Raleigh County

RFP# 19-118

Municipality of Beckley, West Virginia

Financial Statements and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2019

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
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Introductory Section

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
MUNICIPALITY OFFICIALS
For the Fiscal Year Ended June 30, 2019

OFFICE	WARD/NAME	TERM ENDS
	Elected	
Mayor:	Rob Rappold	June 30, 2020
Council Members:	Ward I – Tom Sopher	June 30, 2020
	Ward II – Ann Worley	June 30, 2020
	Ward III – Frank Williams	June 30, 2020
	Ward IV – Kevin Price	June 30, 2020
	Ward V – Janine Bullock	June 30, 2020
	At Large – Tim Berry	June 30, 2020
	At Large – Sherrie Hunter	June 30, 2020
	Appointed	
Recorder-Treasurer:	Billie Trump	
Controller:	Jessica Chandler	

Financial Section

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report

Honorable Mayor and Council
Municipality of Beckley
Beckley, West Virginia 25802

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Municipality of Beckley, West Virginia (the Municipality), as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Municipality of Beckley, West Virginia as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Municipality 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 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.

Accounting principles generally accepted in the United States of America require this presentation to include the Schedule of Changes in Net Pension Liability and Related Ratios – Policemen's and Firemen's Pension and Relief Funds, Schedules of Investment Returns and Contributions – Policemen's and Firemen's Pension and Relief Funds, the Schedule of Municipality's Proportionate Share of Net Pension Liability, the Schedule of Contributions – Retirement Systems, the Schedule of Municipality's Proportionate Share of Net OPEB Liability, and the Schedule of Contributions – OPEB listed in the table of contents, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements as a whole.

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

Also, the supplementary information of the Schedule of Rate Covenant Compliance, the Combining Balance Sheet – Nonmajor Governmental Funds and the Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Municipality.

This information is management's responsibility and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2020, 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 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'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.

Ferrari & Associates, PLLC

Morgantown, West Virginia
January 24, 2020

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Beckley Sanitary Board
ASSETS				
Current:				
Cash and cash equivalents	$ 5,580,396	$ 307,084	$ 5,887,480	$ 986,197
Receivables:				
Accounts, net	-	3,539	3,539	1,404,871
Taxes	4,406,970	512	4,407,482	1,703
Other	131,941	-	131,941	-
Fines	57,013	-	57,013	-
Due from other governments	722,287	17,829	740,116	17,011
Internal balances	176,340	64,104	240,444	-
Inventory	-	97,920	97,920	42,458
Prepaid expense	-	44,475	44,475	53,548
Total current assets	11,074,947	535,463	11,610,410	2,505,788
Noncurrent:				
Restricted assets:				
Regular account	-	26,779	26,779	1,037,121
Reserve account	-	67,093	67,093	2,545,939
Customer deposits	-	-	-	157,288
Renewal and replacement	-	37,260	37,260	636,960
Total restricted assets	-	131,132	131,132	4,377,308
Capital assets:				
Non-depreciable:				
Land	3,067,475	6,451,868	9,519,343	403,272
Copyright	-	3,500	3,500	-
Construction in progress	114,121	359,595	473,716	13,642,748
Depreciable:				
Buildings	1,342,360	36,030,348	37,372,708	23,094,011
Structures and improvements	897,678	2,497,581	3,395,259	38,564,226
Infrastructure	3,727,756	-	3,727,756	-
Software	293,971	-	293,971	122,035
Machinery and equipment	19,675,460	977,437	20,652,897	3,937,501
Less: accumulated depreciation	(19,927,489)	(10,112,662)	(30,040,151)	(32,183,154)
Total capital assets, net	9,191,332	36,207,667	45,398,999	47,580,639
Total assets	20,266,279	36,874,262	57,140,541	54,463,735
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - refunding	-	56,420	56,420	-
Deferred outflow - pension	7,419,031	121,676	7,540,707	212,603
Deferred outflow - OPEB	416,537	30,121	446,658	80,513
Total deferred outflows of resources	7,835,568	208,217	8,043,785	293,116
Total assets and deferred outflows of resources	**$ 28,101,847**	**$ 37,082,479**	**$ 65,184,326**	**$ 54,756,851**
LIABILITIES				
Current:				
Accounts payable	$ 1,247,211	$ 146,815	$ 1,394,026	$ 947,942
Payroll payable	369,914	70,586	440,500	67,454
Benefits payable	27,759	22,451	50,210	11,774
Other accrued expenses	-	-	-	46,721
Compensated absences payable	162,180	6,038	168,218	24,465
Customer deposits	-	9,345	9,345	159,872
Due to other funds	45,784	76,374		22,491
Total current liabilities	1,852,848	331,609	2,184,457	1,280,719
Long-term liabilities due within one year:				
Current portion of bonds payable	-	473,743	473,743	1,565,870
Current portion of leases payable	207,804	-	207,804	42,580
Long-term liabilities due in more than one year:				
Bonds payable	-	9,204,885	9,204,885	23,080,242
Leases payable	743,405	-	743,405	114,555
Compensated absences payable	1,624,753	70,644	1,695,397	220,183
Net pension liability	51,927,471	112,250	52,039,721	223,192
OPEB liability	8,756,502	633,214	9,389,716	1,692,563
Total long-term liabilities	63,259,935	10,494,736	73,754,671	26,939,185
Total liabilities	65,112,783	10,826,345	75,939,128	28,219,904
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension	5,301,841	118,189	5,420,030	107,052
Deferred inflow - OPEB	36,225	2,619	38,844	7,002
Total deferred inflows of resources	5,338,066	120,808	5,458,874	114,054
NET POSITION				
Net investment in capital assets	7,104,899	26,529,039	33,633,938	22,777,393
Restricted for debt service	-	93,872	93,872	3,583,060
Restricted for renewal and replacement	-	37,260	37,260	636,960
Restricted for customer deposits	-	-	-	157,288
Unrestricted (deficit)	(49,453,901)	(524,845)	(49,978,746)	(731,808)
Total net position	(42,349,002)	26,135,326	(16,213,676)	26,422,893
Total liabilities, deferred inflows of resources, and net position	**$ 28,101,847**	**$ 37,082,479**	**$ 65,184,326**	**$ 54,756,851**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Beckley Sanitary Board
Governmental activities:								
General government	$ 3,903,990	$ 26,716	$ -	$ -	$ (3,877,274)	$ -	$ (3,877,274)	$ -
Public safety	16,137,688	304,715	1,320,866	271,754	(14,240,353)	-	(14,240,353)	-
Streets and transportation	4,148,543	-	-	-	(4,148,543)	-	(4,148,543)	-
Health and sanitation	96,059	-	-	-	(96,059)	-	(96,059)	-
Culture and recreation	1,095,937	-	-	-	(1,095,937)	-	(1,095,937)	-
Social services	3,352	-	-	-	(3,352)	-	(3,352)	-
Total governmental activities	25,385,569	331,431	1,320,866	271,754	(23,461,518)	-	(23,461,518)	-
Business-type activities:								
Parking	1,142,727	315,308	-	-	-	(827,419)	(827,419)	-
Parks and recreation	3,689,431	1,324,579	610,522	-	-	(1,754,330)	(1,754,330)	-
Building commission	1,225,179	1,321,266	-	-	-	96,087	96,087	-
Total business-type activities	6,057,337	2,961,153	610,522	-	-	(2,485,662)	(2,485,662)	-
Total primary government	31,442,906	3,292,584	1,931,388	271,754	(23,461,518)	(2,485,662)	(25,947,180)	-
COMPONENT UNIT								
Beckley sanitary board	$ 7,938,556	$ 7,895,303	$ -	$ 179,120	-	-	-	135,867
General revenues								
Ad valorem taxes					3,215,291	-	3,215,291	-
Business & occupation tax					10,893,761	-	10,893,761	-
Consumer sales tax					5,920,512	-	5,920,512	-
Alcoholic beverage tax					223,842	-	223,842	-
Utility services tax					770,656	-	770,656	-
Hotel occupancy tax					970,569	-	970,569	-
Gas and oil severance tax					36,998	-	36,998	-
Other taxes					595,883	-	595,883	-
Coal severance tax					54,601	-	54,601	-
Interest income					16,491	28,877	45,368	74,225
Refunds					416,839	-	416,839	-
Gain (loss) on sale of capital assets					8,013	(1,264)	6,749	58,210
Insurance claims					31,536	-	31,536	-
Miscellaneous					242,042	27,622	269,664	73,764
Total general revenues					23,397,034	55,235	23,452,269	206,199
Transfers					(2,789,909)	2,789,909	-	-
Change in net position					(2,854,393)	359,482	(2,494,911)	342,066
Net position beginning of year (see note XVIII)					(39,494,609)	25,775,844	(13,718,765)	26,080,827
Net position end of year					$ (42,349,002)	$ 26,135,326	$ (16,213,676)	$ 26,422,893

The Independent Auditor's Report and Notes to the Financial Statements are an integral part of this statement.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	Coal Severance	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,014,052	$ 120,584	$ 445,760	$ 5,580,396
Receivables:				
Taxes	4,521,056	17,855	-	4,538,911
Fines	57,013	-	-	57,013
Due from:				
Other funds	175,793	-	547	176,340
Other governments	722,287	-	-	722,287
Total assets	**$ 10,490,201**	**$ 138,439**	**$ 446,307**	**$ 11,074,947**
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,186,916	$ -	$ 60,295	$ 1,247,211
Payroll payable	369,914	-	-	369,914
Benefits payable	27,759	-	-	27,759
Compensated absences payable	162,180	-	-	162,180
Due to other funds	7,158	-	38,626	45,784
Total liabilities	1,753,927	-	98,921	1,852,848
DEFERRED INFLOWS OF RESOURCES				
Property taxes	44,622	-	-	44,622
Unavailable revenue - other	106,644	-	-	106,644
Total deferred inflows of resources	151,266	-	-	151,266
FUND BALANCES				
Assigned	1,526,952	138,439	347,386	2,012,777
Unassigned	7,058,056	-	-	7,058,056
Total fund balances	8,585,008	138,439	347,386	9,070,833
Total liabilities, deferred inflows of resources and fund balances	**$ 10,490,201**	**$ 138,439**	**$ 446,307**	**$ 11,074,947**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2019

Total governmental fund balances		$ 9,070,833
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 are not reported in the funds.		9,191,332
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Ad valorem taxes	44,622	
Police fines	57,013	
Other	49,631	
Total		151,266
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows and outflows are not reported in governmental funds.		
Net pension liability	(51,927,471)	
Deferred inflows - pension	(5,301,841)	
Deferred outflows - pension	7,419,031	
Total		(49,810,281)
The net other post employment benefit liability is not due and payable in the current period; therefore, the liability and related deferred inflows and outflows are not reported in governmental funds.		
Net OPEB liability	(8,756,502)	
Deferred inflows - OPEB	(36,225)	
Deferred outflows - OPEB	416,537	
Total		(8,376,190)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases	(951,209)	
Compensated absences	(1,624,753)	
Total		(2,575,962)
Net position of governmental activities		$ (42,349,002)

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General	Coal Severance	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Ad valorem property tax	$ 3,214,830	$ -	$ -	$ 3,214,830
Business and occupancy tax	10,853,841	-	-	10,853,841
Alcoholic beverage tax	223,842	-	-	223,842
Consumer sales	5,920,512	-	-	5,920,512
Utility services tax	770,656	-	-	770,656
Hotel occupancy tax	970,569	-	-	970,569
Other taxes	595,883	-	-	595,883
Severance taxes	36,998	54,601	-	91,599
Licenses and permits	184,620	-	-	184,620
Intergovernmental:				
Federal	1,329,321	-	-	1,329,321
State	30,000	-	93,829	123,829
Charges for services	26,716	-	-	26,716
Fines and forfeits	220,845	-	-	220,845
Interest and investment earnings	14,368	679	1,444	16,491
Refunds and reimbursements	416,839	-	-	416,839
Insurance claims	31,536	-	-	31,536
Contributions and donations	257,123	-	-	257,123
Miscellaneous	33,579	-	-	33,579
Total revenues	25,132,078	55,280	95,273	25,282,631
EXPENDITURES				
Current:				
General government	4,040,580	-	-	4,040,580
Public safety	10,685,461	-	4,733	10,690,194
Streets and transportation	4,158,027	-	-	4,158,027
Health and sanitation	95,095	-	-	95,095
Culture and recreation	1,095,937	-	-	1,095,937
Social services	3,351	-	-	3,351
Capital outlay	2,594,788	-	38,627	2,633,415
Total expenditures	22,673,239	-	43,360	22,716,599
Excess of revenues over (under) expenditures	2,458,839	55,280	51,913	2,566,032
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	15,751	-	-	15,751
Transfers in	60,000	-	50,632	110,632
Transfers out	(2,840,541)	(50,000)	(10,000)	(2,900,541)
Total other financing sources (uses)	(2,764,790)	(50,000)	40,632	(2,774,158)
Net change in fund balances	(305,951)	5,280	92,545	(208,126)
Fund balances beginning of year	8,890,959	133,159	254,841	9,278,959
Fund balances end of year	$ 8,585,008	$ 138,439	$ 347,386	$ 9,070,833

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds		$ (208,126)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	1,868,829	
Depreciation	(929,046)	
Excess of capital outlay over depreciation expense		939,783
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the proceeds and the gain on the disposal of assets:		
Loss on sale of capital assets	(7,738)	
Total		(7,738)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Ad valorem taxes	461	
Police fines	(9,958)	
Municipal licenses	39,920	
Prior year federal government grant deferral	16	
Total		30,439
Expenses in the statement of activities that do not provide current financial resources are not reported as expenses in the funds:		
Long term compensated absences	(472,362)	
Total		(472,362)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Capital lease payments	203,179	
Total		203,179
Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expenses in the statement of activities.		
Change in pension liability	(3,955,396)	
Total		(3,955,396)
Except for amounts reported as deferred inflows/outflows, changes in net post employment benefits are reported as OPEB expenses in the statement of activities.		
Change in OPEB liability	615,828	
Total		615,828
Change in net position of governmental activities		$ (2,854,393)

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes:				
Ad valorem property tax	$ 3,167,646	$ 3,167,646	$ 3,214,830	$ 47,184
Business and occupancy tax	9,805,000	9,805,000	10,853,841	1,048,841
Alcoholic beverage tax	202,000	202,000	223,842	21,842
Utility services tax	775,000	775,000	770,656	(4,344)
Hotel occupancy tax	900,000	900,000	970,569	70,569
Sales tax	3,700,000	3,700,000	5,920,513	2,220,513
Other taxes	89,000	89,000	595,883	506,883
Severance taxes	10,000	10,000	36,998	26,998
Licenses and permits	477,010	477,010	184,620	(292,390)
Intergovernmental:				
Federal	1,300,000	1,300,000	1,359,321	59,321
Charges for services	24,500	24,500	26,716	2,216
Fines and forfeits	210,000	210,000	220,845	10,845
Interest and investment earnings	900	900	14,368	13,468
Refunds and reimbursements	199,200	199,200	426,974	227,774
Insurance claims	19,000	19,000	31,535	12,535
Contributions and donations	512,000	512,000	233,298	(278,702)
Miscellaneous	22,750	22,750	47,269	24,519
Total revenues	21,414,006	21,414,006	25,132,078	3,718,072
EXPENDITURES				
Current:				
General government	5,658,075	7,474,008	4,040,580	(3,433,428)
Public safety	10,570,800	11,274,300	10,685,461	(588,839)
Streets and transportation	4,261,350	4,598,350	4,158,027	(440,323)
Health and sanitation	162,700	187,700	95,095	(92,605)
Culture and recreation	950,000	1,150,000	1,095,937	(54,063)
Social services	2,500	2,500	3,351	851
Capital outlay	1,273,384	3,301,384	2,594,788	(706,596)
Total expenditures	22,878,809	27,988,242	22,673,239	(5,315,003)
Excess of revenues over (under) expenditures	(1,464,803)	(6,574,236)	2,458,839	9,033,075
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	15,751	15,751
Transfers in	-	-	60,000	60,000
Transfers out	-	-	(2,840,541)	(2,840,541)
Total other financing sources (uses)	-	-	(2,764,790)	(2,764,790)
Net change in fund balances	(1,464,803)	(6,574,236)	(305,951)	6,268,285
Fund balances beginning of year	1,464,803	6,574,236	8,890,959	2,316,723
Fund balances end of year	$ -	$ -	$ 8,585,008	$ 8,585,008

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COAL SEVERANCE TAX FUND
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes:				
Severance tax	$ 21,957	$ 21,957	$ 54,601	$ 32,644
Interest and investment earnings	-	-	679	679
Total revenues	21,957	21,957	55,280	33,323
EXPENDITURES				
Current:				
Streets and transportation	21,957	21,957	-	(21,957)
Culture and recreation	44,763	96,708	-	(96,708)
Total expenditures	66,720	118,665	-	(118,665)
Excess of revenues over (under) expenditures	(44,763)	(96,708)	55,280	151,988
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(50,000)	(50,000)
Total other financing sources (uses)	-	-	(50,000)	(50,000)
Net change in fund balances	(44,763)	(96,708)	5,280	101,988
Fund balances beginning of year	44,763	96,708	133,159	36,451
Fund balances end of year	$ -	$ -	$ 138,439	$ 138,439

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2019

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
ASSETS				
Current:				
Cash and cash equivalents	$ 34,812	$ 140,685	$ 131,587	$ 307,084
Receivables:				
Accounts	3,539	-	-	3,539
Taxes	-	512	-	512
Due from:				
Other funds	64,104	-	-	64,104
Other governments	-	17,829	-	17,829
Inventory	-	97,920	-	97,920
Prepaid expense	36,475	8,000	-	44,475
Total current assets	138,930	264,946	131,587	535,463
Noncurrent:				
Restricted assets:				
Regular account	26,779	-	-	26,779
Reserve account	67,093	-	-	67,093
Renewal and replacement	37,260	-	-	37,260
Total restricted assets	131,132	-	-	131,132
Capital assets:				
Non-depreciable:				
Land	3,265,590	127,434	3,058,844	6,451,868
Copyright	-	3,500	-	3,500
Construction in process	-	119,907	239,688	359,595
Depreciable:				
Buildings	88,525	3,879,043	32,062,780	36,030,348
Structures and improvements	736,338	1,745,529	15,714	2,497,581
Machinery and equipment	71,895	877,942	27,600	977,437
Less: accumulated depreciation	(527,943)	(3,103,959)	(6,480,760)	(10,112,662)
Total capital assets, net	3,634,405	3,649,396	28,923,866	36,207,667
Total assets	3,904,467	3,914,342	29,055,453	36,874,262
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - refunding	56,420	-	-	56,420
Deferred outflow - pension	38,503	83,173	-	121,676
Deferred outflow - OPEB	4,006	26,115	-	30,121
Total deferred outflow of resources	98,929	109,288	-	208,217
Total assets and deferred outflows of resources	**$ 4,003,396**	**$ 4,023,630**	**$ 29,055,453**	**$ 37,082,479**
LIABILITIES				
Current:				
Accounts payable	$ 9,440	$ 135,523	$ 1,852	$ 146,815
Payroll payable	2,472	68,114	-	70,586
Other accrued expenses	916	21,535	-	22,451
Compensated absences payable	626	5,412	-	6,038
Customer deposits	9,345	-	-	9,345
Due to other funds	733	69,340	6,301	76,374
Current portion of bonds payable	95,000	-	378,743	473,743
Total current liabilities	118,532	299,924	386,896	805,352
Long-Term:				
Compensated absences payable	3,345	67,299	-	70,644
Bonds payable	655,000	-	8,549,885	9,204,885
Net pension liability	40,238	72,012	-	112,250
OPEB liability	84,222	548,992	-	633,214
Total long-term liabilities	782,805	688,303	8,549,885	10,020,993
Total liabilities	901,337	988,227	8,936,781	10,826,345
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - PERS	37,288	80,901	-	118,189
Deferred inflow - OPEB	348	2,271	-	2,619
Total deferred inflow of resources	37,636	83,172	-	120,808
NET POSITION				
Net investment in capital assets	2,884,405	3,649,396	19,995,238	26,529,039
Restricted for debt services	93,872	-	-	93,872
Restricted for renewal and replacement	37,260	-	-	37,260
Unrestricted	48,886	(697,165)	123,434	(524,845)
Total net position	3,064,423	2,952,231	20,118,672	26,135,326
Total liabilities, deferred inflows of resources, and net position	**$ 4,003,396**	**$ 4,023,630**	**$ 29,055,453**	**$ 37,082,479**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
For the Year Ended June 30, 2019

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
OPERATING REVENUES				
Sales and services to customers	$ 315,308	$ 1,324,579	$ 1,321,266	$ 2,961,153
Other operating revenues	-	9,487	-	9,487
Total operating revenues	315,308	1,334,066	1,321,266	2,970,640
OPERATING EXPENSES				
Personnel services	106,937	1,603,279	-	1,710,216
Contractual services	15,880	276,772	-	292,652
Administrative and general	45,999	105,743	26	151,768
Rents	-	724	-	724
Liability insurance	188,476	52,585	-	241,061
Materials and supplies	13,179	569,729	-	582,908
Utilities	58,339	238,645	-	296,984
Depreciation	62,521	221,430	869,935	1,153,886
Maintenance	-	80,792	-	80,792
Capital outlay	600,204	528,177		1,128,381
Amortization	8,060	-	(1,448)	6,612
Total operating expenses	1,099,595	3,677,876	868,513	5,645,984
Operating income (loss)	(784,287)	(2,343,810)	452,753	(2,675,344)
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	-	351	28,526	28,877
Interest and fiscal charges	(43,132)	(11,555)	(356,666)	(411,353)
Intergovernmental	-	581,537	-	581,537
Contributions		18,135	-	18,135
Operating grants	-	28,985	-	28,985
Proceeds (loss) from sale of capital assets	(1,264)	-	-	(1,264)
Total non-operating revenues (expenses)	(44,396)	617,453	(328,140)	244,917
Income (loss) before transfers	(828,683)	(1,726,357)	124,613	(2,430,427)
Transfers in	840,421	1,386,776	562,712	2,789,909
Change in net position	11,738	(339,581)	687,325	359,482
Net position beginning of year	3,052,685	3,291,812	19,431,347	25,775,844
Net position end of year	$ 3,064,423	$ 2,952,231	$ 20,118,672	$ 26,135,326

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 2019

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	$ 312,590	$ 1,324,432	$ 1,321,266	$ 2,958,288
Cash payments for employee services and benefits	(101,394)	(1,370,385)	-	(1,471,779)
Cash payments to suppliers for goods and services	(1,007,122)	(1,698,284)	(522,096)	(3,227,502)
Other operating revenues	-	9,487	-	9,487
Other operating expenses	-	-	-	-
Customer deposits received	542			542
Net cash provided/(used) by operating activities	(795,384)	(1,734,750)	799,170	(1,730,964)
Cash flows from non-capital financing activities:				
Operating grants	-	28,985	-	28,985
Contributions	-	18,135	-	18,135
Transfers in	840,421	1,386,776	562,712	2,789,909
Transfers out	-	-	-	-
Intergovernmental	-	581,537	-	581,537
Net cash provided by non-capital financing activities	840,421	2,015,433	562,712	3,418,566
Cash flows from capital and related financing activities:				
(Acquisition) Disposal of capital assets	65,368	(290,987)	(4,184,901)	(4,410,520)
Gain (loss) on sale of capital assets	(1,264)	-	-	(1,264)
Proceeds of general obligation bonds			-	-
Principal paid on debt	(90,000)	-	(494,956)	(584,956)
Interest paid on debt	(43,132)	(11,555)	(356,666)	(411,353)
Net cash (used) for capital and related financing activities	(69,028)	(302,542)	(5,036,523)	(5,408,093)
Cash flows from investing activities:				
Investment earnings	-	351	28,526	28,877
Net increase (decrease) in cash and cash equivalents	(23,991)	(21,508)	(3,646,115)	(3,691,614)
Cash and cash equivalents beginning of year - includes $152,439 in restricted cash	189,935	162,193	3,777,702	4,129,830
Cash and cash equivalents end of year - includes $131,132 in restricted cash	$ 165,944	$ 140,685	$ 131,587	$ 438,216
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ (784,287)	$ (2,343,810)	$ 452,753	$ (2,675,344)
Adjustments:				
Depreciation and amortization	70,581	221,430	868,487	1,160,498
(Increase)/decrease in assets:				
Accounts receivable	(2,718)	0	-	(2,718)
Taxes receivable	-	(147)	-	(147)
Due from other funds	(60,053)	39,026	(523,922)	(544,949)
Due from other governments	-	272,686	-	272,686
Materials and supplies inventory	-	(33,989)	-	(33,989)
Prepaid items	(1,407)	(5,000)	-	(6,407)
Deferred outflows - pension	2,480	22,275	-	24,755
Deferred outflows - OPEB	(4,006)	(26,115)		(30,121)
Increase/(decrease) in liabilities:				
Accounts payable	2,530	(12,956)	1,852	(8,574)
Payroll payable	42	17,175	-	17,217
Other accrued expenses	(21,637)	(104,884)	-	(126,521)
Compensated absences payable	580	10,839	-	11,419
Customer deposits	542	-	-	542
Due to other funds	733	-	-	733
Pension	(7,328)	(63,063)	-	(70,391)
Deferred inflows - pension	(139)	(1,981)	-	(2,120)
OPEB	8,759	272,970	-	281,729
Deferred inflows - OPEB	(56)	794	-	738
Net cash provided/(used) by operating activities	$ (795,384)	$ (1,734,750)	$ 799,170	$ (1,730,964)

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
June 30, 2019

	Pension Trust Funds	Employee Health Insurance Fund	Agency Funds
ASSETS			
Cash and deposits	$ 1,079,379	$ 2,012	$ 137,791
Investments, at fair value	41,761,438	351,695	-
Receivables:			
Fines, net	-	-	81,504
Due from other funds			
Accounts receivable - other	91,595	-	-
Total receivables	91,595	-	81,504
Total assets	**$ 42,932,412**	**$ 353,707**	**$ 219,295**
LIABILITIES			
Accounts payable	$ -	$ -	$ 39,732
Due to primary government	-	-	169,818
Due to other governments	-	-	9,745
Total liabilities	-	-	219,295
NET POSITION			
Net position held in trust for pension benefits	42,932,412	353,707	-
Total liabilities and net position	**$ 42,932,412**	**$ 353,707**	**$ 219,295**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Pension Trust Funds	Employee Health Insurance Fund
ADDITIONS		
Contributions:		
Employer	$ 1,520,693	$ -
State	992,403	-
Employee	419,497	-
Other funds	-	400,002
Total contributions	2,932,593	400,002
Investment income:		
Net appreciation (depreciation)	(129,460)	-
Net realized gain (loss) on sale or exchange	1,879,611	-
Interest and dividends	1,386,882	2,476
Net investment income	3,137,033	2,476
Total additions	6,069,626	402,478
DEDUCTIONS		
Benefit payments	3,569,434	268,377
Administrative expense	197,233	9
Refunds	37,987	-
Total deductions	3,804,654	268,386
Change in net position	2,264,972	134,092
Net position held in trust		
Beginning of year	40,667,440	219,615
End of year	$ 42,932,412	$ 353,707

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Municipality of Beckley is a municipal corporation governed by an elected mayor and seven-member council. The accompanying financial statements present the government and its component unit as required by generally accepted accounting principles.

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

The accompanying financial statements present the government and its component units 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.

Blended Component Unit

The entity below is legally separate from the Municipality and meets GAAP criteria for component units. This entity is blended with the primary government because it provides services entirely or almost entirely to the Municipality.

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

Discretely Presented Component Unit

Discretely presented component units are entities which are legally separate from the Municipality, but are financially accountable to the Municipality, or whose relationship with the Municipality is such that exclusion would cause the Municipality's financial statements to be misleading or incomplete. Because of the nature of services, they provide and the Municipality's ability to impose its will on them or a financial benefit/burden relationship exists, the following component unit is discretely presented. The discretely presented component unit is presented on the government-wide financial statements.

The *Beckley Sanitary Board* consists of facilities that provide sewerage and storm water service to all the citizens of the Municipality of Beckley and is governed by a three-member board with the Mayor as the chairman. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

Complete financial statements for the individual component unit can be obtained at the entity's administrative office.

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 nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of 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 non-current 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 *Parking Revenue* fund serves the Municipality by providing parking facilities and services to the public. The fund accounts for the revenues and expenses of operating this facility. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

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

Additionally, the government reports the following fund types:

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

The *Employee Health Insurance* fund accounts for the activities of an employee health account, which accumulates resources for reimbursement of employees' healthcare related expenses. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

The *Agency* funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the Municipality of Beckley, West Virginia, holds for others in an agency capacity.

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

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

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 principle ongoing operations. The principle operating revenue of the Parking, Parks & Recreation, and Building Commission funds (enterprise funds) and the Beckley Sanitary Board (a discretely presented component unit) 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 Municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balance

1. Deposits and Investments

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Municipality reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) 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. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The composition of investments and fair values are presented in Note 3.

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 including the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation’s debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

Municipal Pension Funds are governed as to type of investments by West Virginia Code § 8-22-22. Pension funds are permitted to invest in all the above-mentioned types of investments with the exceptions of (1) direct and general obligations of the State and (2) pooled mortgage trusts. Additionally, pension funds are permitted to invest funds in the following categories of investments:

(1) Repurchase agreements and (2) common stock, securities convertible into common stocks, or warrants and rights to purchase such securities. Pension funds have different rules concerning the purchase of marketable debt securities.

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

2. Receivables and Payables

Interfund Transactions

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

Trade Receivables

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

Property Tax Receivable

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

Information on the Municipality’s property tax levy can be found in Note 4 to the financial statements.

3. Inventories

For the Parks and Recreation fund, inventories are items held for resale and are valued at the first-in/first-out method.

The cost of governmental fund-type inventories is recorded as expenditures when purchased rather than when consumed.

4. Restricted Assets

Certain proceeds of the enterprise funds 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 “renewal & replacement” account is used to report resources set aside to fund system upgrades and maintenance.

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.

5. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets costing over $5,000 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 expensed in the period in which the cost is incurred.

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

Assets	Years
Buildings	40-50
System infrastructure	40-50
Structures and improvements	40-50
Machinery and equipment	05-10

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One item that qualifies for reporting in this category is the deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

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

8. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received are recorded as expenses during the period in which the bonds were issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Balances and Net Position

In the government fund financial statements, fund balance is reported in the following classifications:

Nonspendable	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.
Committed	The committed category is the portion of fund balance whose use is constrained by limitations that have been approved by an order (the highest level of formal action) of the Municipality 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 Municipality Council/other official authorized 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 deficit position could report a negative amount of unassigned fund balance.

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

In the proprietary funds financial statements, equity is classified as net assets and displayed in three components:

a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

b) Restricted net position – Consists of net assets with constraints placed on the use of either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c) Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets”.

10. Pensions

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

11. 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 expense, information about the Retiree Healthcare Plan have been determined on the same basis as they are actuarily determined. The plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Estimates

The presentation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

NOTE II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund. All annual appropriations lapse at fiscal year-end.

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

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

Fund	Amount	Description
General Fund	$ 7,474,008	General Government
	11,274,300	Public Safety
	4,598,350	Streets and Transportation
	187,700	Recycling Center
	1,150,000	Culture and Recreation
	3,301,384	Capital Projects

Deficit in Net Changes in Fund Balances

The following funds had deficit in net changes in fund balances for the year ended June 30, 2019:

General Fund	$	(305,951)
Parks and Recreation	$	(339,581)

Funds sufficient to provide for the excess expenditures were made available from interfund transfers or other sources within each fund and the deficiencies had no impact on the financial result of the funds.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Municipality, these revenues are parking fee, park admissions, gift shop sales, leasing revenue, and charges for services for sanitary sewer. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

NOTE III – DEPOSITS AND INVESTMENTS

At year end, the Municipality had the following investments:

		Credit Risk Rating	
		Standard & Poor's	Moody's Investment
Primary Government	Fair Value	And Fitch	Services
Municipal Bond Commission	$ 93,872	Not Rated	Not Rated
Total	$ 93,872		

Interest Rate Risk	0-3 Years
Municipal Bond Commission	$ 93,872
Total	$ 93,872

Policemen's Pension and Relief	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Cash & Cash Equivalents	$ 572,322	Not Rated	Not Rated
Certificate of Deposit	579,577	Not Rated	Not Rated
Federal Government Securities	2,164,580	AAA to B-	Aaa
Mutual Funds	5,636,974	Not Rated	Not Rated
Common Stock	9,237,936	A+ to B-	Not Rated
Corporate Bonds	4,739,571	AA to BBB-	Aa1 to Ba2
Municipal Bonds	156,339	AAA to A	Aaa to A1
Preferred Stocks	516,210	A to BBB-	Not Rated
Total	$ 23,603,509		

Policemen's Pension and Relief Interest Rate Risk	0-5 Years	5-10 Years	Over 10 Years
Cash & Cash Equivalents	$ 572,322	$ -	$ -
Certificate of Deposit	579,577	-	-
Federal Government Securities	1,929,027	50,002	185,551
Mutual Funds	5,636,974	-	-
Common Stock	9,237,936	-	-
Corporate Bonds	4,138,520	592,307	8,744
Municipal Bonds	130,336	26,003	-
Preferred Stocks	516,210	-	-
Total	$22,740,902	$ 668,312	$194,295

Firemen's Pension and Relief	Fair Value	Credit Risk Rating: Standard & Poor's and Fitch	Credit Risk Rating: Moody's Investment Services
Cash & Cash Equivalents	$ 507,057	Not Rated	Not Rated
Certificate of Deposit	453,352	Not Rated	Not Rated
Federal Government Securities	1,294,134	AAA to B-	Aaa to A2
Mutual Funds	5,580,107	Not Rated	Not Rated
Common Stock	7,100,478	A+ to B-	Not Rated
Corporate Bonds	3,797,013	AA to BB-	Aa1 to Baa3
Municipal Bonds	26,003	A	A1
Preferred Stocks	479,165	BBB+ to BBB-	Not Rated
Total	$19,237,309		

Firemen's Pension and Relief

Interest Rate Risk	0-5 Years	5-10 Years	Over 10 Years
Cash & Cash Equivalents	$ 507,057	$ -	$ -
Certificate of Deposit	453,352	-	-
Federal Government Securities	1,075,597	50,002	168,535
Mutual Funds	5,580,107	-	-
Common Stock	7,100,478	-	-
Corporate Bonds	3,371,678	420,963	4,372
Municipal Bonds	-	26,003	-
Preferred Stocks	479,165	-	-
Total	$18,567,434	$496,968	$ 172,907

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 above tables identify the Municipality's recurring fair value measurement as of June 30, 2019. All investments of the Municipality are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk

The government does not have a policy for interest rate risk.

Credit Risk

State law limits investments as described in Note 1.D.1. The government does not have a policy for credit risk in addition to state regulations. As of June 30, 2019, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Concentration of Credit Risk

The government does not have a policy for concentration of credit risk. In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the government had the following investments held with these issuers:

	Issuer	Fair Value	Percent
Policemen's Pension and Relief	Vanguard Index FDS	$ 1,377,874	5.90%
	Washington Mutual Investors	$ 1,476,097	6.33%

	Issuer	Fair Value	Percent
Firemen's Pension and Relief	Vanguard Index FDS	$ 1,210,756	6.36%
	Washington Mutual Investors	$ 1,921,877	10.09%

Custodial Credit Risk

Primary Government and Fiduciary Funds – 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. At year end, the primary government's and the fiduciary funds' carrying amount bank balances were $4,814,513 which were collateralized with securities held by the pledging 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 primary governments and fiduciary funds investment balances were $44,503,693. Of the balance, $93,872 was held in the Municipal Bond Commission and was fully collateralized by the State of West Virginia. The remaining balance was collateralized by related securities held by the government's brokerage firm.

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

	Primary Government	Fiduciary Funds
Cash and cash equivalents	$ 4,187,577	$ 626,936
Investments – collateralized and secured	1,798,314	42,705,379
Total	$ 5,985,891	$ 43,332,315

Cash and cash equivalents	$ 4,011,304	$ 626,936
Cash and cash equivalents – restricted	176,273	-
Investments - unrestricted	1,798,314	-
Investments - restricted	-	42,705,379
Total	$ 5,985,891	$ 43,332,315

Component Unit – For deposits, the Beckley Sanitary Board 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. At year end, the Board's cash bank balances were $2,507,314, which was fully collateralized with securities held by the pledging financial institution's trust department or agency but not in the government's name.

For investments, the Beckley Sanitary Board could be exposed to risk in the event of the failure of the counter party where the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the Board's investments were $2,856,191 of which $1,740,108 was held at the Municipal Bond Commission and fully collateralized by the State of West Virginia.

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

Cash and cash equivalents	$ 2,507,314
Investments – collateralized and secured	2,856,191
Total	$ 5,363,505

Cash and cash equivalents	$ 986,197
Cash and cash equivalents – restricted	1,521,117
Investments - restricted	2,856,191
Total	$ 5,363,505

NOTE IV – RECEIVABLES

Receivables at year end for the government's individual major funds, fiduciary funds, and component unit in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	Severance Tax	Parking Revenue	Parks and Recreation	Fid./Agency Funds	Total	Component Unit
Receivables:							
Accounts	$ -	$ -	$ 3,539	$ -	$ -	$ 3,539	$1,601,871
Taxes	4,521,056	17,855	-	512	-	4,539,423	1,703
Fines	57,013	-	-	-	81,504	138,517	-
Other	-	-	-	-	91,595	91,595	-
Insurance premium surtax	-	-	-	-	-	-	-
Gross receivables	4,578,069	17,855	3,539	512	173,099	4,773,074	1,603,574
Less: Allowance for Uncollectible	-	-	-	-	-	-	(197,000)
Net Total Receivables	$4,578,069	$ 17,855	$ 3,539	$ 512	$ 173,099	$4,773,074	$1,406,574

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

Unavailable		
Property taxes receivable (General Fund)	$	44,622
Unavailable revenue - other (General Fund)		106,644
Total	$	151,266

PROPERTY TAXES RECEIVABLE, UNCOLLECTIBLE TAXES, UNAVAILABLE AND UNEARNED REVENUE, AND PROPERTY TAX CALENDAR

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property; however, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. 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, and the second installment is payable on the first day of 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 taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at a rate of nine percent per annum is added from the date they become delinquent until 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 one-half cents (12.5¢); on Class II property, twenty-five cents (25.0¢); and on Class IV property, fifty cents (50.0¢). In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

The levy rates levied by the Municipality of Beckley, West Virginia, per $100 of assess valuation for each class of property for the fiscal year ended June 30, 2019, were as follows:

Class of Property	Assessed Valuations for Tax Purposes	Current Expense	Taxes Levied
Class II	$ 277,511,308	25.00¢	$ 693,778
Class IV	496,083,450	50.00¢	2,480,416
Less: uncollectables, exonerations, and delinquencies	(317,419)		
Less: tax discounts	(57,136)		
Less: assessor's valuation fund	(55,993)		
Net amount to be raised by levy of property taxes	$ 2,743,646		

In the governmental fund financial statements, property taxes receivable is recorded in the General Fund once the levy is approved. At fiscal year-end, the receivables represent delinquent taxes. If delinquent taxes are not paid within 60 days of year end, they are recorded as unavailable revenue. Unavailable property taxes recorded in the accompanying governmental fund financial statements totaled $44,622.

In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the Municipality regardless of when cash is received.

INTERGOVERNMENTAL RECEIVABLES, GRANTS RECEIVABLE AND UNAVAILABLE AND UNEARNED REVENUE

Intergovernmental receivables are primarily comprised of amounts due from other governmental entities. Revenue is recorded as earned when eligibility requirements are met. Grants receivable are recorded for expenses incurred in excess of grant funds received. Unavailable and unearned revenues in the governmental fund financial statements also include unearned revenue and revenue received more than 60 days following year-end (unavailable to pay liabilities of the current period). Revenue to be received after 60 days is fully recognized as revenue in the government-wide statements if eligibility requirements are met.

NOTE V – CAPTIAL ASSETS

Capital asset activity for the fiscal year end June 30, 2019, was as follows:

	Primary Government			
Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,014,683	$ 52,792	$ -	$ 3,067,475
Construction in progress	46,500	67,621	-	114,121
Total capital assets not being depreciated	3,061,183	120,413	-	3,181,596
Capital assets being depreciated:				
Buildings	1,333,670	8,690	-	1,342,360
Structures and improvements	872,793	24,885	-	897,678
Machinery and equipment	18,849,967	1,357,668	(532,175)	19,675,460
Software	293,971	-	-	293,971
Infrastructure	3,370,583	357,173	-	3,727,756
Total accumulated depreciation	(19,522,880)	(929,046)	524,437	(19,927,489)
Total capital assets being depreciated, net	5,198,104	819,370	(7,738)	6,009,736
Governmental activities capital assets, net	$ 8,259,287	$ 939,783	$ (7,738)	$ 9,191,332

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 5,744,421	$ 707,447	$ -	$ 6,451,868
Copyright	3,500	-	-	3,500
Construction in progress	2,457,954	4,304,808	(6,403,167)	359,595
Total capital assets not being depreciated	8,205,875	5,012,255	(6,403,167)	6,814,963
Capital assets being depreciated:				
Buildings	31,049,905	6,467,270	(1,486,827)	36,030,348
Structures and improvements	2,614,706	16,788	(133,913)	2,497,581
Machinery and equipment	1,028,231	90,189	(140,983)	977,437
Total accumulated depreciation	(9,947,682)	(1,153,886)	988,906	(10,112,662)
Total capital assets being depreciated, net	24,745,160	5,420,361	(772,817)	29,392,704
Business-type activities capital assets, net	$ 32,951,035	$10,432,616	$ (7,175,984)	$ 36,207,667

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

Governmental activities:	
General government	$ 100,706
Public safety	538,504
Highways and streets, including depreciation of general infrastructure asset	289,836
Total depreciation expense – governmental activities	$ 929,046
Business-type activities:	
Parking fund	$ 62,521
Parks & recreation fund	221,430
Building commission fund	869,935
Total depreciation expense – business-type activities	$ 1,153,886

Component Unit:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 271,900	$ 131,372	$ -	$ 403,272
Construction in progress	11,156,718	2,569,389	(83,359)	13,642,748
Total capital assets not being depreciated	11,428,618	2,700,761	(83,359)	14,046,020
Capital assets being depreciated:				
Buildings	23,033,197	60,814	-	23,094,011
Structures and improvements	38,327,715	236,511	-	38,564,226
Machinery and equipment	4,224,993	168,034	(455,527)	3,937,500
Software	103,581	24,610	(6,155)	122,036
Total accumulated depreciation	(30,723,115)	(1,729,537)	269,498	(32,183,154)
Total capital assets being depreciated, net	34,966,371	(1,239,568)	(192,184)	33,534,619
Component Unit activities capital assets, net	$ 46,394,989	$ 1,461,193	$ (275,543)	$47,580,639

Construction in Progress

The primary government had active construction projects as of June 30, 2019. The projects include construction of a Police Department building, the construction of a downtown plaza, and the construction of a Fire Department building.

The component unit – Beckley Sanitary Board had active construction projects as of June 30, 2019. The projects include system upgrades, line expansions, and storm water projects.

At year end, the amounts spent-to-date are as follows:

Governmental Type		Component Unit	
Governmental Projects	Spent-to-date	Sewer Projects	Spent-to-date
Downtown Plaza	$ 92,071	200 Armory Dr	$ 9,067
Police Memorial	22,050	Piney Creek Plant Upgrade 2017	13,526,331
Total Sewer Projects	$ 114,121	Hartley Ave	5,261
		Total Sewer Projects	$ 13,540,659
Business Type			
Business Type Projects	Spent-to-date	Stormwater Projects	
Fire Station	$ 239,688	Oakley Rd	$ 65,976
Welcome Center	33,622	Jonathan Dr	2,280
Black Knight	86,285	Jamescrest Phase I	21,547
Total Sewer Projects	$ 359,595	Ewart Ave	76
		Deepwood Ave	9,495
		Chesla Ave	2,715
		Total Stormwater Projects	$ 102,089
		Total Sewer and Stormwater Projects	$ 13,642,748

NOTE VI – LONG TERM DEBT

Revenue Bonds

Revenue bonds outstanding as of June 30, 2019 consist of debt issued by the Municipality for its Building Commission, Parking, Stormwater and Sewer facilities. The Municipality issues bonds where the government pledges income derived from acquired or constructed assets to pay debt service. The debt is payable solely from and secured by a pledge of the assets and gross revenues to be derived from the operations of these activities.

Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts.

Revenue Bonds outstanding at year end are as follows:

Business-type activities:

Series	Issued	Unused	Retired	Balance June 30, 2019
Parking Series 2009-A	$ 1,485,000	$ -	$ 735,000	$ 750,000
Bldg Commission 2017*	6,091,604	-	178,271	5,913,333
Bldg Commission 2018	2,400,000	-	56,407	2,343,593
Bldg Commission 2019	4,704,000	(4,152,454)	-	551,546
Total revenue bonds	$ 14,680,604	$ (4,152,454)	$ 969,678	$ 9,558,472

* The 2017 bond also has bond premium of $120,156 that is amortized over the life of the bond.

Component Unit – Sanitary Board:

Series	Issued	Retired	Balance June 30, 2019
1998-A Sanitary	$ 11,000,000	$ (11,000,000)	$ -
2004-A Sanitary	9,039,000	(5,458,186)	3,580,814
2009-A Sanitary	679,316	(280,771)	398,545
2009-C Sanitary	1,035,783	(227,222)	808,561
2010 Stormwater	2,000,000	(658,322)	1,341,678
2015-A Sanitary	3,614,914	(143,400)	3,471,514
2017 Sanitary	15,450,000	(405,000)	15,045,000
Total revenue bonds	$ 42,819,013	$ (18,172,901)	$ 24,646,112

Utility Pledge Revenues

The Municipality has pledged future parking system revenues, net of specified operating expenses, to repay $1,485,000 in parking system revenue bonds issued in 2009. Proceeds from the bonds provided financing for the acquisition of land to construct the Beckley Intermodal Gateway. The bonds are payable solely from parking system net revenues and are payable through June 2026. Annual principal and interest payments on the bonds are expected to require less than 118 percent of net revenues. The total principal remaining to be paid on the bonds is $750,000. Principal and interest paid for the current year and total customer net revenues $127,785 and ($113,502), respectively.

The Municipality has pledged future building commission revenues, net of specified operating expenses, to repay $6,091,604 in building commission revenue bonds issued in 2017. Proceeds from the bonds provided financing for the construction of the Police Department Headquarters. The bonds are payable solely from building commission net revenues are payable through May 2033. The total principal remaining to be paid on the bonds is $5,913,333. Principal and interest paid for the current year total customer net revenues were $284,217 and $1,321,240, respectively.

The Municipality has pledged future building commission revenues, net of specified operating expenses, to repay $2,400,000 in building commission revenue bonds issued in 2018. Proceeds from the bonds provided financing for the purchase of the Black Knight Golf Course/Restaurant. The bonds are payable solely from building commission net revenues and are payable through May 2028. The total principal remaining on the bonds is $2,306,516. Principal and interest paid for the current year and total customer net revenues were $137,635 and 1,321,240, respectively.

The Municipality has pledged future building commission revenues, net of specified operating expenses, to repay $4,704,000 in building commission revenue bonds issued in 2019. Proceeds from the bonds payable provide funding for the construction of the Fire Department Station #3. The bonds are payable solely from building commission net revenues are payable through January 2029. No payments have been made as of June 30, 2019.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $11,000,000 in sewerage system revenue bonds issued in March 1998. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through March 2020. Annual principal and interest payments on the bonds are expected to require less than 31 percent of net revenues. The total principal remaining to be paid on the bonds is $0. Principal and interest paid for the current year and total customer net revenues were $668,669 and $2,383,577, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $9,039,000 in water system revenue bonds issued in September 2004. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through June 2026. Annual principal and interest payments on the bonds are expected to require less than 25 percent of net revenues. The total principal remaining to be paid on the bonds is $3,580,814. Principal and interest paid for the current year and the total customer net revenues were $549,464 and $2,383,577, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer revenues, net of specified operating expenses, to repay $679,316 in sewerage system revenue bonds issued September 2009. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through March 2030. Annual principal and interest payments on the bonds are expected to require less than 2 percent of net revenues. The total principal remaining to be paid on the bonds is $398,545. Principal and interest paid for the current year and the total customer net revenues were $41,293 and $2,383,577, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer revenues, net of specified operating expenses, to repay $1,035,783 in sewerage system revenue bonds issued September 2009. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through September 2049. Annual principal and interest payments on the bonds are expected to require less than 1 percent of net revenues. The total principal remaining to be paid on the bonds is $808,561. Principal and interest paid for the current year and total customer net revenues were $26,732 and $2,383,577 respectively.

The component unit – Beckley Sanitary Board has pledged future stormwater utility customer revenues, net of specified operating expenses, to repay $2,000,000 in stormwater utility revenue bonds issued in December 2010. Proceeds from the bonds provided financing for the construction and maintenance of the stormwater drainage system. The bonds are payable solely from sewerage customer net revenues and are payable through January 2031. Annual principal and interest payments on the bonds are expected to require less than 29 percent of net revenues. The total principal remaining to be paid on the bonds is $1,341,678. Principal and interest paid for the current year and total customer net revenues were $144,043 and $250,531, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $3,614,914 in sewer system revenue bonds issued in October 2015. Proceeds from the bonds provide funding for construction of certain extensions, additions, betterments and improvements to the existing sewer system. The bonds are payable solely from sewerage customer net revenues and are payable through June 2046. Annual principal and interest payments on the bonds are expected to require less than 6 percent of net revenues. The total principal remaining to be paid on the bonds is $3,471,514. Principal and interest paid for the current year and total customer net revenues were $137,528 and $2,383,577, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $15,450,000 in sewer system revenue bonds issued in June 2017. Proceeds from the bonds provide funding for construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues are payable through June 2033. The total principal remaining to be paid on the bonds is $15,045,000. Principal and interest paid for the current year and total customer net revenues were $713,355 and $2,383,577, respectively.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

Description and Purpose	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019	Due Within One Year
Primary Government					
Governmental Activities					
Compensated Absences	$ 1,709,722	$ 893,996	$ (816,785)	$ 1,786,933	$ 162,180
Lease Obligations Payable	1,154,388	-	(203,179)	951,209	207,804
Net pension Liability	45,442,673	6,484,798	-	51,927,471	-
OPEB Liability	7,811,786	944,716	-	8,756,502	-
Total Governmental Activities	56,118,569	8,323,510	(1,019,964)	63,422,115	369,984
Business-type Activities					
Revenue Bonds:					
Major Enterprise Fund					
Parking Fund	840,000	-	(90,000)	750,000	95,000
Building Commission	9,425,034	672,426	(1,168,832)	8,928,628	378,743
Total Revenue Bonds	10,265,034	672,426	(1,258,832)	9,678,628	473,743
Compensated Absences	65,263	48,421	(37,002)	76,682	6,038
Net Pension Liability	182,641	-	(70,391)	112,250	-
OPEB Liability	351,485	281,729	-	633,214	-
Total Business-type Activities	10,864,423	1,002,576	(1,366,225)	10,500,774	479,781
Total Primary Government Long-Term Debt	$ 66,982,992	$ 9,326,086	$(2,386,189)	$ 73,922,889	$ 849,765

Description and Purpose	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019	Due Within One Year
Component Unit					
Revenue Bonds:					
Sanitary Board	$ 25,307,919	$ -	$ (2,003,486)	$ 23,304,433	$ 1,472,148
Stormwater Utility	1,431,848	-	(90,169)	1,341,679	93,722
Less: deferred amounts	-	-	-	-	-
Total Revenue Bonds	26,739,767	-	(2,093,655)	24,646,112	1,565,870
Lease Obligations Payable	81,396	128,588	(52,849)	157,135	42,580
Compensated Absences	221,582	108,838	(85,772)	244,648	24,465
Net Pension Liability	414,062	-	(190,870)	223,192	-
OPEB Liability	1,625,940	66,623	-	1,692,563	-
Total Component Unit Long-Term Debt	$ 29,082,747	$ 304,049	$ (2,423,146)	$ 26,963,650	$ 1,632,915

Additional Debt Disclosure

Outstanding Bonds, Maturity Dates, and Interest Rates

Description and Purpose	Issue Date	Maturity Date	Interest Rate(s)	Original Issue
Primary Government				
Business-type activities				
Parking Revenue Fund (Series 2009A)	9/17/2009	6/15/2014	3.75%	$ 310,000
Parking Revenue Fund (Series 2009A)	9/17/2009	6/15/2019	4.25%	425,000
Parking Revenue Fund (Series 2009A)	9/17/2009	6/15/2025	4.50%	645,000
Parking Revenue Fund (Series 2009A)	9/17/2009	6/15/2026	4.70%	105,000
Building Commission (Series 2017)	11/15/2017	5/1/1933	3.00, 3.25, 3.50, 3.75,	6,091,604
Building Commission (Series 2018)	5/10/2018	5/10/2028	3.95%	2,400,000
Building Commission (Series 2019 A)	1/11/2019	1/11/2029	4.03%	4,704,000
Total				$ 14,680,604
Component Unit:				
Sanitary Board (Series 1998-A)	3/18/1998	3/1/2020	2.00%	$ 11,000,000
Sanitary Board (Series 2004-A)	9/29/2004	6/1/2026	2.00%	9,039,000
Sanitary Board (Series 2009-A WV CWSRF Program)	9/18/2009	3/1/1930	2.00%	679,316
Sanitary Board (Series 2009-C WV CWSRF Program)	9/18/2009	9/1/1949	0.00%	1,035,783
Sanitary Board (Series 2015-A)	10/22/2015	6/1/1946	0.50%	3,614,914
Sanitary Board (Series 2017)	6/22/2017	6/1/2020	2.75%	620,000
Sanitary Board (Series 2017)	6/22/2017	6/1/1933	3.35%	14,830,000
Stormwater Utility (Series 2010)	12/15/2010	1/1/1931	3.87%	2,000,000
Total				$ 42,819,013

The annual debt service requirements to maturity, including principal and interest and administrative fees for bonds payable as of June 30, 2019 are as follows:

	Business-type Activities				Component Unit			
	Parking		Building Commission		Stormwater Utility		Sanitary Board	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest & Fees
2020	95,000	33,960	378,743	319,448	93,722	50,321	1,472,148	595,590
2021	100,000	29,685	654,196	514,188	97,414	46,629	1,503,128	558,764
2022	105,000	25,185	690,222	481,880	101,251	42,792	1,609,320	519,766
2023	110,000	20,460	441,955	297,095	105,240	38,803	1,650,731	477,339
2024	115,000	15,510	438,395	268,621	109,386	34,657	1,697,356	433,746
2025-2030	225,000	15,270	4,727,460	1,109,394	615,062	105,153	7,489,783	1,512,250
2031-2035	-	-	1,477,501	138,225	219,604	7,192	5,873,503	480,398
2036-2040	-	-	-	-	-	-	789,011	31,049
2041-2045	-	-	-	-	-	-	805,592	15,692
2046-2050	-	-	-	-	-	-	407,156	1,541
2051-2055							6,705	-
Total	$ 750,000	$ 140,070	$ 8,808,472	$ 3,128,851	$ 1,341,679	$ 325,547	$ 23,304,433	$ 4,626,135

Restricted Assets

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

	Business-type Activities	Component Unit – Beckley Sanitary Board
Revenue bond debt service account	$ 93,872	$ 3,583,060
Revenue bond renewal and replacement account	37,260	636,960
Customer deposits	-	157,288
	$ 131,132	$ 4,377,308

NOTE VII – LEASE COMMITMENTS

Capital Leases

The Municipality's outstanding lease agreements include acquisitions of equipment and vehicles at a cost of $1,767,057 and to purchase equipment, software and property for the Sanitary Board at a cost of $303,510. These lease agreements qualify as capital leases for accounting purposes, and, therefore have been recorded at the present value of the future minimum lease payments as of the inception dates.

The debt service for capital leases are:

Year Ending June 30,	General Activities		Component Unit	
	General Fund		Beckley Sanitary Board	
	Principal	Interest	Principal	Interest
2020	$ 207,804	$ 31,047	$ 42,580	$ 5,084
2021	150,483	24,668	30,328	3,843
2022	103,839	20,426	22,891	2,915
2023	111,962	16,404	23,811	1,995
2024	120,518	12,072	24,769	1,037
2025-2030	256,603	9,818	12,756	148
Totals	$ 951,209	$ 114,435	$ 157,135	$ 15,022

Interest rates on capital leases vary from 0% to 9.0144% and are based on the lower of the Municipality's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

Total interest expense on general activity capital leases for the fiscal year ended June 30, 2019, amounted to $37,909, all of which was expensed. Total interest expense on component unit capital leases for the fiscal year ended June 30, 2019, amounted to $1,365.

Operating Leases

The primary government leased certain vehicles and other equipment under noncancelable operating leases. Total costs for such leases approximated $20,568 for the year ended June 30, 2019. The component unit leased certain vehicles and other equipment under noncancelable operating leases. Total costs for such leases approximated $97,731.

NOTE VIII – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, and other miscellaneous receivables/payables between funds.

The following schedule reports internal receivables and payables within the reporting entity at fiscal year-end:

Due To:	Due From:									Total
	General	Parks and Recreation	Parking	Police Fine Trust Fund	Sewerage	Stormwater	Payroll	Building Comm	Law Enf Investigation	
Capital Reserve	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 547	$ -	$ 547
General	-	3,728	-	112,805	-	419	49,212	5,754	38,626	210,544
Payroll (Part of General Fund)	-	1,508	733	-	10,304	1,916	-	-	-	14,461
Parking	-	64,104	-	-	-	-	-	-	-	64,104
Parks	-	-	-	-	-	-	-	-	-	-
Police Fine Trust Fund	-	-	-	-	-	-	-	-	-	-
Sewerage	7,159	-	-	-	-	9,852	-	-	-	17,011
Stormwater	-	-	-	-	-	-	-	-	-	-
Total	$ 7,159	$ 69,340	$ 733	$ 112,805	$ 10,304	$ 12,187	$ 49,212	$ 6,301	$ 38,626	$ 306,667

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

The government-wide statement of activities eliminates transfers as reported with the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

The following schedule reports transfers and payments within the reporting entity:

	Transfers To:			
Transfers From:	Parks	Parking	Building Comm	Total Transfers From
General	$ 1,336,776	$ 840,421	$ 562,712	$ 2,739,909
Coal Severance	50,000	-	-	50,000
Total Transfers To	$ 1,386,776	$ 840,421	$ 562,712	$ 2,789,909

NOTE IX – FUND BALANCE DETAIL

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

	General Fund	Coal Severance	Nonmajor Funds	Total
Assigned:				
General Government	$ 1,526,952	$ 138,439	$ -	$ 1,665,391
Public Safety	-	-	203,076	203,076
Capital projects	-	-	144,310	144,310
Unassigned	7,058,056	-	-	7,058,056
Total Fund Balances	$ 8,585,008	$ 138,439	$347,386	$ 9,070,833

NOTE X – 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 Traveler's Insurance and Cincinnati Insurance for umbrella (general liability) insurance for these various risks. The Municipality uses Traveler's Insurance for workers compensation insurance.

Liabilities are reported when there is a probability a loss has occurred, and the amount of the loss can be reasonably estimated.

NOTE XI – CONTINGENT LIABILITIES

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Litigation

The Municipality is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

NOTE XII – BENEFITS FUNDED BY THE STATE OF WEST VIRGINIA

For the year ended June 30, 2019, the State of West Virginia contributed on behalf contributions of the Municipality's public employees as follows:

Plan	Amount
Policemen's Pension and Relief Fund	$ 528,508
Firemen's Pension and Relief Fund	463,895
Total	$ 992,403

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

NOTE XIII – EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Policemen's and Firemen's Pension and Relief Funds:

Plan Descriptions, Contribution Information, and Funding Policies

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

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees. The Municipality is authorized in accordance with State Code 8-22 to establish and maintain this Plan. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2018.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. The Municipality is authorized in accordance with State Code 8-22 to establish and maintain this Plan. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2018.

The investment policies of the PPRF and FPRF are restricted by State Code as detailed in Note 1.D.1. and may be restricted further as determined by the Boards. For additional information related to basis of accounting and reported investment values, see Notes 1.C., 1.D.1. and 3.

Membership of the Plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	52	43	95
Inactive employees entitled to but not yet receiving benefits	1	1	2
Inactive employees or beneficiaries currently receiving benefits	51	59	110
Total	104	103	207

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

	PPRF	FPRF
Determination of contribution requirements	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years in accordance with West Virginia State code §8-22-10. However, municipalities may utilize an alternative contribution method which allows the Municipality to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by the State of West Virginia code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary.	Contributes annually an amount which together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than forty years in accordance with West Virginia State code §8-22-10. However, municipalities may utilize an alternative contribution method which allows the Municipality to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by the State of West Virginia code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary.

	PPRF	FPRF
Plan Members	7% of covered payroll	7% of covered payroll
Period Required to Vest	No vesting occurs. If separation from employment occurs, the member is entitled to a refund of his/her contributions only.	No vesting occurs. If separation from employment occurs, the member is entitled to a refund of his/her contributions only.
Post-Retirement Benefit Increases	Cost of living adjustment after two years of retirement. Adjustment calculated on the first $15,000 of the total annual benefit in the first year and then the cumulative index for the preceding year. The supplemental pension benefit shall not exceed four percent.	Cost of living adjustment after two years of retirement. Adjustment calculated on the first $15,000 of the total annual benefit in the first year and then the cumulative index for the preceding year. The supplemental pension benefit shall not exceed four percent.
Eligibility for Distribution	20 years of credited service or age 65; whichever comes first. Must be at least age 50.	20 years of credited service or age 65; whichever comes first. Must be at least age 50.
Provisions for:		
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes

Net Pension Liability

The net pension liabilities were measured as of June 30, 2019, for both plans, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Rate of Return

The total pension liability was determined by an actuarial valuation as of July 1, 2018 for both plans, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

Actuarial Assumptions	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
Inflation rate	2.75%	2.75%
Salary increases	3.75% on average	3.75% on average
Investment rate of return	4.50%	4.50%

Mortality rate was based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Rate of Return

For the year ended June 30, 2019 the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense was 6.7 percent for the PPRF and 7.3 percent for FPRF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on pension plan investments will be measured quarterly on a total rate of return basis and will be related to the overall objectives and the market return as evidenced by various market return indices. A complete market cycle (generally 5 years or more) will be used to evaluate investment performance. The pension plans' target asset allocation as of June 30, 2019, are summarized in the following chart:

Investment	PPRF's Target Allocation	PPRF's Long-Term Expected Real Rate of Return	FPRF's Target Allocation	FPRF's Long-term Expected Real Rate of Return
Equities	63.0%	8.00%	63.0%	8.00%
Fixed Income	36.0%	3.00%	36.0%	3.00%
Cash	1.0%	1.25%	1.0%	1.25%
Portfolio		6.13%		6.13%

Net Pension Liability, Reserves and Discount Rate

Current year net pension liability for the PPRF and the FPRF and shown below. The annual required contributions were made by PPRF and FPRF.

Reserves

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

Net Pension Liability

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

	PPRF	FPRF
Total pension liability	$ 39,946,884	$ 54,244,510
Plan fiduciary net position	(23,656,732)	(19,275,679)
Net pension liability	$ 16,290,152	$ 34,968,831

	PPRF	FPRF
Plan fiduciary net position as a percentage of the total pension liability	59.22%	35.53%

Discount Rate

The discount rate used to measure the total pension liability was 5.50 percent for PPRF and 3.96 percent for FPRF, and the municipal bond rate of 3.13% for both plans. The projection of cash flows used to determine this single discount rate assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members, for all future plan years. Therefore, the single discount rate of 5.50% (PPRF) and 3.96%(FPRF) was applied to all periods of projected benefit payments to determine the total pension liability. 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	Current Discount Rate	1% Increase
PPRF's net pension liability	$ 22,553,628	$ 16,290,151	$ 11,281,727
FPRF's net pension liability	$ 43,658,106	$ 34,968,831	$ 28,066,302

Changes in the Net Pension Liability- Policemen's Pension and Relief Fund

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2018	$34,872,905	$22,217,794	$12,655,111
Charges for the year:			
Service Cost	1,090,463	-	1,090,463
Interest	2,043,224	-	2,043,224
Differences between expected & actual experience	886,248	-	886,248
Assumption Change	2,692,393	-	2,692,393
Contributions – employer	-	1,178,526	(1,178,526)
Contributions – employee	-	228,413	(228,413)
Net investment income	-	1,670,372	(1,670,372)
Benefit payments	(1,600,362)	(1,600,362)	-
Administrative expenses	-	(24)	24
Refunds	(37,987)	(37,987)	-
Net changes	5,073,979	1,438,938	3,635,041
Balances at June 30, 2019	$39,946,884	$23,656,732	$16,290,152

Changes in the Net Pension Liability- Firemen's Pension and Relief Fund

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2018	$50,145,861	$18,449,645	$31,696,216
Charges for the year:			
Service Cost	1,433,473	-	1,433,473
Interest	2,006,880	-	2,006,880
Differences between expected & actual experience	1,717,861	-	1,717,861
Assumption Change	964,067	-	964,067
Contributions – employer	-	1,334,570	(1,334,570)
Contributions – employee	-	191,084	(191,084)
Net investment income	-	1,324,032	(1,324,032)
Benefit payments	(1,959,169)	(1,959,169)	-
Administrative expenses	-	(20)	20
Refunds	(64,463)	(64,463)	-
Net changes	4,098,649	826,034	3,272,615
Balances at June 30, 2019	$54,244,510	$19,275,679	$34,968,831

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

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

	PPRF	FPRF
Pension Expense	$ 2,629,201	$ 4,130,232

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

	PPRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 738,540	$ 727,873
Changes in assumptions	4,242,406	1,736,422
Net difference between projected and actual investment earnings	-	557,360
Total	$ 4,980,946	$ 3,021,655

	FPRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 1,344,495	$ 55,484
Changes in assumptions	723,050	876,949
Net difference between projected and actual investment earnings	-	979,352
Total	$ 2,067,545	$ 1,911,785

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	PPRF
2020	1,019,301
2021	357,936
2022	(93,755)
2023	79,368
2024	596,442
Total	$ 1,959,292

Year Ended June 30,	FPRF
2020	(322,638)
2021	125,278
2022	454,120
2023	(101,002)
2024	-
Total	$ 155,758

Pension Trust Fund Statements

	Policemen's Pension and Relief	Firemen's Pension and Relief
Assets		
Cash and deposits	$ 572,322	$ 507,057
Investments, at fair value:		
Government securities	2,320,919	1,294,134
Corporate bonds	4,739,571	3,823,016
Corporate stocks	15,030,432	12,788,009
Alternative investments	940,264	825,093
Total investments	23,031,186	18,730,252
Receivables:		
Accounts receivable	53,225	38,370
Total assets	$ 23,656,733	$ 19,275,679
Liabilities		
Total liabilities	$ -	$ -
Deferred Outflows		
Total deferred outflows of resources	-	-
Deferred Inflows		
Total deferred inflows of resources	-	-
Net Position		
Net position restricted for pension benefits	$ 23,656,733	$ 19,275,679

	Policemen's Pension and Relief	Firemen's Pension and Relief
Additions		
Contributions:		
Employer	$ 650,018	$ 870,675
State	528,508	463,895
Employee	228,413	191,084
Receivable	-	-
Total Contributions	1,406,939	1,525,654
Investment Income:		
Net appreciation (depreciation)	(74,360)	(55,100)
Net realized gain (loss) on sale or exchange	1,084,444	795,168
Interest and dividends	738,455	648,427
Other income	-	-
Investment expense	-	(64,463)
Net investment income	1,748,539	1,324,032
Total additions	3,155,478	2,849,686
Deductions		
Benefit payments	1,600,362	1,969,072
Pension plan administrative expense	37,987	-
Refunds	78,166	54,560
Other	24	20
Total deductions	1,716,539	2,023,652
Payable	-	-
Change in net assets	1,438,939	826,034
Net assets held in trust for pension benefits:		
Beginning of year	22,217,794	18,449,645
End of year	$ 23,656,733	$ 19,275,679

Public Employees Retirement System (PERS):

The Municipality of Beckley, West Virginia, participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of Municipality employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

All of the Municipality's cost-sharing multiple-employer plans are administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CPRB website at www.wvretirement.com.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees Retirement System (PERS)	
Eligibility to participate	All Municipality full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefits provisions	State Statute
Tier 1 members' contribution rate	4.5% (Employees hired before July 1, 2015)
Tier 2 members' contribution rate	6.0% (Employees hired after July 1, 2015)
Municipality's contribution rate	10.00%
Period require to vest	Tier 1 - Five Years; Tier 2 – Ten Years
Benefits and eligibility for distribution	Tier 1 – A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 and the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary is the three highest consecutive years in the last 15 times the years of service times 2% equals the annual retirement benefit. Tier 2- Qualification for normal retirement age is 62 with 10 years of services or at least 55 and the sum of his/her age plus years of credited service is equal to or greater than 80. The average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings times the years of service times 2% equals the retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

Public Employees Retirement System (PERS) – Trend Information

Fiscal Year	Annual Pension Cost	Percentage Contributed
2019	418,931	100%
2018	416,940	100%
2017	457,483	100%
2016	484,469	100%
2015	673,639	100%
2014	750,492	100%
2013	692,999	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 June 30, 2019, the Municipality reported the following liabilities for its proportionate share of the net pension liabilities. The Municipality's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2019, the Municipality reported the following proportions and increases/decreases from its proportion measure as of June 30, 2018.

	PERS
Amount for proportionate share of net pension liability	$ 780,738
Percentage for proportionate share of net pension liability – current year	.388740%
Percentage for proportionate share of net pension liability – prior year	.388841%
Increase/(Decrease) % from prior proportion measured	(.0101%)

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

	Governmental Activities	Business-Type Activities
Pension Expense	$ 78,243	$ 13,138

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in proportionate share percentage	$ 41,081	$ 320
Difference between expected and actual experience	32,204	2,036
Contributions made after measurement date	418,931	-
Net difference between projected and actual investment earnings	-	484,234
Difference in assumptions	-	-
Total	$ 492,216	$ 486,590

The amount reported as deferred outflows related to pensions resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	$ 115,620
2021	(58,439)
2022	(382,333)
2023	(88,153)
Total	$ (413,305)

Actuarial Assumptions

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

Inflation rate	3.00%
Salary increases	3.35 -6.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expenses, including inflation
Mortality rates	Healthy Males – 110% of RP – 2000 Healthy-Annuitant table, Scale AA Healthy Females – 101% of RP – 2000 Health-Annuitant table, Scale AA Disabled Males – 96% of RP – 2000 Disabled Annuitant table, Scale AA Disabled Females – 107% of RP- 2000 Disabled Annuitant table, Scale AA

The actuarial assumptions used in the July 1, 2018 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimated of expected 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. Rates summarized in the following table include the inflation component and were used for the following defined benefit plans:

Investment	Long-term Expected Real Rate of Return	Target Asset Allocation
US Equity	4.50%	27.50%
International Equity	8.60%	27.50%
Private Equity	6.40%	10.00%
Fixed Income	3.30%	15.00%
Hedge Funds	4.00%	10.00%
Real Estate	6.00%	10.00%
		100.00%

Discount rate

The discount rate used to measure the total pension liability was 7.5% from 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 Municipality contributions to all plans will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was 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 8.50%
Municipality's proportionate share of PER's net pension asset (liability)	$ (3,144,187)	$ (780,738)	$ 1,218,709

Pension plans' fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

NOTE XIV – CONCENTRATION OF CREDIT RISK

The Sanitary Board is a supplier of sewer services to the residents and businesses of Beckley, West Virginia. The Stormwater Utility fund is a supplier of Stormwater services to residents and businesses in the Beckley area. The Parking Revenue Board provides parking in downtown Beckley and issues parking tickets. The aforementioned charges are provided on a credit basis without requiring any collateral or any other security. Accounts receivable are recorded net of an allowance for bad debts of $22,000 and $175,000 for the Sanitary Board and Stormwater Utility, respectively. Accounts receivable for the Parking Board have been adjusted for all known uncollectible accounts. An allowance for bad debts in this fund has not been set up as the amount is not considered material.

NOTE XV – TAX ABATEMENTS

The Municipality provides tax abatement through Section 13-329 of their ordinance. Under the ordinance, new businesses within the corporate limits of the city which locate in zone B-3 (Main Street revitalization area), the business entity will be allowed a fifty percent credit against the business and occupation tax liability annually for a period of five consecutive years from the date the entity qualifies for the tax credit. New businesses within the corporate limits of the city which locate in any commercial zone other than B-3, the business entity will be allowed a thirty percent credit against the business and occupation tax annual liability for a period of five consecutive years from the date the entity qualifies for the tax credit. For the fiscal year ended June 30, 2019, the Municipality abated business and occupation taxes totaling $150,699 under this program.

On November 14, 2017 the Municipality adopted an ordinance waiving all business and occupation taxes upon the contractors, subcontractors and builders of the new police station construction. The total reporting abatement for June 30, 2019 is $80,111.

NOTE XVI – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB plan:

Plan description

The Municipality provides healthcare benefits to retirees and their dependents. The insurance premiums are paid fully by the retiree. The Municipality also contributes up to $3,750 per year in 2018 and $4,000 in 2019 towards the deductible for each retiree. In addition, there is a group of retirees who receive a monthly payment from the City, to be used towards the cost of health insurance. Therefore, the City's liability equals the value of the implicit subsidy, the (up to) $3,750 ($4,000) payment, and the monthly payments. All full-time active employees who retire or qualify for retirement directly from the City, and meet the eligibility criteria, may participate. The plan had approximately 269 participants with 229 being active employees and 40 being retirees and their beneficiaries.

Benefits provided

The Plan provides medical and prescription drug insurance and dental and vision insurance.

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

At fiscal year-end, the Municipality reported a liability of $9,389,716 for its share of 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, the measurement date was June 30, 2019.

For this fiscal year, the Municipality recognized OPEB expense of $759,323. The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ 446,658	$ (38,844)
	$ 446,658	$ (38,844)

The amount reported as deferred inflows of resources related to OPEB resulting from government contributions subsequent to the measurement date will be recognized as an increase in the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2020	$ 50,284
2021	50,284
2022	50,284
2023	50,284
2024	50,284
2025-2027	156,394
Total	$ 407,814

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.750%
Salary Increases	3.50%
Healthcare Trend	6.50% initially, grading down to 4.50 ultimate
Discount Rate	3.62%
Mortality Rates – Police and Firefighters	Pre-Retirement: RP-2014 blue collar healthy employee tables, projected with MP-2014 generational scales Post-Retirement – healthy retirees: RP-2014 blue collar healthy annuitant tables, projected with MP-2014 generational scales. Post-Retirement – disabled retirees: RP-2014 blue collar healthy annuitant tables, set forward 4 years, projected with MP-2014 generational scales.
Mortality Rates – Others	Pre-Retirement: RP-2000 non-annuitant tables, projected with Scale AA generational Post-Retirement – healthy males: 110% RP-2000 healthy annuitant table, projected with Scale AA generational. Post-Retirement – healthy females: 101% RP-2000 healthy annuitant table, projected with Scale AA generational. Post-Retirement – disabled males: 96% RP-2000 disabled annuitant table, projected with Scale AA generational. Post-Retirement – disabled females: 107% RP-2000 disabled annuitant table, projected with Scale AA generational.

Changes in actuarial assumptions

The discount rate changed from 3.62% to 3.13%.

Actuarial Methods for Determining Employer Contributions

The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75.

The Entry Age method is used for accounting /GASB purposes; therefore, all of the actuarial figures within the report are based on it. Although there is no prefunding of benefits at this time, an actuarially determined contribution is computed based on a 30-year amortization, level % of pay approach, of the unfunded actuarial liability.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.13%. There is no prefunding of benefits in an OPEB trust for this plan; therefore, the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2019.

Sensitivity of the Municipality's net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the plan, calculated using the discount rate of 3.13%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease 2.1300%	Current Discount Rate Assumption 3.1300%	1% Increase 4.1300%
Net OPEB Liability	$ 10,505,453	$ 9,389,716	$ 8,435,084

Sensitivity of the Municipality's net OPEB liability to changes in the healthcare trend rate. The following presents the net OPEB liability of the plan, calculated using the healthcare trend rate of 6.50% to an ultimate rate of 4.50%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates:

	1% Decrease 3.50%	Current Ultimate Trend Rate 4.50%	1% Increase 5.50%
Net OPEB Liability	$ 8,250,463	$ 9,389,716	$ 10,767,515

NOTE XVII – DEFERRED COMPENSATION PLAN

The Municipality offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held for the exclusive benefit of the participants and their beneficiaries.

NOTE XVIII – PRIOR PERIOD ADJUSTMENT

The June 30, 2018 net position of the Municipality has been restated. The restatement was necessary in order to record an inaccuracy in prior audit assigned fund balance. During the fiscal year ended June 30, 2019, the Beckley Sanitary Board discovered that it had not recognized unbilled accounts receivable during all previous fiscal year ends. A summary of the restatement activity at June 30, 2019 is as follows:

	Governmental Activities	Component Unit – Beckley Sanitary Board
Net Position as Previously Reported	$ (38,841,738)	$ 25,353,205
Prior Period Adjustment	(652,871)	727,622
Net Position, Restated	$ (39,494,609)	$ 26,080,827

NOTE XIX – SUBSEQUENT EVENTS

The Municipality's management has evaluated the effect that subsequent events would have on the Municipality's financial statements through January 24, 2020, which is the date the financial statements were available to be released.

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Required Supplementary Information

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2019

	Policemen's Pension and Relief Fund						Firemen's Pension and Relief Fund					
	2019	2018	2017	2016	2015	2014	2019	2018	2017	2016	2015	2014
Total pension liability												
Service cost	$ 1,090,463	$ 1,083,033	$ 932,441	$ 527,526	$ 605,759	$ 566,516	$ 1,433,473	$ 1,372,807	$ 1,483,038	$ 716,515	$ 743,480	$ 691,461
Interest	2,043,224	1,958,079	1,913,373	1,873,424	1,822,041	1,800,224	2,006,880	1,956,976	1,804,335	1,977,837	1,951,130	1,895,401
Difference between expected and actual experience	886,248	(539,579)	(579,180)	(367,023)	(240,296)	-	1,717,861	(114,768)	380,786	(413,682)	491,509	-
Assumption changes	2,692,393	(2,425,222)	-	7,544,910	(1,724,947)	-	964,067	(778,140)	(3,398,993)	13,842,099	-	-
Benefits payments, including refunds of member contributions	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Refunds	(37,987)	(17,697)	(9,448)	(11,785)	(25,921)	(13,466)	(64,463)	-	-	(16,024)	-	-
Other	-	-	6,321	-	-	-	-	-	12,072	-	-	-
Net change in total pension liability	5,073,979	(1,529,490)	741,369	8,016,630	(1,111,387)	886,353	4,098,649	476,906	(1,561,917)	14,318,857	1,414,245	867,925
Total pension liability-beginning	34,872,905	36,402,396	35,661,027	27,644,397	28,755,784	27,869,431	50,145,861	49,668,955	51,230,872	36,912,015	35,497,770	34,629,845
Total pension liability-ending (a)	$ 39,946,884	$ 34,872,905	$ 36,402,396	$ 35,661,027	$ 27,644,397	$ 28,755,784	$ 54,244,510	$ 50,145,861	$ 49,668,955	$ 51,230,872	$ 36,912,015	$ 35,497,770
Plan fiduciary net position												
Contributions - employer	$ 1,178,526	$ 1,129,068	$ 967,969	$ 893,981	$ 870,447	$ 834,851	1,334,570	$ 1,216,720	$ 1,058,279	$ 999,228	$ 943,850	$ 887,837
Contributions - members	228,413	207,438	204,974	183,395	163,569	167,926	191,084	179,050	174,158	167,650	152,499	158,033
Net investment income	1,670,372	1,404,579	1,409,529	993,483	650,402	2,169,818	1,324,032	1,269,796	1,387,931	846,590	590,578	2,047,099
Benefit payments, including refunds of member contributions	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Administrative expenses	(24)	(22)	(9,448)	(67,149)	(68,325)	(63,349)	(20)	(81)		(57,301)	(59,002)	(55,411)
Refunds	(37,987)	(17,697)	(24)	(11,785)	(25,921)	(13,466)	(64,463)	-	-	(16,024)	-	-
Other	-	-	(5,466)	-	-	-	-	-	(24)	(295)	-	-
Net change in plan fiduciary net position	1,438,938	1,135,262	1,045,396	441,503	42,149	1,628,859	826,034	705,516	777,189	151,960	(143,949)	1,318,621
Plan fiduciary net position - beginning	22,217,795	21,082,534	20,037,138	19,595,635	19,553,486	17,924,627	18,449,645	17,744,129	16,966,940	16,814,980	16,958,929	15,640,308
Plan fiduciary net position - ending (b)	$ 23,656,733	$ 22,217,795	$ 21,082,534	$ 20,037,138	$ 19,595,635	$ 19,553,486	$ 19,275,679	$ 18,449,645	$ 17,744,129	$ 16,966,940	$ 16,814,980	$ 16,958,929
Net pension liability - ending (a) - (b)	$ 16,290,151	$ 12,655,110	$ 15,319,862	$ 15,623,889	$ 8,048,762	$ 9,202,298	$ 34,968,831	$ 31,696,216	$ 31,924,826	$ 34,263,932	$ 20,097,035	$ 18,538,841
Plan fiduciary net position as a percentage of the total pension liability	59.22%	63.71%	57.92%	56.19%	70.88%	68.00%	35.53%	36.79%	35.72%	33.12%	45.55%	47.77%
Covered employee payroll	2,671,312	$ 2,580,777	$ 2,217,255	$ 2,352,626	$ 2,202,152	$ 2,076,451	$ 2,289,203	$ 2,183,999	$ 2,080,112	$ 2,265,743	$ 2,075,097	$ 1,957,139
Net pension liability as a percentage of covered employee payroll	609.82%	490.36%	690.94%	664.10%	365.50%	443.17%	1527.55%	1451.29%	1534.76%	1512.26%	968.49%	947.24%

Only five years are presented due to the availability of of the information in the application of the reporting requirements prospectively.

See accompanying notes to the required supplementary information.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF INVESTMENT RETURNS AND CONTRIBUTIONS
POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS
For the Fiscal Year Ended June 30, 2019

Investment Returns:	2019	2018	2017	2016	2015	2014
Policemen's Pension and Relief Fund (PPRF)						
Annual money-weighted rate of return, net of investment expenses	7.94%	7.27%	7.53%	5.12%	12.10%	12.50%
Firemen's Pension and Relief Fund (FPRF)						
Annual money-weighted rate of return, net of investment expenses	7.64%	7.63%	8.75%	5.15%	13.20%	13.50%
Contributions:						
Policemen's Pension and Relief Fund (PPRF)						
Actuarially determined contribution (a)	$1,618,552	$1,443,038	$1,526,595	$1,424,813	$769,449	$908,970
Employer contribution (b)	650,018	514,033	480,407	448,979	419,606	392,155
State contribution (c)	528,508	515,032	487,562	445,002	450,841	405,755
Percentage contributed [(b)+(c)]/(a)	73%	71%	63%	63%	113%	88%
Covered payroll (f)	2,671,312	2,580,777	2,217,255	2,352,626	2,202,152	2,076,451
Actual contribution as a percentage of covered payroll [(b) +(c)]/(f)	44%	44%	44%	38%	40%	38%
Firemen's Pension and Relief Fund (FPRF)						
Actuarially determined contribution (a)	$2,674,661	$2,367,134	$2,253,955	$2,093,433	$1,468,949	$1,398,526
Employer contribution (b)	870,675	773,524	629,465	588,285	549,799	513,831
State contribution (c)	463,895	443,192	428,814	410,943	394,051	342,814
Percentage contributed [(b)+(c)]/(a)	50%	47%	47%	48%	64%	61%
Covered payroll (f)	2,289,203	2,183,999	2,080,112	2,265,743	2,075,097	1,957,139
Actual contribution as a percentage of covered payroll [(b) +(c)]/(f)	58%	56%	51%	44%	45%	44%

The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See accompanying notes to the required supplementary information.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2019

Public Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Municipality's proportionate share of the net pension liability (asset) (%)	0.388740%	0.388841%	0.378592%	0.355762%	0.384947%	0.368565%
Municipality's proportionate share of the net pension liability (asset)	$ 1,003,930	$ 1,678,412	$ 3,479,705	$ 1,986,589	$ 1,420,705	$ 3,359,948
Municipality's covered payroll	$ 5,850,450	$ 5,372,518	$ 5,403,433	$ 5,208,733	$ 4,811,707	$ 5,154,848
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.16%	31.24%	64.40%	38.14%	29.53%	65.18%
Plan fiduciary net position as a percentage of the total pension liability	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

See accompanying notes to the required supplementary information.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF CONTRIBUTIONS - RETIREMENT SYSTEMS
For the Fiscal Year Ended June 30, 2019

Public Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 585,045	$ 590,977	$ 648,412	$ 703,179	$ 673,639	$ 747,453
Contributions in relation to the contractually required contribution	(585,045)	(590,977)	(648,412)	(703,179)	(673,639)	(747,453)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Municipality's covered payroll	$ 5,850,450	$ 5,372,518	$ 5,403,433	$ 5,208,733	$ 4,811,707	$ 5,154,848
Contributions as a percentage of covered payroll	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%

The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

See accompanying notes to the required supplementary information.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
For the Fiscal Year Ended June 30, 2019

	2019	2018
Municipality's proportionate share of the net OPEB liability (%)	100.00%	100.00%
Municipality's proportionate share of the net OPEB liability	$ 11,082,279	$ 9,789,211
Municipality's covered payroll	$ 11,183,678	$ 9,097,893
Municipality's proportionate share of the net OPEB liability as a percentage of its covered payroll	99.09%	107.60%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

The amounts presented for each fiscal year were determined by June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

See accompanying notes to the required supplementary information.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY CONTRIBUTIONS - OPEB
For the Fiscal Year Ended June 30, 2019

	2019	2018
Contractually required contribution	$ 776,750	$ 749,614
Contributions in relation to the contractually required contribution	119,012	119,371
Contribution deficiency (excess)	$ 657,738	$ 630,243
Municipality's covered payroll	$ 11,183,678	$ 9,097,893
Contributions as a percentage of covered payroll	1.06%	1.31%

The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

See accompanying notes to the required supplementary information.

Note A- Significant Actuarial Assumptions

The actuarial assumptions and other information used to determine the annual required contributions are as follows:

	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
Valuation Date	7/1/2018	7/1/2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage-of-Pay	Level Percentage-of-Pay
Amortization Period	30 Years (level Percentage)	30 Years (level Percentage)
Actuarial Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	5.50%	4.50%
Projected Salary Increases	20.0% with one year of service, 6.5% within two years of service, 3.5% within three years of service, 2.75% within 4 years of service, 2.5% with 5 to 9 years of service, 2.0% with 10 to 29 years of service, 1.25% with 30-34 years of service and 0.00% after 34 years of service.	20.0% with one year of service, 6.5% within two years of service, 3.5% within three years of service, 2.75% within 4 years of service, 2.5% with 5 to 9 years of service, 2.0% with 10 to 29 years of service, 1.25% with 30-34 years of service and 0.00% after 34 years of service.
Post-retirement Benefit Increases	None	None
Inflation	2.75%	2.75%
Cost of Living Adjustments	2.75% on first $15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years	2.75% on first $15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years
Mortality	Active: RP-2014 Blue Collar Healthy Employee Post-retirement RP-2014 Blue Collar Healthy Annuitant Disabled: RP-14 Blue Collar Healthy Annuitant set forward 4 years	

Note B – Public Employees Retirement System – Cost Sharing Multiple-Employer Plan

Changes to benefit terms – there were no changes in benefit terms for the year-ended June 30, 2019.

Changes to assumptions – there were no changes in assumptions for the year-ended June 30, 2019.

Note C – OPEB Plan

Changes to benefit terms – there were no changes in benefit terms for the year-ended June 30, 2019.

Changes to assumptions – there were no changes in assumptions for the year-ended June 30, 2019.

Supplementary Information

Beckley Sanitary Board

The Beckley Sanitary Board is subject to rate covenant compliance associated with the issuance of the Sewerage Series 2017 Bonds. Specifically, the Board must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond documents as follows:

"…the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are Outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2017 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2017 Bonds including the Prior Bonds; provided, that in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2017 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2017 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2017 Bonds."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2019:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$2,383,577	$2,067,738	115%	115%

As of June 30, 2019, the Board was in compliance with the provisions of the 2017 revenue bond covenant which requires revenue to be 115% or above the amount of the highest principal payment plus interest due in any given year.

The provisions of the 2017 revenue bond covenant require that assets to 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. As of June 30, 2019, the Board was in compliance with the provisions of this requirement.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF RATE COVENANT COMPLIANCE
For the Year Ended June 30, 2019

Stormwater Utility Fund

The Stormwater Utility is subject to rate covenant compliance associated with the issuance of the Series 2010 Bonds. Specifically, the Utility must meet gross revenue targeted percentage and reserve debt requirements as shown in the bond document as follows:

"…the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are Outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 Bonds including the Prior Bonds; provided, that in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2010 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2010 Bonds."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2019:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$250,531	$144,043	174%	115%

As of June 30, 2019, the Board was in compliance with the provisions of the 2010 revenue bond covenant which requires revenue to be 115% or above the amount of the highest principal payment plus interest due in any given year.

The provisions of the 2010 revenue bond covenant require that assets to 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. As of June 30, 2019, the Board was in compliance with the provisions of this requirement.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 301,997	$ 143,763	$ 445,760
Due from other funds	-	547	547
Total assets	**$ 301,997**	**$ 144,310**	**$ 446,307**
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 60,295	$ -	$ 60,295
Due to other funds	38,626	-	38,626
Total liabilities	98,921	-	98,921
FUND BALANCES			
Assigned	203,076	144,310	347,386
Total fund balances	203,076	144,310	347,386
Total liabilities and fund balances	**$ 301,997**	**$ 144,310**	**$ 446,307**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental:			
State	$ 93,830	$ -	$ 93,830
Contributions from other funds	-	50,632	50,632
Interest and investment earnings	-	1,444	1,444
Total revenues	93,830	52,076	145,906
EXPENDITURES			
Current:			
Public safety	4,733	-	4,733
Contributions to other funds	10,000	-	10,000
Capital outlay	38,627	-	38,627
Total expenditures	53,360	-	53,360
Net change in fund balances	40,470	52,076	92,546
Fund balances beginning of year	162,606	92,234	254,840
Fund balances end of year	$ 203,076	$ 144,310	$ 347,386

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

Honorable Mayor and Council
Municipality of Beckley
Beckley, West Virginia 25802

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining information of the Municipality of Beckley, West Virginia (the Municipality) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements and have issued our report thereon dated January 24, 2020.

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 opinion 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, unidentified 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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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.

Ferrari & Associates, PLLC

Morgantown, West Virginia
January 24, 2020

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Council
Municipality of Beckley
Beckley, West Virginia 25802

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Report on Internal Control Over Compliance

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

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

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

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

Ferrari & Associates, PLLC

Morgantown, West Virginia
January 24, 2020

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grants	14.218	N/A	$ -	$ 187,461
Total U.S. Department of Housing and Urban Development			-	187,461
U.S. Department of Justice				
Direct from Federal Government:				
Bulletproof Vest Partnership	16.607	N/A	-	1,995
City of Beckley - JAG Project	16.738	N/A	-	57,463
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	125,000
Passed through the West Virginia Department of Justice:				
Johnny Wall Justice Assistance Grant	16.579	18-JAG-37	-	15,000
Beckley City and Raleigh County JAG Project	16.579	18-JAG-36	-	15,000
Total U.S. Department of Justice			-	214,458
Executive Office of the President				
Direct from Federal Government:				
High Intensity Drug Trafficking Areas Program	95.001	N/A	-	37,239
Total Executive Office of the President			-	37,239
U.S. Department of Homeland Security				
Passed through West Virginia Homeland Security State Administrative Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters	97.036	PA-03-WV-4210-PW-00363(1)	-	179,120
Homeland Security Grant Program	97.067	16-SHS-72	-	24,835
Total Department of Homeland Security			-	203,955
U.S. Department of Transportation				
Passed through West Virginia Department of Transportation				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F18-HS-07-402, F18-HS-09-402 F18-HS-15-402, F19-HS-07-402 F19-HS-09-402, F19-HS-15-402	-	424,541
Safety Belt Performance Grants	20.609	F18-HS-07-406, F18-HS-09-406	-	2,502
State Traffic Safety Information System Improvement Grants	20.610	F18-HS-07-408, F19-HS-07-405c	-	90,908
Total Highway Safety Cluster			-	517,951
National Highway Traffic Safety Administration	20.614	F18-HS-07-405b, F18-HS-07-405d F18-HS-09-405b, F18-HS-09-405d F18-HS-09-405f, F18-HS-09-405c F18-HS-15-405b, F18-HS-15-405d F19-HS-07-405b, F19-HS-07-405d F19-HS-09-405b, F19-HS-09-405d F19-HS-09-405f, F19-HS-09-405c F19-HS-15-405b, F19-HS-15-405d	-	360,298
Alcohol Open Container Requirements	20.607	F18-HS-07-DOHDD, F19-HS-07-DOHDD F19-HS-07-DOHWZ	-	39,002
Total U.S. Department of Transportation			-	917,251
Total Expenditures of Federal Awards			$ -	$ 1,560,364

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Municipality of Beckley, West Virginia (the Municipality) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Municipality, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Municipality.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Municipality of Beckley has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified Opinion

Internal control over financial reporting:

• Material weakness(es) identified?	No
• Significant deficiencies identified that is not considered to be a material weakness?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	No
• Significant deficiencies identified that is not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.600	Highway Safety Cluster - State and Community Highway Safety
20.609	Highway Safety Cluster - Safety Belt Performance Grants
20.610	Highway Safety Cluster - State Traffic Safety Information System Improvement

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

Section IV – Status of Prior Year Audit Findings

There were no audit findings in the prior year.