	<u>499,166</u>
Total other long-term debt	<u>909,006</u>	<u>21,179</u>	<u>90,093</u>	<u>840,092</u>	<u>103,055</u>	<u>737,037</u>
Total long-term debt	\$ <u>12,446,320</u>	\$ <u>21,179</u>	\$ <u>520,162</u>	\$ <u>11,947,337</u>	\$ <u>923,135</u>	\$ <u>11,024,202</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, 2020**

**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.

\$ 500,000

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>
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	50,000	50,000	-0-
2025 – 2030	<u>250,000</u>	<u>250,000</u>	<u>-0-</u>
	\$ <u>500,000</u>	\$ <u>500,000</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, 2020 was \$62,511.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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.

\$ 10,217,788

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>
2021	\$ 431,000	\$ 380,623	\$ 50,377
2022	431,000	382,530	48,470
2023	431,000	384,446	46,554
2024	431,000	386,372	44,628
2025	431,000	388,307	42,693
2026 – 2030	2,155,000	1,970,911	184,089
2031 – 2035	2,155,000	2,020,775	134,225
2036 – 2040	2,155,000	2,071,894	83,106
2041 – 2045	2,155,000	2,124,315	30,685
2046	<u>113,650</u>	<u>107,615</u>	<u>6,035</u>
	\$ <u>10,888,650</u>	\$ <u>10,217,788</u>	\$ <u>670,862</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, 2020 was \$268,439.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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>
2021	\$ 481,000	\$ 430,623	\$ 50,377
2022	481,000	432,530	48,470
2023	481,000	434,446	46,554
2024	481,000	436,372	44,628
2025	481,000	438,307	42,693
2026 – 2030	2,405,000	2,220,911	184,089
2031 – 2035	2,155,000	2,020,775	134,225
2036 – 2040	2,155,000	2,071,894	83,106
2041 – 2045	2,155,000	2,124,315	30,685
2046	<u>113,650</u>	<u>107,615</u>	<u>6,035</u>
	\$ <u>11,388,650</u>	\$ <u>10,717,788</u>	\$ <u>670,862</u>

**MVB Bank**

Line of Credit – MVB Bank - \$500,000. 4.75% line of credit dated 5/25/16 maturing 2/23/21, secured by various equipment. \$ 389,457

**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	\$ 570,774
Revenue bond account	<u>330,950</u>
Total restricted assets	\$ <u>901,724</u>

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

Revenue Bond account	\$ <u>875,384</u>
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See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**H. Benefits Funded by the State of West Virginia**

For the year ended June 30, 2020, 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	\$ 457,642
Firemen's Pension and Relief Fund	<u>478,835</u>
Total	\$ <u>936,477</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.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020 the Municipality's ad valorem tax revenues were decreased by \$111,493.

**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, 2020.

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, 2020.

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.



**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Memberships of the plans are as follows:

<u>Group</u>	<u>PPRF</u>	<u>FPRF</u>	<u>Totals</u>
Active employees	37	42	79
Retirees and beneficiaries currently receiving benefits	51	52	103
Inactive – non-retired members	<u>4</u>	<u>-0-</u>	<u>4</u>
	<u>92</u>	<u>94</u>	<u>186</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	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years in accordance with West Virginia State code §8-022-10. However, municipalities may utilize an alternative contribution method which allows the Municipality to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by West Virginia State Code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary. The Municipality contributes 107% of the prior year's contributions for both police and fire pension plans.	
Plan Members	7% of covered payroll	7% of covered payroll
Period required to vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Post-Retirement benefit increases	Cost of living adjustment after two years of retirement. Adjustment calculated on the first \$15,000 of the total annual benefit in the first year and then the cumulative index for the preceding year. The supplementary pension benefit shall not exceed four percent.	

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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 &amp; Relief Fund</u>	<u>Firemen's Pension &amp; 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.

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Net Pension Liability*

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

	<u>PPRF</u>	<u>FPRF</u>
Total pension liability	\$ 29,678,990	\$ 38,062,631
Plan fiduciary net position	<u>11,329,558</u>	<u>11,294,578</u>
Net pension liability	\$ <u>18,349,432</u>	\$ <u>26,768,053</u>
Plan fiduciary net position as a percentage of the total pension liability	38.17%	29.67%

*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 3.13% 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	\$ 22,886,733	\$ 18,349,432	\$ 14,723,088
FPRF's net pension liability	\$ 32,686,961	\$ 26,768,053	\$ 22,033,080

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

For the year ended June 30, 2020, 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-	\$ 453,740
Differences between expected and actual experience	1,329,108	930,871
Changes in assumptions	<u>323,838</u>	<u>1,710,222</u>
	\$ <u>1,652,946</u>	\$ <u>3,094,833</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,

2021	\$( 537,049)
2022	( 224,449)
2023	( 190,781)
2024	<u>( 489,608)</u>
	<u>\$(1,441,887)</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, 2020**

**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>
<b>Assets</b>			
Cash	\$ 8,067	\$ 7,599	\$ 15,666
Investments:			
Cash reserves	720,091	1,058,100	1,778,191
Asset back securities bonds	-0-	9,776	9,776
Mutual funds	10,599,559	4,416,101	15,015,660
Certificates of deposit	-0-	558,835	558,835
Corporate bonds	-0-	3,382,665	3,382,665
Corporate stocks	-0-	1,858,668	1,858,668
Receivables:			
State insurance premium tax	38,945	41,611	80,556
Accrued interest	-0-	14,551	14,551
Total assets	<u>11,366,662</u>	<u>11,347,906</u>	<u>22,714,568</u>
<b>Liabilities</b>			
Accounts payable	-0-	-0-	-0-
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Net Position</b>			
Held in trust for pension benefits	\$ <u>11,366,662</u>	\$ <u>11,347,906</u>	\$ <u>22,714,568</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, 2020**

	<u>Policemen's Pension and Relief Fund</u>	<u>Firemen's Pension and Relief Fund</u>	<u>Total (Memorandum Only)</u>
<b>Additions</b>			
Contributions:			
Employer	\$ 1,850,032	\$ 1,861,120	\$ 3,711,152
Employee	200,742	176,173	376,915
Insurance premium tax allocation	<u>457,642</u>	<u>478,835</u>	<u>936,477</u>
Total contributions	<u>2,508,416</u>	<u>2,516,128</u>	<u>5,024,544</u>
Investment income:			
Net appreciation in fair value of investments	736,307	( 64,545)	671,762
Net gain (loss) on sale of investments	264,806	2,903	267,709
Interest and dividends	<u>168,380</u>	<u>228,898</u>	<u>397,278</u>
Total investment income	<u>1,169,493</u>	<u>167,256</u>	<u>1,336,749</u>
Miscellaneous	<u>543</u>	<u>200</u>	<u>743</u>
Total additions	<u>3,678,452</u>	<u>2,683,584</u>	<u>6,362,036</u>
<b>Deductions</b>			
General and administrative	157,808	43,335	201,143
Benefit payments	<u>1,520,272</u>	<u>1,259,528</u>	<u>2,779,800</u>
Total deductions	<u>1,678,080</u>	<u>1,302,863</u>	<u>2,980,943</u>
Net increase	2,000,372	1,380,721	3,381,093
Net position – beginning of year	<u>9,366,290</u>	<u>9,967,185</u>	<u>19,333,475</u>
Net position – end of year	\$ <u>11,366,662</u>	\$ <u>11,347,906</u>	\$ <u>22,714,568</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, 2020**

*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% hired prior to 7/1/15 and 6.00% for employees hired on or after 7/1/15
City'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)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*V.B.2 Trend Information*

Public Employees Retirement System (PERS)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2020	\$ 492,779	100%
2019	\$ 483,178	100%
2018	\$ 354,597	100%

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

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

***General Information about the Plan***

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

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

See independent auditor's report.



**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 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. For the year ended June 30, 2020, 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, 2020 the Municipality reported a liability of \$718,954 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and rolled forward to June 30, 2019 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, 2020, the Municipality reported the following proportions and increases/decreases from its proportion measured as of June 30, 2019:

Amount for proportionate share of net pension liability	\$ 718,954
Percentage for proportionate share of net pension liability	0.33565%
Increase (decrease) % from prior proportion measured	1.29%

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

For the year ended June 30, 2020, the Municipality recognized pension expense of \$371,996 on its government wide financial statements. At June 30, 2020, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ -0-	\$ 261,123
Differences between expected and actual experience	27,933	63,032
Changes in proportion and differences between employer contributions and proportionate share of contributions	33,718	-0-
Change in assumptions	-0-	132,489
Employer contributions subsequent to measurement period	<u>492,779</u>	<u>-0-</u>
	\$ <u>554,430</u>	\$ <u>456,644</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, 2020. 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,

2021	\$ ( 98,749)
2022	( 98,748)
2023	( 98,748)
2024	( 98,748)
	\$ (394,993)

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

***Actuarial Assumptions.*** The total pension liability for financial reporting purposes were determined by actuarial valuation as of July 1, 2018 and rolled forward to June 30, 2019 using the actuarial assumptions and methods described as follows:

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair Value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases:	
State	3.1 – 5.3%
Nonstate	3.35 – 6.5%
Inflation rate	3.00%
Discount rate	7.50%
Mortality rates	Active – 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Retired Healthy Males – 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018 Retired Healthy Females – 122% of Pub-210 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018 Disabled Males – 118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018 Disabled Females – 118% of Pub-2010 General/Teachers Disabled Female table, below median, headcount weighted, projected with scale MP-2018

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Withdrawal rates:**

State	2.28 – 45.63%
Non-state	2.50 – 35.88%
Disability rates	0.005 – .054%
Retirement rates	12% – 100%

**Date range in most recent  
experience study**

2013 – 2018

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%	5.8%	1.60%
International Equity	27.5%	7.7%	2.12%
Fixed Income	15.0%	3.3%	0.50%
Real Estate	10.0%	6.1%	0.61%
Private Equity	10.0%	8.8%	0.88%
Hedge Funds	<u>10.0%</u>	4.4%	<u>0.44%</u>
Total	<u>100.0%</u>		6.15%
Inflation (CPI)			<u>2.00%</u>
			<u>8.15%</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

***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 asset (liability)	\$ (3,361,711)	\$ (721,695)	\$ 1,511,595

***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](http://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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**VI. Postemployment Benefits Other Than Pensions (OPEB)**

***General Information about the OPEB Plan***

***Plan Description.*** The West Virginia Other Post-employment Benefit Plan (the Plan), is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). 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. Four remaining members represent that public-at-large.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement, is a participating employer under the Consolidated Public Retirement Board (CPRB) and, as of July 1, 2008 forward, is a participating employer with the Public Employees Insurance Agency (PEIA). Active employees who, as of July 1, 2008, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retiree coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Active employees who are members of the Teacher's Defined Contribution Retirement plan must be either: 55 years of age and have 12 or more years of credited service; or be at least 60 years of age with five years of service; and their last employer immediately prior to retirement must be a participating employer under that, or the CPRB system to qualify to continue PEIA insurance benefits upon

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

retirement. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and similar plans), or are approved, in writing, by the PEIA Director must, in the case of education employees, meet the minimum eligibility requirements of the State Teacher's Retirement System, and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

***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 \$152 million for both fiscal years ending June 30, 2019 and June 30, 2018. Contributions to the OPEB plan from the Municipality were \$287,488 for the current fiscal year.

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

At fiscal year-end, the Municipality reported a liability of \$3,110,836 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, 2018, rolled forward to June 30, 2019, 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, 2019, the government's proportion was .1573615%, which was a decrease of 13.13% from its proportion measured as of June 30, 2019.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

For this fiscal year, the Municipality recognized OPEB expense of \$66,769. 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>
Net difference between projected and actual investment earnings on OPEB plan investments	\$ 17,104	\$ 51,296
Differences between expected and actual experience	-0-	363,175
Changes in proportion and differences between employer contributions and proportionate share of contributions	306,306	287,147
Change in assumptions	-0-	631,679
Employer contributions subsequent to the measurement period	<u>385,685</u>	<u>-0-</u>
	\$ <u>709,095</u>	\$ <u>1,333,297</u>

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2021. 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,

2021	\$ ( 252,472)
2022	( 252,472)
2023	( 252,472)
2024	( 252,471)
Total	\$ (1,009,887)

***Actuarial assumptions.*** The net OPEB liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Wage inflation	4.0%
Investment rate of return	7.15%, net of OPEB plan investment expense, including inflation.
Asset valuation method	Market value
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20-year closed period

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTD)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Salary increases	Dependent upon pension system. Ranging from 3.00% to 6.50%, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Mortality	Post-Retirement: RP-2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Health Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis 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 MP-2016 on a fully generational basis for Troopers A and B.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year 2021, decreasing by 0.5% each year thereafter until ultimate trend rate of 4.5% is reached in plan year end 2031.
Expenses	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Certain assumptions have been changed since the prior actuarial valuation of June 30, 2017 and a measurement date of June 30, 2019 as reflected in the footnote *Reconciliation of the Total OPEB Liability between Valuation Dates*. The net effect of assumptions changes was approximately \$236 million. The assumption changes that most significantly impacted the Total OPEB Liability were an approximate \$11.8 million decrease in the per capita claims costs for Pre-Medicare and Medicare, as well as an approximate \$224.2 million decrease due to capped subsidy costs implemented in December 2019. Certain other assumption changes were noted but did not materially impact the Total OPEB Liability.

The long-term expected rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 3.00% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested with the WVIMB. 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 WVBTL.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return 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 rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions ("CMA"), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan's investment advisors, including the West Virginia Investment Management Board ("WV-IMB"). The projected nominal return for the Money Market Pool held with the West Virginia Board of Treasury Investments ("WV-BTI") was estimated based on WV-IMB assumed inflation of 2.0% plus a 25 basis point spread.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Return</u>
Global equity	49.5%	4.8%
Core plus fixed income	13.5%	2.1%
Core real estate	9.0%	4.1%
Hedge fund	9.0%	2.4%
Private equity	9.0%	6.8%
Cash and cash equivalents	<u>10.0%</u>	0.3%
Target allocation	<u>100.0%</u>	

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

***Discount rate.*** 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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

***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	\$ (3,660,165)	\$ (3,114,261)	\$ (2,659,132)

***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)	\$ (2,576,876)	\$ (3,114,261)	\$ (3,769,094)

***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](http://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.

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**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020:

Operating revenues	\$ 4,733,919
Operating expenses	<u>4,448,904</u>
Total operating income	285,015
 Add: Depreciation expense	 727,067
Add: Interest income	<u>19,924</u>
 Amount available for debt service and capital expenditures	 \$ <u>1,012,082</u>
 Maximum annual debt service	 \$ <u>481,000</u>
 Calculated debt service coverage factor	 2.10
 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, 2020.

**VIII. Restatement of Fund Balance/Net Position**

The beginning net position of the Municipal Building Commission required restatement as follows:

Net position as previously stated	\$ 12,927,531
Restatement: Understatement of cash	<u>123,323</u>
Net position, beginning as restated	\$ <u>13,050,854</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, 2020**

The beginning net position of the Parking Authority Fund required restatement as follows:

Net position as previously stated	\$ 6,221,985
Restatement: Understatement of capital assets	<u>19,106</u>
Net position, beginning as restated	\$ <u>6,241,091</u>

**IX. COVID-19 Pandemic**

During 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. There have been mandates from international, federal, state, and local authorities requiring forced closures of various schools, businesses, and other facilities and organizations. In response to this, the U.S. Government has allocated and spent trillions of dollars in economic aid. Should these trends continue, the impact could have a material adverse effect on the Municipality's financial position, results of operations, and cash flows.

**X. Subsequent Events**

The Municipality has considered all subsequent events through January 28, 2021, the date the financial statements were made available.

In July 2020, the Municipality of Clarksburg was awarded a grant from the Office of Abandoned Mine Lands and Reclamation in the amount of \$900,000 to repair a landslide.

On July 31, 2020, the Municipality of Clarksburg issued Sewer Revenue Bonds, Series 2020A in the amount of \$7,900,000. These bonds were issued to provide for the acquisition and construction of certain extension, additions, betterments, and improvements of the existing sewerage system.

See independent auditor's report.

***REQUIRED SUPPLEMENTARY INFORMATION***



**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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>
<b>Revenues</b>						
Taxes (including interest and penalties):						
Ad valorem	\$ 2,321,676	\$ 2,055,000	\$ 2,491,415	\$ ( 10,707)	\$ 2,480,708	\$ 436,415
Excise utility	781,900	742,400	765,494	( 58,990)	706,504	23,094
Business and occupation	9,502,000	7,403,300	7,239,635	( 472,144)	6,767,491	( 163,665)
Alcoholic beverage	109,000	114,378	127,866	( 8,283)	119,583	13,488
Hotel occupancy	414,500	246,000	282,232	( 41,762)	240,470	36,232
Animal control	4,600	4,700	4,671	-0-	4,671	( 29)
Oil and gas	38,000	39,395	39,395	-0-	39,395	-0-
Licenses and permits	351,150	343,395	533,038	20,556	553,594	189,643
Charges for services	2,191,398	2,055,981	1,781,106	144,780	1,925,886	( 274,875)
Fines and forfeitures	243,400	299,558	326,478	( 15,260)	311,218	26,920
Franchise fees	180,000	174,435	216,748	( 45,985)	170,763	42,313
Interest	4,500	2,715	369	3,400	3,769	( 2,346)
Donations	-0-	-0-	23,442	-0-	23,442	23,442
Intergovernmental:						
Federal	25,500	12,000	451,331	2,167,020	2,618,351	439,331
State	161,475	338,241	-0-	-0-	-0-	( 338,241)
Other	1,000	7,542	-0-	-0-	-0-	( 7,542)
Video lottery and gaming income	113,500	87,996	87,807	1,441	89,248	( 189)
Miscellaneous	115,950	160,152	6,301	175,017	181,318	( 153,851)
Total revenues	<u>16,559,549</u>	<u>14,087,188</u>	<u>14,377,328</u>	<u>1,859,083</u>	<u>16,236,411</u>	<u>290,140</u>
<b>Expenditures</b>						
General government	3,406,256	3,742,774	3,735,015	74,152	3,809,167	7,759
Public safety	10,303,770	9,032,760	9,022,053	( 1,589,316)	7,432,737	10,707
Highways and streets	2,903,200	2,703,922	2,700,226	307,541	3,007,767	3,696
Health and sanitation	465,588	437,658	425,363	20,806	446,169	12,295
Culture and recreation	1,561,459	1,429,833	1,350,679	288,346	1,639,025	79,154
Social services	33,600	34,600	34,600	9	34,609	-0-
Total expenditures	<u>18,673,873</u>	<u>17,381,547</u>	<u>17,267,936</u>	<u>( 898,462)</u>	<u>16,369,474</u>	<u>113,611</u>
(Deficiency) excess of revenues						
(under) over expenditures	<u>( 2,114,324)</u>	<u>( 3,294,359)</u>	<u>( 2,890,608)</u>	<u>2,757,545</u>	<u>( 133,063)</u>	<u>403,751</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	\$ 1,815,000	\$ 3,252,945	\$ 3,852,724	\$ ( 475,779)	\$ 3,376,945	\$ 599,779
Operating transfers (out)	( 200,000)	( 133,334)	( 133,334)	-0-	( 133,334)	-0-
Total other financing sources						
(uses)	<u>1,615,000</u>	<u>3,119,611</u>	<u>3,719,390</u>	<u>( 475,779)</u>	<u>3,243,611</u>	<u>599,779</u>
Net change in fund balance	( 499,324)	( 174,748)	828,782	2,281,766	3,110,548	1,003,530
Fund balance at beginning of year	<u>499,324</u>	<u>174,748</u>	<u>( 4,371,897)</u>	<u>(30,473,850)</u>	<u>(34,845,747)</u>	<u>(4,546,645)</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>( 3,543,115)</u>	\$ <u>(28,192,084)</u>	\$ <u>(31,735,199)</u>	\$ <u>(3,543,115)</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –  
COAL SEVERANCE FUND – BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<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>
<b>Revenues</b>						
Interest	\$ 150	\$ 510	\$ 505	\$ -0-	\$ 505	\$ ( 5)
Intergovernmental:						
State	<u>40,000</u>	<u>51,760</u>	<u>42,193</u>	<u>-0-</u>	<u>42,193</u>	<u>( 9,567)</u>
Total revenues	<u>40,150</u>	<u>52,270</u>	<u>42,698</u>	<u>-0-</u>	<u>42,698</u>	<u>( 9,572)</u>
<b>Expenditures</b>						
General government	7,041	13,696	8,283	-0-	8,283	5,413
Public safety	19,400	31,800	28,585	-0-	28,585	3,215
Highways and streets	7,309	27,207	4,057	-0-	4,057	23,150
Health and sanitation	3,900	1,900	-0-	-0-	-0-	1,900
Culture and recreation	<u>5,000</u>	<u>11,000</u>	<u>11,000</u>	<u>2,000</u>	<u>13,000</u>	<u>-0-</u>
Total expenditures	<u>42,650</u>	<u>85,603</u>	<u>51,925</u>	<u>2,000</u>	<u>53,925</u>	<u>33,678</u>
Net change in fund balance	( 2,500)	(33,333)	( 9,227)	(2,000)	(11,227)	24,106
Fund balance at beginning of year	<u>2,500</u>	<u>33,333</u>	<u>48,138</u>	<u>2,000</u>	<u>50,138</u>	<u>14,805</u>
Fund balance at end of year	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>38,911</u>	\$ <u>-0-</u>	\$ <u>38,911</u>	\$ <u>38,911</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, 2020**

	<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>	<u>Fiscal Year</u> <u>Ended</u> <u>June 30, 2014</u>
Municipality's proportion of the net pension liability (asset)	0.33%	0.33%	0.32%	0.31%	0.31%	0.31%
Municipality's proportionate share of the net pension liability (asset)	\$ 721,695	\$ 855,770	\$ 1,384,985	\$ 2,875,093	\$ 1,735,341	\$ 1,148,488
Municipality's covered - employee payroll	\$ 4,927,779	\$ 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	14.65%	17.72%	28.50%	65.08%	40.26%	27.22%
Plan fiduciary net position as a percentage of the total pension liability	93.90%	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, 2020. 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, 2020**

	<u>Fiscal Year</u> <u>Ended</u> <u>June 30, 2020</u>	<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	\$ 492,779	\$ 483,178	\$ 534,591	\$ 471,409	\$ 581,122	\$ 590,023
Contributions in relation to the contractually required contribution	<u>492,779</u>	<u>483,178</u>	<u>534,591</u>	<u>471,409</u>	<u>581,122</u>	<u>590,023</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Municipality's covered – employee payroll	4,927,779	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%	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, 2020. 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 –  
NET PENSION LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Change of Assumptions**

***Actuarial Revisions***

Subsequent to the issuance of the West Virginia Consolidated Public Retirement Board's June 30, 2019 Comprehensive Annual Financial Report, certain actuarial amounts from the actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019 were revised. The amounts revised as of June 30, 2019 were used to prepare these schedules and are described below:

Total Pension Liability	\$ 7,140,467,000
Plan Fiduciary Net Position	(6,925,454,000)
Net Pension Liability	\$ <u>215,013,000</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	96.99%

<u>Sensitivity of Discount Rate</u>	<u>1% Decrease</u> <u>(6.5%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.5%)</u>	<u>1% Increase</u> <u>(8.5%)</u>
Total Net Pension (Liability) Asset	\$(1,001,547,000)	\$(215,013,000)	\$ 450,346,000

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MULTIYEAR**  
**FIREMEN'S PENSION AND RELIEF FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Changes in the Employer's Net Pension Liability and Related Ratios**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 948,245	\$ 906,710	\$ 911,837	\$ 1,041,846	\$ 739,794	\$ 735,159	\$ 729,815
Interest	1,744,625	1,646,488	1,604,493	1,540,729	1,503,073	1,480,035	1,492,730
Changes of benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	1,107,034	660,159	(1,021,000)	(1,006,489)	(511,633)	(837,150)	-0-
Changes of assumptions	-0-	-0-	-0-	(2,433,972)	4,020,701	-0-	-0-
Benefit payments, including refunds of member contributions	<u>(1,259,528)</u>	<u>(1,241,719)</u>	<u>(1,199,305)</u>	<u>(1,223,009)</u>	<u>(1,239,292)</u>	<u>(1,250,939)</u>	<u>(1,303,181)</u>
Net change in total pension liability	2,540,376	1,971,638	296,025	(2,080,895)	4,512,643	127,105	919,364
Total pension liability - beginning	<u>35,522,255</u>	<u>33,550,617</u>	<u>33,254,592</u>	<u>35,335,487</u>	<u>30,822,844</u>	<u>30,695,739</u>	<u>29,776,375</u>
Total pension liability - ending (a)	<u>38,062,631</u>	<u>35,522,255</u>	<u>33,550,617</u>	<u>33,254,592</u>	<u>35,335,487</u>	<u>30,822,844</u>	<u>30,695,739</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer (including Premium Tax allocation)	2,298,344	2,034,183	2,029,582	1,790,929	1,361,271	1,288,742	1,210,474
Contributions - member	176,172	167,038	155,596	148,321	145,720	140,550	135,019
Net investment income	133,379	517,666	561,109	586,180	315,511	185,060	465,521
Benefit payments, including refunds of member contributions	<u>(1,259,528)</u>	<u>(1,241,719)</u>	<u>(1,199,305)</u>	<u>(1,223,009)</u>	<u>(1,239,292)</u>	<u>(1,250,939)</u>	<u>(1,303,181)</u>
Administrative expense	<u>(7,500)</u>	<u>-0-</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
Other	<u>-0-</u>	<u>(7,500)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net change in plan fiduciary net position	1,340,867	1,469,668	1,539,482	1,294,921	577,210	357,413	501,833
Plan fiduciary net position - beginning	<u>9,953,711</u>	<u>8,484,043</u>	<u>6,944,559</u>	<u>5,649,638</u>	<u>5,072,427</u>	<u>4,715,014</u>	<u>4,213,181</u>
Plan fiduciary net position - ending (b)	<u>11,294,578</u>	<u>9,953,711</u>	<u>8,484,043</u>	<u>6,944,559</u>	<u>5,649,637</u>	<u>5,072,427</u>	<u>4,715,014</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 26,768,053</u>	<u>\$ 25,568,544</u>	<u>\$ 25,066,574</u>	<u>\$ 26,310,033</u>	<u>\$ 29,685,850</u>	<u>\$ 25,750,417</u>	<u>\$ 25,980,725</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MULTIYEAR**  
**FIREMEN'S PENSION AND RELIEF FUND (CONTD)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Changes in the Employer's Net Pension Liability and Related Ratios**  
**Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of the total pension liability	29.67%	28.02%	25.29%	20.88%	15.99%	16.46%	15.36%
Covered payroll	\$ 2,064,594	\$ 1,963,141	\$ 1,912,017	\$ 1,919,071	\$ 1,868,455	\$ 1,826,835	\$ 1,812,838
Employer's net pension liability as a percentage of covered payroll	1296.53%	1302.43%	1311.00%	1370.98%	1588.79%	1409.56%	1433.15%
Expected average remaining service years of all participants	4.00	4.00	3.78	3.96	4.01	3.85	-0-

**Notes to Schedule:**

Benefit changes                      There were no changes for FY2019.

Changes of 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  
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, 2020**

<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%
2020	\$ 38,062,631	\$ 11,294,578	\$ 26,768,053	29.67%	\$ 2,064,594	1,296.53%

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, 2020**

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

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,340,972	\$ 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	1,861,120	1,581,814	1,592,742	1,345,298	936,850	867,454	803,198	743,702
State provided	<u>437,224</u>	<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>\$ 42,628</u>	<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	\$ 2,064,594	\$ 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	111.32%	103.62%	106.15%	93.32%	72.86%	70.55%	66.77%	71.09%

**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	31.5 years
Asset valuation method	Market Value
Inflation	2.75 percent
Salary increases	Rates vary by years of service
Investment rate of return	5.00%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by age
Mortality	RP-2014 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  
FIREMEN'S PENSION AND RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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:

<b><i>Measurement Date</i></b>	June 30, 2020, measurement date based on actuarial liabilities as of July 1, 2019
<b><i>Actuarial Cost Method</i></b>	Entry Age Normal, Level-Percentage-of-Pay
<b><i>Actuarial Value of Assets</i></b>	Market value used for GASB Statement Nos. 67 and 68 reporting
<b><i>Contribution Policy and Amortization Method</i></b>	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.
<b><i>Actuarial Assumptions:</i></b>	
<b><i>Investment Rate of Return</i></b>	5.00% per year
<b><i>GASB 67/68 Discount Rate</i></b>	5.00% per year at June 30, 2020, and 2019
<b><i>Projected Salary Increases</i></b>	Rates vary by years of service
<b><i>Cost of Living Increases</i></b>	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)  
FIREMEN'S PENSION AND RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020. 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 3.13%. 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>
Net pension (liability)	\$(32,686,961)	\$(26,768,053)	\$(22,033,080)

See independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS MULTIYEAR  
POLICEMEN'S PENSION AND RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 826,002	\$ 979,662	\$ 964,909	\$ 940,194	\$ 678,319	\$ 618,071	\$ 666,702
Interest	1,520,547	1,458,048	1,429,392	1,404,357	1,370,741	1,338,559	1,332,234
Changes of benefit terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences between expected and actual experience	(180,582)	281,256	(630,123)	(1,132,945)	(192,337)	(345,859)	-0-
Changes of assumptions	(2,137,778)	-0-	-0-	-0-	3,317,951	-0-	-0-
Benefit payments, including refunds of member contributions	<u>(1,520,272)</u>	<u>(1,417,693)</u>	<u>(1,259,755)</u>	<u>(1,192,439)</u>	<u>(1,208,416)</u>	<u>(1,210,149)</u>	<u>(1,150,677)</u>
Net change in total pension liability	(1,492,083)	1,301,273	504,423	19,167	3,966,258	400,622	848,259
Total pension liability - beginning	<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>	<u>24,131,071</u>
 Total pension liability - ending (a)	 <u>29,678,990</u>	 <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>
 <b>Plan Fiduciary Net Position</b>							
Contributions - employer (including Premium Tax Allocation)	2,268,729	2,024,660	2,015,709	1,758,504	1,333,490	1,261,009	1,189,034
Contributions - member	200,742	192,160	176,039	168,474	157,241	154,449	151,027
Net investment income	1,016,297	297,401	469,963	669,529	(21,235)	133,494	632,587
Benefit payments, including refunds of member contributions	(1,520,272)	(1,417,693)	(1,259,755)	(1,192,439)	(1,208,416)	(1,210,149)	(1,150,677)
Administrative expense	(8,300)	(7,500)	(7,500)	(7,500)	(7,750)	(7,500)	(7,500)
Other	<u>543</u>	<u>(30)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>206</u>
Net change in plan fiduciary net position	1,957,739	1,088,998	1,394,456	1,396,568	253,330	331,303	814,677
Plan fiduciary net position - beginning	<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>	<u>4,092,485</u>
 Plan fiduciary net position - ending (b)	 <u>11,329,558</u>	 <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>\$ 18,349,432</u>	 <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>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS MULTIYEAR  
POLICEMEN'S PENSION AND RELIEF FUND (CONTD)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary net position as a percentage of the total pension liability	38.17%	30.07%	27.73%	23.46%	18.71%	20.64%	19.64%
Covered payroll	\$ 1,852,849	\$ 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	990.34%	968.68%	1018.92%	1077.55%	1199.05%	1113.88%	1025.10%
Expected average remaining service years of all participants	5.00	5.00	5.41	5.34	5.30	4.75	-0-

**Notes to Schedule:**

Benefit changes: There were no changes for FY2020  
Changes in assumptions: The discount rate changed from 5.00% to 5.50%

*\*Totals may not add due to rounding*

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
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, 2020**

<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%
2020	\$ 29,678,990	\$ 11,329,558	\$ 18,349,432	38.17%	\$ 1,852,849	990.34%

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, 2020**

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

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,134,042	\$ 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	1,850,032	1,573,002	1,583,840	1,337,055	929,217	860,386	796,654	737,643
State provided	<u>418,697</u>	<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>\$ (134,687)</u>	<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	\$ 1,852,849	\$ 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	122.45%	89.97%	95.14%	84.30%	67.03%	69.74%	60.72%	62.64%

**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	31.5 years
Asset valuation method	Market Value
Inflation	2.75 percent
Salary increases	Rates vary by years of service
Investment rate of return	5.00%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by age
Mortality	RP-2014 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, 2020**

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:

<b><i>Measurement Date</i></b>	June 30, 2020, measurement date based on actuarial liabilities as of July 1, 2019
<b><i>Actuarial Cost Method</i></b>	Entry Age Normal, Level-Percentage-of-Pay
<b><i>Actuarial Value of Assets</i></b>	Market value used for GASB Nos. 67 and 68 reporting
<b><i>Contribution Policy and Amortization Method</i></b>	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.
<b><i>Actuarial Assumptions:</i></b>	
<b><i>Investment Rate of Return</i></b>	5.00% per year
<b><i>GASB 67/68 Discount Rate</i></b>	5.00% per year at June 30, 2020 and 2019
<b><i>Projected Salary Increases</i></b>	Rates vary by years of service
<b><i>Cost of Living Increases</i></b>	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, 2020**

**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, 2020. 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 3.13%. 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>
Net pension (liability)	\$(22,886,733)	\$(18,349,432)	\$(14,723,088)

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, 2020**

**Public Employees Insurance Agency  
Four Fiscal Years\***

	2020	2019	2018	2017
Municipality's proportion of the net OPEB liability	0.1573615%	0.1811420%	0.1661998%	0.1895212%
Municipality's proportionate share of the net OPEB liability	\$ 3,110,836	\$ 3,886,279	\$ 4,106,461	\$ 4,706,425
Municipality's covered-employee payroll	\$ 4,759,574	\$ 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	65.43%	85.08%	85.08%	108.73%
Plan fiduciary net position as a percentage of the total OPEB liability	39.69%	30.98%	25.10%	21.64%

\* - Applicable information was available for four years for this schedule.

This schedule presents the only years available at June 30, 2020. 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, 2020**

**Public Employees Insurance Agency  
Four Fiscal Years\***

	2020	2019	2018	2017
Contractually required contribution	\$ 385,685	\$ 370,162	\$ 343,011	\$ 324,207
Contributions in relation to the contractually required contribution	<u>(385,685)</u>	<u>(370,162)</u>	<u>(343,011)</u>	<u>(324,207)</u>
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Municipality's covered-employee payroll	\$ 4,759,574	\$ 4,568,011	\$ 4,826,817	\$ 4,828,711
Contributions as a percentage of covered-employee payroll	8.10%	8.11%	7.93%	6.72%

\* - Applicable information was available for four years for this schedule.

This schedule presents the only years available at June 30, 2020. 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, 2020**

**Change of Assumptions**

***Actuarial Revisions***

Subsequent to the issuance of the State of West Virginia's June 30, 2019 West Virginia Retiree Health Benefit Trust Fund's Report, certain actuarial amounts from the actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019 were revised. The amounts revised as of June 30, 2019 were used to prepare these schedules and are described below:

Total OPEB Liability	\$ 2,750,793,325
Plan OPEB Net Position	(1,091,661,000)
Net OPEB Liability	\$ <u>1,659,132,325</u>
Plan OPEB Net Position as a percentage of the total pension liability	39.69%

	<u>1% Decrease</u> <u>(6.15%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.15%)</u>	<u>1% Increase</u> <u>(8.15%)</u>
<u>Sensitivity of Discount Rate</u>			
Net OPEB (Liability) Asset	\$ (1,980,125,365)	\$ (1,659,132,325)	\$ (1,390,515,393)
		<u>Health Care</u> <u>Cost Trend</u> <u>Rates</u>	
<u>Sensitivity to Health Care Trends</u>	<u>1% Decrease</u>		<u>1% Increase</u>
Net OPEB (Liability)	\$ (1,337,850,475)	\$ (1,659,132,325)	\$ (2,049,007,693)

See independent auditor's report.

***SUPPLEMENTARY INFORMATION***

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF NET POSITION –**  
**COMPONENT UNITS**  
**JUNE 30, 2020**

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
Cash	\$ 748,955	\$ 28,816
Receivables, net of allowances:		
Accounts	1,110,914	-0-
Due to/from other activities	8,812	-0-
Inventory	<u>241,660</u>	<u>-0-</u>
Total current assets	<u>2,110,341</u>	<u>28,816</u>
<b>Noncurrent Assets</b>		
Restricted assets	<u>901,724</u>	<u>-0-</u>
<b>Capital Assets</b>		
Land	84,065	2,543,901
Construction in process	390,800	-0-
Buildings	1,532,698	7,663,710
Structures and improvements	7,895,033	453,583
Machinery and equipment	-0-	338,301
Transmission and distribution	28,798,060	-0-
Less: Accumulated depreciation	<u>(20,258,265)</u>	<u>(4,888,939)</u>
Net capital assets	<u>18,442,391</u>	<u>6,110,556</u>
<b>Total assets</b>	<u>21,454,456</u>	<u>6,139,372</u>
<b>Deferred Outflow of Resources</b>		
Deferred outflows of resources – WVPERS	183,415	-0-
Deferred outflows of resources – WVRHBT	<u>113,764</u>	<u>780</u>
Total deferred outflow of resources	<u>297,179</u>	<u>780</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF NET POSITION –**  
**COMPONENT UNITS (CONT'D)**  
**JUNE 30, 2020**

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>		
<b>Current Liabilities (payable from current assets)</b>		
Notes payable	\$ 389,457	\$ -0-
Accounts payable	25,782	243
Accrued compensated absences	<u>103,055</u>	<u>104</u>
Total current liabilities (payable from current assets)	<u>518,294</u>	<u>347</u>
<b>Current Liabilities (payable from restricted assets)</b>		
Revenue bonds payable	<u>430,623</u>	<u>-0-</u>
Total current liabilities (payable from restricted assets)	<u>430,623</u>	<u>-0-</u>
<b>Long-Term Liabilities (net of current portion)</b>		
Revenue bonds payable	10,287,165	-0-
Other post-employment benefits payable	499,166	3,425
Net pension obligation	<u>237,871</u>	<u>-0-</u>
Total long-term liabilities (net of current portion)	<u>11,024,202</u>	<u>3,425</u>
<b>Total liabilities</b>	<u>11,973,119</u>	<u>3,772</u>
<b>Deferred Inflow of Resources</b>		
Deferred inflows of resources – WVPERS	150,422	-0-
Deferred inflows of resources – WVRHBT	<u>213,705</u>	<u>1,476</u>
Total deferred inflow of resources	<u>364,127</u>	<u>1,476</u>
<b>Net Position</b>		
Net investment in capital assets	7,335,146	6,110,556
Restricted for debt service	330,950	-0-
Restricted for renewal and replacement	1,082,046	25,487
Unrestricted	<u>666,247</u>	<u>( 1,139)</u>
Total net position	\$ <u>9,414,389</u>	\$ <u>6,134,904</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, 2020**

	<u>Sanitary Board Fund</u>	<u>Parking Authority Fund</u>
<b>Operating Revenues</b>		
Charges for services	\$ 4,733,919	\$ 131,578
Total operating revenues	<u>4,733,919</u>	<u>131,578</u>
<b>Operating Expenses</b>		
Personal services	2,133,140	70,041
Contractual services	422,783	4,000
Administrative and general	210,758	10,421
Fuel and oil	65,716	-0-
Liability insurance	200,888	5,309
Materials and supplies	366,324	5,190
Utilities	212,996	29,988
Depreciation	727,067	105,420
Maintenance	<u>109,232</u>	<u>7,828</u>
Total operating expenses	<u>4,448,904</u>	<u>238,197</u>
Operating income (loss)	<u>285,015</u>	( 106,619)
<b>Nonoperating Revenues (Expenses)</b>		
Interest	19,924	432
Miscellaneous income	13,117	-0-
Interest and fiscal charges	( 122,710)	-0-
Total nonoperating revenues (expenses)	<u>( 89,669)</u>	<u>432</u>
Change in net position before operating transfers in (out)	195,346	( 106,187)
Operating transfers in (out)	<u>( 300,009)</u>	<u>-0-</u>
Change in net position	( 104,663)	( 106,187)
Total net position – beginning - restated	<u>9,519,052</u>	<u>6,241,091</u>
Total net position – ending	\$ <u>9,414,389</u>	\$ <u>6,134,904</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, 2020**

	<u>Sanitary</u> <u>Board</u> <u>Fund</u>	<u>Parking</u> <u>Authority</u> <u>Fund</u>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 4,651,721	\$ 131,578
Payments to suppliers	(2,074,348)	( 73,474)
Payments to other sources	( 300,009)	-0-
Payments to employees	(1,606,610)	( 65,561)
Net cash provided by (used in) operating activities	<u>670,754</u>	<u>( 7,457)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
(Increase) decrease in restricted assets	( 207,642)	-0-
Repayment of revenue bonds	( 428,726)	-0-
Repayment of notes payable	( 1,343)	-0-
Proceeds from notes payable	-0-	-0-
Acquisition of capital assets	-0-	-0-
Interest expense	( 122,710)	-0-
Net cash (used in) capital and related financing activities	<u>( 760,421)</u>	<u>-0-</u>
<b>Cash Flows from Investing Activities</b>		
Interest on investments	<u>19,924</u>	<u>432</u>
Net cash provided by investing activities	<u>19,924</u>	<u>432</u>
Net increase (decrease) in cash	( 69,743)	( 7,025)
Cash at beginning of year	<u>818,698</u>	<u>35,841</u>
Cash at end of year	\$ <u>748,955</u>	\$ <u>28,816</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS –**  
**COMPONENT UNITS (CONT'D)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Sanitary</u> <u>Board</u> <u>Fund</u>	<u>Parking</u> <u>Authority</u> <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 285,015	\$ (106,619)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	727,067	105,420
Miscellaneous income	13,117	-0-
Transfers from (to) other funds	( 300,009)	-0-
(Increase) decrease in:		
Accounts receivable	( 82,198)	-0-
Due to/from other funds	( 1)	-0-
Inventory	71,513	-0-
Deferred outflows of resources – WVPERS	( 3,615)	-0-
Deferred outflows of resources – WVRHBT	( 20,986)	441
Increase (decrease) in:		
Accounts payable	( 47,585)	( 2,725)
Accrued compensated absences	21,179	104
Accrued post-employment benefits payable	( 61,624)	( 3,959)
Net pension obligation	( 21,085)	-0-
Deferred inflow of resources – WVPERS	( 1,962)	-0-
Deferred inflow of resources – WVRHBT	91,928	( 119)
Net cash provided by (used in) operating activities	\$ <u>670,754</u>	\$ <u>( 7,457)</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
COMBINING FUND BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Memorandum Only</u>
<b>ASSETS</b>			
Cash	\$ 1,815,206	\$ 8,413	\$ 1,823,619
Receivables (net of allowances for uncollectibles of \$7,000):			
Taxes	223,273	-0-	223,273
Notes	17,722	-0-	17,722
Due from/(to) other activities	( 86,825)	-0-	( 86,825)
<b>TOTAL ASSETS</b>	<b>\$ 1,969,376</b>	<b>\$ 8,413</b>	<b>\$ 1,977,789</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 160,425	\$ -0-	\$ 160,425
Accrued payroll	1,305	-0-	1,305
Total liabilities	<u>161,730</u>	<u>-0-</u>	<u>161,730</u>
<b>Deferred Inflows of Resources</b>			
Deferred taxes	<u>183,758</u>	<u>-0-</u>	<u>183,758</u>
Total liabilities and deferred inflows of resources	<u>345,488</u>	<u>-0-</u>	<u>345,488</u>
<b>Fund Balances</b>			
Assigned	1,637,436	8,413	1,645,849
Unassigned	( 13,548)	-0-	( 13,548)
Total fund balances	<u>1,623,888</u>	<u>8,413</u>	<u>1,632,301</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,969,376</b>	<b>\$ 8,413</b>	<b>\$ 1,977,789</b>

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, 2020**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total (Memorandum Only)</u>
<b>Revenues</b>			
Taxes – Ad valorem	\$ 1,623,702	\$ -0-	\$ 1,623,702
Charges for services	718,485	46,460	764,945
Fines and forfeits	29,184	-0-	29,184
Interest	21,809	603	22,412
Donations	26,575	-0-	26,575
Intergovernmental:			
Federal	942	-0-	942
Contributions from employees	361,157	-0-	361,157
Contributions from employer	1,839,131	-0-	1,839,131
Other	<u>8,015</u>	<u>-0-</u>	<u>8,015</u>
Total revenues	<u>4,629,000</u>	<u>47,063</u>	<u>4,676,063</u>
<b>Expenditures</b>			
Public safety	243,950	-0-	243,950
Highways and streets	68,805	-0-	68,805
Community development	19,275	-0-	19,275
Culture and recreation	1,028,941	-0-	1,028,941
Benefit payments	2,063,439	-0-	2,063,439
Capital outlay	756,454	-0-	756,454
Debt service – principle	26,925	-0-	26,925
Debt service – interest	<u>5,160</u>	<u>-0-</u>	<u>5,160</u>
Total expenditures	<u>4,212,949</u>	<u>-0-</u>	<u>4,212,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>416,051</u>	<u>47,063</u>	<u>463,114</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, 2020**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total (Memorandum Only)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from debt financing	\$ 321,757	\$ -0-	\$ 321,757
Operating transfers in	961,474	-0-	961,474
Operating transfers (out)	<u>(1,290,023)</u>	<u>(83,212)</u>	<u>(1,373,235)</u>
Total other financing sources (uses)	<u>( 6,792)</u>	<u>(83,212)</u>	<u>( 90,004)</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	 409,259	 (36,149)	 373,110
 Fund balance beginning of year	 <u>1,214,629</u>	 <u>44,562</u>	 <u>1,259,191</u>
 Fund balance end of year	 \$ <u>1,623,888</u>	 \$ <u>8,413</u>	 \$ <u>1,632,301</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**COMBINING FUND BALANCE SHEETS –**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

**ASSETS**

	<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>
Cash	\$ 361,996	\$ 453,909	\$ 120	\$ 170,173	\$ 84,831	\$ 576,811	\$ 8,024	\$ 158,860	\$ 482	\$ 1,815,206
Receivables (net of allowances for uncollectibles of \$7,000)										
Taxes	-0-	-0-	-0-	-0-	89,309	133,964	-0-	-0-	-0-	223,273
Notes	-0-	-0-	17,722	-0-	-0-	-0-	-0-	-0-	-0-	17,722
Due from/(to) other activities	<u>8,954</u>	<u>-0-</u>	<u>-0-</u>	<u>42,876</u>	<u>( 8,683)</u>	<u>(107,816)</u>	<u>(17,833)</u>	<u>( 4,323)</u>	<u>-0-</u>	<u>( 86,825)</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>370,950</u></b>	<b>\$ <u>453,909</u></b>	<b>\$ <u>17,842</u></b>	<b>\$ <u>213,049</u></b>	<b>\$ <u>165,457</u></b>	<b>\$ <u>602,959</u></b>	<b>\$ <u>( 9,809)</u></b>	<b>\$ <u>154,537</u></b>	<b>\$ <u>482</u></b>	<b>\$ <u>1,969,376</u></b>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**COMBINING FUND BALANCE SHEETS -**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONT'D)**  
**JUNE 30, 2020**

	<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>
<b>LIABILITIES, DEFERRED INFLOWS</b>										
<b>AND FUND BALANCES</b>										
<b>Liabilities</b>										
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ 2,149	\$ -0-	\$ -0-	\$ -0-	\$ 158,276	\$ -0-	\$ 160,425
Accrued payroll	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,305</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,305</u>
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,454</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>158,276</u>	<u>-0-</u>	<u>161,730</u>
<b>Deferred Inflows</b>										
Deferred Taxes	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>73,503</u>	<u>110,255</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>183,758</u>
<b>Fund Balances</b>										
Assigned	370,950	453,909	17,842	209,595	91,954	492,704	-0-	-0-	482	1,637,436
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>( 9,809)</u>	<u>( 3,739)</u>	<u>-0-</u>	<u>( 13,548)</u>
Total fund balances	<u>370,950</u>	<u>453,909</u>	<u>17,842</u>	<u>209,595</u>	<u>91,954</u>	<u>492,704</u>	<u>( 9,809)</u>	<u>( 3,739)</u>	<u>482</u>	<u>1,623,888</u>
<b>TOTAL LIABILITIES, DEFERRED</b>										
<b>INFLOWS AND FUND BALANCES</b>	<u>\$ 370,950</u>	<u>\$ 453,909</u>	<u>\$ 17,842</u>	<u>\$ 213,049</u>	<u>\$ 165,457</u>	<u>\$ 602,959</u>	<u>\$ ( 9,809)</u>	<u>\$ 154,537</u>	<u>\$ 482</u>	<u>\$ 1,969,376</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, 2020**

	<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>
<b>Revenues</b>										
Taxes – Ad Valorem	\$ -0-	\$ 345,290	\$ -0-	\$ -0-	\$ -0-	\$ 1,278,412	\$ -0-	\$ -0-	\$ -0-	\$ 1,623,702
Charges for services	-0-	-0-	-0-	718,485	-0-	-0-	-0-	-0-	-0-	718,485
Fines and forfeits	29,184	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	29,184
Interest	3,890	7,232	3	2,642	1,554	5,757	118	594	19	21,809
Donations	5,000	-0-	-0-	21,150	-0-	-0-	-0-	-0-	425	26,575
Intergovernmental:										
Federal	942	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	942
Contributions from employees	-0-	-0-	-0-	-0-	-0-	-0-	75,712	285,445	-0-	361,157
Contributions from employer	-0-	-0-	-0-	-0-	-0-	-0-	63,324	1,775,807	-0-	1,839,131
Other	<u>4,200</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,276</u>	<u>1,539</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,015</u>
Total revenues	<u>43,216</u>	<u>352,522</u>	<u>3</u>	<u>742,277</u>	<u>3,830</u>	<u>1,285,708</u>	<u>139,154</u>	<u>2,061,846</u>	<u>444</u>	<u>4,629,000</u>
<b>Expenditures</b>										
Public safety	99,052	-0-	-0-	-0-	-0-	107,698	-0-	-0-	10,700	243,950
Highways and streets	-0-	26,500	-0-	-0-	-0-	64,605	-0-	-0-	-0-	68,805
Community development	-0-	4,200	-0-	-0-	-0-	-0-	-0-	-0-	-0-	19,275
Culture and recreation	-0-	19,275	-0-	610,595	418,346	-0-	-0-	-0-	-0-	1,028,941
Benefit payments	-0-	-0-	-0-	-0-	-0-	-0-	139,949	1,923,490	-0-	2,063,439
Capital outlay	-0-	-0-	-0-	466,393	-0-	290,061	-0-	-0-	-0-	756,454
Debt service – principle	-0-	-0-	9,874	-0-	17,051	-0-	-0-	-0-	-0-	26,925
Debt service – interest	<u>-0-</u>	<u>-0-</u>	<u>5,160</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,160</u>
Total expenditures	<u>99,052</u>	<u>49,975</u>	<u>15,034</u>	<u>1,076,988</u>	<u>435,397</u>	<u>462,364</u>	<u>139,949</u>	<u>1,923,490</u>	<u>10,700</u>	<u>4,212,949</u>
Excess (deficiency) of revenues over (under) expenditures	( <u>55,836</u> )	<u>302,547</u>	( <u>15,031</u> )	( <u>334,711</u> )	( <u>431,567</u> )	<u>823,344</u>	( <u>795</u> )	<u>138,356</u>	( <u>10,256</u> )	<u>416,051</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONT'D)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Tax		Increment Financing		Urban Renewal Authority	Park Board	Park Board Special Levy	Capital Improvement Levy Fund	Dental and Vision Benefit Fund	PEIA Fund	Police National Nightout Fund	Total (Memorandum Only)
	Police Fund	District Fund										
Other Financing Sources (Uses)												
Proceeds from debt financing	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 321,757	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 321,757
Operating transfers in	115,328	-0-	83,288		46,442	648,695	64,121		-0-	-0-	3,600	961,474
Operating transfers (out)	(64,121)	(337,945)	(68,254)		(138,035)	(171,008)	(510,660)		-0-	-0-	-0-	(1,290,023)
Total other financing sources (uses)	<u>51,207</u>	<u>(337,945)</u>	<u>15,034</u>		<u>230,164</u>	<u>477,687</u>	<u>(446,539)</u>		<u>-0-</u>	<u>-0-</u>	<u>3,600</u>	<u>(6,792)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	( 4,629)	( 35,398)	3		( 104,547)	46,120	376,805		( 795)	138,356	( 6,656)	409,259
Fund balance beginning 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>
Fund balance end of year	<u>\$ 370,950</u>	<u>\$ 453,909</u>	<u>\$ 17,842</u>		<u>\$ 209,595</u>	<u>\$ 91,954</u>	<u>\$ 492,704</u>		<u>\$ ( 9,809)</u>	<u>\$ ( 3,739)</u>	<u>\$ 482</u>	<u>\$ 1,623,888</u>

See accompanying notes and independent auditor's report.

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
COMBINING FUND BALANCE SHEET –  
NONMAJOR DEBT SERVICE FUND  
JUNE 30, 2020**

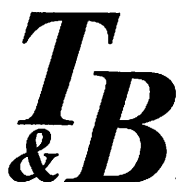
	<u>Urban Renewal Authority</u>
<b>ASSETS</b>	
Cash	\$ <u>8,413</u>
<b>TOTAL ASSETS</b>	\$ <u>8,413</u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities</b>	
Accounts payable	\$ <u>-0-</u>
Total liabilities	<u>-0-</u>
<b>Fund Balances</b>	
Assigned	<u>8,413</u>
Total fund balances	<u>8,413</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ <u>8,413</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, 2020**

	<u>Urban Renewal Authority</u>
<b>Revenues</b>	
Charges for services	\$ 46,460
Interest	<u>603</u>
Total revenues	<u>47,063</u>
Excess of revenues over expenditures	47,063
<b>Other Financing Sources (Uses)</b>	
Operating transfers (out)	(83,212)
(Deficiency) of revenues and other financing sources (under) expenditures and other financing (uses)	(36,149)
Fund balance beginning of year	<u>44,562</u>
Fund balance end of year	\$ <u>8,413</u>

See accompanying notes and independent auditor's report.



***Tetrick & Bartlett, PLLC***

**Certified Public Accountants  
Consultants**

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**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, 2020, and the related notes to the financial statements, which collectively comprise the Municipality of Clarksburg, West Virginia's basic financial statements and have issued our report thereon dated January 28, 2021.

**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) as a basis for designing 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

*Justin A. Bartlett, PLLC*

Clarksburg, West Virginia  
January 28, 2021



***Tetrick & Bartlett, PLLC***

**Certified Public Accountants  
Consultants**

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

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, 2020. 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 the 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, 2020.

### **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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the 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, Bailett, Ph.D.*

Clarksburg, West Virginia  
January 28, 2021

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**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>          No          </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>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u>          No          </u>
Identification of major programs:	

***Coronavirus Relief Fund***

COVID 19 – United States Department of the Treasury	CFDA #21.019
Dollar threshold used to distinguish between Type A and Type B programs	<u>          \$750,000          </u>
Auditee qualified as low-risk auditee	<u>      </u> yes <u>  X  </u> no

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2020**

**B. Findings – Financial Statement Audit**

**No Findings**

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

**United States Department of the Treasury – COVID-19 Relief Fund – CFDA Number 21.019 – Fiscal Year Ended June 30, 2020.**

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, 2020**

<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>
<b>Highway Planning and Construction Cluster</b>					
<b>United States Department of Transportation</b>					
<u>West Virginia Department of Transportation</u>					
<u>West Virginia Division of Motor Vehicles</u>					
Highway Planning and Construction	20.205	F20-HS-05-DOHWZ	\$ 7,000	\$ 197	\$ 197
Highway Planning and Construction	20.205	F19-HS-05-DOHDD	20,000	<u>1,125</u>	<u>1,125</u>
Total United States Department of Transportation – CFDA Number 20.205				<u>1,322</u>	<u>1,322</u>
Total Highway Planning and Construction Cluster				<u>1,322</u>	<u>1,322</u>
<b>Highway Safety Cluster</b>					
<b>United States Department of Transportation</b>					
<b>National Highway Safety Administration</b>					
<u>West Virginia Department of Transportation</u>					
<u>West Virginia Division of Motor Vehicles</u>					
State and Community Highway Safety	20.600	F20-HS-05-402	152,800	\$ 63,293	\$ 63,293
<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	148,300	<u>35,175</u>	<u>35,175</u>
Total United States Department of Transportation – CFDA Number 20.600				<u>98,468</u>	<u>98,468</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

<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>
<b>Highway Safety Cluster</b>					
United States Department of Transportation National Highway Safety Administration					
<u>West Virginia Department of Transportation</u> <u>West Virginia Division of Motor Vehicles</u>					
National Priority Safety Programs	20.616	F20-HS-05-405B	\$ 25,000	\$ 6,192	\$ 6,192
National Priority Safety Programs	20.616	F20-HS-05-405C	80,000	79,997	79,997
National Priority Safety Programs	20.616	F20-HS-05-405D	100,000	43,005	43,005
National Priority Safety Programs	20.616	F19-HS-05-405B	31,000	4,041	4,041
National Priority Safety Programs	20.616	F19-HS-05-405C	80,000	22,386	22,386
National Priority Safety Programs	20.616	F19-HS-05-405D	169,500	<u>32,735</u>	<u>32,735</u>
Total United States Department of Transportation – CFDA Number 20.616				<u>188,356</u>	<u>188,356</u>
Total United States Department of Transportation – Highway Safety Cluster				<u>286,824</u>	<u>286,824</u>
Total United States Department of Transportation				<u>288,146</u>	<u>288,146</u>
<b>Executive Office of the President</b>					
Financial Commission for Appalachia High Intensity Drug Trafficking Area					
<u>Laurel County Fiscal Court</u>					
High Intensity Drug Trafficking Areas Program	95.001	G19AP0001A	\$ 36,000	\$ 4,312	\$ 4,312
High Intensity Drug Trafficking Areas Program	95.001	G20AP0001A	36,000	<u>6,226</u>	<u>6,226</u>
Total Executive Office of the President – CFDA Number 95.001				<u>10,538</u>	<u>10,538</u>
Total Executive Office of the President				<u>10,538</u>	<u>10,538</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTD)  
FOR THE YEAR ENDED JUNE 30, 2020**

<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>
<b>United States Department of Homeland Security</b>					
<b>Federal Emergency Management Agency</b>					
<u>West Virginia Department of Military Affairs and Public Safety Division of Homeland Security and Emergency Management</u>					
Fire Management Assistance Grant	97.046	FEMA	\$ 100,000	\$ <u>84,459</u>	\$ <u>84,459</u>
Total United States Department of Homeland Security – CFDA Number 97.036				<u>84,459</u>	<u>84,459</u>
Total United States Department of Homeland Security				<u>84,459</u>	<u>84,459</u>
<b>United States Department of the Treasury</b>					
<u>State of West Virginia Coronavirus Relief Fund</u>					
COVID 19 – Coronavirus Relief Fund	21.019	CVFR 2020/17-1878	2,222,207	<u>2,222,207</u>	<u>2,222,207</u>
Total United States Department of the Treasury – CFDA Number 21.019				<u>2,222,207</u>	<u>2,222,207</u>
Total United States Department of the Treasury				<u>2,222,207</u>	<u>2,222,207</u>
<b>United States Department of Justice</b>					
<b>Violence Against Women Office</b>					
<u>West Virginia Division of Justice and Community Services</u>					
<u>Task Force on Domestic Violence</u>					
Violence Against Women Formula Grants	16.588	18-VAW-017	10,000	<u>5,502</u>	<u>5,502</u>
Total United States Department of Justice – CFDA Number 16.588				<u>5,502</u>	<u>5,502</u>

**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)  
FOR THE YEAR ENDED JUNE 30, 2020**

<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>
<b>United States Department of Justice</b>					
<b>Bureau of Justice Assistance</b>					
Edward Bryne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0290	\$ 4,937	\$ 942	\$ 942
<b>United States Department of Justice</b>					
<b>Bureau of Justice Assistance</b>					
<u>State of West Virginia Division of Justice and Community Services</u>					
Edward Bryne Memorial Justice Assistance Grant Program	16.738	19-JAG-10	15,000	<u>10,500</u>	<u>10,500</u>
Total United States Department of Justice – CFDA Number 16.738				<u>11,442</u>	<u>11,442</u>
Total United States Department of Justice				<u>16,944</u>	<u>16,944</u>
Total Expenditures of Federal Awards				\$ <u>2,622,294</u>	\$ <u>2,622,294</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, 2020**

**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, 2020. 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.

**Note C – Loan Balances**

- (1) 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, 2020 was \$8,406,241.

See independent auditor's report.



**MUNICIPALITY OF CLARKSBURG, WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2020**

**United States Department of the Treasury – Coronavirus Relief Fund – CFDA Number  
21.019 – Fiscal Year Ended June 30, 2020**

Since there were no findings a corrective action plan is not required.

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

**Summary Schedule of Prior Audit Findings**

**Financial Audit**

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

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.

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

This finding was corrected for the June 30, 2020 audit.

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

Condition: It was noted during this audit that the Municipality of Clarksburg expended funds in excess of the approved budget categories for the General Fund and Coal Severance Fund.

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

This finding was corrected for the June 30, 2020 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.