

Raleigh County

RFP# 22-152

# **Municipality of Beckley, West Virginia**

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**Financial Statements and Independent Auditor's Report**

**For the Fiscal Year Ended June 30, 2022**

**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, 2022**

OFFICE	WARD/NAME	TERM ENDS
	<u>Elected</u>	
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
	<u>Appointed</u>	
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 Audit of the Financial Statements

#### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

# Ferrari & Associates, PLLC

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

The 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.

# Ferrari & Associates, PLLC

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## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The Schedules of Rate Covenant Compliance, 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. Such information is 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 Schedules 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.

## ***Other Information***

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

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023, on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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  
February 24, 2023**



**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		Beckley Sanitary Board
<b>ASSETS</b>				
Current:				
Cash and cash equivalents	\$ 8,869,709	\$ 197,474	\$ 9,067,183	\$ 878,447
Receivables:				
Accounts, net	-	4,425	4,425	1,700,429
Taxes	5,009,868	194	5,010,062	2,038
Fines	50,309	-	50,309	-
Leases	2,547,634	-	2,547,634	-
Due from other governments	227,589	-	227,589	-
Internal balances	423,781	27,740	451,521	4,350
Inventory	-	185,303	185,303	58,705
Prepaid expense	-	17,078	17,078	74,343
Total current assets	<u>17,128,890</u>	<u>432,214</u>	<u>17,561,104</u>	<u>2,718,312</u>
Noncurrent:				
Restricted assets:				
Regular account	-	109,770	109,770	546,285
Reserve account	-	-	-	2,375,698
Customer deposits	-	-	-	163,494
Renewal and replacement	-	-	-	284,088
Total restricted assets	<u>-</u>	<u>109,770</u>	<u>109,770</u>	<u>3,369,565</u>
Capital assets:				
Non-depreciable:				
Land	5,976,921	6,972,154	12,949,075	869,388
Copyright	-	3,500	3,500	-
Construction in progress	118,750	302,020	420,770	1,784,363
Works of art	207,662	-	207,662	-
Depreciable:				
Buildings	4,390,040	42,028,485	46,418,525	36,684,039
Structures and improvements	1,019,926	2,664,337	3,684,263	39,476,969
Infrastructure	2,759,395	-	2,759,395	-
Software	353,105	-	353,105	59,298
Machinery, equipment and leased assets	12,619,420	1,116,723	13,736,143	3,771,566
Less: accumulated depreciation and amortization	(10,715,235)	(13,669,773)	(24,385,008)	(36,199,399)
Total capital assets, net	<u>16,729,984</u>	<u>39,417,446</u>	<u>56,147,430</u>	<u>46,446,224</u>
Net pension asset	2,081,544	424,632	2,506,176	1,020,669
Net OPEB asset	13,307	-	13,307	5,311
Total noncurrent assets	<u>18,824,835</u>	<u>39,951,848</u>	<u>58,776,683</u>	<u>50,841,769</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow - pension	4,168,310	214,380	4,382,690	503,467
Deferred outflow - OPEB multi employer plan	117,629	-	117,629	46,942
Deferred outflow - OPEB single employer plan	1,047,611	80,378	1,127,989	165,498
Total deferred outflows of resources	<u>5,333,550</u>	<u>294,758</u>	<u>5,628,308</u>	<u>715,907</u>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 41,287,275</b>	<b>\$ 40,678,820</b>	<b>\$ 81,966,095</b>	<b>\$ 54,275,988</b>
<b>LIABILITIES</b>				
Current:				
Accounts payable	\$ 1,219,473	\$ 154,487	\$ 1,373,960	\$ 496,509
Payroll payable	627,248	83,238	710,486	116,066
Benefits payable	45,323	-	45,323	19,748
Other accrued expenses	-	11,654	11,654	76,054
Compensated absences payable	182,386	6,753	189,139	31,111
Customer deposits	-	6,235	6,235	166,909
Due to other funds	289,578	-	289,578	123,328
Deferred revenue	2,801,148	35,361	2,836,509	-
Total current liabilities	<u>5,165,156</u>	<u>297,728</u>	<u>5,462,884</u>	<u>1,029,725</u>
Long-term liabilities due within one year:				
Current portion of bonds payable	-	473,104	473,104	1,764,691
Current portion of leases payable	5,243	-	5,243	84,486
Long-term liabilities due in more than one year:				
Bonds payable	-	9,008,519	9,008,519	18,010,551
Leases payable	15,843	-	15,843	133,276
Compensated absences payable	1,327,016	93,970	1,420,986	237,468
Net pension liability	31,238,822	-	31,238,822	-
OPEB liability - single employer plan	7,530,562	577,783	8,108,345	1,189,653
Total long-term liabilities	<u>40,117,486</u>	<u>10,153,376</u>	<u>50,270,862</u>	<u>21,420,125</u>
Total liabilities	<u>45,282,642</u>	<u>10,451,104</u>	<u>55,733,746</u>	<u>22,449,850</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflow - pension	15,784,941	549,817	16,334,758	1,321,568
Deferred inflow - OPEB multi employer plan	483,042	-	483,042	192,769
Deferred inflow - OPEB single employer plan	3,244,916	248,967	3,493,883	512,621
Deferred inflow - leasing revenue	2,525,847	-	2,525,847	-
Total deferred inflows of resources	<u>22,038,746</u>	<u>798,784</u>	<u>22,837,530</u>	<u>2,026,958</u>
<b>NET POSITION</b>				
Net investment in capital assets	16,708,898	29,926,916	46,635,814	26,453,220
Restricted for debt service	-	109,770	109,770	1,803,206
Restricted for renewal and replacement	-	-	-	284,088
Restricted for customer deposits	-	-	-	163,494
Unrestricted (deficit)	(42,743,011)	(607,754)	(43,350,765)	1,095,172
Total net position	<u>(26,034,113)</u>	<u>29,428,932</u>	<u>3,394,819</u>	<u>29,799,180</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 41,287,275</b>	<b>\$ 40,678,820</b>	<b>\$ 81,966,095</b>	<b>\$ 54,275,988</b>



**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

	General	Coal Severance	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,309,135	\$ 24,619	\$ 3,242,881	\$ 293,074	\$ 8,869,709
Receivables:					
Taxes	4,987,055	22,813	-	-	5,009,868
Fines	50,309	-	-	-	50,309
Due from:					
Other Funds	423,781	-	-	-	423,781
Other Governments	227,589	-	-	-	227,589
<b>Total assets</b>	<b>\$ 10,997,869</b>	<b>\$ 47,432</b>	<b>\$ 3,242,881</b>	<b>\$ 293,074</b>	<b>\$ 14,581,256</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 894,017	\$ -	\$ 179,773	\$ 145,683	\$ 1,219,473
Payroll Payable	627,248	-	-	-	627,248
Benefits Payable	45,323	-	-	-	45,323
Compensated Absences Payable	182,386	-	-	-	182,386
Due to Other Funds	27,740	-	261,838	-	289,578
<b>Total liabilities</b>	<b>1,776,714</b>	<b>-</b>	<b>441,611</b>	<b>145,683</b>	<b>2,364,008</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	24,893	-	-	-	24,893
Unavailable Revenue - Other	93,339	-	-	-	93,339
Deferred Revenue	-	-	2,801,148	-	2,801,148
<b>Total deferred inflows of resources</b>	<b>118,232</b>	<b>-</b>	<b>2,801,148</b>	<b>-</b>	<b>2,919,380</b>
<b>FUND BALANCES</b>					
Assigned	3,953,451	47,432	122	147,391	4,148,396
Unassigned	5,149,472	-	-	-	5,149,472
<b>Total fund balances</b>	<b>9,102,923</b>	<b>47,432</b>	<b>122</b>	<b>147,391</b>	<b>9,297,868</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,997,869</b>	<b>\$ 47,432</b>	<b>\$ 3,242,881</b>	<b>\$ 293,074</b>	<b>\$ 14,581,256</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2022**

<b>Total governmental fund balances</b>		<b>\$ 9,297,868</b>
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.		16,729,984
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Ad valorem taxes	24,893	
Police fines	50,309	
Other	43,031	
Total		118,233
The net lease receivable asset is not available for payment in the current period; therefore, the asset and related deferred inflows and outflows are not reported in governmental funds.		
Net Lease Receivable		2,547,634
The net pension asset are not available for payment in the current period; therefore, the asset and related deferred inflows and outflows are not reported in governmental funds.		
Net Pension Asset		2,081,544
The net other post employment benefit asset are not available for payment in the current period; therefore, the asset and related deferred inflows and outflows are not reported in governmental funds.		
Net OPEB Asset		13,307
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	(31,238,822)	
Deferred Inflows - Pension	(15,784,941)	
Deferred Outflows - Pension	4,168,310	
Total		(42,855,453)
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	(7,530,562)	
Deferred Inflows - OPEB	(3,727,958)	
Deferred Outflows - OPEB	1,165,240	
Total		(10,093,280)
The deferred lease revenue is not due and payable in the current period; therefore, the asset and related deferred inflows and outflows are not reported in governmental funds.		
Deferred Leasing Revenue		(2,525,847)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Financed Leases	(21,086)	
Compensated Absences	(1,327,017)	
Total		(1,348,103)
<b>Net position of governmental activities</b>		<b>\$ (26,034,113)</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2022**

	General	Coal Severance	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Ad valorem property tax	\$ 3,029,301	\$ -	\$ -	\$ -	\$ 3,029,301
Business and occupancy tax	11,368,264	-	-	-	11,368,264
Alcoholic beverage tax	192,330	-	-	-	192,330
Consumer sales	6,814,811	-	-	-	6,814,811
Utility services tax	1,023,915	-	-	-	1,023,915
Hotel occupancy tax	976,149	-	-	-	976,149
Other taxes	499,952	-	-	-	499,952
Severance tax	31,892	67,544	-	-	99,436
Licenses and permits	162,312	-	-	-	162,312
Intergovernmental:					
Federal	1,186,065	-	4,344,826	-	5,530,891
Charges for services	120,843	-	-	-	120,843
Fines and forfeits	247,898	-	-	-	247,898
Interest and investment earnings	(126,892)	80	985	67	(125,760)
Refunds and reimbursements	480,008	-	-	-	480,008
Insurance claims	23,149	-	-	-	23,149
Contributions and donations	4,875,847	-	-	-	4,875,847
Miscellaneous	15,974	-	-	-	15,974
<b>Total revenues</b>	<b>30,921,818</b>	<b>67,624</b>	<b>4,345,811</b>	<b>67</b>	<b>35,335,320</b>
<b>EXPENDITURES</b>					
Current:					
General government	5,178,469	(10)	37,538	-	5,215,997
Public safety	13,228,937	-	-	44,308	13,273,245
Streets and transportation	5,408,403	-	-	-	5,408,403
Health and sanitation	112,590	-	-	-	112,590
Culture and recreation	953,070	-	-	-	953,070
Social services	436	-	-	-	436
Capital outlay	8,232,932	-	-	-	8,232,932
<b>Total expenditures</b>	<b>33,114,837</b>	<b>(10)</b>	<b>37,538</b>	<b>44,308</b>	<b>33,196,673</b>
Excess of revenues over (under) expenditures	(2,193,019)	67,634	4,308,273	(44,241)	2,138,647
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	6,751	-	-	-	6,751
Transfers in	2,679,942	-	-	175,725	2,855,667
Transfers out	(1,974,799)	(125,000)	(4,308,351)	(153,539)	(6,561,689)
<b>Total other financing sources (uses)</b>	<b>711,894</b>	<b>(125,000)</b>	<b>(4,308,351)</b>	<b>22,186</b>	<b>(3,699,271)</b>
<b>Net change in fund balances</b>	<b>(1,481,125)</b>	<b>(57,366)</b>	<b>(78)</b>	<b>(22,055)</b>	<b>(1,560,624)</b>
Fund balances beginning of year	10,584,048	104,798	200	169,446	10,858,492
Fund balances end of year	<u>\$ 9,102,923</u>	<u>\$ 47,432</u>	<u>\$ 122</u>	<u>\$ 147,391</u>	<u>\$ 9,297,868</u>

**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, 2022**

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**Net change in fund balances - total governmental funds** **\$ (1,560,624)**

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	6,854,796	
Depreciation	(1,128,492)	
		5,726,304
Excess of capital outlay over depreciation expense		

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Ad valorem taxes	(13,258)	
Police fines	(2,082)	
Municipal licenses	(49,570)	
Prior year federal government grant deferral	-	
		(64,910)
Total		

Except for amounts reported as deferred inflows/outflows, changes in net lease receivable are reported as interest expenses in the statement of activities

Change in Lease Receivable		21,788
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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	(504,023)	
Total		(504,023)

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	597,931	
Total		597,931

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	5,621,357	
Total		5,621,357

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	288,851	
Total		288,851

**Change in net position of governmental activities** **\$ 10,126,674**

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUNDS**  
**June 30, 2022**

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
<b>ASSETS</b>				
Current:				
Cash and Cash Equivalents	\$ 65,815	\$ 83,473	\$ 48,186	\$ 197,474
Receivables:				
Accounts	4,425	-	-	4,425
Taxes	-	194	-	194
Due From:				
Other Funds	-	27,740	-	27,740
Inventory	-	185,303	-	185,303
Prepaid Expense	14,578	2,500	-	17,078
Total Current Assets	<u>84,818</u>	<u>299,210</u>	<u>48,186</u>	<u>432,214</u>
Noncurrent:				
Restricted assets:				
Regular account	-	-	109,770	109,770
Total restricted assets	<u>-</u>	<u>-</u>	<u>109,770</u>	<u>109,770</u>
Capital assets:				
Non-depreciable:				
Land	3,781,460	131,850	3,058,844	6,972,154
Copyright	-	3,500	-	3,500
Construction in progress	-	302,020	-	302,020
Depreciable:				
Buildings	88,525	4,103,312	37,836,648	42,028,485
Structures and Improvements	745,244	1,903,379	15,714	2,664,337
Machinery and Equipment	64,364	1,024,759	27,600	1,116,723
Less: Accumulated Depreciation	(573,280)	(3,425,205)	(9,671,288)	(13,669,773)
Total Capital Assets, Net	<u>4,106,313</u>	<u>4,043,615</u>	<u>31,267,518</u>	<u>39,417,446</u>
Net Pension Asset	19,045	405,587	-	424,632
Total capital assets, net	<u>4,125,358</u>	<u>4,449,202</u>	<u>31,267,518</u>	<u>39,842,078</u>
Total assets	<u>4,210,176</u>	<u>4,748,412</u>	<u>31,425,474</u>	<u>40,384,062</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflow - Pension	9,355	205,025	-	214,380
Deferred Outflow - OPEB - Single Employer	6,567	73,811	-	80,378
Total Deferred Outflow of Resources	<u>15,922</u>	<u>278,836</u>	<u>-</u>	<u>294,758</u>
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 4,226,098</u></b>	<b><u>\$ 5,027,248</u></b>	<b><u>\$ 31,425,474</u></b>	<b><u>\$ 40,678,820</u></b>
<b>LIABILITIES</b>				
Current:				
Accounts Payable	\$ 19,561	\$ 134,926	\$ -	\$ 154,487
Payroll Payable	1,887	81,351	-	83,238
Other Accrued Expenses	325	11,329	-	11,654
Compensated Absences Payable	404	6,349	-	6,753
Customer Deposits	-	6,235	-	6,235
Current Portion of Bonds Payable	-	-	473,104	473,104
Deferred Revenue	10,361	25,000	-	35,361
Total current liabilities	<u>32,538</u>	<u>265,190</u>	<u>473,104</u>	<u>770,832</u>
Long-Term:				
Compensated Absences Payable	2,534	91,436	-	93,970
Bonds Payable	-	-	9,008,519	9,008,519
OPEB Liability - Single Employer	47,205	530,578	-	577,783
Total long-term liabilities	<u>49,739</u>	<u>622,014</u>	<u>9,008,519</u>	<u>9,680,272</u>
Total liabilities	<u>82,277</u>	<u>887,204</u>	<u>9,481,623</u>	<u>10,451,104</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow - PERS	24,660	525,157	-	549,817
Deferred Inflow - OPEB - Single Employer	20,341	228,626	-	248,967
Total deferred inflow of resources	<u>45,001</u>	<u>753,783</u>	<u>-</u>	<u>798,784</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,097,406	4,043,615	21,785,895	29,926,916
Restricted for debt services	-	-	109,770	109,770
Unrestricted	1,414	(657,354)	48,186	(607,754)
Total net position	<u>4,098,820</u>	<u>3,386,261</u>	<u>21,943,851</u>	<u>29,428,932</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b><u>\$ 4,226,098</u></b>	<b><u>\$ 5,027,248</u></b>	<b><u>\$ 31,425,474</u></b>	<b><u>\$ 40,678,820</u></b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2022**

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
<b>OPERATING REVENUES</b>				
Sales and services to customers	\$ 173,280	\$ 1,438,570	\$ 847,300	\$ 2,459,150
Other operating revenues	-	11,531	-	11,531
Total operating revenues	<u>173,280</u>	<u>1,450,101</u>	<u>847,300</u>	<u>2,470,681</u>
<b>OPERATING EXPENSES</b>				
Personnel services	47,680	1,561,093	-	1,608,773
Contractual services	10,149	492,895	-	503,044
Administrative and general	25,155	115,253	2,524	142,932
Rents	-	26,779	-	26,779
Liability insurance	88,177	125,907	-	214,084
Materials and supplies	13,729	620,758	-	634,487
Utilities	79,301	242,918	-	322,219
Depreciation	15,293	235,384	1,131,673	1,382,350
Maintenance	-	101,995	-	101,995
Capital outlay	-	40,844	-	40,844
Amortization	-	-	(8,686)	(8,686)
Total operating expenses	<u>279,484</u>	<u>3,563,826</u>	<u>1,125,511</u>	<u>4,968,821</u>
Operating income (loss)	<u>(106,204)</u>	<u>(2,113,725)</u>	<u>(278,211)</u>	<u>(2,498,140)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest revenue	-	71	38	109
Interest and fiscal charges	-	-	(391,516)	(391,516)
Intergovernmental	-	737,142	-	737,142
Contributions	-	80,004	-	80,004
Proceeds (loss) from sale of capital assets	4,534	1,395	-	5,929
Total non-operating revenues (expenses)	<u>4,534</u>	<u>818,612</u>	<u>(391,478)</u>	<u>431,668</u>
Income (loss) before transfers	<u>(101,670)</u>	<u>(1,295,113)</u>	<u>(669,689)</u>	<u>(2,066,472)</u>
Transfers in	<u>377,069</u>	<u>1,704,095</u>	<u>-</u>	<u>2,081,164</u>
Change in net position	275,399	408,982	(669,689)	14,692
Net position beginning of year	<u>3,823,421</u>	<u>2,977,279</u>	<u>22,613,540</u>	<u>29,414,240</u>
Net position end of year	<u>\$ 4,098,820</u>	<u>\$ 3,386,261</u>	<u>\$ 21,943,851</u>	<u>\$ 29,428,932</u>



**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2022**

	Parking Revenue	Parks and Recreation	Building Commission	Total Enterprise Funds
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 176,998	\$ 1,442,755	\$ 847,300	\$ 2,467,053
Cash payments for employee services and benefits	(70,749)	(1,595,092)	-	(1,665,841)
Cash payments to suppliers for goods and services	(187,735)	(1,821,173)	(2,524)	(2,011,432)
Other operating revenues	-	11,531	-	11,531
Net cash provided/(used) by operating activities	<u>(81,486)</u>	<u>(1,961,979)</u>	<u>844,776</u>	<u>(1,198,689)</u>
<b>Cash flows from non-capital financing activities:</b>				
Contributions	-	80,004	-	80,004
Transfers in	377,069	1,704,095	-	2,081,164
Intergovernmental	-	808,822	-	808,822
Net cash provided by non-capital financing activities	<u>377,069</u>	<u>2,592,921</u>	<u>-</u>	<u>2,969,990</u>
<b>Cash flows from capital and related financing activities:</b>				
(Acquisition) Disposal of capital assets	(268,906)	(642,014)	-	(910,920)
Gain (loss) on sale of capital assets	4,534	1,395	-	5,929
Principal paid on debt	-	-	(455,084)	(455,084)
Interest paid on debt	-	-	(391,516)	(391,516)
Net cash (used) for capital and related financing activities	<u>(264,372)</u>	<u>(640,619)</u>	<u>(846,600)</u>	<u>(1,751,591)</u>
<b>Cash flows from investing activities:</b>				
Investment earnings	-	71	38	109
Net increase (decrease) in cash and cash equivalents	31,211	(9,606)	(1,786)	19,819
Cash and cash equivalents beginning of year - includes \$109,032 in restricted cash	34,604	93,079	159,742	287,425
Cash and cash equivalents end of year - includes \$109,770 in restricted cash	<u>\$ 65,815</u>	<u>\$ 83,473</u>	<u>\$ 157,956</u>	<u>\$ 307,244</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (106,204)	\$ (2,113,725)	\$ (278,211)	\$ (2,498,140)
Adjustments:				
Depreciation and amortization	15,293	235,384	1,122,987	1,373,664
(Increase)/decrease in assets:				
Accounts receivable	244	-	-	244
Taxes receivable	-	147	-	147
Due from other funds	3,746	36,619	-	40,365
Materials and supplies inventory	-	(114,441)	-	(114,441)
Prepaid items	11,825	-	-	11,825
Net pension asset	(19,045)	(405,587)	-	(424,632)
Deferred outflows - pension	6,706	(32,206)	-	(25,500)
Deferred outflows - OPEB	3,028	4,143	-	7,171
Increase/(decrease) in liabilities:				
Accounts payable	13,205	24,851	-	38,056
Payroll payable	162	12,287	-	12,449
Other accrued expenses	24	(348)	-	(324)
Compensated absences payable	93	15,731	-	15,824
Customer deposits	-	4,185	-	4,185
Due to other funds	-	(1,000)	-	(1,000)
Pension	(20,339)	(221,806)	-	(242,145)
Deferred inflows - pension	23,343	510,799	-	534,142
OPEB	(27,922)	(42,148)	-	(70,070)
Deferred inflows - OPEB	10,881	125,136	-	136,017
Deferred revenue	3,474	-	-	3,474
Net cash provided/(used) by operating activities	<u>\$ (81,486)</u>	<u>\$ (1,961,979)</u>	<u>\$ 844,776</u>	<u>\$ (1,198,689)</u>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**June 30, 2022**

	<u>Pension Trust Funds</u>	<u>Employee Health Insurance Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and deposits	\$ 469,593	\$ 11,807	\$ 260,056
Investments, at fair value	48,061,998	182,828	-
Receivables:			
Fines, net	-	-	61,612
Accounts receivable - other	73,239	-	-
Total receivables	<u>73,239</u>	<u>-</u>	<u>61,612</u>
<b>Total assets</b>	<b><u>\$ 48,604,830</u></b>	<b><u>\$ 194,635</u></b>	<b><u>\$ 321,668</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 11,148	\$ 4,011	\$ 4,701
Seized evidence funds	-	-	189,073
Due to other funds	-	-	116,591
Due to other governments	-	-	11,303
Total liabilities	<u>11,148</u>	<u>4,011</u>	<u>321,668</u>
<b>NET POSITION</b>			
Net position held in trust	<u>48,593,682</u>	<u>190,624</u>	<u>-</u>
<b>Total liabilities and net position</b>	<b><u>\$ 48,604,830</u></b>	<b><u>\$ 194,635</u></b>	<b><u>\$ 321,668</u></b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

	Pension Trust Funds	Employee Health Insurance Fund
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 1,556,654	\$ 400,002
State	1,061,941	-
Employee	574,247	36,101
Total contributions	3,192,842	436,103
Investment income:		
Net appreciation (depreciation)	(9,146,418)	-
Net realized gain (loss) on sale or exchange	4,104,760	-
Interest and dividends	1,010,963	494
Investment expense	(188,146)	-
Net investment income	(4,218,841)	494
Total additions	(1,025,999)	436,597
<b>DEDUCTIONS</b>		
Benefit payments	3,534,253	386,267
Administrative expense	27	-
Refunds	38,503	(300)
Total deductions	3,572,783	385,967
Change in net position	(4,598,782)	50,630
Net position held in trust		
Beginning of year	53,192,464	139,994
End of year	\$ 48,593,682	\$ 190,624

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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**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.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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**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:

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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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.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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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.

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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.



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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:

<u>Assets</u>	<u>Years</u>
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

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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.

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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 actuarially 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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**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:

<u>Fund</u>	<u>Amount</u>	<u>Description</u>
General Fund	\$ 8,676,201	General Government
	12,058,900	Public Safety
	4,4,808,550	Streets and Transportation
	108,600	Health and Sanitation
	900,000	Culture and Recreation
	2,700	Social Services
	10,170,575	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, 2022.

General Fund	\$ (1,492,968)
Coal Severance Fund	\$ (57,366)
American Rescue Plan Fund	\$ (78)
Building Commission Fund	\$ (669,689)
Law Enforcement Investigation Fund	\$ (44,308)
Policeman's Pension and Relief Fund	\$ (2,526,008)

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.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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**NOTE III – DEPOSITS AND INVESTMENTS**

At year end, the Municipality had the following investments:

<b>Policemen's Pension and Relief</b>	Fair Value	Standard & Poor's and Fitch	Moody's Investment Services
Cash & Cash Equivalents	\$ 228,091	Not Rated	Not Rated
Certificate of Deposit	186,667	Not Rated	Not Rated
Federal Government Securities	585,376	AA+ to B-	Aaa to A1
Mutual Funds	5,403,344	Not Rated	Not Rated
Common Stock	10,382,586	Not Rated	Not Rated
Corporate Bonds	6,093,658	AAA to BB+	Aa1 to Baa3
Municipal Bonds	121,214	AAA to A	Aaa to A1
Preferred Stocks	184,365	Not Rated	Not Rated
Exchange-Traded Fund	3,649,246	Not Rated	Not Rated
Real Estate Investment Trust	95,080	Not Rated	Not Rated
<b>Total</b>	<b><u>\$ 26,929,627</u></b>		

<b>Policemen's Pension and Relief</b>	0-5 Years	5-10 Years	Over 10 Years
Interest Rate Risk			
Cash & Cash Equivalents	\$ 228,091	\$ -	\$ -
Certificate of Deposit	186,667	-	-
Federal Government Securities	391,503	148,406	45,467
Mutual Funds	5,403,344	-	-
Common Stock	10,382,586	-	-
Corporate Bonds	5,581,356	449,230	63,072
Municipal Bonds	121,214	-	-
Preferred Stocks	184,365	-	-
Exchange-Traded Fund	3,649,246	-	-
Real Estate Investment Trust	95,080	-	-
<b>Total</b>	<b><u>\$ 26,223,452</u></b>	<b><u>\$ 597,636</u></b>	<b><u>\$ 108,539</u></b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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<b>Firemen's Pension and Relief</b>	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Cash & Cash Equivalents	\$ 241,502	Not Rated	Not Rated
Certificate of Deposit	178,759	Not Rated	Not Rated
Federal Government Securities	881,394	AA+ to B-	Aaa to A2
Mutual Funds	4,783,009	Not Rated	Not Rated
Common Stock	8,257,859	Not Rated	Not Rated
Corporate Bonds	4,042,144	AA+ to BB+	Aaa to Baa3
Municipal Bonds	121,213	AAA to A	Aa1 to A1
Preferred Stocks	184,365	Not Rated	Not Rated
Exchange-Traded Fund	2,911,719	Not Rated	Not Rated
<b>Total</b>	<b>\$ 21,601,964</b>		

<b>Firemen's Pension and Relief</b>	0-5 Years	5-10 Years	Over 10
Interest Rate Risk			
Cash & Cash Equivalents	\$ 241,502	\$ -	\$ -
Certificate of Deposit	73,465	105,294	-
Federal Government Securities	650,970	191,631	38,793
Mutual Funds	4,783,009	-	-
Common Stock	8,257,859	-	-
Corporate Bonds	3,677,286	312,298	52,560
Municipal Bonds	121,213	-	-
Preferred Stocks	184,365	-	-
Exchange-Traded Fund	2,911,719		
<b>Total</b>	<b>\$ 20,901,388</b>	<b>\$ 609,223</b>	<b>\$ 91,353</b>

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, 2022. 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, 2022, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

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*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:

	<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
<b>Policemen's Pension and Relief</b>	Vanguard 500 Index FD	\$1,476,342	5.48%

	<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
<b>Firemen's Pension and Relief</b>	Vanguard 500 Index FD	\$1,368,269	6.33%

*Custodial Credit Risk*

Primary Government and Fiduciary Funds – For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. At year end, the primary government's and the fiduciary funds' bank balances were \$8,279,768 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 \$49,883,467. 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 Fund is as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>
Cash and cash equivalents	\$ 7,538,312	\$ 741,456
Investments – collateralized and secured	1,638,641	48,244,826
<b>Total</b>	<b>\$ 9,176,953</b>	<b>\$ 48,986,282</b>
Cash and cash equivalents	\$ 7,428,542	
Cash and cash equivalents – restricted	109,770	741,456
Investments - unrestricted	1,638,641	-
Investments - restricted	-	48,244,826
<b>Total</b>	<b>\$ 9,176,953</b>	<b>\$ 48,986,282</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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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 \$827,670, 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 \$3,420,342 of which \$1,803,206 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	\$ 827,670
Investments – collateralized and secured	3,420,342
Total	\$ 4,248,012
Cash and cash equivalents	\$ 827,670
Investments – unrestricted	50,777
Investments - restricted	3,369,565
Total	\$ 4,248,012

**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	\$ 45,369	\$ -	\$ 4,425	\$ -	\$ -	\$ 49,794	\$ 1,967,429
Taxes	4,941,686	22,813	-	194	-	4,964,693	2,038
Fines	50,309	-	-	-	61,612	111,921	-
Other	-	-	-	-	73,239	73,239	-
Gross receivables	5,037,364	22,813	4,425	194	134,851	5,199,647	1,969,467
Less: Allowance for Uncollectible	-	-	-	-	-	-	(267,000)
Net Total Receivables	\$ 5,037,364	\$ 22,813	\$ 4,425	\$ 194	\$ 134,851	\$ 5,199,647	\$ 1,702,467



**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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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:

<b>Unavailable</b>	
Property taxes receivable (General Fund)	\$ 24,893
Unavailable Revenue – Other (General Fund)	93,339
<b>Total</b>	<b><u>\$ 118,232</u></b>

*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, 2022, were as follows:

Class of Property	Assessed Valuations for Tax Purposes	Current Expense	Taxes Levied
Class II	\$ 269,274,882	25.00¢	\$ 673,187
Class IV	493,746,343	50.00¢	2,468,731
Less: uncollectables, exonerations, and delinquencies			(219,934)
Less: tax discounts			(58,440)
Less: assessor's valuation fund			(57,271)
Net amount to be raised by levy of property taxes			<b><u>\$ 2,806,273</u></b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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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 \$24,893.

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 – CAPITAL ASSETS**

Capital asset activity for the fiscal year end June 30, 2022, was as follows:

<b>Governmental activities:</b>	Beginning Balance	Primary Government		Ending Balance
		Increases	Decreases	
Capital assets, not being depreciated:				
Land	\$ 3,166,921	\$ 2,810,000	\$ -	\$ 5,976,921
Construction in progress	51,003	118,750	(51,003)	118,750
Works of Art	207,662	-	-	207,662
<b>Total capital assets not being depreciated</b>	<b>3,425,586</b>	<b>2,928,750</b>	<b>(51,003)</b>	<b>6,303,333</b>
Capital assets being depreciated:				
Buildings	1,427,203	2,962,837	-	4,390,040
Structures and improvements	913,860	106,066	-	1,019,926
Machinery, equipment and leased assets	12,091,434	1,753,543	(1,225,557)	12,619,420
Software	271,783	81,322	-	353,105
Infrastructure	2,460,538	298,857	-	2,759,395
Total accumulated depreciation	(9,586,743)	(1,128,492)	-	(10,715,235)
<b>Total capital assets being depreciated, net</b>	<b>7,578,075</b>	<b>4,074,133</b>	<b>(1,225,557)</b>	<b>10,426,651</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 11,003,661</b>	<b>\$ 7,002,883</b>	<b>\$ (1,276,560)</b>	<b>\$ 16,729,984</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

<b>Business-type activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,704,554	\$ 267,600	\$ -	\$ 6,972,154
Copyright	3,500	-	-	3,500
Construction in progress	-	302,020	-	302,020
<b>Total capital assets not being depreciated</b>	<b>6,708,054</b>	<b>569,620</b>	<b>-</b>	<b>7,277,674</b>
Capital assets being depreciated:				
Buildings	42,018,577	9,908	-	42,028,485
Structures and improvements	2,515,677	148,660	-	2,664,337
Machinery and equipment	933,991	182,732	-	1,116,723
Total accumulated depreciation	(12,287,423)	(1,382,350)	-	(13,669,773)
<b>Total capital assets being depreciated, net</b>	<b>33,180,822</b>	<b>(1,041,050)</b>	<b>-</b>	<b>32,139,772</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 39,888,876</b>	<b>\$ (471,430)</b>	<b>\$ -</b>	<b>\$ 39,417,446</b>

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

<b>Governmental activities:</b>	
General government	\$ 196,377
Public safety	623,352
Highways and streets, including depreciation of general infrastructure asset	308,763
<b>Total depreciation expense – governmental activities</b>	<b>\$ 1,128,492</b>
<b>Business-type activities:</b>	
Parking fund	
Parks & recreation fund	\$ 15,293
Building commission fund	235,384
<b>Total depreciation expense – business-type activities</b>	<b>1,131,673</b>
	<b>\$ 1,382,350</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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<b>Component Unit:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 605,566	\$ 263,822	\$ -	\$ 869,388
Construction in progress	390,644	1,468,436	(74,717)	1,784,363
Total capital assets not being depreciated	<u>996,210</u>	<u>1,732,258</u>	<u>(74,717)</u>	<u>2,653,751</u>
Capital assets being depreciated:				
Buildings	36,658,783	25,256	-	36,684,039
Structures and improvements	39,123,128	353,841	-	39,476,969
Machinery and equipment	2,361,846	898,627	(6,667)	3,253,806
Software	59,298	-	-	59,298
Leased Assets	547,610	-	(29,850)	517,760
Total accumulated depreciation	<u>(34,280,441)</u>	<u>(1,975,689)</u>	<u>56,731</u>	<u>(36,199,399)</u>
Total capital assets being depreciated, net	<u>44,470,224</u>	<u>(697,965)</u>	<u>20,214</u>	<u>43,792,473</u>
Governmental activities capital assets, net	<u>\$ 45,466,434</u>	<u>\$ 1,034,293</u>	<u>\$ (54,503)</u>	<u>\$ 46,446,224</u>

*Construction in Progress*

The primary government had an active construction project as of June 30, 2022. The project includes the construction of a downtown plaza. At year end, the amounts spent-to-date are as follows:

<b>Governmental Projects:</b>	<b>Spent-to-date</b>
Downtown Plaza Green Space	\$ 118,750
Total Governmental Projects	<u>\$ 118,750</u>

The component unit – Beckley Sanitary Board had active construction projects as of June 30, 2022. The projects include system upgrades, line expansions, and stormwater projects. At year end, the amounts spent-to-date are as follows:

<b>Sewer Projects</b>	<b>Spent-to-date</b>	<b>Stormwater Projects</b>	<b>Spent-to-date</b>
City Avenue	\$ 927,056	Morgan Hills	\$ 56,797
Project Seed Bed	115	S Fayette Street	72,632
Hartley Avenue	13,531	Maxwell Woods	6,658
Jonathan Drive	130,469	Hubbard Street	1,749
S Fayette Street	394,002	Jonathan Dr	125,205
New River Drive	17,746	Deepwood Ave	11,604
Phillips Street	4,038	Meadowbrook	4,133
Ellison Avenue	18,628	Total Stormwater Projects	<u>\$ 278,778</u>
Total Sewer Projects	<u>\$ 1,505,585</u>		
		Total Sewer and Stormwater Projects	<u>\$ 1,784,363</u>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

**NOTE VI – LONG TERM DEBT**

*Revenue Bonds*

Revenue bonds outstanding as of June 30, 2022 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, 2022
Bldg Commission 2017*	\$ 6,091,604	\$ -	\$ 1,234,104	\$ 4,857,500
Bldg Commission 2019	4,704,000	-	173,976	4,530,024
Total revenue bonds	<u>\$ 10,795,604</u>	<u>\$ -</u>	<u>\$ 1,408,080</u>	<u>\$ 9,387,524</u>

\* 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, 2022
2004-A Sanitary	\$9,039,000	(6,931,816)	\$2,107,184
2009-A Sanitary	679,316	(383,538)	295,778
2009-C Sanitary	1,035,783	(307,418)	728,365
2015-A Sanitary	3,614,914	(506,404)	3,108,510
2017 Sanitary	15,450,000	(2,970,000)	12,480,000
2020 Stormwater	1,212,000	(156,595)	1,055,405
Total revenue bonds	<u>\$ 31,031,013</u>	<u>\$ (11,255,771)</u>	<u>\$ 19,775,242</u>

*Utility Pledge Revenues*

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 \$4,857,500. Principal and interest paid for the current year and total customer net revenues were \$567,550 and \$2,257,184, respectively.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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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 and are payable through January 2029. Principal and interest paid for the current year and total customer net revenues were \$279,749 and \$2,257,184, 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 \$2,107,184. Principal and interest paid for the current year and the total customer net revenues were \$549,464 and \$3,275,072, 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 \$295,778. Principal and interest paid for the current year and the total customer net revenues were \$41,294 and \$3,275,072, 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 \$728,365. Principal and interest paid for the current year and total customer net revenues were \$26,732 and \$3,275,072, 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 \$3,180,510. Principal and interest paid for the current year and total customer net revenues were \$137,528 and \$3,275,072, 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 and are payable through June 2033. The total principal remaining to be paid on the bonds is \$12,480,000. Principal and interest paid for the current year and total customer net revenues were \$1,374,068 and \$3,275,072, respectively.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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 \$1,055,405. Principal and interest paid for the current year and total customer net revenues were \$133,799 and \$612,575, respectively.

*Changes in Long-Term Debt*

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

Description and Purpose	Balance			Balance	Due Within
	July 1, 2021	Issued	Retired	June 30, 2022	One Year
<b>Primary Government</b>					
<i>Governmental Activities</i>					
Compensated Absences	\$ 1,014,288	\$ 1,480,910	\$ (985,796)	\$ 1,509,402	\$ 182,386
Lease Obligations Payable	618,997	-	(597,911)	21,086	5,243
Net pension Liability	34,246,684		(3,007,862)	31,238,822	-
OPEB Liability	9,870,603	-	(2,340,041)	7,530,562	-
<b>Total Governmental Activities</b>	<b>45,750,572</b>	<b>1,480,910</b>	<b>(6,931,610)</b>	<b>40,299,872</b>	<b>187,629</b>
<i>Business-type Activities</i>					
Revenue Bonds:					
Major Enterprise Fund					
Building Commission	9,945,392	-	(463,769)	9,481,623	473,104
<b>Total Revenue Bonds</b>	<b>9,945,392</b>	<b>-</b>	<b>(463,769)</b>	<b>9,481,623</b>	<b>473,104</b>
Compensated Absences	84,899	77,521	(61,697)	100,723	6,753
Net Pension Liability	242,145	-	(242,145)	-	-
OPEB Liability	647,853	-	(70,070)	577,783	-
<b>Total Business-type Activities</b>	<b>10,920,289</b>	<b>77,521</b>	<b>(837,681)</b>	<b>10,160,129</b>	<b>479,857</b>
<b>Total Primary Government Long-Term Debt</b>	<b>\$ 56,670,861</b>	<b>\$ 1,558,431</b>	<b>\$ (7,769,291)</b>	<b>\$ 50,460,001</b>	<b>\$ 667,486</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Description and Purpose	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022	Due Within One Year
<i>Component Unit</i>					
Revenue Bonds:					
Sanitary Board	\$ 20,329,157	\$ -	\$ (1,609,320)	\$ 18,719,837	\$ 1,650,731
Stormwater Utility	1,167,136	-	(111,731)	1,055,405	113,960
Less: deferred amounts	-	-	-	-	-
<b>Total Revenue Bonds</b>	<b>21,496,293</b>	<b>-</b>	<b>(1,721,051)</b>	<b>19,775,242</b>	<b>1,764,691</b>
Lease Obligations Payable	289,276	18,775	(90,289)	217,762	84,486
Compensated Absences	282,216	620,940	(634,577)	268,579	31,111
Net Pension Liability	608,252	-	(608,252)	-	-
OPEB Liability	1,556,223	-	(366,570)	1,189,653	-
<b>Total Long-Term Debt</b>	<b>\$ 24,232,260</b>	<b>\$ 639,715</b>	<b>\$ (3,420,739)</b>	<b>\$ 21,451,236</b>	<b>\$ 1,880,288</b>

*Additional Debt Disclosure*

Outstanding Bonds, Maturity Dates, and Interest Rates

Description and Purpose	Issue Date	Maturity Date	Interest Rate(s)	Original Issue
<i>Primary Government</i>				
<i>Business-type activities</i>				
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 2019 A)	1/11/2019	1/11/2029	4.03%	4,704,000
<b>Total</b>				<b>\$10,795,604</b>
<i>Component Unit:</i>				
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
<b>Total</b>				<b>\$33,031,013</b>



**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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The annual debt service requirements to maturity, including principal and interest and administrative fees for bonds payable as of June 30, 2022 are as follows:

Year Ending June 30,	<b>Business-type Activities</b>		<b>Component Unit</b>			
	<b>Building Commission</b>		<b>Stormwater Utility</b>		<b>Sanitary Board</b>	
	Principal	Interest	Principal	Interest	Principal	Interest & Fees
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	120,917	12,882	1,786,296	342,304
2027	541,007	308,864	123,329	10,470	1,280,016	298,777
2028-2033	6,863,203	1,032,742	462,462	16,986	8,396,913	954,434
2034-2038	-	-	-	-	785,744	35,539
2039-2043	-	-	-	-	802,243	17,819
2044-2048	-	-	-	-	542,893	3,332
2049-2053	-	-	-	-	33,432	-
<b>Total</b>	<b>\$ 9,387,524</b>	<b>\$ 2,754,719</b>	<b>\$ 1,055,405</b>	<b>\$ 93,038</b>	<b>\$ 18,719,837</b>	<b>\$ 2,952,016</b>

**NOTE VII – LEASE COMMITMENTS**

*Financed Leases*

The Municipality's outstanding lease agreements include acquisitions of equipment and vehicles at a cost of \$50,895 and to purchase equipment, software and property for the Sanitary Board at a cost of \$480,215. 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,	<b>Governmental Activities</b>		<b>Component Unit</b>	
			<b>Beckley Sanitary Board</b>	
	Principal	Interest	Principal	Interest
2023	5,243	935	84,486	6,132
2024	5,511	667	58,357	3,340
2025	5,793	385	54,008	1,541
2026	4,539	95	15,934	308
2027	-	-	4,977	44
<b>Totals</b>	<b>\$ 21,086</b>	<b>\$ 2,082</b>	<b>\$ 217,762</b>	<b>\$ 11,365</b>

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, 2022, amounted to \$21,616, all of which was expensed. Total interest expense on component unit capital leases for the fiscal year ended June 30, 2022, amounted to \$9,279.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

**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:

	Police Fine Trust Fund	Sanitary	ARPA	General	Total
General	\$ 42,964	\$ 118,978	\$ 261,838	\$ -	\$ 423,780
Parks	-	-	-	27,740	27,740
Stormwater	-	4,350	-	-	4,350
<b>Total</b>	<b>\$ 42,964</b>	<b>\$ 123,328</b>	<b>\$ 261,838</b>	<b>\$ 27,740</b>	<b>\$ 455,870</b>

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

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

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

Transfers To:							
Transfers From:	Parks	Parking	General	Capital Reserve	Stormwater	Sewerage	Total Transfers From
General	\$ 1,428,745	\$ 370,329	\$ -	\$ 175,725	\$ -	\$ -	\$ 1,974,799
Coal Severance	125,000		-				125,000
Capital Reserve	12,944		140,595	-			153,539
ARPA	137,406	6,740	2,539,347		52,525	1,572,333	4,308,351
<b>Total Transfers To</b>	<b>\$ 1,704,095</b>	<b>\$ 377,069</b>	<b>\$ 2,679,942</b>	<b>\$ 175,725</b>	<b>\$ 52,525</b>	<b>\$ 1,572,333</b>	<b>\$ 6,561,689</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE IX – RESTRICTED ASSETS**

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

Revenue bond debt service accounts	\$	109,770	\$	1,803,206
Renovation and working capital reserve accounts		-	\$	1,118,777
Revenue bond renewal and replacement account		-		284,088
Customer deposits		-		163,494
		<u>\$</u>		<u>109,770</u>
			<u>\$</u>	<u>3,369,565</u>

**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	\$ 3,953,451	\$ 47,432	\$ -	\$ -	\$ 4,000,883
Public Safety	-	-	-	103,836	103,836
ARPA	-	-	122	-	122
Capital projects	-	-	-	43,555	43,555
Unassigned	5,149,472	-	-	-	5,149,472
Total Fund Balances	<u>\$ 9,102,923</u>	<u>\$ 47,432</u>	<u>\$ 122</u>	<u>\$ 147,391</u>	<u>\$ 9,297,868</u>

**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.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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*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, 2022, the State of West Virginia contributed on behalf of the Municipality's public employees as follows:

Plan	Amount
Policemen's Pension and Relief Fund	\$ 541,054
Firemen's Pension and Relief Fund	520,888
Total	<u>\$ 1,061,942</u>

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, 2021.

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, 2021.

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.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Membership of the Plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	56	47	103
Inactive employees entitled to but not yet receiving benefits	0	0	0
Inactive employees or beneficiaries currently receiving benefits	52	51	103
<b>Total</b>	<b>108</b>	<b>98</b>	<b>206</b>

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

	<b>PPRF</b>	<b>FPRF</b>
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.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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	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 Death Benefits	Yes Yes Yes	Yes Yes Yes

*Net Pension Liability*

The net pension liabilities were measured as of June 30, 2022, 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, 2021 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	6.25%	5.50%

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

*Rate of Return*

For the year ended June 30, 2022 the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense was 6.29 percent for the PPRF and 6.51 percent for FPRF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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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, 2022, 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%	.50%	1.0%	.50%
Portfolio	-	5.79%	-	5.79%

*Net Pension Liability, Reserves and Discount Rate*

Current year net pension liability for PPRF and FPRF are 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	\$37,477,766	\$42,365,886
Plan fiduciary net position	(26,974,092)	(21,630,738)
Net pension liability	<u>\$10,503,674</u>	<u>\$20,735,148</u>

	PPRF	FPRF
Plan fiduciary net position as a percentage of the total pension liability	<u>71.97%</u>	<u>51.06%</u>

*Discount Rate*

The discount rate used to measure the total pension liability was 6.25 percent for PPRF and 5.50 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 6.25% (PPRF) and 5.50% (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.

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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	\$ 15,765,669	\$ 10,503,674	\$ 6,229,868
FPRF's net pension liability	\$ 26,263,897	\$ 20,735,148	\$ 16,220,709

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, 2021	\$39,361,910	\$29,497,773	\$ 9,864,137
Charges for the year:			
Service Cost	951,163	-	951,163
Benefit Changes	-	-	-
Interest	2,117,910	-	2,117,910
Differences between expected & actual experience	594,034	-	594,034
Assumption Change	(3,838,350)	-	(3,838,350)
Contributions – employer	-	1,214,850	(1,214,850)
Contributions – employee	-	289,057	(289,057)
Net investment income	-	(2,318,673)	2,318,673
Benefit payments	(1,708,901)	(1,708,901)	-
Administrative expenses	-	(14)	14
Refunds	-	-	-
Net changes	(1,884,144)	(2,523,681)	639,537
Balance at June 30, 2022	\$37,477,766	\$26,974,092	\$10,503,674



**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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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, 2021	\$46,788,053	\$23,696,091	\$23,091,962
Charges for the year:			
Service Cost	1,102,273	-	1,102,273
Interest	2,178,166	-	2,178,166
Benefit Changes	-	-	-
Differences between expected & actual experience	(1,802,965)	-	(1,802,965)
Assumption Change	(4,035,786)	-	(4,035,786)
Contributions – employer	-	1,403,746	(1,403,746)
Contributions – employee	-	285,190	(285,190)
Net investment income	-	(1,890,420)	1,890,420
Benefit payments	(1,863,855)	(1,863,855)	-
Administrative expenses	-	(14)	14
Refunds	-	-	-
Net changes	(4,422,167)	(2,065,353)	(2,356,814)
Balance at June 30, 2022	\$42,365,886	\$21,630,738	\$20,735,148

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

For the year-ended June 30, 2022, the government recognized the following pension expenses.

	PPRF	FPRF
Pension Expense	\$ (347,564)	\$ (1,860,312)

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	\$ 740,941	\$ 869,669
Changes in assumptions	1,186,826	4,596,901
Net difference between projected and actual investment earnings	771,584	-
Total	\$ 2,699,351	\$ 5,466,570

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	FPRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 243,291	\$ 1,851,557
Changes in assumptions	-	5,771,619
Net difference between projected and actual investment earnings	185,530	-
<b>Total</b>	<b>\$ 428,821</b>	<b>\$ 7,623,176</b>

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

	PPRF
Year Ended June 30,	
2023	\$ (1,337,732)
2024	(820,655)
2025	(1,395,913)
2026	787,081
Thereafter	-
<b>Total</b>	<b>\$ (2,767,219)</b>

	FPRF
Year Ended June 30,	
2023	\$ (4,289,284)
2024	(1,922,969)
2025	(1,584,467)
2026	602,365
Thereafter	-
<b>Total</b>	<b>\$ (7,194,355)</b>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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Pension Trust Fund Statements

<b>Assets</b>	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>
Cash and deposits	<u>\$ 228,091</u>	<u>\$ 241,502</u>
Investments, at fair value:		
Government securities	706,590	1,002,608
Corporate bonds	9,472,149	6,223,722
Corporate stocks	16,427,717	13,331,572
Alternative investments	<u>95,080</u>	<u>802,560</u>
Total investments	26,701,536	21,360,462
Receivables:		
Accounts receivable	44,465	28,774
<b>Total Assets</b>	<u><u>\$ 26,974,092</u></u>	<u><u>\$ 21,630,738</u></u>
<b>Liabilities</b>		
Accounts Payable	<u>\$ 3,397</u>	<u>\$ 7,751</u>
<b>Deferred Outflows</b>		
Total deferred outflows of resources	<u>-</u>	<u>-</u>
<b>Deferred Inflows</b>		
Total deferred inflows of resources	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Net position restricted for pension benefits	<u>26,970,695</u>	<u>21,622,987</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 26,974,092</u></u>	<u><u>\$ 21,630,738</u></u>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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	Policemen's Pension and Relief	Firemen's Pension and Relief
<b>Additions</b>		
Contributions:		
Employer	\$ 673,796	\$ 882,858
State	541,054	520,888
Employee	289,056	285,191
Receivable	-	-
Total Contributions	1,503,906	1,688,937
Investment Income:		
Net appreciation (depreciation)	(4,964,698)	(4,181,720)
Net realized gain (loss) on sale or exchange	2,189,515	1,915,245
Interest and dividends	558,450	452,513
Other income	-	-
Investment expense	-	(83,880)
Net investment income	(2,216,733)	(1,897,842)
Total additions	(712,827)	(208,905)
<b>Deductions</b>		
Benefit payments	1,670,398	1,863,855
Pension plan administrative expense	104,266	14
Refunds	38,503	-
Other	14	-
Total deductions	1,813,181	1,863,869
Payable	-	-
Change in net assets	(2,526,008)	(2,072,774)
Net assets held in trust for pension benefits:		
Beginning of year	29,496,703	23,695,761
End of year	\$ 26,970,695	\$ 21,622,987

**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](http://www.wvretirement.com).

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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The following is a summary of eligibility factors, contribution methods, and benefit provisions:

<u>Public Employees Retirement System (PERS)</u>	
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**

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2022	\$ 671,535	100%
2021	639,721	100%
2020	629,307	100%
2019	585,045	100%
2018	590,977	100%
2017	648,412	100%
2016	703,179	100%
2015	673,639	100%
2014	747,453	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.

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

At June 30, 2022, 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, 2022, the Municipality reported the following proportions and increases/decreases from its proportion measure as of June 30, 2021.

	<b>PERS</b>
Amount for proportionate share of net pension asset	\$ 3,526,845
Percentage for proportionate share of net pension liability – current year	0.401720%
Percentage for proportionate share of net pension liability – prior year	0.404974%
Increase/(Decrease) % from prior proportion measured	(0.003254)%

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

	Governmental Activities	Business-Type Activities
Pension Expense	\$ (470,205)	\$ (191,310)

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	\$ 12,909	\$ (7,311)
Difference between expected and actual experience	402,503	(13,369)
Contributions made after measurement date	671,535	-
Net difference between projected and actual investment earnings	-	(4,517,313)
Difference in assumptions	671,037	(28,586)
Total	\$1,757,984	\$ (4,566,579)

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, 2023. 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:	
2023	\$ (647,715)
2024	(571,987)
2025	(930,591)
2026	(1,329,837)
Total	\$ (3,480,130)

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*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, 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 2035
Actuarial assumptions:	
Investment rate of return	7.25%, net of investment expense
Projected salary increases:	
PERS:	
State	2.75-5.55%
Nonstate	3.60-6.75%
Inflation rate	2.75%
Discount rate	7.25%
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%
Nonstate	2.50-35.88%
Disability rates	.005-0.540%
Retirement rates	12.0-100%

Date range in most recent experience study: 2015-2020

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:

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Investment	Target Asset Allocation	Long-term Expected Real Rate of Return
US Equity	27.5%	5.5%
International Equity	27.5%	7.0%
Fixed Income	15.0%	2.2%
Private Equity	10.0%	8.5%
Hedge Funds	10.0%	4.0%
Real Estate	10.0%	6.6%
	100.0%	

*Discount rate*

The discount rate used to measure the total pension asset was 7.25% 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 asset 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	Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Municipality's proportionate share of PER's net pension asset (liability)	\$ (40,301)	\$ 3,526,844	\$ 6,537,688

*Pension plans' fiduciary net position*

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at [www.wvretirement.com](http://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 – 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, 2022, the Municipality abated business and occupation taxes totaling \$97,536 under this program.



**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
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**NOTE XVI – 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 \$14,000 and \$253,000 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 XVII – POSTEMPLOYMENT 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 postemployment healthcare 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 staff. Plan benefits are established and revised by the PEIA and the RHBT management with the approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. The four remaining members represent the public at large.

The Plan had approximately 43,000 policyholders and 64,000 covered lives at June 30, 2021.

Active employees who retire are eligible for 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 services 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 eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

For additional 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](http://www.peia.wv.gov). If you have any questions about this

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report or need additional information, contact the RHBT Controller, Jennifer Priddy, at 304-352-0298, ext. 20298. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57<sup>th</sup> 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 \$137 million for fiscal year ended June 30, 2021. The payro rates for June 30, 2021 were \$160. For the year ended June 30, 2022, contributions to the OPEB plan from the Municipality were \$107,244.

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, 2022 the Municipality reported an asset of \$18,618 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, 2020, rolled forward to June 30, 2021, 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, 2021, the Municipality's proportion was .062614105%, which was a increase of .003406% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Municipality recognized OPEB expense of (\$402,066).

At June 30, 2022, 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	\$ -	\$ (128,251)
Differences between expected and actual non-investment	-	(128,489)
Changes in Assumptions (gain)/loss	-	(393,968)
Changes in Proportion and Differences Between Employer Contribution & Proportionate Share	57,327	(18,718)
Contributions subsequent to the measurement date	107,244	-
Reallocation of Opt-Out Employer Change in Proportionate Share	-	(6,385)
	<u>\$ 164,571</u>	<u>\$ (675,811)</u>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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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, 2023. 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:		
	2023	\$ (312,867)
	2024	(238,270)
	2025	(36,779)
	2026	(30,568)
	Total	<u>\$ (618,484)</u>

*Actuarial assumptions*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, 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	Rates based on 2015-2020 OPEB experience study. Rates first applied to the 2020 valuation.
Aging factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Mortality Rates	Post-Retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MO-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, decreasing by 0.50% for one year then 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 ended 2022, 9.15% for plan year ended 2023, decreasing ratably 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.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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 expected rate of return on OPEB plan investments was determined using a building-block method in which estimates of expected future 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 percentage. 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-OMB assumed inflation of 2.0% plus a 25-basis point spread.

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

Asset Class	Target Allocation	Long-term Expected Real Return
Global Equity	55.0%	4.8%
Core Plus Fixed Income	15.0%	2.1%
Core Real Estate	10.0%	4.1%
Hedge Fund	10.0%	2.4%
Private Equity	10.0%	6.8%
Total	100.0%	

*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%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investment was applied to all periods of projected benefit payments to determine the total OPEB liability.

*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 Assumption 6.65%	1% Increase 7.65%
\$ (99,907)	\$ 18,618	\$ 117,028

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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*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
5.65%	6.65%	7.65%
\$ 137,466	\$ 18,618	\$ (126,153)

*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](http://peia.wv.gov). That information can also be obtained by writing to the West Virginia Public Employee Insurance Agency, 601 57<sup>th</sup> Street, Suite 2, Charleston, WV 25304.

*Municipality of Beckley Retiree Healthcare Plan:*

*Plan description*

The Municipality provides healthcare benefits to 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 Plan provides medical and prescription drug insurance and dental and vision insurance. The Municipality contributes up to \$4,000/\$5,000 (single/family) 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/\$5,000 (single/family) 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 261 participants with 245 being active employees and 16 being retirees and their beneficiaries.

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

At fiscal year-end, the Municipality reported a liability of \$9,297,998 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 June 30, 2022, the measurement date was June 30, 2022.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

For this fiscal year, the Municipality recognized OPEB expense of \$454,546. 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	\$ 1,293,487	\$ (1,380,605)
Differences between expected and actual experience	-	(2,625,899)
<b>Total</b>	<b>\$ 1,293,487</b>	<b>\$ (4,006,504)</b>

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, 2023. 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:

2023	\$	(340,728)
2024		(340,728)
2025		(340,728)
2026		(340,728)
2027		(334,179)
2028-2030		(1,015,926)
<b>Total</b>	<b>\$</b>	<b>(2,713,017)</b>

*Actuarial assumptions*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.750%
Salary Increases	3.50%
Healthcare Trend	6.50% initially, grading down to 4.25% ultimate
Discount Rate	3.69%
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, 2022 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 1.92% in the prior year to 3.69% in the current year.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.69%. 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, 2022

*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 2.6900%	Current Discount Rate Assumption 3.6900%	1% Increase 4.69%
Net OPEB Liability	\$ 10,308,311	\$ 9,297,998	\$ 8,403,784

*Sensitivity of the Municipality's net OPEB liability to changes in the healthcare trend rate.*

The following presents the net OPEB liability of the plan, calculated using the healthcare trend rate of 6.50% to an ultimate rate of 4.25%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rates:

	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase
Net OPEB Liability	\$ 8,220,127	\$ 9,297,998	\$ 10,567,156

**NOTE XIII – 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 Municipality's management has evaluated the effect that subsequent events would have on the Municipality's financial statements through February 24, 2023, 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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Ad valorem property tax	\$ 3,265,773	\$ 3,175,773	\$ 3,029,301	\$ (146,472)
Business and occupancy tax	10,000,000	10,000,000	11,368,264	1,368,264
Alcoholic beverage tax	223,000	223,000	192,330	(30,670)
Utility services tax	700,000	700,000	1,023,915	323,915
Hotel occupancy tax	890,000	890,000	976,149	86,149
Sales tax	4,900,000	5,900,000	6,814,811	914,811
Other taxes	473,000	481,400	499,952	18,552
Severance taxes	29,500	29,500	31,892	2,392
Licenses and permits	60,030	60,030	162,312	102,282
Intergovernmental:				
Federal	995,325	1,095,325	1,186,065	90,740
State	16,000	16,000	-	(16,000)
Charges for services	21,000	21,000	120,843	99,843
Fines and forfeits	248,000	248,000	247,898	(102)
Interest and investment earnings	12,600	12,600	(126,892)	(139,492)
Refunds and reimbursements	279,000	539,000	480,008	(58,992)
Insurance claims	28,000	28,000	23,149	(4,851)
Contributions and donations	750	7,000,750	4,875,847	(2,124,903)
Miscellaneous	17,250	17,250	15,974	(1,276)
<b>Total revenues</b>	<b>22,159,228</b>	<b>30,437,628</b>	<b>30,921,818</b>	<b>484,190</b>
<b>EXPENDITURES</b>				
Current:				
General government	6,878,876	8,676,201	5,178,469	(3,497,732)
Public safety	11,803,900	12,058,900	13,228,937	1,170,037
Streets and transportation	4,583,050	4,808,550	5,408,403	599,853
Health and sanitation	108,600	108,600	112,590	3,990
Culture and recreation	900,000	900,000	953,070	53,070
Social services	2,700	2,700	436	(2,264)
Capital outlay	1,620,000	10,170,575	8,232,932	(1,937,643)
<b>Total expenditures</b>	<b>25,897,126</b>	<b>36,725,526</b>	<b>33,114,837</b>	<b>(3,610,689)</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(3,737,898)</b>	<b>(6,287,898)</b>	<b>(2,193,019)</b>	<b>4,094,879</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	26,000	26,000	6,751	(19,249)
Transfers in	650,000	2,300,000	2,679,942	379,942
Transfers out	-	-	(1,974,799)	(1,974,799)
<b>Total other financing sources (uses)</b>	<b>676,000</b>	<b>2,326,000</b>	<b>711,894</b>	<b>(1,614,106)</b>
<b>Net change in fund balances</b>	<b>(3,061,898)</b>	<b>(3,961,898)</b>	<b>(1,481,125)</b>	<b>2,480,773</b>
Fund balances beginning of year	3,061,898	3,961,898	10,584,048	6,622,150
Fund balances end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,102,923</u>	<u>\$ 9,102,923</u>

**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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Severance tax	\$ 50,000	\$ 25,000	\$ 67,544	\$ 42,544
Interest and investment earnings	250	588	80	(508)
Total revenues	<u>50,250</u>	<u>25,588</u>	<u>67,624</u>	<u>42,036</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	(10)	(10)
Culture and recreation	55,250	28,000	-	(28,000)
Total expenditures	<u>55,250</u>	<u>28,000</u>	<u>(10)</u>	<u>(28,010)</u>
Excess of revenues over (under) expenditures	<u>(5,000)</u>	<u>(2,412)</u>	<u>67,634</u>	<u>70,046</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(125,000)	(125,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>(125,000)</u>
Net change in fund balances	(5,000)	(2,412)	(57,366)	(54,954)
Fund balances beginning of year	<u>5,000</u>	<u>2,412</u>	<u>104,798</u>	<u>102,386</u>
Fund balances end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,432</u>	<u>\$ 47,432</u>

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**For the Fiscal Year Ended June 30, 2022**

	<b>Policemen's Pension and Relief Fund</b>								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 951,163	\$ 944,209	\$ 1,180,545	\$ 1,090,463	\$ 1,083,033	\$ 932,441	\$ 527,526	\$ 605,759	\$ 566,516
Interest	2,117,910	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	594,034	(975,922)	(608,310)	886,248	(539,579)	(579,180)	(367,023)	(240,296)	-
Assumption changes	(3,838,350)	578,721	(2,739,147)	2,692,393	(2,425,222)	-	7,544,910	(1,724,947)	-
Benefits payments, including refunds of member contributions	(1,708,901)	(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	(1,884,144)	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	39,361,910	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)	<u>\$ 37,477,766</u>	<u>\$ 39,361,910</u>	<u>\$ 38,227,092</u>	<u>\$ 39,946,884</u>	<u>\$ 34,872,905</u>	<u>\$ 36,402,396</u>	<u>\$ 35,661,027</u>	<u>\$ 27,644,397</u>	<u>\$ 28,755,784</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 1,214,850	\$ 1,195,018	\$ 1,149,672	\$ 1,178,526	\$ 1,129,068	\$ 967,969	\$ 893,981	\$ 870,447	\$ 834,851
Contributions - members	289,057	239,218	225,268	228,413	207,438	204,974	183,395	163,569	167,926
Net investment income	(2,318,673)	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	(1,708,901)	(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	(14)	(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	(2,523,681)	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	29,497,773	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)	<u>\$ 26,974,092</u>	<u>\$ 29,497,773</u>	<u>\$ 24,230,044</u>	<u>\$ 23,656,733</u>	<u>\$ 22,217,795</u>	<u>\$ 21,082,534</u>	<u>\$ 20,037,138</u>	<u>\$ 19,595,635</u>	<u>\$ 19,553,486</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 10,503,674</u>	<u>\$ 9,864,137</u>	<u>\$ 13,997,048</u>	<u>\$ 16,290,151</u>	<u>\$ 12,655,110</u>	<u>\$ 15,319,862</u>	<u>\$ 15,623,889</u>	<u>\$ 8,048,762</u>	<u>\$ 9,202,298</u>
Plan fiduciary net position as a percentage of the total pension liability	71.97%	74.94%	63.38%	59.22%	63.71%	57.92%	56.19%	70.88%	68.00%
Covered employee payroll	\$ 2,925,004	\$ 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	359.10%	389.49%	477.55%	609.82%	490.36%	690.94%	664.10%	365.50%	443.17%

Only nine 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 CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**For the Fiscal Year Ended June 30, 2022**

	<b>Firemen's Pension and Relief Fund</b>								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 1,102,273	\$ 979,236	\$ 1,407,737	\$ 1,433,473	\$ 1,372,807	\$ 1,483,038	\$ 716,515	\$ 743,480	\$ 691,461
Interest	2,178,166	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	(1,802,965)	486,583	(1,997,332)	1,717,861	(114,768)	380,786	(413,682)	491,509	-
Assumption changes	(4,035,786)	(1,957,595)	(7,063,929)	964,067	(778,140)	(3,398,993)	13,842,099	-	-
Benefits payments, including refunds of member contributions	(1,863,855)	(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	(4,422,167)	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	46,788,053	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)	<u>\$ 42,365,886</u>	<u>\$ 46,788,053</u>	<u>\$ 46,738,395</u>	<u>\$ 54,244,510</u>	<u>\$ 50,145,861</u>	<u>\$ 49,668,955</u>	<u>\$ 51,230,872</u>	<u>\$ 36,912,015</u>	<u>\$ 35,497,770</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	1,403,746	1,343,896	1,271,676	1,334,570	\$ 1,216,720	\$ 1,058,279	\$ 999,228	\$ 943,850	\$ 887,837
Contributions - members	285,190	230,632	220,835	191,084	179,050	174,158	167,650	152,499	158,033
Net investment income	(1,890,420)	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	(1,863,855)	(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	(14)	(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	(2,065,353)	4,186,319	234,093	826,034	705,516	777,189	151,960	(143,949)	1,318,621
Plan fiduciary net position - beginning	23,696,091	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)	<u>\$ 21,630,738</u>	<u>\$ 23,696,091</u>	<u>\$ 19,509,772</u>	<u>\$ 19,275,679</u>	<u>\$ 18,449,645</u>	<u>\$ 17,744,129</u>	<u>\$ 16,966,940</u>	<u>\$ 16,814,980</u>	<u>\$ 16,958,929</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 20,735,148</u>	<u>\$ 23,091,962</u>	<u>\$ 27,228,623</u>	<u>\$ 34,968,831</u>	<u>\$ 31,696,216</u>	<u>\$ 31,924,826</u>	<u>\$ 34,263,932</u>	<u>\$ 20,097,035</u>	<u>\$ 18,538,841</u>
Plan fiduciary net position as a percentage of the total pension liability	51.06%	50.65%	41.74%	35.53%	36.79%	35.72%	33.12%	45.55%	47.77%
Covered employee payroll	\$ 2,779,350	\$ 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	746.04%	874.49%	1183.89%	1527.55%	1451.29%	1534.76%	1512.26%	968.49%	947.24%

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

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**SCHEDULE OF CONTRIBUTIONS - POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

**Policemen's Pension and Relief Fund**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,613,556	\$ 1,709,028	\$ 1,923,216	\$ 1,618,552	\$ 1,443,038	\$ 1,526,595	\$ 1,424,813	\$ 769,449	\$ 908,970
City contributions in relation to the actuarially determined contribution	(673,796)	(629,716)	(588,519)	(650,018)	(614,036)	(480,407)	(448,978)	(419,606)	(392,155)
State contributions in relation to the actuarially determined contribution	(541,054)	(565,302)	(561,153)	(528,508)	(515,032)	(487,562)	(443,222)	(450,841)	(405,775)
Contribution deficiency (excess)	<u>\$ 398,706</u>	<u>\$ 514,010</u>	<u>\$ 773,544</u>	<u>\$ 440,026</u>	<u>\$ 313,970</u>	<u>\$ 558,626</u>	<u>\$ 532,613</u>	<u>\$ (100,998)</u>	<u>\$ 111,040</u>
Government's covered-employee payroll	\$ 2,925,004	\$ 2,532,581	\$ 2,931,036	\$ 2,671,312	\$ 2,580,777	\$ 2,217,255	\$ 2,100,749	\$ 2,202,152	\$ 2,076,451
Employer contributions as a percentage of covered-employee payroll	23.04%	24.86%	20.08%	24.33%	23.79%	21.67%	21.37%	19.05%	18.89%
City and state contributions as a percentage of covered-employee payroll	41.53%	47.19%	39.22%	44.12%	43.75%	43.66%	42.47%	39.53%	38.43%

**Firemen's Pension and Relief Fund**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,531,939	\$ 2,524,427	\$ 2,840,851	\$ 2,674,661	\$ 2,367,135	\$ 2,253,955	\$ 2,093,433	\$ 1,468,949	\$ 1,398,526
City contributions in relation to the actuarially determined contribution	(882,858)	(825,101)	(771,122)	(870,675)	(773,528)	(629,465)	(588,285)	(549,799)	(513,831)
State contributions in relation to the actuarially determined contribution	(520,888)	(518,795)	(500,554)	(463,895)	(443,192)	(428,814)	(415,566)	(394,051)	(342,815)
Contribution deficiency (excess)	<u>\$ 1,128,193</u>	<u>\$ 1,180,531</u>	<u>\$ 1,569,175</u>	<u>\$ 1,340,091</u>	<u>\$ 1,150,415</u>	<u>\$ 1,195,676</u>	<u>\$ 1,089,582</u>	<u>\$ 525,099</u>	<u>\$ 541,880</u>
Government's covered-employee payroll	\$ 2,779,350	\$ 2,640,634	\$ 2,299,930	\$ 2,289,203	\$ 2,183,999	\$ 2,080,112	\$ 2,028,434	\$ 2,075,097	\$ 1,957,139
Employer contributions as a percentage of covered-employee payroll	31.76%	31.25%	33.53%	38.03%	35.42%	30.26%	29.00%	26.50%	26.25%
City and state contributions as a percentage of covered-employee payroll	50.51%	50.89%	55.29%	58.30%	55.71%	50.88%	49.49%	45.48%	43.77%

Note - Only 9 years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**SCHEDULE OF INVESTMENT RETURNS - POLICEMEN'S AND FIREMEN'S PENSION AND RELIEF FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

**Policemen's Pension and Relief Fund**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	6.29%	6.76%	4.19%	7.94%	7.27%	7.53%	5.12%	12.10%	12.50%

**Firemen's Pension and Relief Fund**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	6.51%	6.91%	4.12%	7.64%	7.63%	8.75%	5.15%	13.20%	13.50%

Note - Only 9 years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**SCHEDULE OF MUNICIPALITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**For the Fiscal Year Ended June 30, 2022**

**Public Employees' Retirement System**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Municipality's proportionate share of the net pension liability (asset) (%)	0.401720%	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)	\$ (3,526,844)	\$ 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	\$ 6,715,350	\$ 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	-52.52%	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	111.07%	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, 2022**

**Public Employees' Retirement System**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 671,535	\$ 639,721	\$ 629,307	\$ 585,045	\$ 590,977	\$ 648,412	\$ 703,179	\$ 673,639	\$ 747,453
Contributions in relation to the contractually required contribution	<u>(671,535)</u>	<u>(639,721)</u>	<u>(629,307)</u>	<u>(585,045)</u>	<u>(590,977)</u>	<u>(648,412)</u>	<u>(703,179)</u>	<u>(673,639)</u>	<u>(747,453)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Municipality's covered payroll	\$ 6,715,350	\$ 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%	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 (ASSET)**  
**For the Fiscal Year Ended June 30, 2022**

**West Virginia Retiree Health Benefit Trust**  
 Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Municipality's proportionate share of the net OPEB liability (asset) (%)	0.062614105%	0.059207967%	0.057764907%	0.058415146%	0.062706931%
Municipality's proportionate share of the net OPEB liability (asset)	\$ (18,618)	\$ 261,517	\$ 958,395	\$ 1,253,260	\$ 1,541,957
Municipality's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Municipality's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	N/A**	N/A**	N/A**	N/A**	N/A**
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	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 5 years.

\*\* All participants were retired at yearend.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**SCHEDULE OF MUNICIPALITY CONTRIBUTIONS - OPEB**  
**For the Fiscal Year Ended June 30, 2022**

**West Virginia Retiree Health Benefit Trust**  
 Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 107,244	\$ 114,182	\$ 114,442	\$ 119,012	\$ 119,371
Contributions in relation to the contractually required contribution	<u>107,244</u>	<u>114,182</u>	<u>114,442</u>	<u>119,012</u>	<u>119,371</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Municipality's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A**	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 5 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, 2022**

<b>Municipality of Beckley Retiree Healthcare Plan</b>					
Last 10 Fiscal Years*					
Fiscal year end June 30	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 559,959	\$ 541,023	\$ 466,236	\$ 450,470	\$ 435,237
Interest on the total OPEB liability	235,315	269,495	357,564	368,542	342,348
Benefit changes	(235,387)	(126,363)	-	-	-
Difference between expected and actual experience	(1,551,342)	-	(450,868)	-	-
Assumption changes	(1,523,709)	607,445	737,322	56,344	(58,947)
Net change in total OPEB liability	(2,515,164)	1,291,600	1,110,254	875,356	718,638
Total Pension OPEB - beginning	11,813,162	10,521,562	9,411,308	8,535,952	7,817,314
Total OPEB Liability - ending	<u>\$ 9,297,998</u>	<u>\$ 11,813,162</u>	<u>\$ 10,521,562</u>	<u>\$ 9,411,308</u>	<u>\$ 8,535,952</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	13,137,257	8,809,052	10,249,691	11,183,678	9,097,893
Net OPEB liability as a percentage of covered employee payroll	70.78%	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 1.92% to 3.69% 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 5 years.

***Supplementary Information***

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA  
SCHEDULE OF RATE COVENANT COMPLIANCE  
FOR THE YEAR ENDED JUNE 30, 2022**

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**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, 2022:

*Rate Covenant*

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
\$3,275,072	\$2,132,939	153%	110%

As of June 30, 2022, 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, 2022, the Board was in compliance with the provisions of this requirement.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA  
SCHEDULE OF RATE COVENANT COMPLIANCE  
FOR THE YEAR ENDED JUNE 30, 2022**

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**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, 2022:

*Rate Covenant*

Net Gross Revenues	Maximum Amount Annual Debt Service	Percentage	Percentage Required
\$612,575	\$133,799	457%	110%

As of June 30, 2022, 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, 2022, the Board was in compliance with the provisions of this requirement.

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2022**

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 108,831	\$ 184,243	\$ 293,074
<b>Total assets</b>	<b>\$ 108,831</b>	<b>\$ 184,243</b>	<b>\$ 293,074</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 4,995	\$ 140,688	\$ 145,683
<b>Total liabilities</b>	<b>4,995</b>	<b>140,688</b>	<b>145,683</b>
<b>FUND BALANCES</b>			
Assigned	103,836	43,555	147,391
<b>Total fund balances</b>	<b>103,836</b>	<b>43,555</b>	<b>147,391</b>
<b>Total liabilities and fund balances</b>	<b>\$ 108,831</b>	<b>\$ 184,243</b>	<b>\$ 293,074</b>

**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, 2022**

	Special Revenue - Law Enforcement Investigation Fund	Capital Projects - Capital Reserve Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental:			
Interest and investment earnings	\$ -	\$ 67	\$ 67
Total revenues	-	67	67
<b>EXPENDITURES</b>			
Current:			
Public safety	44,308	-	44,308
Total expenditures	44,308	-	44,308
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	175,725	175,725
Transfers Out	-	(153,539)	(153,539)
Total Other Financing Sources (Uses)	-	22,186	22,186
Net change in fund balances	(44,308)	22,253	(22,055)
Fund balances beginning of year	148,144	21,302	169,446
Fund balances end of year	\$ 103,836	\$ 43,555	\$ 147,391



# 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, 2022, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated February 24, 2023.

### **Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

### **Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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  
February 24, 2023**

## 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

#### ***Opinion on Each Major Federal Program***

We have audited the Municipality of Beckley, West Virginia's (Municipality) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Municipality's major federal programs for the year ended June 30, 2022. 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.

In our opinion, the Municipality 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, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Municipality and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Municipality's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Municipality's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Municipality's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Municipality's compliance with the requirements of each major federal program as a whole.

# Ferrari & Associates, PLLC

616 Schubert Place | Morgantown, WV 26505

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Municipality's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Municipality's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 The Municipality's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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  
February 24, 2023**

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2022**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number (AL)	Pass-Through Entity Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct from Federal Government:				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grants	14.218	N/A	\$ -	\$ 515,516
Total U.S. Department of Housing and Urban Development			-	515,516
<b>National Endowment for the Humanities</b>				
Passed through the WV Division of Culture and History:				
Promotion of the Arts Partnership Agreements	45.025	AH-21-8319	-	10,000
Total National Endowment for the Humanities			-	10,000
<b>U.S. Department of Energy</b>				
Passed through the WV Department of Energy:				
State Energy Program	81.041	21-5409	-	421
Total U.S. Department of Energy			-	421
<b>U.S. Department of Justice</b>				
Direct from Federal Government:				
Bulletproof Vest Partnership	16.607	N/A	-	650
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	208,333
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	44,381
Passed through the WV Department of Justice:				
Justice Assistance Grant	16.579	21-JAG-05	-	15,000
Total U.S. Department of Justice			-	268,364
<b>U.S. Department of Treasury</b>				
Direct from Federal Government:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	4,344,826
Total U.S. Department of Treasury			-	4,344,826
<b>Executive Office of the President</b>				
Direct from Federal Government:				
High Intensity Drug Trafficking Areas Program	95.001	N/A	-	42,409
Total Executive Office of the President			-	42,409
<b>U.S. Department of Health and Human Services</b>				
Direct from Federal Government:				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	N/A	-	26,096
Total U.S. Department of Health and Human Services			-	26,096
<b>U.S. Department of the Interior</b>				
Direct from Federal Government:				
Heritage Partnership	15.939	N/A	-	6,965
Total U.S. Department of the Interior			-	6,965
<b>U.S. Department of Transportation</b>				
Passed through the WV Department of Transportation:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F21-HS-07-402, F21-HS-09-402 F21-HS-15-402, F22-HS-09-402 F22-HS-15-402, F22-HS-07-402	-	442,355
Total Highway Safety Cluster			-	442,355
Alcohol Open Container Requirements	20.607	F21-HS-07-DOHWZ; F22-HS-07-DOHWZ	-	24,924
National Highway Traffic Safety Administration	20.614	F21-HS-07-405b, F21-HS-07-405c F21-HS-07-405d, F21-HS-09-405b F22-HS-09-405b, F22-HS-09-405c F22-HS-07-405d, F22-HS-07-405e F22-HS-07-405b, F22-HS-07-405c	-	180,470
Total U.S. Department of Transportation			-	647,749
Total Expenditures of Federal Awards			\$ -	\$ 5,862,346

**MUNICIPALITY OF BECKLEY, WEST VIRGINIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2022**

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**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, 2022. 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, 2022**

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**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:

<u>Federal Assistance Listing Number (AL)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

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.