AUDIT REPORT OF
THE MUNICIPALITY OF MARLINTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

THE MUNICIPALITY OF MARLINTON, 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

NONMAJOR FUND

Special Revenue Fund

Housing Rehab
Community Savings

PROPRIETARY FUND TYPE

MAJOR FUNDS

Water
Sewerage

THE MUNICIPALITY OF MARLINTON, WEST VIRGINIA
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INTRODUCTORY SECTION

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
MUNICIPAL OFFICIALS
For the Fiscal Year Ended June 30, 2020

OFFICE	NAME	TERM
	Elective	
Mayor:	Samuel M. Felton, Jr.	07/01/15 / 06/30/20
Council Members:	Roberta J. Gudmundsson	07/01/15 / 06/30/20
	Adam R. Irvine	07/01/15 / 06/30/20
	Don E. Morrision	07/01/15 / 06/30/20
	Mark D. Strauss	07/01/15 / 06/30/20
	Norris F. Long	07/01/15 / 06/30/20
	Doreen S. Helton	07/01/15 / 06/30/20
	Appointive	
Finance Director:	Star Barlow	

FINANCIAL SECTION

Harold Fortner, CPA

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
Municipality of Marlinton
Marlinton, West Virginia 24954

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Municipality of Marlinton ,West Virginia (the Municipality), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activites, each major fund, and the aggregate remaining fund information of the Municipality of Marlinton (the Muncipality), 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.

Basis for Opinions

We conducted our audit in accordance with auditng 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipality of Marlinton, and to meet our other ethical responsibilites, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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. In preparing of the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality of Marlinton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* , we:

- Exercise professional judgment and maintain professional skepticism throughout the audit

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Municipality of Marlinton's internal control. Accordingly , no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management , as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality of Marlinton's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that are identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Governments' Proportionate Share of the Net Pension Liability and the Governments' Proportionate Share of the OPEB Liability and the Schedule of Government Contributions on pages 32 thru 37 be presented to supplement the basic financial statements. Such information is the responsibility of manageent, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it be an essential part of 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 and opinion or provide any assurance.

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 (GASB) who considers it to be an essential part of 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The Schedules of Rate Covenant Compliance are presented for purpose of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Schedule of Rate Covenant Compliance is fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exits between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023, on our consideration of the Municipality'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 to 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 Marlinton, 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's internal control over financial reporting and compliance.

Respectfully submitted,

Harold Fortner

Harold Fortner, CPA
Whitehall, WV 26554

July 31, 2023

MUNICIPALITY OF MARLINTON
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 274,666	$ 533,085	$ 807,751
Investments	262,039	--	262,039
Receivables:			
Taxes	50,498	--	50,498
Accounts	58,871	186,098	244,969
Other	--	7,327	7,327
Prepaids	16,139	6,831	22,970
Total current assets	662,213	733,341	1,395,554
Noncurrent assets:			
Regular account	--	15,853	15,853
Reserve account	--	161,187	161,187
Reserve for bond retirement	--	97,042	97,042
Reserve for depreciation	--	21,633	21,633
Reserve for construction	--	5,000	5,000
Customer deposits	--	30,421	30,421
Capital assets:			
Nondepreciable:			
Land	160,340	86,770	247,110
Construction in progress	--	3,017,375	3,107,375
Depreciable:			
Buildings	1,094,450	743,729	1,838,179
Structures and improvements	--	14,199,227	14,199,227
Infrastructure	198,035	--	198,035
Machinery and equipment	450,475	521,926	972,401
Less: accumulated depreciation	(1,117,922)	(5,818,839)	(6,936,761)
Total noncurrent assets	785,378	13,081,324	13,866,702
Total assets	1,447,591	13,814,665	15,262,256
DEFERRED OUTFLOWS			
Public Employees Retirement System (PERS) and Public Employees Insurance Agency (PEIA):			
Contributions made after measurement date	20,221	32,236	52,457
Changes in proportion and differences between employer contributions and proportionate share of contributions	23,975	77,861	101,836
Difference between expected and actual experience	1,093	1,678	2,771
Total deferred outflows of resources	45,289	111,775	157,064
Total assets and deferred outflows	$ 1,492,880	13,926,440	15,419,320

MUNICIPALITY OF MARLINTON
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities payable from current assets:			
Accounts payable	$ 41,482	$ 425,021	$ 466,503
Compensated absences	8,535	15,335	23,870
Customer deposits		25,172	25,172
Bonds payable	--	251,350	251,350
Total current liabilities	50,017	716,878	766,895
Noncurrent liabilities due in more than one year:			
Bonds payable	--	6,601,237	6,601,237
Net pension liability	25,297	32,197	57,494
Other post employment benefits payable	20,116	75,673	95,789
Total noncurrent liabilities	45,413	6,739,104	6,784,517
Total liabilities	95,430	7,425,985	7,521,415
DEFERRED INFLOWS			
Public Employees Retirement System (PERS) and Public Employees Insurance Agency (PEIA):			
Difference between expected and actual experience	2,541	4,059	6,600
Changes in proportion and differences between employer contributions and proportionate share of contributions	541	2,036	2,577
Change in assumptions	8,724	21,258	29,982
Net difference between projected and actual investment earnings on pension plan and OPEB investments	11,490	20,463	31,953
Total deferred inflows of resources	23,296	47,816	71,112
Total liabilities and deferred inflows	118,726	7,473,801	7,592,527
NET POSITION			
Net investment in capital assets	785,378	5,897,701	6,683,079
Restricted for:			
Debt service	--	279,082	279,082
Depreciation	--	21,633	21,633
Customer deposits	--	30,421	30,421
Unrestricted	588,776	223,802	812,578
Total net position	$ 1,374,154	$ 6,452,639	$ 7,826,793

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-type Activities	Net (Expense) Revenues and Changes in Net Position: Total
Governmental activities:						
General government	$ 86,307	$ 112,802	$ 125,385	$ 151,880	$ --	$ 151,880
Public safety	113,953	217		(113,736)	--	(113,736)
Streets and transportation	152,876	--	--	(152,876)	--	(152,876)
Health and sanitation	319,940	238,503	--	(81,437)	--	(81,437)
Culture and recreation	170,833	--	82,150	(88,683)	--	(88,683)
Social services	49,475	--	--	(49,475)	--	(49,475)
Interest on long-term debt	--	--	--	--	(8,302)	(8,302)
Total governmental activities	893,384	351,522	207,535	(334,327)	(8,302)	(342,629)
Business-type activities:						
Water	521,646	644,573	--	--	122,927	122,927
Sewerage	287,041	234,433			(52,608)	(52,608)
Total business-type activities	521,646	644,573	--	--	70,319	70,319
Total government	$ 1,415,030	$ 996,095	$ 207,535	(334,327)	62,017	(272,310)
General revenues:						
Ad valorem property taxes				151,075	--	151,075
Business and occupation tax				108,486	--	108,486
Alcoholic beverages tax				5,290	--	5,290
Utility tax				46,855	--	46,855
Hotel motel Tax				16,728	--	16,728
Gas and oil severance tax				2,505	--	2,505
Amusement tax				9,361	--	9,361
Animal tax				365	--	365
Coal severance tax				2,682	--	2,682
Unrestricted investment earnings				7,497	5,265	12,762
Video lottery				514	--	514
Total general revenues				351,358	5,265	356,623
Change in net position				17,031	67,282	84,313
Net position - beginning, restated (see note III.H.)				1,357,123	6,385,357	7,742,480
Net position - ending				$ 1,374,154	$ 6,452,639	$ 7,826,793

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	General	Coal Severance Tax	Other Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Current:				
Cash and cash equivalents	$ 242,785	$ 4,892	$ 26,989	$ 274,666
Investments	262,039	--	--	262,039
Receivables:				--
Taxes	50,037	461	--	50,498
Accounts	58,871	--	--	58,871
Prepaids	16,139	--	--	16,139
Total assets	$ 629,871	$ 5,353	$ 26,989	$ 662,213
LIABILITIES AND DEFERRED INFLOWS				
Liabilities:				
Accounts payable	41,482	--	--	41,482
Compensated absences	8,535	--	--	8,535
Total current liabilities	50,017	--	--	50,017
Deferred inflows				
Taxes	12,185	--	--	12,185
Deferred license fees	4,760	--	--	4,760
Total deferred inflows	16,945	--	--	16,945
Total liabilities and defereed inflows	66,962	--	--	66,962
Fund balances:				
Restricted	16,139	--		16,139
Committed	--	5,353	--	5,353
Assigned	--	--	26,989	26,989
Unassigned	546,770	--	--	546,770
Total fund balances	562,909	5,353	26,989	595,251
Total liabilities and fund balances	$ 629,871	5,353	$ 26,989	$ 662,213

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances on the governmental fund's balance sheet	$	595,251
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds (Note III.C.).		785,378
Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. This is the amount of deferred taxes and defrred license fees (Note III.B.).		16,945
Deferred inflows and outflows related to pension activity and health care are not required to be reported in the funds but are required to be reported at the government-wide level (Note VI.A and VII.A.)		
Public Employees Retirement System (PERS) and Public employees Insurance Agency		
Deferred outflows:		
Contributions made after the measurement date		20,221
Changes in proportion and differences between employer contributions and proportionate of contributions		23,975
Difference between expected and actual experience		1,093
Deferred inflows:		
Changes in proportion and differences between employer contributions and proportionte share of contributions		(541)
Net difference between projected and actual investment earnings on pension plan investments		(11,490)
Difference between expected and actual experience		(2,541)
Change in assumptions		(8,724)
Long-term liabilities, including the net pension liability and OPEB liability are not due and payable in the current period and therefore are not reported in the funds (Note IV.G.):		
Net pension liability - PERS		(25,297)
Other post employment benefits payable		(20,116)
Net position of governmental activities	$	1,374,154

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General	Coal Severance Tax	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Ad valorem property taxes	$ 151,075	$ --	$ --	$ 151,075
Business and occupation tax	108,486	--	--	108,486
Alcoholic beverage tax	5,290	--	--	5,290
Utility tax	46,855	--	--	46,855
Amusement tax	9,361	--	--	9,361
Hotel motel tax	16,728	--	--	16,728
Gas and oil severance tax	2,505	--	--	2,505
Animal tax	365	--	--	365
Coal severance tax	--	2,682	--	2,682
Intergovernmental				
State	5,000		--	5,000
Local	120,385			120,385
Licenses and permits	97,802	--	--	97,802
Charges for services	253,503	--	--	253,503
Fines and forfeits	217	--	--	217
Interest and investment earnings	7,497	--	--	7,497
Video lottery	514	--	--	514
Contributions and donations			82,150	82,150
Total revenues	825,583	2,682	82,150	910,415
EXPENDITURES				
Current:				
General government	221,400	--	25	221,425
Public safety	113,116	--	--	113,116
Streets and transportation	142,136	2,053	--	144,189
Health and sanitation	312,878	--	--	312,878
Culture and recreation	141,110	--	160,596	301,706
Social services	46,440	--	--	46,440
Capital projects	107,822	--	--	107,822
Total expenditures	1,084,902	2,053	160,621	1,247,576
Net change in fund balances	(259,319)	629	(78,471)	(337,161)
Fund balances - beginning, restated, (see note III.H)	822,228	4,724	105,460	932,412
Fund balances - ending	$ 562,909	$ 5,353	$ 26,989	$ 595,251

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Net change in fund balances - total governmental funds	$	(337,161)
Capital outlays are reported as an expenditure in the governmental funds but are considered an asset at the government-wide level. This is the amount of capital assets that were purchased during the fiscal year (Note III.C.).		389,512
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year (Note III.C.).		(39,006)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference in deferred taxes from the prior year (Note III.B.)		3,003
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68 and GASB 75 (Note II):		(3,914)
Public Employees Retirement System:		
Change in contributions		769
Amount of pension expense recognized at the government-wide level		
Public Employees Insurance Agency:		
Change in contributions		536
Amount of health care expense recognized at the government-wide level		3,292
Change in net position of governmental activities	$	17,031

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Sewerage	Totals
ASSETS			
Current:			
Cash and cash equivalents	$ 533,085	$ --	$ 533,085
Receivables:			
Accounts	118,991	67,107	186,098
Other	7,327	--	7,327
Prepaids	3,702	3,129	6,831
Total current assets	663,105	70,236	733,341
Noncurrent assets:			
Restricted assets:			
Regular account	8,811	7,042	15,853
Reserve account	87,954	73,233	161,187
Reserve for depreciation	16,499	5,134	21,633
Reserve for bond retirement	83,840	18,202	102,042
Customer deposits	30,421	--	30,421
Total restricted assets	227,525	103,611	331,136
Nondepreciable:			
Land	29,263	57,507	86,770
Construction in progress	2,988,070	29,305	3,017,375
Depreciable:			
Buildings	597,848	145,881	743,729
Infrastructure	10,098,660	4,100,567	14,199,227
Equipment	155,872	366,054	521,926
Less: accumulated depreciation	(4,083,397)	(1,735,442)	(5,818,839)
Total capital assets (net of accumulated depreciation)	9,786,316	2,963,872	12,750,188
Total noncurrent assets	10,013,841	3,067,483	13,081,324
Total assets	$ 10,676,946	$ 3,137,719	$ 13,814,665
DEFERRED OUTFLOWS			
Public Employees Retirement System (PERS) and Public Employees Insurance Agency:			
Contributions made after measurement date	23,773	8,463	32,236
Changes in proportion and differences between employer contributions and proportionate share of contributions	55,452	22,409	77,861
Difference between expected and actual experience	1,240	438	1,678
Total deferred outflows of resources	80,465	31,310	111,775
Total assets and deferred outflows	10,757,411	3,169,029	13,926,440

LIABILITIES

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Sewerage	Totals
Current liabilities payable from current assets:			
Accounts payable	$ 411,362	13,659	$ 425,021
Compensated absences	10,570	4,765	15,335
Customer deposits	25,172	- -	25,172
Bonds payable	181,930	69,420	251,350
Total current liabilities payable from current assets	629,034	87,844	716,878
Noncurrent liabilities			
Bonds payable	5,518,197	1,083,040	6,601,237
Notes payable		- -	
Net pension obligation	24,148	8,049	32,197
Other post employment benefits payable	53,642	22,031	75,673
Total noncurrent liabilities	5,595,987	1,113,120	6,709,107
Total liabilities	6,225,021	1,200,964	7,425,985
DEFERRED INFLOWS			
Public Employees Retirement System (PERS) and Public Employees Insurnce Agency:			
Difference between expected and actual experience	2,993	1,066	4,059
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,443	593	2,036
Net difference between projected and actual investments and non-investment earnings on pension plan and health investments	14,984	5,479	20,463
Changes in assumptions	15,312	5,946	21,258
Total deferred inflows of resources	34,732	13,084	47,816
Total liabilities and deferred inflows	6,259,753	1,214,048	7,473,801
NET POSITION			
Net investment in capital assets	4,086,189	1,811,412	5,897,601
Restricted for debt service	180,605	98,477	279,082
Restricted for depreciation	16,499	5,134	21,633
Restricted for customer deposits	5,249	- -	5,249
Unrestricted	209,116	39,958	249,074
Total net position	$ 4,497,658	$ 1,954,981	$ 6,452,639

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Sewerage	Totals
Operating revenues:			
Sales and services to customers	$ 644,573	$ 234,433	$ 879,006
Total revenues	644,573	234,433	879,006
Operating expenses:			
Personal services	195,987	81,270	277,257
Contractual services	20,607	32,623	53,230
Administrative and general	6,314	3,067	9,381
Rents	1,068	915	43,419
Miscellaneous	8,174	5,831	14,005
Materials and supplies	30,082	31,136	61,218
Utilities	33,262	18,569	51,831
Depreciation	226,152	113,630	339,782
Total operating expenses	521,646	287,041	808,687
Operating income (loss)	122,927	(52,608)	70,319
Nonoperating revenues (expenses):			
Interest revenue	3,397	1,868	5,265
Interest and fiscal charges	(4,116)	(4,186)	(8,302)
Total nonoperating revenues (expenses)	(719)	(2,318)	(3,037)
Change in net position	122,208	(54,926)	67,282
Net position at beginning of year	4,375,450	2,009,907	6,385,357
Net position at end of year	$ 4,497,658	$ 1,954,981	$ 6,452,639

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Sewerage	Totals
Cash flows from operating activities:			
Cash received from customers	$ 649,821	$ 233,637	$ 883,458
Cash paid for goods and services	(173,368)	(90,337)	(263,705)
Cash paid to employees	(195,987)	(78,848)	(274,835)
Net cash provided (used) by operating activities	280,466	64,452	344,918
Cash flows from capital and related financing activities:			
Proceeds from capital debt	2,324,740	- -	2,324,740
Principal paid on capital debt	(85,220)	(69,422)	(154,642)
Interest paid on capital debt	(4,116)	(4,186)	(8,302)
Acquisition and construction of capital assets	(2,347,062)	- -	#########
Purchase of capital assets	- -	(1,725)	(1,725)
Net cash provided (used) by capital and related financing activities	(111,658)	(75,333)	(186,991)
Cash flows from investing activities:			
Interest received	3,396	1,868	5,264
Net cash provided (used) by investing activities	3,396	1,868	5,264
Net increase (decrease) in cash and cash equivalents	172,204	(9,013)	163,191
Cash and cash equivalents, July 1, 2019 (including $280,372 in restricted accounts)	588,406	112,625	701,031
Cash and cash equivalents, June 30, 2020 (including $331,136 in restricted accounts)	$ 760,610	$ 103,612	$ 864,222

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds		
	Water	Sewerage	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ 122,927	(52,608)	$ 70,319
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	226,152	113,630	339,782
Decrease (increase) in accounts receivable	5,248	(796)	4,452
Decrease (increase) in prepaids	1,625	(469)	1,156
Decrease (increase) deferred outflows	(39,749)	(11,761)	(51,510)
Increase (decrease) in customer deposits	325	- -	325
Increase (decrease) in accounts payable	(77,546)	(4,070)	(81,616)
Increase (decrease) in deferred inflows	14,206	6,170	20,376
Increase (decrease) in compensated absences	- -	2,422	2,422
Increase (decrease) in net pension obligation	31,657	(857)	30,800
Increase (decrease) in post employment benefits payable	(4,379)	12,791	8,412
Net cash provided by operations	$ 280,466	$ 64,452	$ 344,918

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Municipality of Belington, West Virginia, do not 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 Marlinton is a municipal corporation governed by an elected mayor and eight member council. The accompanying financial statements present the government 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 forth 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. Based upon the above criteria, the Municipality does not have any component units.

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 of the activities of the government. 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. The Municipality of Belington does not present government-wide financial statements.

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 who 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. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 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.

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 government reports the following major proprietary funds:

The *Water fund* serves the citizens of the Municipality of Marlinton by providing water services to the community. This fund accounts for the receipts and expenses of operating this facility. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

The *Sewerage fund* serves the citizens of the Municipality of Marlinton by providing sanitation services to the community. This fund accounts for the receipts and expenses of operating this facility. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

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.

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. The principal operating revenue of the water and sewerage funds (enterprise funds) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, 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

1. Deposits and Investments

The Municipality of Marlinton'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.

The government reports its investments at fair value, except for 1) non-participating investment contracts (nonnegotiable certificates of deposits and repurchase agreement) which are reported at cost, which approximates fair value and 2) investments held by 2a7-like external investment pools such as the WV Money Markey and WV Government Money Market pools which are measured at amortized cost, as permissible under Governmental Accounting Board (GASB) Statement No 31, as amended by GASB Statement Nos. 72 and 79. Investments of the Municipal Bond Commission are reported at fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The composition of investments and fair value are presented in Note III-A.

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 secured by first lien deeds of trust for property situated within this State if the payment is substantially insured 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 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.

The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Municipal Bond Commission investments are considered Level 1.

The government recognizes transfers of assets into and out of levels as of the date an event or change in circumstances caused the transfer. There were no transfers between levels in the year ended June 30, 2020.

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.

The government periodically analyzes delinquent accounts and uses the direct write-off method. There were $17,776 of accounts written off during the year.

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 per annum is added from 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.

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:

Class of Property	Assessed Valuation For Tax Purposes	Current Expense
Class I	- -	12.47 cents
Class II	21,272,768	24.94 cents
Class IV	27,629,884	49.88 cents

3. Restricted Assets

Certain proceeds of the water and sewerage enterprise fund revenue bonds and notes, 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.

The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months.

The "reserve" account is used to report resources set aside to make up potential future deficiencies in the regular account.

The "reserve for depreciation" account is used to report those proceeds of revenue bond and grants that are restricted for use in emergency repairs and replacement to utility plant.

The "customer deposit" account is used to report the segregation of returnable cash deposits from customers of the utility upon initial receipt of the service.

4. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, 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 capitalization policy amount example $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 or 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 invested proceeds during the same period.

Capital assets of the government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building	40
Infrastructure	10-40
Machinery and equiment	5-10

5. Compensated Absences

The government's policy permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the financial statements in accordance with GASB Statement No. 16, Accounting for Compensated Absences.

6. Long-term obligations

In the government-wide financial statements, and 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.

7. Fund Balances

In the governmental fund financial statements, fund balance is reported in five classifications.

Nonspendable fund balance	Inventories and prepaid amounts represent fund balance amounts that are not in spendable form.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation. There is no restricted fund balance for the year.
Committed	The committed category is the portion of fund balance whose use is constrained by limitations have been approved by an order (the highest level of formal action) of the City Council, and that remain binding unless removed in the same manner. The approval does not automatically lapse at the end of the fiscal year.
Assigned	The assigned category is the portion of fund balance that has been approved by formal action of the City Council to assign amounts for any amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a defict position could report a negative amount of unassigned fund balance.

The City 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.

8. Deferred Outflows/inflows of Resources

In addition to assets, the statement of net 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 net position will sometimes report a separate section for 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.

9. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of the reources related to pensions, and pension expense, information about the fiduciary net position of Municipality of Marlinton's Public Employees Retirement system, (PERS) and additions to/ deduction from the Plan's fiduciry net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of empoyee contributions) are recognized when due and payable in accordance with the benefit terms.Investments are reported at fair value.

10. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of the resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the West Virginia Retiree Health Benefits Trust Fund (RHBT) and additions to/deductions from the RHBT's fiduciary net position have been determined on the same basis as they are reorted by the RHBT. RHBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II. ADJUSTMENTS SHOWN ON THE FINANCIAL STATEMENTS

A. Explanation of Adjustments Shown on the Statement of Revenues, Expenditures , and Changes in Fund Balance/ Statement of Activities

Deferred inflows and outflows related to pension activity are not required to be reported in the funds but are required to be reported at the government-wide level. The details of the $ (3,914) pension expense are as follows:

Change in net pension liability	$	(4,224)
Changes in deferred outflows		(4,334)
Changes in deferred inflows		4,644
Amount of pension expenses recognized at government-wide level*	$	(3,914)

Deferred inflows and outflows related to health insurance activity are not required to be reported in the funds but are required to be reported at the government-wide level. The details of the $3,292 health insurance expense are as follows:

Change in OPEB	$	11,984
Changes in deferred outflows		(4,334)
Changes in deferred inflows		(4,358)
Amount of health care expenses recognized at government-wide level*	$	3,292

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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. All annual appropriations lapse at fiscal year end.

The Municipality of Marlinton, West Virginia prepares its budget for the general fund and coal severance tax fund on the cash basis of accounting, therefore, a reconciliation has been performed on the Statement of Revenues, Expenditures and Changes it Fund Balance - Budget and Actual for the General Fund and Coal Severance Tax Fund.

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

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

Amount	Description
$ 41,718	General Government Expenditure Increase - General Fund
$ 18,401	Public Safety Expenditure Increase - General Fund
$ 8,812	Streets and Transportation Expenditure Increase - General Fund
$ 94,652	Health and sanitation Expenditure Increase - General Fund
$ 1,359	Culture and Recreation Expenditure Increase - General Fund
$ (92,178)	Capital Projects Expenditure Decrease - General Fund
$ 233,898	Social Services Expenditure Increase - General Fund
$ 1,150	Streets and Transportation Expenditure Increase - Coal Severance Tax Fund

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had investments with the West Virginia Consolidated Investment Fund and other bond accounts with the West Virginia Municipal Bond Commission.

The government had the following investments with the recurring fair value measurement as of June 30, 2020:

	Fair Value	Credit Risk Rating: Standard & Poor's and Fitch	Credit Risk Rating: Moody's Investment Services
West Virginia Consolidated Investment Fund-General Fund	$ 262,039	n/a	n/a
West Virginia Consolidated Investment Fund-Water Fund	43,102	n/a	n/a
West Virginia Consolidated Investment Fund-Sewerage Fund	13,207	n/a	n/a
Municipal Bond Commission - Sewerage Fund	132,079	n/a	n/a
Municipal Bond Commission - Water Fund	185,864	n/a	n/a
Total	$ 636,291		

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 pledge funds in excess of the FDIC limits. At year end, the government's bank balances were $764,635 of which $500,000 was collateralized by the FDIC and the remainder was collateralized by the financial institution's trust department or agent in the government's name.

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 does not have a deposit policy for custodial credit risk. At year end, the government's investment balances were $636,291 which was collateralized by the West Virginia Consolidated Investment Board and the West Virginia Muncipal Bond Commission.

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

Cash and cash equivalents	$ 764,635
Investments - collateralized and secured	636,291
Total	$ 1,400,926
Cash and cash equivalents	$ 610,539
Cash and cash equivalents-restricted	154,096
Investments	262,039
Investments-restricted	374,252
Total	$ 1,400,926

B. Receivables

Receivables at year end for the government's individual major funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Coal Severance	Water	Sewerage	Total
Receivables					
Accounts	$ 50,037	--	$ 118,991	$ 67,107	$ 236,135
Taxes	58,871	461	--	--	59,332
Gross Receivables	108,908	461	118,991	67,107	295,467
Less: Allowance for Uncollectible	--		--	--	--
Net Total Receivables	$ 108,908	461	$ 118,991	$ 67,107	$ 295,467

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental-type activities:				
Capital assets, not being depreciated:				
Land	$ 160,430	$ --	$ --	$ 160,430
Total capital assets, not being depreciated	160,430	--	--	160,430
Capital assets being depreciated:				
Buildings	855,650	238,800	--	1,094,450
Equipment	299,763	150,712	--	450,475
Infrastructure	198,035	--	--	198,035
Less: accumulated depreciation	(1,078,916)	(39,006)	--	(1,117,922)
Total capital assets being depreciated, net	274,532	350,506	--	625,038
Governmental-type activities capital assets, net	$ 434,962	350,506	$ -	$ 785,468

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 86,770	$ --	$ --	$ 86,770
Contruction in progress	3,017,042	333	--	3,017,375
Total capital assets, not being depreciated	3,103,812	333	--	3,104,145
Capital assets being depreciated				
Buildings	743,729	--	--	743,729
Structures and improvements	11,852,165	2,347,062	--	14,199,227
Machinery and equipment	520,534	1,392	--	521,926
Less: accumulated depreciation	(5,479,057)	(339,782)	--	(5,818,839)
Total capital assets being depreciated, net	7,637,371	2,008,672	--	9,646,043
Business-type activities capital assets, net	$ 10,741,183	2,009,005	$ -	$ 12,750,188

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	$ 19,280
Public safety	837
Streets and highways	8,687
Health and sanitation	7,062
Culture and recreation	105
Social services	3,035
Total depreciation expense-governmental activities	$ 39,006

Business-type activities	
Water	$ 226,152
Sewerage	113,630
Total depreciation expense-business-type activities	$ 339,782

Construction in Progress

For business-type activities, the government has active construction projects in the water and sewerage funds. This construction includes the costs of acquisitions and construction of certain extensions, additions, betterments and improvements to the existing waterworks system and sewerage lines with the municipality. At year end total spent-to-date was $ 3,017,042. This project is funded by long term debt and self funded.

D. Fund Balance Detail

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

	General Fund	Coal Severance	Other Governmental Funds	Totals Fund Balances
Restricted				
General government	$ 16,139	$ --	$ --	$ 16,139
Committed				
Streets and highways	--	5,353	--	5,353
Assigned				
General government	--	--	26,989	26,989
Unassigned	546,770	--	--	546,770
Total fund balances	$ 562,909	$ 5,353	$ 26,989	$ 595,251

E. Long-term Debt

Revenue Bonds (Direct Placements)

The Municipality issues bonds where the government pledges income derived from acquired or constructed assets to pay debt service.

The proceeds of these bonds are being used to fund the water project which includes the extension and replacement of water lines. The bonds are secured by revenues of the system, which are required to be in sufficient amount to pay principal and interest on the bonds when due. Revenue bonds outstanding at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	June 30, 2020
Business-type activities:					
Series 1997 A	2030	0%	$ 239,495	$ (139,207)	$ 100,288
Series 1997 B	2037	0%	555,450	(316,396)	239,054
Series 1998 A	2037	0%	705,400	(476,158)	229,242
Series 2005 A	2037	0%	1,660,766	(747,360)	913,406
Series 2008 A	2049	0%	2,187,000	(598,990)	1,588,010
Series 2018 A	2058	1%	3,782,587	-	3,782,587
	Total Revenue Bonds		9,130,698	(2,278,111)	6,852,587

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Business-type Activities Principal	Interest	Total
2021	$ 251,350	$ 38,048	$ 289,398
2022	244,365	47,369	291,734
2023	245,267	46,469	291,736
2024	246,176	45,559	291,735
2025	245,323	44,075	289,398
2026 - 2030	1,237,218	78,275	1,315,493
2031 - 2035	1,156,417	191,313	1,347,730
2036 - 2040	617,725	254,853	872,578
2041 - 2045	278,600	- -	278,600
2046 - 2050	250,730	- -	250,730
2051 - 2055	2,079,416	- -	2,079,416
2056 - 2060			
Totals	$ 6,852,587	$ 745,961	7,598,548

Utility Pledged Revenues

The Municipality has pledged future water customer revenues, net of specified operating expenses, to repay $239,495 in water system revenue bonds issued in 1997. Proceeds from the bonds provided financing for the construction of new water lines. The bonds are payable solely from water customer net revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require less than 2 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $100,288. Principal paid for the current year and total customer net revenues was $5,987 and $ 352,476, respectively.

The Municipality has pledged future water customer revenues, net of specified operating expenses, to repay $705,400 in water system revenue bonds issued in 1998. Proceeds from the bonds provided financing for the construction of new water plant. The bonds are payable solely from water customer net revenues and are payable through 2037. Annual principal payments on the bonds are expected to require less than 7 percent of net revenues. The total principal remaining to be paid on the bonds is $229,242. Principal paid for the current year and total customer net revenues was $23,512 and $ 352,476, respectively.

The Municipality has pledged future sewerage customer revenues, net of specified operating expenses, to repay $555,450 in sewerage system revenue bonds issued in 1997. Proceeds from the bonds provided financing for the construction of new sewerage plant. The bonds are payable solely from sewerage customer net revenues and are payable through 2052. Annual principal payments on the bonds are expected to require less than 23 percent of net revenues. The total principal remaining to be paid on the bonds is $239,054. Principal paid for the current year and total customer net revenues was $14,062 and $ 62,890, respectively.

The Municipality has pledged future sewerage customer revenues, net of specified operating expenses, to repay $1,660,766 in sewerage system revenue bonds issued in 2005. Proceeds from the bonds provided financing for the construction of new sewerage plant. The bonds are payable solely from sewerage customer net revenues and are payable through 2052. Annual principal payments on the bonds are expected to require less than 89 percent of net revenues. The total principal remaining to be paid on the bonds is $913,406. Principal paid for the current year and total customer net revenues was $55,360 and $ 62,890, respectively.

The Municipality has pledged future water customer revenues, net of specified operating expenses, to repay $2,187,000 in water system revenue bonds issued in 2008. Proceeds from the bonds provided financing for the construction of new water lines. The bonds are payable solely from water customer net revenues and are payable through 2058. Annual principal and interest payments on the bonds are expected to require less than 18 percent of net revenues. The total principal remaining to be paid on the bonds is $1,588,010. Principal and interest paid for the current year and total customer net revenues was $55,720 and $ 352,476, respectively.

The Municipality has pledged future water customer revenues, net of specified operating expenses, to repay $3,782,587 in water system revenue bonds issued in 2018. Proceeds from the bonds provided financing for the construction of new water lines. The bonds are payable solely from water customer net revenues and are payable through 2058. Annual principal and interest payments on the bonds are expected to require less than 0 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $4,528,548. Principal and interest paid for the current year and total customer net revenues was $0 and $ 352,476, respectively.

All of the bonds contain simiar default conditions including (a) failure to pay bond principal and interest when due, (b) issuer's failure to comply with conditions set forth in the agreement and (c) bankruptcy or insolvency of the issuer. Default remedies for the borrower include (a) bringing suit to recover unpaid principal and interest and, (b) by action of law compel the issuer to perform duties including the collection of sufficient rates for the system.

Changes in Long-term Liabilities

	Governmental-type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net Pension Liability	$ 29,521	$ -	$ (4,224)	$ 25,297	$ -
OPEB	8,132	11,984	-	20,116	-
Business-type activities Long-term liabilities	$ 37,653	$ 11,984	$ (4,224)	$ 49,637	$ -

	Business-type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 4,682,489	$ 2,324,740	$ (154,642)	$ 6,852,587	$ 251,350
Total bonds payable	4,682,489	2,324,740	(154,642)	6,852,587	251,350
Net Pension Liability	37,767	-	(5,570)	32,197	-
OPEB	30,891	44,782	-	75,673	-
Business-type activities Long-term liabilities	$ 4,751,147	$ 2,369,522	$ (160,212)	$ 6,960,457	$ 251,350

G. Restricted Assets

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

	Business-type Activities
Customer deposits	$ 30,421
Revenue bond operations and maintenance account	21,633
Reserve for construction	5,000
Revenue bond depreciation account	274,082
Total restricted assets	$ 331,136

G. Prior Period Adjustment

The beginning fund balance of the Community Savings fund required restatement as follows and the governmental - type net position required restatement as follows.

	Community Savings	Government -Type Activities
Beginning Net Position	$ -	$ 1,268,112
Add		
Cash	89,011	89,011
Beginning Net Position restated	$ 89,011	$ 1,357,123

V. 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 Hudson 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 Company.

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

B. Contingent Liabilities

It is the opinion of the government's counsel that there are no pending lawsuits or unasserted claims against the Municipality of Marlinton, West Virginia.

C. Subsequent Events

The Town's management has evaluated the effect that subsequent events would have on the financial statements through September 30, 2020, which is the date the financial statements were available to be released.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

VI. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Plan Descriptions, Contribution Information and Funding Policies

Public Employee Retirement System (PERS)

The Municipality of Marlinton participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of 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
Eligibility to participate	All government full-time employees
Authority establishing contribution obligations and benefit provisions	West Virginia State Code §5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia
Plan member's contribution rate hired before 7/1/2015 (Tier I)	4.50%
Plan member's contribution rate hired after 7/1/2015 (Tier II)	6.00%
County's contribution rate	10.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	Tier I: 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. Tier II: A member who has attained age 62 and has earned 10 years or more of contributing service). The final average salary (five 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	Yes

Trend Information

Public Employees' Retirement System (PERS)

Fiscal Year	Annual Pension Cost	Percentage Contributed
2020	$ 40,026	100%
2019	$ 39,257	100%
2018	$ 39,599	100%
2017	$ 37,373	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.

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

At fiscal year-end, the government reported a liability of $57,494 for its proportionate share of the net pension liability. The net pension asset or liability, deferred inflows and outflows of resources and net pension expense were determined by actuarial valuations as of July 1, 2018 rolled forward to June 30, 2019 which is the measurement date. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2019, the government's proportion was .00267%, which was an increase of .000685% from its proportion measured as of the prior period.

For the year ended June 30, 2019, the government recognized the following pension expense:

Pension expense	$ 34,634

The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees Retirement System

	Deferred Outflows	Deferred Inflows
Changes in proportion and differences between government contributions and proportionate share of contributions	$ 11,259	$ --
Net difference between projected and actual investment earnings on pension plan investments	--	(20,782)
Difference between expected and actual experience	2,225	(5,022)
Changes in assumptions	--	(10,055)
Government contributions subsequent to the measurement date	40,026	--
	$ 7,368	$ (35,859)

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be:

Year Ended June 30:	
2021	$ (4,237)
2022	(19,372)
2023	(2,505)
2024	3,739
Total	$ (22,375)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employees Retirement System

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	
Inflation rate	3.00%
Salary increases	State 3.1-5.3%, Nonstate 3.35-6.5%
Investment Rate of Return	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

Retired healthy females - 122% of Pub-210 General Retiree Female table, below median, headcount weighted, projected with scale

Disabled males - 118% of Pub-210 General/Teachers Disabled Male table, below median, headcount weighted, projected with scale

Disabled females - 118% of Pub-210 General/Teachers Disabled Female table, below median, headcount weighted, projected with scale

Withdrawal rates	State 2.28% - 45.63%,,Nonstate 2.50% - 35.88%
Disability rates	0.005% - .054%
Retirement rates	12% - 100%

The date range of the most recent experience study was from 2013-2018

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate rates of expected future real rates of returns (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 included are summarized in the following chart:

Investment	Long-term Expected Real Rate of Return	PERS Target Asset Allocation
Domestic Equity	5.8%	27.5%
International Equity	7.7%	27.5%
Fixed Income	3.3%	15.0%
Real Estate	6.1%	10.0%
Private Equity	8.8%	10.0%
Hedge Funds	4.4%	10.0%
		100.0%

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent for PERS. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that the government contributions to all plans will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. 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:

		1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 1.00%
Government's proportionate share of PERS's net pension liability	$	267,808	57,494	(120,421)

Pension plans' fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's web site at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4001 MacCorkle Avenue SE, Charleston, WV 25304.

VI Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

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

Benefits provided. The Plan provides medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options. 1) Self-Insured Preferred Provider Benefit Plan (primarily for non-Medicare-eligible retirees and spouses and 2) External Managed Care Organizations (primarily for Medicare-eligible retirees and spouses.

Contributions. Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to the RHBT the pay-go premium 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. Contributions to the OPEB plan from the government were $2,016 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 government reported a liability of $95,789 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 July 1, 2018 rolled forward to June 30, 2019, which is the measurement date. OPEB amounts were allocated to each contributing employer, including the government, based on their proportionate share of employer contributions to the RHBT for the fiscal year ended June 30, 2019. At June 30, 2019, the government's proportion was .00577%, which was a increae of .00396% from its proportion measured as of June 30, 2018.

For this fiscal year, the government recognized OPEB expense of $27,320. The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

The amount reported as deferred outflows of resources related to OPEB resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between government contributions and proportionate share of contributions	$ 90,577	$ (2,577)
Net difference between projected and actual investment earnings on OPEB plan investments	--	(1,578)
Difference between expected and actual experience	545	(11,172)
Changes of assumptions	--	(19,427)
Government contributions subsequent to the measurement date	$ 12,432	--
	103,554	(34,754)

Year Ended June 30:		
2021	$	22,470
2022		20,332
2023		12,248
2024		1,318
2025		--
Total	$	56,368

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 rate	2.75%
Salary increases	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation
Investment Rate of Return	7.15%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	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 end 2021, decreasing by 0.5% each year thereafter until ultimate trend rate of 4.5% is reached in plan year 2031
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20 year closed period
Retirement age	Experience-based table of rates that are specific to the eligibility condition
Wage inflation	4.00%
Asset valuation method	Market value
Aging factors	Based on the 2013 SOA Study "Health Care Costs- From Birth to Death"

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

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

Certain assumptions have changed since the prior actuarial valuation of June 30, 2017 and a measurement date of June 30, 2019. The net effect of assumptions changes was approximately $236 million. The assumptions changes that most significantly impacted the total OPEB liability were an approximate $11.8 million decrease in the per capita claims 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 on OPEB plan investments are determined using a building-block method in which estimates of expected future real rates of returns 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 percentages. The strategic assset allocation consists of 55% equity,15% fixed income, 10% private requity, 10% hedge fund and 10% real estate invested. Short term assets used to pay current year benefits and expenses are invested with the WVBTI. The target allocation and extimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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	10.0%	0.3%
	100%	

Discount rate. The discount rate of 7.15% was used to measure the total OPEB liability. This discount rate was based on the expected rate of return on OPEB plan investents of 7.16% and a tax - exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long- term municipal bond rate used to develop the discount rate was 3.62% as of the beginning of the year and 3.13% as of the end of the year. The projections of cash flows used to determine this discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future prefunding assumptions include a $30 million annual contributions from the State through 2037. Based on these assumptions and that the plan is expected to be fully funded by fiscal year ended June 30, 2033, the OPEB plan's fiduciary was expected 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. The discount rate used to measure the toal OPEB liability did not change for the June 30, 2018 valuation from June 30, 2017 valuation.

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

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net OPEB liability	$119,737	$ 95,789	$ 80,276

Sensitivity of the government's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following chart presents the government'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 or 1-percentage point higher than the current healthcare cost trend rates described in the actuarial assumptions.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	$ 77,238	$ 95,789	$ 118,296

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report available at the West Virginia Public Employee Insurance Agency's website at peia.wv.gov. That information can also be obtained by writing to the West Virginia Public Employee Insurance Agency, 601 57th. Street, Suite 2, Charleston, WV, 25304.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Ad valorem property taxes	$ 152,612	152,612	$ 151,075	$ 3,685	$ 154,760	$ 2,148
Business and occupation tax	90,000	90,000	108,486		108,486	18,486
Alcoholic beverage tax	5,000	5,000	5,290	- -	5,290	290
Utility tax	52,029	48,911	46,855	- -	46,855	(2,056)
Hotel motel tax	11,781	14,500	16,728	- -	16,728	2,228
Amusement tax	10,013	9,053	9,361	- -	9,361	308
Gas and oil severance tax	3,321	2,505	2,505	- -	2,505	- -
Animal tax	500	500	365	- -	365	(135)
Intergovernmental:						
Federal						
State	25,594	115,000	5,000	- -	5,000	(110,000)
Local	- -	- -	120,385	- -	120,385	120,385
Licenses and permits	66,638	59,175	97,802	- -	97,802	38,627
Charges for services	252,592	251,356	253,503	(4,455)	249,048	(2,308)
Fines and forfeits	100	500	217	- -	217	(283)
Interest earnings	10,319	7,500	7,497	- -	7,497	(3)
Video lottery	929	929	514	- -	514	(415)
Miscellaneous	2,891	1,712	- -	- -	- -	(1,712)
Total revenues	684,319	759,253	825,583	(770)	824,813	65,560
EXPENDITURES						
Current:						
General government	236,858	278,567	221,400	(448)	220,952	57,615
Public safety	223,139	241,540	113,116	- -	113,116	128,424
Streets and transportation	234,059	242,871	142,136	- -	142,136	100,735
Culture and recreation	15,356	16,715	141,110	- -	141,110	(124,395)
Health and sanitation	288,612	383,264	312,878		312,878	70,386
Capital projects	200,000	107,822	107,822		107,822	- -
Social services	100,407	334,305	46,440	- -	46,440	287,865
Total expenditures	1,298,431	1,605,084	1,084,902	(448)	1,084,454	520,630
Net change in fund balance	(614,112)	(845,831)	(259,319)	(322)	(259,641)	586,190
Fund balance - beginning	614,112	845,831	822,228	(57,763)	764,465	(81,366)
Fund balance - ending	$ - -	$ - -	$ 562,909	$ (58,085)	$ 504,824	$ 504,824

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
BUDGETARY COMPARISON SCHEDULE - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Coal severance tax	$ 4,500	$ 3,100	$ 2,682	$ 598	$ 3,280	$ 180
Total revenues	4,500	3,100	2,682	598	3,280	180
EXPENDITURES						
Current:						
General government	500	1,500	--	--	--	1,500
Streets and transportation	5,000	6,150	2,053	--	2,053	4,097
Total expenditures	5,500	7,650	2,053	--	2,053	5,597
Net change in fund balance	(1,000)	(4,550)	629	--	1,227	5,777
Fund balance - beginning	1,000	4,550	4,724	(1,059)	3,665	(885)
Fund balance - ending	$ --	$ --	$ 5,353	$ (461)	4,892	4,892

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2020

Public Employees Retirement System
Last 4 Fiscal Years*

	2019	2018	2017	2016
Government's proportion of the net pension liability (asset) (percentage)	0.002674%	0.002606%	0.022685%	0.022553%
Government's proportionate share of the net pension liability (asset)	$ 57,494	$ 67,288	$ 97,919	207,288
Government's covered-employee payroll	$ 392,575	$ 359,988	$ 311,442	313,602
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	14.65%	18.69%	31.44%	66.10%
Plan fiduciary net position as a percentage of the total pension liability	93.67%	96.33%	93.67%	0.00%

* - The amounts presented for each fiscal year were determined as of June 30, 2020

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
SCHEDULE OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
For the Fiscal Year Ended June 30, 2020

Public Employees Insurance Agency
Two Fiscal Years*

	2019	2018
Government's proportion of the net OPEB liability	0.00577%	0.00181%
Government's proportionate share of the net OPEB liability	$ 95,789	$ 39,024
Government's covered payroll	$ 392,575	$ 359,988
Government's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	24.40%	10.84%
Plan fiduciary net position as a percentage of the total OPEB liability	39.69%	30.98%

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

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS-PERS
For the Fiscal Year Ended June 30, 2020

Public Employees Retirement System
Last 6 fiscal years

	2020	2019	2018	2017
Contractually required contribution	$ 40,026	$ 39,257	$ 39,599	$ 37,373
Contributions in relation to the contractually required contribution	(40,026)	(39,257)	(39,599)	(37,373)
Contribution deficiency (excess)	$ --	$ --	$ --	$ --
Government's covered-employee payroll	$ 400,260	$ 392,575	$ 359,988	$ 311,442
Plan fiduciary net position as a percentage of the total pension liability	10.00%	10.00%	11.00%	12.00%

This schedule is presented to illustrate the requirement to show information for 3 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS-OPEB
For the Fiscal Year Ended June 30, 2020

Public Employees Insurance Agency
Six fiscal years

	2020	2019
Contractually required contribution	$ 12,431	$ 11,895
Contributions in relation to the contractually required contribution	(12,431)	(11,895)
Contribution deficiency (excess)	$ --	$ --
Government's covered-employee payroll	$ 400,260	$ 392,575
Contributions as a percentage of covered payroll	3.66%	3.03%

Applicable information was available for six years for this schedule

SUPPLEMENTARY INFORMATION

MUNICIPALITY OF MARLINTON
SCHEDULE OF RATE COVENANT COMPLIANCE
For the Fiscal Year Ended June 30, 2020

1. The Municipality of Marlinton, West Virginia is subject to rate covenant compliance associated with the issuance of the Series 2018 Water Bonds. Specifically, the entity must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond document as follows:

"The issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2018 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve account established for any other obligations outstanding on a parity with or junior to the Bonds, including the prior Bonds, an amount at least equal to the requirement therefore, such percentage may be reduced to 110%."

The following schedule summarizes the provisions for the fiscal year ended June, 30, 2020.

Rate Covenant

	Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
	$ 352,476	$ 75,290	468%	110%

As of June 30, 2020, the entity was in compliance with the provisions of the Series 2018 water revenue bond covenant which require revenues to be 110% or above the amount of the highest principal payment plus interest due in any given year.

The provisions of the Series 2018 A revenue bond covenant require that assets be accumulated in restricted accounts for the payment of future debt service. The covenant requires, at a minimum, that an amount equivalent to one-third of the current year's debt service payment be maintained in a revenue account. A reserve account must also be funded with one-tenth of one-twelfth of the highest debt service payment in any given year. The entity deposited $96,765 in the revenue and reserve accounts to comply with the bond provisions.

MUNICIPALITY OF MARLINTON
SCHEDULE OF RATE COVENANT COMPLIANCE
For the Fiscal Year Ended June 30, 2020

1. The Muncipality of MArlinton, West Virginia is subject to rate covenant compliance associated with the issuance of the Series 2005 Sewerage Bonds. Specifically, the entity must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond document as follows:

"The issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve account established for any other obligations outstanding on a parity with or junior to the Bonds, including the prior Bonds, an amount at least equal to the requirement therefore, such percentage may be reduced to 110%."

The following schedule summarizes the provisions for the fiscal year ended June, 30, 2020

Rate Covenant

	Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$	62,890	$ 32,468	194%	110%

As of June 30, 2020, the entity was in compliance with the provisions of the Series 2005 sewerage revenue bond covenant which require revenues to be 110% or above the amount of the highest principal payment plus interest due in any given year.

The provisions of the Series 2005 A revenue bond covenant require that assets be accumulated in restricted accounts for the payment of future debt service. The covenant requires, at a minimum, that an amount equivalent to one-third of the current year's debt service payment be maintained in a revenue account. A reserve account must also be funded with one-tenth of one-twelfth of the highest debt service payment in any given year. The entity deposited $80.275 in the revenue and reserve accounts to comply with the bond provisions.

ACCOMPANYING INFORMATION

Harold Fortner, CPA

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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*

Independent Auditor's Report

Honorable Mayor and Council
Municipality of Marlinton
Marlinton, West Virginia 24954

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, each major fund, and the aggregate remaining fund information of the Municipality of Marlinton, West Virginia (the Municipality), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated July 31, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 Municipality'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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2020-001.

Entity's Response to Findings

The Municipality's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Municipality's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Respectfully submitted,

Harold Fortner

Harold C Fortner, CPA
Whitehall, WV 26554

July 31, 2023

Expenditure in Excess of Amounts Allocated in the Levy Estimate - General Fund
2020-001

CONDITION:

It was determined during this examination that municipal officials of the Municipality of Marlinton incurred expenditures and/or encumbrances for a certain item in the General Fund in excess of the amounts allocated for those items in the official levy estimate (budget) as last revised. Specifically, expenditures in the following category exceeded budgeted amount:

Category	Budget	Actual	Overexpenditure
Culture and Recreation	$ 16,715	$ 141,110	$ (124,395)

CRITERIA:

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

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

CAUSE:

The Municipality failed to implement policies and procedures which should regulate expenditures and insure that adequate revisions be made to the budget prior to actual disbursements being made.

EFFECT:

By not exercising adequate policies and procedures, the Municipality compromises its budgetary control.

RECOMMENDATION:

The Municipality should implement controls that will insure compliance with budgetary requirements.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The municipal recorder stated that better budgetary control will be exercised in the future to prevent overexpenditures.

MUNICIPALITY OF MARLINTON, WEST VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2020

Status of Prior Year Audit Findings

2019-001	Controls Over Financial Statement Preparation	Not resolved