Raleigh County

RFP# 21-089

Municipality of Beckley, West Virginia

Financial Statements and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2021

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

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
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Introductory Section

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
MUNICIPALITY OFFICIALS
For the Fiscal Year Ended June 30, 2021

OFFICE	WARD/NAME	TERM ENDS
	Elected	
Mayor:	Rob Rappold	June 30, 2024
Council Members:	Ward I – Tom Sopher	June 30, 2024
	Ward II – Robert Canter	June 30, 2024
	Ward III – Robert Dunlap	June 30, 2024
	Ward IV – Kevin Price	June 30, 2024
	Ward V – Janine Bullock	June 30, 2024
	At Large – Cody Reedy	June 30, 2024
	At Large – Sherrie Hunter	June 30, 2024
	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, 2021, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I.D.13, during the year ended June 30, 2021, the Municipality adopted new accounting guidance, the Governmental Accounting Standards Board (GASB) Statements No. 84 *Fiduciary Activities* and No. 87, *Leases.* Our opinion is not modified with respect to this matter.

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, and Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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, 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, 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 28, 2022, 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 28, 2022

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Beckley Sanitary Board
ASSETS				
Current:				
Cash and cash equivalents	$ 10,688,669	$ 178,393	$ 10,867,062	$ 723,466
Receivables:				
Accounts, net	-	4,669	4,669	1,176,486
Taxes	5,177,630	341	5,177,971	2,166
Fines	52,391	-	52,391	-
Due from other governments	522,080	71,680	593,760	-
Internal balances	1,601,014	68,105	1,669,119	158,252
Inventory	-	70,862	70,862	73,786
Prepaid expense	-	28,903	28,903	65,726
Total current assets	18,041,784	422,953	18,464,737	2,199,882
Noncurrent:				
Restricted assets:				
Regular account	-	109,032	109,032	544,842
Reserve account	-	-	-	2,695,831
Customer deposits	-	-	-	159,304
Renewal and replacement	-	-	-	790,942
Total restricted assets	-	109,032	109,032	4,190,919
Capital assets:				
Non-depreciable:				
Land	3,166,921	6,704,554	9,871,475	605,566
Copyright	-	3,500	3,500	-
Construction in progress	51,003	-	51,003	390,644
Works of art	207,662	-	207,662	-
Depreciable:				
Buildings	1,427,203	42,018,577	43,445,780	36,658,783
Structures and improvements	913,860	2,515,677	3,429,537	39,123,128
Infrastructure	2,460,538	-	2,460,538	-
Software	271,783	-	271,783	59,298
Machinery and equipment	12,091,434	933,991	13,025,425	2,909,456
Less: accumulated depreciation	(9,586,743)	(12,287,424)	(21,874,167)	(34,280,441)
Total capital assets, net	11,003,661	39,888,875	50,892,536	45,466,434
Total assets	29,045,445	40,420,860	69,466,305	51,857,235
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension	4,264,511	188,880	4,453,391	470,114
Deferred outflow - OPEB multi employer plan	116,673	6,007	122,680	44,186
Deferred outflow - OPEB single employer plan	1,237,340	81,542	1,318,882	189,920
Total deferred outflows of resources	5,618,524	276,429	5,894,953	704,220
Total assets and deferred outflows of resources	**$ 34,663,969**	**$ 40,697,289**	**$ 75,361,258**	**$ 52,561,455**
LIABILITIES				
Current:				
Accounts payable	$ 1,382,480	$ 116,431	$ 1,498,911	$ 514,902
Payroll payable	532,678	70,789	603,467	93,188
Benefits payable	37,565	-	37,565	16,204
Other accrued expenses	-	11,978	11,978	128,453
Compensated absences payable	191,294	6,074	197,368	41,121
Customer deposits	-	2,050	2,050	161,749
Due to other funds	1,555,126	1,000	1,556,126	163,134
Deferred revenue	3,301,007	31,887	3,332,894	-
Total current liabilities	7,000,150	240,209	7,240,359	1,118,751
Long-term liabilities due within one year:				
Current portion of bonds payable	-	455,083	455,083	1,721,051
Current portion of leases payable	108,827	-	108,827	95,276
Long-term liabilities due in more than one year:				
Bonds payable	-	9,490,309	9,490,309	19,775,242
Leases payable	510,170	-	510,170	194,000
Compensated absences payable	822,994	78,825	901,819	241,095
Net pension liability	34,246,684	242,145	34,488,829	608,252
OPEB liability - multi employer plan	182,853	9,415	192,268	69,249
OPEB liability - single employer plan	9,687,750	638,438	10,326,188	1,486,974
Total long-term liabilities	45,559,278	10,914,215	56,473,493	24,191,139
Total liabilities	52,559,428	11,154,424	63,713,852	25,309,890
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension	16,413,095	15,675	16,428,770	39,375
Deferred inflow - OPEB multi employer plan	632,366	32,559	664,925	239,488
Deferred inflow - OPEB single employer plan	1,219,867	80,391	1,300,258	187,237
Total deferred inflows of resources	18,265,328	128,625	18,393,953	466,100
NET POSITION				
Net investment in capital assets	10,384,664	29,943,483	40,328,147	23,680,865
Restricted for debt service	-	109,032	109,032	3,240,673
Restricted for renewal and replacement	-	-	-	790,942
Restricted for customer deposits	-	-	-	159,304
Unrestricted (deficit)	(46,545,451)	(638,275)	(47,183,726)	(1,086,319)
Total net position	(36,160,787)	29,414,240	(6,746,547)	26,785,465
Total liabilities, deferred inflows of resources, and net position	**$ 34,663,969**	**$ 40,697,289**	**$ 75,361,258**	**$ 52,561,455**

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

		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	$ 5,077,472	$ 232,413	$ -	$ -	$ (4,845,059)	$ -	$ (4,845,059)	$ -
Public safety	11,106,944	185,904	4,861,131	299,366	(5,760,543)	-	(5,760,543)	-
Streets and transportation	4,537,254	-	-	-	(4,537,254)	-	(4,537,254)	-
Health and sanitation	101,728	-	-	-	(101,728)	-	(101,728)	-
Culture and recreation	669,034	-	-	-	(669,034)	-	(669,034)	-
Social services	578	-	-	-	(578)	-	(578)	-
Total governmental activities	21,493,010	418,317	4,861,131	299,366	(15,914,196)	-	(15,914,196)	-
Business-type activities:								
Parking	395,398	184,387	-	-	-	(211,011)	(211,011)	-
Parks and recreation	2,797,927	1,347,045	481,194	7,500	-	(962,188)	(962,188)	-
Building commission	1,569,152	965,088	-	-	-	(604,064)	(604,064)	-
Total business-type activities	4,762,477	2,496,520	481,194	7,500	-	(1,777,263)	(1,777,263)	-
Total primary government	$ 26,255,487	$ 2,914,837	$ 5,342,325	$ 306,866	(15,914,196)	(1,777,263)	(17,691,459)	-
COMPONENT UNIT								
Beckley sanitary board	$ 7,793,161	$ 8,201,407	$ 80,075	$ -	-	-	-	488,321
General revenues								
Ad valorem taxes					3,160,498	-	3,160,498	-
Business & occupation tax					11,009,329	-	11,009,329	-
Consumer sales tax					6,417,157	-	6,417,157	-
Alcoholic beverage tax					191,278	-	191,278	-
Utility services tax					971,144	-	971,144	-
Hotel occupancy tax					707,384	-	707,384	-
Gas and oil severance tax					28,119	-	28,119	-
Other taxes					570,373	-	570,373	-
Coal severance tax					33,175	-	33,175	-
Interest income					3,036	97	3,133	5,189
Refunds					425,736	-	425,736	-
Gain (loss) on sale of capital assets					529,280	2,493	531,773	47,085
Insurance claims					22,391	-	22,391	-
Miscellaneous					184,849	129	184,978	22,532
Total general revenues					24,253,749	2,719	24,256,468	74,806
Transfers					(5,310,126)	5,310,126	-	-
Change in net position					3,029,427	3,535,582	6,565,009	563,127
Net position beginning of year					(39,190,214)	25,878,658	(13,311,556)	26,222,338
Net position end of year					$ (36,160,787)	$ 29,414,240	$ (6,746,547)	$ 26,785,465

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Coal Severance	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 6,574,286	$ 94,775	$ 3,845,167	$ 174,441	$ 10,688,669
Receivables:					
Taxes	5,167,607	10,023	-	-	5,177,630
Fines	52,391	-	-	-	52,391
Due from:					
Other funds	1,601,014	-	-	-	1,601,014
Other governments	522,080	-	-	-	522,080
Total assets	**$ 13,917,378**	**$ 104,798**	**$ 3,845,167**	**$ 174,441**	**$ 18,041,784**
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,377,485	$ -	$ -	$ 4,995	$ 1,382,480
Payroll payable	532,678	-	-	-	532,678
Benefits payable	37,565	-	-	-	37,565
Compensated absences payable	191,294	-	-	-	191,294
Deferred revenue	-	-	3,301,007	-	3,301,007
Due to other funds	1,011,166	-	543,960	-	1,555,126
Total liabilities	3,150,188	-	3,844,967	4,995	7,000,150
DEFERRED INFLOWS OF RESOURCES					
Property taxes	38,151	-	-	-	38,151
Unavailable revenue - other	144,991	-	-	-	144,991
Total deferred inflows of resources	183,142	-	-	-	183,142
FUND BALANCES					
Assigned	4,056,586	104,798	200	169,446	4,331,030
Unassigned	6,527,462	-	-	-	6,527,462
Total fund balances	10,584,048	104,798	200	169,446	10,858,492
Total liabilities, deferred inflows of resources and fund balances	**$ 13,917,378**	**$ 104,798**	**$ 3,845,167**	**$ 174,441**	**$ 18,041,784**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total governmental fund balances		$ 10,858,492
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.		11,003,661
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Ad valorem taxes	38,151	
Police fines	52,391	
Other	92,600	
Total		183,142
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	(34,246,684)	
Deferred inflows - pension	(16,413,095)	
Deferred outflows - pension	4,264,511	
Total		(46,395,268)
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	(9,870,603)	
Deferred inflows - OPEB	(1,852,233)	
Deferred outflows - OPEB	1,354,013	
Total		(10,368,823)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Financed leases	(618,997)	
Compensated absences	(822,994)	
Total		(1,441,991)
Net position of governmental activities		$ (36,160,787)

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General	Coal Severance	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem property tax	$ 3,224,461	$ -	$ -	$ -	$ 3,224,461
Business and occupancy tax	11,001,253	-	-	-	11,001,253
Alcoholic beverage tax	191,278	-	-	-	191,278
Consumer sales	6,417,157	-	-	-	6,417,157
Utility services tax	971,144	-	-	-	971,144
Hotel occupancy tax	707,384	-	-	-	707,384
Other taxes	570,373	-	-	-	570,373
Severance tax	28,119	33,175	-	-	61,294
Licenses and permits	232,116	-	-	-	232,116
Intergovernmental:					
Federal	4,283,370	-	543,960	17,777	4,845,107
State	2,970	-	-	12,062	15,032
Charges for services	45,585	-	-	-	45,585
Fines and forfeits	146,763	-	-	-	146,763
Interest and investment earnings	2,662	91	200	84	3,037
Refunds and reimbursements	430,647	-	-	-	430,647
Insurance claims	22,391	-	-	-	22,391
Contributions and donations	330,197	-	-	-	330,197
Miscellaneous	156,910	-	-	-	156,910
Total revenues	28,764,780	33,266	544,160	29,923	29,372,129
EXPENDITURES					
Current:					
General government	4,934,431	-	-	-	4,934,431
Public safety	11,900,938	-	-	43,121	11,944,059
Streets and transportation	4,356,144	-	-	-	4,356,144
Health and sanitation	96,978	-	-	-	96,978
Culture and recreation	668,806	-	-	-	668,806
Social services	578	-	-	-	578
Capital outlay	2,560,511	-	-	-	2,560,511
Total expenditures	24,518,386	-	-	43,121	24,561,507
Excess of revenues over (under) expenditures	4,246,394	33,266	544,160	(13,198)	4,810,622
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	755,984	-	-	-	755,984
Transfers in	589,686	-	-	-	589,686
Transfers out	(5,185,126)	(20,826)	(543,960)	(149,900)	(5,899,812)
Total other financing sources (uses)	(3,839,456)	(20,826)	(543,960)	(149,900)	(4,554,142)
Net change in fund balances	406,938	12,440	200	(163,098)	256,480
Fund balances beginning of year	10,177,110	92,358	-	332,544	10,602,012
Fund balances end of year	$ 10,584,048	$ 104,798	$ 200	$ 169,446	$ 10,858,492

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, 2021

Net change in fund balances - total governmental funds		$ 256,480
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	1,474,659	
Depreciation	(1,100,633)	
Excess of capital outlay over depreciation expense		374,026
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	(226,704)	
Total		(226,704)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Ad valorem taxes	(63,963)	
Police fines	(11,738)	
Municipal licenses	8,374	
Prior year federal government grant deferral	(1,518)	
Total		(68,845)
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	75,272	
Total		75,272
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Financed lease payments	150,483	
Total		150,483
Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expenses in the statement of activities.		
Change in pension liability	3,111,863	
Total		3,111,863
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	(643,148)	
Total		(643,148)
Change in net position of governmental activities		$ 3,029,427

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2021

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
ASSETS				
Current:				
Cash and cash equivalents	$ 34,604	$ 93,079	$ 50,710	$ 178,393
Receivables:				
Accounts	4,669	-	-	4,669
Taxes	-	341	-	341
Due from:				
Other funds	3,746	64,359	-	68,105
Other governments	-	71,680	-	71,680
Inventory	-	70,862	-	70,862
Prepaid expense	26,403	2,500	-	28,903
Total current assets	69,422	302,821	50,710	422,953
Noncurrent:				
Restricted assets:				
Regular account	-	-	109,032	109,032
Total restricted assets	-	-	109,032	109,032
Capital assets:				
Non-depreciable:				
Land	3,521,460	124,250	3,058,844	6,704,554
Copyright	-	3,500	-	3,500
Depreciable:				
Buildings	88,525	4,093,404	37,836,648	42,018,577
Structures and improvements	736,338	1,763,625	15,714	2,515,677
Machinery and equipment	64,364	842,027	27,600	933,991
Less: accumulated depreciation	(557,987)	(3,189,821)	(8,539,616)	(12,287,424)
Total capital assets, net	3,852,700	3,636,985	32,399,190	39,888,875
Total assets	3,922,122	3,939,806	32,558,932	40,420,860
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension	16,061	172,819	-	188,880
Deferred outflow - OPEB single employer plan	9,595	71,947	-	81,542
Deferred outflow - OPEB multi employer plan	-	6,007	-	6,007
Total deferred outflow of resources	25,656	250,773	-	276,429
Total assets and deferred outflows of resources	**$ 3,947,778**	**$ 4,190,579**	**$ 32,558,932**	**$ 40,697,289**
LIABILITIES				
Current:				
Accounts payable	$ 6,356	$ 110,075	$ -	$ 116,431
Payroll payable	1,725	69,064	-	70,789
Other accrued expenses	301	11,677	-	11,978
Compensated absences payable	-	6,074	-	6,074
Customer deposits	-	2,050	-	2,050
Due to other funds	-	1,000	-	1,000
Current portion of bonds payable	-	-	455,083	455,083
Deferred revenue	6,887	25,000	-	31,887
Total current liabilities	15,269	224,940	455,083	695,292
Long-Term:				
Compensated absences payable	2,845	75,980	-	78,825
Bonds payable	-	-	9,490,309	9,490,309
Net pension liability	20,339	221,806	-	242,145
OPEB liability - single employer plan	75,127	563,311	-	638,438
OPEB liability - multi employer plan	-	9,415	-	9,415
Total long-term liabilities	98,311	870,512	9,490,309	10,459,132
Total liabilities	113,580	1,095,452	9,945,392	11,154,424
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - PERS	1,317	14,358	-	15,675
Deferred inflow - OPEB single employer plan	9,460	70,931	-	80,391
Deferred inflow - OPEB multi employer plan	-	32,559	-	32,559
Total deferred inflow of resources	10,777	117,848	-	128,625
NET POSITION				
Net investment in capital assets	3,852,700	3,636,985	22,453,798	29,943,483
Restricted for debt services	-	-	109,032	109,032
Unrestricted	(29,279)	(659,706)	50,710	(638,275)
Total net position	3,823,421	2,977,279	22,613,540	29,414,240
Total liabilities, deferred inflows of resources, and net position	**$ 3,947,778**	**$ 4,190,579**	**$ 32,558,932**	**$ 40,697,289**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
For the Year Ended June 30, 2021

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
OPERATING REVENUES				
Sales and services to customers	$ 184,387	$ 1,347,045	$ 965,088	$ 2,496,520
Other operating revenues	-	129	-	129
Total operating revenues	184,387	1,347,174	965,088	2,496,649
OPERATING EXPENSES				
Personnel services	65,639	1,031,426	-	1,097,065
Contractual services	11,294	281,631	-	292,925
Administrative and general	30,474	119,446	2,526	152,446
Rents	-	54,047	-	54,047
Liability insurance	139,692	79,606	-	219,298
Materials and supplies	6,823	576,673	-	583,496
Utilities	68,184	207,531	-	275,715
Depreciation	15,374	217,275	1,071,529	1,304,178
Maintenance	-	68,413	-	68,413
Capital outlay	-	161,879	-	161,879
Amortization	-	-	(8,686)	(8,686)
Total operating expenses	337,480	2,797,927	1,065,369	4,200,776
Operating income (loss)	(153,093)	(1,450,753)	(100,281)	(1,704,127)
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	-	69	28	97
Interest and fiscal charges	(57,918)	-	(503,783)	(561,701)
Intergovernmental	-	460,047	-	460,047
Contributions	-	28,647	-	28,647
Proceeds (loss) from sale of capital assets	-	2,493	-	2,493
Total non-operating revenues (expenses)	(57,918)	491,256	(503,755)	(70,417)
Income (loss) before transfers	(211,011)	(959,497)	(604,036)	(1,774,544)
Transfers in	772,565	1,101,534	3,436,027	5,310,126
Change in net position	561,554	142,037	2,831,991	3,535,582
Net position beginning of year	3,261,867	2,835,242	19,781,549	25,878,658
Net position end of year	$ 3,823,421	$ 2,977,279	$ 22,613,540	$ 29,414,240

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, 2021

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	$ 165,227	$ 1,349,095	$ 965,088	$ 2,479,410
Cash payments for employee services and benefits	(107,011)	(1,150,736)	-	(1,257,747)
Cash payments to suppliers for goods and services	(260,605)	(1,745,884)	(382,376)	(2,388,865)
Other operating revenues	-	129	-	129
Net cash provided/(used) by operating activities	(202,389)	(1,547,396)	582,712	(1,167,073)
Cash flows from non-capital financing activities:				
Contributions	-	28,647	-	28,647
Transfers in	772,565	1,101,534	3,436,027	5,310,126
Intergovernmental	-	440,976	-	440,976
Net cash provided by non-capital financing activities	772,565	1,571,157	3,436,027	5,779,749
Cash flows from capital and related financing activities:				
(Acquisition) Disposal of capital assets	(29,776)	(109,616)	(861,652)	(1,001,044)
Gain (loss) on sale of capital assets	-	2,493	-	2,493
Principal paid on debt	(606,640)	-	(2,629,694)	(3,236,334)
Interest paid on debt	(57,918)	-	(503,783)	(561,701)
Net cash (used) for capital and related financing activities	(694,334)	(107,123)	(3,995,129)	(4,796,586)
Cash flows from investing activities:				
Investment earnings	-	69	28	97
Net increase (decrease) in cash and cash equivalents	(124,158)	(83,293)	23,638	(183,813)
Cash and cash equivalents beginning of year - includes $264,226 in restricted cash	158,762	176,372	136,104	471,238
Cash and cash equivalents end of year - includes $109,032 in restricted cash	$ 34,604	$ 93,079	$ 159,742	$ 287,425
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	$ (153,093)	$ (1,450,753)	$ (100,281)	$ (1,704,127)
Adjustments:				
Depreciation and amortization	15,374	217,275	1,062,843	1,295,492
(Increase)/decrease in assets:				
Accounts receivable	(514)	-	-	(514)
Taxes receivable	-	473	-	473
Due from other funds	1,412	(24,760)	-	(23,348)
Materials and supplies inventory	-	42,334	-	42,334
Prepaid items	1,124	20,500	-	21,624
Deferred outflows - pension	22,533	(88,740)	-	(66,207)
Deferred outflows - OPEB	(1,507)	(1,682)	-	(3,189)
Increase/(decrease) in liabilities:				
Accounts payable	(2,393)	(104,954)	(379,850)	(487,197)
Payroll payable	(1,291)	32,121	-	30,830
Other accrued expenses	(226)	5,690	-	5,464
Compensated absences payable	(3,054)	(2,221)	-	(5,275)
Customer deposits	(9,280)	2,050	-	(7,230)
Due to other funds	(4,281)	(130,251)	-	(134,532)
Pension	(18,424)	164,383	-	145,959
Deferred inflows - pension	(35,460)	(61,487)	-	(96,947)
OPEB	(1,077)	(139,630)	-	(140,707)
Deferred inflows - OPEB	(2,866)	(27,744)	-	(30,610)
Deferred revenue	(9,366)	-	-	(9,366)
Net cash provided/(used) by operating activities	$ (202,389)	$ (1,547,396)	$ 582,712	$ (1,167,073)

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
June 30, 2021

	Pension Trust Funds	Employee Health Insurance Fund	Agency Funds
ASSETS			
Cash and deposits	$ 1,266,420	$ 5,217	$ 246,717
Investments, at fair value	51,857,548	138,221	-
Receivables:			
Fines, net	-	-	68,883
Accounts receivable - other	69,896	-	-
Total receivables	69,896	-	68,883
Total assets	**$ 53,193,864**	**$ 143,438**	**$ 315,600**
LIABILITIES			
Accounts payable	$ -	$ 3,444	$ 24,800
Seized evidence funds	-	-	122,749
Due to other funds	1,400	-	159,102
Due to other governments	-	-	8,949
Total liabilities	1,400	3,444	315,600
NET POSITION			
Net position held in trust	53,192,464	139,994	-
Total liabilities and net position	**$ 53,193,864**	**$ 143,438**	**$ 315,600**

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2021

	Pension Trust Funds	Employee Health Insurance Fund
ADDITIONS		
Contributions:		
Employer	$ 1,454,816	$ 106,667
State	1,084,097	-
Employee	469,850	36,468
Total contributions	3,008,763	143,135
Investment income:		
Net appreciation (depreciation)	8,334,622	-
Net realized gain (loss) on sale or exchange	701,731	-
Interest and dividends	1,401,790	1,579
Investment expense	(164,550)	-
Net investment income	10,273,593	1,579
Total additions	13,282,356	144,714
DEDUCTIONS		
Benefit payments	3,601,348	371,071
Administrative expense	3,064	-
Refunds	67,550	(3,047)
Total deductions	3,671,962	368,024
Change in net position	9,610,394	(223,310)
Net position held in trust		
Beginning of year	43,582,070	363,304
End of year	$ 53,192,464	$ 139,994

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 *American Rescue Plan* fund, a special revenue fund, accounts for revenues and expenditures from the American Rescue Plan Act.

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.

13. Change in Accounting Principle

Effective July 1, 2020, the Municipality adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of the requirements is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. This Statement establishes standards of accounting and financial reporting for fiduciary activities.

Effective July 1, 2020, the Municipality adopted GASB Statement No. 87, *Leases*. The objective of the requirements of these statements is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments.

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	$ 6,083,314	General Government
	12,176,400	Public Safety
	4,933,150	Streets and Transportation
	108,100	Health and Sanitation
	920,000	Culture and Recreation
	3,500	Social Services
	2,020,000	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, 2021.

Law Enforcement Investigation	$ (38,182)
Capital Reserve Fund	$ (124,916)

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:

Policemen's Pension and Relief	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Cash & Cash Equivalents	$ 706,182	Not Rated	Not Rated
Certificate of Deposit	50,320	Not Rated	Not Rated
Federal Government Securities	190,185	AA+ to B-	Aaa to A2
Mutual Funds	9,784,974	Not Rated	Not Rated
Common Stock	12,141,609	Not Rated	Not Rated
Corporate Bonds	6,228,041	AAA to BBB-	Aa1 to Baa3
Municipal Bonds	153,904	AAA to A	Aaa to A1
Preferred Stocks	199,025	A to BBB-	Not Rated
Total	$ 29,454,240		

Policemen's Pension and Relief Interest Rate Risk	0-5 Years	5-10 Years	Over 10 Years
Cash & Cash Equivalents	$ 706,182	$ -	$ -
Certificate of Deposit	50,320	-	-
Federal Government Securities	51,244	66,631	72,310
Mutual Funds	9,784,974	-	-
Common Stock	12,141,609	-	-
Corporate Bonds	4,550,688	1,588,815	88,538
Municipal Bonds	47,303	106,601	-
Preferred Stocks	199,025	-	-
Total	$ 27,531,345	$ 1,762,047	$ 160,848

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	$ 560,238	Not Rated	Not Rated
Certificate of Deposit	-	Not Rated	Not Rated
Federal Government Securities	328,476	AA+ to B-	Aaa to A2
Mutual Funds	9,174,499	Not Rated	Not Rated
Common Stock	9,045,798	Not Rated	Not Rated
Corporate Bonds	4,103,042	A to BB+	Aa1 to Baa3
Municipal Bonds	258,651	AAA to A	Aa1 to A1
Preferred Stocks	199,025	BBB+ to BBB-	Not Rated
Total	$23,669,729		

Firemen's Pension and Relief

Interest Rate Risk	0-5 Years	5-10 Years	Over 10 Years
Cash & Cash Equivalents	$ 560,238	$ -	$ -
Certificate of Deposit	-	-	-
Federal Government Securities	51,244	214,502	62,730
Mutual Funds	9,174,499	-	-
Common Stock	9,045,798	-	-
Corporate Bonds	3,179,659	849,602	73,781
Municipal Bonds	152,050	106,601	-
Preferred Stocks	199,025	-	-
Total	$ 22,362,513	$ 1,170,705	$ 136,511

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, 2021. 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, 2021, 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	$ 2,254,218	7.65%
	Washington Mutual Investors	$ 1,795,209	6.09%

	Issuer	Fair Value	Percent
Firemen's Pension and Relief	Vanguard Index FDS	$ 1,769,495	7.47%
	Washington Mutual Investors	$ 2,337,361	9.87%

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 governments and the fiduciary funds' carrying amount bank balances were $10,803,068 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 $53,578,116. The investments were 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	$ 9,393,747	$ 1,518,354
Investments – collateralized and secured	1,582,347	51,995,769
Total	$ 10,976,094	$ 53,514,123

Cash and cash equivalents	$ 9,284,715	$ -
Cash and cash equivalents – restricted	109,032	1,518,354
Investments - unrestricted	1,582,347	-
Investments - restricted	-	51,995,769
Total	$ 10,976,094	$ 53,514,123

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 $672,735, 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 $4,241,650 of which $1,651,125 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	$ 672,735
Investments – collateralized and secured	4,241,650
Total	$ 4,914,385

Cash and cash equivalents	$ 672,735
Cash and cash equivalents – restricted	50,731
Investments - restricted	4,190,919
Total	$ 4,914,385

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	$ -	$ -	$ 4,669	$ -	$ -	$ 4,669	$ 1,428,486
Taxes	5,167,607	10,023	-	341	-	5,177,971	2,166
Fines	52,391	-	-	-	68,883	121,274	-
Other	-	-	-	-	69,896	69,896	-
Gross receivables	5,219,998	10,023	4,669	341	138,779	5,373,810	1,430,652
Less: Allowance for Uncollectible	-	-	-	-	-	-	(252,000)
Net Total Receivables	$ 5,219,998	$ 10,023	$ 4,669	$ 341	$ 138,779	$ 5,373,810	$ 1,178,652

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)	$	38,151
Unavailable revenue - other (General Fund)		144,991
Total	$	183,142

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, 2021, were as follows:

Class of Property	Assessed Valuations for Tax Purposes	Current Expense	Taxes Levied
Class II	$ 272,383,698	25.00¢	$ 680,960
Class IV	504,283,402	50.00¢	2,521,417
Less: uncollectables, exonerations, and delinquencies			(224,166)
Less: tax discounts			(59,564)
Less: assessor's valuation fund			(56,914)
Net amount to be raised by levy of property taxes			$ 2,861,733

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 $38,151.

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, 2021, was as follows:

	Primary Government			
Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,193,630		$ (26,709)	$ 3,166,921
Construction in progress	301,996	51,003	(301,996)	51,003
Works of Art	45,050	162,612	-	207,662
Total capital assets not being depreciated	3,540,676	213,615	(328,705)	3,425,586
Capital assets being depreciated:				
Buildings	1,847,887	235,951	(656,635)	1,427,203
Structures and improvements	1,087,787	166,850	(340,777)	913,860
Machinery and equipment	21,108,798	1,079,507	(10,096,871)	12,091,434
Software	313,806		(42,023)	271,783
Infrastructure	3,902,951	602,523	(2,044,936)	2,460,538
Total accumulated depreciation	(20,971,640)	(1,100,633)	12,485,530	(9,586,743)
Total capital assets being depreciated, net	7,289,589	984,198	(695,712)	7,578,075
Governmental activities capital assets, net	$ 10,830,265	$ 1,197,813	$(1,024,417)	$ 11,003,661

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 6,677,962	$ 29,776	$ (3,184)	$ 6,704,554
Copyright	3,500	-	-	3,500
Construction in progress	4,912,215	-	(4,912,215)	-
Total capital assets not being depreciated	11,593,677	29,776	(4,915,399)	6,708,054
Capital assets being depreciated:				
Buildings	36,229,365	5,794,206	(4,994)	42,018,577
Structures and improvements	2,449,850	74,255	(8,428)	2,515,677
Machinery and equipment	925,428	20,901	(12,338)	933,991
Total accumulated depreciation	(11,006,311)	(1,304,178)	23,065	(12,287,424)
Total capital assets being depreciated, net	28,598,332	4,585,184	(2,695)	33,180,821
Business-type activities capital assets, net	$ 40,192,009	$ 4,614,960	$ (4,918,094)	$ 39,888,875

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

Governmental activities:	
General government	$ 154,589
Public safety	660,529
Highways and streets, including depreciation of general infrastructure asset	285,515
Total depreciation expense – governmental activities	$ 1,100,633
Business-type activities:	
Parking fund	$ 15,374
Parks & recreation fund	217,275
Building commission fund	1,071,529
Total depreciation expense – business-type activities	$ 1,304,178

Component Unit:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 605,566	$ -	$ -	$ 605,566
Construction in progress	267,115	300,909	(177,380)	390,644
Total capital assets not being depreciated	872,681	300,909	(177,380)	996,210
Capital assets being depreciated:				
Buildings	36,665,533	-	(6,750)	36,658,783
Structures and improvements	38,757,937	736,771	(371,580)	39,123,128
Machinery and equipment	4,107,689	496,234	(1,694,467)	2,909,456
Software	122,036	-	(62,738)	59,298
Total accumulated depreciation	(34,303,943)	(1,978,388)	2,001,890	(34,280,441)
Total capital assets being depreciated, net	45,349,252	(745,383)	(133,645)	44,470,224
Component Unit activities capital assets, net	$ 46,221,933	$ (444,474)	$ (311,025)	$ 45,466,434

Construction in Progress

The primary government had an active construction project as of June 30, 2021. The project includes the construction of a downtown plaza. At year end, the amounts spent-to-date are as follows:

Governmental Projects:	Spent-to-date
Downtown Plaza Green Space	$ 51,003
Total Governmental Projects	$ 51,003

The component unit – Beckley Sanitary Board had active construction projects as of June 30, 2021. 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
City Avenue	$ 9,500	Morgan Hills	$ 56,797
Project Seed Bed	115	1548 Harper Road	6,582
Hartley Avenue	12,858	339 Eisenhower Drive	1,948
1548 Harper Road	13,242	1129 S Fayette Street	33,677
Jonathan Drive	48,543	Jonathan Dr	56,359
Ned Payne Drive	51,712	Deepwood Ave	11,604
S Hill Street	858	Meadowbrook	4,133
S Eisenhower Drive	375	Total Stormwater Projects	$ 171,100
S Fayette Street	79,087		
Phillips Street	3,254		
Total Sewer Projects	$ 219,544	Total Sewer and Stormwater Projects	$ 390,644

NOTE VI – LONG TERM DEBT

Revenue Bonds

Revenue bonds outstanding as of June 30, 2021 consist of debt issued by the Municipality for its Building Commission, 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, 2021
Parking Series 2009-A	$ 1,485,000	$ -	$ 1,485,000	$ -
Bldg Commission 2017*	6,091,604	-	871,604	5,220,000
Bldg Commission 2018	2,400,000	-	2,400,000	-
Bldg Commission 2019	4,704,000	-	81,393	4,622,607
Total revenue bonds	$ 14,680,604	$ -	$ 4,837,997	$ 9,842,607

* 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, 2021
2004-A Sanitary	$ 9,039,000	$ (6,430,774)	$ 2,608,226
2009-A Sanitary	679,316	(348,597)	330,719
2009-C Sanitary	1,035,783	(280,686)	755,097
2010 Stormwater	2,000,000	(2,000,000)	-
2015-A Sanitary	3,614,914	(384,799)	3,230,115
2017 Sanitary	15,450,000	(2,045,000)	13,405,000
2020 Stormwater	1,212,000	(44,864)	1,167,136
Total revenue bonds	$ 33,031,013	$ (11,534,720)	$ 21,496,293

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 $0. Principal and interest paid for the current year and total customer net revenues $684,860 and ($137,719), 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 $5,220,000. Principal and interest paid for the current year total customer net revenues were $567,267 and $971,248, 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 $0. Principal and interest paid for the current year and total customer net revenues were $2,381,041 and ($1,233,478), 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. Principal and interest paid for the current year and total customer net revenues were $272,335 and $971,248, respectively.

The component unit – Beckley Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay $9,039,000 in water system revenue bonds issued in September 2004. Proceeds from the bonds provided financing for the construction and maintenance of the wastewater treatment facility. The bonds are payable solely from sewerage customer net revenues and are payable through June 2026. Annual principal and interest payments on the bonds are expected to require less than 25 percent of net revenues. The total principal remaining to be paid on the bonds is $2,608,226. Principal and interest paid for the current year and the total customer net revenues were $549,464 and $2,765,366, 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 $330,719. Principal and interest paid for the current year and the total customer net revenues were $41,294 and $2,765,366, 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 $755,097. Principal and interest paid for the current year and total customer net revenues were $26,732 and $2,765,366, 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 $0. Principal and interest paid for the current year and total customer net revenues were $72,022 and $318,999, 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 $3,230,115. Principal and interest paid for the current year and total customer net revenues were $137,528 and $2,765,366, 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 $13,405,000. Principal and interest paid for the current year and total customer net revenues were $1,306,873 and $2,765,366, respectively.

The component unit – Beckley Sanitary Board has pledged future stormwater utility customer revenues, net of specified operating expenses, to repay $1,212,000 in stormwater utility revenue bonds issued December 2020. Proceeds from the bonds provided refinancing for the December 2010 bond issuance. The bonds are payable solely from storm water 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 $1,167,136. Principal and interest paid for the current year and total customer net revenues were $55,750 and $318,999, respectively.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

Description and Purpose	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021	Due within One Year
Primary Government					
Governmental Activities					
Compensated Absences	$ 1,076,177	$ 702,118	$ (764,007)	$ 1,014,288	$ 191,294
Lease Obligations Payable	743,407	26,073	(150,483)	618,997	108,827
Net pension Liability	41,806,925	-	(7,560,241)	34,246,684	-
OPEB Liability	8,930,872	939,731	-	9,870,603	-
Total Governmental Activities	52,557,381	1,667,922	(8,474,731)	45,750,572	300,121
Business-type Activities					
Revenue Bonds:					
Parking Fund	655,000	-	(655,000)	-	-
Building Commission	12,583,772	-	(2,638,380)	9,945,392	455,083
Total Revenue Bonds	13,238,772	-	(3,293,380)	9,945,392	455,083
Compensated Absences	90,174	53,573	(58,848)	84,899	6,074
Net Pension Liability	96,186	145,959	-	242,145	-
OPEB Liability	788,560	-	(140,707)	647,853	-
Total Business-type Activities	14,213,692	199,532	(3,492,935)	10,920,289	461,157
Total Primary Government Long-Term Debt	$ 66,771,073	$ 1,867,454	$ (11,967,666)	$ 56,670,861	$ 761,278

Description and Purpose	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021	Due Within One Year
Component Unit					
Revenue Bonds:					
Sanitary Board	$ 21,832,285	$ -	$ (1,503,128)	$ 20,329,157	$ 1,609,320
Stormwater Utility	1,247,957	1,212,000	(1,292,821)	1,167,136	111,731
Less: deferred amounts	-	-	-	-	-
Total Revenue Bonds	23,080,242	1,212,000	(2,795,949)	21,496,293	1,721,051
Lease Obligations Payable	106,233	289,286	(106,243)	289,276	95,276
Compensated Absences	249,478	138,117	(105,379)	282,216	41,121
Net Pension Liability	182,446	425,806	-	608,252	-
OPEB Liability	1,760,525	-	(204,302)	1,556,223	-
Total Component Unit Long-Term Debt	$ 25,378,924	$ 2,065,209	$ (3,211,873)	$ 24,232,260	$ 1,857,448

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	5/1/2033	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	3/1/2030	2.00%	679,316
Sanitary Board (Series 2009-C WV CWSRF Program)	9/18/2009	9/1/2049	0.00%	1,035,783
Sanitary Board (Series 2015-A)	10/22/2015	6/1/2046	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	6/1/2033	3.35%	14,830,000
Stormwater Utility (Series 2010)	12/15/2010	1/1/2031	3.87%	2,000,000
Stormwater Utility (Series 2020)	12/15/2020	1/1/2031	1.95%	1,212,000
Total				$ 33,031,013

The annual debt service requirements to maturity, including principal and interest and administrative fees for bonds payable as of June 30, 2021 are as follows:

	Business-type Activities		Component Unit			
	Building Commission		Stormwater Utility		Sanitary Board	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest & Fees
2022	455,083	392,216	111,731	22,068	1,609,320	519,766
2023	473,104	377,487	113,960	19,839	1,650,731	477,339
2024	486,625	362,505	116,186	17,613	1,697,356	433,746
2025	502,115	345,283	118,551	15,248	1,744,213	388,726
2026	521,470	327,838	120,916	12,882	1,786,296	342,304
2027-2031	6,425,876	964,698	585,792	27,456	6,747,160	1,102,141
2032-2036	978,334	68,044	-	-	3,399,260	174,349
2037-2041	-	-	-	-	795,592	24,467
2042-2046	-	-	-	-	812,341	8,944
2047-2051					86,888	-
Total	$ 9,842,607	$ 2,838,071	$ 1,167,136	$ 115,106	$ 20,329,157	$ 3,471,782

NOTE VII – LEASE COMMITMENTS

Financed Leases

The Municipality's outstanding lease agreements include acquisitions of equipment and vehicles at a cost of $1,293,594 and to purchase equipment, software and property for the Sanitary Board at a cost of $407,402. 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,	Governmental Activities		Component Unit Beckley Sanitary Board	
	Principal	Interest	Principal	Interest
2022	108,827	21,616	95,276	9,279
2023	117,205	17,340	87,603	5,491
2024	126,030	12,739	52,448	2,602
2025	135,323	7,797	46,174	1,026
2026	131,612	2,501	7,775	34
2027-2032	-	-	-	-
Totals	$ 618,997	$ 61,993	$ 289,276	$ 18,432

Interest rates on capital leases vary from 2.75% to 4.93% 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 financed leases for the fiscal year ended June 30, 2021, amounted to $25,244, all of which was expensed. Total interest expense on component unit capital leases for the fiscal year ended June 30, 2021, amounted to $13,680.

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: Parks and Recreation	Police Fine Trust Fund	Sewerage	Stormwater	Payroll	American Rescue	Police Pension	Fire Pension	Total
General	$ 1,000	$ 106,711	$ 104,232	$ 31,490	$ 813,621	$ 543,960	$ -	$ -	$ 1,601,014
Parking	-	-	-	-	3,746	-	-	-	3,746
Parks	-	-	-	-	64,359	-	-	-	64,359
Payroll	-	-	-	-	-	-	1,070	330	1,400
Sewerage	-	-	-	27,412	109,495	-	-	-	136,907
Stormwater	-	-	-	-	21,345	-	-	-	21,345
Total	$ 1,000	$ 106,711	$ 104,232	$ 58,902	$ 1,012,566	$ 543,960	$ 1,070	$ 330	$ 1,828,771

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: Parks	Parking	General	Building Comm	Total Transfers From
General	$ 1,101,534	$ 772,565	$ -	$ 3,311,027	$ 5,185,126
Coal Severance	-	-	20,826	-	20,826
Capital Reserve	-	-	-	125,000	125,000
Law Enforcement Investigation	-	-	24,900	-	24,900
American Rescue	-	-	543,960	-	543,960
Total Transfers To	$ 1,101,534	$ 772,565	$ 589,686	$ 3,436,027	$ 5,899,812

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	$ 109,032	$ 3,240,673
Revenue bond renewal and replacement account	-	790,942
Customer deposits	-	159,304
	$ 109,032	$ 4,190,919

NOTE X – FUND BALANCE DETAIL

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

	General Fund	Coal Severance	American Rescue	Nonmajor Funds	Total
Assigned:					
General Government	$ 4,056,586	$ 104,798	$ -	$ -	$ 4,161,384
Public Safety	-	-	-	148,144	148,144
American Rescue	-	-	200	-	200
Capital projects	-	-	-	21,302	21,302
Unassigned	6,527,462	-	-	-	6,527,462
Total Fund Balances	$ 10,584,048	$ 104,798	$ 200	$ 169,446	$ 10,858,492

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, 2021, 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	$ 565,302
Firemen's Pension and Relief Fund	518,795
Total	$ 1,084,097

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, 2020.

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, 2020.

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	54	47	101
Inactive employees entitled to but not yet receiving benefits	1	0	1
Inactive employees or beneficiaries currently receiving benefits	36	37	73
Total	91	84	175

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 participating employees, 9.5% for DROP participants	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, 2021, 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, 2020 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, 2014 through June 30, 2017. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

Actuarial Assumptions	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
Inflation rate	2.50%	2.50%
Salary increases	Vary by years of service	Vary by years of service
Investment rate of return	5.50%	4.75%

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, 2021 the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense was 6.76 percent for the PPRF and 6.91 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, 2021, 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	$ 39,361,910	$ 46,788,053
Plan fiduciary net position	(29,497,773)	(23,696,091)
Net pension liability	$ 9,864,137	$ 23,091,962

	PPRF	FPRF
Plan fiduciary net position as a percentage of the total pension liability	74.94%	50.65%

Discount Rate

The discount rate used to measure the total pension liability was 5.50 percent for PPRF and 4.75 percent for FPRF, and the municipal bond rate of 1.92% for both plans. The projection of cash flows used to determine this single discount rate assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members, for all future plan years. Therefore, the single discount rate of 5.50% (PPRF) and 4.75%(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	$ 15,830,597	$ 9,864,137	$ 5,067,130
FPRF's net pension liability	$ 29,663,445	$ 23,091,962	$ 17,773,776

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, 2020	$38,227,092	$24,230,044	$13,997,048
Charges for the year:			
Service Cost	944,209	-	944,209
Benefit Changes	27,539	-	27,539
Interest	2,243,140	-	2,243,140
Differences between expected & actual experience	(975,922)	-	(975,922)
Assumption Change	578,721	-	578,721
Contributions – employer	-	1,195,018	(1,195,018)
Contributions – employee	-	239,218	(239,218)
Net investment income	-	5,516,386	(5,516,386)
Benefit payments	(1,615,319)	(1,615,319)	-
Administrative expenses	-	(24)	24
Refunds	(67,550)	(67,550)	-
Net changes	1,134,818	5,267,729	(4,132,911)
Balances at June 30, 2021	$39,361,910	$29,497,773	$ 9,864,137

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, 2020	$46,738,395	$19,509,772	$27,228,623
Charges for the year:			
Service Cost	979,236	-	979,236
Interest	2,287,269	-	2,287,269
Benefit Changes	240,195	-	240,195
Differences between expected & actual experience	486,583	-	486,583
Assumption Change	(1,957,595)	-	(1,957,595)
Contributions – employer	-	1,343,896	(1,343,896)
Contributions – employee	-	230,632	(230,632)
Net investment income	-	4,600,863	(4,600,863)
Benefit payments	(1,986,030)	(1,986,030)	-
Administrative expenses	-	(3,042)	3,042
Refunds	-	-	-
Net changes	49,658	4,186,319	(4,136,661)
Balances at June 30, 2021	$46,788,053	$23,696,091	$23,091,962

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

For the year-ended June 30, 2021, the government recognized the following pension expenses:

	PPRF	FPRF
Pension Expense	$ 494,182	$ (891,701)

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	$ 443,124	$ (1,348,175)
Changes in assumptions	1,780,238	(2,589,995)
Net difference between projected and actual investment earnings	-	(3,254,362)
Total	$ 2,223,362	$ (7,192,532)

	FPRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 794,403	$ (998,666)
Changes in assumptions	241,016	(5,000,161)
Net difference between projected and actual investment earnings	-	(3,138,191)
Total	$ 1,035,419	$ (9,137,018)

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
2022	(1,486,858)
2023	(1,313,739)
2024	(796,659)
2025	(1,371,914)
2026	-
Total	$ (4,969,170)

Year Ended June 30,	FPRF
2022	(2,876,842)
2023	(3,431,962)
2024	(1,065,647)
2025	(727,148)
2026	-
Total	$ (8,101,599)

Pension Trust Fund Statements

	Policemen's Pension and Relief	Firemen's Pension and Relief
Assets		
Cash and deposits	$ 706,182	$ 560,238
Investments, at fair value:		
Government securities	344,089	587,127
Corporate bonds	8,823,801	6,785,208
Corporate stocks	19,424,959	15,737,156
Alternative investments	155,209	-
Total investments	28,748,058	23,109,491
Receivables:		
Accounts receivable	43,533	26,362
Total assets	$ 29,497,773	$ 23,696,091
Liabilities		
Accounts payable	$ -	$ -
Deferred Outflows		
Total deferred outflows of resources	-	-
Deferred Inflows		
Total deferred inflows of resources	-	-
Net Position		
Net position restricted for pension benefits	29,497,773	23,696,091
Total liabilities and net position	$ 29,497,773	$ 23,696,091

	Policemen's Pension and Relief	Firemen's Pension and Relief
Additions		
Contributions:		
Employer	$ 629,716	$ 825,101
State	565,302	518,795
Employee	239,218	230,632
Receivable	-	-
Total Contributions	1,434,236	1,574,528
Investment Income:		
Net appreciation (depreciation)	4,500,494	3,834,128
Net realized gain (loss) on sale or exchange	324,994	376,737
Interest and dividends	780,986	620,804
Other income	1,070	330
Investment expense	-	(73,391)
Net investment income	5,607,544	4,758,608
Total additions	7,041,780	6,333,136
Deductions		
Benefit payments	1,615,319	1,986,030
Pension plan administrative expense	91,158	3,041
Refunds	67,550	-
Other	24	-
Total deductions	1,774,051	1,989,071
Payable	-	-
Change in net assets	5,267,729	4,344,065
Net assets held in trust for pension benefits:		
Beginning of year	24,230,044	19,352,026
End of year	$ 29,497,773	$ 23,696,091

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
2021	460,812	100%
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, 2021, 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, 2021, the Municipality reported the following proportions and increases/decreases from its proportion measure as of June 30, 2020.

	PERS
Amount for proportionate share of net pension liability	$ 1,532,728
Percentage for proportionate share of net pension liability – current year	.289921%
Percentage for proportionate share of net pension liability – prior year	. 315070%
Increase/(Decrease) % from prior proportion measured	(.025149%)

For the year ended June 30, 2021, the Municipality recognized the following pension expense:

	Governmental Activities	Business-Type Activities
Pension Expense	$ 387,860	$ 72,952

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	$ 22,444	$ -
Difference between expected and actual experience	225,556	(31,598)
Contributions made after measurement date	460,812	-
Net difference between projected and actual investment earnings	485,798	(88)
Difference in assumptions	-	(67,534)
Total	$ 1,194,610	$ (99,220)

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, 2022. 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:	
2022	$ (51,165)
2023	231,169
2024	279,707
2025	174,867
Total	$ 634,578

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019, rolled forward to June 30, 2020, 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	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2029
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 – 117% 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:

Asset Class	Target Allocation	Long-term Expected ROR
US Equity	27.50%	5.5%
International Equity	27.50%	7.0%
Fixed Income	15.00%	2.2%
Private Equity	10.00%	8.5%
Hedge Funds	10.00%	4.0%
Real Estate	10.00%	6.6%
Total	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)	$ (3,905,194)	$ (1,532,728)	$ 473,235

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 $17,000 and $235,000 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, 2021, the Municipality abated business and occupation taxes totaling $143,335 under this program.

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.

The Plan had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2020.

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.

For additional financial information, which may be used for disclosure by participating employers, please refer to the audited financial statements of the RHBT. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. If you have any questions about this report or need additional information, contact the Chief Financial Officer, Jason Haught, at 304-957-2627, ext. 72627 or the RHBT Controller, Jennifer Priddy, at 304-352-0298, ext. 20298. You can also submit your questions in writing to 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 $142 million for fiscal year ended June 30, 2020.

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, 2021, the Municipality reported a liability of $192,268 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, 2019, rolled forward to June 30, 2020, 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, 2020, the Municipality's proportion was 0.04353176155%, which was an increase of 0.001063% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Municipality recognized OPEB expense of $238,727.

At June 30, 2021, 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	$ 21,102	$ (6,508)
Differences between expected and actual non-investment	-	(124,663)
Changes in Assumptions (gain)/loss	-	(433,987)
Changes in Proportion and differences between employer contributions and proportionate share of contributions	17,631	(88,404)
Contributions subsequent to the measurement date	83,947	-
Reallocation of opt-out employer change in proportionate share	-	(11,363)
Total	$ 122,680	$ (664,925)

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, 2022. 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:	
2022	$ (283,079)
2023	(202,206)
2024	(136,405)
2025	(4,502)
Total	$ (626,192)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.25%
Wage inflation	2.75%
Investment Rate of Return	6.65%, 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 beginning June 30, 2017
Salary increases	Dependent upon pension system, ranging from 2.75% to 5.18%, 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: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females
Healthcare Cost Trend Rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036
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, 2015 through June 30, 2020.

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

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	55.00%	6.8%
Core plus fixed income	15.00%	4.1%
Core real estate	10.00%	6.1%
Private Equity	10.00%	8.8%
Hedge Funds	10.00%	4.4%
Total	100.00%	

Discount rate.

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.13% as of the beginning of the year and 2.45% 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, 2025, 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 applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

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 (5.65%)	Current Discount Rate (6.65%)	1 % Increase (7.65%)
$	274,198	$ 192,268	$ 123,680

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
$	115,689	$ 192,268	$ 284,758

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 $11,813,162 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, 2021, the measurement date was June 30, 2021.

For this fiscal year, the Municipality recognized OPEB expense of $811,462. 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	$ 1,508,802	$ (32,746)
Differences between expected and actual experience	-	(1,454,749)
	$ 1,508,802	$ (1,487,495)

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, 2022. 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:

2022	$ 825
2023	825
2024	825
2025	825
2026	825
2027-2028	17,182
Total	$ 21,307

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.750%
Salary Increases	3.50%
Healthcare Trend	6.00% initially, grading down to 4.25% ultimate
Discount Rate	1.92%
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, 2021 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 2.45% to 1.92% in the current year from the prior year.

Discount Rate

The discount rate used to measure the total OPEB liability was 1.92%. 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, 2021.

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 1.92%, 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 0.9200%	Current Discount Rate Assumption 1.9200%	1% Increase 2.9200%
Net OPEB Liability	$ 13,072,184	$ 11,813,162	$ 10,693,222

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 6.00% to an ultimate rate of 4.250%, 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	$ 10,423,615	$ 11,813,162	$ 13,451,861

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, 2021 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.

On November 29, 2021 the Municipality conveyed property formerly used as Beckley Trash Dump/Landfill to the New River Gorge Regional Development Authority (NRGRDA). The preliminary environmental studies of the City dump site show that there are environmental issues that will have to be addressed and remediated prior to the development of the property. New River Gorge Regional Development Authority has offered to apply for the Brownfields Remediation Grant to be used to clean up the City dump and the City has agreed to covey the property to the New River Gorge Regional Development Authority in order that they may be eligible to apply for and receive the Brownfields Remediation Grant. The New River Gorge Regional Development Authority and the Municipality have entered into an agreement in which the NRGRDA agrees to own the property during the remediation phase and further agrees to transfer title to the property back to the City upon completion of the remediation of the property. The estimated liability of the cleanup of this property is $600,000. A liability was not recorded as of June 30, 2021 as it was no longer a liability as of the date of the audit.

The Municipality's management has evaluated the effect that subsequent events would have on the Municipality's financial statements through January 28, 2022, which is the date the financial statements were available to be released.

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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, 2021

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes:				
Ad valorem property tax	$ 3,316,233	$ 3,316,233	$ 3,224,461	$ (91,772)
Business and occupancy tax	10,000,000	10,000,000	11,001,253	1,001,253
Alcoholic beverage tax	192,000	192,000	191,278	(722)
Utility services tax	750,000	750,000	971,144	221,144
Hotel occupancy tax	920,000	700,000	707,384	7,384
Sales tax	4,900,000	5,100,000	6,417,157	1,317,157
Other taxes	470,000	470,000	570,373	100,373
Severance taxes	10,000	10,000	28,119	18,119
Licenses and permits	99,050	99,050	232,116	133,066
Intergovernmental:				
Federal	750,000	750,000	4,283,370	3,533,370
State	-	-	2,970	2,970
Charges for services	24,000	24,000	45,585	21,585
Fines and forfeits	235,000	235,000	146,763	(88,237)
Interest and investment earnings	12,000	12,000	2,662	(9,338)
Refunds and reimbursements	272,200	272,200	430,647	158,447
Insurance claims	25,000	25,000	22,391	(2,609)
Contributions and donations	902,000	902,000	330,197	(571,803)
Miscellaneous	21,400	21,400	156,910	135,510
Total revenues	22,898,883	22,878,883	28,764,780	5,885,897
EXPENDITURES				
Current:				
General government	5,970,718	6,083,314	4,934,431	(1,148,883)
Public safety	11,156,400	12,176,400	11,900,938	(275,462)
Streets and transportation	4,583,150	4,933,150	4,356,144	(577,006)
Health and sanitation	108,100	108,100	96,978	(11,122)
Culture and recreation	920,000	920,000	668,806	(251,194)
Social services	3,500	3,500	578	(2,922)
Capital outlay	1,565,000	2,020,000	2,560,511	540,511
Total expenditures	24,306,868	26,244,464	24,518,386	(1,726,078)
Excess of revenues over (under) expenditures	(1,407,985)	(3,365,581)	4,246,394	7,611,975
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	12,000	735,000	755,984	20,984
Transfers in	-	-	589,686	589,686
Transfers out	-	-	(5,185,126)	(5,185,126)
Total other financing sources (uses)	12,000	735,000	(3,839,456)	(4,574,456)
Net change in fund balances	(1,395,985)	(2,630,581)	406,938	3,037,519
Fund balances beginning of year	1,395,985	2,630,581	10,177,110	7,546,529
Fund balances end of year	$ -	$ -	$ 10,584,048	$ 10,584,048

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, 2021

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes:				
Severance tax	$ 45,000	$ 45,000	$ 33,175	$ (11,825)
Interest and investment earnings	250	250	91	(159)
Total revenues	45,250	45,250	33,266	(11,984)
EXPENDITURES				
Current:				
Streets and transportation	25,250	25,250	-	(25,250)
Culture and recreation	30,000	59,408	-	(59,408)
Total expenditures	55,250	84,658	-	(84,658)
Excess of revenues over (under) expenditures	(10,000)	(39,408)	33,266	72,674
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(20,826)	(20,826)
Total other financing sources (uses)	-	-	(20,826)	(20,826)
Net change in fund balances	(10,000)	(39,408)	12,440	51,848
Fund balances beginning of year	10,000	39,408	92,358	52,950
Fund balances end of year	$ -	$ -	$ 104,798	$ 104,798

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2021

	Policemen's Pension and Relief Fund							
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	$ 944,209	$ 1,180,545	$ 1,090,463	$ 1,083,033	$ 932,441	$ 527,526	$ 605,759	$ 566,516
Interest	2,243,140	2,150,243	2,043,224	1,958,079	1,913,373	1,873,424	1,822,041	1,800,224
Benefit changes	27,539	-	-	-	-	-	-	-
Difference between expected and actual experience	(975,922)	(608,310)	886,248	(539,579)	(579,180)	(367,023)	(240,296)	-
Assumption changes	578,721	(2,739,147)	2,692,393	(2,425,222)	-	7,544,910	(1,724,947)	-
Benefits payments, including refunds of member contributions	(1,615,319)	(1,612,687)	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)
Refunds	(67,550)	(90,436)	(37,987)	(17,697)	(9,448)	(11,785)	(25,921)	(13,466)
Other	-	-	-	-	6,321	-	-	-
Net change in total pension liability	1,134,818	(1,719,792)	5,073,979	(1,529,490)	741,369	8,016,630	(1,111,387)	886,353
Total pension liability-beginning	38,227,092	39,946,884	34,872,905	36,402,396	35,661,027	27,644,397	28,755,784	27,869,431
Total pension liability-ending (a)	$ 39,361,910	$ 38,227,092	$ 39,946,884	$ 34,872,905	$ 36,402,396	$ 35,661,027	$ 27,644,397	$ 28,755,784
Plan fiduciary net position								
Contributions - employer	$ 1,195,018	$ 1,149,672	$ 1,178,526	$ 1,129,068	$ 967,969	$ 893,981	$ 870,447	$ 834,851
Contributions - members	239,218	225,268	228,413	207,438	204,974	183,395	163,569	167,926
Net investment income	5,516,386	901,518	1,670,372	1,404,579	1,409,529	993,483	650,402	2,169,818
Benefit payments, including refunds of member contributions	(1,615,319)	(1,612,687)	(1,600,362)	(1,588,104)	(1,522,138)	(1,550,422)	(1,548,023)	(1,466,921)
Administrative expenses	(24)	(24)	(24)	(22)	(9,448)	(67,149)	(68,325)	(63,349)
Refunds	(67,550)	(90,436)	(37,987)	(17,697)	(24)	(11,785)	(25,921)	(13,466)
Other	-	-	-	-	(5,466)	-	-	-
Net change in plan fiduciary net position	5,267,729	573,311	1,438,938	1,135,262	1,045,396	441,503	42,149	1,628,859
Plan fiduciary net position - beginning	24,230,044	23,656,733	22,217,795	21,082,534	20,037,138	19,595,635	19,553,486	17,924,627
Plan fiduciary net position - ending (b)	$ 29,497,773	$ 24,230,044	$ 23,656,733	$ 22,217,795	$ 21,082,534	$ 20,037,138	$ 19,595,635	$ 19,553,486
Net pension liability - ending (a) - (b)	$ 9,864,137	$ 13,997,048	$ 16,290,151	$ 12,655,110	$ 15,319,862	$ 15,623,889	$ 8,048,762	$ 9,202,298
Plan fiduciary net position as a percentage of the total pension liability	74.94%	63.38%	59.22%	63.71%	57.92%	56.19%	70.88%	68.00%
Covered employee payroll	$ 2,532,581	$ 2,931,036	$ 2,671,312	$ 2,580,777	$ 2,217,255	$ 2,352,626	$ 2,202,152	$ 2,076,451
Net pension liability as a percentage of covered employee payroll	389.49%	477.55%	609.82%	490.36%	690.94%	664.10%	365.50%	443.17%

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

See accompanying notes and Independent Auditor's Report.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2021

	Firemen's Pension and Relief Fund							
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	$ 979,236	$ 1,407,737	$ 1,433,473	$ 1,372,807	$ 1,483,038	$ 716,515	$ 743,480	$ 691,461
Interest	2,287,269	2,109,239	2,006,880	1,956,976	1,804,335	1,977,837	1,951,130	1,895,401
Benefit changes	240,195	-	-	-	-	-	-	-
Difference between expected and actual experience	486,583	(1,997,332)	1,717,861	(114,768)	380,786	(413,682)	491,509	-
Assumption changes	(1,957,595)	(7,063,929)	964,067	(778,140)	(3,398,993)	13,842,099	-	-
Benefits payments, including refunds of member contributions	(1,986,030)	(1,961,830)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Refunds	-	-	(64,463)	-	-	(16,024)	-	-
Other	-	-	-	-	12,072	-	-	-
Net change in total pension liability	49,658	(7,506,115)	4,098,649	476,906	(1,561,917)	14,318,857	1,414,245	867,925
Total pension liability-beginning	46,738,395	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)	$ 46,788,053	$ 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	1,343,896	1,271,676	1,334,570	$ 1,216,720	$ 1,058,279	$ 999,228	$ 943,850	$ 887,837
Contributions - members	230,632	220,835	191,084	179,050	174,158	167,650	152,499	158,033
Net investment income	4,600,863	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	(1,986,030)	(1,961,830)	(1,959,169)	(1,959,969)	(1,843,155)	(1,787,888)	(1,771,874)	(1,718,937)
Administrative expenses	(3,042)	(7,007)	(20)	(81)	-	(57,301)	(59,002)	(55,411)
Refunds	-	-	(64,463)	-	-	(16,024)	-	-
Other	-	-	-	-	(24)	(295)	-	-
Net change in plan fiduciary net position	4,186,319	234,093	826,034	705,516	777,189	151,960	(143,949)	1,318,621
Plan fiduciary net position - beginning	19,509,772	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)	$ 23,696,091	$ 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)	$ 23,091,962	$ 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	50.65%	41.74%	35.53%	36.79%	35.72%	33.12%	45.55%	47.77%
Covered employee payroll	$ 2,640,634	$ 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	874.49%	1183.89%	1527.55%	1451.29%	1534.76%	1512.26%	968.49%	947.24%

Only eight 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, 2021

Investment Returns:	2021	2020	2019	2018	2017	2016	2015	2014
Policemen's Pension and Relief Fund (PPRF)								
Annual money-weighted rate of return, net of investment expenses	6.76%	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	6.91%	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)	$1,709,028	$1,923,216	$1,618,552	$1,443,038	$1,526,595	$1,424,813	$769,449	$908,970
Employer contribution (b)	629,716	588,519	650,018	514,033	480,407	448,979	419,606	392,155
State contribution (c)	565,302	561,153	528,508	515,032	487,562	445,002	450,841	405,755
Percentage contributed [(b)+(c)]/(a)	70%	60%	73%	71%	63%	63%	113%	88%
Covered payroll (f)	2,532,581	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)	47%	39%	44%	44%	44%	38%	40%	38%
Firemen's Pension and Relief Fund (FPRF)								
Actuarially determined contribution (a)	$2,524,427	$2,840,851	$2,674,661	$2,367,134	$2,253,955	$2,093,433	$1,468,949	$1,398,526
Employer contribution (b)	825,101	771,122	870,675	773,524	629,465	588,285	549,799	513,831
State contribution (c)	518,795	500,554	463,895	443,192	428,814	410,943	394,051	342,814
Percentage contributed [(b)+(c)]/(a)	53%	45%	50%	47%	47%	48%	64%	61%
Covered payroll (f)	2,640,634	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)	51%	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, 2021

Public Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Municipality's proportionate share of the net pension liability (asset) (%)	0.404974%	0.399923%	0.388740%	0.388841%	0.378592%	0.355762%	0.384947%	0.368565%
Municipality's proportionate share of the net pension liability (asset)	$ 2,140,980	$ 859,886	$ 1,003,930	$ 1,678,412	$ 3,479,705	$ 1,986,589	$ 1,420,705	$ 3,359,948
Municipality's covered payroll	$ 6,397,210	$ 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	33.47%	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	92.89%	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, 2021

Public Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 639,721	$ 629,307	$ 585,045	$ 590,977	$ 648,412	$ 703,179	$ 673,639	$ 747,453
Contributions in relation to the contractually required contribution	(639,721)	(629,307)	(585,045)	(590,977)	(648,412)	(703,179)	(673,639)	(747,453)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Municipality's covered payroll	$ 6,397,210	$ 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%	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, 2021

West Virginia Retiree Health Benefit Trust
Last 10 Fiscal Years*

	2021	2020	2019	2018
Municipality's proportionate share of the net OPEB liability (%)	0.059207967%	0.057764907%	0.058415146%	0.062706931%
Municipality's proportionate share of the net OPEB liability	$ 261,517	$ 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**	N/A**
Plan fiduciary net position as a percentage of the total OPEB liability	73.49%	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 4 years.

** All participants were retired at yearend.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF MUNICIPALITY CONTRIBUTIONS - OPEB
For the Fiscal Year Ended June 30, 2021

West Virginia Retiree Health Benefit Trust
Last 10 Fiscal Years*

	2021	2020	2019	2018
Contractually required contribution	$ 114,182	$ 114,442	$ 119,012	$ 119,371
Contributions in relation to the contractually required contribution	114,182	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**	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 4 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, 2021

Munipality of Beckley Retiree Healthcare Plan
Last 10 Fiscal Years*

Fiscal year end June 30	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 541,023	$ 466,236	$ 450,470	$ 435,237
Interest on the total OPEB liability	269,495	357,564	368,542	342,348
Benefit changes	(126,363)	-	-	-
Difference between expected and actual experience	-	(450,868)	-	-
Assumption changes	607,445	737,322	56,344	(58,947)
Net change in total OPEB liability	1,291,600	1,110,254	875,356	718,638
Total Pension OPEB - beginning	10,521,562	9,411,308	8,535,952	7,817,314
Total OPEB Liability - ending	$ 11,813,162	$ 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%	0.00%
Covered employee payroll	8,809,052	10,249,691	11,183,678	9,097,893
Net OPEB liability as a percentage of covered employee payroll	134.10%	102.65%	84.15%	93.82%

There were no changes to benefit terms or healthcare cost trend rates from the prior year.

Changes of assumptions. The discount rate changed from 2.45% to 1.92% 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 4 years.

Supplementary Information

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, 2021:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$2,765,366	$2,132,939	130%	110%

As of June 30, 2021, 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 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, 2021, the Board was in compliance with the provisions of this requirement.

Stormwater Utility Fund

The Stormwater Utility is subject to rate covenant compliance associated with the issuance of the Series 2020 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 2020 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2020 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 2020 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 2020 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2020 Bonds."

The following schedule summarizes the provisions for the fiscal year ended June 30, 2021:

Rate Covenant

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
$318,999	$133,799	238%	110%

As of June 30, 2021, the Board was in compliance with the provisions of the 2020 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 2020 revenue bond covenant require that assets be accumulated in restricted accounts for the payment of future debt service. The covenant requires, at a minimum, that an amount equivalent to one-third of the current year's debt service payment be maintained in a revenue account. A reserve account must also be funded with one-tenth of one-twelfth of the highest debt service payment in any given year. As of June 30, 2021, the Board was in compliance with the provisions of this requirement.

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 153,139	$ 21,302	$ 174,441
Total assets	**$ 153,139**	**$ 21,302**	**$ 174,441**
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 4,995	$ -	$ 4,995
Total liabilities	4,995	-	4,995
FUND BALANCES			
Assigned	148,144	21,302	169,446
Total fund balances	148,144	21,302	169,446
Total liabilities and fund balances	**$ 153,139**	**$ 21,302**	**$ 174,441**

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, 2021

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental:			
State	$ 12,062	$ -	$ 12,062
Federal	17,777	-	17,777
Interest and investment earnings	-	84	84
Total revenues	29,839	84	29,923
EXPENDITURES			
Current:			
Public safety	43,121	-	43,121
Total expenditures	43,121	-	43,121
Other Financing Sources (Uses)			
Transfers Out	(24,900)	(125,000)	(149,900)
Total Other Financing Sources (Uses)	(24,900)	(125,000)	(149,900)
Net change in fund balances	(38,182)	(124,916)	(163,098)
Fund balances beginning of year	186,326	146,218	332,544
Fund balances end of year	$ 148,144	$ 21,302	$ 169,446

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, 2021, 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 28, 2022.

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*.

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

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 28, 2022

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, 2021. 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, 2021.

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 28, 2022

MUNICIPALITY OF BECKLEY, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

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	$ -	$ 291,704
Total U.S. Department of Housing and Urban Development			-	291,704
National Endowment for the Humanities				
Passed through the WV Division of Culture and History:				
Promotion of the Arts Partnership Agreements	45.025	AH-21-8319, AH-20-8365	-	29,818
Total National Endowment for the Humanities			-	29,818
U.S. Department of Energy				
Passed through the WV Department of Energy:				
State Energy Program	81.041	21*5409	-	7,079
Total U.S. Department of Energy			-	7,079
U.S. Department of Justice				
Direct from Federal Government:				
Bulletproof Vest Partnership	16.607	N/A	-	7,662
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	16,500
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	96,048
Passed through the WV Department of Justice:				
Justice Assistance Grant	16.579	20-JAG-04	-	15,000
Total U.S. Department of Justice			-	135,210
U.S. Department of Treasury				
Direct from Federal Government:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	543,960
Passed through the WV Governor's Office:				
Coronavirus Relief Fund	21.019	SLT026, SLT0072	-	3,228,751
Total U.S. Department of Treasury			-	3,772,711
Executive Office of the President				
Direct from Federal Government:				
High Intensity Drug Trafficking Areas Program	95.001	N/A	-	42,077
Total Executive Office of the President			-	42,077
U.S. Department of Transportation				
Passed through the WV Department of Transportation:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F20-HS-09-402, F20-HS-15-402 F20-HS-07-402, F21-HS-07-402 F21-HS-09-402, F21-HS-15-402 F20-HS-07-DOHDD, F20-HS-07-DOHWZ F21-HS-07-DOHWZ	-	426,995
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	F20-HS-15-405d, F20-HS-07-405d, F21-HS-07-405d	-	79,543
Total Highway Safety Cluster			-	506,538
National Highway Traffic Safety Administration	20.614	F20-HS-15-405b, F20-HS-07-405b F21-HS-07-405b, F21-HS-07-405c F21-HS-09-405b, F21-HS-09-405c	-	84,471
Total U.S. Department of Transportation			-	591,009
Total Expenditures of Federal Awards			$ -	$ 4,869,608

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, 2021. 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, 2021

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.