TOWN OF CHESAPEAKE
TOWN COUNCIL
SEPTEMBER 23, 2024 at 6:00 PM
DR. LISA E CURRY ANNEX

CALL TO ORDER: Melissa J. Hill, Mayor
INVOCATION: Pastor Anderson
Pledge of Allegiance

ROLL CALL of OFFICERS:

Not listed in Transposed version, but states Quorum was established.

- Overview of new reporting method – customer list.
- What services do we provide?
    - Trash, etc.
    - Do not provide senior services, just spot to give out senior meals and get together.
- Approval of agenda: David Lloyd made the motion, seconded by Gary Davis, not discussion, all in favor.
- Amendment – HR Presentation, Minear Presentation as 10 & 11 on agenda.
    - Motion [no name mentioned] was made, Dona Lacy seconded.
- Meeting minutes from July and August to be tabled.
    - David Lloyd made a motion, Katie Miller seconded.
    - The meeting minutes need to be reviewed and reconciled.
    - All in favor.
- Introduction of new police chief James Quesenberry II.
    - Former law enforcement officer in Beckley;
    - Police department has been archived;
    - Facility equipment was sold to pay for new equipment; approved by council over the months;
    - Get grant to purchase second car;
    - Don't want to hire other town's rejects;
    - Got some part-time officers to start;
    - Trying to find full-time workers;
    - Grant for new cameras;
    - Will work with State Police;
    - If you have an issue – call 911 or non-emergency
- Questions and Answers for Chief Quesenberry:
    - Q – [Edward Hamilton] What will we do when officers won't come to town because of Mayor Hill? Come talk to me after the meeting. Hamilton explained that he "had a crackhead point a gun at him at his house."
    - A – State police is not allowed to do that. The have been hesitant to work with Chesapeake officers due to previous misconduct from officers in last administration. We are trying to set up a system where officers will work well with town. Call 911 so they send for officers in Chesapeake.
    - Q – Sheriff's Office does not send out officers quickly enough if actual dangerous crime is occurring.

    - A – Those are bugs we will get through. Most of the time, response time for emergency is not that slow.
- Chief Quesenberry still needs to go before LEPS committee;
- Give out news report about department;
- The police car will be finished soon, between 2 and 3 weeks.
    - Q – Will we have an officer at Chesapeake Elementary?
    - A – Will go to school. Want to have someone operating at school but it depends on school's opinion.
    - Q – What is the procedure for an active shooter?
    - Q – Will there be an agreement with Marmet Police Department?
    - A – Yes, will work on it.
    - Q – Are you acting Chief?
    - A – Administrative only, cannot be in field until LEPS meeting.
    - Q – Is there a number of how many calls were made to 911 from Cheseapeake area?
    - A – Yes, we have those numbers.
    - Q – [Hamilton] Why don't we do what other states do and have an officer at school constantly, but they don't pay them – voluntary?
    - A – Town and police insurance won't cover hiring resource officers; Kanawha County School's insurance won't cover that liability. PA has different code than WV to cover that.
    - Q – [David Lloyd] How will be ensure probationary recruits don't leave after training?
    - A – They will be in a 2-year contract.
    - Q – What about Oakview Settlement?
    - A – Only $12,000 per year.
- There are eight counties short on officers in schools.
- Mayor concern is war on drugs in area. Said they are sending drugs down river. Even with police department budget we won't have 24/7 service as we can hire around 3 officers.
- Operations will follow rules and regulations of State Code & Law.
    - Q – Will you live here?
    - A – No, I live 45 minutes away and won't be taking the police car.
    - Q – Will we apply for grant funds to implement DARE program?
    - A – We would have to spend all funds within a certain timeframe. Something we would like to work on, but first step is Police Department.
- Audit Discussion:
    - Letter is sent to Town from Auditor's Office requesting conduction of audits – this was ignored for three years
    - 2020 Audits were referred to prosecuting attorney's office
    - Wait for auditor (3rd party) to come in and review
    - Bringing Audit Committee back: Brian Bowen, Robin Taylor. Not inviting Melissa Sutphin.
    - Resolution from Council to send previous administration names to Auditor's Officeto update 3 years of audits.
        - Gary Davis made motion, Katie Miller seconded.
        - No Discussion
        - All in favor
- Fraud & Integrity Unit will come in and review3 202-3 audits and review general ledger entries.
- Using Senior Center for audit committee review and renovate
    - KVSS provides provides program until grant funding ran out; sends food out to seniors
    - Q – [Kincaid] How many seniors do we have that use food service?

    - A – 20 – 25
    - Q – [Lloyd and Lacy) Can we vote on keeping John Glenn?
    - A – Yes, we can add it to the agenda at the time.
    - Lisa Curry Center was built as health and services center, we want to keep it that way.
    - [Frankie Armentrout] We shouldn't remove kitchen because a lot of seniors pitched in the get program running.
    - Q – What is that?
    - A – Lu Mobile; we offered it to schools but they are distracted with merger.
    - Q – [Hamilton] Thank you to committee – just moved here; claimed Mayor is intimidating people and called for community to stand up; going to places of work to ask questions. Wants to start a salvage yard, forms for impeachment, forms for recall, filed complaint with Ethics Commission.
    - Beth goes over probate situation
    - Q – [Herb Shearer] requested copy of sanitary maps; said he already has copies; March 2024 FOIA.
    - A – Cannot have printed copies of maps, can have digital as Sanitary Board member.
    - Q – [Missy Clark] Dog {cannot make out writing} Can't let dogs out because other dogs are jumping fence.
    - A – Rely on calling county to pick them up.
    - Q – Enforcing ordinances/ property enforcement
    - A – Can take upwards of a year to resolve issue, have to have right of entry.
- Training with Beth Minear
    - All communications can be pulled for legal needs
    - Keep anything related to town to town email, avoid personal accounts
    - Examples of famous cases were personal texts, emails, et were used against person in court
    - Overview of Lindke v Freed – Supreme Court; private vs public page
    - Examples of emails and communications
    - Documentation & Etiquette
        - Check spelling
        - Read emails prior to sending
- Motion to adjourn
    - Ron Petty made the motion, Katie Miller seconded. Time 8:20 pm

(Transcribed by Courtney Spicer, Typed by Robin Taylor)

9/23/24

- Overview of new reporting method - customer list

services
- what do we provide?
  - trash, etc.
  - do not provide senior services - just spot to give out senior meals + get together

Roll Call + Quorum
- Prayer - Anderson
- Pledge

Approve ~~Agenda~~ Agenda - 1st Lloyd 2nd - Davis
- all in favor - NO discussion

Amendment - HR Presentation as 10 + 11
Mineral Presentation on Agenda
1st 2nd Lacey

Meeting Minutes July + August to be tabled
1st - Lloyd 2nd - Miller
- Review meeting minutes; need to reconcile

Introduction of new police chief James Quesenberry II
- former law enforcement officer Beckley
- police dept was archived
- faulty equipment was sold to pay for new equipment; approved by council over the months
- get grant to purchase 2nd car

- Don't want to hire other town's rejects
- Got some part-time officers to start
- trying to find full-time workers
- grant for new cameras
- will work w/ State police
- if you have an issue → call 911 or Non-emergen.

Q) What will we do when officers won't ~~call~~ come to town b/c of Mayor Hill? - Edward Hamilton
Come + talk to me after meeting
Said he had a crackhead point a gun at him @ his house

A) State police is not allowed to do that. They've been hesitant to work w/ Chesapeake officers due to previous misconduct from officers in last administration. We are trying to set up system where officers will work well w/ town. Call 911 so they send for officers in Chesapeake

Q) [redacted] Sherrif's Office doesn't send out officers quickly enough if actual dangerous crime is occurring.

A) Those are bugs we'll get through. Most of the time, response time for emergency is not that slow.

- Still need to go before LEPS committee
- Give out News report about apartment
- "See the new, rather then the old"
- car finished soon: 2-3 weeks

Q) ~~Do you have~~ Will we have an officer @ Ches. Elementary?
Q) What is the procedure for an active shooter?
A) -Will go to school. Want to have someone operating @ school, but depends on school's opinion.
Q) Will there be an agreement w/ Nitro police? DL
A) - Yes, will work on it.
Q) Are you acting chief?
A) Administrative only, cannot be in field until LEPS meeting.
Q) Is there a # of how many calls were made to 911 from Ches area?
A) Yes, we have those #s.
Q) Why don't we do what other states do and have an officer @ school constantly, but they don't pay them? - ~~#s~~ Voluntary - Edward Hamilton
A) Town + police insurance won't cover hiring resource officers; Kanawha Schools' insurance won't cover that liability. PA has different code than WV to cover that.
Q) How will we ensure ~~probationary~~ recruits don't leave after training? David Hoyd
A) They will be in a 2-yr contract.
Q) What about Oak View settlement?
A) Only $12K per yr.
There are 8 counties short on officers in schools

- major concern is war on drugs in area
Said they are sending drugs down river
- even w/ police dept budget we won't have 24/7 service → can hire around 3 officers
- Operations will follow rules + regulations of state code + law

Q) Will you live here?
A) No, I live 45 mins away & won't be taking police car

Q) Will we apply for grant funds to implement DARE program
A) We would have to spend all funds w/in certain timeframe. Something we'd like to move on, but first step is police dept.

Audit Discussion:
- Letter is sent to town from auditor's office requesting conduction of audits - this was ignored for 3 years
- 2020 Audits were referred to pros attorney office
- ~~List of previous admin~~
- Wait for auditor (3rd party) to come in + review
- Resolution from Council to send previous administration names to auditor's office
- Bringing audit committee: B. Bauer, R. Taylor, not inviting M. Sutphin

Resolution to approve all names ass. w/ prev. admin to update 3 yrs of audits.
1st) Davis 2nd) Miller
Questions: None
In favor: all
- Fraud + Integrity unit will come in + review 20 - 23 audits + review general ledger entries
- Using Senior Center for audit committee review + to renovate
- KUSS provides program until grant funding ran out; ~~[illegible]~~ sends foods out to seniors
Q) How many seniors do you have that use ~~[illegible]~~ food service? - Cincaid
- 20 - 25
Q) Can we vote on keeping John Glenn? - Lloyd - Lacy
A) Yes, we can add it to agenda at the time
Lisa Curry Center was built as health + services center) want to keep it that way
Q) We shouldn't remove kitchen b/c a lot of seniors pitched in to get program running
- Frankie Armentrout
Q) What is that?
A) Lii Mobile; we offered it to schools but they are distracted w/ merger

Q) Edward Hamilton: Thank you to committee - just moved here; [redacted] claims Mayor is intimidating people - call for community to stand up; going to places of work to ask questions;

Beth goes over Probate situation, wants to start a salvage yard, forms for impeachment, forms for recall, filed complaint w/ ethics

[redacted]

Q) Herb Sheerer: requesting copy of Sanitary Maps; March 2024 FOIA (said he already has copies) Answer: cannot have printed copies of maps, can have digital w/ Sanitary Board member

Q) Missy Clark: Dog catcher: Can't let dogs out b/c other dogs are jumping fence,
A) rely on calling county to pick them up; no plans to

Q) Enforcing ~~code~~ ordinances / property enforcement
A) can take upwards of a year to resolve issue, have to have right of entry;

Training w/ Beth Minear
- all communications can be pulled for legal needs
- keep anything town related to town email, avoid personal accounts
- examples of famous cases where personal texts, emails, etc were used against person in court
- Overview of Lindke v Freed - Supreme Court; private vs public page
- example emails + communications
- Documentation + Etiquette
  → Check spelling
  → read emails prior to sending

Motion to adjourn: 1st - Petty 2nd - Miller
Time: 8:20 pm

Town Of Chesapeake
Income by Customer Summary
August 2024

	Aug 24
Altice USA	893.73
Appalachian Power (Customer)	18,718.54
Compliance Solution	1.20
CSC Wireless LLC	0.76
Frontier	36.04
Kanawha Public Service	12,674.38
M Moore	139.07
Raynes	35.00
River Point LLC	3,937.46
Sheriff Kanawha County	11,101.46
T-Mobile Northeast LLC	11.82
West Virginia American Water Company	953.88
WV Treasury	8,489.08
TOTAL	**56,992.42**

Town Of Chesapeake
Balance Sheet
As of August 31, 2024

	Aug 31, 24
ASSETS	
Current Assets	
Checking/Savings	
American Rescue Act	145,623.62
Bonding Commitment	11,034.37
Change Drawer	157.05
Chesapeake Disposal Account	1,500.00
Chesapeake Fire Fee Account	13,826.57
GF City National Bank 3019	96,947.07
Opiod Fund Account	12,246.16
Petty Cash	100.00
Police Fund	42,940.40
Total Checking/Savings	324,375.24
Accounts Receivable	
Accounts Receivable	16,680.84
Total Accounts Receivable	16,680.84
Total Current Assets	341,056.08
TOTAL ASSETS	**341,056.08**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	40,777.10
Total Accounts Payable	40,777.10
Other Current Liabilities	
Bond from WV	11,034.37
Direct Deposit Liabilities	315.23
Payroll Liabilities	10,103.27
Poca Valley Bank Loan Account	-17,192.82
Sewer Collection Account	-36,932.67
Total Other Current Liabilities	-32,672.62
Total Current Liabilities	8,104.48
Total Liabilities	8,104.48

Town Of Chesapeake
Balance Sheet
As of August 31, 2024

	Aug 31, 24
Equity	
Opening Balance Equity	77,871.93
Retained Earnings	345,479.32
Net Income	-90,399.65
Total Equity	332,951.60
TOTAL LIABILITIES & EQUITY	**341,056.08**

Town Of Chesapeake
Profit & Loss
August 2024

		Aug 24
Ordinary Income/Expense		
Income		
REVENUES		
301 Property Taxes KC Sheriff		11,101.46
304 Excise Tax on Utilities		7,390.90
305 Business & Occupation Tax		18,293.46
325 License		50.00
326 Building Permit Fees		20.00
330 IRP Fees (Interst Reg Plan)		7,174.53
330 IRP Fees (Public Utilities		88.78
341 Municipal Service Fees		7,849.20
350 Refuse Collect Truck Renta		200.00
351 Police Protection Fees		2,096.86
352 Fire Protection Fees		1,893.74
377 Greenbrier Table LOTTGRNBRI		25.47
396 Table Game Lott LOTTBLGAME		743.79
397 Video Lottery (LVL)		456.51
400 Recyle		187.50
401 Trash Pickup		150.00
Interest Income		49.32
Total REVENUES		57,771.52
Total Income		57,771.52
Gross Profit		57,771.52
Expense		
GENERAL GOVERNMENT EXPENDITURES		
409 Mayor's Office		
Mayor Stipend	750.00	
Payroll Taxes Mayor	57.38	
Total 409 Mayor's Office		807.38
410 City Council		
City Council Payroll Taxes	61.77	
City Council Stipend	725.00	
Total 410 City Council		786.77
411 Recorder's Office		
Payroll Taxes	152.94	
Recorder Stipend	1,568.61	
Total 411 Recorder's Office		1,721.55
440 City Hall		
Auto	195.87	
Bank charges	210.85	

Town Of Chesapeake
Profit & Loss
August 2024

		Aug 24
Contract Services		
Contract Service Messaging		15.00
Contract Service Printing		56.90
IT support		1,975.00
Outsourcing Labor		798.00
Payroll Processing Fees		339.03
Telephone		246.04
Total Contract Services		3,429.97
Fuel		770.05
Mileage Reimbursement		221.10
Office supplies		347.54
Payroll Expenses -City Staff		1,864.50
Payroll Taxes- City Staff		142.64
Per Diem Allowance		300.00
Pest Control		127.20
Printing Expenses		161.33
Training & Education		1,650.00
Travel Expenses		717.00
Utilities		
Electricity		
Annex Bldg	306.68	
Town Hall	752.61	
Total Electricity		1,059.29
Gas		
Gas Town Hall	62.78	
Total Gas		62.78
Water		
Annex Bldg	46.37	
Fire Hydrants	153.30	
Town Hall	45.46	
Total Water	245.13	
Total Utilities		1,367.20
Total 440 City Hall		11,505.25
Interest Paid		204.29
Legal & Professional Services		
CPA Services		1,000.00
Total Legal & Professional Services		1,000.00

Town Of Chesapeake
Profit & Loss
August 2024

		Aug 24
Workers Comp Premium		462.50
Total GENERAL GOVERNMENT EXPENDITURES		16,487.74
HEALTH & SANITATION		
800 Garbage Dept		
Auto Repairs & Maintenance	30.00	
Contract Services (Billing PSD)	1,604.92	
Payroll Expenses City Services	14,219.81	
Payroll Taxes City Services	1,207.63	
Refuse Fees		
Bulk	1,846.00	
Residential	330.07	
Total Refuse Fees	2,176.07	
Repairs & Maintenance	123.93	
Total 800 Garbage Dept		19,362.36
Total HEALTH & SANITATION		19,362.36
PUBLIC SAFETY EXPENSE		
700 POLICE DEPT		
Internet	133.01	
Police Payroll Tax	0.00	
Police salaries	0.00	
Telephone	397.72	
Total 700 POLICE DEPT		530.73
Total PUBLIC SAFETY EXPENSE		530.73
STREET & TRANSPORTATION		
752 Electricity School Flashers		16.49
Total STREET & TRANSPORTATION		16.49
Total Expense		36,397.32
Net Ordinary Income		21,374.20
Net Income		**21,374.20**

RFP #23-051
Kanawha County West Virginia

Independent Auditors' Report and Related Financial Statements

For the Year Ended June 30, 2021

TOWN OF CHESAPEAKE

TOWN OF CHESAPEAKE
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For the Year Ended June 30, 2021

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TOWN OF CHESAPEAKE

Mayor - Melissa Hill

Council - David Lloyd,
Dona Lacy,
Ron Petty,
Wesley Dillard,
Katie Miller, and
Craig Smith.,

Recorder - Debbie Hill

Sanitary Board

Chair - Melissa Hill,

Board Herbert Shearer,
Robert Bowen,
Jolinda Perdue

TOWN OF CHESAPEAKE

Board Members Updated 8/14/2024

Mayor - Melissa Hill	July 1, 2023 - June 30, 2027
Council - David Lloyd,	July 1, 2023 - June 30, 2027
Dona Lacy,	July 1, 2023 - June 30, 2027
Ron Petty,	July 1, 2023 - June 30, 2027
Wesley Dillard,	July 1, 2023 - June 30, 2027
Katie Miller, and	July 1, 2023 - June 30, 2027
Craig Smith.,	July 1, 2023 - June 30, 2027
Recorder - Debbie Hill	July 1, 2024 - June 30, 2027

Sanitary Board

Chair - Melissa Hill,	7/1/2023 - 6/30/2025
Board Herbert Shearer,	7/1/2023 - 6/30/2025
Robert Bowen,	7/1/2023 - 6/30/2025
Jolinda Perdue.	7/1/2023 - 6/30/2025

TOWN OF CHESAPEAKE
Schedule of Funds
For the Year Ended June 30, 2021

Major Government Funds

General

Coal Severance

Proprietary Fund

Enterprise Fund

Sanitary

Stephen P. Glaser CPA
1021 7th Avenue
St. Albans, WV 25177
Independent Auditors' Report

Honorable Mayor and Council
Town of Chesapeake
12404 McCorkle Avenue
Chesapeake, WV 25315

Disclaimer of Opinion

We have performed auditing procedures to the accompanying financial statements in accordance with the financial reporting provisions of State Auditor's Office of West Virginia for a Class IV Municipality of the government and business-type activities, each major fund, and the aggregate remaining fund information of the Town of Chesapeake a Class IV Municipality as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Chesapeake's basic financial statements as listed in the table of contents.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence as an independent auditor to provide a basis for an audit opinion on the financial statements of the presented Town of Chesapeake . Accordingly, we do not express an opinion on these financial statements.

Basis for Disclaimer of Opinion

We conduced our audit in accordance with auditing standards generally accepted in the United States of America. 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 Town of Chesapeake , and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We could not obtain audit evidence that is relevant and appropriate to provide a basis for an audit opinion other than disclaimed that audit opinion.

Matter Giving Rise to Disclaimer of Opinion

The financial statement of the Town of Chesapeake did not provide adequate financial records for the financial statements to be presented in accordance with State Auditor's Office of West Virginia for a Class IV Municipality by Town of Chesapeake a Class IV Municipality for the financial statements presented in this report.

The Town of Chesapeake did not provide the general ledger transaction detail in its entirety as requested for the government and coal severance tax fund for the fiscal year.

The Town of Chesapeake financial statements for the

- proprietary fund did not adequately address accounts receivable, liabilities, and capital assets activity in the financial statements.
- proprietary fund Statement of Net Position and Statement of Revenue, Expenses and Changes in Net Position were out of balance by $21,203.
- proprietary fund does not separate restricted from unrestricted or presented invested in capital assets in Statement of Net Position.
- government funds were not adjusted to meet the reporting requirements for financial statements thus resulting in the Statement of Assets arising from Cash Transactions and the Statement of Revenues Collected and Expenses Paid being out of balance by $20,951.
- multiple transactions activity was not allocated properly between funds or recorded with consistency.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with State Auditor's Office of West Virginia for a Class IV and for 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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Chesapeake '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. Because of the matter described in the Basis for Disclaimer of Opinion section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. 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 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 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, 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 Town of Chesapeake '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 Town of Chesapeake '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 we identified during the audit.

Required Supplementary Information

The State Auditor's Office of West Virginia requires that the budgetary comparison information be presented to supplement the basic financial statements. We would have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America if provided, which consists 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 if performed do not provide us with sufficient evidence to express an opinion or provide any assurance zas well as not being provided by the Town of Chesapeake.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 2, 2024 , on our consideration of the Town of Chesapeake 's internal control over financial

reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Chesapeake '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 Town of Chesapeake 's internal control over financial reporting and compliance.



Stephen P. Glaser, CPA
St. Albans, West Virginia
July 2, 2024

Town of Chesapeake a Class IV Municipality
Statement of Assets arising from Cash Transactions
FYE June, 30,2021

ASSETS	General	Coal Severance Tax	Total Government Funds
Current:			
Cash and cash equivalents	$ 318,869	$ 3,682	$ 322,551
Total cash and cash equivalents	318,869	3,682	322,551
CASH FUND BALANCES:			
Restricted	-	3,682	3,682
Unassigned	297,918	-	297,918
	$ 297,918	$ 3,682	$ 301,600

The accompanying notes are an integral part of these financial statements.

Town of Chesapeake a Class IV Municipality
Statement of Revenues Collected and Expenses Paid
FYE June, 30,2021

REVENUE	General	Coal Severance Tax	Total Government Funds
Ad valorem property taxes	$ 118,529	$ -	$ 118,529
Business and Occupation tax	74,101	-	74,101
Utility services tax	34,340	-	34,340
Gas and oil severance tax	2,481	-	2,481
Coal severance tax	-	2,721	2,721
Licenses and permits	1,037	-	1,037
Charges for services	145,540	-	145,540
Fines and forfeits	6,790	-	6,790
Gaming income	4,651	-	4,651
IRP fees	81,594	-	81,594
Viedo lottery	6,600	-	6,600
Miscellaneous	221,095	-	221,095
Total revenue	696,758	2,721	699,479
EXPENDITURES			
General government	333,475	-	333,475
Public safety	45,884	-	45,884
Street and transportation	12,280	-	12,280
Health and sanitation	90,792	-	90,792
Culture and recreation	-	-	-
Social services	996	-	996
Total expenditures	483,427	-	483,427
Net change in fund balance	213,331	2,721	216,052
Cash Fund balances, beginning	84,587	961	85,548
Cash Fund balances, ending	$ 297,918	$ 3,682	$ 301,600

The accompanying notes are an integral part of these financial statements.

Town of Chesapeake
Statement of Net Position-Proprietary Fund
FYE June 30, 2021

ASSETS	
Current assets:	
Cash and cash equivalents	$ 15,448
Accounts receivable, net	228,728
Other	-
Total Current assets	244,176
Capital Assets	
Non-depreciable	
Land	103,564
Depreciable Assets	
Buiklings	22,782
Machinery and equipment	1,209,019
Less depreciation	(1,131,761)
Capital equipment, net	203,604
DEFERRED OUTFLOWS:	
Total deferred outflows	-
Total Assets	447,780
LIABILITIES	
Accounts payable	39,139
Accrued taxes	-
Due to other governments	-
DEFERRED INFLOWS:	
Total deferred inflows	-
Total liabilities	39,139
NET POSITION	
Invested in capital assets	-
Unrestricted	408,641
	$ 408,641

The accompanying notes are an integral part of these financial statements.

Town of Chesapeake
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary-Fund
FYE June 30, 2021

OPERATING REVENUES	
Charges for services	$ 444,193
Miscellaneous revenues	-
Total operating revenues	444,193
OPERATING EXPENSES	
Personal services	39,114
Contracted services	74,942
Administrative and general	155
Taxes	697
Miscellaneous	33,333
Purchased water	161,452
Utilities	15,345
Maintenance	18,408
Depreciation and amortization	-
Total operating expenses	343,446
Operating income (loss)	100,747
Nonoperating revenues (expenses):	
Interest income	-
Change in net position	100,747
Net position at beginning of year	329,097
Net position at end of year	$ 429,844

The accompanying notes are an integral part of these financial statements.

Town of Chesapeake
Statement of Cash Flows – Proprietary-Fund
FYE June 30, 2021

Cash flows from operating activities:	
Cash received from customers	$ 423,040
Cash paid for goods and services	(422,089)
Cash paid to employees	(39,114)
Net cash provided (used) by operating activities	(38,163)
Net increase (decrease) in cash and cash equivalents	(38,163)
Beginning cash and equivants	32,406
Cash and equivalents, ending	$ (5,757)
Reconciliation of operating Income	
Operating income (loss)	$ 100,747
Adjustments	
Decrease (increase) in accounts receivable	(21,153)
Increase (decrease) in accounts payable	(117,757)
Net cash provided by operations	$ (38,163)

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Municipality of Chesapeake, West Virginia, conform to the other comprehensive basis of accounting prescribed by the State Auditor's Office of West Virginia as applicable to Class IV governmental municipalities. The following is a summary of significant accounting policies:

A. Reporting Entity

The Municipality of Chesapeake is a municipal corporation governed by an elected mayor and council. The accompanying financial statements present the government 0 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. Fund Financial Statements

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

Governmental fund financial statements are reported using the cash basis of accounting. Revenues are recorded when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligations are incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

The government reports the following 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.

Proprietary fund financial statements are reported using the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred as required by generally accepted accounting principles for proprietary funds.

The government reports the following proprietary funds:

The Sanitary fund serves the citizens of the municipality by providing Sewer 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.

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 Sanitary is/are charges to customers for services. Operating expenses include 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

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

The Municipality reports its investments at fair value, except for non-participating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. The composition of investments and fair values are presented in a subsequent note titled 'Deposits and Investments'.

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 limitations concerning 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 five 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.

2. Receivables and Payables

Interfund Transactions

Activity between enterprise 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" All other outstanding balances between funds are reported as "due to/from other funds."

Trade Receivables

The government periodically analyzes delinquent accounts and uses the direct write-off method.

Property Tax Revenue

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 do not exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

3. Restricted Assets

Certain assets of the special revenue fund(s) may be classified as restricted assets because their use is restricted by grant agreements.

4. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, are reported in the applicable enterprise fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost as listed below 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.

Capitalization

Assets	Amount
Buildings	$ 103,564
Structures and improvements	$ 22,782
Machinery and equipment	$ 1,209,019

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.

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

Assets	Years
Buildings	40
Structures and improvements	40
Transmission and distribution	40-50
Machinery and equipment	05-10

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a cash basis for the General Fund and the Coal Severance Tax Special Revenue Fund. All annual appropriations lapse at fiscal yearend.

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 appropriate budget is required to be 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.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the General Fund was not presented Over expenditure is offset by available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

Custodial Credit Risk - Primary Government

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 does not have a deposit policy for custodial credit risk.

Bank balances can be covered entirely by FDIC; collateralized beyond FDIC with securities held by the pledging financial institution's trust department or agent in the governments name; collateralized beyond FDIC with securities held by the pledging financial institution's trust department or agent but not in the governments name; or not collateralized beyond FDIC.

B. Receivables

Receivables at year end for the government's proprietary funds are as follows:

Accounts	$228,728

C. Capital Assets

Capital asset activity for the proprietary funds for the fiscal year ended June 30, 2021, are as follows:

	July 1, 2020 Beginning Balance	Increases	Decreases	June 30, 2021 Ending Balance
Capital Assets				
Non-depreciable				
Land	$ 103,564	$ -	$ -	$ 103,564
Depreciable Assets				
Buildings	22,782	-	-	22,782
Machinery and equipment	1,209,019	-	-	1,209,019
Less depreciation	(1,131,761)	-	-	(1,131,761)
Capital equipment, net	$ 203,604	$ -	$ -	$ 203,604

IV. OTHER INFORMATION

A. Risk Management

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

Required Supplementary Information

Town of Chesapeake a Class IV Municipality
Statement of Revenues Collected and Expenses Paid
Budget and Actual – General Fund
FYE June 30, 2021

REVENUE	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budget Basis	Variance with Final Budget Favorable (Unfavorable)
Unassigned fund balance	$ -	$ -	$ -	$ -
Ad valorem property taxes	101,915	101,915	118,529	16,614
Alcoholic beverages tax	200	200	-	(200)
Business & occupation tax	90,000	90,000	74,101	(15,899)
Utility services tax	35,000	35,000	34,340	(660)
Gas and oil severance tax	400	400	2,481	2,081
Licenses and permits	22,800	22,800	1,037	(21,763)
Charges for services	94,000	94,000	145,540	51,540
Fines and forfeits	20,000	20,000	6,790	(13,210)
Gaming income	17,000	17,000	4,651	(12,349)
IRP fees	30,000	30,000	81,594	51,594
Viedo lottery	3,000	3,000	6,600	3,600
Miscellaneous	8,000	8,000	221,095	213,095
Total revenues	422,315	422,315	696,758	274,443
EXPENDITURES				
General government	241,315	241,315	333,475	(92,160)
Public safety	116,000	116,000	45,884	70,116
Street and transportation	21,000	21,000	12,280	8,720
Health and sanitation	58,000	58,000	90,792	(32,792)
Culture and recreation	5,000	5,000	-	5,000
Social services	2,000	2,000	996	1,004
Capital improvement	-	-	-	-
Total expenditures	443,315	443,315	483,427	(40,112)
Net change in fund balance	(21,000)	(21,000)	213,331	213,331
Cash Fund balances, beginning*	21,000	21,000	84,587	84,587
Cash Fund balances, ending	$ -	$ -	$ 297,918	$ 297,918

Town of Chesapeake a Class IV Municipality
Statement of Revenues Collected and Expenses Paid
Budget and Actual – Coal Severance Tax Fund
FYE June 30, 2021

REVENUE	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Favorable (Unfavorable)
Taxes	Original	Final		
Coal severance tax	3,900	$ 3,900	$ 2,721	$ (1,179)
Interest and investment earnings	-	-	-	-
Total revenue	3,900	3,900	2,721	(1,179)
EXPENDITURES				
General government	4,000	4,000	-	4,000
Net change in fund balance	(100)	(100)	2,721	2,821
Cash Fund balances, beginning	100	100	961	861
Cash Fund balances, ending	$ -	$ -	$ 3,682	$ 3,682

Stephen P. Glaser CPA
1021 7th Avenue
St. Albans, WV 25177

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Town Council
Town of Chesapeake

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, in accordance with the financial reporting provisions of State Auditor's Office of West Virginia of the Town of Chesapeake, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Chesapeake's basic financial statements, and have issued our report thereon dated July 2, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Chesapeake's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Chesapeake's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Chesapeake's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs items 2021-01 2021-02, and 2021-03 to be material deficiencies. However, other material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Chesapeake's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements for noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, however compliance to budget requirements could not be determined because no reliable expenditure data could be verified to compare the presented actual expenditures or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Stephen P. Glaser, CPA
St. Albans, West Virginia
July 2, 2024

Town of Chesapeake
Schedule of Findings and Questioned Costs
Fiscal Year Ending June 30, 2021

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued; D*isclaimed*

Internal control over financial reporting:

- Material weakness(es) identified? _x_ Yes _____ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes ___x_ No

Non-compliance material to the financial statements noted. _____ Yes ___x_ No

Section II – Financial Statement Findings

No Opinion was rendered with following internal control deficiencies 2021-01 - Internal Control over Accounting Records; 2023-02 - Internal Control over Financial Statement Preparation; and 2021-03 - Internal Control of Expenditure in Excess of Amounts Allocated in the Levy Estimate - General & Coal Fund.

Section III – Corrective Action Plan

A corrective action plan for the recommendation of the findings is required because material deficiencies were identified.

Section IV – Summary Schedule of Prior Audit Findings

Item

2020-1 Segregation of Duties.

2020-02 Source Documents

2020-03 Maintenance of Accounting Records

2020-04 Financial Statement Preparation

2020-05 Failure to Submit Budget Revisions to Appropriate the Unexpended Balances – General and Coal Severance Tax Funds

2021-01
Internal Control over Accounting Records

CONDITION: We determined during our audit that officials of the Town did not maintain adequate accounting records. Specifically, they did not do the following:

- Maintain in the general ledger details of the liabilities and receivables activities.
- Properly classify the transaction details within and across the different funds.
- Maintain a detailed capital asset & depreciation subledger schedule.
- Provide ledger detailed records for the prescribed fiscal year for the government activities.

CRITERIA: - –West Virginia Code §6-9-2 states in part that:

"The chief inspector shall formulate, prescribe and install a system of accounting and reporting in conformity with the provisions of this article, which shall be uniform for all local governmental offices and agencies and for all public accounts of the same class and which shall exhibit true accounts and detailed statements for all public funds collected, received and expended for any purpose by all local governmental officers, employees or other persons. The accounts shall show the receipt, use and disposition of all public property under the control of local governmental officers, employees or other persons and any income derived therefrom and of all sources of public income, the amounts due and received from each source, all receipts, vouchers and other documents kept or required to be kept and necessary to identify and prove the validity of every transaction, all statements and reports made or required to be made for the internal administration of the office to which they pertain and all details of the financial administration of public affairs "

CAUSE: - The Town did not employ individuals or agents with the skills, knowledge, and/or experience for the adequate bookkeeping of their financial activity within their organized accounting system software; compile and maintain the necessary ledgers for the liabilities, receivables, and capital assets; and formulate the potential debt to others in the recording their financial activities.

EFFECT: - The lack of adopting and implementing internal controls required to maintain adequate accounting records of the liabilities, assets, revenues, and expenditures to allow for maintaining the proper financial oversite of the organization by management.

RECOMMENDATION: – The Town needs to employ individuals or agents with skills, knowledge, and/or experience to perform adequate bookkeeping and the determination of potential debt to others in recording their financial activities.

AUDITED ENITY RESPONSE:

On behalf of the Governing Body of the Town of Chesapeake (WV) and Sanitary Board City of Chesapeake (WV), I acknowledge the report and deficiencies highlighted in the FY2021-2023 audits for the Town of Chesapeake. We appreciate your thorough review and the insights

provided into areas needing improvement. We have started taking corrective action to address these deficiencies. Our team will use the information from the audits to implement necessary changes and ensure compliance with all audit requirements going forward.

2021-02
Internal Control over Financial Statement Preparation

CONDITION: - We determined during our audit that officials of the Town did not compile the required financial statements with disclosure notes in the required reporting format other than statements that could be generated by the organized accounting system software used. The Town provided during the audit process for financial statements that the State Auditor's Office of West Virginia for a Class IV Municipality financial statement template was used. However, these statements were out of balance and were materially misstated between the schedules.

CRITERIA: - Proper preparation financial statements based on the accounting records in the required format and timely manner is required to allow for the effective management by those charged with governance, the detection in a timely manner errors or omissions that may lead material misstatements to provide management the ability to satisfy their fiduciary responsibilities to the regulatory agencies and the public.

CAUSE: - The Town has not adopted and implemented proper controls procedures required to prepare financial statements based on their accounting records to allow management the ability to render informed decisions by management of the organization to control or proposed the necessary changes to allow for maintaining proper financial oversite of the organization,

EFFECT: - The lack of adopting and implementing internal controls required to prepare financial statements to determine liabilities, assets, revenue, and expenses to allow for management to maintain the proper financial oversite of the organization operations.

RECOMMENDATION: - The town should prepare financial statements from their adjusted accounting records on the template provided by the State Auditor's Office of West Virginia for a Class IV Municipality or other financial reporting software or templates that meet the requirements of State code for the reporting of the government and business-type activities of the Town.

AUDITED AGENCY'S RESPONSE:

On behalf of the Governing Body of the Town of Chesapeake (WV) and Sanitary Board City of Chesapeake (WV), I acknowledge the report and deficiencies highlighted in the FY2021-2023 audits for the Town of Chesapeake. We appreciate your thorough review and the insights provided into areas needing improvement. We have started taking corrective action to address these deficiencies. Our team will use the information from the audits to implement necessary changes and ensure compliance with all audit requirements going forward.

2021-03
Internal Control of Expenditure in Excess of Amounts Allocated
in the Levy Estimate - General & Coal Fund –

CONDITION: - During our audit the Town failed to provide budget information to determine they implement policies and procedures to ensure that adequate budgets and/or revisions were made to ensure that they did not expend money or incur obligations in excess of the budget.

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

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

CAUSE: -. The determination by using comparison schedule of budgeted to actual expend money or incur obligations in the General and Coal fund to actual could not be determined due to the lack of budget information in the comparative required information schedules.

EFFECT: - By not exercising adequate policies and procedures, the Town of Chesapeake may have compromised its budgetary control of the Towns expenditures.

RECOMMENDATION: - The Town of Chesapeake should implement controls that will ensure compliance with budgetary requirements.

AUDITED ENITY RESPONSE:

On behalf of the Governing Body of the Town of Chesapeake (WV) and Sanitary Board City of Chesapeake (WV), I acknowledge the report and deficiencies highlighted in the FY2021-2023 audits for the Town of Chesapeake. We appreciate your thorough review and the insights provided into areas needing improvement. We have started taking corrective action to address these deficiencies. Our team will use the information from the audits to implement necessary changes and ensure compliance with all audit requirements going forward.