Raleigh County

RFP# 20-245

Municipality of Beckley, West Virginia

Financial Statements and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2020

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

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2020

Introductory Section
Municipality Officials 1

Financial Section
Independent Auditor's Report 2
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position 5
Statement of Activities 6
Fund Financial Statements:
Balance Sheet – Governmental Funds 7
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position 8
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 10
Statement of Net Position – Enterprise Funds 11
Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Funds 12
Statement of Cash Flows – Enterprise Funds 13
Statement of Fiduciary Net Position – Fiduciary Funds 14
Statement of Changes in Fiduciary Net Position – Fiduciary Funds 15

Notes to the Financial Statements 16

Required Supplementary Information
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund 59
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Coal Severance Tax Fund 60
Schedules of Changes in the Net Pension Liability and Related Ratios – Policemen's and Firemen's Pension and Relief Funds 61
Schedules of Investment Returns and Contributions – Policemen's and Firemen's Pension and Relief Funds 62
Schedule of Municipality's Proportionate Share of the Net Pension Liability 63
Schedule of Municipality Contributions – Retirement Systems 64
Schedule of Municipality's Proportionate Share of the Net OPEB Liability 65
Schedule of Municipality Contributions – OPEB 66
Schedule of Changes in the Total OPEB Liability and Related Ratios 67

Supplementary Information
Schedule of Rate Covenant Compliance 68
Combining Balance Sheet – Nonmajor Governmental Funds 70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 71
Schedule of State Grant Receipts and Expenditures 72
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* 73
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance as Required by the Uniform Guidance 75
Schedule of Expenditures of Federal Awards 77
Notes to the Schedule of Expenditures of Federal Awards 78
Schedule of Findings and Questioned Costs 79

Introductory Section

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

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, 2020, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the Government Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that budgetary comparison information, Schedules 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 Municipality Contributions – Retirement Systems, the Schedule of Municipality's Proportionate Share of Net OPEB Liability, the Schedule of Municipality Contributions – OPEB, and the Schedule of Changes in the Total OPEB Liability and Related Ratios listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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. 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. The introductory section, Schedule of Rate Covenant Compliance, Combining Balance Sheet – Nonmajor Governmental Funds, Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds, and Schedule of State Grant Receipts and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Rate Covenant Compliance, Combining Balance Sheet – Nonmajor Governmental Funds, Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds, Schedule of State Grant Receipts and Expenditures, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Rate Covenant Compliance, Combining Balance Sheet – Nonmajor Governmental Funds, Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds, Schedule of State Grant Receipts and Expenditures, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 25, 2021, 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 25, 2021

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Beckley Sanitary Board
ASSETS				
Current:				
Cash and cash equivalents	$ 5,078,038	$ 207,012	$ 5,285,050	$ 553,521
Receivables:				
Accounts, net	-	4,155	4,155	1,248,234
Taxes	4,214,267	814	4,215,081	838
Fines	64,129	-	64,129	-
Due from other governments	2,718,291	27,609	2,745,900	248,069
Internal balances	1,017,641	44,757	1,062,398	-
Inventory	-	113,196	113,196	35,643
Prepaid expense	-	50,527	50,527	66,211
Total current assets	13,092,366	448,070	13,540,436	2,152,516
Noncurrent:				
Restricted assets:				
Regular account	-	140,884	140,884	554,116
Reserve account	-	66,690	66,690	2,571,838
Customer deposits	-	9,360	9,360	154,769
Renewal and replacement	-	47,292	47,292	759,144
Total restricted assets	-	264,226	264,226	4,039,867
Capital assets:				
Non-depreciable:				
Land	3,193,630	6,677,962	9,871,592	605,566
Copyright	-	3,500	3,500	-
Construction in progress	301,996	4,912,215	5,214,211	267,115
Works of art	45,050	-	45,050	-
Depreciable:				
Buildings	1,847,887	36,229,365	38,077,252	36,665,533
Structures and improvements	1,087,787	2,449,850	3,537,637	38,757,937
Infrastructure	3,902,951	-	3,902,951	-
Software	313,806	-	313,806	122,036
Machinery and equipment	21,108,798	925,428	22,034,226	4,107,689
Less: accumulated depreciation	(20,971,640)	(11,006,311)	(31,977,951)	(34,303,943)
Total capital assets, net	10,830,265	40,192,009	51,022,274	46,221,933
Total assets	23,922,631	40,904,305	64,826,936	52,414,316
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - refunding	-	48,360	48,360	-
Deferred outflow - pension	4,714,828	122,673	4,837,501	215,133
Deferred outflow - OPEB multi employer plan	83,989	4,330	88,319	31,810
Deferred outflow - OPEB single employer plan	876,729	80,030	956,759	159,914
Total deferred outflows of resources	5,675,546	255,393	5,930,939	406,857
Total assets and deferred outflows of resources	**$ 29,598,177**	**$ 41,159,698**	**$ 70,757,875**	**$ 52,821,173**
LIABILITIES				
Current:				
Accounts payable	$ 565,020	$ 603,628	$ 1,168,648	$ 269,638
Payroll payable	435,447	39,959	475,406	83,107
Benefits payable	34,333	-	34,333	14,582
Other accrued expenses	-	22,767	22,767	71,017
Compensated absences payable	177,912	9,403	187,315	23,714
Customer deposits	-	9,280	9,280	151,358
Due to other funds	939,454	135,532	1,074,986	134,749
Seized funds	86,202	-	86,202	-
Total current liabilities	2,238,368	820,569	3,058,937	748,165
Long-term liabilities due within one year:				
Current portion of bonds payable	-	579,152	579,152	1,600,542
Current portion of leases payable	150,483	-	150,483	22,006
Long-term liabilities due in more than one year:				
Bonds payable	-	12,659,620	12,659,620	21,479,700
Leases payable	592,924	-	592,924	84,227
Compensated absences payable	898,265	80,771	979,036	225,764
Net pension liability	41,806,925	96,186	41,903,111	182,446
OPEB liability - multi employer plan	670,110	34,502	704,612	253,783
OPEB liability - single employer plan	8,260,762	754,058	9,014,820	1,506,742
Total long-term liabilities	52,379,469	14,204,289	66,583,758	25,355,210
Total liabilities	54,617,837	15,024,858	69,642,695	26,103,375
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension	12,415,032	112,622	12,527,654	92,931
Deferred inflow - OPEB multi employer plan	419,340	21,591	440,931	158,812
Deferred inflow - OPEB single employer plan	1,336,182	121,969	1,458,151	243,717
Total deferred inflows of resources	14,170,554	256,182	14,426,736	495,460
NET POSITION				
Net investment in capital assets	10,086,858	26,953,237	37,040,095	23,035,458
Restricted for debt service	-	207,574	207,574	3,125,954
Restricted for renewal and replacement	-	47,292	47,292	759,144
Restricted for customer deposits	-	9,360	9,360	154,769
Unrestricted (deficit)	(49,277,072)	(1,338,805)	(50,615,877)	(852,987)
Total net position	(39,190,214)	25,878,658	(13,311,556)	26,222,338
Total liabilities, deferred inflows of resources, and net position	**$ 29,598,177**	**$ 41,159,698**	**$ 70,757,875**	**$ 52,821,173**

See accompanying notes and Independent Auditor's Report.

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

		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	$ 4,432,990	$ 153,352	$ -	$ -	$ (4,279,638)	$ -	$ (4,279,638)	$ -
Public safety	12,939,072	223,363	4,424,429	224,622	(8,066,658)	-	(8,066,658)	-
Streets and transportation	4,580,522	-	-	-	(4,580,522)	-	(4,580,522)	-
Health and sanitation	105,690	-	-	-	(105,690)	-	(105,690)	-
Culture and recreation	879,015	-	-	-	(879,015)	-	(879,015)	-
Social services	1,372	-	-	-	(1,372)	-	(1,372)	-
Total governmental activities	22,938,661	376,715	4,424,429	224,622	(17,912,895)	-	(17,912,895)	-
Business-type activities:								
Parking	499,848	236,369	-	-	-	(263,479)	(263,479)	-
Parks and recreation	3,374,186	1,687,536	657,586	-	-	(1,029,064)	(1,029,064)	-
Building commission	1,390,251	724,283	-	-	-	(665,968)	(665,968)	-
Total business-type activities	5,264,285	2,648,188	657,586	-	-	(1,958,511)	(1,958,511)	-
Total primary government	$ 28,202,946	$ 3,024,903	$ 5,082,015	$ 224,622	(17,912,895)	(1,958,511)	(19,871,406)	-
COMPONENT UNIT								
Beckley sanitary board	$ 8,249,471	$ 8,050,646	$ -	$ 26,261	-	-	-	(172,564)
General revenues								
Ad valorem taxes					3,062,816	-	3,062,816	-
Business & occupation tax					10,740,385	-	10,740,385	-
Consumer sales tax					5,730,262	-	5,730,262	-
Alcoholic beverage tax					182,519	-	182,519	-
Utility services tax					904,130	-	904,130	-
Hotel occupancy tax					790,223	-	790,223	-
Gas and oil severance tax					41,857	-	41,857	-
Other taxes					499,138	-	499,138	-
Coal severance tax					44,829	-	44,829	-
Interest income					27,797	3,453	31,250	76,831
Refunds					432,887	-	432,887	-
Gain (loss) on sale of capital assets					44,141	-	44,141	11,405
Insurance claims					28,705	42,483	71,188	-
Miscellaneous					33,287	829	34,116	47,558
Total general revenues					22,562,976	46,765	22,609,741	135,794
Transfers					(1,655,078)	1,655,078	-	-
Change in net position					2,995,003	(256,668)	2,738,335	(36,770)
Net position beginning of year					(42,185,217)	26,135,326	(16,049,891)	26,259,108
Net position end of year					$ (39,190,214)	$ 25,878,658	$ (13,311,556)	$ 26,222,338

See accompanying notes and Independent Auditor's Report.

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

	General	Coal Severance	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,569,628	$ 84,669	$ 423,741	$ 5,078,038
Receivables:				
Taxes	4,206,578	7,689	-	4,214,267
Fines	64,129	-	-	64,129
Due from:				
Other funds	1,017,641	-	-	1,017,641
Other governments	2,718,291	-	-	2,718,291
Total assets	**$ 12,576,267**	**$ 92,358**	**$ 423,741**	**$ 13,092,366**
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 560,025	$ -	$ 91,197	$ 651,222
Payroll payable	435,447	-	-	435,447
Benefits payable	34,333	-	-	34,333
Compensated absences payable	177,912	-	-	177,912
Due to other funds	939,454	-	-	939,454
Total liabilities	2,147,171	-	91,197	2,238,368
DEFERRED INFLOWS OF RESOURCES				
Property taxes	102,114	-	-	102,114
Unavailable revenue - other	149,872	-	-	149,872
Total deferred inflows of resources	251,986	-	-	251,986
FUND BALANCES				
Assigned	1,582,170	92,358	332,544	2,007,072
Unassigned	8,594,940	-	-	8,594,940
Total fund balances	10,177,110	92,358	332,544	10,602,012
Total liabilities, deferred inflows of resources and fund balances	**$ 12,576,267**	**$ 92,358**	**$ 423,741**	**$ 13,092,366**

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

Total governmental fund balances		$ 10,602,012
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.		10,830,265
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Ad valorem taxes	102,114	
Police fines	64,129	
Other	85,743	
Total		251,986
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	(41,806,925)	
Deferred inflows - pension	(12,415,032)	
Deferred outflows - pension	4,714,828	
Total		(49,507,129)
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	(8,930,872)	
Deferred inflows - OPEB	(1,755,522)	
Deferred outflows - OPEB	960,718	
Total		(9,725,676)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases	(743,407)	
Compensated absences	(898,265)	
Total		(1,641,672)
Net position of governmental activities		$ (39,190,214)

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

	General	Coal Severance	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Ad valorem property tax	$ 3,005,324	$ -	$ -	$ 3,005,324
Business and occupancy tax	10,734,069	-	-	10,734,069
Alcoholic beverage tax	182,519	-	-	182,519
Consumer sales	5,730,262	-	-	5,730,262
Utility services tax	904,130	-	-	904,130
Hotel occupancy tax	790,222	-	-	790,222
Other taxes	499,138	-	-	499,138
Severance tax	41,857	44,830	-	86,687
Licenses and permits	115,362	-	-	115,362
Intergovernmental:				
Federal	3,074,725	-	-	3,074,725
State	20,000	-	14,630	34,630
Charges for services	19,138	-	-	19,138
Fines and forfeits	182,479	-	-	182,479
Interest and investment earnings	25,246	644	1,907	27,797
Refunds and reimbursements	441,336	-	-	441,336
Insurance claims	28,705	-	-	28,705
Contributions and donations	1,554,326	-	-	1,554,326
Miscellaneous	33,032	-	-	33,032
Total revenues	27,381,870	45,474	16,537	27,443,881
EXPENDITURES				
Current:				
General government	4,289,749	-	-	4,289,749
Public safety	11,152,596	-	31,379	11,183,975
Streets and transportation	4,272,626	-	-	4,272,626
Health and sanitation	95,317	-	-	95,317
Culture and recreation	828,886	-	-	828,886
Social services	1,372	-	-	1,372
Capital outlay	3,635,774	-	-	3,635,774
Total expenditures	24,276,320	-	31,379	24,307,699
Excess of revenues over (under) expenditures	3,105,550	45,474	(14,842)	3,136,182
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	50,075	-	-	50,075
Transfers out	(1,563,523)	(91,555)	-	(1,655,078)
Total other financing sources (uses)	(1,513,448)	(91,555)	-	(1,605,003)
Net change in fund balances	1,592,102	(46,081)	(14,842)	1,531,179
Fund balances beginning of year	8,585,008	138,439	347,386	9,070,833
Fund balances end of year	$ 10,177,110	$ 92,358	$ 332,544	$ 10,602,012

See accompanying notes and Independent Auditor's Report.

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, 2020

Net change in fund balances - total governmental funds		$ 1,531,179
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	2,735,073	
Depreciation	(1,090,204)	
Excess of capital outlay over depreciation expense		1,644,869
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	(5,935)	
Total		(5,935)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Ad valorem taxes	57,492	
Police fines	7,116	
Municipal licenses	44,306	
Prior year federal government grant deferral	(8,194)	
Total		100,720
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	726,487	
Total		726,487
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	207,804	
Total		207,804
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	276,150	
Total		276,150
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	(1,486,271)	
Total		(1,486,271)
Change in net position of governmental activities		$ 2,995,003

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2020

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
ASSETS				
Current:				
Cash and cash equivalents	$ 7,214	$ 176,372	$ 23,426	$ 207,012
Receivables:				
Accounts	4,155	-	-	4,155
Taxes	-	814	-	814
Due from:				
Other funds	5,158	39,599	-	44,757
Other governments	-	27,609	-	27,609
Inventory	-	113,196	-	113,196
Prepaid expense	27,527	23,000	-	50,527
Total current assets	44,054	380,590	23,426	448,070
Noncurrent:				
Restricted assets:				
Regular account	28,206	-	112,678	140,884
Reserve account	66,690	-	-	66,690
Customer deposits	9,360	-	-	9,360
Renewal and replacement	47,292	-	-	47,292
Total restricted assets	151,548	-	112,678	264,226
Capital assets:				
Non-depreciable:				
Land	3,491,684	127,434	3,058,844	6,677,962
Copyright	-	3,500	-	3,500
Construction in process	-	-	4,912,215	4,912,215
Depreciable:				
Buildings	88,525	4,078,060	32,062,780	36,229,365
Structures and improvements	736,338	1,697,798	15,714	2,449,850
Machinery and equipment	64,364	833,464	27,600	925,428
Less: accumulated depreciation	(542,613)	(2,995,612)	(7,468,086)	(11,006,311)
Total capital assets, net	3,838,298	3,744,644	32,609,067	40,192,009
Total assets	4,033,900	4,125,234	32,745,171	40,904,305
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - refunding	48,360	-	-	48,360
Deferred outflow - pension	38,594	84,079	-	122,673
Deferred outflow - OPEB single employer plan	8,088	71,942	-	80,030
Deferred outflow - OPEB multi employer plan	-	4,330	-	4,330
Total deferred outflow of resources	95,042	160,351	-	255,393
Total assets and deferred outflows of resources	**$ 4,128,942**	**$ 4,285,585**	**$ 32,745,171**	**$ 41,159,698**
LIABILITIES				
Current:				
Accounts payable	$ 8,749	$ 215,029	$ 379,850	$ 603,628
Payroll payable	3,016	36,943	-	39,959
Other accrued expenses	527	5,987	-	6,514
Compensated absences payable	1,379	8,024	-	9,403
Customer deposits	9,280	-	-	9,280
Due to other funds	4,281	131,251	-	135,532
Current portion of bonds payable	100,000	-	479,152	579,152
Total current liabilities	127,232	397,234	859,002	1,383,468
Long-Term:				
Compensated absences payable	4,520	76,251	-	80,771
Bonds payable	555,000	-	12,104,620	12,659,620
Net pension liability	38,763	57,423	-	96,186
OPEB liability - single employer plan	76,204	677,854	-	754,058
OPEB liability - multi employer plan	-	34,502	-	34,502
Total long-term liabilities	674,487	846,030	12,104,620	13,625,137
Total liabilities	801,719	1,243,264	12,963,622	15,008,605
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - PERS	36,777	75,845	-	112,622
Deferred inflow - OPEB single employer plan	12,326	109,643	-	121,969
Deferred inflow - OPEB multi employer plan	-	21,591	-	21,591
Deferred space rental	16,253	-	-	16,253
Total deferred inflow of resources	65,356	207,079	-	272,435
NET POSITION				
Net investment in capital assets	3,183,298	3,744,644	20,025,295	26,953,237
Restricted for debt services	94,896	-	112,678	207,574
Restricted for renewal and replacement	47,292	-	-	47,292
Restricted for customer deposits	9,360	-	-	9,360
Unrestricted	(72,979)	(909,402)	(356,424)	(1,338,805)
Total net position	3,261,867	2,835,242	19,781,549	25,878,658
Total liabilities, deferred inflows of resources, and net position	**$ 4,128,942**	**$ 4,285,585**	**$ 32,745,171**	**$ 41,159,698**

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
For the Year Ended June 30, 2020

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
OPERATING REVENUES				
Sales and services to customers	$ 236,369	$ 1,687,537	$ 724,283	$ 2,648,189
Other operating revenues	-	43,312	-	43,312
Total operating revenues	236,369	1,730,849	724,283	2,691,501
OPERATING EXPENSES				
Personnel services	109,358	1,533,993	-	1,643,351
Contractual services	8,902	291,765	-	300,667
Administrative and general	34,426	113,929	2,585	150,940
Rents	-	17,790	-	17,790
Liability insurance	207,169	68,494	-	275,663
Materials and supplies	5,509	638,987	-	644,496
Utilities	64,491	249,816	-	314,307
Depreciation	22,201	228,389	987,327	1,237,917
Maintenance	-	56,199	-	56,199
Capital outlay	5,773	174,824	-	180,597
Amortization	8,060	-	(8,686)	(626)
Total operating expenses	465,889	3,374,186	981,226	4,821,301
Operating income (loss)	(229,520)	(1,643,337)	(256,943)	(2,129,800)
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	-	222	3,231	3,453
Interest and fiscal charges	(33,960)	-	(409,025)	(442,985)
Intergovernmental	-	631,818	-	631,818
Contributions	-	25,768	-	25,768
Total non-operating revenues (expenses)	(33,960)	657,808	(405,794)	218,054
Income (loss) before transfers	(263,480)	(985,529)	(662,737)	(1,911,746)
Transfers in	460,924	868,540	325,614	1,655,078
Change in net position	197,444	(116,989)	(337,123)	(256,668)
Net position beginning of year	3,064,423	2,952,231	20,118,672	26,135,326
Net position end of year	$ 3,261,867	$ 2,835,242	$ 19,781,549	$ 25,878,658

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 2020

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	$ 252,006	$ 1,677,757	$ 724,283	$ 2,654,046
Cash payments for employee services and benefits	(109,474)	(1,347,529)	-	(1,457,003)
Cash payments to suppliers for goods and services	(255,519)	(1,540,564)	369,112	(1,426,971)
Other operating revenues	-	43,312	-	43,312
Customer deposits returned	(65)	-	-	(65)
Net cash provided/(used) by operating activities	(113,052)	(1,167,024)	1,093,395	(186,681)
Cash flows from non-capital financing activities:				
Contributions	-	25,768	-	25,768
Transfers in	460,924	868,540	325,614	1,655,078
Intergovernmental	-	631,818	-	631,818
Net cash provided by non-capital financing activities	460,924	1,526,126	325,614	2,312,664
Cash flows from capital and related financing activities:				
(Acquisition) Disposal of capital assets	(226,094)	(323,637)	(4,672,528)	(5,222,259)
Proceeds of general obligation bonds	-	-	4,042,572	4,042,572
Principal paid on debt	(95,000)	-	(378,742)	(473,742)
Interest paid on debt	(33,960)	-	(409,025)	(442,985)
Net cash (used) for capital and related financing activities	(355,054)	(323,637)	(1,417,723)	(2,096,414)
Cash flows from investing activities:				
Investment earnings	-	222	3,231	3,453
Net increase (decrease) in cash and cash equivalents	(7,182)	35,687	4,517	33,022
Cash and cash equivalents beginning of year - includes $131,132 in restricted cash	165,944	140,685	131,587	438,216
Cash and cash equivalents end of year - includes $264,226 in restricted cash	$ 158,762	$ 176,372	$ 136,104	$ 471,238
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ (229,520)	$ (1,643,337)	$ (256,943)	$ (2,129,800)
Adjustments:				
Depreciation and amortization	30,261	228,389	978,641	1,237,291
(Increase)/decrease in assets:				
Accounts receivable	(616)	-	-	(616)
Taxes receivable	-	(302)	-	(302)
Due from other funds	63,227	-	(6,301)	56,926
Due from other governments	-	(9,780)	-	(9,780)
Materials and supplies inventory	-	(15,276)	-	(15,276)
Prepaid items	8,948	(15,000)	-	(6,052)
Deferred outflows - pension	(91)	(906)	-	(997)
Deferred outflows - OPEB	(4,082)	(50,157)	-	(54,239)
Increase/(decrease) in liabilities:				
Accounts payable	(691)	79,506	377,998	456,813
Payroll payable	544	(31,171)	-	(30,627)
Other accrued expenses	(389)	(15,548)	-	(15,937)
Compensated absences payable	1,928	11,564	-	13,492
Customer deposits	(65)	-	-	(65)
Due to other funds	(733)	22,312	-	21,579
Pension	(1,475)	(14,589)	-	(16,064)
Deferred inflows - pension	(511)	(5,056)	-	(5,567)
OPEB	(8,018)	163,364	-	155,346
Deferred inflows - OPEB	11,978	128,963	-	140,941
Deferred space rental	16,253	-	-	16,253
Net cash provided/(used) by operating activities	$ (113,052)	$ (1,167,024)	$ 1,093,395	$ (186,681)

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
June 30, 2020

	Pension Trust Funds	Employee Health Insurance Fund	Agency Funds
ASSETS			
Cash and deposits	$ 2,079,904	$ 1,542	$ 131,822
Investments, at fair value	41,569,411	362,018	-
Receivables:			
Fines, net	-	-	92,022
Due from other funds	11,370	202	-
Accounts receivable - other	90,501	-	-
Total receivables	101,871	202	92,022
Total assets	**$ 43,751,186**	**$ 363,762**	**$ 223,844**
LIABILITIES			
Accounts payable	$ 11,371	$ 458	$ 30,444
DROP liability	157,745	-	-
Due to primary government	-	-	176,433
Due to other governments	-	-	16,967
Total liabilities	169,116	458	223,844
NET POSITION			
Net position held in trust for pension benefits	43,582,070	363,304	-
Total liabilities and net position	**$ 43,751,186**	**$ 363,762**	**$ 223,844**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Pension Trust Funds	Employee Health Insurance Fund
ADDITIONS		
Contributions:		
Employer	$ 1,359,641	$ -
State	1,061,707	-
Employee	446,103	15,453
Other funds	-	333,335
Total contributions	2,867,451	348,788
Investment income:		
Net appreciation (depreciation)	(182,380)	-
Net realized gain (loss) on sale or exchange	477,238	-
Interest and dividends	1,306,840	4,648
Investment expense	(66,028)	-
Net investment income	1,535,670	4,648
Total additions	4,403,121	353,436
DEDUCTIONS		
Benefit payments	3,574,517	343,839
Administrative expense	88,510	-
Refunds	90,436	-
Total deductions	3,753,463	343,839
Change in net position	649,658	9,597
Net position held in trust		
Beginning of year	42,932,412	353,707
End of year	$ 43,582,070	$ 363,304

See accompanying notes and Independent Auditor's Report.

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, streets and transportation 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 fund 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 West Virginia Retiree Health Benefits Trust Fund (RHBT) and the City of Beckley Retiree Healthcare Plan and additions to/deductions from fiduciary net position 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 to 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	$ 6,867,334	General Government
	11,985,750	Public Safety
	4,752,150	Streets and Transportation
	157,000	Recycling Center
	1,150,000	Culture and Recreation
	3,100	Social Services
	3,640,000	Capital Projects

Deficit in Net Changes in Fund Balances or Net Position

The following major funds had a deficit in changes in fund balances or net position during at June 30, 2020.

Coal Severance	$ (46,081)
Parks and Recreation	$ (116,989)
Building Commission	$ (337,123)

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	$ 94,896	Not Rated	Not Rated
Total	$ 94,896		

Interest Rate Risk	0-3 Years
Municipal Bond Commission	$ 94,896
Total	$ 94,896

Policemen's Pension and Relief	Fair Value	Credit Risk Rating: Standard & Poor's and Fitch	Credit Risk Rating: Moody's Investment Services
Cash & Cash Equivalents	$ 1,059,837	Not Rated	Not Rated
Certificate of Deposit	465,371	Not Rated	Not Rated
Federal Government Securities	212,382	AA+ to B-	Aaa to A2
Mutual Funds	6,479,893	Not Rated	Not Rated
Common Stock	8,993,709	A+ to B-	Not Rated
Corporate Bonds	6,549,467	AA+ to BBB-	Aa1 to B1
Municipal Bonds	254,858	AAA to A	Aaa to A1
Preferred Stocks	159,095	A to BBB-	Not Rated
Total	$ 24,174,612		

Policemen's Pension and Relief Interest Rate Risk	0-5 Years	5-10 Years	Over 10 Years
Cash & Cash Equivalents	$ 1,059,837	$ -	$ -
Certificate of Deposit	465,371	-	-
Federal Government Securities	52,020	-	160,362
Mutual Funds	6,479,893	-	-
Common Stock	8,993,709	-	-
Corporate Bonds	5,372,750	1,102,377	74,340
Municipal Bonds	147,446	107,412	-
Preferred Stocks	159,095	-	-
Total	$ 22,730,121	$ 1,209,789	$ 234,702

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	$ 1,020,067	Not Rated	Not Rated
Certificate of Deposit	254,146	Not Rated	Not Rated
Federal Government Securities	198,213	AA+ to B-	Aaa to A2
Mutual Funds	6,152,475	Not Rated	Not Rated
Common Stock	6,911,326	A+ to B-	Not Rated
Corporate Bonds	4,670,471	AA+ to BB+	Aa1 to Baa3
Municipal Bonds	134,340	AAA to A	Aa1 to A1
Preferred Stocks	133,665	BBB+ to BBB-	Not Rated
Total	$19,474,703		

Firemen's Pension and Relief Interest Rate Risk	0-5 Years	5-10 Years	Over 10 Years
Cash & Cash Equivalents	$ 1,020,067	$ -	$ -
Certificate of Deposit	254,146	-	-
Federal Government Securities	52,020	-	146,193
Mutual Funds	6,152,475	-	-
Common Stock	6,911,326	-	-
Corporate Bonds	3,739,659	868,862	61,950
Municipal Bonds	26,928	107,412	-
Preferred Stocks	133,665	-	-
Total	$ 18,290,286	$ 976,274	$ 208,143

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, 2020. 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, 2020, 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	$ 1,625,849	7.03%
	Washington Mutual Investors	$ 1,402,034	6.07%

	Issuer	Fair Value	Percent
Firemen's Pension and Relief	Vanguard Index FDS	$ 1,276,243	6.92%
	Washington Mutual Investors	$ 1,825,448	9.89%

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 $5,940,825 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 $43,753,148. Of the balance, $94,896 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	$ 3,727,557	$ 2,213,268
Investments – collateralized and secured	1,821,719	41,931,429
Total	$ 5,549,276	$ 44,144,697

Cash and cash equivalents	$ 3,463,331	$ -
Cash and cash equivalents – restricted	169,330	2,213,268
Investments - unrestricted	1,821,719	-
Investments - restricted	94,896	41,931,429
Total	$ 5,549,276	$ 44,144,697

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 $502,804, 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 $4,090,584 of which $1,816,373 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	$ 502,804
Investments – collateralized and secured	4,090,584
Total	$ 4,593,388

Cash and cash equivalents	$ 502,804
Cash and cash equivalents – restricted	50,717
Investments - restricted	4,039,867
Total	$ 4,593,388

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	$ -	$ -	$ 4,155	$ -	$ -	$ 4,155	$ 1,466,973
Taxes	4,206,578	7,689	-	814	-	4,215,081	838
Fines	64,129	-	-	-	92,022	156,151	-
Other	-	-	-	-	90,501	90,501	26,261
Gross receivables	4,270,707	7,689	4,155	814	182,523	4,465,888	1,494,072
Less: Allowance for Uncollectible	-	-	-	-	-	-	(245,000)
Net Total Receivables	$ 4,270,707	$ 7,689	$ 4,155	$ 814	$ 182,523	$ 4,465,888	$ 1,249,072

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)	$	102,114
Unavailable revenue - other (General Fund)		149,872
Total	$	251,986

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, 2020, were as follows:

Class of Property	Assessed Valuations for Tax Purposes	Current Expense	Taxes Levied
Class II	$ 277,927,276	25.00¢	$ 694,818
Class IV	497,478,319	50.00¢	2,487,392
Less: uncollectables, exonerations, and delinquencies	(222,755)		
Less: tax discounts	(59,189)		
Less: assessor's valuation fund	(53,655)		
Net amount to be raised by levy of property taxes	$ 2,846,611		

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 $102,114.

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, 2020, was as follows:

	Primary Government			
Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,067,475	$ 143,948	$ (17,793)	$ 3,193,630
Construction in progress	114,121	301,996	(114,121)	301,996
Works of art	-	45,050	-	45,050
Total capital assets not being depreciated	3,181,596	490,994	(131,914)	3,540,676
Capital assets being depreciated:				
Buildings	1,342,360	505,527	-	1,847,887
Structures and improvements	897,678	190,109	-	1,087,787
Machinery and equipment	19,675,460	1,555,950	(122,612)	21,108,798
Software	293,971	19,835	-	313,806
Infrastructure	3,727,756	175,195	-	3,902,951
Total accumulated depreciation	(19,927,489)	(1,090,204)	46,053	(20,971,640)
Total capital assets being depreciated, net	6,009,736	1,356,412	(76,559)	7,289,589
Governmental activities capital assets, net	$ 9,191,332	$ 1,847,406	$ (208,473)	$ 10,830,265

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 6,451,868	$ 226,094	$ -	$ 6,677,962
Copyright	3,500	-	-	3,500
Construction in progress	359,595	4,672,527	(119,907)	4,912,215
Total capital assets not being depreciated	6,814,963	4,898,621	(119,907)	11,593,677
Capital assets being depreciated:				
Buildings	36,030,348	225,756	(26,739)	36,229,365
Structures and improvements	2,497,581	47,117	(94,848)	2,449,850
Machinery and equipment	977,437	170,671	(222,680)	925,428
Total accumulated depreciation	(10,112,661)	(1,237,917)	344,267	(11,006,311)
Total capital assets being depreciated, net	29,392,705	(794,373)	-	28,598,332
Business-type activities capital assets, net	$ 36,207,668	$ 4,104,248	$ (119,907)	$ 40,192,009

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

Governmental activities:	
General government	$ 39,893
Public safety	309,100
Highways and streets, including depreciation of general infrastructure asset	741,211
Total depreciation expense – governmental activities	$ 1,090,204
Business-type activities:	
Parking fund	$ 22,201
Parks & recreation fund	228,389
Building commission fund	987,327
Total depreciation expense – business-type activities	$ 1,237,917

Component Unit:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 403,272	$ 202,294	$ -	$ 605,566
Construction in progress	13,642,748	184,103	(13,559,736)	267,115
Total capital assets not being depreciated	14,046,020	386,397	(13,559,736)	872,681
Capital assets being depreciated:				
Buildings	23,094,011	13,571,522	-	36,665,533
Structures and improvements	38,564,226	193,711	-	38,757,937
Machinery and equipment	3,937,500	382,883	(212,694)	4,107,689
Software	122,036	-	-	122,036
Total accumulated depreciation	(32,183,154)	(2,131,662)	10,873	(34,303,943)
Total capital assets being depreciated, net	33,534,619	12,016,454	(201,821)	45,349,252
Component Unit activities capital assets, net	$ 47,580,639	$ 12,402,851	$ (13,761,557)	$ 46,221,933

Construction in Progress

The primary government had active construction projects as of June 30, 2020. The projects include construction of a Fire Department building, renovation of a Municipal Court/Information Technology building, and construction of a downtown plaza. At year end, the amounts spent-to-date are as follows:

Governmental Projects:	**Spent-to-date**	**Business-type Projects:**	**Spent-to-date**
Municipal Court/Information Technology Building	$ 193,588	Fire Station	$ 4,912,215
Downtown Plaza Statue	108,408	Total Business Type Projects	$ 4,912,215
Total Governmental Projects	$ 301,996		

The component unit – Beckley Sanitary Board had active construction projects as of June 30, 2020. The projects include system upgrades, line expansions, and stormwater projects. At year end, the amounts spent-to-date are as follows:

Sewer Projects	**Spent-to-date**	**Stormwater Projects**	**Spent-to-date**
3225 Robert C Byrd Dr	$ 26,689	3082 Robert C Byrd Dr/Piney Ave	$ 36,437
Hedrick Street	1,415	Morgan Hills	56,797
Project Seed Bed	115	Riley St	3,625
Hartley Ave	12,323	Oakley Rd	96,619
1708 Harper Rd/Carriage Dr	5,090	Jonathan Dr	4,763
Clyde St	7,400	Deepwood Ave	11,604
Total Sewer Projects	$ 53,032	Meadowbrook	4,133
		130 Franklin	105
		Total Stormwater Projects	$ 214,083
		Total Sewer and Stormwater Projects	$ 267,115

NOTE VI – LONG TERM DEBT

Revenue Bonds

Revenue bonds outstanding as of June 30, 2020 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, 2020
Parking Series 2009-A	$ 1,485,000	$ -	$ 830,000	$ 655,000
Bldg Commission 2017*	6,091,604	-	519,937	5,571,667
Bldg Commission 2018	2,400,000	-	93,484	2,306,516
Bldg Commission 2019	4,704,000	(109,882)	-	4,594,118
Total revenue bonds	$ 14,680,604	$ (109,882)	$ 1,443,421	$ 13,127,301

* 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, 2020
2004-A Sanitary	$ 9,039,000	$ (5,939,629)	$ 3,099,371
2009-A Sanitary	679,316	(314,346)	364,970
2009-C Sanitary	1,035,783	(253,954)	781,829
2010 Stormwater	2,000,000	(752,043)	1,247,957
2015-A Sanitary	3,614,914	(263,799)	3,351,115
2017 Sanitary	15,450,000	(1,215,000)	14,235,000
Total revenue bonds	$ 31,819,013	$ (8,738,771)	$ 23,080,242

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 $655,000. Principal and interest paid for the current year and total customer net revenues $129,685 and ($199,259), 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 $5,571,667. Principal and interest paid for the current year total customer net revenues were $567,517 and $721,698, 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 $130,675 and $721,698, 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, 2020.

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 $3,099,371. Principal and interest paid for the current year and the total customer net revenues were $549,464 and $2,390,410, 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 $364,970. Principal and interest paid for the current year and the total customer net revenues were $41,294 and $2,390,410, 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 $781,829. Principal and interest paid for the current year and total customer net revenues were $26,732 and $2,390,410, 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 $1,247,957. Principal and interest paid for the current year and total customer net revenues were $144,043 and $231,615, 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 $3,351,115. Principal and interest paid for the current year and total customer net revenues were $137,528 and $2,390,410, 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 $14,235,000. Principal and interest paid for the current year and total customer net revenues were $1,306,873 and $2,390,410, respectively.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

Description and Purpose	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020	Due Within One Year
Primary Government					
Governmental Activities					
Compensated Absences	$ 1,786,933	$ 177,182	$ (887,938)	$ 1,076,177	$ 177,912
Lease Obligations Payable	951,209	-	(207,802)	743,407	150,483
Net pension Liability	51,927,471	-	(10,120,546)	41,806,925	-
OPEB Liability	8,283,611	647,261	-	8,930,872	-
Total Governmental Activities	62,949,224	824,443	(11,216,286)	52,557,381	328,395
Business-type Activities					
Revenue Bonds:					
Major Enterprise Fund					
Parking Fund	750,000	-	(95,000)	655,000	100,000
Building Commission	8,928,628	4,042,572	(387,428)	12,583,772	479,152
Total Revenue Bonds	9,678,628	4,042,572	(482,428)	13,238,772	579,152
Compensated Absences	76,682	43,436	(29,944)	90,174	9,403
Net Pension Liability	112,250	-	(16,064)	96,186	-
OPEB Liability	633,214	155,346	-	788,560	-
Total Business-type Activities	10,500,774	4,241,354	(528,436)	14,213,692	588,555
Total Primary Government Long-Term Debt	$ 73,449,998	$ 5,065,797	$ (11,744,722)	$ 66,771,073	$ 916,950

Description and Purpose	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020	Due Within One Year
Component Unit					
Revenue Bonds:					
Sanitary Board	$ 23,304,433	$ -	$ (1,472,148)	$ 21,832,285	$ 1,503,128
Stormwater Utility	1,341,679	-	(93,722)	1,247,957	97,414
Less: deferred amounts	-	-	-	-	-
Total Revenue Bonds	24,646,112	-	(1,565,870)	23,080,242	1,600,542
Lease Obligations Payable	157,135	-	(50,902)	106,233	22,006
Compensated Absences	244,648	128,671	(123,841)	249,478	23,714
Net Pension Liability	223,192	-	(40,746)	182,446	-
OPEB Liability	1,747,743	12,782	-	1,760,525	-
Total Component Unit Long-Term Debt	$ 27,018,830	$ 141,453	$ (1,781,359)	$ 25,378,924	$ 1,646,262

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, 4.75%	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 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				$ 31,819,013

The annual debt service requirements to maturity, including principal and interest and administrative fees for bonds payable as of June 30, 2020 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
2021	100,000	29,685	479,152	497,985	97,414	46,629	1,503,128	558,764
2022	105,000	25,185	503,056	481,879	101,251	42,792	1,609,320	519,766
2023	110,000	20,460	523,034	465,193	105,240	38,803	1,650,731	477,339
2024	115,000	15,510	538,354	448,412	109,386	34,657	1,697,356	433,746
2025	120,000	10,335	556,191	428,842	113,695	30,348	1,744,213	388,726
2026-2031	105,000	4,935	8,395,014	1,354,201	639,294	80,923	7,134,528	1,304,639
2033-2036	-	-	1,477,500	231,129	81,677	1,074	4,641,042	307,044
2037-2041	-	-	-	-	-	-	792,293	27,766
2042-2046	-	-	-	-	-	-	808,958	12,326
2047-2051	-	-	-	-	-	-	250,716	429
2052-2056	-	-	-	-	-	-	-	-
Total	$ 655,000	$ 106,110	$ 12,472,301	$ 3,907,641	$ 1,247,957	$ 275,226	$ 21,832,285	$ 4,030,545

NOTE VII – LEASE COMMITMENTS

Capital Leases

The Municipality's outstanding lease agreements include acquisitions of equipment and vehicles at a cost of $1,735,068 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 General Fund		Component Unit Beckley Sanitary Board	
	Principal	Interest	Principal	Interest
2021	$ 150,483	$ 24,668	$ 22,006	$ 3,801
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	129,530	7,412	12,756	148
2026-2031	127,075	2,406	-	-
Totals	$ 743,407	$ 83,388	$ 106,233	$ 9,896

Interest rates on capital leases vary from 2.75% to 3.95% 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, 2020, amounted to $31,047, all of which was expensed. Total interest expense on component unit capital leases for the fiscal year ended June 30, 2020, amounted to $5,084.

Operating Leases

The primary government leased certain vehicles and other equipment under noncancelable operating leases. Total costs for such leases approximated $12,779 for the year ended June 30, 2020. The component unit leased certain vehicles and other equipment under noncancelable operating leases. Total costs for such leases approximated $84,091.

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	
General	$ -	$ 131,251	$ 4,281	$ 112,304	$ 15,157	$ 869	$ 753,779	$ 1,017,641
Employee Benefits	202	-	-	-	-	-	-	202
Parking	-	-	-	-	-	-	5,158	5,158
Parks	-	-	-	-	-	-	39,599	39,599
Police Pension	11,370	-	-	-	-	-	-	11,370
Sewerage	-	-	-	-	-	118,723	107,919	226,642
Stormwater	-	-	-	-	-	-	21,427	21,427
Total	$ 11,572	$ 131,251	$ 4,281	$ 112,304	$ 15,157	$ 119,592	$ 927,882	$ 1,322,039

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 From:	Transfers To:			Total Transfers From
	Parks	Parking	Building Comm	
General	$ 776,985	$ 460,924	$ 325,614	$ 1,563,523
Coal Severance	91,555	-	-	91,555
Total Transfers To	$ 868,540	$ 460,924	$ 325,614	$ 1,655,078

NOTE IX – 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	$ 207,574	$ 3,125,954
Revenue bond renewal and replacement account	47,292	759,144
Customer deposits	9,360	154,769
	$ 264,226	$ 4,039,867

NOTE X – 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	$ 1,582,170	$ 92,358	$ -	$ 1,674,528
Public Safety	-	-	186,326	186,326
Capital projects	-	-	146,218	146,218
Unassigned	8,594,940	-	-	8,594,940
Total Fund Balances	$ 10,177,110	$ 92,358	$ 332,544	$ 10,602,012

NOTE XI – 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 XII – 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 XIII – BENEFITS FUNDED BY THE STATE OF WEST VIRGINIA

For the year ended June 30, 2020, 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	$ 561,153
Firemen's Pension and Relief Fund	500,554
Total	$ 1,061,707

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

NOTE XIV – 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, 2019.

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, 2019.

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	47	43	90
Inactive employees entitled to but not yet receiving benefits	1	0	1
Inactive employees or beneficiaries currently receiving benefits	38	42	80
Total	86	85	171

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 participating employees, 9.5% for DROP participants
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, 2020, 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, 2019 for both plans, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 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	Vary by years of service	Vary by years of service
Investment rate of return	4.50%	4.50%

Mortality rate was based on the RP-2014 Blue Collar Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2014.

Rate of Return

For the year ended June 30, 2020 the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense was 7.94 percent for the PPRF and 7.64 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, 2020, 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	64.0%	7.50%	64.0%	7.50%
Fixed Income	35.0%	2.80%	35.0%	2.80%
Cash	1.0%	0.50%	1.0%	0.50%
Portfolio	-	5.79%	-	5.79%

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	$ 38,227,092	$ 46,738,395
Plan fiduciary net position	(24,230,044)	(19,509,772)
Net pension liability	$ 13,997,048	$ 27,228,623

	PPRF	FPRF
Plan fiduciary net position as a percentage of the total pension liability	63.38%	41.74%

Discount Rate

The discount rate used to measure the total pension liability was 6.00 percent for PPRF and 5.00 percent for FPRF, and the municipal bond rate of 2.45% 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 6.00% (PPRF) and 5.00%(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	$ 19,799,719	$ 13,997,048	$ 9,327,568
FPRF's net pension liability	$ 33,989,221	$ 27,228,623	$ 21,778,943

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, 2019	$39,946,884	$23,656,733	$16,290,151
Charges for the year:			
Service Cost	1,180,545	-	1,180,545
Interest	2,150,243	-	2,150,243
Differences between expected & actual experience	(608,310)	-	(608,310)
Assumption Change	(2,739,147)	-	(2,739,147)
Contributions – employer	-	1,149,672	(1,149,672)
Contributions – employee	-	225,268	(225,268)
Net investment income	-	901,518	(901,518)
Benefit payments	(1,703,123)	(1,703,123)	-
Administrative expenses	-	(24)	24
Refunds	-	-	-
Net changes	(1,719,792)	573,311	(2,293,103)
Balances at June 30, 2020	$38,227,092	$24,230,044	$13,997,048

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, 2019	$54,244,510	$19,275,679	$34,968,831
Charges for the year:			
Service Cost	1,407,737	-	1,407,737
Interest	2,109,239	-	2,109,239
Differences between expected & actual experience	(1,997,332)	-	(1,997,332)
Assumption Change	(7,063,929)	-	(7,063,929)
Contributions – employer	-	1,271,676	(1,271,676)
Contributions – employee	-	220,835	(220,835)
Net investment income	-	710,419	(710,419)
Benefit payments	(1,961,830)	(1,961,830)	-
Administrative expenses	-	(7,007)	7,007
Refunds	-	-	-
Net changes	(7,506,115)	234,093	(7,740,208)
Balances at June 30, 2020	$46,738,395	$19,509,772	$27,228,623

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

For the year-ended June 30, 2020, the government recognized the following pension expenses:

	PPRF	FPRF
Pension Expense	$ 2,352,956	$ (112,239)

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	$ 590,832	$ (947,496)
Changes in assumptions	2,407,134	(3,461,851)
Net difference between projected and actual investment earnings	-	(125,714)
Total	$ 2,997,966	$ (4,535,061)

	FPRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 858,931	$ (1,523,841)
Changes in assumptions	482,033	(5,473,156)
Net difference between projected and actual investment earnings	-	(544,502)
Total	$ 1,340,964	$ (7,541,499)

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
2021	(121,859)
2022	(573,549)
2023	(400,427)
2024	116,647
2025	(557,907)
Total	$ (1,537,095)

Year Ended June 30,	FPRF
2021	(2,110,785)
2022	(1,781,943)
2023	(2,337,061)
2024	29,254
2025	-
Total	$ (6,200,535)

Pension Trust Fund Statements

	Policemen's Pension and Relief	Firemen's Pension and Relief
Assets		
Cash and deposits	$ 1,059,837	$ 1,020,067
Investments, at fair value:		
Government securities	467,240	332,553
Corporate bonds	6,549,467	4,670,470
Corporate stocks	15,632,697	12,029,987
Alternative investments	465,372	1,421,625
Total investments	23,114,776	18,454,635
Receivables:		
Accounts receivable	66,802	35,069
Total assets	$ 24,241,415	$ 19,509,771
Liabilities		
Accounts payable	$ 11,371	$ 157,745
Deferred Outflows		
Total deferred outflows of resources	-	-
Deferred Inflows		
Total deferred inflows of resources	-	-
Net Position		
Net position restricted for pension benefits	24,230,044	19,352,026
Total liabilities and net position	$ 24,241,415	$ 19,509,771

	Policemen's Pension and Relief	Firemen's Pension and Relief
Additions		
Contributions:		
Employer	$ 588,519	$ 771,122
State	561,153	500,554
Employee	225,268	220,835
Receivable	-	-
Total Contributions	1,374,940	1,492,511
Investment Income:		
Net appreciation (depreciation)	(1,342)	(181,038)
Net realized gain (loss) on sale or exchange	276,667	200,571
Interest and dividends	707,673	599,167
Other income	-	-
Investment expense	-	(66,028)
Net investment income	982,998	552,672
Total additions	2,357,938	2,045,183
Deductions		
Benefit payments	1,612,687	1,961,830
Pension plan administrative expense	81,479	24
Refunds	90,436	-
Other	24	6,983
Total deductions	1,784,626	1,968,837
Payable	-	-
Change in net assets	573,312	76,346
Net assets held in trust for pension benefits:		
Beginning of year	23,656,732	19,275,670
End of year	$24,230,044	$19,352,026

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
2020	450,217	100%
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, 2020, 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, 2020, the Municipality reported the following proportions and increases/decreases from its proportion measure as of June 30, 2019.

	PERS
Amount for proportionate share of net pension liability	$ 677,440
Percentage for proportionate share of net pension liability – current year	.315070%
Percentage for proportionate share of net pension liability – prior year	.302316%
Increase/(Decrease) % from prior proportion measured	.012754%

For the year ended June 30, 2020, the Municipality recognized the following pension expense:

	Governmental Activities	Business-Type Activities
Pension Expense	$ 379,619	$ 70,597

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	$ 29,288	$ (212)
Difference between expected and actual experience	19,068	(62,273)
Contributions made after measurement date	450,217	-
Net difference between projected and actual investment earnings	-	(257,716)
Difference in assumptions	-	(130,893)
Total	$ 498,573	$ (451,094)

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, 2021. 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:	
2021	$ (68,510)
2022	(476,031)
2023	(52,958)
2024	98,047
Total	$ (499,452)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018, rolled forward to June 30, 2019, which is the measurement date, using the following actuarial assumptions:

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Market value
Amortization method	Level dollar
Amortization period	Through Fiscal Year 2035
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases:	
PERS:	
State	3.1-5.3%
Nonstate	3.35-6.5%
Inflation rate	3.00%
Discount rate	7.50%
Mortality rates	Active – 100% of Pub-2010 General Employees table, below median, headcount weighted, projected with scale MP-2018 Retired healthy males – 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018 Retired healthy females – 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018 Disabled males – 118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018 Disabled females – 118% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018
Withdrawal rates	
State	2.28-45.63%
Non-state	2.50-35.88%
Disability rates	0.005-0.540%
Retirement rates	12.0-100%

Date range in most recent experience study: 2013-2018

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	5.80%	27.50%
International Equity	7.70%	27.50%
Private Equity	8.80%	10.00%
Fixed Income	3.30%	15.00%
Hedge Funds	4.40%	10.00%
Real Estate	6.10%	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)	$ (3,155,572)	$ (677,440)	$ 1,418,904

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 XV – 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 $45,000 and $200,000 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 XVI – 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, 2020, the Municipality abated business and occupation taxes totaling $127,878 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, 2020 is $6,684.

On August 13, 2019 the Municipality adopted an ordinance waiving all business and occupation taxes upon the contractors, subcontractors and builders of the new fire station construction. The total reporting abatement for June 30, 2020 is $80,782.

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

West Virginia Retiree Health Benefit Trust Fund:

Plan description

The Municipality contributes to the West Virginia Other Postemployment Benefit Plan (the Plan), a cost-sharing, multiple employer, defined benefit other postemployment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the PEIA and the RHBT staff. Plan benefits are established and revised by the PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

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

The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. Questions in writing can also be submitted to the West Virginia Public Employees Insurance Agency, 601 57th. Street, SE, Suite 2, Charleston, WV, 25304.

Benefits provided

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

Contributions

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately $152 million for fiscal year ended June 30, 2019.

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

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

At June 30, 2020, the Municipality reported a liability of $704,612 for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources and OPEB expense were determined by an actuarial valuation date as of June 30, 2018, rolled forward to June 30, 2019, which is the measurement date. The Municipality's proportion of the net OPEB liability was based on a projection of the Municipality's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2019, the Municipality's proportion was 0.042468760%, which was a decrease of 0.000478056% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Municipality recognized OPEB expense of $111,971.

At June 30, 2020, the Municipality 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
Net difference between expected and actual earnings on OPEB Plan investments	$ 4,043	$ (11,607)
Differences between expected and actual non-investment	-	(82,178)
Changes in Assumptions (gain)/loss	-	(142,901)
Changes in Proportion and differences between employer contributions and proportionate share of Contributions	-	(185,287)
Contributions subsequent to the measurement date	84,138	-
Reallocation of opt-out employer change in proportionate share	138	(18,958)
Total	$ 88,319	$ (440,931)

The amount reported as deferred outflows of resources related to OPEB resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Year ended June 30:	
2021	$ (183,688)
2022	(157,398)
2023	(79,511)
2024	(16,153)
Total	$ (436,750)

Actuarial assumptions

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

Inflation rate	2.75%
Wage inflation	4.00%
Investment Rate of Return	7.15%, net of OPEB plan investment expense, including inflation
Asset valuation method	Market value
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll over a 20-year closed period
Salary increases	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Mortality	Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for Troopers A and B. Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for Troopers A and B.
Healthcare Cost Trend Rates	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
Expenses	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.

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

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

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

Asset Class	Target Allocation	Long-term Expected ROR
Global equity	49.50%	4.8%
Core plus fixed income	13.50%	2.1%
Core real estate	9.00%	4.1%
Private Equity	9.00%	6.8%
Hedge Funds	9.00%	2.4%
Cash and cash equivalents	10.00%	0.3%
Total	100.00%	

Discount rate.

The discount rate used to measure the OPEB liability was 7.15%. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.15% and a tax-exempt municipal bond rate based on an index of 20-year obligation bonds with an average of AA credit rating as of the measurement date to the extend benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.62% as of the beginning of the year and 3.13% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a $30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2033, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates. The discount rate used to measure the total OPEB liability did not change for the June 30, 2019 valuation from the June 30, 2018 valuation.

Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the discount rate.

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

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1 % Increase (8.15%)
$	840,935	$ 704,612	$ 590,535

Sensitivity of the Municipality's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.

The following chart presents the government's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates described in the actuarial assumptions:

	1% Decrease	Healthcare Cost Trend Rates	1 % Increase
$	568,168	$ 704,612	$ 870,188

OPEB plan fiduciary net position

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

Municipality of Beckley Retiree Healthcare Plan:

Plan description

The Municipality provides healthcare benefits to employees and retirees and their dependents. The Municipality of Beckley Retiree Healthcare Plan (Municipality Plan) is a single employer defined benefit OPEB plan administered by the Municipality. The Municipality Plan's levels of benefits, employee contributions, and employer contributions were authorized by the Municipality Council and any amendments to the Municipality Plan must be approved and authorized by the Council. The Municipality Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Municipality Plan. The Municipality Plan does not issue a separate report. The activity of the Municipality plan is reported in the General Fund, Parking Revenue Fund, Parks and Recreation Fund, and the Beckley Sanitary Board component unit.

Benefits provided

The Municipality Plan provides medical and prescription drug insurance and dental and vision insurance. The Municipality contributes up to $4,000 per year towards the deductible for each retiree. Therefore, the Municipality's liability equals the value of the implicit subsidy, the (up to) $4,000 payment, and the monthly payments. The insurance premiums are required to be reimbursed to the Municipality and paid fully by the retiree. All full-time active employees who retire or qualify for retirement directly from the Municipality, and meet the eligibility criteria, may participate. The Municipality Plan had approximately 246 participants with 226 being active employees and 20 being retirees and their beneficiaries.

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 $9,014,820 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, 2020, the measurement date was June 30, 2020.

For this fiscal year, the Municipality recognized OPEB expense of $648,769. 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	$ 956,759	$ (33,661)
Differences between expected and actual experience	-	(1,424,490)
	$ 956,759	$ (1,458,151)

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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2021	$ (57,020)
2022	(57,020)
2023	(57,020)
2024	(57,020)
2025	(57,020)
2026-2028	(216,292)
Total	$ (501,392)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.250%
Salary Increases	3.50%
Healthcare Trend	6.00% initially, grading down to 4.25% ultimate
Discount Rate	2.45%
Mortality Rates – Police and Firefighters	Pre/Post-retirement: PUB 2010S Headcount tables for Male and Female projected with SSA18 generational scale Post-retirement /disabled retirees: PUB 2010S Disabled Headcount tables for Male and Female projected with SSA18 generational scale.
Mortality Rates – Others	Pre/Post-retirement: PUB 2010G Headcount tables for Male and Female projected with SSA18 generational scale Post-retirement – disabled retirees: PUB 2010G Disabled Headcount tables for Male and Female projected with SSA18 generational scale.

In the June 30, 2020 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

Changes in actuarial assumptions

The discount rate changed from 3.13% to 2.45% in the current year from the prior year.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.45%. 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, 2020.

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.

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 2.45%, 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 1.4500%	Current Discount Rate Assumption 2.4500%	1% Increase 3.4500%
Net OPEB Liability	$ 9,975,661	$ 9,014,820	$ 8,160,225

Sensitivity of the Municipality's net OPEB liability to changes in the healthcare cost trend rates. 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 5.00% decreasing to 3.250%	Current Healthcare Cost Trend Rates 6.00% decreasing to 4.250%	1% Increase 7.00% decreasing to 5.250%
Net OPEB Liability	$ 7,954,482	$ 9,014,820	$ 10,265,400

NOTE XVIII – 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 XIX – SUBSEQUENT EVENTS

The spread of the novel coronavirus (COVID-19) has severely impacted many local economies around the world. In many countries, businesses and organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and financial institutions have responded with monetary and fiscal interventions to try to stabilize economic conditions. The Municipality has determined that these events are non-adjusting subsequent events. Accordingly, the financial net position, fund balances, changes in net position, and changes in fund balances as of and for the year ended June 30, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and financial responses remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial net position, fund balances, and results of the Municipality for future periods.

The Municipality's management has evaluated the effect that subsequent events would have on the Municipality's financial statements through January 25, 2021, which is the date the financial statements were available to be released.

***

Required Supplementary Information

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, 2020

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes:				
Ad valorem property tax	$ 3,280,611	$ 3,280,611	$ 3,005,324	$ (275,287)
Business and occupancy tax	10,000,000	9,750,000	10,734,069	984,069
Alcoholic beverage tax	180,000	180,000	182,519	2,519
Utility services tax	780,000	780,000	904,130	124,130
Hotel occupancy tax	900,000	720,000	790,223	70,223
Sales tax	4,000,000	4,520,000	5,730,261	1,210,261
Other taxes	82,000	82,000	499,138	417,138
Severance taxes	10,000	10,000	41,857	31,857
Licenses and permits	489,050	399,050	115,362	(283,688)
Intergovernmental:				
Federal	1,400,000	1,400,000	3,074,725	1,674,725
State	-	-	20,000	20,000
Charges for services	24,000	24,000	19,138	(4,862)
Fines and forfeits	210,000	210,000	182,479	(27,521)
Interest and investment earnings	1,000	1,000	25,246	24,246
Refunds and reimbursements	204,400	204,400	441,336	236,936
Insurance claims	20,000	20,000	28,705	8,705
Contributions and donations	652,000	652,000	1,554,326	902,326
Miscellaneous	22,750	22,750	33,032	10,282
Total revenues	22,255,811	22,255,811	27,381,870	5,126,059
EXPENDITURES				
Current:				
General government	6,220,300	6,867,334	4,289,749	(2,577,585)
Public safety	10,985,750	11,985,750	11,152,596	(833,154)
Streets and transportation	4,413,150	4,752,150	4,272,626	(479,524)
Health and sanitation	157,000	157,000	95,317	(61,683)
Culture and recreation	900,000	1,150,000	828,886	(321,114)
Social services	3,100	3,100	1,372	(1,728)
Capital outlay	1,110,000	3,640,000	3,635,774	(4,226)
Total expenditures	23,789,300	28,555,334	24,276,320	(4,279,014)
Excess of revenues over (under) expenditures	(1,533,489)	(6,299,523)	3,105,550	9,405,073
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	15,000	15,000	50,075	35,075
Transfers out	-	-	(1,563,523)	(1,563,523)
Total other financing sources (uses)	15,000	15,000	(1,513,448)	(1,528,448)
Net change in fund balances	(1,518,489)	(6,284,523)	1,592,102	7,876,625
Fund balances beginning of year	1,518,489	6,284,523	8,585,008	2,300,485
Fund balances end of year	$ -	$ -	$ 10,177,110	$ 10,177,110

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, 2020

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes:				
Severance tax	$ 26,000	$ 26,000	$ 44,830	$ 18,830
Interest and investment earnings	250	250	644	394
Total revenues	26,250	26,250	45,474	19,224
EXPENDITURES				
Current:				
Streets and transportation	-	40,000	-	(40,000)
Culture and recreation	31,250	71,250	-	(71,250)
Total expenditures	31,250	111,250	-	(111,250)
Excess of revenues over (under) expenditures	(5,000)	(85,000)	45,474	130,474
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(91,555)	(91,555)
Total other financing sources (uses)	-	-	(91,555)	(91,555)
Net change in fund balances	(5,000)	(85,000)	(46,081)	38,919
Fund balances beginning of year	5,000	85,000	138,439	53,439
Fund balances end of year	$ -	$ -	$ 92,358	$ 92,358

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2020

	Policemen's Pension and Relief Fund							Firemen's Pension and Relief Fund						
	2020	2019	2018	2017	2016	2015	2014	2020	2019	2018	2017	2016	2015	2014
Total pension liability														
Service cost	$ 1,180,545	$ 1,090,463	$ 1,083,033	$ 932,441	$ 527,526	$ 605,759	$ 566,516	$ 1,407,737	$ 1,433,473	$ 1,372,807	$ 1,483,038	$ 716,515	$ 743,480	$ 691,461
Interest	2,150,243	2,043,224	1,958,079	1,913,373	1,873,424	1,822,041	1,800,224	2,109,239	2,006,880	1,956,976	1,804,335	1,977,837	1,951,130	1,895,401
Difference between expected and actual experience	(608,310)	886,248	(539,579)	(579,180)	(367,023)	(240,296)	-	(1,997,332)	1,717,861	(114,768)	380,786	(413,682)	491,509	-
Assumption changes	(2,739,147)	2,692,393	(2,425,222)	-	7,544,910	(1,724,947)	-	(7,063,929)	964,067	(778,140)	(3,398,993)	13,842,099	-	-
Benefits payments, including refunds of member contributions	(1,612,687)	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)	(1,961,830)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Refunds	(90,436)	(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	(1,719,792)	5,073,979	(1,529,490)	741,369	8,016,630	(1,111,387)	886,353	(7,506,115)	4,098,649	476,906	(1,561,917)	14,318,857	1,414,245	867,925
Total pension liability-beginning	39,946,884	34,872,905	36,402,396	35,661,027	27,644,397	28,755,784	27,869,431	54,244,510	50,145,861	49,668,955	51,230,872	36,912,015	35,497,770	34,629,845
Total pension liability-ending (a)	$ 38,227,092	$ 39,946,884	$ 34,872,905	$ 36,402,396	$ 35,661,027	$ 27,644,397	$ 28,755,784	$ 46,738,395	$ 54,244,510	$ 50,145,861	$ 49,668,955	$ 51,230,872	$ 36,912,015	$ 35,497,770
Plan fiduciary net position														
Contributions - employer	$ 1,149,672	$ 1,178,526	$ 1,129,068	$ 967,969	$ 893,981	$ 870,447	$ 834,851	1,271,676	1,334,570	$ 1,216,720	$ 1,058,279	$ 999,228	$ 943,850	$ 887,837
Contributions - members	225,268	228,413	207,438	204,974	183,395	163,569	167,926	220,835	191,084	179,050	174,158	167,650	152,499	158,033
Net investment income	901,518	1,670,372	1,404,579	1,409,529	993,483	650,402	2,169,818	710,419	1,324,032	1,269,796	1,387,931	846,590	590,578	2,047,099
Benefit payments, including refunds of member contributions	(1,612,687)	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)	(1,961,830)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Administrative expenses	(24)	(24)	(22)	(9,448)	(67,149)	(68,325)	(63,349)	(7,007)	(20)	(81)		(57,301)	(59,002)	(55,411)
Refunds	(90,436)	(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	573,311	1,438,938	1,135,262	1,045,396	441,503	42,149	1,628,859	234,093	826,034	705,516	777,189	151,960	(143,949)	1,318,621
Plan fiduciary net position - beginning	23,656,733	22,217,795	21,082,534	20,037,138	19,595,635	19,553,486	17,924,627	19,275,679	18,449,645	17,744,129	16,966,940	16,814,980	16,958,929	15,640,308
Plan fiduciary net position - ending (b)	$ 24,230,044	$ 23,656,733	$ 22,217,795	$ 21,082,534	$ 20,037,138	$ 19,595,635	$ 19,553,486	$ 19,509,772	$ 19,275,679	$ 18,449,645	$ 17,744,129	$ 16,966,940	$ 16,814,980	$ 16,958,929
Net pension liability - ending (a) - (b)	$ 13,997,048	$ 16,290,151	$ 12,655,110	$ 15,319,862	$ 15,623,889	$ 8,048,762	$ 9,202,298	$ 27,228,623	$ 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	63.38%	59.22%	63.71%	57.92%	56.19%	70.88%	68.00%	41.74%	35.53%	36.79%	35.72%	33.12%	45.55%	47.77%
Covered employee payroll	$ 2,931,036	$ 2,671,312	$ 2,580,777	$ 2,217,255	$ 2,352,626	$ 2,202,152	$ 2,076,451	$ 2,299,930	$ 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	477.55%	609.82%	490.36%	690.94%	664.10%	365.50%	443.17%	1183.89%	1527.55%	1451.29%	1534.76%	1512.26%	968.49%	947.24%

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

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULES OF INVESTMENT RETURNS AND CONTRIBUTIONS
POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS
For the Fiscal Year Ended June 30, 2020

Investment Returns:	2020	2019	2018	2017	2016	2015	2014
Policemen's Pension and Relief Fund (PPRF)							
Annual money-weighted rate of return, net of investment expenses	4.19%	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	4.12%	7.64%	7.63%	8.75%	5.15%	13.20%	13.50%
Contributions:							
Policemen's Pension and Relief Fund (PPRF)							
Actuarially determined contribution (a)	$1,923,216	$1,618,552	$1,443,038	$1,526,595	$1,424,813	$769,449	$908,970
Employer contribution (b)	588,519	650,018	514,033	480,407	448,979	419,606	392,155
State contribution (c)	561,153	528,508	515,032	487,562	445,002	450,841	405,755
Percentage contributed [(b)+(c)]/(a)	60%	73%	71%	63%	63%	113%	88%
Covered payroll (f)	2,931,036	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)	39%	44%	44%	44%	38%	40%	38%
Firemen's Pension and Relief Fund (FPRF)							
Actuarially determined contribution (a)	$2,840,851	$2,674,661	$2,367,134	$2,253,955	$2,093,433	$1,468,949	$1,398,526
Employer contribution (b)	771,122	870,675	773,524	629,465	588,285	549,799	513,831
State contribution (c)	500,554	463,895	443,192	428,814	410,943	394,051	342,814
Percentage contributed [(b)+(c)]/(a)	45%	50%	47%	47%	48%	64%	61%
Covered payroll (f)	2,299,930	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)	55%	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 and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2020

Public Employees' Retirement System

	2020	2019	2018	2017	2016	2015	2014
Municipality's proportionate share of the net pension liability (asset) (%)	0.399923%	0.388740%	0.388841%	0.378592%	0.355762%	0.384947%	0.368565%
Municipality's proportionate share of the net pension liability (asset)	$ 859,886	$ 1,003,930	$ 1,678,412	$ 3,479,705	$ 1,986,589	$ 1,420,705	$ 3,359,948
Municipality's covered payroll	$ 6,293,070	$ 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	13.66%	17.16%	31.24%	64.40%	38.14%	29.53%	65.18%
Plan fiduciary net position as a percentage of the total pension liability	96.99%	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.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY CONTRIBUTIONS - RETIREMENT SYSTEMS
For the Fiscal Year Ended June 30, 2020

Public Employees' Retirement System

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 629,307	$ 585,045	$ 590,977	$ 648,412	$ 703,179	$ 673,639	$ 747,453
Contributions in relation to the contractually required contribution	(629,307)	(585,045)	(590,977)	(648,412)	(703,179)	(673,639)	(747,453)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Municipality's covered payroll	$ 6,293,070	$ 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%	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.

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

West Virginia Retiree Health Benefit Trust
Last 10 Fiscal Years*

	2020	2019	2018
Municipality's proportionate share of the net OPEB liability (%)	0.057764907%	0.058415146%	0.062706931%
Municipality's proportionate share of the net OPEB liability	$ 958,395	$ 1,253,260	$ 1,541,957
Municipality's covered payroll	$ -	$ -	$ -
Municipality's proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A**	N/A**	N/A**
Plan fiduciary net position as a percentage of the total OPEB liability	39.69%	30.98%	25.10%

The amounts presented for each fiscal year were determined as of June 30th. These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

* GASB Statement #75 requires the presentation of 10 years of information. However, until a full 10-year trend is completed, only the available information is presented. The above schedule is for 3 years.

** All participants were retired at yearend.

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

West Virginia Retiree Health Benefit Trust
Last 10 Fiscal Years*

	2020	2019	2018
Contractually required contribution	$ 114,442	$ 119,012	$ 119,371
Contributions in relation to the contractually required contribution	114,442	119,012	119,371
Contribution deficiency (excess)	$ -	$ -	$ -
Municipality's covered payroll	$ -	$ -	$ -
Contributions as a percentage of covered payroll	N/A**	N/A**	N/A**

The amounts presented for each fiscal year were determined as of June 30th. These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

* GASB Statement #75 requires the presentation of 10 years of information. However, until a full 10-year trend is completed, only the available information is presented. The above schedule is for 3 years.

** All participants were retired at yearend.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2020

Municipality of Beckley Retiree Healthcare Plan
Last 10 Fiscal Years*

Fiscal year end June 30	2020	2019	2018
Total OPEB Liability			
Service cost	$ 466,236	$ 450,470	$ 435,237
Interest on the total OPEB liability	357,564	368,542	342,348
Benefit changes	-	-	-
Difference between expected and actual experience	(450,868)	-	-
Assumption changes	737,322	56,344	(58,947)
Net change in total OPEB liability	1,110,254	875,356	718,638
Total Pension OPEB - beginning	9,411,308	8,535,952	7,817,314
Total OPEB Liability - ending	$ 10,521,562	$ 9,411,308	$ 8,535,952
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	10,249,691	11,183,678	9,097,893
Net OPEB liability as a percentage of covered employee payroll	102.65%	84.15%	93.82%

There were no changes to benefit terms from the prior year.
The healthcare cost trend rates changed from 6.50% to 6.00% in the current year from the prior year.

Changes of assumptions. The discount rate changed from 3.13% to 2.45% in the current year from the prior year.

The amounts presented for each fiscal year were determined as of June 30th. These amounts include the Municipality's discretely presented Component Unit, Beckley Sanitary Board.

* GASB Statement #75 requires the presentation of 10 years of information. However, until a full 10-year trend is completed, only the available information is presented. The above schedule is for 3 years.

Supplementary Information

Beckley Sanitary Board

Sewerage

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, 2020:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$2,390,410	$2,131,102	112%	110%

As of June 30, 2020, the Board was in compliance with the provisions of the 2017 revenue bond covenant which requires net gross revenue to be at least 110% of 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, 2020, 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, 2020

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, 2020:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$231,615	$144,043	161%	110%

As of June 30, 2020, the Board was in compliance with the provisions of the 2010 revenue bond covenant which requires net gross revenue to be at least 110% of 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, 2020, the Board was in compliance with the provisions of this requirement.

.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 277,523	$ 146,218	$ 423,741
Total assets	**$ 277,523**	**$ 146,218**	**$ 423,741**
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 91,197	$ -	$ 91,197
Total liabilities	91,197	-	91,197
FUND BALANCES			
Assigned	186,326	146,218	332,544
Total fund balances	186,326	146,218	332,544
Total liabilities and fund balances	**$ 277,523**	**$ 146,218**	**$ 423,741**

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, 2020

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental:			
State	$ 14,630	$ -	$ 14,630
Interest and investment earnings	-	1,908	1,908
Total revenues	14,630	1,908	16,538
EXPENDITURES			
Current:			
Public safety	31,380	-	31,380
Total expenditures	31,380	-	31,380
Net change in fund balances	(16,750)	1,908	(14,842)
Fund balances beginning of year	203,076	144,310	347,386
Fund balances end of year	$ 186,326	$ 146,218	$ 332,544

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
For the Fiscal Year Ended June 30, 2020

	Grant Number	Award Amount	Under (Over) Expended Beginning of Year	Total Current Year Revenues	Total Current Year Expenditures	Under (Over) Expended End of Year
West Virginia Division of Culture and History						
Youth Museum of Southern WV CAPS Project	AH20-8197	$ 20,000	$ -	$ 20,000	$ 20,000	$ -
Rocket Boys Festival	FF20-724	1,710	-	1,710	1,710	-
Rocket Boys Festival	FF20-460	1,485	-	1,485	1,485	-
Beckley Main Street Project	FF20-432	2,970	-	2,970	2,970	-
Total West Virginia Division of Culture and History		$ 26,165	$ -	$ 26,165	$ 26,165	$ -
West Virginia Department of Environmental Protection						
REAP Recycling Program	886	$ 50,000	$ -	$ 50,000	$ 50,000	$ -
Total West Virginia Department of Environmental Protection		$ 50,000	$ -	$ 50,000	$ 50,000	$ -
Total State Awards		$ 76,165	$ -	$ 76,165	$ 76,165	$ -

See accompanying notes and Independent Auditor's Report.

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

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 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, 2020, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated January 25, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality'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*.

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 25, 2021

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, 2020. 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 an 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 the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Municipality'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 federal programs for the year ended June 30, 2020.

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

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

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

Ferrari & Associates, PLLC

Morgantown, West Virginia
January 25, 2021

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

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	$ -	$ 217,271
Total U.S. Department of Housing and Urban Development			-	217,271
U.S. Department of Justice				
Direct from Federal Government:				
Bulletproof Vest Partnership	16.607	N/A	-	7,350
City of Beckley - JAG Project	16.738	N/A	-	47,698
Passed through the West Virginia Department of Justice:				
Johnny Wall Justice Assistance Grant	16.579	19-JAG-05	-	15,000
Total U.S. Department of Justice			-	70,048
U.S. Department of Treasury				
Passed through the West Virginia Governor's Office:				
Coronavirus Relief Fund	21.019	N/A	-	2,329,713
Total U.S. Department of Treasury			-	2,329,713
Executive Office of the President				
Direct from Federal Government:				
High Intensity Drug Trafficking Areas Program	95.001	N/A	-	46,580
Total Executive Office of the President			-	46,580
U.S. Department of Transportation				
Passed through the West Virginia Department of Transportation:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F19-HS-07-402, F19-HS-09-402 F19-HS-15-402, F20-HS-09-402 F20-HS-15-402, F20-HS-07-402	-	371,557
State Traffic Safety Information System Improvement Grants	20.610	F19-HS-07-405c, F20-HS-07-405c F19-HS-09-405c, F20-HS-09-405c	-	69,558
Total Highway Safety Cluster			-	441,115
National Highway Traffic Safety Administration	20.614	F19-HS-07-405b, F19-HS-07-405d F19-HS-09-405b, F19-HS-09-405d F19-HS-09-405f, F20-HS-07-405d F19-HS-15-405b, F19-HS-15-405d F20-HS-09-405b, F20-HS-09-405d F20-HS-09-405f, F20-HS-07-405b F20-HS-15-405b, F20-HS-15-405d	-	106,262
Alcohol Open Container Requirements	20.607	F19-HS-07-DOHWZ F20-HS-07-DOHWZ	-	16,212
Total U.S. Department of Transportation			-	563,589
Total Expenditures of Federal Awards			$ -	$ 3,227,201

See accompanying notes and Independent Auditor's Report.

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, 2020. 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 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, 2020

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
21.019	Coronavirus Relief Fund

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.