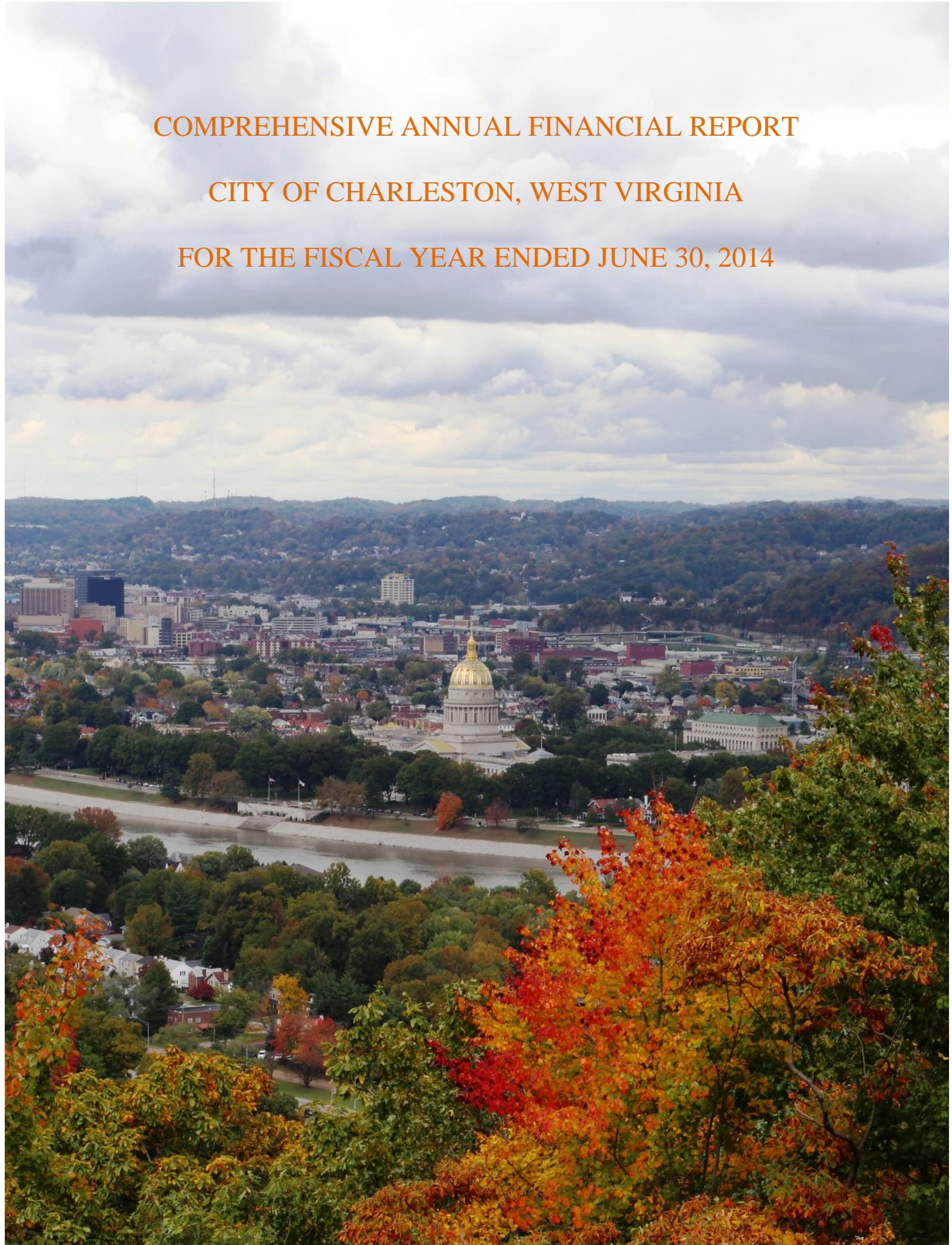


COMPREHENSIVE ANNUAL FINANCIAL REPORT  
CITY OF CHARLESTON, WEST VIRGINIA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014





**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
CITY OF CHARLESTON, WEST VIRGINIA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Mayor: Danny Jones  
City Manager: David Molgaard  
Finance Director: Joseph Estep  
City Auditor (Controller): Brenda J. Lemon, CPA, CGMA

Prepared by the  
Charleston Accounting/Financial Department





CITY OF CHARLESTON  
OFFICE OF THE MAYOR

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To the Honorable Members of City Council and the Citizens of Charleston, West Virginia.

I am pleased to provide you with the City of Charleston's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. The firm of Gibbons & Kawash, A.C., has audited the basic financial statements contained in this report.

The CAFR demonstrates the City of Charleston's commitment to financial accountability and national standards. This document provides the City Council and the citizens of Charleston with the City's financial data. The report can be accessed at [www.cityofcharleston.org/government/city-departments/accounting](http://www.cityofcharleston.org/government/city-departments/accounting).

This report was compiled with the help of individuals throughout City government. Each department provided clear, concise information to ensure the highest level of financial accountability.

Sincerely,

Danny Jones  
Mayor

---

## ACKNOWLEDGMENTS

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Report prepared by:

City of Charleston Accounting/Finance Department  
501 Virginia Street, East, Room 202  
Charleston, WV 25301

Financial Reporting Team:

Brenda J. Lemon, CPA, CGMA, City Auditor/Controller  
Tia Robertson, M.A.F.M., Assistant City Auditor/Controller  
Nancy S. Bliss, Accountant  
Stacy Link, Staff Assistant  
Lynn Hartsog, Accounts Payable Administrator

Special appreciation is given to all personnel throughout the City whose extra effort to contribute accurate, timely financial data for their departments made this report possible.



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## **INTRODUCTORY SECTION**



CITY OF CHARLESTON  
PO BOX 2749  
CHARLESTON, WEST VIRGINIA 25330

January 27, 2015

The Honorable Danny Jones, Mayor  
The Honorable Members of Council for the City of Charleston, West Virginia  
Citizens of the City of Charleston, West Virginia

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Charleston, West Virginia for the fiscal year ended June 30, 2014. State law requires that the State Auditor conduct an audit examination of every local government's financial affairs by performing the audit himself or appointing a certified public accountant. This CAFR has been prepared in conformity with generally accepted accounting principles (GAAP) and audited in conformance with generally accepted auditing standards by Gibbons & Kawash, A.C., under contract with the City of Charleston and the State Auditor.

The CAFR consists of management's representations concerning the finances of the City of Charleston. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. The City's accounting system supports an adequate internal control structure. This structure helps to safeguard the City's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure provides reasonable, but not absolute, assurance that the City's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits requires estimates and judgments by management. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Gibbons & Kawash, A.C., has issued an unmodified ("clean") opinion on the City of Charleston's financial statements for the fiscal year ended June 30, 2014. The Independent Auditor's Report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City of Charleston, West Virginia is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance in accordance with OMB Circular A-133. These reports are available in the City of Charleston's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

## **Profile of the Government**

The City of Charleston is the capital and largest city of West Virginia. It is the county seat of Kanawha County. Charleston is located at the intersection of Interstates 79, 77, 64 and at the confluence of the Elk and Kanawha Rivers. It is the transportation, retail, cultural, and telecommunications hub of the State and offers one-day shipping proximity to over 60 percent of the United States population and 30 percent of the Canadian population. According to the 2010 census, Charleston has a population of 51,400 and a total area of 32.7 square miles. The Charleston metropolitan area has a population of 304,214.

The City of Charleston is a municipal corporation. The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and twenty-seven other members. The mayor appoints, with confirmation by council, the government's manager. The mayor and six council members are elected at large and the remaining twenty-one council members are elected by ward. The mayor and council serve four year terms.

West Virginia Code §8-5-7 authorizes the governing body of a municipality to, by ordinance, increase or decrease the number of wards; change boundaries of wards, and increase or decrease the number of councilmen to correspond with the number of wards. The U.S. Census Bureau 2010 census reflected a decline in residential population in Charleston; consequently, the government retained a consultant and based upon the conclusions the government has reduced the number of wards and councilmen by one. Effective for the 2015 municipal elections and municipal elections thereafter, residents shall elect 20 ward representative council members. The government's council will be reduced from twenty-seven to twenty-six members with six members elected at-large.

The City of Charleston provides a full range of services including police and fire protection; parks and recreational programming; parking garages; street and bridge repair, maintenance, and lighting; public record maintenance; building inspection; garbage disposal and recycling; business licensing; zoning regulation; code enforcement; and grant programs for community development. Sanitation services, sewage collection, and disposal services are provided through a legally separate entity, the City of Charleston Sanitary Board, which is included as a discretely presented component unit in the City of Charleston's financial statements. The City is also financially accountable for three other legally separate entities, the Charleston Urban Renewal Authority, the City of Charleston Convention and Visitor's Bureau, and the City of Charleston Building Commission, two of which are reported separately within the City of Charleston's financial statements and the latter is blended with the City's financial statements. Additional information on all four of these legally separate entities can be found in the notes to the financial statements (See Note I.A.).

The Council is required to adopt a final budget by March 28th for fiscal year beginning July 1. This annual budget serves as the foundation for the City of Charleston's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). All budget amendments require council approval; however, the legal level of budgetary control is maintained at the department level and requires approval by Council as well as the West Virginia State Auditor's Office. All appropriations, except funds which are re-appropriated, expire at the fiscal year-end.

## **Economic Conditions and Outlook**

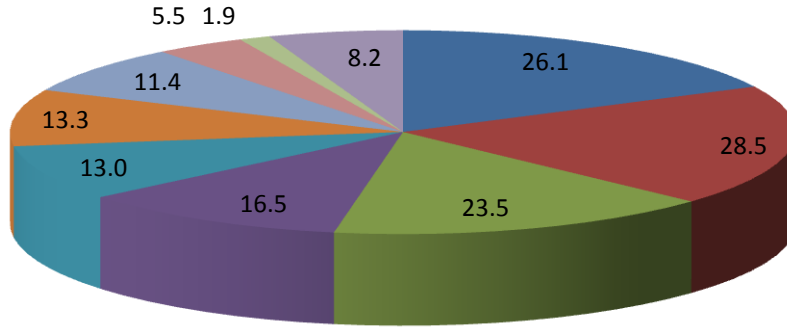
The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate of 5.4 percent at June 30th reflected a decrease from the prior year and it was lower than the State and United States unemployment rate of 6.2 and 6.1 percent, respectively.

The City of Charleston has faced challenges during the fiscal year with a chemical spill resulting in water contamination and the related economic impact; however, the City has remained stable with new development continuing. According to an April survey of downtown office space conducted by a commercial real estate broker, the city's five "Class A" office buildings were 90 percent full, which is less than last year and due to vacancies of several oil and gas firms; however, the survey states that the 90 percent rate remains better than many other metropolitan areas. Subsequently in November another survey by the same broker cited a vacancy rate of 16.2 percent instead of the 10 percent cited in April. The survey stated that the accelerating departure of coal and natural gas companies from the area has taken a toll on the occupancy rates. The April survey noted an emerging trend that converting some of the Class B space to residential space could be beneficial to the market. There have been recent announcements that the West Virginia Housing Development Fund building on Virginia Street has been sold to a developer and there are plans to convert it to residential condominiums. In addition, the Kyle Furniture warehouse building is under renovation with 15 planned condominiums and is almost complete. Plans have been announced for a housing complex of 13 one-bedroom apartments for people with disabilities at a cost of approximately \$2.6 million which is 50 percent complete. On the West Side of Charleston the Staats Hospital building, which has been vacant for several years, has been purchased by developers who plan on renovating the building for retail, commercial, or residential space. CURA has sold property to a developer for construction of Shrewsbury Village, a 32- unit, ADA compliant senior housing project which is 50 percent complete with an expected completion for occupancy by the end of 2015.

The city's hotel landscape has changed with the opening of the Four Points by Sheraton in January 2014 which was a \$20 million renovation to an existing structure. It is a full service hotel which is usually desired by meeting planners and event organizers. It is located on Kanawha Boulevard across the street from the City's Haddad Riverfront Park. The Marriott at the Charleston Town Center and the Embassy Suites are also full service hotels. The Marriott completed an \$8 million renovation in 2012. The Courtyard by Marriott on Kanawha Boulevard opening in early 2015 features all of the latest amenities including an outdoor courtyard complete with furniture and a fire pit with an investment of \$13 million. The former Fairfield Inn near the Clay Center re-branded itself as the Charleston Capitol Hotel.

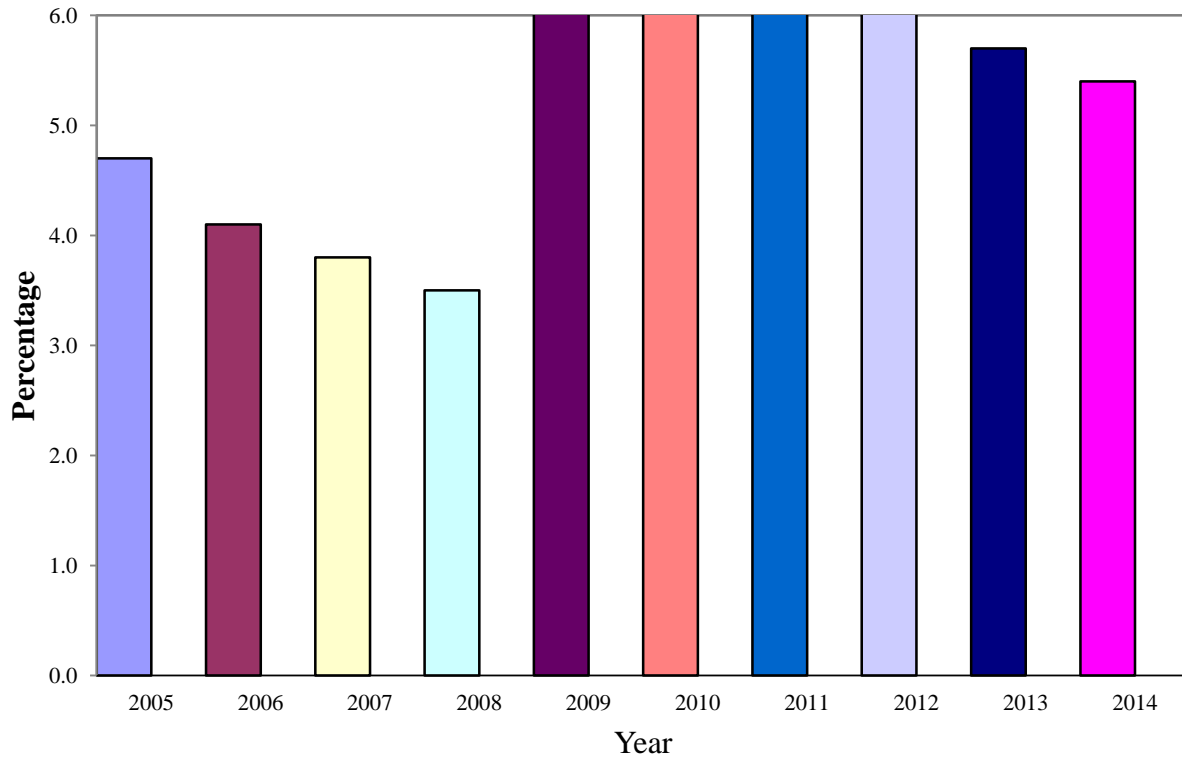
The Convention and Visitors Bureau continues to focus on increasing tourism in the city since tourism has an annual \$649 million impact on the area, supports 5000 jobs, and brings in approximately \$54 million in state and local taxes. The Bureau is conducting a study on how to attract millennials—the generation born between 1980 and 2000—into the city because of their anticipated spending power and travel habits. The Bureau surpassed its 2014 goal of booking 25,000 room nights in Charleston by 168 nights and the goal for 2015 is to book 27,000 room nights. The Bureau also wants to conduct a feasibility study for a sports complex in Charleston or the surrounding area since increasing competitive sporting opportunities could bring a “key growth market” to the area.

### Charleston, WV Metropolitan Statistical Area Employment by Major Industry (in Thousands)



- Trade, Transportation & Utilities
- Government
- Education and Health
- Professional Services
- Leisure and Hospitality
- Mining and Construction
- Other Services
- Manufacturing
- Information Services
- Financial Services

### Unemployment Rate



#### *Long-term Financial Planning and Relevant Financial Policies*

The City Council and administration have developed their vision for the City of Charleston to be the Cultural, Recreational, and Business Capital of the Appalachian Mountains. By 2015, no municipal government will be more efficient or effective at balancing and meeting the needs and expectations of its core constituents than the City of Charleston, West Virginia. The mayor and city council have identified the core constituents to be residents, businesses, governmental organizations, non-governmental organizations and their employees, visitors, and other departmental units, boards, commissions, and employees.

From a process perspective, the City aims to perfect and perpetuate strong and sustainable neighborhoods; conduct efficient and collaborative government; produce and facilitate events and recreational opportunities; develop and maintain sound and adequate infrastructure; and foster and support business development and attraction.

The City Council approved a new comprehensive downtown redevelopment plan which is titled "Imagine Charleston: Your Dream, Our Future". The comprehensive plan is a roadmap for where the City wants to go and how to get there. The plan identifies and analyzes the City's physical elements to create a set of goals, policies, and recommendations to direct decisions on future land use, traffic, beautification enhancements, and quality-of-life issues, like parks development. This plan is required by law and replaces an outdated 1996 version.



Last year the City of Charleston officially created its first Tax Incremental Financing (TIF) district in an L-shaped area surrounding the Civic Center to support improvements and increased capacity that will allow the Civic Center to more readily attract and service convention business. The government began receiving property tax revenues from the TIF District in July 2013. In the near future TIF bonds are expected to be issued for part of the renovation project.

On March 3, 2014 the government approved a resolution to enter into an agreement for Design Consulting Services Related to Program and Performance Criteria Development and related services for a Design-Build Project to Expand and Renovate the Charleston Civic Center.

The project goals are to renovate and expand the Civic Center to capture more of the regional meeting, conference and conventional market; increase the economic impact of the Civic Center in the City; provide flexible, upscale and high quality ballroom and meeting spaces for lease; and improve facility aesthetics, operations, planning, systems and technology. In October 2014 the Design Consultant released the plan for the expansion and renovation. The process to approve a design team for the project construction will take several months. The construction project should take approximately three years to complete at an approximate cost of \$60 million.

Through Home Rule, a PILOT program created by the State of West Virginia Legislature July 1, 2008 which granted authority to the government to enact certain ordinances in accordance with W. Va. Code §3-15a, the government approved a half-cent-per-dollar tax on retail sales in the City. The sales tax raised approximately \$4.5 million for three quarters in fiscal year 2014. These extra revenues estimated to be approximately \$6.2 million annually can be used to fund costs or bonds to renovate and expand the Civic Center and other economic development projects. The sales tax was effective on October 1, 2013. The State collects the sales tax on behalf of the City and remits the tax less a fee to the City on a quarterly basis.

The state's Municipal Home Rule Board approved the City's proposed increase of half-cent-per-dollar tax on retail sales for a total of one cent. This ordinance passed Council in November and will be effective July 1, 2015. This additional half-cent-per dollar tax revenue will be committed to police and fire pensions. It has been projected this sales tax increase should provide enough reserves to pay current or projected pension benefits through 2027. Currently the unfunded pension liabilities for police and fire pensions are approximately \$291 million.

The City Council has approved a reprioritization of \$2.2 million of city and approved federal funding to be used on the multi-use bicycle/pedestrian facilities along Kanawha Boulevard which is referenced in the comprehensive plan for the city adopted by Council in November 2013 and is included in the Updated Rails to Trails-Kanawha Trestle and Rail Trail Master Plan. A contract has been approved for designs of a two-lane bike path along Kanawha Boulevard. The bike lanes are planned from Patrick Street to Magic Island and will involve some minor redesigning of the Boulevard at an approximate cost of \$3 million. The bike lanes are part of a long-term project to create bike trails throughout the city.

As a result of a B&O tax audit settlement the City collected approximately \$3.8 million in one-time funds that the City plans to use on several projects such as to re-sod Appalachian Power Park and invest in the Charleston EDGE project which is an initiative focused on attracting young talent to the City and providing them with affordable downtown housing.

In December three bills were passed by City Council to amend the City Code for changes to sick leave and overtime for city employees. Upon retirement the amount of sick leave that can be converted to health insurance premiums will be limited in order to address the increasing Other Post-employment Benefits (OPEB) liability.

*Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Charleston for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the eighth year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The CAFR is an example of the Mayor's unwavering belief in, and commitment to, the City's financial accountability. Acknowledgment is given to the Mayor and the governing council for their commitment to sound budgeting and to meeting the financial obligations of the City. This report would not be possible without the support of all City of Charleston departments. The City's continued success directly depends upon their cooperation and support.

Respectfully submitted,

A handwritten signature in cursive script that reads "Brenda J. Lemon".

Brenda J. Lemon, CPA  
City Auditor (Controller)



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Charleston  
West Virginia**

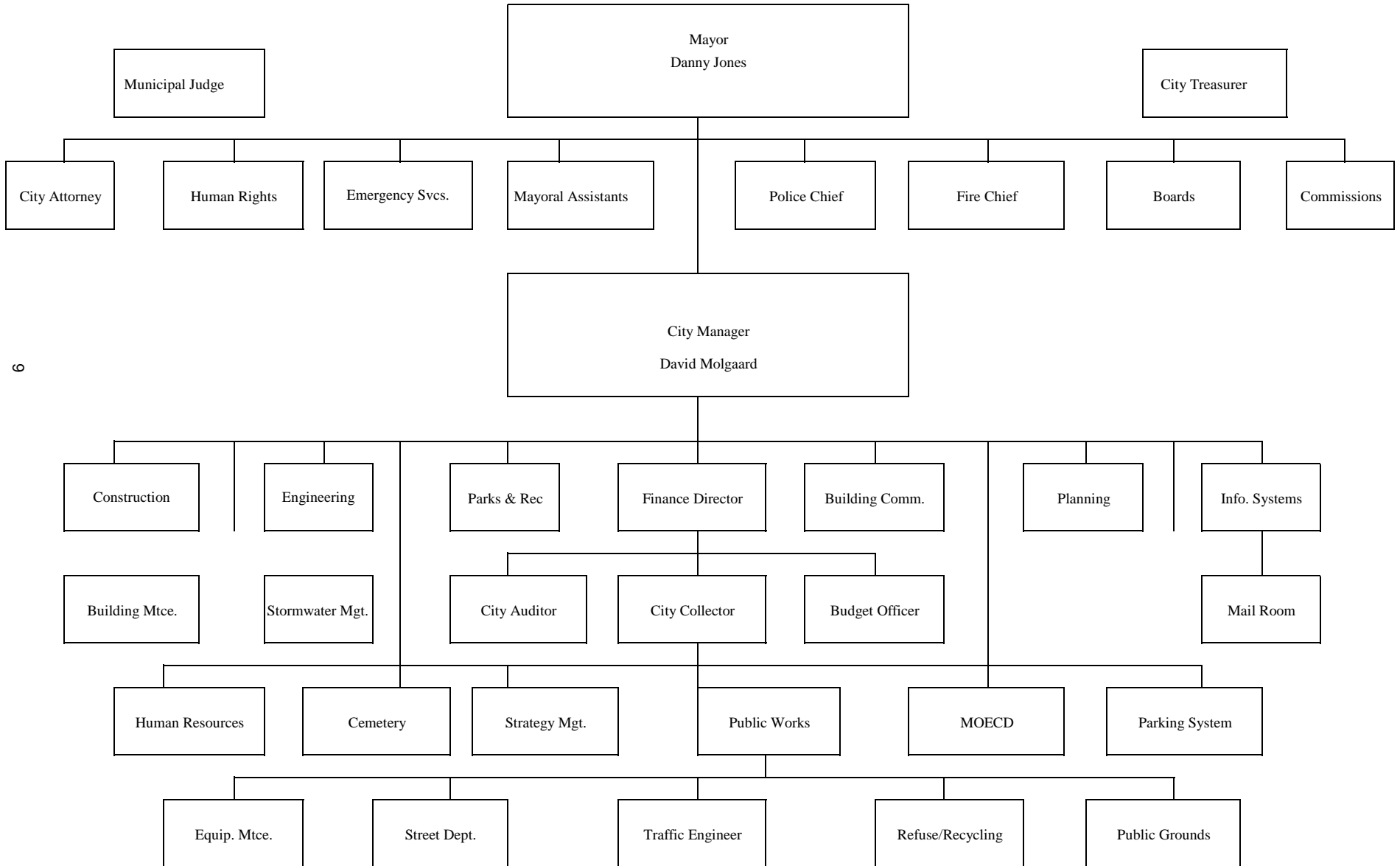
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

CITY OF CHARLESTON

Organizational Chart



**CITY OF CHARLESTON, WEST VIRGINIA  
CITY OFFICIALS  
For the Fiscal Year Ended June 30, 2014**

---

OFFICE	NAME	TERM
<u>Elective</u>		
Mayor:	Danny Jones	06/21/11 - 06/21/15
Treasurer:	Victor Grigoraci	06/21/11 - 06/21/15
Municipal Judge:	Anne Charnock	06/21/11 - 06/21/15

Council Members

At Large	J. Thomas Lane	Ward 9	Cubert Smith
At Large	Andy Richardson	Ward 10	Robert Sheets
At Large	Jerry L. Ware	Ward 11	Mary Beth Hoover
At Large	Chris Dodrill	Ward 12	Shannon Snodgrass
At Large	Kasey Russell	Ward 13	Susie Salisbury
At Large	Mary Jean Davis	Ward 14	Jack E. Harrison
Ward 1	Bobby Haas	Ward 15	Courtney Persinger
Ward 2	William Kirk	Ward 16	Samuel Minardi
Ward 3	Joe Deneault	Ward 17	Bobby Reishman
Ward 4	Rev. James Ealy	Ward 18	John Miller, Jr.
Ward 5	Mike Nichols	Ward 19	Rick Burka
Ward 6	Edward Talkington	Ward 20	Brent Burton
Ward 7	Mike Stajduhar	Ward 21	Michael Clowser
Ward 8	Bob White		

Appointive

City Manager:	David Molgaard	Mayor Assistants:	Rod Blackstone Beverly Page
Finance Director:	Joseph Estep		
City Clerk:	James Reishman	City Collector:	Tonya Cotton
Attorney:	Paul Ellis	City Engineer:	Chris Knox
		Economic & Community Development	
City Auditor:	Brenda J. Lemon, CPA	Director:	Brian King



***FINANCIAL SECTION***

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council  
of the City of Charleston  
Charleston, West Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and the respective budgetary comparison for the general fund and the coal severance fund, of the City of Charleston, West Virginia, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Charleston Sanitary Board, the Charleston Urban Renewal Authority, and the Charleston Convention and Visitor's Bureau which represent 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Charleston Sanitary Board, the Charleston Urban Renewal Authority, and the Charleston Convention and Visitor's Bureau, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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





### **Opinions**

In our opinion, based on our audit and the reports of other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund and coal severance fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 24 and the schedules of employer defined benefit plans information and schedules of other post employment benefit plan information on pages 95 through 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements, and the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, and the procedures performed above, the combining and individual non major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Charleston, West Virginia  
January 27, 2015

CITY OF CHARLESTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

This section of the City of Charleston's Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the City's financial performance during the fiscal year ended June 30, 2014. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the City's financial statements, which follow this section.

**Financial Highlights**

*Government-wide*

The City of Charleston reported total net position of \$39,067,021 in fiscal year 2014 and \$34,514,628 (restated) in fiscal year 2013. The details of the 2013 restatement of net position for a total decrease of \$213,332 in governmental activities are described in the notes to the financial statements.

The City of Charleston implemented GASB Statement No. 67 *Financial Reporting for Pension Plans* which amends GASB Statement No. 25, and GASB Statement No. 50, *Pension Disclosures for pension trusts and equivalent arrangements*.

Of the net position in fiscal year 2014, a deficit balance of \$69,020,577 was reported as total unrestricted net position, which includes \$71,367,528 deficit balance in governmental activities and a \$2,346,951 balance in business-type activities.

Total net position increased by \$4,552,393 as a result of this year's operations. Net position for governmental activities and business-type activities increased 21 percent and four percent, respectively.

The City's governmental activities reported total expenses of \$95,964,671, total revenues of \$101,318,750, and transfers out of \$1,546,411 for a net increase of \$3,807,668.

Business-type activities reported total expenses of \$7,797,766, program revenues of \$6,784,129, general revenues of \$211,951, and transfers in of \$1,546,411 for a net increase of \$744,725.

Total Primary Government revenues were \$108,314,830, while total costs for all programs were \$103,762,437.

*Fund Level*

Governmental funds reported a combined fund balance of \$52,333,887, an increase of \$8,291,604 (18 percent) from the prior year.

The General Fund reported an unassigned fund balance of \$21,590,940, non-spendable fund balance of \$590,403, restricted fund balance of \$629,308, committed fund balance of \$13,354,731, and assigned fund balance of \$4,529,596, compared to \$20,028,109, \$534,963, \$1,281,370, \$9,136,830, and \$3,833,402, respectively, in the prior year.

Total governmental funds reported non-spendable fund balance of \$1,876,754, restricted of \$4,863,106, committed of \$19,519,807, and assigned fund balance of \$4,529,596, compared to \$1,729,978, \$5,275,869, \$13,174,925, and \$3,833,402, respectively, in the prior year. The total unassigned fund balance for the governmental funds was \$21,544,624, compared to unassigned fund balance of \$20,028,109 in prior year.

CITY OF CHARLESTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

*Long-term Debt*

Total bonds and obligations under long-term leases at year end were \$19,346,650, a net decrease of \$2,845,990 (12 percent) over the prior year.

**Overview of the Financial Statements**

This annual report consists of four parts-Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Combining Statements for Non-major Governmental Funds. The basic financial statements include two kinds of statements that present different views of the City.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the City government reporting the City's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services like public safety were financed in the short-term as well as what remains for spending.

Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the Civic Center and Parking System.

Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others to whom the resources in question belong, such as the public safety employees' retirement plan.

The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the City's progress in funding its obligations to the citizenry, as well as its employees.

**Government-wide financial statements.** The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position, the difference between the City's assets and deferred outflows and liabilities and deferred inflows, is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads must be considered.

The government-wide financial statements of the City are divided into three categories:

*Governmental activities* - Most of the City's basic services are included here, such as public safety, street maintenance, culture and recreation, and general administration. Business and occupation taxes, property taxes, and other taxes, charges for services, such as licenses, permits, inspection and refuse fees, and grants finance most of these activities.

CITY OF CHARLESTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

*Business-type activities* - The City charges fees to customers to help it cover the costs of certain services it provides. The City's Civic Center and Parking System are included here.

*Component units* - The City includes four other entities in its report: The City of Charleston Sanitary Board, Charleston Urban Renewal Authority, Charleston Convention and Visitor's Bureau, and Charleston Building Commission. Although legally separate, these "component units" are important because the City is financially accountable for them.

The government-wide financial statements can be found on pages 26 through 29 of this report.

**Fund financial statements.** The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The City Council establishes other funds to control and manage money for a particular purpose (like the City Service Fee Project Fund) or to show it is properly using certain grants (like aid from the U.S. Department of Housing and Urban Development).

The City has three types of funds:

*Governmental funds*-most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view as to whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found on pages 31 through 38 of this report.

*Proprietary funds*-Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. The government's policy is to establish fees designed to recover the cost of providing the services. In addition, the Parking System is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information. The City's Enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

The basic Proprietary Fund financial statements can be found on pages 40 through 44 of this report.

*Fiduciary funds*-The City is the trustee, or fiduciary, for its employees' pension plans. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The basic Fiduciary Fund financial statements can be found on pages 46 and 47 of this report.

### **Government-Wide Financial Analysis**

The City's combined net position (governmental and business-type activities) totaled \$39,067,021 at the end of 2014 and \$34,514,628 (restated) at the end of 2013. The largest portion of the City's net position, \$100,009,647, reflects investment

CITY OF CHARLESTON, WEST VIRGINIA  
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in capital assets such as land, buildings, equipment, and infrastructure, less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequentially, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt and deferred outflows, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the City's net position, \$8,077,951, represents resources that are subject to external restrictions or enabling legislation on how they may be used. The remaining balance for unrestricted net position, a deficit of \$69,020,577, reflects the City's deficit of remaining assets to remaining liabilities.

**CITY OF CHARLESTON'S NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 64,880,998	\$ 54,883,875	\$ 5,466,319	\$ 4,974,880	\$ 70,347,317	\$ 59,858,755
Capital assets	96,982,175	94,980,253	20,424,131	21,395,862	117,406,306	116,376,115
Total assets	161,863,173	149,864,128	25,890,450	26,370,742	187,753,623	176,234,870
Deferred Outflows of Resources	\$ 45,625	\$ 50,223	\$ 277,250	\$ 340,698	\$ 322,875	\$ 390,921
Long-term liabilities outstanding	121,528,080	114,923,556	6,752,211	8,149,780	128,280,291	123,073,336
Other liabilities	18,511,437	16,929,181	2,217,749	2,108,645	20,729,186	19,037,826
Total liabilities	140,039,517	131,852,737	8,969,960	10,258,425	149,009,477	142,111,162
Net Position:						
Net Investment in capital assets	87,087,352	83,960,629	12,922,295	12,406,337	100,009,647	96,366,966
Restricted	6,149,457	6,470,884	1,928,494	2,017,873	8,077,951	8,488,757
Unrestricted	(71,367,528)	(72,369,899)	2,346,951	2,028,805	(69,020,577)	(70,341,094)
Total net position-restated	\$ 21,869,281	\$ 18,061,614	\$ 17,197,740	\$ 16,453,015	\$ 39,067,021	\$ 34,514,629

**Governmental Activities.** Governmental activities increased the City of Charleston's net position by \$3,807,668 which is primarily attributable to three revenue increases which offset long-term obligation increases. The City implemented a city sales & use tax during the 2014 fiscal which increased revenues by \$4.5 million, Business & Occupation Tax increased approximately \$5 million and property taxes increased \$447,304. However, \$3.8 million of the Business & Occupation Tax increase was due to a one-time settlement for several years of taxes collected as a result of two tax audits. This additional revenue offset increases to long-term obligations for public safety pensions and other post-employment benefits which increased \$3,889,621 (4 percent) and \$3,502,141 (33 percent), respectively.

Revenues increased \$8,794,241 (9 percent) over prior year. This is primarily attributable to a \$9,629,032 (15 percent) increase in tax revenues. The City's principal tax revenue for business and occupation tax (without the tax audit settlement) increased \$1,215,950 (2 percent) over prior year. Property tax revenue received from the County increased \$447,304 (3 percent) over prior year since assessed property values increased approximately five percent last fiscal year. The city sales & use tax implemented October 1, 2013 increased tax revenues \$4.5 million. However, utility taxes and hotel/motel taxes decreased \$58,757 (2 percent) and \$252,092 (8 percent), respectively. Charges for services revenue remained in line with prior year and grants and contribution revenue decreased \$622,325 (5 percent) over prior year. However, HUD grant revenue increased \$180,393 (5 percent) during fiscal 2014. Even though allocations have decreased

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in recent years more rehabilitation projects were completed with prior year and current year allocations. Department of Justice grants decreased \$47,358 (11 percent). Changes began with these grants in the Congressional allocations during 2007-2008 and allocations have changed from law enforcement and drug task forces to drug treatment, rehabilitation, and job training. The City has not applied for grants in the new allocation areas yet except for the Drug Marketing Intervention Program in a joint initiative with the United States Attorney's Office. The U.S. Department of Transportation grants decreased \$159,655 (26%) over prior year because the City did not request as much in grant funds.

Government-wide governmental expenses increased one percent in the amount of \$1,126,834 over prior year. General government expense increased \$759,850 (4 percent) from prior year. Liability claims cost increased \$280,804 (6 percent) even with risk management programs in place by the government. A large part of these claims are for workers' compensation which increased \$193,237 (17 percent) primarily due to several surgeries and an increase in associated physical therapy costs. Medical claims expense decreased \$830,483 (8 percent) overall which accounts for a part of each function's decrease. Public Safety expense decreased \$1,437,771 (2 percent) from prior year for the most part due to retiree claims cost and OPEB decrease of \$552,408 (13 percent) and pension expense decrease of \$146,251 (.8 percent). Street and Transportation expense increased \$1,006,062 (9 percent) partially due to increases in retiree cost in the amount of \$601,012 (79 percent) and operational cost increase of \$209,742 (2 percent). The city experienced a harsh winter which increased snow removal cost in the amount of \$143,397 (77 percent); however, gas, oil, & tire cost decreased \$36,177 (2 percent). Fuel purchase cost was lower in 2014 than 2013; however tire cost was up 1.61 percent. Health and Sanitation and Culture and Recreation expense were comparable to the prior year. Interest expense decreased \$67,790 (14 percent) due to lower interest rates for capital leases and a reduction in capital lease borrowing for the 2014 fiscal year in the amount of \$782,500 (34 percent).

**Business-type Activities.** Total net position of the City's business-type activities increased \$744,725 (4 percent) over prior year. Total operating revenues increased \$226,231 (3 percent) over prior year. The Civic Center experienced an increase in charges to customers in the amount of \$333,928 (11 percent) primarily due to an increase in ticketed events and overall rentals. Any time ticketed events increase then ancillary items related to the event also increase such as commissions, patron services, security, and electricity. The facility experienced increased room rental in the amount of \$89,426 (8 percent) and the catering portion of the operation experienced an increase of \$123,294 (22 percent) due to building activity and ticketed events. The Parking System experienced a \$107,697 (2 percent) decrease in operating revenues from the prior year. Parking violation revenue actually increased \$22,030 (5 percent) from prior year due to resolution of challenges in obtaining violator names and addresses to send out notice letters. Building rentals decreased minimally; however, the buildings are at full rental capacity with waiting lists. The operating expenses for the Civic Center and Parking System remained comparable to prior year. Installation of energy efficient light fixtures in the Civic Center and the Parking buildings has contributed to a reduction in utility cost of 11 percent and 15 percent, respectively. The Civic Center operations unit has concentrated on performing more activities in house thereby reducing contracted services in addition to renegotiating contracts for better prices. The Civic Center total net position increased \$29,490 (.7 percent) and Parking System net position increased \$750,235 (5 percent).

A Tax Incremental Financing District was established for the Civic Center's future expansion and renovation. Collections during the 2014 fiscal year for the district amounted to \$222,801 which is restricted for future bond payments.

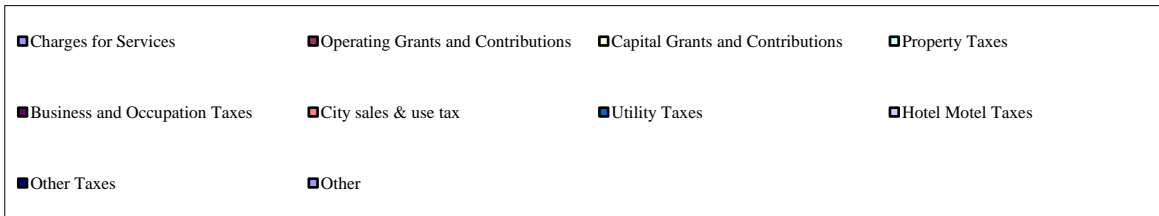
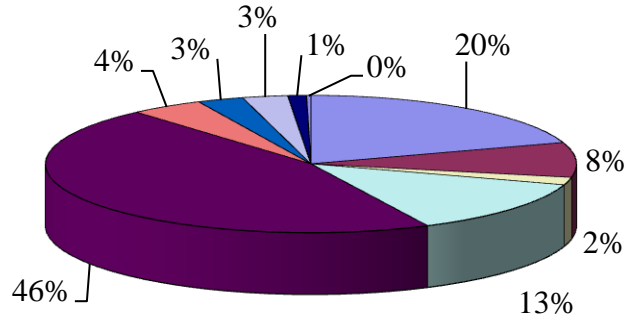
CITY OF CHARLESTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

**City of Charleston's Changes in Net Position**

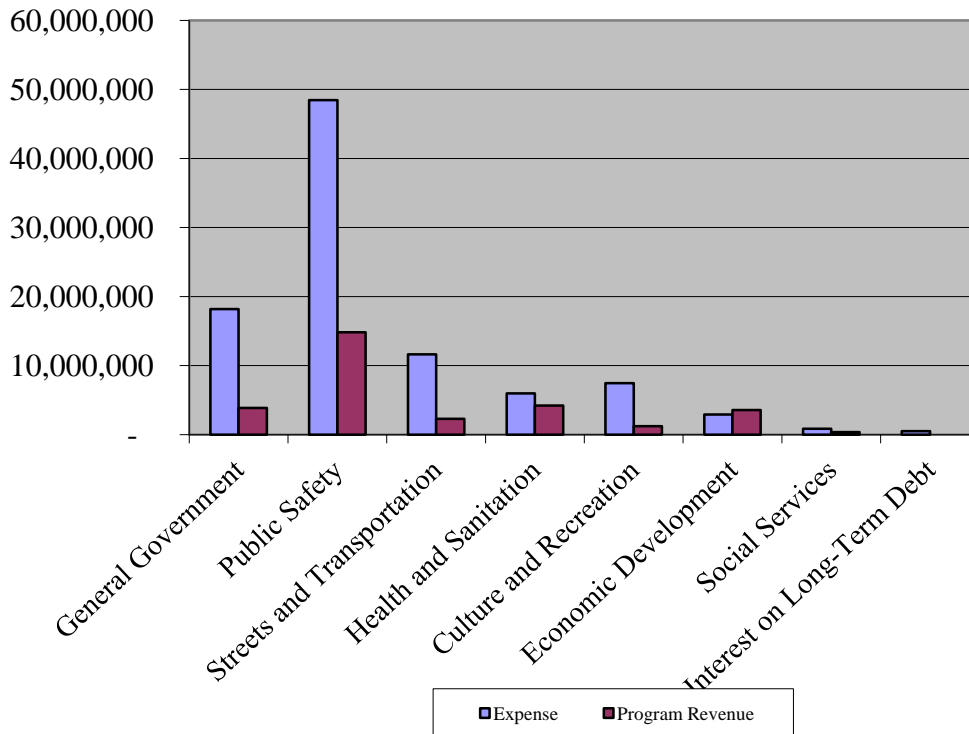
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 20,234,327	\$ 20,126,662	\$ 6,765,857	\$ 6,539,626	\$ 27,000,184	\$ 26,666,288
Operating Grants and Contributions	8,298,558	8,704,482	-	-	8,298,558	8,704,482
Capital Grants and Contributions	1,807,358	2,296,876	18,272	42,470	1,825,630	2,339,346
General Revenues:						
Property Taxes	13,011,895	12,564,591	222,379	-	13,234,274	12,564,591
Business and Occupation Taxes	46,402,641	41,355,598	-	-	46,402,641	41,355,598
City sales & use tax	4,507,057	-	-	-	4,507,057	-
Other Taxes	6,784,413	7,156,785	-	-	6,784,413	7,156,785
Other	272,501	319,515	(10,428)	11,568	262,073	331,083
<b>Total Revenues</b>	<b>101,318,750</b>	<b>92,524,509</b>	<b>6,996,080</b>	<b>6,593,664</b>	<b>108,314,830</b>	<b>99,118,173</b>
General Government	\$ 18,195,010	\$ 17,435,160	\$ -	\$ -	\$ 18,195,010	\$ 17,435,160
Public Safety	48,445,018	49,882,789	-	-	48,445,018	49,882,789
Highways & Streets	11,628,169	10,622,107	-	-	11,628,169	10,622,107
Health & Sanitation	5,978,855	5,583,625	-	-	5,978,855	5,583,625
Economic Development	2,909,258	2,726,994	-	-	2,909,258	2,726,994
Culture & Recreation	7,456,492	7,516,254	-	-	7,456,492	7,516,254
Social Services	860,187	511,436	-	-	860,187	511,436
Interest on Long- Term Debt	491,682	559,472	-	-	491,682	559,472
Civic Center	-	-	4,885,275	4,921,903	4,885,275	4,921,903
Parking System	-	-	2,912,491	2,860,448	2,912,491	2,860,448
<b>Total Expenses</b>	<b>95,964,671</b>	<b>94,837,837</b>	<b>7,797,766</b>	<b>7,782,351</b>	<b>103,762,437</b>	<b>102,620,188</b>
Increase in Net Position						
Before Transfers	5,354,079	(2,313,328)	(801,686)	(1,188,687)	4,552,393	(3,502,015)
Transfers	(1,546,411)	(1,364,488)	1,546,411	1,364,488	-	-
Increase in Net Position	3,807,668	(3,677,816)	744,725	175,801	4,552,393	(3,502,015)
Net Position- beginning-restated	18,061,613	21,739,430	16,453,015	16,277,214	34,514,628	38,016,644
Net Position- ending	\$ 21,869,281	\$ 18,061,614	\$ 17,197,740	\$ 16,453,015	\$ 39,067,021	\$ 34,514,629

CITY OF CHARLESTON, WEST VIRGINIA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the Fiscal Year Ended June 30, 2014

**Revenue by Source-Governmental Activities**



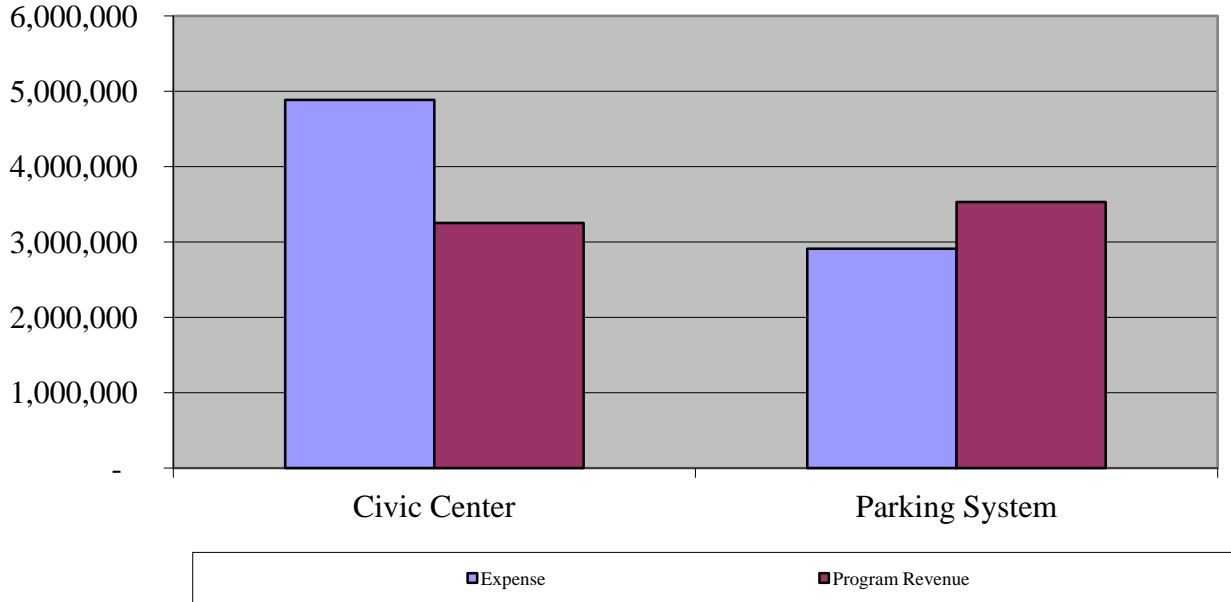
**Expenses and Program Revenues-Governmental Activities**



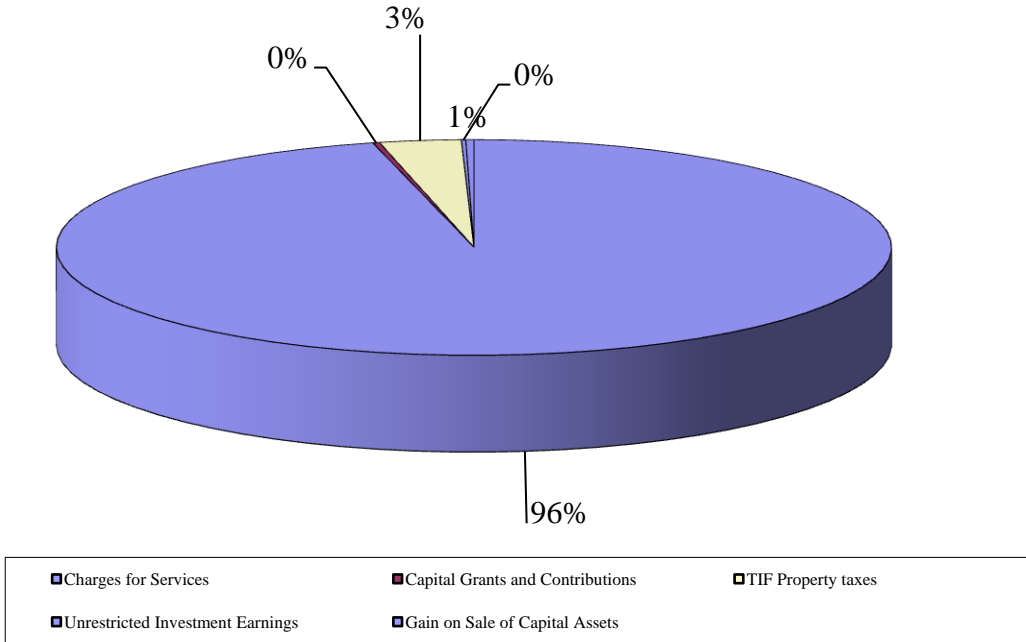


CITY OF CHARLESTON, WEST VIRGINIA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Expenses and Program Revenues-Business-Type Activities**



**Revenues by Source-Business-Type Activities**



CITY OF CHARLESTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

**Financial Analysis of the Government's Funds**

The City of Charleston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Charleston's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the government's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Charleston's Governmental Funds reported combined ending fund balances of \$52,333,887, an increase of \$8,291,604 (18 percent) in comparison with the prior year. Most of this increase occurred in three funds: General Fund (16 percent), Facilities Maintenance (21.73 percent), and Springhill Cemetery Trust (9 percent). The General Fund increased primarily due to implementation of a city sales & use tax and a business & occupation tax audit collection. This one-time audit collection was transferred to the Facilities Maintenance Fund for several capital projects such as the Appalachian Park field re-sod and the EDGE project for downtown affordable housing for young professionals. The Springhill Trust increase is for earnings on investments. Approximately 41 percent of the combined ending fund balances in the amount of \$21,544,624 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable for prepaid items and permanent fund corpus \$1,876,754; restricted by external grants, contributors, and laws \$4,863,106; committed by the government's council \$19,519,807; and assigned by the government's council or administrative officials \$4,529,596.

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21,590,940, while total fund balance reached \$40,694,978. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26 percent of total General Fund expenditures, while total fund balance represents 49 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased \$5,880,304 during the current fiscal year. This is primarily attributable to tax revenue increase of \$9,871,579 (16 percent) with total revenue increase of \$9,560,046 (11 percent). Expenditures decreased \$1,639,722 (1 percent) due to prudent management. Capital outlays decreased 23 percent with a decrease in lease transactions for 2014 in conjunction with the government's fleet management. Medical cost decreased eight percent partially due to the City's wellness programs and salary and wages remained constant with no across-the-board raises. However, police and fire pension contributions increased six percent due to the Conservation Method adopted in 2011 and workers' compensation claims cost increased 17 percent due to more surgeries and related physical therapy. Professional services increased eight percent for projects in progress such as the Charleston EDGE complex, storm-water project, Lee Street Triangle Park Design, and others.

The Coal Severance Tax Fund receives coal severance tax distributed from the State of West Virginia collections. These revenues are dedicated to the Civic Center bond debt service. Coal severance tax revenue decreased \$28,535 (12 percent) over the prior year due to the decrease in production and coal sales. Community Development and HOME Funds are funded totally by HUD federal grants for community development. The grant revenues recognized were \$104,440 (3 percent) greater in comparison to prior year due to rehabilitation projects completed with current and prior year grant revenues.

**Proprietary funds.** The City of Charleston's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these two funds have previously been addressed in the discussion of the City of Charleston's Business-type Activities.

CITY OF CHARLESTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

**General Fund Budgetary Highlights**

The City periodically revises the budget throughout the year to recognize projects carried over from the previous year, grants, and contributions received for various projects, and to adjust budgets to reflect actual circumstances. Revenues and transfers in and expenditures and transfers out between the original budget and the final amended budget reflected an increase of \$3,131,804 (3 percent) and \$9,335,700 (10 percent), respectively. The most significant can be briefly summarized as follows:

Legal expenses were increased \$944,734 to provide a reserve for court costs and damages for general liability claims. The City has adopted the policy of carrying forward any remaining budgeted funds at year-end to have the additional reserve in place to provide for any unforeseen circumstances.

Engineering remaining budgeted funds for storm water projects in the amount of \$1,229,977 were carried forward for continuance of the projects that were not completed by the 2013 fiscal year-end.

The Mayor's contributions to various entities were increased approximately \$363,868.

Professional services for the GIS mapping project in the amount of \$94,786 were carried forward since the project was not completed by the 2013 fiscal year-end.

Capital equipment costs were increased approximately \$1,068,579 to carry forward remaining lease funding for vehicle and equipment purchases.

City Manager professional services remaining budgeted funds in the amount of \$1,027,750 were carried forward for various contracted services that were not completed by the 2013 fiscal year-end.

Transfers to other funds were increased for a \$540,813 transfer to the Municipal Stabilization Fund reserve and a \$3,831,094 to the Facilities Maintenance Fund to provide funding for the sodding of the Ball Park field, the Edge Project, and others. Simultaneously, the amendment recognized the Business and Occupation Tax revenue from the one-time collection from two audits for prior year taxes.

Other amendments were made to recognize contributions for Live on the Levee in the amount of \$62,000 and \$15,000 for the Peer to Pier Murals.

All amendments were budgeted from available fund balance and increases in various charges for services, grants, insurance proceeds, and contributions. For the fiscal year 2014 General Fund revenues were below budgetary estimates by two percent and expenditures were less than budgetary estimates by ten percent.

The City's General Fund balance of \$40,694,978 differs from the General Fund's budgetary fund balance of \$7,189,016 reported in the budgetary financial statement principally because budgetary fund balance excludes accrual of business and occupation taxes. The total business and occupation tax accrual in the amount of \$10,838,578 has not been re-appropriated for budgetary purposes, only actual cash collections are budgeted each fiscal year. In addition, a significant difference of \$18,652,986 is included in the General Fund due to compliance with GASB 54 for financial reporting which dictates the inclusion of several special revenue funds; however, these funds are not included for budgetary purposes.

**Capital Asset and Debt Administration**

**Capital Assets.** The City of Charleston's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounted to \$117,406,306 (net of accumulated depreciation). This investment in capital assets includes

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

land, building and system, machinery and equipment, park and other recreational facilities, roads, bridges and other infrastructure.

Major capital asset events during the current fiscal year included the following:

Several projects were completed during the fiscal year, including the Morris Building Wellness Center remodel for \$9,409, East End Community Park Project in the amount of \$200,000, Court Street Pump Station in the amount of \$159,247, and Pierce Pumper mounted truck in the amount of \$496,916.

Projects for the Long Term Storm Water Comprehensive Plan, Rails to Trails bike/pedestrian trail, Farnsworth Drive bridge rehabilitation, Civic Center expansion and renovation, and Parking System parking building number one engineering office major remodel were remaining in construction in progress as of the end of the fiscal year in the amount of \$2,825,777.

**City of Charleston's Capital Assets  
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 8,959,964	\$ 8,938,359	\$ 4,366,447	\$ 4,366,447	\$ 13,326,411	\$ 13,304,806
Construction in Progress	2,414,067	1,429,345	411,710	-	2,825,777	1,429,345
Buildings & Improvements	28,152,618	29,002,418	15,070,000	16,371,014	43,222,618	45,373,432
Other Improvements	11,254,190	11,065,594	337,201	363,714	11,591,391	11,429,308
Machinery & Equipment	8,603,180	8,901,240	238,773	294,687	8,841,953	9,195,927
Infrastructure	37,598,156	35,643,297	-	-	37,598,156	35,643,297
Total	\$ 96,982,175	\$ 94,980,253	\$ 20,424,131	\$ 21,395,862	\$117,406,306	\$116,376,115

Additional information on the City of Charleston's capital assets can be found in Note IV.C. on pages 67 through 69 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Charleston had no general obligation bonded debt outstanding. The remainder of the City of Charleston's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

**City of Charleston's Outstanding Debt  
Revenue Bonds**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	\$ 2,512,131	\$ 2,715,290	\$ 7,779,085	\$ 9,330,223	\$ 10,291,216	\$ 12,045,513
Total	\$ 2,512,131	\$ 2,715,290	\$ 7,779,085	\$ 9,330,223	\$ 10,291,216	\$ 12,045,513

CITY OF CHARLESTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2014

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Charleston is \$159,574,769.

Additional information on the City of Charleston's long-term debt can be found in Note IV.G. on pages 72 through 74 of this report.

### **Economic Factors and Next Year's Budget**

Many factors are considered each year by the City Council in its efforts to establish an operating budget, to evaluate its personnel needs, and to develop fees that are fair, reasonable, and adequately recover costs. Some of the major factors considered in this process are the local economy, labor force, unemployment rate, and inflation rates.

The unemployment rate was lower than the prior year during June at 5.4 percent. The average for the past twelve months was 5.8 percent. The last twelve months reflected increases in the labor market for construction and mining .8 percent; financial activities 1.2 percent; professional services 3.1 percent; and government .7 percent. Manufacturing, trade, transportation, and utilities, education and health services, leisure and hospitality, and other services reflected a decrease of -1.8 percent, -1.5 percent, -1.3 percent, -0.8 percent, and -1.7 percent, respectively. Information services experienced no change.

The occupancy rate of the government's central business district has remained at 85 to 90 percent for the past several years. However, according to a recent real estate broker survey in November 2014 the city's five "Class A" office towers have experienced an overall vacancy rate spike of 16.2 percent. These office towers represent the best space available in Charleston.

Inflationary trends in the region compare favorably to national indices.

In March 2014, the City of Charleston approved a balanced budget for the fiscal year 2015, with General Fund appropriations of \$88,390,467. The budget includes a four percent increased property tax levy in the amount of \$1,310,000 and a two percent decrease in Business & Occupation Taxes for a total of \$42,800,000. The budget includes extraordinary expenses for \$400,000 for municipal elections, \$500,000 for its uniform pension plans, and \$400,000 for its employee health clinic. There will be no employee raises and cuts were made to the Storm Water Management Department for \$300,000 and Manager's office for \$200,000. A transfer from the City's stabilization fund for \$1.1 million was used to balance the budget.

### **Request for Information**

This financial report is designed to provide a general overview of the City of Charleston's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Controller (City Auditor), 501 Virginia Street, East, P.O. Box 2749, Charleston, WV 25330.



# CITY OF CHARLESTON, WEST VIRGINIA THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 26 through 29. A brief description of the City's discretely presented component units follows since these component units are presented only on these government-wide statements.

**City of Charleston Sanitary Board** is composed of a board and is a discretely presented component unit of the City. The Sanitary Board is responsible for governing the activity associated with providing sanitary sewerage services.

**Charleston Urban Renewal Authority** is composed of a separate board and is a discretely presented component unit of the City. The Authority is responsible for developing commercial property within the City.

**City of Charleston Convention and Visitor's Bureau, Inc.** was established in 1979 as a nonprofit corporation, is composed of a board and is a discretely presented component unit of the City. The primary purpose of the bureau is to operate a convention and visitors bureau for the Charleston, West Virginia area and to advance, stimulate, and promote exhibits, conferences, and conventions.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION**  
**June 30, 2014**

	Primary Government			Component Units		
	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>	Sanitary <u>Board</u>	Urban Renewal <u>Authority</u>	Convention & Visitor's <u>Bureau</u>
<b>ASSETS</b>						
Current assets:						
Cash & cash equivalents	\$ 33,180,676	\$ 3,001,965	\$ 36,182,641	\$ 15,422,215	\$ 6,557,372	\$ 695,063
Investments	3,118,654	--	3,118,654	--	--	--
Receivables:						
Accounts	4,325,617	320,523	4,646,140	1,652,035	--	168,305
Accrued interest	4,310	--	4,310	--	--	--
Taxes	14,624,227	--	14,624,227	--	--	--
Rents	--	--	--	--	--	--
Other	--	--	--	2,678	--	--
Loans	5,858,820	--	5,858,820	--	125,833	--
Grants	1,114,962	--	1,114,962	--	--	--
Internal balances	57,274	(57,274)	--	--	--	--
Due from:						
Component units	54,981	--	54,981	--	--	--
Fiduciary funds	21,864	--	21,864	--	--	--
Primary government	--	--	--	54,406	--	150,742
Inventory, at cost	--	--	--	838,010	--	--
Construction project deposit	--	--	--	--	152,398	--
Prepaid insurance and lease	590,403	119,898	710,301	190,725	709	42,747
Other assets	--	--	--	10,553	--	--
Restricted assets:						
TIF District Taxes Receivable	--	2,404	2,404	--	--	--
Regular account	--	525,185	525,185	1,987,609	--	--
Reserve account	--	--	--	7,069,494	--	--
Renewal and replacement	--	--	--	9,306,216	--	--
Reserve for bond retirement	--	529,616	529,616	--	--	--
Restricted cash	1,929,210	--	1,929,210	--	--	--
Reserve for health care	--	--	--	1,633,867	--	--
Customer deposits	--	152,713	152,713	--	--	--
<b>Total current assets</b>	<b>64,880,998</b>	<b>4,595,030</b>	<b>69,476,028</b>	<b>38,167,808</b>	<b>6,836,312</b>	<b>1,056,857</b>
Noncurrent assets						
Restricted:						
Revenue bond covenant accounts	--	871,289	871,289	--	--	--
Note receivable	--	--	--	--	2,331,260	--
Capital assets not being depreciated:						
Land	8,959,964	4,366,447	13,326,411	2,342,835	7,161,224	--
Construction in progress	2,414,067	411,710	2,825,777	11,375,355	--	--
Capital assets being depreciated:						
Buildings and improvements	71,324,152	67,791,669	139,115,821	37,206,975	51,622	45,775
Vehicles	19,081,300	--	19,081,300	--	--	--
Infrastructure	95,538,232	--	95,538,232	--	--	--
Transmission and distribution	--	--	--	128,567,707	--	--



**CITY OF CHARLESTON, WEST VIRGINIA  
STATEMENT OF NET POSITION (CONTINUED)**

**June 30, 2014**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
Machinery & equipment	\$ 18,304,095	\$ 2,281,486	\$ 20,585,581	\$ 9,727,916	\$ 28,796	\$ 211,389
Less: accumulated depreciation	( 118,639,635)	( 54,427,181)	( 173,066,816)	( 63,539,017)	( 41,940)	( 244,565)
Total capital assets	96,982,175	20,424,131	117,406,306	125,681,771	7,199,702	12,599
Total noncurrent assets	96,982,175	21,295,420	118,277,595	125,681,771	9,530,962	12,599
Total assets	\$ 161,863,173	\$ 25,890,450	\$ 187,753,623	\$ 163,849,579	\$ 16,367,274	\$ 1,069,456

**DEFERRED OUTFLOWS**

**OF RESOURCES:**

Loss on refunding  
of debt

\$ 45,625	\$ 277,250	\$ 322,875	\$ --	\$ --	\$ --
\$ 45,625	\$ 277,250	\$ 322,875	\$ --	\$ --	\$ --

**LIABILITIES**

Current liabilities:

Current liabilities payable  
from current assets:

Accounts payable	\$ 2,993,582	\$ 181,425	\$ 3,175,007	\$ 1,189,362	\$ 22,085	\$ 124,986
Payroll payable	1,422,479	74,160	1,496,639	166,377	--	--
Other accrued expenses	48,314	26,704	75,018	--	3,376	728
Solicitation bonds payable	26,310	--	26,310	--	--	--
Compensated absences payable	1,354,124	89,085	1,443,209	173,400	--	13,499
Benefits payable	193,113	18,218	211,331	64,189	--	--
Reserve for future insurance claims	1,149,775	77,306	1,227,081	--	--	--
Due to:						
Component units	178,745	26,403	205,148	--	--	--
Fiduciary funds	1,200	--	1,200	--	--	--
Primary government	--	--	--	54,981	--	--

Current liabilities payable  
from restricted assets:

Accrued bond interest payable	8,607	54,648	63,255	595,703	--	--
Accrued capital lease interest payable	55,750	--	55,750	--	--	--
Customer deposits	--	29,800	29,800	--	--	--
Other current liabilities:						
Grant advances	5,954,623	--	5,954,623	--	--	--
Customer prepaid fees	124,840	--	124,840	--	53,132	--
Due within one year	4,993,134	1,640,000	6,633,134	4,119,366	42,950	--

Total current liabilities

Noncurrent liabilities:

Due in more than one year	121,534,921	6,752,211	128,287,132	87,142,448	--	--
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Total noncurrent liabilities

Total liabilities

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**June 30, 2014**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unused Contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 40,716
Total Deferred Inflows of resources	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 40,716</u>
 <b>NET POSITION</b>						
Net investment in capital assets	\$ 87,087,352	\$ 12,922,295	\$ 100,009,647	\$ 35,073,753	\$ 7,199,702	\$ 12,599
Restricted for:						
General government	116,934	--	116,934	--	--	--
Debt service	309,593	1,705,693	2,015,286	18,363,319	--	--
Capital projects	431,935	--	431,935	--	--	--
Community development projects	77,090	222,801	299,891	--	--	--
Public safety and streets	196,227	--	196,227	--	--	--
Health and Sanitation	2,737,943	--	2,737,943	--	--	--
Culture and recreation	48,160	--	48,160	--	--	--
Perpetual care:						
Expendable	945,224	--	945,224	--	--	--
Nonexpendable	1,286,351	--	1,286,351	--	--	--
Unrestricted (deficit)	<u>( 71,367,528)</u>	<u>2,346,951</u>	<u>( 69,020,577)</u>	<u>16,906,681</u>	<u>9,046,029</u>	<u>876,928</u>
Total net position	<u>\$ 21,869,281</u>	<u>\$ 17,197,740</u>	<u>\$ 39,067,021</u>	<u>\$ 70,343,753</u>	<u>\$ 16,245,731</u>	<u>\$ 889,527</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2014**

Net (Expense) Revenues and  
Changes in Net Assets

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
<b>Primary government:</b>										
Governmental activities:										
General government	\$ 18,195,010	\$ 3,545,715	\$ 274,330	\$ 37,082	\$ (14,337,883)	\$ --	\$ (14,337,883)	\$ --	\$ --	\$ --
Public safety	48,445,018	9,704,654	4,897,355	222,525	(33,620,484)	--	(33,620,484)	--	--	--
Streets and transportation	11,628,169	2,206,804	40,000	31,218	(9,350,147)	--	(9,350,147)	--	--	--
Health and sanitation	5,978,855	4,089,254	109,319	19,322	(1,760,960)	--	(1,760,960)	--	--	--
Culture and recreation	7,456,492	530,410	323,378	376,115	(6,226,589)	--	(6,226,589)	--	--	--
Interest on long-term debt	491,682	--	--	--	(491,682)	--	(491,682)	--	--	--
Social services	860,187	157,490	202,094	--	(500,603)	--	(500,603)	--	--	--
Economic development	2,909,258	--	2,452,082	1,121,096	663,920	--	663,920	--	--	--
Total governmental activities	\$ 95,964,671	\$ 20,234,327	\$ 8,298,558	\$ 1,807,358	\$ (65,624,428)	\$ --	\$ (65,624,428)	\$ --	\$ --	\$ --
Business-type activities:										
Civic Center	\$ 4,885,275	\$ 3,239,371	\$ --	\$ 13,685	\$ --	\$ (1,632,219)	\$ (1,632,219)	\$ --	\$ --	\$ --
Parking System	2,912,491	3,526,486	--	4,587	--	618,582	618,582	--	--	--
Total business-type activities	7,797,766	6,765,857	--	18,272	--	(1,013,637)	(1,013,637)	--	--	--
Total primary government	\$ 103,762,437	\$ 27,000,184	\$ 8,298,558	\$ 1,825,630	\$ (65,624,428)	\$ (1,013,637)	\$ (66,638,065)	\$ --	\$ --	\$ --
<b>Component units:</b>										
Sanitary Board	\$ 18,330,024	\$ 21,686,813	\$ --	\$ 75,963			\$ 3,432,752	\$ --	\$ --	\$ --
Urban Renewal Authority	442,937	511,136	37,230	--			--	105,429	--	--
Convention & Visitor's Bureau	1,862,228	136,115	1,553,366	--			--	--	--	(172,747)
Total component units	\$ 20,635,189	\$ 22,334,064	\$ 1,590,596	\$ 75,963			\$ 3,432,752	\$ 105,429	\$ --	\$ (172,747)
General revenues:										
Ad valorem property taxes					\$ 13,011,895	\$ 222,379	\$ 13,234,274	\$ --	\$ --	\$ --
Business & occupation tax					46,402,641	--	46,402,641	--	--	--
City sales & use tax					4,507,057	--	4,507,057	--	--	--
Alcoholic beverages tax					855,825	--	855,825	--	--	--
Utility services tax					2,848,995	--	2,848,995	--	--	--
Hotel occupancy tax					2,787,461	--	2,787,461	--	--	--
Amusement tax					191,837	--	191,837	--	--	--
Other taxes					100,295	--	100,295	--	--	--
Unrestricted investment earnings					94,984	11,809	106,793	17,805	131,989	112
Gain on sale of capital assets					177,517	(22,237)	155,280	--	--	(32,745)
Miscellaneous					--	--	--	131,455	--	--
Transfers					(1,546,411)	1,546,411	--	--	--	--
Total general revenues and transfers					69,432,096	1,758,362	71,190,458	149,260	131,989	(32,633)
Change in net assets					3,807,668	744,725	4,552,393	3,582,012	237,418	(205,380)
Net position - beginning-Restated					18,061,613	16,453,015	34,514,628	66,761,741	16,008,313	1,094,907
Net position - ending					\$ 21,869,281	\$ 17,197,740	\$ 39,067,021	\$ 70,343,753	\$ 16,245,731	\$ 889,527



# CITY OF CHARLESTON, WEST VIRGINIA GOVERNMENTAL FUND FINANCIAL STATEMENTS

## *Major Funds*

**General Fund** This fund is used as the City's operating fund. It accounts for the financial resources and transactions that are not accounted for in other funds. The revenues are from taxes and other general revenues.

**Coal Severance Tax Fund** This special revenue fund accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia counties. The State of West Virginia requires this fund to be presented separately for budgetary compliance requirements.

**Community Development Fund** This fund accounts for federal grants received from the U.S. Housing and Urban Development for the purpose of developing "viable urban communities," which are achieved by providing decent housing, a suitable living environment, and expanded economic opportunities principally for low-and moderate-income people.

**HOME Fund** This fund accounts for federal grants received from the U.S. Housing and Urban Development to provide forgivable, deferred mortgage loans to first-time homebuyers that meet income and credit guidelines.

Nonmajor governmental funds are presented in aggregate and then by fund type beginning on page 101.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2014**

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 26,359,401	\$ 21	\$ 4,829	\$ 332	\$ 6,816,093	\$ 33,180,676
Investments	--	--	--	--	3,118,654	3,118,654
Receivables:						
Taxes	14,560,506	63,721	--	--	--	14,624,227
Accounts	3,919,409	--	--	--	406,208	4,325,617
Grants	287,767	--	308,821	16,184	502,190	1,114,962
Loans	--	--	1,937,697	3,770,980	150,143	5,858,820
Accrued interest	882	--	--	--	3,428	4,310
Due from:						
Other funds	1,041,162	--	--	--	1,256,997	2,298,159
Component units	23,583	--	--	--	31,398	54,981
Prepaid insurance and lockbox	590,403	--	--	--	--	590,403
Restricted cash	245,844	--	--	--	1,683,366	1,929,210
<b>Total assets</b>	<b>\$ 47,028,957</b>	<b>\$ 63,742</b>	<b>\$ 2,251,347</b>	<b>\$ 3,787,496</b>	<b>\$ 13,968,477</b>	<b>\$ 67,100,019</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,665,256	\$ --	\$ 187,768	\$ 134	\$ 1,140,424	\$ 2,993,582
Payroll payable	1,422,479	--	--	--	--	1,422,479
Other accrued expenditures	48,314	--	--	--	--	48,314
Solicitation bonds payable	26,310	--	--	--	--	26,310
Benefits payable	193,113	--	--	--	--	193,113
Reserve for future insurance claims	1,149,775	--	--	--	--	1,149,775
Due to:						
Other funds	1,073,238	--	121,053	16,050	1,009,879	2,220,220
Component unit	176,523	--	--	--	2,222	178,745
Other liabilities:						
Customer prepaid fees	124,840	--	--	--	--	124,840
Grant advances	--	--	1,988,842	3,771,312	194,469	5,954,623
<b>Total liabilities</b>	<b>\$ 5,879,848</b>	<b>\$ --</b>	<b>\$ 2,297,663</b>	<b>\$ 3,787,496</b>	<b>\$ 2,346,994</b>	<b>\$ 14,312,001</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue-taxes	\$ 454,131	\$ --	\$ --	\$ --	\$ --	\$ 454,131
<b>Fund balances:</b>						
Nonspendable	\$ 590,403	\$ --	\$ --	\$ --	\$ 1,286,351	\$ 1,876,754
Restricted	629,308	63,742	--	--	4,170,056	4,863,106
Committed	13,354,731	--	--	--	6,165,076	19,519,807
Assigned	4,529,596	--	--	--	--	4,529,596
Unassigned	21,590,940	--	( 46,316)	--	--	21,544,624
<b>Total fund balances</b>	<b>40,694,978</b>	<b>63,742</b>	<b>( 46,316)</b>	<b>--</b>	<b>11,621,483</b>	<b>52,333,887</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 47,028,957</b>	<b>\$ 63,742</b>	<b>\$ 2,251,347</b>	<b>\$ 3,787,496</b>	<b>\$ 13,968,477</b>	<b>\$ 67,100,019</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2014**

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Total fund balances on the governmental fund's balance sheet	\$ 52,333,887
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, not reported in the funds. (Note IV.C.)	96,982,175
Deferred outflows of loss on refunding bonds which is amortized over the life of the bonds is not reported in the funds.	45,625
Certain revenues are not available to fund current year expenditures and, therefore, are deferred inflows in the funds. (Note IV.B.)	454,131
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note II.A).	<u>( 127,946,537)</u>
Net position of governmental activities	\$ <u><u>21,869,281</u></u>

The notes to the financial statements are an integral part of this statement.





**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Ad valorem						
property taxes	\$ 13,128,890	\$ --	\$ --	\$ --	\$ --	\$ 13,128,890
Business & occupation tax	46,402,641	--	--	--	--	46,402,641
Alcoholic beverages tax	855,825	--	--	--	--	855,825
Utility services tax	2,848,995	--	--	--	--	2,848,995
Hotel occupancy tax	2,787,461	--	--	--	--	2,787,461
City sales tax	4,507,057	--	--	--	--	4,507,057
Animal tax	6,875	--	--	--	--	6,875
Gas and oil severance tax	93,420	--	--	--	--	93,420
Amusement tax	191,837	--	--	--	--	191,837
Licenses and permits	2,314,548	--	--	--	--	2,314,548
Intergovernmental:						
Federal	146,962	--	2,303,568	782,695	1,368,382	4,601,607
State	3,609,589	196,819	--	--	30,000	3,836,408
Charges for services	13,067,854	--	--	--	4,015,493	17,083,347
Fines and forfeits	--	--	--	--	607,189	607,189
Interest and investment						
earnings	97,946	24	3,007	--	232,842	333,819
Reimbursements	1,118,440	--	--	--	28,899	1,147,339
Payments in lieu of taxes	85,786	--	--	--	--	85,786
Contributions and donations	343,157	--	--	--	35,453	378,610
Miscellaneous	362,470	--	380,420	--	25,620	768,510
<b>Total revenues</b>	<b>\$ 91,969,753</b>	<b>\$ 196,843</b>	<b>\$ 2,686,995</b>	<b>\$ 782,695</b>	<b>\$ 6,343,878</b>	<b>\$ 101,980,164</b>
<b>EXPENDITURES</b>						
Current:						
General government	\$ 17,771,721	\$ --	\$ --	\$ --	\$ 123,283	\$ 17,895,004
Public safety	41,915,921	--	--	--	1,261,723	43,177,644
Streets and transportation	9,694,455	--	--	--	802	9,695,257
Health and sanitation	4,824,287	--	--	--	1,111,505	5,935,792
Culture and recreation	6,371,573	--	--	--	--	6,371,573
Social services	747,217	--	--	--	24,423	771,640
Economic development	5,765	--	2,803,304	782,695	312,908	3,904,672
Debt service:						
Principal	420,000	--	--	--	210,000	630,000
Interest	293,385	--	--	--	115,536	408,921
Capital outlay:						
General government	--	--	--	--	--	--
Highways and streets	--	--	--	--	5,468,283	5,468,283
Culture and recreation	--	--	--	--	--	--
<b>Total expenditures</b>	<b>\$ 82,044,324</b>	<b>\$ --</b>	<b>\$ 2,803,304</b>	<b>\$ 782,695</b>	<b>\$ 8,628,463</b>	<b>\$ 94,258,786</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 9,925,429	\$ 196,843	\$ (116,309)	\$ --	\$ (2,284,585)	\$ 7,721,378
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 3,166,275	\$ --	\$ 20,000	\$ --	\$ 8,013,702	\$ 11,199,977
Transfers (out)	(8,902,009)	(192,826)	--	--	(3,225,525)	(12,320,360)
Proceeds from the sale of assets	208,609	--	--	--	--	208,609
Insurance proceeds	--	--	--	--	--	--
Capital leases	1,482,000	--	--	--	--	1,482,000
<b>Total other financing sources (uses)</b>	<b>(4,045,125)</b>	<b>(192,826)</b>	<b>20,000</b>	<b>--</b>	<b>4,788,177</b>	<b>570,226</b>
Net change in fund balances	5,880,304	4,017	(96,309)	--	2,503,592	8,291,604
Fund balances - beginning-restated	34,814,674	59,725	49,993	--	9,117,891	44,042,283
Fund balances - ending	<b>\$ 40,694,978</b>	<b>\$ 63,742</b>	<b>\$ (46,316)</b>	<b>\$ --</b>	<b>\$ 11,621,483</b>	<b>\$ 52,333,887</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2014**

---

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	8,291,604
<p>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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period (Note II.B).</p>		
		2,033,014
<p>In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.</p>		
		( 31,092)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (Change in Deferred Inflows-Taxes).</p>		
		( 116,995)
<p>The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred outflows/inflows when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note II.B).</p>		
		1,305,598
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (Note II.B).</p>		
		<u>( 7,674,461)</u>
Change in net position of governmental activities	\$	<u><u>3,807,668</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Taxes:						
Property	\$ 13,053,000	\$ 13,053,000	\$ 13,128,890	\$ ( 2,761)	\$ 13,126,129	\$ 73,129
Business & occupation	43,930,000	46,990,295	46,402,641	( 96,928)	46,305,713	( 684,582)
Utility	3,160,000	3,160,000	2,848,995	--	2,848,995	( 311,005)
Hotel motel	3,650,000	3,650,000	2,787,461	--	2,787,461	( 862,539)
City sales tax	--	--	4,507,057	( 4,507,057)	--	--
Alcoholic beverages	780,000	780,000	855,825	--	855,825	75,825
Amusement	150,000	150,000	191,837	--	191,837	41,837
Animal	10,000	10,000	6,875	--	6,875	( 3,125)
Gas & oil severance	60,000	60,000	93,420	--	93,420	33,420
Licenses and permits	2,098,000	2,098,000	2,314,548	--	2,314,548	216,548
Charges for services	13,298,000	13,298,000	13,067,854	--	13,067,854	( 230,146)
Intergovernmental:						
Federal	100,000	130,000	146,962	--	146,962	16,962
State	--	19,322	3,609,589	( 3,590,267)	19,322	--
Interest and						
investment earnings	15,000	15,000	97,946	( 66,062)	31,884	16,884
Reimbursements	1,327,000	1,327,000	1,118,440	--	1,118,440	( 208,560)
Payments in lieu of taxes	50,000	50,000	85,786	--	85,786	35,786
Contributions						
and donations	300,000	377,000	343,157	--	343,157	( 33,843)
Miscellaneous	365,000	365,000	362,470	--	362,470	( 2,530)
Total revenues	\$ 82,346,000	\$ 85,532,617	\$ 91,969,753	\$ ( 8,263,075)	\$ 83,706,678	\$ ( 1,825,939)
<b>EXPENDITURES</b>						
General government:						
Mayor's office	\$ 526,518	\$ 890,385	\$ 631,470	\$ ( 15,118)	\$ 616,352	\$ 274,033
City council	207,999	207,999	220,767	--	220,767	( 12,768)
City manager	3,447,012	4,513,502	3,062,367	( 30,235)	3,032,132	1,481,370
City treasurer	165,584	165,584	195,094	( 30,235)	164,859	725
City collector	1,038,557	1,038,557	1,020,558	( 90,705)	929,853	108,704
City clerk	178,625	185,803	177,913	--	177,913	7,890
Municipal court	469,265	486,366	483,638	( 30,235)	453,403	32,963
Legal	1,041,434	1,986,168	1,091,469	--	1,091,469	894,699
Accounting	499,819	502,429	494,177	( 15,118)	479,059	23,370
Engineering	1,461,394	2,666,205	1,128,252	( 30,235)	1,098,017	1,568,188
MOECD	604,060	604,060	592,423	( 15,118)	577,305	26,755
Human resources	754,204	758,704	690,706	--	690,706	67,998
Contributions to Main Street						
Program	80,000	80,000	80,000	--	80,000	--
Regional Intergovernmental						
Council	20,000	20,000	19,819	--	19,819	181
Mail room	275,858	275,858	291,570	( 45,352)	246,218	29,640
Building commission	1,028,837	1,073,837	1,003,917	( 15,118)	988,799	85,038
Planning	613,745	636,616	610,044	( 30,235)	579,809	56,807

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)**  
**For the Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Information systems	\$ 1,228,733	\$ 1,323,519	\$ 1,141,392	\$ ( 30,235)	\$ 1,111,157	\$ 212,362
Building maintenance	2,619,583	2,847,500	741,989	2,116,453	2,858,442	( 10,942)
Internal audit	366,741	362,241	207,612	--	207,612	154,629
Morris Square	281,643	281,643	278,466	--	278,466	3,177
Employee health clinic	465,000	890,000	783,599	--	783,599	106,401
Public works	348,560	348,560	365,534	( 15,118)	350,416	( 1,856)
Public grounds	1,585,437	1,583,439	1,696,298	( 120,940)	1,575,358	8,081
Contingency	77,460	135,888	--	--	--	135,888
Total general government	<u>19,386,068</u>	<u>23,864,863</u>	<u>17,009,074</u>	<u>1,602,456</u>	<u>18,611,530</u>	<u>5,253,333</u>
Public safety:						
Police	18,713,705	18,417,127	20,080,785	( 1,925,950)	18,154,835	262,292
Fire	17,667,666	17,199,526	18,266,092	( 1,830,609)	16,435,483	764,043
Traffic engineering	1,188,324	1,275,169	1,331,718	( 60,470)	1,271,248	3,921
C-K emergency services	228,321	228,321	230,171	( 15,118)	215,053	13,268
Total public safety	<u>37,798,016</u>	<u>37,120,143</u>	<u>39,908,766</u>	<u>( 3,832,147)</u>	<u>36,076,619</u>	<u>1,043,524</u>
Streets and transportation:						
Streets and transportation	4,736,728	4,593,883	4,837,245	( 504,643)	4,332,602	261,281
Equipment maintenance	3,826,217	3,823,242	3,800,193	( 211,645)	3,588,548	234,694
Total streets and transportation	<u>8,562,945</u>	<u>8,417,125</u>	<u>8,637,438</u>	<u>( 716,288)</u>	<u>7,921,150</u>	<u>495,975</u>
Health and sanitation:						
Refuse collection & recycling	3,845,449	3,798,402	3,882,492	( 317,468)	3,565,024	233,378
Kanawha-Charleston health	125,000	125,000	125,000	--	125,000	--
CARES	48,000	48,000	48,000	--	48,000	--
Total health and sanitation	<u>4,018,449</u>	<u>3,971,402</u>	<u>4,055,492</u>	<u>( 317,468)</u>	<u>3,738,024</u>	<u>233,378</u>
Culture and recreation:						
Parks and recreation	2,913,175	2,878,371	2,954,669	( 256,997)	2,697,672	180,699
Convention and visitor's bureau	1,825,000	1,825,000	1,394,707	--	1,394,707	430,293
Cultural/fairs/festivals	265,000	327,000	294,558	--	294,558	32,442
Festival Fund for the Arts	181,176	181,176	87,000	--	87,000	94,176
Municipal auditorium	262,764	262,764	235,928	--	235,928	26,836
Charleston Area Alliance	100,000	100,000	100,000	--	100,000	--
Library	925,626	925,626	925,626	--	925,626	--
Appalachian Power Park	360,000	360,000	278,919	--	278,919	81,081
Total culture and recreation	<u>6,832,741</u>	<u>6,859,937</u>	<u>6,271,407</u>	<u>( 256,997)</u>	<u>6,014,410</u>	<u>845,527</u>
Social services:						
Spring hill cemetery	734,031	730,168	699,721	( 75,588)	624,133	106,035
Human rights	--	--	--	--	--	--
Total social services	<u>734,031</u>	<u>730,168</u>	<u>699,721</u>	<u>( 75,588)</u>	<u>624,133</u>	<u>106,035</u>

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)**  
**For the Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Capital projects:						
General government	\$ 1,195,931	\$ 1,356,892	\$ 762,648	\$ --	\$ 762,648	\$ 594,244
Public safety	2,054,813	2,948,559	2,007,154	--	2,007,154	941,405
Streets and transportation	800,540	1,048,788	1,062,782	--	1,062,782	( 13,994)
Health and sanitation	635,643	738,001	768,795	--	768,795	( 30,794)
Culture and recreation	57,754	100,258	100,166	--	100,166	92
Social services	121,809	48,400	47,496	--	47,496	904
Total capital projects	<u>4,866,490</u>	<u>6,240,898</u>	<u>4,749,041</u>	<u>--</u>	<u>4,749,041</u>	<u>1,491,857</u>
Debt service:						
Principal	420,000	420,000	420,000	--	420,000	--
Interest	292,185	292,185	292,185	--	292,185	--
Bond Service Charges	1,200	1,200	1,200	--	1,200	--
Total debt service	<u>713,385</u>	<u>713,385</u>	<u>713,385</u>	<u>--</u>	<u>713,385</u>	<u>--</u>
Total expenditures	\$ <u>82,912,125</u>	\$ <u>87,917,921</u>	\$ <u>82,044,324</u>	\$ <u>( 3,596,032)</u>	\$ <u>78,448,292</u>	\$ <u>9,469,629</u>
Excess of revenues over (under) expenditures	<u>( 566,125)</u>	<u>( 2,385,304)</u>	<u>9,925,429</u>	<u>( 4,667,043)</u>	<u>5,258,386</u>	<u>7,643,690</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 3,400,000	\$ 3,452,700	\$ 3,166,275	\$ --	\$ 3,166,275	\$ ( 286,425)
Transfers out	( 4,387,875)	( 8,717,779)	( 8,902,009)	( 228,141)	( 9,130,150)	( 412,371)
Capital lease proceeds	1,379,000	1,271,487	1,482,000	--	1,482,000	210,513
Sale of capital assets	175,000	175,000	208,609	--	208,609	33,609
Total other financing sources (uses)	<u>566,125</u>	<u>( 3,818,592)</u>	<u>( 4,045,125)</u>	<u>( 228,141)</u>	<u>( 4,273,266)</u>	<u>( 454,674)</u>
Net change in fund balance	--	( 6,203,896)	5,880,304	( 4,895,184)	985,120	7,189,016
Fund balance-beginning	--	6,203,896	34,814,674	( 28,610,778)	6,203,896	--
Fund balance-ending	\$ <u>--</u>	\$ <u>--</u>	\$ <u>40,694,978</u>	\$ <u>( 33,505,962)</u>	\$ <u>7,189,016</u>	\$ <u>7,189,016</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - COAL SEVERANCE TAX FUND**  
**For the Fiscal Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
State	\$ 240,000	\$ 240,000	\$ 196,819	\$ ( 43,181)
Interest and investment earnings	100	100	24	( 76)
Total revenues	240,100	240,100	196,843	( 43,257)
Excess (deficiency) of revenues over (under) expenditures	240,100	240,100	196,843	( 43,257)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	( 240,100)	( 299,825)	( 192,826)	106,999
Total other financing sources (uses)	( 240,100)	( 299,825)	( 192,826)	106,999
Net change in fund balance	--	( 59,725)	4,017	63,742
Fund balance - beginning	--	59,725	59,725	--
Fund balance - ending	\$ --	\$ -	\$ 63,742	\$ 63,742

The notes to the financial statements are an integral part of this statement.

# CITY OF CHARLESTON, WEST VIRGINIA PROPRIETARY FUND FINANCIAL STATEMENTS

## *Major Funds*

**Civic Center Fund** This Enterprise Fund accounts for the operations of the Civic Center multi-purpose meeting, convention, and entertainment facility.

**Parking System Fund** This Enterprise Fund accounts for the operations of the City parking buildings, parking lots, and metered spaces.



**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**June 30, 2014**

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 158,502	\$ 2,843,463	\$ 3,001,965
Receivables:			
Accounts	192,456	128,067	320,523
Due from:			
Other funds	3,216	3,824	7,040
Prepaid insurance and lockbox	51,915	67,983	119,898
Restricted:			
TIF district taxes receivable	2,404	--	2,404
Regular account	220,397	304,788	525,185
Revenue bond covenant accounts	311,485	218,131	529,616
Customer deposits	152,713	--	152,713
	<u>1,093,088</u>	<u>3,566,256</u>	<u>4,659,344</u>
Total current assets			
Noncurrent assets:			
Restricted:			
Revenue bond covenant accounts	--	871,289	871,289
Capital assets not being depreciated:			
Land	300,000	4,066,447	4,366,447
Construction in progress	327,321	84,389	411,710
Capital assets being depreciated:			
Buildings and improvements	36,759,356	31,032,313	67,791,669
Machinery and equipment	1,223,181	1,058,305	2,281,486
Less: accumulated depreciation	( 29,609,235)	( 24,817,946)	( 54,427,181)
Total capital assets (net of accumulated depreciation)	<u>9,000,623</u>	<u>11,423,508</u>	<u>20,424,131</u>
	<u>9,000,623</u>	<u>12,294,797</u>	<u>21,295,420</u>
Total noncurrent assets			
	<u>9,000,623</u>	<u>12,294,797</u>	<u>21,295,420</u>
Total assets	<u>\$ 10,093,711</u>	<u>\$ 15,861,053</u>	<u>\$ 25,954,764</u>
Deferred outflows of resources:			
Loss on refunding of debt	\$ 199,779	\$ 77,471	\$ 277,250
Total deferred outflows of resources	<u>\$ 199,779</u>	<u>\$ 77,471</u>	<u>\$ 277,250</u>

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)**  
**June 30, 2014**

	<u>Civic</u> <u>Center</u>	<u>Parking</u> <u>System</u>	<u>Totals</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 137,885	\$ 43,540	\$ 181,425
Benefits payable	48,697	46,827	95,524
Payroll payable	39,590	34,570	74,160
Other accrued expenses	10,682	16,022	26,704
Compensated absences payable	51,600	37,485	89,085
Customer deposits payable	29,800	--	29,800
Due to:			
Governmental	31,436	32,878	64,314
Component unit	26,403	--	26,403
Accrued interest payable	46,264	8,384	54,648
Revenue bonds payable-current	<u>425,000</u>	<u>1,215,000</u>	<u>1,640,000</u>
 Total current liabilities	 <u>847,357</u>	 <u>1,434,706</u>	 <u>2,282,063</u>
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discount)	5,094,217	1,044,868	6,139,085
Other postemployment benefits	<u>343,361</u>	<u>269,765</u>	<u>613,126</u>
 Total noncurrent liabilities	 <u>5,437,578</u>	 <u>1,314,633</u>	 <u>6,752,211</u>
 Total liabilities	 <u>\$ 6,284,935</u>	 <u>\$ 2,749,339</u>	 <u>\$ 9,034,274</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 3,681,185	\$ 9,241,110	\$ 12,922,295
Restricted for debt service			
Debt service	311,485	1,394,208	1,705,693
TIF district	222,801	--	222,801
Unrestricted	<u>( 206,916)</u>	<u>2,553,867</u>	<u>2,346,951</u>
 Total net position	 <u>\$ 4,008,555</u>	 <u>\$ 13,189,185</u>	 <u>\$ 17,197,740</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
Operating revenues:			
Sales and services to customers	\$ 2,078,414	\$ 3,522,681	\$ 5,601,095
Rental fees	1,160,957	--	1,160,957
Miscellaneous	--	3,805	3,805
	3,239,371	3,526,486	6,765,857
Total operating revenues			
Operating expenses:			
Administrative and general	--	1,988,645	1,988,645
Recreational	3,671,062	--	3,671,062
Depreciation	922,164	705,926	1,628,090
	4,593,226	2,694,571	7,287,797
Total operating expenses			
Operating income (loss)	( 1,353,855)	831,915	( 521,940)
Nonoperating revenues (expenses):			
Investment earnings	979	10,830	11,809
TIF property taxes	222,379	--	222,379
Gain on sale of capital assets	295	( 22,532)	( 22,237)
Interest and fiscal charges	( 292,049)	( 217,920)	( 509,969)
	( 68,396)	( 229,622)	( 298,018)
Total nonoperating revenues (expenses)			
Income (loss) before contributions and transfers	( 1,422,251)	602,293	( 819,958)
Capital contributions	331,358	112,942	444,300
Transfers in	1,212,264	--	1,212,264
Transfers (out)	( 91,881)	--	( 91,881)
	29,490	715,235	744,725
Change in net position			
Total net position- beginning	3,979,065	12,473,950	16,453,015
Total net position - ending	\$ 4,008,555	\$ 13,189,185	\$ 17,197,740

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 3,206,720	\$ 3,586,369	\$ 6,793,089
Payments to suppliers	( 2,141,996)	( 647,931)	( 2,789,927)
Payments to employees	( 1,419,667)	( 1,181,487)	( 2,601,154)
Internal activity receipts/payments to other funds	6,508	4,427	10,935
Net cash provided (used) by operating activities	( 348,435)	1,761,378	1,412,943
<b>Cash flows from noncapital financing activities:</b>			
Transfers in from other funds	524,939	--	524,939
<b>Cash flows from capital and related financing activities:</b>			
Transfers from other funds for capital debt	678,765	--	678,765
Transfers from other funds for capital projects	8,560	--	8,560
Transfers to other funds for capital project reserve	( 91,881)	--	( 91,881)
TIF District property taxes	219,975	--	219,975
Capital contributions	13,685	--	13,685
Proceeds from sale of capital assets	295	8	303
Acquisition and construction of capital assets	( 62,329)	( 185,956)	( 248,285)
Principal paid on capital debt	( 410,000)	( 1,175,000)	( 1,585,000)
Interest and fees paid on capital debt	( 265,233)	( 154,860)	( 420,093)
Net cash provided (used) by capital and related financing activities	91,837	( 1,515,808)	( 1,423,971)
<b>Cash flows from investing activities:</b>			
Interest and dividends received	979	10,830	11,809
Net increase (decrease) in cash and cash equivalents	269,320	256,400	525,720
Cash and cash equivalents, July 1, 2013 (including \$304,875 and \$1,712,998 in restricted)	421,064	3,981,271	4,402,335
Cash and cash equivalents, June 30, 2014 (including \$531,882 and \$1,394,208 in restricted)	\$ 690,384	\$ 4,237,671	\$ 4,928,055

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)**  
**For the Fiscal Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ ( 1,353,855)	\$ 831,915	\$ ( 521,940)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	922,164	705,926	1,628,090
Decrease (increase) in accounts receivable	( 24,773)	51,126	26,353
Decrease (increase) in due from other funds	( 3,216)	( 3,437)	( 6,653)
Decrease (increase) in restricted deposits	( 2,256)	--	( 2,256)
Decrease (increase) in prepaid insurance	308	1,343	1,651
Increase (decrease) in accounts payable	( 11,617)	39,524	27,907
Increase (decrease) in payroll payable	16,317	2,542	18,859
Increase (decrease) in other accrued expenses	( 8,603)	23,378	14,775
Increase (decrease) in due to other funds	9,724	7,864	17,588
Increase (decrease) in OPEB	107,372	101,197	208,569
	<u>107,372</u>	<u>101,197</u>	<u>208,569</u>
Net cash provided by operations	<u>\$ ( 348,435)</u>	<u>\$ 1,761,378</u>	<u>\$ 1,412,943</u>
Noncash investing, capital & financing activities:			
Contribution of capital asset from governmental fund	\$ 317,672	\$ 112,943	\$ 430,615
Donation of capital asset to general government	--	22,540	22,540
Total noncash investing, capital, and financing activities	<u>\$ 317,672</u>	<u>\$ 135,483</u>	<u>\$ 453,155</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF CHARLESTON, WEST VIRGINIA FIDUCIARY FUND FINANCIAL STATEMENTS

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

**Agency Funds** These funds are accounted for using the accrual basis of accounting and are used to account for assets that the City of Charleston, West Virginia holds for others in an agency capacity.

The individual Fiduciary and Agency Fund descriptions and financial statements begin on page 125.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**June 30, 2014**

	<u>Total Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Non-pooled cash	\$ <u>6,326,429</u>	\$ <u>2,224,117</u>
Total cash	<u>6,326,429</u>	<u>2,224,117</u>
Investments, at fair value:		
Federal government securities	5,406,927	--
Certificates of deposit	200,677	--
Managed bond funds	3,222,246	--
Managed stock funds	<u>13,582,101</u>	<u>--</u>
Total investments	<u>22,411,951</u>	<u>--</u>
Receivables:		
Interest	50,164	--
Accounts receivable	<u>--</u>	<u>6,389</u>
Total receivables	<u>50,164</u>	<u>6,389</u>
Due from other funds	<u>--</u>	<u>10,023</u>
Total assets	<u>\$ 28,788,544</u>	<u>\$ 2,240,529</u>
<b>LIABILITIES</b>		
Accounts payable	--	2,209,842
Due to other funds	--	30,687
Benefits payable	<u>568,929</u>	<u>--</u>
Total liabilities	<u>568,929</u>	<u>2,240,529</u>
<b>NET POSITION</b>		
Net position restricted for pensions	<u>\$ 28,219,615</u>	<u>\$ --</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Total Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 10,111,068
Plan members	1,252,257
State of West Virginia insurance premium surtax allocations	<u>3,590,267</u>
Total contributions	<u>14,953,592</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	2,447,193
Interest and dividends	474,340
Less: investment expense	<u>( 187,674)</u>
Net investment income	<u>2,733,859</u>
Total additions	<u>17,687,451</u>
<b>DEDUCTIONS</b>	
Benefits	13,430,590
Administrative expenses	30,396
Refunds of contributions	<u>201,301</u>
Total deductions	<u>13,662,287</u>
Net increase in net position	4,025,164
Net position restricted for pensions	
Beginning of year	<u>24,194,451</u>
End of year	<u>\$ 28,219,615</u>

The notes to the financial statements are an integral part of this statement.



CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The City of Charleston is a municipal corporation governed by an elected mayor and a twenty-seven member council. The accompanying financial statements present the government and its component units as required by generally accepted accounting principles (GAAP).

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

The accompanying financial statements present the government and its component units as required by 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. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose will on that organization or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Other factors to consider in this evaluation are whether an entity is fiscally dependent on the City of Charleston and there is a financial benefit or burden relationship present regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. In addition, an organization should be evaluated if it is closely related to or financially integrated with the primary government.

*Blended Component Unit*

The entity below is legally separate from the City and meets GAAP criteria for a component unit. This entity is blended with the primary government because it provides services entirely or almost entirely to the City or otherwise exclusively, or almost exclusively, benefits the City even though it does not provide services directly to it.

The City of Charleston Building Commission (the Commission) serves the City of Charleston, West Virginia, and is governed by a board comprised of five members appointed by the City Council for a term of five years each. The Building Commission acquires property and debt on behalf of the City with the approval of the government's council and the legal liability for the general obligation portion of the Commission's debt remains with the government. The Commission does not issue separate financial statements.

*Discretely Presented Component Units*

The three entities described as follows are legally separate from the City and meet GAAP criteria for a discretely presented component unit of the government. The government either appoints the board or members of the

CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

government serve on the board of all three entities and a financial benefit/burden relationship exists or the component unit is fiscally dependent upon the government.

The City of Charleston Sanitary Board serves all the citizens of the City of Charleston and is governed by a three member board comprised of the Mayor and two members of council. The Board is fiscally dependent upon the City since the government's council must approve rates for user charges and authorize bond issuances.

The City of Charleston Urban Renewal Authority serves the City of Charleston, West Virginia, and is governed by a board comprised of members appointed by the City Council. A financial benefit/burden relationship exists since the government is legally entitled or can otherwise access the Authority's resources. In addition, the Authority is fiscally dependent upon the government since all bond issuance authorizations must be approved by the government's elected council. The City of Charleston Urban Renewal Authority derives its income from the leasing of developed properties.

The City of Charleston Convention and Visitor's Bureau, Inc. (the Bureau) was established in 1979, as a nonprofit corporation. The Bureau is governed by a board comprised of members stipulated to be no less than fifteen but no more than nineteen which consists of three permanent members (the City of Charleston Civic Center Manager, Director of Yeager Airport, and Mayor of the City of Charleston) and the remainder of the board members are appointed by the City Council. A financial benefit/burden relationship exists between the government and the Bureau since the government is legally obligated or otherwise assumed the obligation to provide financial support to the Bureau. The primary purpose of the Bureau is to operate a convention and visitor's bureau for the Charleston, West Virginia area and to advance, stimulate, and promote exhibits, conferences and conventions. The Bureau derives most of its revenue from hotel room taxes. The City of Charleston contributes 50% of the Hotel Occupancy Taxes collected to the Bureau. If these taxes were discontinued, the Bureau's ability to continue in business would be threatened.

Complete financial statements for each of the individual component units can be obtained at the entity's administrative offices.

## **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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements; however, if applicable, inter-fund services provided and used are not eliminated in the process of consolidation. 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 benefit 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

CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major governmental funds are combined into a single column.

**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 incurred, regardless of the timing of related 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 when earned and 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. However, when an asset is recorded in governmental fund financial statements but the revenue is not available, the government reports a deferred inflow of resources until such time as the revenue becomes available. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, 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.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial sources of the general government, except those required or elected 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 counties.

The Community Development Fund, a special revenue fund, accounts for federal grants received from the U.S. Department of Housing and Urban Development for the purpose of developing "viable urban communities", which are achieved by providing decent housing, a suitable living environment, and expanded economic opportunities principally for low-and moderate income people.

CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

The HOME Fund, a special revenue fund, accounts for federal grants received from the U.S. Department of Housing and Urban Development to provide certain mortgage loans to first-time homebuyers that meet income and credit guidelines.

The government reports the following major proprietary funds:

The Civic Center is a large multi-purpose meeting, convention and entertainment facility. The Civic Center/Auditorium Board was created in 1953, to supervise, operate and maintain the Civic Center and the Municipal Auditorium. The Board is appointed by the Mayor with approval of City Council. This fund accounts for the receipts and expenses of the operations of these facilities.

The Parking System Fund consists of parking buildings, parking lots, and metered spaces. The City has delegated a special committee of the Council, designated as the Parking Facilities Committee composed of the Mayor and members of the finance committee of council, to promulgate rules and regulations governing the usage of all the parking facilities. This fund accounts for all receipts and expenses of operating the parking system.

Additionally, the government reports the following fund types:

The Pension Trust Funds account for the activities of the Public Safety Employees Retirement Systems, 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 accrual basis of accounting.

The Agency Funds account for assets held by the City of Charleston, West Virginia for others in a custodial capacity. The two Civic Center Agency Funds account for revenues from event ticket sales, subsequently dispersed to promoters, and for revenues received for the Cooking Show, the Wedding Show and for a series of reunions the Civic Center is producing which are subsequently paid to the Civic Center once the events are over. The police agency funds account for forfeited funds and confiscated property subsequently dispersed upon court order to the appropriate party. Agency funds are accounted for using the accrual basis of accounting and do not present results of operations or have a measurement focus.

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 non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Civic Center and Parking System (enterprise funds) and the Sanitary Board, Urban Renewal Authority, and Convention and Visitor's Bureau (discretely presented component units) 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 non-operating revenues and expenses.

CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

**D. Assets, Liabilities, and Net Position or Equity**

**1. Deposits and Investments**

The City of Charleston, 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 generally accepted accounting principles, the City 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, is 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 IV.A.

State statutes authorize the government to invest in the West Virginia Board of Treasury Investments or the West Virginia 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 national mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with S.E.C. which have fund assets over three hundred million dollars.

State statute limitations concerning the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have more than nine percent 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.

As for the investments of the City's two Municipal Pension Trust Funds (Pension Funds), those investments are governed as to type by West Virginia Code §8-22-22. Pension funds are permitted to invest in all of the above mentioned types of investments with the exceptions of: (1) Direct and general obligations of the State and (2) Pooled mortgage trusts. Additionally, pension funds are permitted to invest funds in the following categories of investments: (1) Repurchase agreements and (2) Common stock, securities convertible into common stocks, or warrants and rights to purchase such securities. Pension funds have different rules concerning the purchase of marketable debt securities.

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

CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

**2. Receivables and Payables**

*Inter-fund Transactions*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "inter-fund receivables or payables" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund 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 net realizable value, which includes reductions for estimated portions that are expected to be uncollectible.

*Property Tax Receivable*

The property tax receivable is equal to 75 percent of the property taxes outstanding at June 30, 2014.

All current taxes assessed on real and personal property have a levy date of the 3rd Tuesday in April of each year. The due date for the taxes is September 1st for the first half and March 1st for the second half of the year. The lien date in which the county sheriff has a legal right to collect is between October 14th and November 23rd of each year. 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. The City receives from the County its portion of property taxes for current and excess levies each month for the preceding month collections.

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 the statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2014, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>	<u>Tax Increment Financing</u>
Class I	\$ -	8.11 cents	5.03 cents	8.11 cents
Class II	\$ 1,255,139,776	16.22 cents	10.06 cents	16.22 cents
Class IV	\$ 1,936,355,604	32.44 cents	20.12 cents	32.44 cents

CITY OF CHARLESTON, WEST VIRGINIA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2014

The City of Charleston, West Virginia held a special election on March 8, 2011. The City was authorized to lay an excess levy to provide approximately \$4,616,199 annually for four fiscal years which began fiscal year ended June 30, 2012, through June 30, 2015, for the purpose of subsidizing the payment of current governmental expenses.

**3. Restricted Assets**

Certain assets of the Civic Center and Parking System enterprise fund revenue bonds as well as certain proceeds set aside for their repayment are classified as restricted assets because their use is limited by applicable bond covenants. Certain assets of the Solid Waste Fund, a special revenue fund, are restricted for solid waste landfill closure expenditures. The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months and amounts collected from the Tax Incremental Financing District for the Civic Center and Convention Renovation Project. The "restricted cash" account is used to report resources set aside to pay for potential solid waste capital expenditures. The "reserve for bond retirement" account is used to segregate resources accumulated for debt service payments. 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.

**4. Capital Assets and Depreciation**

Capital assets, including 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 with an initial, individual cost of \$5,000 or more 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 reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds during the same period.

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

Assets	Years
Buildings and improvements	40
Structures and improvements	40
Infrastructure	40-50
Machinery and equipment	5-10
Vehicles	3-5
Furniture	5

**5. Compensated Absences**

It is the government'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. All compensated absences are classified as current in the financial statements at June 30, 2014 since all accruals will

CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

be paid for employee vacation usage within the subsequent fiscal year. Vacation is accrued on a calendar year basis on January 1 and earned as the employee provides services throughout the year. At calendar year-end only ten days of remaining vacation can be carried forward to the next calendar year in accordance with the government's policy as approved by the government's council. Vacation is used on a first accrued basis (FIFO). Consequently, at June 30<sup>th</sup> of any fiscal year any accrued compensated absences will be used within the subsequent fiscal year. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government.

**6. 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 the applicable bond premium or discount. Gain or loss upon refunding of debt is reported as deferred inflows or deferred outflows and amortized over the term of the related debt. Bond issuance costs, except prepaid insurance, are expensed as incurred.

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.

**7. Fund Balances**

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

- |                            |   |
|----------------------------|---|
| Non-spendable fund balance | Inventories, prepaid amounts, and endowment corpus represent fund balance amounts that are not in spendable form. The government has \$1,876,754 in non-spendable fund balance at fiscal yearend.   |
| 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. The government has \$4,863,106 of restricted fund balance at fiscal yearend.  |
| Committed                  | The committed category is the portion of fund balance which use is constrained by limitations that have been approved by an order (the highest level of formal action) of the City Council, and that remain binding unless removed in the same manner. By City code all corporate power of the city is vested in and exercised by council or under its authority. The approval does not automatically lapse at the end of the fiscal year. The government has \$19,519,807 of committed fund balance at fiscal yearend. |



CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

Assigned	The assigned category is the portion of fund balance that has been designated by an authorized official such as a member of council, mayor, city manager, finance director or other department head to place constraints on amounts to reflect the government's intent to be used for specific purposes, but are neither restricted nor committed. This authority is allowed by City Code of Ordinances. The government has \$4,529,596 of assigned fund balance at fiscal yearend.
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 government has \$21,544,624 of unassigned fund balance at fiscal yearend.

The City Council is the government's highest level of decision-making authority. City of Charleston, WV Code of Ordinances provides that all the corporate power of the city shall be vested in and exercised by council or under its authority. The Council would take formal action by resolution approved by majority vote to establish, modify or rescind a fund balance commitment. 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.

The government does not have a formal minimum fund balance policy except for reference to anticipated fund balance or deficit in the annual budget as described in City Code VI. Division 2 Sec. 2-406 and setting aside stabilization amounts as provided in Resolution No. 875-01 on November 1, 2005.

**8. Stabilization Arrangements**

The government has created a stabilization arrangement in accordance with West Virginia Code §7-21-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for the purpose covering a general fund shortfall or other purpose the municipality considers appropriate. The stabilization balance at fiscal yearend was \$5,209,502.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation of fund balance total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$127,946,537 difference are as follows:

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Bonds payable:	\$	(2,580,000)
Less: bond discount (to be amortized as interest expense)		67,868
Accrued interest payable		( 64,357)
Capital leases payable		( 9,055,434)
Claims and judgments		( 4,563,028)
Compensated absences		( 1,354,124)
Net OPEB obligation		( 14,100,286)
Net pension obligation		<u>( 96,297,176)</u>
Net adjustment to decrease fund balance- total governmental funds to arrive at net position-governmental activities	\$	<u>(127,946,537)</u>

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlays exceeded depreciation expense for the current period." The details of the \$2,033,014 difference are as follows:

Capital outlays	\$	9,201,388
Depreciation expense		<u>( 7,168,374)</u>
Net adjustment to increase net change in fund balance-total governmental funds to arrive at changes in net position of governmental activities	\$	<u>2,033,014</u>

Another element of that reconciliation states that, "The issuance of any long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts, other than issuance costs, are deferred and amortized in the statement of activities." The details of this \$1,305,598 difference are as follows:

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Debt issued or incurred:	
Capital lease financing	\$ (1,482,000)
Principal repayments:	
Revenue bonds and capital leases	2,783,694
Amortization of deferred outflows	( 11,440)
Decrease of accrued interest expense	<u>15,344</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,305,598</u>

Another element of that reconciliation states that, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$7,674,461 difference are as follows:

Compensated absences	\$ (1,895)
Claims and judgments	( 280,804)
Net OPEB Obligation	( 3,502,141)
Net pension obligation	<u>( 3,889,621)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (7,674,461)</u>

Another element of reconciliation is the difference of \$426,028 in the amount of transfers between the fund level and the government-wide level. This difference is due to transfers that consisted of nonfinancial resources (capital assets) transferred from governmental funds to proprietary funds. Capital assets were transferred to the Parking System in the amount of \$108,356 and Civic Center in the amount of \$317,672. The governmental funds did not record the transfers because only financial resources are accounted for in a governmental fund; however, the proprietary funds recorded the transaction not as transfers but as capital contributions revenue in the lower portion of their operating statement. Even though the transfers are not presented in the governmental funds it must be presented as transfers in the governmental activities column in the statement of activities. Consequently, the amount of transfers from the fund level to the government-wide level increased in the amount of \$426,028.

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 NOTES TO THE FINANCIAL STATEMENTS  
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**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The government is required to legally adopt an annual budget for its General Fund and Coal Severance Tax Fund, a major special revenue fund. However, there is no such requirement for the Community Development Block Grant and HOME funds, major special revenue funds. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Fund, except as noted. All annual appropriations lapse at fiscal yearend.

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

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the 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:

Amount	Description
\$ 4,478,795	General Government Expenditure Increase
\$ 677,873	Public Safety Expenditure Decrease
\$ 1,374,408	Capital Projects Expenditure Increase

Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances (e.g. purchase orders, contracts) are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

The government's budget basis differs from generally accepted accounting principles in the general fund due to: (1) implementation of GASB 54 for GAAP purposes, (2) the allocation of amounts received from the State of West Virginia for pension allocation (see note IV.J.) (3) Cost allocation of the pay as you go portion related to other post-employment benefits (4) separate reporting of capital outlay for budgetary purposes and (5) the reflection of business and occupation taxes on the cash basis for budgetary purposes.

Of these differences, only GASB 54 implementation and the method of recording business and occupation taxes have an effect on the fund balance per GAAP basis and budgetary basis as follows:

	Net Change in Fund Balance	Fund Balance
Budgetary Basis	\$ 985,120	\$ 7,189,016
Basis of Accounting Difference	4,895,184	33,505,962
GAAP Basis	\$ 5,880,304	\$ 40,694,978

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Intergovernmental revenues - state and public safety expenditures both decreased by \$3,590,267 per budget basis for the pension allocation from the State of West Virginia.

The remaining differences in the functional categories per budget and GAAP are attributed to the method in which capital outlay and the pay as you go portion of other post-employment benefits are allocated in the budget.

**B. Encumbrances**

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances are listed below for the General Fund, a major fund. There were no other major or non-major funds with encumbrances at June 30, 2014.

Professional Services	\$	1,237,044
Court Costs & Damages		978,352
Contributions To Other Entities		262,309
Storm Water Project		1,430,028
Comprehensive Plan		21,121
Live on Levee		37,170
Police fine supported training		1,968
Fire Department		8,628
Capital Outlays		543,761
	\$	<u>4,520,381</u>

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

At year end, the government had the following investments:

Primary Government	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
West Virginia Municipal Bond Commission	\$ 1,577,011	Not Rated	Not Rated
WVBTI Short Term Bond Pool	1,043,724	Not Rated	Not Rated
Repurchase Agreements-FNMA	1,537,942	Not Rated	Not Rated
U.S. Treasury Note	97,094	Not Rated	Not Rated
	<u>4,255,771</u>		
FFCB Sovereign Agency 4.1%	50,011	AA+	Not Rated
Corporate Bonds-National Rural Utilities Bond	50,114	A	Not Rated
Corporate Bonds-Barclays	51,791	A	Not Rated
Corporate Bonds-Cisco Systems	27,019	AA-	Not Rated
Corporate Bonds-General Electric	84,618	AA+	Not Rated
Total Rated Securities	263,553		
Total Unrated Securities	1,714,283		
Total Primary Government	<u>\$ 6,233,607</u>		

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<b>Policemen's Pension and Relief</b>	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		Standard & Poor's and Fitch	Moody's Investment Services
U.S. Government Agency Securities	\$ 1,749,141	Not Rated	AAA
Federal National Mortgage Association	97,226	AA+	AAA
Federal Home Loan Mortgage Corporation	140,483	AA+	AAA
Federal National Mortgage Association Pool MA 1920	81,690	Not Rated	Not Rated
Federal National Mortgage Association Pool AW2508	83,509	Not Rated	Not Rated
Corporate Bonds-Duke Realty LP	26,027	BBB	BAA2
Corporate Bonds-Hewlett-Packard Co.	101,762	BBB+	BAA1
Corporate Bonds-Fifth Third Bankcorp	46,979	BBB+	BAA1
Corporate Bonds-Directv Holdings LLC/Directv Financing Co. Inc.	104,629	BBB+	BAA2+
Corporate Bonds-Boston Scientific Corp	27,569	BBB-	BAA3
Corporate Bonds-Capital One Financial Co.	115,648	BBB	BAA1
Corporate Bonds-CNA Financial Corp	61,260	BBB	BAA2
Corporate Bonds-Federated Retail Holding	22,288	BBB+	BAA2
Corporate Bonds-Plains All American Pipeline	56,033	BBB	BAA2
Corporate Bonds-Vale Overseas Limited	61,479	A-	BAA2
Corporate Bonds-Health Care Property	55,972	BBB+	BAA1
Corporate Bonds-Kinder Morgan Energy Partners	61,353	BBB	BAA2
Corporate Bonds-Highwoods Realty Limited Partnership	61,130	BBB	BAA2
Corporate Bonds-American International Group Inc	55,781	A-	BAA1
Corporate Bonds-CVS Caremark Corp	116,610	BBB+	BAA1
Corporate Bonds-Merrill Lynch & Co.	62,825	A-	BAA2
Corporate Bonds-Suntrust Banks	62,288	BBB	BAA1
Corporate Bonds-Oneok Partners LP	115,461	BBB	BAA2
Corporate Bonds-Prudential Financial Inc.	57,253	A	BAA1
Corporate Bonds-Bear Stearns Co. Inc.	59,504	A	A3
Corporate Bonds-Healthcare Reit Inc.	60,920	BBB	BAA2
Corporate Bonds-Goldman Sachs Group Inc.	111,165	A-	BAA1
Corporate Bonds-Simon Property Group Inc.	52,355	A	A2
Corporate Bonds-Sempra Energy	63,838	BBB+	BAA1
Corporate Bonds-Kraft Foods Group Inc.	63,837	BBB	BAA2
Corporate Bonds-Time Warner Cable Inc.	57,711	BBB+	BAA2+
Corporate Bonds-Verizon Communications	119,879	BBB+	BAA1
Corporate Bonds-CBS Corp.	64,820	BBB	BAA2
Corporate Bonds-Exelon Generation Co LLC	61,856	BBB	BAA2
Corporate Bonds-Bellsouth Corp	52,508	A-	Not Rated
Corporate Bonds-PNC Funding Corp	54,017	A-	A3
Corporate Bonds-Walgreen Co	54,206	BBB	BAA1
Corporate Bonds-Conagra Foods Inc.	55,406	BBB-	BAA2
Corporate Bonds-Southern Company	61,406	A-	BAA1
Corporate Bonds-Royal Bank of Canada	57,312	AA-	AA3
Corporate Bonds-Citigroup Inc.	52,773	A-	BAA2
Corporate Bonds-Rio Tinto Finance USA PLC	48,564	A-	A3
Corporate Bonds-Bank of America Corp.	58,237	A-	BAA2
Corporate Bonds-Wells Fargo & Company	53,908	A+	A2
Corporate Bonds-Apple Inc.	54,002	AA+	AA1

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	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
<b>Policemen's Pension and Relief</b>			
Corporate Bonds-BP Capital Markets, Plc	59,038	A	A2
Corporate Bonds-Oracle Corp	57,959	A+	A1
Corporate Bonds-Anheseur-Busch Inbev Fin	54,329	A	A2
Corporate Bonds-Metlife Inc.	64,690	A-	A3
Corporate Bonds-Prudential Financial Inc.	53,889	A	BAA1
Corporate Bonds-General Electric Cap Corp.	56,791	AA+	A1
Corporate Bonds-HCP Inc.	65,972	BBB+	BAA1
Corporate Bonds-Ebay Inc.	55,567	A	A2
Corporate Bonds-JP Morgan Chase & Co.	54,608	A	A3
Corporate Bonds-Freeport-Mcmoran Copper & Gold	55,830	BBB	BAA3
Corporate Bonds-BACCT 2014-A1 A	53,002	AAA	AAA
Total Rated Securities	5,374,295		
Total Unrated Securities	7,312,406		
Total Policemen's Pension and Relief	\$ 12,686,701		

<b>Firemen's Pension and Relief</b>			
U.S. Government Agency Securities-Goldman Sachs Grp Inc Mtn Be	\$ 298,619	A-	BAA1
U.S. Government Agency Securities-Bank America Corp Fr	100,750	A-	BAA2
U.S. Government Agency Securities-Allergan Inc SR NT	96,527	A+	A3
U.S. Government Agency Securities-Federal National Mortgage Assn Note	87,877	AA-	Not Rated
U.S. Government Agency Securities-Federal Home Loan Banks	2,198,388	AA+	Aaa
U.S. Government Agency Securities-Pepsico Inc SR NT	101,996	A-	A1
U.S. Government Agency Securities-AT&T Inc Bond	100,956	A-	A3
U.S. Government Agency Securities-Barclays Bank Plc Mtn	91,062	A	A2
U.S. Government Agency Securities-JP Morgan Chase	178,704	A	A3
Certificate of Deposit-Goldman Sachs Bank USA NY	100,055	Not Rated	Not Rated
Certificate of Deposit-Wells Fargo Bank N A CA	100,622	Not Rated	Not Rated
Total Rated Securities	3,455,556		
Total Unrated Securities	6,269,694		
Total Firemen's Pension and Relief	\$ 9,725,250		

The City's investment in the West Virginia Board of Treasury Investments includes funds held at the West Virginia Municipal Bond Commission (Commission) for the Parking System and Civic Center revenue bond issuances. The West Virginia Legislature created this Commission to act as the fiscal agent/trustee for the bond issuances of the State and its political subdivisions. The oversight of the Commission is the State Treasurer's Office, the State Auditor's Office, and other financial professionals not associated with government. Since 1932, the Legislature has made a blanket appropriation annually to cover possible deficiencies that could arise in State and general obligation sinking fund accounts. Standard & Poor has recognized this annual Legislative appropriation and the Commission's management as a Credit Enhancement Program, and has awarded all West Virginia general obligations administered by the Commission a minimum rating of AA-. The City's fair value position in the pool is the same as the value of the pool shares.

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The City has invested in The West Virginia Short Term Bond Pool which was created to invest restricted moneys of the State which have a longer term investment horizon. The goal of the Pool is to earn an incremental return over the West Virginia Money Market Pool with an objective of Asset growth rather than current income. The Pool is structured as a mutual fund and is limited to monthly withdrawals and deposits by Participants. The risk factor on this Pool is higher than the West Virginia Money Market Pool.

Net investment income and realized gains and losses are declared as dividends on the last day of the month and distributed to the Participants in the Pool on the first day of the following month. Gains and losses (realized and unrealized) are reflected in the net asset value calculated each month. The City's equity in the West Virginia Short Term Bond Pool at June 30, 2014 was \$1,043,724.

*Credit Risk*

It's the government's policy to limit its investments as stated in the West Virginia State Code §8-13-22a and c and §8-22-22 and §8-22-22a. The specific investments allowed for municipal and pension investments are fully described with all applicable limitations in Note I.D.1. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2014, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

*Interest Rate Risk*

The City of Charleston has adopted the provisions of West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a (for policemen and firemen's pension plans) as its investment policy, the specific provisions of which are more fully described in Note I.D.1. The government does not have a policy for interest rate risk in addition to the governing West Virginia statutes.

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
<b>Primary Government:</b>					
West Virginia Municipal Bond Commission	\$ 1,577,011	\$ 1,577,011	\$ -	\$ -	\$ -
WVBTI Short Term Bond Pool	1,043,724	1,043,724	-	-	-
Repurchase Agreements	1,537,942	1,537,942	-	-	-
U.S. Treasury N/B 2%	97,094	-	-	97,094	-
FFCP Sovereign Agency 4.1%	50,011	-	-	-	50,011
Corporate Bonds-National Rural Utilities	50,114	50,114	-	-	-
Corporate Bonds-Barclays	51,791	-	51,791	-	-
Corporate Bonds-Cisco Systems	27,019	-	27,019	-	-
Corporate Bonds-General Electric	84,618	-	84,618	-	-
	<u>\$ 4,519,324</u>	<u>\$ 4,208,791</u>	<u>\$ 163,428</u>	<u>\$ 97,094</u>	<u>\$ 50,011</u>



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Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
<b>Policemen's Pension and Relief:</b>					
US Government Agency Securities	\$ 1,749,141	\$ 198,248	\$ 906,497	\$ 644,396	\$ -
Federal National Mortgage Association	97,226	-	97,226	-	-
Federal Home Loan Mortgage Corporation	140,483	-	140,483	-	-
Federal National Mortgage Association Pool MA1929	81,690	-	-	-	81,690
Federal National Mortgage Association Pool AW2508	83,509	-	-	-	83,509
Corporate Bonds-Duke Realty LP	26,027	26,027	-	-	-
Corporate Bonds-Hewlett-Packard Co.	101,762	-	101,762	-	-
Corporate Bonds-Fifth Third Bankcorp	46,979	-	46,979	-	-
Corporate Bonds-Directv Hldg./Fin Inc.	104,629	-	104,629	-	-
Corporate Bonds-Boston Scientific Corp	27,569	-	27,569	-	-
Corporate Bonds-Capital One Financial Co.	115,648	53,036	62,612	-	-
Corporate Bonds-CNA Financial Corp	61,260	-	61,260	-	-
Corporate Bonds-Federated Retail Holding	22,288	-	22,288	-	-
Corporate Bonds-Plains All American Pipeline	56,033	-	56,033	-	-
Corporate Bonds-Vale Overseas Limited	61,479	-	61,479	-	-
Corporate Bonds-Health Care Property	55,972	-	55,972	-	-
Corporate Bonds-Kinder Morgan Energy Partners	61,353	-	61,353	-	-
Corporate Bonds-Highwoods Realty Limited Partnership	61,130	-	61,130	-	-
Corporate Bonds-American International Group	55,781	-	55,781	-	-
Corporate Bonds-CVS Caremark	116,610	-	116,610	-	-
Corporate Bonds-Merrill Lynch & Co.	62,825	-	62,825	-	-
Corporate Bonds-Suntrust Banks	62,288	-	62,288	-	-
Corporate Bonds-Oneok Partners LP	115,461	-	60,819	54,642	-
Corporate Bonds-Prudential Financial Inc.	57,253	-	57,253	-	-
Corporate Bonds-Bear Stearns Co. Inc.	59,504	-	59,504	-	-
Corporate Bonds-Healthcare Reit Inc.	60,920	-	60,920	-	-
Corporate Bonds-Goldman Sachs Group Inc.	111,165	-	111,165	-	-
Corporate Bonds-Simon Property Group Inc.	52,355	-	52,355	-	-
Corporate Bonds-Sempra Energy	63,838	-	63,838	-	-
Corporate Bonds-Kraft Foods Group Inc	63,837	-	63,837	-	-
Corporate Bonds-Time Warner Cable Inc.	57,711	-	57,711	-	-
Corporate Bonds-Verizon Communications	119,879	-	65,044	54,835	-
Corporate Bonds-CBS Corp	64,820	-	64,820	-	-
Corporate Bonds-Exelon Generation Co LLC	61,856	-	-	61,856	-
Corporate Bonds-Bellwouth Corp	52,508	52,508	-	-	-
Corporate Bonds-PNC FundingCorp	54,017	54,017	-	-	-
Corporate Bonds-Walgreen Co.	54,206	54,206	-	-	-
Corporate Bonds-Conagra Foods Inc.	55,406	-	55,406	-	-
Corporate Bonds-Southern Company	61,406	-	61,406	-	-
Corporate Bonds-Royal Bank of Canada	57,312	-	57,312	-	-
Corporate Bonds-Citigroup Inc.	52,773	-	52,773	-	-
Corporate Bonds-Rio Tinto Fin USA Plc	48,564	-	48,564	-	-
Corporate Bonds-Bank of America Corp	58,237	-	4,026	54,211	-
Corporate Bonds-Wells Fargo & Company	53,908	-	53,908	-	-
Corporate Bonds-Apple Inc.	54,002	-	54,002	-	-
Corporate Bonds-BP Capital Markets Plc	59,038	-	59,038	-	-

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Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
<b>Policemen's Pension and Relief:</b>					
Corporate Bonds-Oracle Corp	57,959	-	57,959	-	-
Corporate Bonds-Anheuser-Busch Inbev Fin	54,329	-	54,329	-	-
Corporate Bonds-Metlife Inc.	64,690	-	64,690	-	-
Corporate Bonds-Prudential Financial Inc.	53,889	-	-	53,889	-
Corporate Bonds-General Electric Cap Corp	56,791	-	-	56,791	-
Corporate Bonds-HCP Inc.	65,972	-	-	65,972	-
Corporate Bonds-Ebay Inc.	55,567	-	-	55,567	-
Corporate Bonds-JP Morgan Chase & Co.	54,608	-	-	54,608	-
Corporate Bonds-Freeport-Mcmoran Copper & Gold	55,830	-	-	55,830	-
Corporate Bonds-BACCT 2014-A1 A	53,002	-	-	53,002	-
Totals	\$ <u>5,374,295</u>	\$ <u>438,042</u>	\$ <u>3,505,455</u>	\$ <u>1,265,599</u>	\$ <u>165,199</u>
<b>Firemen's Pension &amp; Relief:</b>					
U.S. Government Agency Securities-Goldman Sachs	\$ 298,619	\$ -	\$ 103,745	\$ 194,874	\$ -
U.S. Government Agency Securities-Bank Amerca Corp	100,750	-	100,750	-	-
U.S. Government Agency Securities-Allergan Inc SR NT	96,527	-	96,527	-	-
U.S. Government Agency Securities-Federal National Mort	87,877	-	-	87,877	-
U.S. Government Agency Securities-Federal Home Loan	2,198,388	-	497,965	1,700,423	-
U.S. Government Agency Securities-Pepsico Inc SR NT	101,996	-	101,996	-	-
U.S. Government Agency Securities-AT&T Inc Bond	100,956	-	100,956	-	-
U.S. Government Agency Securities-Barclays Bank	91,062	-	-	-	91,062
U.S. Government Agency Securities-JP Morgan Chase	178,704	-	-	-	178,704
Certificate of Deposit-Goldman Sachs Bk USA NY	100,055	-	100,055	-	-
Certificate of Deposit-Wells Fargo Bk N A CA	100,622	-	-	-	100,622
Totals	\$ <u>3,455,556</u>	\$ <u>-</u>	\$ <u>1,101,994</u>	\$ <u>1,983,174</u>	\$ <u>370,388</u>
Totals for interest rate risk	\$ <u>13,349,175</u>	\$ <u>4,646,833</u>	\$ <u>4,770,877</u>	\$ <u>3,345,867</u>	\$ <u>585,598</u>

*Concentration of Credit Risk*

The government has adopted the provisions contained in West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a as its investment policy which does not allow for an investment in any one issuer that is in excess of nine percent of the government's total investment or ten percent of the pension fund total investment. Other limitations on investments are more fully described in Note I.D.I. The government does not have a policy for concentration of credit risk in addition to governing West Virginia statutes.

Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. The Firemen's Pension Fund had two mutual fund investments in ISHARES TR Russell 2000 Value Index Fund and ISHARES RUSSELL MIDCAP Value Index that were six percent and six percent, respectively, of the total portfolio; and Spring Hill Cemetery had seven mutual fund investments in Riverpark/Wedgewood Large Cap, Vanguard High Yield Dividend, Doubleline Total Return Bond, Federated International Leaders, Goldman Sachs Trust Strategic, Winslow Osterweis Strategic and Templeton Global Bond Fund that were 5 percent, 5 percent, 17 percent, 5 percent, 8 percent, 8 percent, and 9 percent, respectively, of the total portfolio at June 30, 2014.

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*Custodial Credit Risk*

The City of Charleston's deposits with financial institutions are fully insured or collateralized by securities held in the government's name at June 30, 2014.

**B. Receivables**

	<u>General</u>	<u>Coal Severance</u>	<u>Community Development</u>	<u>HOME</u>
Receivables:				
Accounts	\$ 4,639,698	\$ -	\$ -	\$ -
Accrued interest	882	-	-	-
Taxes	14,817,921	63,721	-	-
Loans	-	-	2,583,596	3,770,980
Grants	<u>287,767</u>	<u>-</u>	<u>308,821</u>	<u>16,184</u>
Gross receivables	19,746,268	63,721	2,892,417	3,787,164
Less: allowance for uncollectible	<u>(977,704)</u>	<u>-</u>	<u>(645,899)</u>	<u>-</u>
Net total receivables	<u>\$ 18,768,564</u>	<u>\$ 63,721</u>	<u>\$ 2,246,518</u>	<u>\$ 3,787,164</u>

	<u>Civic Center</u>	<u>Parking System</u>	<u>Nonmajor Funds and Fiduciary Funds</u>	<u>Total</u>
Receivables:				
Accounts	\$ 192,456	\$ 144,067	\$ 3,855,789	\$ 8,832,010
Accrued interest	-	-	53,592	54,474
Taxes	3,206	-	-	14,884,848
Loans	-	-	200,191	6,554,767
Grants	<u>-</u>	<u>-</u>	<u>502,190</u>	<u>1,114,962</u>
Gross receivables	195,662	144,067	4,611,762	31,441,061
Less: allowance for uncollectible	<u>(801)</u>	<u>(16,000)</u>	<u>(3,493,240)</u>	<u>(5,133,644)</u>
Net total receivables	<u>\$ 194,861</u>	<u>\$ 128,067</u>	<u>\$ 1,118,522</u>	<u>\$ 26,307,417</u>

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

	<u>Deferred Inflows</u>	<u>Unearned</u>
Property Taxes	\$ 454,131	\$ -
Prepaid License Fees, Advance Office Rental, and Prepaid Cemetery Burial Fees (general fund)	-	124,840
Grant draw downs prior to meeting all eligibility requirements	<u>-</u>	<u>5,954,623</u>
Total	<u>\$ 454,131</u>	<u>\$ 6,079,463</u>

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**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<b>Primary Government</b>			Ending Balance
	Beginning Balance	Increases	Decreases	
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,938,359	\$ 21,605	\$ -	\$ 8,959,964
Construction in progress	1,429,345	3,019,013	(2,034,291)	2,414,067
Total capital assets not being depreciated	<u>10,367,704</u>	<u>3,040,618</u>	<u>(2,034,291)</u>	<u>11,374,031</u>
Capital assets being depreciated:				
Buildings and improvements	49,738,866	357,500	(32,760)	50,063,606
Structures and improvements	20,337,483	923,063	-	21,260,546
Machinery and equipment	16,679,096	1,685,807	(427,560)	17,937,343
Vehicles	18,953,413	1,332,503	(1,204,616)	19,081,300
Furniture	369,575	-	(2,823)	366,752
Infrastructure	91,642,045	3,896,187	-	95,538,232
Total capital assets being depreciated	<u>197,720,478</u>	<u>8,195,060</u>	<u>(1,667,759)</u>	<u>204,247,779</u>
Less accumulated depreciation:				
Buildings and improvements	(20,736,448)	(1,196,132)	21,592	(21,910,988)
Structures and improvements	(9,271,889)	(734,467)	-	(10,006,356)
Machinery and equipment	(12,937,874)	(1,370,606)	416,032	(13,892,448)
Vehicles	(13,816,154)	(1,910,032)	1,196,221	(14,529,965)
Furniture	(346,817)	(15,808)	2,823	(359,802)
Infrastructure	(55,998,747)	(1,941,329)	-	(57,940,076)
Total accumulated depreciation	<u>(113,107,929)</u>	<u>(7,168,374)</u>	<u>1,636,668</u>	<u>(118,639,635)</u>
Total capital assets being depreciated, net	<u>84,612,549</u>	<u>1,026,686</u>	<u>(31,091)</u>	<u>85,608,144</u>
Governmental activities capital assets, net	<u>\$ 94,980,253</u>	<u>\$ 4,067,304</u>	<u>\$ (2,065,382)</u>	<u>\$ 96,982,175</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,366,447	\$ -	\$ -	\$ 4,366,447
Construction in progress	-	415,798	(4,088)	411,710
Total capital assets, not being depreciated	4,366,447	415,798	(4,088)	4,778,157
Capital assets being depreciated:				
Buildings and improvements	66,823,061	195,076	(10,045)	67,008,092
Structures and improvement	783,577	-	-	783,577
Machinery and equipment	2,067,754	57,526	(33,518)	2,091,762
Vehicles	186,411	29,661	(26,348)	189,724
Total capital assets being depreciated	69,860,803	282,263	(69,911)	70,073,155
Less accumulated depreciation:				
Buildings and improvements	(50,452,047)	(1,496,090)	10,045	(51,938,092)
Structures and improvements	(419,863)	(26,513)	-	(446,376)
Machinery and equipment	(1,795,115)	(90,891)	33,518	(1,852,488)
Vehicles	(164,363)	(14,596)	(11,266)	(190,225)
Total accumulated depreciation	(52,831,388)	(1,628,090)	32,297	(54,427,181)
Total capital assets being depreciated, net	17,029,415	(1,345,827)	(37,614)	15,645,974
Business-type activities capital assets, net	\$ 21,395,862	\$ (930,029)	\$ (41,702)	\$ 20,424,131

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

Governmental activities:	
General government	\$ 2,541,704
Public safety	2,102,145
Highways and streets, including depreciation of general infrastructure assets	821,879
Health and sanitation	590,844
Culture and recreation	1,035,918
Social services	75,884
Total depreciation expense-governmental activities	\$ 7,168,374
Business-type activities:	
Civic Center	\$ 922,164
Parking System	705,926
Total depreciation expense-business-type activities	\$ 1,628,090

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*Construction in Progress*

The government has active construction projects as of June 30, 2014. The projects include street, retaining walls, and bridge repairs, Bike/ Pedestrian trail, City Hall renovations and additions, Slack Plaza master plan, Civic Center expansion and renovation, and Parking building renovations. At year end, the amounts for governmental and business-type activities spent-to-date are as follows:

Project	Spent-to-Date	Funded
Refuse, Street, & Police Trucks & Vehicles	\$ 756,791	General Fund
Storm Water Project	690,045	General Fund
Rails to Trails Bike/Pedestrian	191,003	General Fund
Farnsworth Drive Bridge Rehabilitation	687,334	General Fund
City Hall Renovations & Additions	16,152	General Fund
Grandview Drive Landslide	11,917	General Fund
Slack Plaza Master Plan	35,925	General Fund
Elk River Sidewalk Project	24,900	General Fund
Civic Center Expansion & Renovation	327,321	Sales & Use Tax
Parking Building Renovations	84,389	Parking System
Total	<u>\$ 2,825,777</u>	

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2014, is as follows:

*Interfund receivables/payables:*

Receivable Fund	Payable Fund	Purpose	Amount
General	Civic Center	Reimbursements Insurance/Fuel	\$ 31,436
	Parking System	Reimbursement Insurance/Fuel	32,878
	CDBG	Reimbursement Salary & Utilities	121,053
	HOME	Reimbursement Salary & Utilities	16,050
			-
	Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	1,088,466
Civic Center	General Fund	Reimbursement	3,216
Parking System	General Fund	Reimbursement	3,824
Nonmajor Governmental Funds	Nonmajor Governmental Fund	Transfers	170,133
Nonmajor Governmental Funds	General Fund	Loans	816,277
	Total		<u>\$ 2,283,333</u>

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*Interfund transfers:*

	Transfers In					Total Transfers Out
	General Fund	CDBG Fund	Nonmajor Governmental	Civic Center	Parking System	
Transfers out:						
General fund	\$ -	\$ -	\$ 7,891,131	\$ 1,010,878	\$ -	\$ 8,902,009
Coal severance tax	-	-	-	192,826	-	192,826
Nonmajor govern- mental funds	3,166,275	20,000	30,690	8,560	-	3,225,525
Civic Center	-	-	91,881	-	-	91,881
Total Transfers In	<u>\$ 3,166,275</u>	<u>\$ 20,000</u>	<u>\$ 8,013,702</u>	<u>\$ 1,212,264</u>	<u>\$ -</u>	<u>\$ 12,412,241</u>

Interfund transfers provide appropriations to subsidize the funds to support the programs and activities of the government.

**E. Leases**

*Capital Leases*

The government has entered into lease agreements as lessee for financing the acquisition of recreation, office equipment and public safety equipment. 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 date.

On November 1, 2004, the City of Charleston entered into a Contract of Lease-Purchase with the West Virginia Economic Development Authority in the amount of \$8,000,000 with an average interest rate of 5.29 percent to be used to acquire, construct, renovate, equip and complete a baseball stadium complex, including renovations of an existing building for leasing to prospective tenants.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Civic Center	Parking System
Appalachian Power Park	\$ 21,438,651	\$ -	\$ -
Machinery, equipment and vehicles	12,737,032	28,677	196,998
Less: accumulated depreciation	<u>(16,930,148)</u>	<u>(28,677)</u>	<u>(196,998)</u>
Total	<u>\$ 17,245,535</u>	<u>\$ -</u>	<u>\$ -</u>

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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Activities
2015	\$ 2,524,722
2016	1,945,673
2017	1,538,842
2018	1,049,268
2019	654,317
2020-2024	2,539,252
2025-2026	479,415
Total minimum lease payments	10,731,489
Less: amount representing interest	(1,676,055)
Present value of minimum lease payments	\$ 9,055,434

**F. Long Term Operating Leases**

The City is the owner of a ball park stadium and has entered into a stadium license, lease, and service agreement with a class Single "A" baseball club. The lease is for a period of twenty years. This parcel of land known as the "Morris Square Block" also contains an office building which the City leases under operating leases with commercial tenants with various renewable terms. The ball park and Morris Square office building are recorded at a cost of \$21,438,651 plus land and renovations at a cost of \$7,459,982 for a total of \$28,898,633 with accumulated depreciation of \$5,221,437 at June 30, 2014. Rents totaled \$714,660 for the fiscal year 2014. The rents are generally based upon square footage and are payable in monthly, quarterly, or annual installments in accordance with the respective lease agreements.

Minimum future rentals to be received on non-cancelable leases have remaining terms in excess of one year as of June 30, 2014 for each of the next five years and thereafter and in the aggregate are as follows:

June 30,	Amount
2015	\$ 1,172,623
2016	1,020,914
2017	1,020,914
2018	983,714
2019	983,714
2020-2025	4,767,370
2026-2028	179,841
Total	\$ 10,129,090



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**G. Long-term Debt**

*General Obligation Bonds*

The government has issued general obligation bonds to provide for the acquisition and construction of major capital facilities in prior years; however, the City as of June 30, 2014 has no general obligation bonds payable.

*Revenue Bonds*

The City has issued bonds in prior years where the government pledged designated revenues to pay debt service. The proceeds of these bonds were used to acquire or construct assets. The City has the following revenue bonds outstanding at June 30, 2014:

*Governmental Activities:*

The Charleston Building Commission, a blended component unit of the City, issued the Public Safety Center Refunding Lease-Revenue Bonds Series 2009 in the amount of \$1,180,000 to current refund the 1999 Series which was used to acquire, construct, and equip a new public safety center. The bonds are secured by a first lien on the rental payments to be paid to the Commission pursuant to the Contract of Lease - Purchase between the Commission and the City. The irrevocable pledge of lease payments are required to be in sufficient amount to pay principal in the amount of \$875,000 and interest in the amount of \$217,255 on the bonds when due until bond maturity in 2024. During the fiscal year 2014 lease payments in the principal amount of \$70,000 and interest in the amount of \$38,805 were used to pay the debt service on these bonds.

The Charleston Building Commission, a blended component unit of the City, issued the Charleston Building Commission Lease-Revenue Refunding Bonds (Center for Arts and Sciences of West Virginia Project), Series 2010 in the amount of \$2,280,000 to current refund the 1999 Series which was used to acquire and equip the Center. These bonds are a limited special obligation of the Commission payable solely from the revenues and receipts derived from leasing the equipment. The irrevocable pledge of lease payments are required to be in sufficient amount to pay principal in the amount of \$1,705,000 and interest in the amount of \$410,525 on the bonds when due until bond maturity in 2024. During the fiscal year 2014 lease payments in the principal amount of \$140,000 and interest in the amount of \$73,731 were used to pay the debt service on the bonds.

*Revenue Bonds – Business-type Activities*

The City of Charleston Parking System issued \$11,365,000 in revenue bonds to current-refund \$11,950,000 of 1993, 1994 A&B, and 1995 A Series Bonds. The bonds were refunded, defeased, paid and discharged in accordance with the bond ordinance and the liability removed from the Parking System Statement of Net Assets. The 2005 A Refunding bonds are secured solely by the net revenues of the Parking System as described in the ordinance-gross revenues less operating expense. Remaining revenue pledged is equal to the outstanding principal amount of \$2,300,000 and interest in the amount of \$151,110 until bond maturity in 2016. During the fiscal year 2014, Parking System net revenues in the principal amount of \$1,175,000 and interest in the amount of \$152,810 were used to pay the debt service which was 1.57% of net revenues.

The City of Charleston, WV Civic Center Improvement Bonds, Series 1998 in the amount of \$3,635,000 were issued for the purpose of acquiring, equipping and making improvements to the Charleston Civic Center secured by revenues pledged from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the outstanding debt in the principal amount of \$1,975,000 and interest in the amount of \$595,425 until bond maturity in 2023.

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During the fiscal year 2014 these pledged revenues in the principal amount of \$150,000 and interest amount of \$104,550 were used to pay the debt service on these bonds which is 8% of the specified revenues.

The Civic Center Refunding Improvement Bonds, Series 2009, in the amount of \$3,275,000 were issued to current refund the Series 1999 which were issued to construct additions, betterments, and improvements to the Civic Center secured by pledged revenues from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the principal amount of \$2,615,000 and interest amount of \$656,663 until bond maturity in 2024. During the fiscal year 2014 these pledged revenues were used to pay the principal amount of \$185,000 and interest amount of \$110,663 on these bonds which is 9% of the specified revenues.

The Charleston Building Commission Civic Center Refunding Lease Revenue Bonds, Series 2009 issued in the amount of \$1,325,000 to current refund the Series 1999 which were issued for the acquisition, construction, and new equipment installed at the Civic Center payable solely from revenues to be derived from lease payments to the Commission. This irrevocable pledge of lease payments is required to be sufficient in amount to pay principal of \$1,040,000 and interest of \$260,132 until bond maturity in 2024. During the fiscal year 2014 lease payments in the principal amount of \$75,000 and interest amount of \$44,037 were used to pay the debt service on these bonds.

Revenue bonds outstanding, net of unamortized discounts of \$218,784 (Public Safety Center \$20,241; Center for the Arts & Sciences \$47,628; Parking System \$40,132 and Civic Center of \$110,783) at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2014
<b>Governmental activities:</b>					
Public Safety Center Refunding Series 2009	2024	3.00-4.40%	\$ 1,180,000	\$ 325,241	\$ 854,759
Center for the Arts & Sciences Refunding Series 2010	2024	3.10-4.375%	2,280,000	622,628	1,657,372
Total governmental activities			<u>\$ 3,460,000</u>	<u>\$ 947,869</u>	<u>\$ 2,512,131</u>
<b>Business-type activities:</b>					
Parking System Refunding Series 2005A	2016	2.50-4.50%	\$ 8,710,000	\$ 6,450,132	\$ 2,259,868
Civic Center Improvement Series 1998	2023	4.60-5.10%	3,635,000	1,690,689	1,944,311
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	717,020	2,557,980
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	308,074	1,016,926
Total revenue bonds			<u>\$ 16,945,000</u>	<u>\$ 9,165,915</u>	<u>\$ 7,779,085</u>

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Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 213,159	\$ 105,011	\$ 1,606,138	\$ 348,435
2016	218,158	97,130	1,501,872	277,445
2017	228,158	88,693	454,071	209,505
2018	233,158	79,874	479,071	188,580
2019	248,158	70,274	499,071	166,800
2020-2024	1,371,340	186,799	2,842,068	463,765
2025	-	-	396,794	8,800
Totals	<u>\$ 2,512,131</u>	<u>\$ 627,781</u>	<u>\$ 7,779,085</u>	<u>\$ 1,663,330</u>

**Changes in Long-term Liabilities**

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 2,790,000	\$ -	\$ (210,000)	\$ 2,580,000	\$ 220,000
Less deferred amounts:					
Bond discount	(74,710)	-	6,841	(67,869)	(6,841)
Total bonds payable	<u>2,715,290</u>	<u>-</u>	<u>(203,159)</u>	<u>2,512,131</u>	<u>213,159</u>
Capital leases	10,147,127	1,482,000	(2,573,693)	9,055,434	2,198,495
Net OPEB obligation	10,598,145	7,346,229	(3,844,088)	14,100,286	-
Net pension obligation	92,407,555	3,889,621	-	96,297,176	-
Claims and judgments	4,282,224	2,308,737	(2,027,933)	4,563,028	2,581,480
Compensated absences	<u>1,352,229</u>	<u>1,354,124</u>	<u>(1,352,229)</u>	<u>1,354,124</u>	<u>1,354,124</u>
Governmental activities					
Long-term liabilities	<u>\$ 121,502,570</u>	<u>\$ 16,380,711</u>	<u>\$ (10,001,102)</u>	<u>\$ 127,882,179</u>	<u>\$ 6,347,258</u>
	Business-type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$ 9,515,000	\$ -	\$ (1,585,000)	\$ 7,930,000	\$ 1,640,000
Less: deferred amounts:					
Bond discount	(184,777)	-	33,862	(150,915)	(33,862)
Total bonds payable	<u>9,330,223</u>	<u>-</u>	<u>(1,551,138)</u>	<u>7,779,085</u>	<u>1,606,138</u>
Net OPEB obligation	404,557	262,569	(54,000)	613,126	-
Compensated absences	<u>90,161</u>	<u>89,085</u>	<u>(90,161)</u>	<u>89,085</u>	<u>89,085</u>
Business-type activities					
Long-term liabilities	<u>\$ 9,824,941</u>	<u>\$ 351,654</u>	<u>\$ (1,695,299)</u>	<u>\$ 8,481,296</u>	<u>\$ 1,695,223</u>

For the governmental activities, the General Fund has been used to liquidate other long-term liabilities.

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**Conduit Debt**

On June 17, 2009, the Charleston Building Commission, a blended component unit of the City, issued the Charleston Building Commission University Facilities Revenue Bonds (The University of Charleston, Inc.) Series 2009 in the principal amount of \$22,000,000 for the purpose of financing the costs of designing, acquiring, constructing and equipping an approximately 150-bed student housing facility upon the University of Charleston campus and designing, acquiring and constructing an approximately 525-space motor vehicle parking facility upon the University of Charleston campus. This debt was issued for the express purpose of providing financing to a specific third party that is not a part of the City of Charleston financial reporting entity. This obligation bears the name of the Charleston Building Commission, however, the Commission is not responsible for the payment of the original debt but rather the debt is secured by payments to be paid by the nongovernmental entity.

The City of Charleston, in accordance with Ordinance No. 7446 dated December 6, 2010, on June 30, 2011 issued \$8,000,000 in aggregate principal amount of its Multifamily Housing Revenue Bonds (Charleston Replacement #5 Project) 2011 Series A, to provide funds to acquire, construct and equip commercial projects in Kanawha County, WV, consisting of demolition of existing multifamily rental housing projects (Washington Manor Apartments), approving the loan of said bond proceeds, and other necessary actions in connection with the issuance and sale of such bonds. New buildings will be constructed consisting of forty-four one-bedroom units and thirty two-bedroom units on the former Washington Manor Apartments site. This obligation bears the name of the City of Charleston; however, the City is not responsible for the payment of the original debt but rather the debt is secured by payments to be paid by a nongovernmental entity. As of June 30, 2014 these bonds have been paid in full.

**H. Restricted Assets And Investments**

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Customer deposits	\$ -	\$ 152,713
Cash - contractual agreement	1,683,359	-
Capital lease debt service	245,844	-
WV Board of Treasury Short Term Bond Pool-Investment	1,043,724	-
Endowment Fund-Investments	2,074,930	
TIF District account		220,397
Revenue bond operations and maintenance account	-	304,788
Revenue bond debt service account	7	529,616
Revenue bond reserve account	-	871,289
Total restricted assets and investments	\$ <u>5,047,864</u>	\$ <u>2,078,803</u>

**I. Fund Balance Detail**

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

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	General Fund	Coal Severance	Community Development	HOME	Nonmajor Funds	Total
Nonspendable:						
Prepays-Insurance	\$ 590,403	\$ --	\$ --	\$ --	\$ --	\$ 590,403
Perpetual Care Cemetery	--	--	--	--	1,286,351	1,286,351
Restricted:						
Police protection	--	--	--	--	196,227	196,227
Public trusts lands	--	--	--	--	44,383	44,383
Human Rights	--	--	--	--	15,657	15,657
Ball Park	--	--	--	--	48,471	48,471
Perpetual Care Cemetery	--	--	--	--	945,224	945,224
Equipment lease purchases	383,464	--	--	--	--	383,464
Debt service	245,844	63,742	--	--	7	309,593
Low-Income Housing Projects	--	--	--	--	--	--
Municipal Court	--	--	--	--	116,934	116,934
Public Arts	--	--	--	--	48,160	48,160
Recreational Trails & Facilities	--	--	--	--	17,050	17,050
Landfill Closure	--	--	--	--	2,737,943	2,737,943
Committed:						
Highway beautification	--	--	--	--	31,266	31,266
Police fines training	11,029	--	--	--	--	11,029
Civic Center & economic development	4,192,223	--	--	--	--	4,192,223
Police Protection	--	--	--	--	22,887	22,887
Low-Income Housing Projects	--	--	--	--	150,143	150,143
Sanitation	--	--	--	--	351,089	351,089
Bridges, highways & infrastructure	--	--	--	--	963,729	963,729
Civic Center capital improvements	--	--	--	--	290,614	290,614
Municipal Auditorium capital improvements	--	--	--	--	130,095	130,095
City facilities capital improvements	--	--	--	--	4,162,078	4,162,078
Structure demolition	--	--	--	--	50,383	50,383
Recreational soccer fields	--	--	--	--	12,792	12,792
OPEB	9,101,263	--	--	--	--	9,101,263
Community development-signage	50,216	--	--	--	--	50,216
Assigned:						
Professional government services	1,237,044	--	--	--	--	1,237,044
Mayor's contributions to other entities	262,309	--	--	--	--	262,309
Legal liability claims	978,352	--	--	--	--	978,352
Storm Water Project	1,430,028	--	--	--	--	1,430,028
Comprehensive Plan for the City	21,121	--	--	--	--	21,121
Bike/Pedestrian Trail	478,761	--	--	--	--	478,761
Fire equipment & investigation	66,248	--	--	--	--	66,248
Never Again Campaign	7,380	--	--	--	--	7,380
Live on Levee & 150 Power Walk	48,353	--	--	--	--	48,353
Unassigned	21,590,940	--	( 46,316)	--	--	21,544,624
Total fund balances	<u>\$ 40,694,978</u>	<u>\$ 63,742</u>	<u>\$ (46,316)</u>	<u>\$ --</u>	<u>\$ 11,621,483</u>	<u>\$ 52,333,887</u>

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**J. Benefits Funded by the State of West Virginia**

For the year ended June 30, 2014, the State of West Virginia contributed estimated payments on behalf of the government's public safety employees in accordance with West Virginia State Code §33-3-14d. These contributions are funded by State collections of insurance premium tax and are shown in the General Fund (Employer) Statement of Revenues, Expenditures, and Changes in Fund Balance as Intergovernmental-State revenues and as Public Safety Expenditures for the contribution to the Police and Fire Pension Funds in accordance with GAAP. The State contributions were deposited directly into the Policemen's and Firemen's Pension Funds as follows:

Plan	Amount
Policemen's Pension and Relief Fund	\$ 1,820,127
Firemen's Pension and Relief Fund	<u>1,770,140</u>
Total	<u>\$ 3,590,267</u>

**K. Restatement of Beginning Fund Balance and Net Position**

Beginning fund balance for the Community Development Special Revenue Fund, a major fund, was restated at July 1, 2013 due to an error in the calculation of the grant advances liability account. Fund balance was restated from the previously reported \$151,392 to \$49,993. The net effect of the restatement was a decrease in the Community Development Fund balance in the amount of \$101,399.

Beginning fund balance for Metro/Kanawha County Micro Loan Special Revenue Fund, a non-major fund, was restated at July 1, 2013 due to uncollectible loan receivables since the loan documentation and remaining cash has been returned to the State of WV and the debtors provided with the loans were no longer in business. Fund balance was restated from the previously reported \$118,500 to \$6,568. The net effect of the restatement was a decrease in the Metro Loan Fund balance in the amount of \$111,932.

Beginning net position for governmental activities was restated at July 1, 2013 due to the Community Development error correction and Micro Loan uncollectible loan receivables from the previously reported \$18,274,945 to \$18,061,613. The net effect of the restatement was a decrease in governmental activities net position in the amount of \$213,332.

**V. OTHER INFORMATION**

**A. Risk Management**

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

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The City covers its workers' compensation liability by retaining and self-insuring the first \$300,000 of each claim and maintaining layers of excess insurance that indemnifies the City for claims costs exceeding its self-insured retention limits. A Letter of Credit for \$750,000 is held as collateral by the Offices of the Insurance Commissioner as security for the City's self-insured retention. No amounts have been drawn upon or are outstanding on the Letter of Credit at June 30, 2014. Claims are adjusted through a third-party administrator contracted by the City.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments include an amount for claims that have been incurred but not reported (IBNRs). An excess coverage insurance policy covers individual claims in excess of \$300,000 for liability retention and loss and \$500,000 for workers' compensation retention-all employees. Settlements have not exceeded coverage for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2014	Year Ended 6/30/2013
Unpaid claims, beginning of fiscal year	\$ 4,282,224	\$ 4,839,088
Incurred claims (including IBNRs)	2,308,737	1,478,899
Claims paid	<u>(2,027,933)</u>	<u>(2,035,763)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,563,028</u>	<u>\$ 4,282,224</u>

The government is the owner and permit holder for the City of Charleston's landfill. In accordance with the provisions of an Operating Agreement between the government and contractor dated February 15, 1994, the government maintains a contingency fund for the closure/post closure costs for the landfill in the event of default by contractor. The City renews an annual Letter of Credit in favor of the Department of Environmental Protection for the landfill in the amount of \$328,000 and no amounts have been drawn upon or are outstanding at June 30, 2014.

**B. Contingent Liabilities**

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material effect on the financial condition of the government.

**C. Deferred Compensation Plan**

The government 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.

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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.

**D. Joint Venture**

The Kanawha-Charleston Board of Health is a multi-government arrangement which qualifies as a joint venture. An annual contract is signed between the Board, Kanawha County and the City of Charleston. The Kanawha-Charleston Board of Health is a separate and specific activity which is jointly controlled by the County and City due to their shared responsibility for appointment of the five-member Board. In addition, there is an ongoing financial responsibility for the participating governments pursuant to Article 2, Chapter 16, and Paragraph 14 of the Code of West Virginia which states in part "the appointing authorities for local boards of health shall provide financial support for the operation of the local health department." It further authorizes the county or municipality to appropriate and spend money from the general funds for public health purposes and to pay the expenses of the operation of the local board of health services and facilities. There is no ongoing financial interest for the participating governments. Complete financial statements for the Kanawha-Charleston Board of Health can be obtained at the entity's administrative offices.

**E. Donor-Restricted Endowment**

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c) (13) of the Internal Revenue Code of 1954. The unspent endowment earnings of \$945,224 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

**F. Post-Employment Healthcare Plan**

**V: F.1. Plan Descriptions, Contribution Information, and Funding Policies**

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System, the City of Charleston's Policemen's Pension & Relief Fund, and the Firemen's Pension & Relief Fund. The City maintains a single employer self-insured defined benefit health plan including dental and vision administered by HealthSmart Benefit Solutions, Inc., a third-party administrator. The health plan levels of benefits, employee contributions, and employer contributions were authorized by the City Council and any amendments to the health plan must be approved and authorized by the Council. The health plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the health plan. The health plan does not issue a separate report. The activity of the health plan is reported in the General Fund, Civic Center Revenue Fund, and Parking System Revenue Fund.

Under the substantive plan provisions all Medicare retirees are covered under a Medicare Advantage plan that is fully-insured and experience-rated. At January 1, 2014 premium rates for medical for single are \$188.52 and for retiree and spouse \$292.50.

Due to State law WV 8-12-8; retirees must not pay more for health care coverage than active employees. As a result, all members who were hired after July 1, 1984 will all pay the same contributions at retirement. In the prior



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valuation, all employees hired after July 1, 2000 contribute a) the COBRA rate less b) a 2.0% credit for every year of service (limited to 50%).

Due to the substantive plan provision change, the health care coverage election rate assumption for retirees who were hired after July 1, 2000 has increased. Since these retirees will no longer pay the full cost of coverage, 90% are assumed to elect coverage at the end of the sick leave benefits free-period.

Non-uniform employees are eligible to receive retiree health care coverage at the earlier of age 55 with 25 years of service; or age 60 with 5 years of service.

Police and fire uniform employees are eligible to receive retiree health care coverage at the earlier of age 50 with 20 years of service or age 65.

Upon the death of the retiree or active employee, the surviving spouse may continue coverage by paying the full COBRA rate.

The City subsidizes retiree health care coverage for lifetime. The City's subsidy depends on the hire date. Retirees receive free coverage if they are eligible for sick leave benefits at retirement. Once the sick leave benefits end, retirees are responsible for the portion of the premium rate not subsidized by the City. Effective as January 1, 2014 the monthly retiree contribution for non-tobacco users is as follows:

Date of Hire	Under 65		Over 65	
	Single	Retiree & Spouse	Single	Retiree & Spouse
Before July 1, 1984				
Non-uniform employees are eligible to receive retiree health care coverage at the earlier of age 55 with 25 years of service; or age 60 with 5 years of service.	\$ 189	\$ 293	\$ 92	\$ 96
Uniform	\$ 162	\$ 239	\$ 92	\$ 96
July 1, 1984 to present	\$ 189	\$ 293	\$ 92	\$ 96

The City does not have a practice of increasing the retiree contributions.

Active employees can roll over unlimited number of unused sick leave annually which upon retirement can be converted to free health care coverage at two days of unused sick leave for one month of single coverage or three days for one month family coverage.

The same benefit options are available to retirees as active employees. The City's pre-Medicare health plan is self-insured. The post-Medicare health plan is fully-insured and experience-rated. There is no prescription drug coverage for post-Medicare retirees.

The monthly COBRA rates effective on January 1, 2014 are \$489.50 for medical and prescription drugs for single under 65 and \$1,076.90 for employee and spouse. Over 65 the single rate for medical only is \$100.97 and \$201.95 for employee and spouse.

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The number of participants as of July 1, 2014, the effective date of the biennial OPEB valuation, was 614 active employees and 466 retired employees.

Employees who retire under the WV Public Employees Retirement System have the option of maintaining the City's OPEB plan or electing P.E.I.A insurance.

The City's current funding policy for post-employment health care benefits is on a pay-as-you-go basis.

The government does not provide post-retirement health benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the City. However, employees who elect COBRA are covered under the City's self-insured health plan as are all active employees and those retired employees who maintain City health plan coverage.

**V: F.2 Annual Other Post-Employment Benefit (OPEB) Cost**

The City's annual OPEB cost is calculated on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB 45. ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded liabilities over a period of 30 years. As of July 1, 2013, the most recent actuarial valuation date, the Plan was not funded. The following tables illustrate the components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, changes in the net OPEB obligation, funding progress, and the covered payroll and the ratio of the UAAL to the covered payroll.

The City's annual other post-employment benefit cost is as follows:

	OPEB		
	Governmental Activities	Business-type Activities	Total
Annual required contribution	\$ 7,241,009	\$ 258,554	\$ 7,499,563
Interest on net OPEB obligation	529,914	20,221	550,135
Adjustment to annual required contribution	(424,694)	(16,206)	(440,900)
Annual OPEB cost	7,346,229	262,569	7,608,798
Contributions made	(3,844,088)	(54,000)	(3,898,088)
Increase (decrease) in net OPEB obligation	3,502,141	208,569	3,710,710
Net OPEB obligation at beginning of the year	10,598,145	404,557	11,002,702
Net OPEB obligation at the end of the year	<u>\$ 14,100,286</u>	<u>\$ 613,126</u>	<u>\$ 14,713,412</u>

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**V.F.3. Trend Information**

Fiscal Year	Other Post-Employment Benefits (OPEB)			Net OPEB Obligation
	Annual OPEB Cost	Percentage Contributed		
2014	\$ 7,608,798	51.2%	\$	14,713,412
2013	\$ 6,547,149	70.1%	\$	11,002,702
2012	\$ 5,392,340	76.1%	\$	9,042,801
2011	\$ 5,377,388	52.8%	\$	7,755,311
2010	\$ 5,850,812	48.7%	\$	5,214,821
2009	\$ 5,263,104	58.1%	\$	2,204,947

**V.F.4. Funding Progress**

**SCHEDULE OF FUNDING PROGRESS:**

**OPEB**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % Covered Payroll (b-a)/c
7/1/13	--	\$ 85,737,794	\$ 85,737,794	0.0%	\$ 30,511,701	281.0%
7/1/12	--	\$ 73,958,600	\$ 73,958,600	0.0%	\$ 30,674,221	241.1%
7/1/11	--	\$ 60,679,215	\$ 60,679,215	0.0%	\$ 29,494,443	205.7%
7/1/10	--	\$ 75,615,299	\$ 75,615,299	0.0%	\$ 31,448,512	240.4%
7/1/09	--	\$ 79,643,383	\$ 79,643,383	0.0%	\$ 31,068,215	256.4%
7/1/08	--	\$ 70,539,275	\$ 70,539,275	0.0%	\$ 29,873,284	236.1%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend rate. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress and schedule of employer contributions, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits and employer contributions as a percentage of the ARC. However, because the City maintains no plan assets, information relative to plan assets required disclosures is not applicable.

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**V: F.5. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The unfunded actuarial accrued liability is being amortized over 30 years on a level percentage of pay based on an open group.

In the July 1, 2013 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.

**Census Data** Census was collected as of July 2013 for the 2013/14 disclosures. Census data has been reviewed for accuracy and reasonableness. No material modifications were made to the census data provided.

**Measurement Date** June 30, 2014; the actuarial present values were rolled-back to July 1, 2013 on a no loss/gain basis.

**Discount Rate** 5.0% unfunded.

**Payroll Growth** 4.0% per year.

**Cost Method** Projected Unit Credit with linear proration to decrement.

**Amortization** Level percentage of pay over thirty years based on an open group.

**Employer Funding Policy** Pay-as-you-go cash basis.

**Mortality** RP-2000 Combined Mortality Table fully generational projected using Scale AA.

**Disability** None.

**Sick Leave Benefits** Percentage of employees eligible for the sick leave benefits at retirement is assumed to be: 1) 90% for police officers 2) 60% for general employees and firefighters. Previously active employees could roll over an unlimited amount of unused sick leave annually and convert the balance to free health care at retirement. In current year's valuation, Firefighters can convert the greater of (a) any remaining unused sick leave accrued prior to January 1, 2012 or (b) up to 144 hours of unused sick leave accrued on/after January 1, 2012 to free health care at retirement.

Based on the current remaining sick leave balances, we have assumed three years of coverage for Firefighters. This is a reduction from the five years of free coverage at retirement for Firefighters assumed in prior year's valuation. No changes were made to the assumed number of years of free coverage for the other groups, which remain at five years.

Conversion to free health care at retirement is based on two days sick leave (24 hours) for one month of single coverage or three days sick leave (36 hours) for one month family coverage.

**Health Care Trend Rates:** FYE 2015 9.0%; FYE 2016 8.50%; FYE 2017 8.00%; FYE 2018 7.50%; FYE 2019 7.00%; FYE 2020 6.50%; FYE 2021 6.00%; FYE 2022 5.50%; FYE 2023+ 5.00%.

**Retiree Contributions** Retiree contributions are assumed to increase 4% annually.

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**VI. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

On July 1, 2013, the government implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*, which amends GASB Statement No. 25, and GASB Statement No. 50, *Pension Disclosures, for pension trusts and equivalent arrangements*.

**VI:A.1. Plan Descriptions, Contribution Information, Funding Policies, and Net Pension Liability**

The City of Charleston, 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 full-time police employees hired prior to June 1, 2011. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2013 and GASB Statement No. 67 Plan Reporting and Accounting Schedules at measurement date of June 30, 2014.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for full-time fire employees hired prior to June 1, 2011. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2013 and GASB Statement No. 67 Plan Reporting and Accounting Schedules at measurement date of June 30, 2014.

The State contracts an actuary to perform actuarial valuations annually per West Virginia State Code §8-22-20. For additional information relating to basis of accounting and reported investment values, see Notes I.C., I.D.1. And IV.A.

The Firemen's Pension and Relief Fund (FPRF) and the Policemen's Pension and Relief Fund (PPRF) recognizes benefits and refunds when due and payable in accordance with the terms of the plans.

Management of the pension plans is vested in the boards for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund, which consists of the mayor of the City of Charleston and four members of the paid police department and paid fire department, respectively. The members serve on staggered four year terms. There is an annual election to elect a member to succeed, for a term of four years, the retiring member for each fund. The presiding officer of the board of trustees for each fund is the mayor of the City of Charleston and the secretary is appointed by the board.

In accordance with WV Code Chapter §8-22-18a, the West Virginia Municipal Pensions Oversight Board assists municipal board of trustees in performing their duties, assuring the funds' compliance with applicable laws, providing for actuarial studies, distributing the premium tax revenues to the funds and taking other actions reasonably necessary to provide for the security and fiscal integrity of the pension funds.

The oversight board has established minimum requirements for training to be completed by each member of the board of trustees of a Municipal Policemen's or Firemen's Pension and Relief fund. The requirements include, but not limited to, training in ethics, fiduciary duty and investment responsibilities.

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As of July 1, 2013 memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	144	156	300
Vested Terminated Benefits	1	1	2
Retirees and Beneficiaries Currently Receiving Benefits	225	226	451
Total	370	383	753

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

As of June 1, 2011, the City of Charleston has elected to fund benefit obligations using the Conservation Method as defined in West Virginia Code §3-22-20 (f)(1), and effected by the passage of Senate Bill No. 544.

The key features of the Conservation Method, effective for plan years beginning after April 1, 2011, are summarized below:

The current local Plan is closed to new employees as of the adoption of the Conservation funding policy.

New employees are covered in the newly established multiple employer statewide plan-Municipal Police Officers and Firefighters Retirement System ("MPFRS").

Benefits and expenses in the closed local Plan are financed by contributions made to two asset accounts:

The first asset account (Benefit Payment Account) is used to finance benefits and expenses for the fiscal year on a pay-as-you-go basis. Sources to pay current year benefits and expenses include minimum employee contributions of 6.5% of pay, a portion of the premium tax allocation not assigned to the accumulation account as defined below, and employer contributions.

The second account (Accumulation Account) cannot be used to pay benefits and expenses until assets exceed actuarial liabilities. Contributions to the accumulation account include employee contributions of 1.5% of pay and a percentage of premium tax allocation. The percentage of premium tax allocation is based on the amounts needed to produce 100% funding of liabilities in 35 years when considering assets from both the benefit payment account and the accumulation account. This account also includes the Fund's assets prior to the adoption of the Conservation Method.

The employer contributions will be made from the City's General Fund and will be used directly to pay benefits not covered by member contributions or the premium tax allocation. The Plan's assets will accumulate in the closed Pension and Relief Fund and no benefits or expenses will be paid from this trust until the funded ratio exceeds 100%.

Under the funding methodology for the Conservation Method of financing, the fund's market value of assets is projected to be greater than zero for all plan years prior to the end of the 15-year projection period. Accordingly, this contribution methodology satisfies the minimum standard for actuarial soundness.

Employer contributions for the Policemen's Pension and Relief Fund are expected to increase from \$5,168,385 for the plan year ending June 30, 2015, to a high of \$10,402,717 for the plan year ending June 30, 2036. Employer

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contributions for the Firemen's Pension and Relief Fund are expected to increase from \$5,365,446 for the plan year ending June 30, 2015, to a high of \$10,104,842 for the plan year ending June 30, 2034.

For the Policemen's Pension Fund the funded ratio is projected to increase from 9.1% in 2013 to 30% in 2033, and ultimately to 100% in 2046. For the Firemen's Pension Fund the funded ratio is projected to increase from 7.3% in 2013 to 28% in 2033, an ultimately to 100% in 2046. This policy defers contributions and produces virtually no significant growth in the funded ratio until the last 10 years of the projection period. This policy is not consistent with generally accepted actuarial principles.

GASB 67 establishes standards of financial reporting for defined benefit plans and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability).

*Actuarial Methods and Assumptions*

	PPRF	FPRF
Determination of contribution requirement	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 thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may elect to finance benefit obligations using the Conservation Method as defined in West Virginia State Code §8-22-20 (f)(1) and effected by the passage of Senate Bill No. 544.	
Plan Members	8% of covered payroll	8% of covered payroll
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Benefit Terms	In accordance with WV State Code the annual benefit equals 60% of average annual compensation, not less than \$6,000, plus an additional percentage of average annual compensation for service over 20 years equal to 2% for each year of service between 20 and 25 and 1% for each year of service between 25 and 30 years. Employees serving in the military are eligible for an additional 1% of average annual compensation for each year of military service up to four years. The maximum benefit is limited to 75% of average annual compensation. Benefits continue for life.	
Post-Retirement Benefit Increases	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees), multiplied by the sum of the allowable amount (first \$15,000 of initial benefits paid) and the accumulated supplemental pensions paid in prior years.	
Eligibility for Distribution	Members are eligible at the earlier of age 50 with 20 years of credited service or age 65.	
Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes

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Valuation Date	7/1/2013 and projected to the measurement date of June 30, 2014.	7/1/2013 and projected to the measurement date of June 30, 2014																												
Actuarial Cost Method	Entry Age Normal	Entry Age Normal																												
Amortization Method/Period	30-Year Closed Level-Percentage-of-Pay 27 years remaining as of July 1, 2013	30-Year Closed Level-Percentage-of-Pay 27 years remaining as of July 1, 2013																												
	The sponsor finances benefits using the Conservation policy as defined by State statute. This policy does not directly amortize the unfunded actuarial liability. The policy is projected to fully finance the closed group actuarial liability by 2046 for both plans.																													
Actuarial Asset Valuation Method	Market Value	Market Value																												
Investment Rate of Return	4.789%	4.760%																												
Projected Salary Increases	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr><td colspan="2" style="text-align: center;">Service Based Increase</td></tr> <tr><td style="text-align: center;"><u>Years of Service</u></td><td style="text-align: center;"><u>Increase</u></td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">9.0%</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">4.5%</td></tr> <tr><td style="text-align: center;">3-4</td><td style="text-align: center;">2.0%</td></tr> <tr><td style="text-align: center;">after 4 years</td><td style="text-align: center;">1.0%</td></tr> </table>	Service Based Increase		<u>Years of Service</u>	<u>Increase</u>	1	9.0%	2	4.5%	3-4	2.0%	after 4 years	1.0%	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr><td colspan="2" style="text-align: center;">Service Based Increase</td></tr> <tr><td style="text-align: center;"><u>Years of Service</u></td><td style="text-align: center;"><u>Increase</u></td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">9.0%</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">4.5%</td></tr> <tr><td style="text-align: center;">3-4</td><td style="text-align: center;">2.0%</td></tr> <tr><td style="text-align: center;">after 4 years</td><td style="text-align: center;">1.0%</td></tr> </table>	Service Based Increase		<u>Years of Service</u>	<u>Increase</u>	1	9.0%	2	4.5%	3-4	2.0%	after 4 years	1.0%				
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1	9.0%																													
2	4.5%																													
3-4	2.0%																													
after 4 years	1.0%																													
Post-Retirement COLA	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.																												
Wage Inflation	4.00%	4.00%																												
Increase in State Insurance Premium Tax Allocation	2% for year 1 3% on and after year 2	2% for year 1 3% on and after year 2																												
Retirement	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">Age</td><td style="text-align: center;">Rates</td></tr> <tr><td style="text-align: center;">50-51</td><td style="text-align: center;">45%</td></tr> <tr><td style="text-align: center;">52-54</td><td style="text-align: center;">30%</td></tr> <tr><td style="text-align: center;">55</td><td style="text-align: center;">45%</td></tr> <tr><td style="text-align: center;">56</td><td style="text-align: center;">35%</td></tr> <tr><td style="text-align: center;">57</td><td style="text-align: center;">55%</td></tr> <tr><td style="text-align: center;">58</td><td style="text-align: center;">100%</td></tr> </table>	Age	Rates	50-51	45%	52-54	30%	55	45%	56	35%	57	55%	58	100%	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">Age</td><td style="text-align: center;">Rates</td></tr> <tr><td style="text-align: center;">50-51</td><td style="text-align: center;">45%</td></tr> <tr><td style="text-align: center;">52-54</td><td style="text-align: center;">30%</td></tr> <tr><td style="text-align: center;">55</td><td style="text-align: center;">45%</td></tr> <tr><td style="text-align: center;">56</td><td style="text-align: center;">35%</td></tr> <tr><td style="text-align: center;">57</td><td style="text-align: center;">55%</td></tr> <tr><td style="text-align: center;">58</td><td style="text-align: center;">100%</td></tr> </table>	Age	Rates	50-51	45%	52-54	30%	55	45%	56	35%	57	55%	58	100%
Age	Rates																													
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50-51	45%																													
52-54	30%																													
55	45%																													
56	35%																													
57	55%																													
58	100%																													
Percent Married	90%	90%																												
Spouse Age	Females 3 years younger than males	Females 3 years younger than males																												

Mortality rates for both plans were based on for members that are active 85 percent of 1994 Group Annuity Mortality; post-retirement 1994 Group Annuity Mortality; and disabled 1994 Group Annuity Mortality set forward 4 years.

The City of Charleston's Policemen's Pension and Relief Fund Board of Trustees has established an Investment Policy Statement for the purpose of providing general guidelines for the prudent investment management of its fund's assets. The Board has elected to delegate the investment management duties for the fund to one or more professional investment manager(s) who shall be guided by and adhere to the overall investment policy guidelines as permitted by



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the West Virginia Code Section §8-22-22(a), as amended by H.B. 2832, H.B. 2638, and S.B. 4007. The pension has elected to be administered by the Conservation Method, as outlined in Senate Bill 544.

Unless more frequently necessitated by unusual changes in the economic and investment cycles or by material changes in the fund's basic underlying investment objectives, the board will annually review their investment policy and obtain an independent performance evaluation of the fund as required by WV State Code.

The Pension Board has set a general asset allocation guideline for the investment of the fund's total combined assets as follows: Equities 25%- 75%; Fixed Income 25%-70%; and Cash and Cash Equivalents 2%-25%.

The City of Charleston's Firemen's Pension and Relief Fund Board of Trustees has established an investment policy of diversification of investments in accordance with West Virginia Code §8-22-22. The board has elected to delegate the investment management duties for the fund to one professional investment manager who shall be guided by and adhere to the overall investment requirements in West Virginia Code §8-22-22 and §8-22-22a.

In accordance with the Code the maximum equity allocation shall be 60%. The cash allocation should not exceed estimated payments for a period of ninety days. The asset allocation guideline for the investment of the fund's total combined assets shall be as follows: Cash 0%-10%; Bonds 35%-70%; Stocks 25%-60%. The cash allocation shall include balances held in the bank checking account. In regard to the equity allocation, the manager is required to inform the Trustees of any upward changes in the allocation that result from additional purchases rather than changes in the market value.

Concentrations. Investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position must be disclosed in accordance with GAAP. The Firemen's Pension & Relief Fund had two investments in Ishares TR Russell Midcap Value Index and Ishares TR Russell 2000 Value index that were 7 percent and 6 percent, respectively, of the fiduciary net position at June 30, 2014.

Rate of Return. For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 10.65 percent for the Policemen's Pension and Relief Fund and 11.17 percent for the Firemen's Pension and Relief Fund. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability:

The components of net pension liability for the Policemen's and Firemen's Pension and Relief Fund at June 30, 2014, were as follows:

	PPRF	FPRF
Total pension liability	\$ 156,881,744	\$ 162,974,249
Plan fiduciary net position	(15,242,762)	(12,976,853)
Plan net pension liability	\$ 141,638,982	\$ 149,997,396
Plan fiduciary net position as a percentage of total pension liability	9.72%	7.96%
Discount Rate	4.789%	4.760%

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In accordance with GASB No. 67 a single discount rate of 4.789% for the Policemen’s Pension and 4.760% for the Firemen’s Pension was used to measure the total pension liability as of June 30, 2014. These single discount rates were based on the expected rate of return on pension plan investments of 5.000% before 2046 and 6.500% after 2046, and the municipal bond rate of 4.290%. The projection of cash flows used to determine these single discount rates 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, after plan year 2046. Therefore, the single discount rate of 4.789% for the Policemen’s Pension and 4.760% for the Firemen’s Pension was applied to all periods of projected benefit payments to determine the total pension liability.

For purposes of developing the single equivalent discount rate, it was assumed benefits are discounted at the municipal bond rate if paid from the pay-as-you go Benefit Account, or at the long-term expected rate of return if paid from the Accumulation Account. A long-term expected rate of return was assumed after 2046 of 6.5%. The long-term rate of return assumes assets in the Accumulation Account are invested in a well-diversified portfolio with 40% to 50% allocated to equities.

The present values of benefits to be provided through the pension plans to current active and inactive plan members for the Policemen’s Pension and Relief Fund and the Firemen’s Pension and Relief Fund are \$186,930,400 and \$188,872,200, respectively.

**Sensitivity of the net pension liability to the Single Discount Rate Assumption**

Policemen’s Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
<u>3.79%</u>	<u>4.79%</u>	<u>5.79%</u>
\$ 165,663,817	\$ 141,638,982	\$ 122,279,793

Firemen’s Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
<u>3.76%</u>	<u>4.76%</u>	<u>5.76%</u>
\$ 174,753,893	\$ 149,997,396	\$ 130,025,140

**VI.A.2. Annual Pension Cost, Net Pension Obligation and Reserves**

Current year annual pension costs for the PPRF and FPRF are shown in the trend information provided in VI.A.4. The annual required contributions were not made by the PPRF or FPRF. The net pension obligation is listed in VI.A.3.

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*Benefits, Refund, and Administrative Costs*

Benefits and refunds of the defined benefit pension plans are recognized when due and payable in accordance with the terms of the plans. Administrative costs are financed with revenues from contributions.

*Reserves*

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

**VI.A.3. Annual Pension Cost and Net Pension Obligation (NPO)**

GASB 27 establishes standards of accounting and financial reporting for pension expense, Net Pension Obligation (NPO), and actuarially determined contributions.

The City's annual pension cost and net pension obligation for the Policemen's and Firemen's Pension and Relief funds are as follows:

	PPRF	FPRF
Annual required contribution	\$ 8,290,897	\$ 8,544,824
Interest on short-term	2,452,390	2,167,988
Adjustment to annual required contribution	(2,051,528)	(1,813,614)
Annual pension cost	8,691,759	8,899,198
Contributions made	(6,739,856)	(6,961,480)
Increase in net pension obligation	1,951,903	1,937,718
Net pension obligation at beginning of the year	49,047,793	43,359,762
Net pension obligation at the end of the year	\$ 50,999,696	\$ 45,297,480

**VI.A.4. Trend Information**

**Policemen's Pension and Relief Fund (PPRF)**

Fiscal Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2014	\$ 8,691,759	78%	\$ 50,999,696
2013	\$ 8,705,856	69%	\$ 49,047,793
2012	\$ 8,244,932	71%	\$ 46,393,054

CITY OF CHARLESTON, WEST VIRGINIA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2014

**Firemen's Pension and Relief Fund (FPRF)**

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2014	\$ 8,899,198	78%	\$ 45,297,480
2013	\$ 9,031,352	70%	\$ 43,359,762
2012	\$ 8,876,739	70%	\$ 40,795,997

Separate audited financial statements for the defined pension plans for public safety employees are not available.

**VI.B.1 Plan Descriptions, Contribution Information and Funding Policies**

**Public Employees Retirement System (PERS)**

The City of Charleston, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of general City 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.

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

Public Employees' Retirement System (PERS)

Eligibility to participate:	All City full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefit provisions:	State Statute
Plan member's contributions rate:	4.50%
City's contribution rate:	14.50%
Period required to vest:	Five Years
Benefits and eligibility for distribution:	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion:	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

CITY OF CHARLESTON, WEST VIRGINIA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2014

**VI.B.2. Trend Information**

**Public Employees Retirement System (PERS)**

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2014	\$ 2,533,419	100%
2013	2,383,536	100%
2012	2,399,128	100%
2011	2,046,007	100%
2010	1,799,608	100%
2009	1,675,990	100%
2008	1,600,134	100%
2007	1,522,933	100%
2006	1,408,585	100%
2005	1,367,748	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 Avenue. S.E., Charleston, WV 25304.

**VI.C.1 Plan Descriptions, Contribution Information and Funding Policies**

**Municipal Police Officers and Firefighters Retirement System (MPFRS)**

The City of Charleston, West Virginia, participates in a cost-sharing multiple-employer statewide defined benefit pension plan on behalf of police and firefighters employed by the City after June 1, 2011. The system is administered by the State of West Virginia and funded by contributions from participants and employers as necessary.

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

**Municipal Police and Firefighters Retirement System (MPFRS)**

Eligibility to participate:	All full-time police and firefighters employed by the City after June 1, 2011
Authority establishing contribution	
Obligations and benefit provisions:	State Statute
Plan member's contribution rate:	8.5%
City's contribution rate:	8.5%
Period required to vest:	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.

CITY OF CHARLESTON, WEST VIRGINIA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2014

Benefits and eligibility for distribution: A member who has attained age 50 when age and contributory service Equals 70 (excluding military service) or has attained age 60 and completion of 10 years contributory service (excluding military service). The final average salary is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (Jan. 1-Dec. 31) within the last 10 years of service. The accrued benefit on behalf of any member is calculated as follows:

Final Average Salary x Years of Credited Service x Benefit Percentage

2.6% x FAS x Years of Service for years 1-20  
 2.0 % x FAS x Years of Service for years 21-25  
 1.0% x FAS x Years of Service for years 26-30

Provisions for:	
Cost of Living	Yes
Death Benefits	Yes

**VI.C.2. Trend Information**

Municipal Police and Firefighters Retirement System (MPFRS)

Police

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2014	\$ 59,623	100%
2013	\$ 28,547	100%
2012	\$ 17,434	100%
2011	\$ -	0%

Firefighters

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2014	\$ 46,744	100%
2013	\$ 8,544	100%
2012	\$ -	0%
2011	\$ -	0%

MPFRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Consolidated Retirement Board, 4101 MacCorkle Avenue. S.E., Charleston, WV 25304.

CITY OF CHARLESTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2014

**VI.D.1 New Accounting Pronouncements**

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which amends GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and GASB Statement No. 50 *Pension Disclosures (an amendment of GASB Statements No. 25 and No. 27)* for employers that offer pension benefits through a pension trust or equivalent arrangement. GASB Statement No. 68 will require the City to record their actuarially determined net pension liability for the PPRF and FPRF in addition to their proportionate share of the actuarially determined net pension liability (asset) of its cost sharing participation in PERS and MPFRS. GASB Statement No. 68 is effective for the year ended June 30, 2015 financial statements of the City.

GASB has also issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*. GASB Statement No.71 addresses issues regarding the application of the transition provisions of GASB Statement No. 68. The requirements of GASB Statement No. 71 are effective simultaneously with GASB Statement No. 68.

Management of the City is currently evaluating the impact of these significant new accounting pronouncements. The City has implemented GASB Statement No. 67 during the current fiscal year, the effects of which are described previously in this footnote. As a result, the impact of GASB Statement No. 68 and No. 71 as it relates to the actuarially determined net pension liability of the PPRF and FPRF are material to the total liabilities and total net position of the City's Government-wide financial statements. Management expects the impact of GASB Statement No. 68 and No. 71 to increase the total beginning liabilities of the City's Government-wide financial statements by approximately \$195,000,000 based on current actuarial data for PPRF and FPRF in the year of implementation. Management is unable to evaluate the impact of GASB Statements No. 68 and No. 71 for its participation in PERS and MPFRS cost sharing pension plans at this time.

***REQUIRED SUPPLEMENTARY INFORMATION***



**CITY OF CHARLESTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended June 30, 2014**

**EMPLOYER DEFINED BENEFIT PLANS**

**I. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

**Policemen's Pension & Relief Fund**

	<u>2,014</u>
Total pension liability	
Service cost	\$ 3,209,021
Interest on the total pension liability	7,461,048
Benefit changes	-
Differences between expected and actual experience	-
Assumption changes	6,439,110
Benefit payments, including refunds of member contributions	<u>(6,688,132)</u>
Net change in pension liability	10,421,048
Total pension liability-beginning	<u>146,460,696</u>
Total pension liability-ending	<u>\$ 156,881,744</u>
Plan fiduciary net position	
Employer contributions	\$ 6,448,555
Employee contributions	648,924
Pension plan net investment income	1,415,864
Benefit payments, including refunds of member contributions	(6,688,132)
Pension plan administrative expense	(22,264)
Other	-
Net change in plan fiduciary net position	<u>1,802,947</u>
Plan fiduciary net position-beginning	<u>13,439,815</u>
Plan fiduciary net position-ending	<u>\$ 15,242,762</u>
Net pension liability-ending	<u>\$ 141,638,982</u>
Plan fiduciary net position as a percentage of the total pension liability	9.72%
Covered employee payroll	\$ 8,257,284
Net pension liability as a percentage of covered employee payroll	1715.32%

**Firemen's Pension & Relief Fund**

	<u>2014</u>
Total pension liability	
Service cost	\$ 3,139,576
Interest on the total pension liability	7,715,345
Benefit changes	-
Differences between expected and actual experience	-
Assumption changes	6,693,190

**CITY OF CHARLESTON, WEST VIRGINIA**  
**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
**For the Fiscal Year Ended June 30, 2014**

Benefit payments, including refunds of member contributions	(6,943,758)
Net change in total pension liability	10,604,352
Total pension liability-beginning	152,369,897
Total pension liability-ending	\$ 162,974,249
Plan fiduciary net position	
Employer contributions	\$ 6,735,846
Employee contributions	603,333
Pension plan net investment income	1,317,995
Benefit payments, including refunds of member contributions	(6,943,758)
Pension plan administrative expenses	(8,132)
Other	-
Net change in fiduciary net position	1,705,284
Plan fiduciary net position-beginning	11,271,569
Plan fiduciary net position-ending	\$ 12,976,853
Net pension liability-ending	\$ 149,997,396
Plan fiduciary net position as a percentage of the total pension liability	7.96%
Covered employee payroll	\$ 7,872,875
Net pension liability as a percentage of covered employee payroll	1905.24%

**II. SCHEDULES OF THE NET PENSION LIABILITY**

Policemen's Pension and Relief Fund:

FY Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position As a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 156,881,744	\$ 15,242,762	\$ 141,638,982	9.72%	\$ 8,257,284	1715.32%

Firemen's Pension and Relief Fund:

FY Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position As a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 162,974,249	\$ 12,976,853	\$ 149,997,396	7.96%	\$ 7,872,875	1905.24%

**CITY OF CHARLESTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
For the Fiscal Year Ended June 30, 2014**

**III. SCHEDULES OF EMPLOYER AND NONEMPLOYER CONTRIBUTIONS**

**Policemen's Pension and Relief Fund (PPRF)**

Year Ended June 30	Annual Required Contribution	Actual Employer Contribution	Actual State Contribution	Percentage Contributed	Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	\$ 6,834,144	\$ 1,529,923	\$ 1,382,407	43%	\$ 6,968,332	42%
2006	\$ 7,421,663	\$ 1,550,883	\$ 1,700,753	44%	\$ 7,503,036	43%
2007	\$ 7,995,597	\$ 1,659,445	\$ 1,827,207	44%	\$ 8,479,893	41%
2008	\$ 8,167,079	\$ 1,792,201	\$ 1,849,497	45%	\$ 8,750,153	42%
2009	\$ 7,664,881	\$ 1,935,577	\$ 1,700,936	47%	\$ 8,666,547	42%
2010	\$ 7,822,761	\$ 2,090,423	\$ 1,675,858	48%	\$ 8,933,610	42%
2011	\$ 7,483,711	\$ 2,257,657	\$ 1,702,437	53%	\$ 9,241,583	43%
2012	\$ 7,773,369	\$ 4,321,014	\$ 1,602,822	76%	\$ 8,873,921	67%
2013	\$ 8,265,968	\$ 4,597,313	\$ 1,945,867	79%	\$ 9,149,170	72%
2014	\$ 8,290,897	\$ 4,919,728	\$ 1,528,827	78%	\$ 8,257,284	78%

**Firemen's Pension and Relief Fund (FPRF)**

Year Ended June 30	Annual Required Contribution	Actual Employer Contribution	Actual State Contribution	Percentage Contributed	Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	\$ 8,033,832	\$ 2,286,759	\$ 1,548,228	48%	\$ 7,481,747	51%
2006	\$ 8,658,323	\$ 2,446,833	\$ 1,916,860	50%	\$ 8,009,629	54%
2007	\$ 9,318,836	\$ 2,618,111	\$ 2,003,240	50%	\$ 8,654,597	53%
2008	\$ 8,275,064	\$ 2,827,560	\$ 2,036,834	59%	\$ 8,589,398	57%
2009	\$ 7,919,675	\$ 3,053,765	\$ 1,805,070	61%	\$ 8,959,494	54%
2010	\$ 8,302,588	\$ 3,296,066	\$ 1,751,284	61%	\$ 9,047,021	56%
2011	\$ 8,329,444	\$ 3,561,911	\$ 1,857,533	65%	\$ 9,441,334	57%
2012	\$ 8,468,569	\$ 4,505,745	\$ 1,722,267	74%	\$ 9,214,083	68%
2013	\$ 8,644,534	\$ 4,935,630	\$ 1,958,353	80%	\$ 8,867,736	78%
2014	\$ 8,544,824	\$ 5,191,340	\$ 1,544,506	79%	\$ 7,872,875	86%

**IV. SCHEDULES OF INVESTMENT RETURNS**

**Police Pension & Relief Fund**

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	<u>10.65%</u>

**Firemen's Pension & Relief fund**

	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	<u>11.17%</u>

**CITY OF CHARLESTON, WEST VIRGINIA**  
**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
**For the Fiscal Year Ended June 30, 2014**

**Notes to Required Supplementary Information-Police and Fire Pension Funds:**

I. Actuarial Methods and Assumptions for the Schedules of Employer and Non-Employer Contributions

Actuarial Valuation Date:	July 1, 2013																			
Actuarial cost method:	Entry Age Normal, Level-Percentage-of-Pay																			
Actuarial Value of Assets:	Market Value																			
Contribution policy and Amortization Method:	<p>The sponsor finances benefits using the Conservation funding policy as defined in WV State statutes. The sponsor makes contributions to two separate accounts--the Benefit Payment Account and the Accumulation Account. The Benefit Payment Account is used to finance benefits and expenses on a pay-as-you-go basis. Sources to pay current year benefits and expenses include minimum employee contributions of 6.5% of pay, any remaining state premium tax allocation as described below, and employer contributions. The Accumulation Account cannot be used to pay benefits and expenses until assets exceed actuarial liabilities.</p> <p>Contributions to the Accumulation Account include employee contributions of 1.5% of pay and the percentage of premium tax allocation which is projected to fully finance the projected liability in 35 years, since the adoption of the Conservation funding policy in 2011. Any remaining state premium tax allocation can be used to finance benefits and expenses during the year. The plan is closed to new members as of the adoption of the Conservation funding policy.</p>																			
Amortization method:	30-Year Closed Level-Percentage-of-Pay																			
Remaining amortization period:	27 Years remaining as of July 1, 2013																			
Salary increases:	<table border="0" style="margin-left: 40px;"> <tr> <td colspan="3">General Inflation 3.00% plus Wage Inflation 1.00% plus</td> </tr> <tr> <td style="padding-right: 20px;">Years of Service</td> <td style="padding-right: 20px;"></td> <td style="text-align: right;">Increase</td> </tr> <tr> <td style="padding-right: 20px;">1</td> <td></td> <td style="text-align: right;">9.0%</td> </tr> <tr> <td style="padding-right: 20px;">2</td> <td></td> <td style="text-align: right;">4.5%</td> </tr> <tr> <td style="padding-right: 20px;">3-4</td> <td></td> <td style="text-align: right;">2.0%</td> </tr> <tr> <td style="padding-right: 20px;">After 4 years of service</td> <td></td> <td style="text-align: right;">1.0%</td> </tr> </table>		General Inflation 3.00% plus Wage Inflation 1.00% plus			Years of Service		Increase	1		9.0%	2		4.5%	3-4		2.0%	After 4 years of service		1.0%
General Inflation 3.00% plus Wage Inflation 1.00% plus																				
Years of Service		Increase																		
1		9.0%																		
2		4.5%																		
3-4		2.0%																		
After 4 years of service		1.0%																		
Cost of living increases:	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior year																			
Investment rate of return	<table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">PPRF</td> <td style="text-align: right;">5.0%</td> </tr> <tr> <td style="padding-right: 20px;">FPRF</td> <td style="text-align: right;">5.0%</td> </tr> </table>		PPRF	5.0%	FPRF	5.0%														
PPRF	5.0%																			
FPRF	5.0%																			
Retirement age:	<table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Age</th> <th style="text-align: center; border-bottom: 1px solid black;">Rates</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">50-51</td> <td style="text-align: center;">45%</td> </tr> <tr> <td style="text-align: center;">52-54</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: center;">55</td> <td style="text-align: center;">45%</td> </tr> <tr> <td style="text-align: center;">56</td> <td style="text-align: center;">35%</td> </tr> <tr> <td style="text-align: center;">57</td> <td style="text-align: center;">55%</td> </tr> <tr> <td style="text-align: center;">58</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>		Age	Rates	50-51	45%	52-54	30%	55	45%	56	35%	57	55%	58	100%				
Age	Rates																			
50-51	45%																			
52-54	30%																			
55	45%																			
56	35%																			
57	55%																			
58	100%																			
Mortality:	<table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">Active</td> <td>85 percent of 1994 Group Annuity Mortality</td> </tr> <tr> <td style="padding-right: 20px;">Post-Retirement</td> <td>1994 Group Annuity Mortality</td> </tr> <tr> <td style="padding-right: 20px;">Disabled</td> <td>1994 Group Annuity Mortality set forward 4 years</td> </tr> </table>		Active	85 percent of 1994 Group Annuity Mortality	Post-Retirement	1994 Group Annuity Mortality	Disabled	1994 Group Annuity Mortality set forward 4 years												
Active	85 percent of 1994 Group Annuity Mortality																			
Post-Retirement	1994 Group Annuity Mortality																			
Disabled	1994 Group Annuity Mortality set forward 4 years																			

**CITY OF CHARLESTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
For the Fiscal Year Ended June 30, 2014**

II. GASB Statement No. 67 requires 10-year schedules of information for the Schedules of Changes in the Net Pension Liability, Total Net Pension Liability, and Investment Returns; however, ten years of information measured in conformity with the requirements of this statement are not available and this information may be presented prospectively until the ten year requirement is met.

**OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**I. SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % Covered Payroll (b-a)/c
7/1/08	\$ --	\$ 70,539,275	\$ 70,539,275	0.00%	\$ 29,873,284	236.1%
7/1/09	\$ --	\$ 79,643,383	\$ 79,643,383	0.00%	\$ 31,068,215	256.4%
7/1/10	\$ --	\$ 75,615,299	\$ 75,615,299	0.00%	\$ 31,448,512	240.4%
7/1/11	\$ --	\$ 60,679,215	\$ 60,679,215	0.00%	\$ 29,494,443	205.7%
7/1/12	\$ --	\$ 73,958,600	\$ 73,958,600	0.00%	\$ 30,674,221	241.1%
7/1/13	\$ --	\$ 85,737,794	\$ 85,737,794	0.00%	\$ 30,511,701	281.0%

**II. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30	Annual Required Contribution	Employer Contributions	Percentage Contributed
2008	\$ 5,828,921	\$ 2,840,938	48.7%
2009	\$ 5,263,104	\$ 3,058,157	58.1%
2010	\$ 5,828,921	\$ 2,840,938	48.7%
2011	\$ 5,325,615	\$ 2,836,898	53.3%
2012	\$ 5,315,345	\$ 4,104,850	77.2%
2013	\$ 6,457,372	\$ 4,587,248	71.0%
2014	\$ 7,499,563	\$ 3,898,088	51.9%

**Note to Required Supplementary Information-Other Post Employment Benefits:**

I. The OPEB valuation is of July 1, 2013.

See Independent Auditor's Report.

***SUPPLEMENTARY INFORMATION***

# CITY OF CHARLESTON, WEST VIRGINIA

## GOVERNMENTAL FUND TYPES - NONMAJOR

*Special Revenue Funds* are used to account for the receipt and use of specific revenues that are legally restricted by ordinance or grant agreements for specific purposes.

*Debt Service Funds* are used to account for the accumulation of resources and payment of general long-term debt principal and interest from governmental resources.

*Capital Projects Funds* are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

*Permanent Funds* are used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs, for the benefit of the City or its citizens.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 866,510	\$ 5,798,016	\$ --	\$ 151,567	\$ 6,816,093
Investments	1,043,724	--	--	2,074,930	3,118,654
Receivables:					
Accounts	406,106	102	--	--	406,208
Grants	502,190	--	--	--	502,190
Loans	150,143	--	--	--	150,143
Accrued interest	--	--	--	3,428	3,428
Due from:					
Other funds	283,892	971,455	--	1,650	1,256,997
Component units	31,398	--	--	--	31,398
Restricted cash	<u>1,683,359</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>1,683,366</u>
 Total assets	 <u>\$ 4,967,322</u>	 <u>\$ 6,769,573</u>	 <u>\$ 7</u>	 <u>\$ 2,231,575</u>	 <u>\$ 13,968,477</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 394,752	\$ 745,672	\$ --	\$ --	\$ 1,140,424
Due to:					
Other funds	593,757	416,122	--	--	1,009,879
Component unit	2,222	--	--	--	2,222
Grant advances	<u>194,469</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>194,469</u>
 Total liabilities	 <u>1,185,200</u>	 <u>1,161,794</u>	 <u>--</u>	 <u>--</u>	 <u>2,346,994</u>
<b>Fund balances:</b>					
Nonspendable	--	--	--	1,286,351	1,286,351
Restricted	3,176,354	48,471	7	945,224	4,170,056
Committed	<u>605,768</u>	<u>5,559,308</u>	<u>--</u>	<u>--</u>	<u>6,165,076</u>
 Total fund balances	 <u>3,782,122</u>	 <u>5,607,779</u>	 <u>7</u>	 <u>2,231,575</u>	 <u>11,621,483</u>
 Total liabilities and fund balances	 <u>\$ 4,967,322</u>	 <u>\$ 6,769,573</u>	 <u>\$ 7</u>	 <u>\$ 2,231,575</u>	 <u>\$ 13,968,477</u>

See Independent Auditor's Report



**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Permanent</u>	Total Nonmajor Governmental <u>Funds</u>
	<u>Revenue</u>	<u>Projects</u>	<u>Service</u>		
<b>REVENUES</b>					
Intergovernmental:					
Federal	\$ 1,368,382	\$ --	\$ --	\$ --	\$ 1,368,382
State	30,000	--	--	--	30,000
Charges for services	4,008,845	6,648	--	--	4,015,493
Fines and forfeits	607,189	--	--	--	607,189
Interest and investment earnings	19,689	8,059	3,000	202,094	232,842
Reimbursements	--	28,899	--	--	28,899
Contributions and donations	24,209	11,244	--	--	35,453
Miscellaneous	25,620	--	--	--	25,620
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total revenues	\$ <u>6,083,934</u>	\$ <u>54,850</u>	\$ <u>3,000</u>	\$ <u>202,094</u>	\$ <u>6,343,878</u>
<b>EXPENDITURES</b>					
Current:					
General government	\$ 123,283	\$ --	\$ --	\$ --	\$ 123,283
Public safety	1,261,723	--	--	--	1,261,723
Streets and transportation	802	--	--	--	802
Health and sanitation	1,111,505	--	--	--	1,111,505
Culture and recreation	--	--	--	--	--
Social services	--	--	--	24,423	24,423
Economic development	312,908	--	--	--	312,908
Debt service:					
Principal	--	--	210,000	--	210,000
Interest	--	--	115,536	--	115,536
Capital outlay:					
Highways and streets	--	5,468,283	--	--	5,468,283
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total expenditures	<u>2,810,221</u>	<u>5,468,283</u>	<u>325,536</u>	<u>24,423</u>	<u>8,628,463</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>3,273,713</u>	\$ <u>( 5,413,433)</u>	\$ <u>( 322,536)</u>	\$ <u>177,671</u>	\$ <u>( 2,284,585)</u>

CONTINUED

**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	Total Nonmajor Governmental <u>Funds</u>
<b>OTHER FINANCING SOURCES</b>					
<b>(USES)</b>					
Transfers in	\$ 27,957	\$ 7,640,184	\$ 322,536	\$ 23,025	\$ 8,013,702
Transfers (out)	<u>( 3,181,348)</u>	<u>( 44,177)</u>	<u> --</u>	<u> --</u>	<u>( 3,225,525)</u>
Total other financing sources (uses)	<u>( 3,153,391)</u>	<u> 7,596,007</u>	<u> 322,536</u>	<u> 23,025</u>	<u> 4,788,177</u>
Net change in fund balances	120,322	2,182,574	--	200,696	2,503,592
Fund balances beginning-restated	<u> 3,661,800</u>	<u> 3,425,205</u>	<u> 7</u>	<u> 2,030,879</u>	<u> 9,117,891</u>
Fund balances ending	<u><u>\$ 3,782,122</u></u>	<u><u>\$ 5,607,779</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 2,231,575</u></u>	<u><u>\$ 11,621,483</u></u>

See Independent Auditor's Report

# CITY OF CHARLESTON, WEST VIRGINIA

## SPECIAL REVENUE FUNDS

### *Nonmajor Funds*

***Asset Forfeiture and Reimbursement Fund*** This fund is used to account for monies seized by the Charleston Police department or Drug Unit and have been ordered released or forfeited by a court of law.

***Byrne Justice Assistance Grant Fund*** This fund was established to account for grants received from the U.S. Department of Justice passed through from the West Virginia Department of Criminal Justice Services to encourage arrest policies and enforcement of protection orders.

***Charleston Land Trust Commission Fund*** This fund was established to account for donations or other funding to acquire, maintain, improve, and preserve public trust lands.

***DOT Federal Grant Fund*** This fund was established to account for federal grant revenues from the Department of Transportation for capital improvements.

***Homeland Security Assistance to Firefighters Grant Fund*** This fund was established to account for federal grants received from the U.S. Department of Homeland Security passed through the state Secretary of Military Affairs and Public Safety to purchase face pieces, fit tests, and other authorized equipment purchases for the Charleston Fire Department.

***Homeland Security Grant Fund*** This fund was established to account for federal grants received from the U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) to account for purchase of First Response Equipment for the City's public safety activities.

***Human Rights Fund*** This fund is a cooperative agreement with HUD for the Fair Housing Assistance Program (FHAP) within the City.

***Metro Loan Fund*** This fund was established to account for funds received from the State for small business loans. Loans are no longer given, however, collection of payments on prior loans are accounted for.

# CITY OF CHARLESTON, WEST VIRGINIA

## SPECIAL REVENUE FUNDS (Continued)

***Municipal Beautification Fund*** This fund was established to account for revenues received from fee charges for clean up of properties within the City and for donations received to be used for beautification of the City.

***Municipal Court Fund*** This fund accounts for monies received for fines and forfeitures.

***Police & Fire Donations Fund*** This fund was established to receive private contributions to be utilized for police and fire operations.

***Police Grants Fund*** This fund was established to account for federal grants received from the U.S. Department of Justice to encourage arrest policies and enforcement of protection orders.

***Public Arts Grant Fund*** This fund was established to account for grant monies from the National Endowment for the Arts and private contributions to support a series of cultural planning activities to strengthen the role of public art in Charleston, WV.

***Rail Trail Project Fund*** This fund was established to account for federal grants to acquire a railroad bridge, railroad trestle, and additional railroad right of way and convert them to a rail trail referred to as the Charleston Kanawha Trestle Trail Project.

***Rental Rehabilitation Fund*** This fund was established to account for loan payments collected from housing rehabilitation clients to MOECD. The rehab program no longer exists, however, this fund still accounts for payments received from loans originating several years ago.

***Solid Waste Fund*** This fund accounts for the revenues collected from refuse fees and royalties from the contracted landfill operations. This fund also reserves monies for contingency post fund closure landfill cost.

***Special Demolition Fund*** This fund accounts for monies to be used for demolition of buildings as necessary within the City.

***Supportive Housing Fund*** This fund accounts for Supporting Housing Grants received to pay salaries for supportive service coordinators and other direct expenses for five shelters.

***U.S. Small Business Administration Fund*** This fund accounts for federal grants received from the U.S. Small Business Administration under a grant/cooperative agreement and private contributions for the City of Charleston, WV Riverfront Park (Haddad Park).



**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
**June 30, 2014**

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	DOT Federal Grant
<b>ASSETS</b>				
Cash and cash equivalents	\$ 145,640	\$ 37,500	\$ 44,358	\$ --
Investments	--	--	--	--
Receivables:				
Accounts	--	--	25	--
Grants	--	82,340	--	6,034
Loans	--	--	--	--
Interest	--	--	--	--
Due from:				
Other funds	21,864	18,792	--	--
Component units	--	--	--	--
Restricted cash	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ <u>167,504</u>	\$ <u>138,632</u>	\$ <u>44,383</u>	\$ <u>6,034</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,102	\$ 44,945	\$ --	\$ --
Due to:				
Other funds	--	60,409	--	6,034
Component unit	--	--	--	--
Other liabilities:				
Grant advances	--	33,278	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>8,102</u>	<u>138,632</u>	<u>--</u>	<u>6,034</u>
<b>Fund balances:</b>				
Restricted	159,402	--	44,383	--
Committed	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>159,402</u>	<u>--</u>	<u>44,383</u>	<u>--</u>
Total liabilities and fund balances	\$ <u>167,504</u>	\$ <u>138,632</u>	\$ <u>44,383</u>	\$ <u>6,034</u>

CONTINUED

Homeland Security Assistance	Homeland Security Grant	Human Rights	Metro Loan	Municipal Beautification	Municipal Court
\$ --	\$ --	\$ 176,848	\$ --	\$ 31,266	\$ 174,259
--	--	--	--	--	--
--	--	--	--	--	66,262
50,350	123,864	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
50,350	123,864	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 100,700</u>	<u>\$ 247,728</u>	<u>\$ 176,848</u>	<u>\$ --</u>	<u>\$ 31,266</u>	<u>\$ 240,521</u>
\$ 50,350	\$ 123,864	\$ --	\$ --	\$ --	\$ 30,266
50,350	123,864	--	--	--	93,321
--	--	--	--	--	--
--	--	161,191	--	--	--
<u>100,700</u>	<u>247,728</u>	<u>161,191</u>	<u>--</u>	<u>--</u>	<u>123,587</u>
--	--	15,657	--	--	116,934
--	--	--	--	31,266	--
--	--	15,657	--	31,266	116,934
<u>\$ 100,700</u>	<u>\$ 247,728</u>	<u>\$ 176,848</u>	<u>\$ --</u>	<u>\$ 31,266</u>	<u>\$ 240,521</u>

CONTINUED

<u>Police &amp; Fire Donations</u>	<u>Police Grants</u>	<u>Public Arts Grant</u>	<u>Rail Trail Project</u>	<u>Rental Rehabilitation</u>	<u>Solid Waste</u>
\$ 22,887	\$ 78,966	\$ 48,160	\$ --	\$ --	\$ 39,193
--	--	--	--	--	1,043,724
--	--	--	--	--	339,819
--	149,146	--	72,957	--	--
--	--	--	--	150,143	--
--	--	--	--	--	--
--	27,630	--	37,188	--	--
--	--	--	--	--	31,398
--	--	--	--	--	1,683,359
<u>\$ 22,887</u>	<u>\$ 255,742</u>	<u>\$ 48,160</u>	<u>\$ 110,145</u>	<u>\$ 150,143</u>	<u>\$ 3,137,493</u>
\$ --	\$ 35,045	\$ --	\$ 34,455	\$ --	\$ 46,239
--	183,872	--	75,690	--	--
--	--	--	--	--	2,222
--	--	--	--	--	--
--	218,917	--	110,145	--	48,461
--	36,825	48,160	--	--	2,737,943
22,887	--	--	--	150,143	351,089
<u>22,887</u>	<u>36,825</u>	<u>48,160</u>	<u>--</u>	<u>150,143</u>	<u>3,089,032</u>
<u>\$ 22,887</u>	<u>\$ 255,742</u>	<u>\$ 48,160</u>	<u>\$ 110,145</u>	<u>\$ 150,143</u>	<u>\$ 3,137,493</u>

CONTINUED



<u>Special Demolition</u>	<u>Supportive Housing</u>	<u>U.S. Small Business Administration</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 50,383	\$ --	\$ 17,050	\$ 866,510
--	--	--	1,043,724
--	--	--	406,106
--	17,499	--	502,190
--	--	--	150,143
--	--	--	--
--	--	4,204	283,892
--	--	--	31,398
--	--	--	1,683,359
<u>\$ 50,383</u>	<u>\$ 17,499</u>	<u>\$ 21,254</u>	<u>\$ 4,967,322</u>
\$ --	\$ 17,282	\$ 4,204	\$ 394,752
--	217	--	593,757
--	--	--	2,222
--	--	--	194,469
--	17,499	4,204	1,185,200
--	--	17,050	3,176,354
<u>50,383</u>	<u>--</u>	<u>--</u>	<u>605,768</u>
<u>50,383</u>	<u>--</u>	<u>17,050</u>	<u>3,782,122</u>
<u>\$ 50,383</u>	<u>\$ 17,499</u>	<u>\$ 21,254</u>	<u>\$ 4,967,322</u>

See Independent Auditor's Report.



**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	DOT Federal Grant	Homeland Security Assistance
<b>REVENUES</b>					
Intergovernmental:					
Federal	\$ --	\$ 260,589	\$ --	\$ --	\$ 159,074
State	--	--	--	--	--
Charges for services	--	--	--	--	--
Fines and forfeits	125,796	--	--	--	--
Interest and investment earnings	472	--	165	--	--
Contributions and donations	--	--	3,644	--	--
Miscellaneous	--	--	--	--	--
<b>Total revenues</b>	<b>126,268</b>	<b>260,589</b>	<b>3,809</b>	<b>--</b>	<b>159,074</b>
<b>EXPENDITURES</b>					
Current:					
General government	--	--	--	--	--
Public safety	114,420	260,589	--	--	159,074
Streets and transportation	--	--	--	--	--
Culture and recreation	--	--	--	--	--
Health and sanitation	--	--	--	--	--
Economic development	--	--	6,597	--	--
<b>Total expenditures</b>	<b>114,420</b>	<b>260,589</b>	<b>6,597</b>	<b>--</b>	<b>159,074</b>
Excess (deficiency) of revenues over (under) expenditures	11,848	--	(2,788)	--	--
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	--	--	--	--	--
Transfers (out)	--	--	--	--	--
<b>Total other financing sources (uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net change in fund balances</b>	<b>11,848</b>	<b>--</b>	<b>(2,788)</b>	<b>--</b>	<b>--</b>
Fund balances - beginning -restated	147,554	--	47,171	--	--
<b>Fund balances - ending</b>	<b>\$ 159,402</b>	<b>\$ --</b>	<b>\$ 44,383</b>	<b>\$ --</b>	<b>\$ --</b>

CONTINUED

<u>Homeland Security Grant</u>	<u>Human Rights</u>	<u>Metro Loan</u>	<u>Municipal Beautification</u>	<u>Municipal Court</u>	<u>Police &amp; Fire Donations</u>	<u>Police Grants</u>
\$ 123,864	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 583,073
--	--	--	--	--	--	--
--	--	--	618	--	--	--
--	--	--	--	481,393	--	--
--	--	4	115	--	146	--
--	--	--	60	--	425	--
--	--	--	--	--	--	--
<u>123,864</u>	<u>--</u>	<u>4</u>	<u>793</u>	<u>481,393</u>	<u>571</u>	<u>583,073</u>
--	--	--	--	123,283	--	--
123,864	--	--	--	--	20,703	583,073
--	--	--	802	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	6,572	--	--	--	--
<u>123,864</u>	<u>--</u>	<u>6,572</u>	<u>802</u>	<u>123,283</u>	<u>20,703</u>	<u>583,073</u>
--	--	( 6,568)	( 9)	358,110	( 20,132)	--
--	--	--	--	--	--	--
--	--	--	--	( 358,615)	--	--
--	--	--	--	( 358,615)	--	--
--	--	( 6,568)	( 9)	( 505)	( 20,132)	--
--	15,657	6,568	31,275	117,439	43,019	36,825
<u>\$ --</u>	<u>\$ 15,657</u>	<u>\$ --</u>	<u>\$ 31,266</u>	<u>\$ 116,934</u>	<u>\$ 22,887</u>	<u>\$ 36,825</u>

CONTINUED

<u>Public Arts Grant</u>	<u>Rail Trail Project</u>	<u>Rental Rehabilitation</u>	<u>Solid Waste</u>	<u>Special Demolition</u>	<u>Supportive Housing</u>	<u>U.S. Small Business Administration</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ --	\$ 138,297	\$ --	\$ --	\$ --	\$ 103,485	\$ --	\$ 1,368,382
--	30,000	--	--	--	--	--	30,000
--	--	--	4,008,227	--	--	--	4,008,845
--	--	--	--	--	--	--	607,189
--	--	--	18,617	170	--	--	19,689
20,080	--	--	--	--	--	--	24,209
--	--	--	--	25,620	--	--	25,620
<u>20,080</u>	<u>168,297</u>	<u>--</u>	<u>4,026,844</u>	<u>25,790</u>	<u>103,485</u>	<u>--</u>	<u>6,083,934</u>
--	--	--	--	--	--	--	123,283
--	--	--	--	--	--	--	1,261,723
--	--	--	--	--	--	--	802
--	--	--	--	--	--	--	--
--	--	--	1,111,505	--	--	--	1,111,505
--	171,264	--	--	--	103,485	24,990	312,908
<u>--</u>	<u>171,264</u>	<u>--</u>	<u>1,111,505</u>	<u>--</u>	<u>103,485</u>	<u>24,990</u>	<u>2,810,221</u>
<u>20,080</u>	<u>( 2,967)</u>	<u>--</u>	<u>2,915,339</u>	<u>25,790</u>	<u>--</u>	<u>( 24,990)</u>	<u>3,273,713</u>
--	2,967	--	--	--	--	24,990	27,957
<u>--</u>	<u>( 2,733)</u>	<u>( 20,000)</u>	<u>( 2,800,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>( 3,181,348)</u>
<u>--</u>	<u>234</u>	<u>( 20,000)</u>	<u>( 2,800,000)</u>	<u>--</u>	<u>--</u>	<u>24,990</u>	<u>( 3,153,391)</u>
20,080	( 2,733)	( 20,000)	115,339	25,790	--	--	120,322
<u>28,080</u>	<u>2,733</u>	<u>170,143</u>	<u>2,973,693</u>	<u>24,593</u>	<u>--</u>	<u>17,050</u>	<u>3,661,800</u>
<u>\$ 48,160</u>	<u>\$ --</u>	<u>\$ 150,143</u>	<u>\$ 3,089,032</u>	<u>\$ 50,383</u>	<u>\$ --</u>	<u>\$ 17,050</u>	<u>\$ 3,782,122</u>

See Independent Auditor's Report.



# CITY OF CHARLESTON, WEST VIRGINIA

## CAPITAL PROJECTS FUNDS

### *Nonmajor Funds*

***Ball Park Maintenance Fund*** This fund is used to account for contributions by the General Fund of \$25,000 annually for maintenance and improvements of the ball park in accordance with a contract between the City and West Virginia Power Ball Team.

***Bridge Fund*** This City Council established fund is maintained to account for revenue sources expended for the construction and maintenance of bridges.

***City Service Fee Project Fund*** This fund receives transfers from the General Fund of the city service fee revenues, that are dedicated for street maintenance and infrastructure throughout the City, in order to better provide public accountability for the monies.

***Civic Center Capital Improvements Fund*** This City Council established fund is operated to receive transfers of all capital improvement fees collected at the Civic Center events. These revenue sources are maintained for capital improvements to the Civic Center.

***Convention & Civic Center Expansion/Renovation Project*** This City Council established fund is to account for capital improvement associated with the Charleston Convention and Civic Center Project to be financed with city sales and use tax revenue.

***Facilities Maintenance Fund*** This fund was established to account for various facility renovation projects separately and is funded by transfers from the General Fund.

***General Maintenance Fund*** This City Council established fund is operated to receive transfers from the General Fund to separately account for funds expended for capital improvements.

***Infrastructure Fund*** This City Council established fund is used to maintain revenue sources for capital improvements to infrastructure.

***Municipal Auditorium Capital Improvements Fund*** This City Council established fund is operated to receive capital improvement fees collected at the Municipal Auditorium events to account for funds expended for capital improvements to the Municipal Auditorium.

***Soccer Field Fund*** This City Council established fund is used to receive revenue resources dedicated to improvements of City soccer fields.

***South Side Recreation Fund*** This City Council established fund is used to receive revenue sources dedicated to improvements for recreation on the South Side of Charleston, WV.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2014**

	<u>Ball Park Maintenance</u>	<u>Bridge</u>	<u>City Service Fee Project</u>	<u>Civic Center Capital Improvements</u>	<u>Covention Civic Center Project</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 51,555	\$ 110	\$ 306,829	\$ 290,614	\$ --
Accounts receivable	--	--	--	--	--
Due from :					
Other funds	<u>--</u>	<u>--</u>	<u>556,804</u>	<u>--</u>	<u>248,721</u>
Total assets	<u>\$ 51,555</u>	<u>\$ 110</u>	<u>\$ 863,633</u>	<u>\$ 290,614</u>	<u>\$ 248,721</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 3,084	\$ --	\$ 700,436	\$ --	\$ --
Due to:					
Other funds	<u>--</u>	<u>--</u>	<u>163,197</u>	<u>--</u>	<u>248,721</u>
Total liabilities	<u>3,084</u>	<u>--</u>	<u>863,633</u>	<u>--</u>	<u>248,721</u>
<b>FUND BALANCES</b>					
Restricted	48,471	--	--	--	--
Committed	<u>--</u>	<u>110</u>	<u>--</u>	<u>290,614</u>	<u>--</u>
Total fund balances	<u>48,471</u>	<u>110</u>	<u>--</u>	<u>290,614</u>	<u>--</u>
Total liabilities and fund balances	<u>\$ 51,555</u>	<u>\$ 110</u>	<u>\$ 863,633</u>	<u>\$ 290,614</u>	<u>\$ 248,721</u>

CONTINUED



<u>Facilities Maintenance Fund</u>	<u>General Maintenance</u>	<u>Infrastructure</u>	<u>Municipal Auditorium Capital Improvements</u>	<u>Soccer Field</u>	<u>South Side Recreation</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 4,171,515	\$ 689,346	\$ 145,160	\$ 130,095	\$ 3,054	\$ 9,738	\$ 5,798,016
102	--	--	--	--	--	102
--	165,930	--	--	--	--	971,455
<u>\$ 4,171,617</u>	<u>\$ 855,276</u>	<u>\$ 145,160</u>	<u>\$ 130,095</u>	<u>\$ 3,054</u>	<u>\$ 9,738</u>	<u>\$ 6,769,573</u>
\$ 5,335	\$ 36,817	\$ --	\$ --	\$ --	\$ --	\$ 745,672
4,204	--	--	--	--	--	416,122
9,539	36,817	--	--	--	--	1,161,794
--	--	--	--	--	--	48,471
4,162,078	818,459	145,160	130,095	3,054	9,738	5,559,308
4,162,078	818,459	145,160	130,095	3,054	9,738	5,607,779
<u>\$ 4,171,617</u>	<u>\$ 855,276</u>	<u>\$ 145,160</u>	<u>\$ 130,095</u>	<u>\$ 3,054</u>	<u>\$ 9,738</u>	<u>\$ 6,769,573</u>

See Independent Auditor's Report

**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Ball Park Maintenance</u>	<u>Bridge</u>	<u>City Service Fee Project</u>	<u>Civic Center Capital Improvements</u>	<u>Convention Civic Center Project</u>
<b>REVENUES</b>					
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --
Interest and investment earnings	141	1	2,319	843	--
Contributions and donations	--	--	--	3,000	--
Reimbursements	--	--	28,899	--	--
<b>Total revenues</b>	<u>141</u>	<u>1</u>	<u>31,218</u>	<u>3,843</u>	<u>--</u>
<b>EXPENDITURES</b>					
Current:					
Capital projects	<u>9,051</u>	<u>--</u>	<u>3,364,173</u>	<u>--</u>	<u>317,672</u>
<b>Total expenditures</b>	<u>9,051</u>	<u>--</u>	<u>3,364,173</u>	<u>--</u>	<u>317,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>( 8,910)</u>	<u>1</u>	<u>( 3,332,955)</u>	<u>3,843</u>	<u>( 317,672)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	25,000	--	2,206,804	91,881	317,672
Transfers (out)	<u>--</u>	<u>--</u>	<u>--</u>	<u>( 8,560)</u>	<u>--</u>
<b>Total other financing sources (uses)</b>	<u>25,000</u>	<u>--</u>	<u>2,206,804</u>	<u>83,321</u>	<u>317,672</u>
Net change in fund balances	16,090	1	( 1,126,151)	87,164	--
Fund balances - beginning	<u>32,381</u>	<u>109</u>	<u>1,126,151</u>	<u>203,450</u>	<u>--</u>
Fund balances - ending	<u>\$ 48,471</u>	<u>\$ 110</u>	<u>\$ --</u>	<u>\$ 290,614</u>	<u>\$ --</u>

CONTINUED

Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Soccer Field	South Side Recreation	Total Nonmajor Capital Projects Funds
\$ --	\$ --	\$ --	\$ 6,648	\$ --	\$ --	\$ 6,648
980	2,711	532	485	11	36	8,059
--	8,244	--	--	--	--	11,244
--	--	--	--	--	--	28,899
<u>980</u>	<u>10,955</u>	<u>532</u>	<u>7,133</u>	<u>11</u>	<u>36</u>	<u>54,850</u>
<u>298,885</u>	<u>1,478,502</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,468,283</u>
<u>298,885</u>	<u>1,478,502</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,468,283</u>
<u>( 297,905)</u>	<u>( 1,467,547)</u>	<u>532</u>	<u>7,133</u>	<u>11</u>	<u>36</u>	<u>( 5,413,433)</u>
4,281,094	717,733	--	--	--	--	7,640,184
<u>( 4,204)</u>	<u>( 23,753)</u>	<u>--</u>	<u>( 7,660)</u>	<u>--</u>	<u>--</u>	<u>( 44,177)</u>
<u>4,276,890</u>	<u>693,980</u>	<u>--</u>	<u>( 7,660)</u>	<u>--</u>	<u>--</u>	<u>7,596,007</u>
3,978,985	( 773,567)	532	( 527)	11	36	2,182,574
<u>183,093</u>	<u>1,592,026</u>	<u>144,628</u>	<u>130,622</u>	<u>3,043</u>	<u>9,702</u>	<u>3,425,205</u>
<u>\$ 4,162,078</u>	<u>\$ 818,459</u>	<u>\$ 145,160</u>	<u>\$ 130,095</u>	<u>\$ 3,054</u>	<u>\$ 9,738</u>	<u>\$ 5,607,779</u>

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# CITY OF CHARLESTON, WEST VIRGINIA

## DEBT SERVICE FUND

### *Nonmajor Fund*

***Debt Service Sinking Fund*** This fund is used to account for the accumulation of resources and payment of general long-term debt principal and interest from governmental resources and for governmental revenue bonds debt principal and interest from specified revenues. The City currently has no general obligation bonds outstanding.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**BALANCE SHEET - NONMAJOR DEBT SERVICE FUND**  
**June 30, 2014**

	<u>Sinking Fund</u>
<b>ASSETS</b>	
Restricted cash	\$ <u>7</u>
Total assets	\$ <u><u>7</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
	\$ <u><u>--</u></u>
<b>FUND BALANCE</b>	
Restricted	\$ <u>7</u>
Total fund balance	<u>7</u>
Total liabilities and fund balance	\$ <u><u>7</u></u>

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**CITY OF CHARLESTON, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
NONMAJOR DEBT SERVICE FUND  
For the Fiscal Year Ended June 30, 2014**

	<u>Sinking Fund</u>
<b>REVENUES</b>	
Interest and investment earnings	\$ <u>3,000</u>
Total revenues	<u>3,000</u>
<b>EXPENDITURES</b>	
Current:	
Principal	210,000
Interest	<u>115,536</u>
Total expenditures	<u>325,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>( 322,536)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	<u>322,536</u>
Total other financing sources (uses)	<u>322,536</u>
Net change in fund balance	--
Fund balance - beginning	<u>7</u>
Fund balance - ending	<u><u>\$ 7</u></u>

See Independent Auditor's Report

# CITY OF CHARLESTON, WEST VIRGINIA PERMANENT FUND

## *Nonmajor Fund*

*Spring Hill Cemetery Fund* This fund was created in 1973 by City Council to manage funds received for the perpetual care of Spring Hill Cemetery. The corpus is maintained in trust and the earnings thereon are to be expended for the general care and maintenance of the cemetery.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**BALANCE SHEET - NONMAJOR PERMANENT FUND**  
**June 30, 2014**

	<u>Spring Hill Cemetery</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 151,567
Investments	2,074,930
Receivables:	
Accrued interest	3,428
Due from:	
Other funds	<u>1,650</u>
 Total assets	 \$ <u><u>2,231,575</u></u>
 <b>FUND BALANCE</b>	
 Nonspendable	 \$ 1,286,351
Restricted	<u>945,224</u>
 Total fund balances	 <u>2,231,575</u>
 Total liabilities and fund balance	 \$ <u><u>2,231,575</u></u>

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**CITY OF CHARLESTON, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
NONMAJOR PERMANENT FUND  
For the Fiscal Year Ended June 30, 2014**

	<u>Spring Hill Cemetery</u>
<b>REVENUES</b>	
Investment earnings	\$ <u>202,094</u>
Total revenues	<u>202,094</u>
<b>EXPENDITURES</b>	
Current:	
Social services	<u>24,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>177,671</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	<u>23,025</u>
Net change in fund balance	200,696
Fund balance - beginning	<u>2,030,879</u>
Fund balance - ending	<u><u>\$ 2,231,575</u></u>

See Independent Auditor's Report

## **CITY OF CHARLESTON, WEST VIRGINIA FIDUCIARY FUND FINANCIAL STATEMENTS**

### ***Pension Trust Funds***

*Policemen's Pension and Relief Fund* This fund provides retirement benefits for substantially all full-time police employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code using the Conservation Method. This plan is closed to new employees effective June 1, 2011 and new employees are covered in a multiple employer statewide plan. The State will contract an actuary annually to obtain an actuarial valuation to determine solvency of this local plan.

*Firemen's Pension and Relief Fund* This fund provides retirement benefits for substantially all full-time police employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code using the Conservation Method. This plan is closed to new employees effective June 1, 2011 and new employees are covered in a multiple employer statewide plan. The State will contract an actuary annually to obtain an actuarial valuation to determine solvency of this local plan.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**June 30, 2014**

	Pension Trust Funds		Total Pension Trust Funds
	Policemen's Pension and Relief	Firemen's Pension and Relief	
<b>ASSETS</b>			
Non-pooled cash	\$ 2,509,271	\$ 3,817,158	\$ 6,326,429
Total cash	2,509,271	3,817,158	6,326,429
Investments, at fair value:			
Federal government securities	2,152,049	3,254,878	5,406,927
Certificates of deposit	--	200,677	200,677
Managed bond funds	3,222,246	--	3,222,246
Managed stock funds	7,312,406	6,269,695	13,582,101
Total investments	12,686,701	9,725,250	22,411,951
Receivables:			
Interest	46,790	3,374	50,164
Total receivables	46,790	3,374	50,164
Total assets	\$ 15,242,762	\$ 13,545,782	\$ 28,788,544
<b>LIABILITIES</b>			
Accounts payable	\$ --	\$ --	\$ --
Benefits payable	--	568,929	568,929
Total liabilities	\$ --	\$ 568,929	\$ 568,929
<b>NET POSITION</b>			
Net position restricted for pensions	\$ 15,242,762	\$ 12,976,853	\$ 28,219,615

**CITY OF CHARLESTON, WEST VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	Pension Trust Funds		Totals
	Policemen's Pension and Relief	Firemen's Pension and Relief	
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 4,919,728	\$ 5,191,340	\$ 10,111,068
Plan members	648,924	603,333	1,252,257
State of West Virginia insurance premium surtax allocations	1,820,127	1,770,140	3,590,267
Total contributions	7,388,779	7,564,813	14,953,592
Investment earnings:			
Net increase (decrease) in fair value of investments	1,280,078	1,167,115	2,447,193
Net gain (loss) on sale of investments	--	--	--
Interest and dividends	266,022	208,318	474,340
Miscellaneous	--	--	--
Less: investment expense	( 130,236)	( 57,438)	( 187,674)
Net investment income	1,415,864	1,317,995	2,733,859
Total additions	8,804,643	8,882,808	17,687,451
<b>DEDUCTIONS</b>			
Benefits	6,607,935	6,822,655	13,430,590
Administrative expenses	22,264	8,132	30,396
Refunds of contributions	80,197	121,104	201,301
Miscellaneous	--	--	--
Total deductions	6,710,396	6,951,891	13,662,287
Net increase in net position	2,094,247	1,930,917	4,025,164
Net position restricted for pensions			
Beginning of year	13,148,515	11,045,936	24,194,451
End of year	\$ 15,242,762	\$ 12,976,853	\$ 28,219,615

# CITY OF CHARLESTON, WEST VIRGINIA

## AGENCY FUNDS

***Civic Center Ticket Fund*** This fund is custodial in nature and accounts for revenues received from ticket sales for events held at the Civic Center and subsequently dispersed to promoters of the various events.

***Civic Center Promotions Fund*** This fund is custodial in nature and accounts for revenues received from customers for the Cooking Show, the Wedding Show, and a series of reunions that the Civic Center produces and are subsequently dispersed and deposited to the Civic Center Revenue Fund after the events are over.

***Metro Drug Enforcement Task Force Fund*** This fund is custodial in nature where revenues from forfeitures and donations are held until dispersed to various other City or State Agencies.

***Pending Forfeiture Fund*** This fund is custodial in nature and is operated to hold revenues from forfeitures until disbursed to appropriate federal or state entity or returned by court order.

***Police Asset & Liability Fund*** This fund is custodial in nature and is operated by the Charleston Police Department for confiscated property that will normally be refunded upon court order.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -**  
**AGENCY FUNDS**  
**June 30, 2014**

	<u>Civic Center Ticket</u>	<u>Civic Center Promotions</u>	<u>Metro Drug Enforcement Task Force</u>	<u>Pending Forfeiture</u>	<u>Police Asset &amp; Liability</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents \$	479,123	\$ 4,870	\$ 348,695	\$ 1,368,109	\$ 23,320	\$ 2,224,117
Receivables:						
Accounts	--	--	6,389	--	--	6,389
Due from other funds	<u>--</u>	<u>--</u>	<u>10,023</u>	<u>--</u>	<u>--</u>	<u>10,023</u>
 Total assets	 <u>\$ 479,123</u>	 <u>\$ 4,870</u>	 <u>\$ 365,107</u>	 <u>\$ 1,368,109</u>	 <u>\$ 23,320</u>	 <u>\$ 2,240,529</u>
<b>LIABILITIES</b>						
Refunds payable and other \$	479,123	\$ 4,870	\$ 347,047	\$ 1,355,482	\$ 23,320	\$ 2,209,842
Due to other funds	<u>--</u>	<u>--</u>	<u>18,060</u>	<u>12,627</u>	<u>--</u>	<u>30,687</u>
 Total liabilities	 <u>\$ 479,123</u>	 <u>\$ 4,870</u>	 <u>\$ 365,107</u>	 <u>\$ 1,368,109</u>	 <u>\$ 23,320</u>	 <u>\$ 2,240,529</u>

See Independent Auditor's Report

**CITY OF CHARLESTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Civic Center Ticket</u>	<u>Civic Center Promotions</u>	<u>Metro Drug Enforcement Task Force</u>	<u>Pending Forfeiture</u>	<u>Police Asset &amp; Liability</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents						
July 1, 2013	\$ 441,221	\$ 7,547	\$ 263,521	\$ 1,248,970	\$ 6,333	\$ 1,967,592
Receivables, July 1, 2013	--	--	15,822	--	--	15,822
Due from other funds, July 1, 2013						
Additions-cash	8,010,449	169,236	706,939	661,847	16,987	9,565,458
Deductions-cash	( 7,972,547)	( 171,913)	( 621,765)	( 542,708)	--	( 9,308,933)
Additions-receivable	--	--	6,389	--	--	6,389
Deductions-receivable	--	--	( 15,822)	--	--	( 15,822)
Additions-due from other funds	--	--	10,023	--	--	10,023
Deductions-due from other funds	--	--	--	--	--	--
Cash and cash equivalents						
June 30, 2014	479,123	4,870	348,695	1,368,109	23,320	2,224,117
Receivables, June 30, 2014	--	--	6,389	--	--	6,389
Due from other funds,						
June 30, 2014	--	--	10,023	--	--	10,023
Total assets, June 30, 2014	<u>\$ 479,123</u>	<u>\$ 4,870</u>	<u>\$ 365,107</u>	<u>\$ 1,368,109</u>	<u>\$ 23,320</u>	<u>\$ 2,240,529</u>
<b>LIABILITIES</b>						
Refunds payable and others						
July 1, 2013	\$ 441,221	\$ 7,547	\$ 266,342	\$ 1,248,970	\$ 6,333	\$ 1,970,413
Additions	8,010,449	169,236	539,311	649,220	16,987	9,385,203
Deductions	( 7,972,547)	( 171,913)	( 458,606)	( 542,708)	--	( 9,145,774)
Due to other funds						
July 1, 2013	--	--	13,001	--	--	13,001
Additions	--	--	18,060	12,627	--	30,687
Deductions	--	--	( 13,001)	--	--	( 13,001)
Refunds payable and others						
June 30, 2014	479,123	4,870	347,047	1,355,482	23,320	2,209,842
Due to other funds						
June 30, 2014	--	--	18,060	12,627	--	30,687
Total liabilities, June 30, 2014	<u>\$ 479,123</u>	<u>\$ 4,870</u>	<u>\$ 365,107</u>	<u>\$ 1,368,109</u>	<u>\$ 23,320</u>	<u>\$ 2,240,529</u>

See Independent Auditor's Report

***STATISTICAL SECTION***



**CITY OF CHARLESTON, WEST VIRGINIA  
STATISTICAL SECTION**

This part of the City of Charleston's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

**Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property, business and occupation taxes and other tax revenues.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

**Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the City's audited financial statements for the relevant year.

CITY OF CHARLESTON, WEST VIRGINIA

**Table 1**  
**Net Position by Component -**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 66,448,722	\$ 68,309,020	\$ 71,869,697	\$ 69,648,983	\$ 73,968,963	\$ 83,612,718	\$ 82,874,654	\$ 82,454,592	\$ 83,960,629.0	\$ 87,087,352
Restricted	9,488,250	10,392,753	12,211,193	14,713,465	13,856,864	8,954,706	21,260,146	22,474,411	6,470,883	6,149,457
Unrestricted	(15,967,485)	(20,756,708)	(32,287,210)	(39,331,088)	(49,998,448)	(61,208,990)	(78,514,106)	(83,189,573)	(72,369,899)	(71,367,528)
Total governmental activities net position	\$ 59,969,487	\$ 57,945,065	\$ 51,793,680	\$ 45,031,360	\$ 37,827,379	\$ 31,358,434	\$ 25,620,694	\$ 21,739,430	\$ 18,061,613	\$ 21,869,281
Business-type activities										
Net investment in capital assets	\$ 10,485,290	\$ 10,907,278	\$ 10,854,966	\$ 10,508,737	\$ 11,003,316	\$ 11,045,766	\$ 11,453,846	\$ 11,731,642	\$ 12,406,337	\$ 12,922,295
Restricted	1,855,216	1,967,296	1,989,077	2,055,937	2,132,493	1,987,636	2,010,685	1,998,496	2,017,873	1,928,494
Unrestricted	196,325	140,807	298,804	739,912	963,564	1,481,099	1,816,359	2,547,076	2,028,805	2,346,951
Total business-type activities	\$ 12,536,831	\$ 13,015,381	\$ 13,142,847	\$ 13,304,586	\$ 14,099,373	\$ 14,514,501	\$ 15,280,890	\$ 16,277,214	\$ 16,453,015	\$ 17,197,740
Primary government										
Net investment in capital assets	\$ 76,934,012	\$ 79,216,302	\$ 82,724,663	\$ 80,157,720	\$ 84,972,279	\$ 94,658,484	\$ 94,328,500	\$ 94,186,234	\$ 96,366,966	\$ 100,009,647
Restricted	11,343,466	12,360,049	14,200,270	16,769,402	15,989,357	10,942,342	23,270,831	24,472,907	8,488,756	8,077,951
Unrestricted	(15,771,160)	(20,615,905)	(31,988,406)	(38,591,176)	(49,034,884)	(59,727,891)	(76,697,747)	(80,642,497)	(70,341,094)	(69,020,577)
Total primary government net position	\$ 72,506,318	\$ 70,960,446	\$ 64,936,527	\$ 58,335,946	\$ 51,926,752	\$ 45,872,935	\$ 40,901,584	\$ 38,016,644	\$ 34,514,628	\$ 39,067,021

CITY OF CHARLESTON, WEST VIRGINIA

Table 2  
Changes in Net Position - Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
General government	\$ 18,117,093	\$ 15,595,021	\$ 16,226,688	\$ 15,897,074	\$ 14,323,394	\$ 11,927,925	\$ 14,678,134	\$ 17,731,874	\$ 17,435,160	\$ 18,195,010
Public safety	34,256,666	35,437,345	39,543,593	48,241,928	49,742,002	51,702,101	48,939,715	47,682,757	49,882,789	48,445,018
Streets and transportation	3,185,260	6,454,730	7,993,195	8,346,954	10,646,908	12,983,127	11,247,814	10,566,066	10,622,107	11,628,169
Health and sanitation	3,672,291	4,302,817	5,354,317	5,207,158	5,729,637	5,583,600	5,738,852	5,340,104	5,583,625	5,978,855
Culture and recreation	5,930,600	6,962,595	6,378,521	6,675,344	7,305,225	7,235,426	7,296,468	7,156,105	7,516,254	7,456,492
Social services	637,832	666,342	360,025	822,953	831,811	858,632	726,284	371,124	511,436	860,187
Economic development	2,351,533	2,746,483	3,358,208	2,995,622	2,024,572	5,428,332	2,767,138	2,730,673	2,726,995	2,909,258
Administrative and general	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	1,082,377	982,256	881,524	58,003	920,328	779,600	680,588	680,342	559,472	491,682
Total governmental activities	69,233,652	73,147,589	80,096,071	88,245,036	91,523,877	96,498,743	92,074,993	92,259,045	94,837,838	95,964,671
Business-type activities										
Civic center	4,266,734	4,515,951	4,735,314	4,889,784	4,787,698	4,733,849	4,553,220	4,775,999	4,921,903	4,885,275
Parking system	3,347,906	3,141,969	3,233,036	3,140,715	2,921,629	2,888,475	2,869,089	2,893,075	2,860,448	2,912,491
Total business-type activities	7,614,640	7,657,920	7,968,350	8,030,499	7,709,327	7,622,324	7,422,309	7,669,074	7,782,351	7,797,766
Total primary government	\$ 76,848,292	\$ 80,805,509	\$ 88,064,421	\$ 96,275,535	\$ 99,233,204	\$ 104,121,067	\$ 99,497,302	\$ 99,928,119	\$ 102,620,189	\$ 103,762,437
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 5,926,506	\$ 3,621,630	\$ 3,708,650	\$ 3,535,513	\$ 3,456,574	\$ 3,032,201	\$ 3,485,637	\$ 2,742,318	\$ 2,883,260	\$ 3,545,715
Public safety	5,718,864	5,575,741	6,837,529	8,163,860	8,569,748	10,125,363	10,110,851	10,088,885	10,278,179	9,704,654
Culture and recreation	140,381	113,375	129,364	95,038	120,618	103,740	101,352	1,038,368	993,673	530,410
Streets and transportation	4,858	2,183,248	1,615,441	2,071,313	2,639,926	1,650,000	1,687,280	1,650,000	1,650,000	2,206,804
Health and sanitation	4,382,690	4,024,738	4,167,357	4,193,130	4,103,198	4,078,634	4,202,709	4,244,195	4,139,576	4,089,254
Economic development	2,252	-	-	-	-	-	-	-	-	-
Social services	154,468	194,080	213,931	191,635	161,208	137,875	112,123	115,329	181,974	157,490
Operating grants and contributions	4,802,708	4,720,285	4,730,700	9,541,628	8,572,211	8,743,137	9,199,315	8,803,239	8,704,482	8,298,558
Capital grants and contributions	5,075,683	2,194,445	2,107,864	1,471,975	1,509,503	7,654,827	1,561,603	1,391,735	2,296,876	1,807,358
Total governmental activities program revenues	\$ 26,208,410	\$ 22,627,542	\$ 23,510,836	\$ 29,264,092	\$ 29,132,986	\$ 35,525,777	\$ 30,460,870	\$ 30,074,069	\$ 31,128,020	\$ 30,340,243

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 2 (Continued)**  
**Changes in Net Position - Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services										
Rentals	\$ 3,504,671	\$ 3,488,733	\$ 3,653,123	\$ 3,572,936	\$ 3,663,108	\$ 1,094,783	\$ 3,606,545	\$ 3,887,577	\$ 3,728,044	\$ 3,749,201
Catering services	966,151	683,345	722,995	698,859	627,378	626,077	525,923	1,020,385	559,926	683,220
Parking violations	454,985	525,906	606,142	690,898	561,973	511,152	517,353	587,162	439,100	461,128
Parking meters	492,123	486,990	529,717	550,322	501,244	511,011	526,958	501,484	497,171	459,114
Other	847,534	827,436	874,709	1,105,029	1,074,676	3,711,047	1,029,662	1,038,443	1,315,385	1,413,194
Capital grants and contributions	26,032	40,334	73,344	224,125	48,387	20,240	439,181	152,000	42,470	18,272
Total business-type activities program revenues	6,291,496	6,052,744	6,460,030	6,842,169	6,476,766	6,474,310	6,645,622	7,187,051	6,582,096	6,784,129
Net (expense) revenue										
Governmental activities	(43,025,242)	(50,520,047)	(56,585,235)	(58,980,944)	(62,390,891)	(60,972,966)	(61,614,123)	(62,184,976)	(63,709,818)	(65,624,428)
Business-type activities	(1,323,144)	(1,605,176)	(1,508,320)	(1,188,330)	(1,232,561)	(1,148,014)	(776,687)	(482,024)	(1,200,255)	(1,013,637)
Total primary government net (expense) revenue	\$ (44,348,386)	\$ (52,125,223)	\$ (58,093,555)	\$ (60,169,274)	\$ (63,623,452)	\$ (62,120,980)	\$ (62,390,810)	\$ (62,667,000)	\$ (64,910,073)	\$ (66,638,065)
General revenues and other changes in net assets										
Governmental activities:										
Taxes										
Property taxes	\$ 10,499,462	\$ 9,898,401	\$ 10,389,006	\$ 10,355,037	\$ 10,541,473	\$ 11,438,498	\$ 11,548,479	\$ 11,955,757	\$ 12,564,591	\$ 13,011,895
Business and occupation taxes	32,863,908	33,681,586	35,567,872	36,666,641	39,691,857	37,874,423	38,852,038	40,750,458	41,355,598	46,402,641
City Sales & Use taxes	-	-	-	-	-	-	-	-	-	4,507,057
Utility taxes	2,017,526	2,140,036	2,120,895	2,307,808	2,776,258	2,693,921	3,055,717	2,701,790	2,907,752	2,848,995
Hotel occupancy taxes	1,143,828	2,311,414	2,433,977	2,567,145	2,779,180	2,767,690	2,745,140	3,117,547	3,039,553	2,787,461
Other taxes	710,085	967,036	768,397	1,048,092	1,050,431	1,072,361	1,020,032	1,019,882	1,209,480	1,147,957
Unrestricted grants and contributions	2,000	-	-	-	-	-	-	-	-	-
Investment earnings	195,021	411,672	445,379	336,531	151,378	33,867	78,352	77,866	72,877	94,984
Gain (Loss) on sale of capital assets	5,768,495	709,370	162,017	129,838	168,333	164,158	110,918	137,994	246,638	177,517
Miscellaneous	404	37,031	224	-	-	-	-	-	-	-
Special item-legal settlement	-	300,978	-	-	-	-	-	-	-	-
Transfers	(1,148,072)	(1,961,899)	(1,453,917)	(1,192,468)	(1,972,000)	(1,540,897)	(1,534,293)	(1,457,582)	(1,364,488)	(1,546,411)
Total governmental activities	\$ 52,052,657	\$ 48,495,625	\$ 50,433,850	\$ 52,218,624	\$ 55,186,910	\$ 54,504,021	\$ 55,876,383	\$ 58,303,712	\$ 60,032,001	\$ 69,432,096

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 2 (Continued)**  
**Changes in Net Position - Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities										
Property taxes-TIF District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,379
Investment earnings	116,038	120,926	176,954	157,601	52,842	13,356	11,416	10,685	11,553	11,809
Miscellaneous	267	900	4,915	-	2,506	8,889	33,049	1,434	15	(22,237)
Transfers	1,148,072	1,961,899	1,453,917	1,192,468	1,972,000	1,540,897	1,534,293	1,457,582	1,364,488	1,546,411
Total business-type activities	1,264,377	2,083,725	1,635,786	1,350,069	2,027,348	1,563,142	1,578,758	1,469,701	1,376,056	1,758,362
Total primary government	53,317,034	50,579,350	52,069,636	53,568,693	57,214,258	56,067,163	57,455,141	59,773,413	61,408,057	71,190,458
Change in net position										
Governmental activities	9,027,415	(2,024,422)	(6,151,385)	(6,762,320)	(7,203,981)	(6,468,945)	(5,737,740)	(3,881,264)	(3,677,817)	3,807,668
Business-type activities	(58,767)	478,549	127,466	161,739	794,787	415,128	802,071	996,324	175,801	744,725
Total primary government	\$ 8,968,648	\$ (1,545,873)	\$ (6,023,919)	\$ (6,600,581)	\$ (6,409,194)	\$ (6,053,817)	\$ (4,935,669)	\$ (2,884,940)	\$ (3,502,016)	\$ 4,552,393

**CITY OF CHARLESTON, WEST VIRGINIA**

**Table 3**

**Fund Balances - Governmental Funds**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Nonspendable:										
Prepays	\$ 951,368	\$ 1,008,515	\$ 966,752	\$ 859,405	\$ 830,761	\$ 606,961	\$ 599,087	\$ 538,965	\$ 534,963	\$ 590,403
Restricted for:										
Debt service	-	159,090	176,264	190,551	200,176	205,344	218,305	225,834	235,836	245,844
Capital projects	700,063	400,705	1,049,595	1,243,786	1,417,733	418,980	763,483	916,027	1,045,534	383,464
Committed for:										
Public safety	42,110	57,940	56,776	68,470	59,820	26,037	30,112	20,128	13,348	11,029
OPEB	-	-	-	-	-	-	7,968,345	8,538,480	9,067,704	9,101,263
Community development	-	-	-	-	-	-	62,811	55,593	55,778	4,242,439
Assigned for:										
General government	1,917,397	2,155,112	2,387,185	2,253,687	3,302,099	2,008,363	3,182,005	3,339,990	3,763,986	4,407,616
Public safety	1,367,497	-	-	-	-	136,293	183,045	50,647	69,416	73,628
Community development	-	-	-	-	-	46,991	-	-	-	-
Culture & recreation	-	-	-	-	25,000	14,895	-	1,897	-	48,352
Social services	-	-	-	-	-	-	29,354	-	-	-
Capital outlay	2,112,523	525,393	417,148	197,520	579,294	-	-	-	-	-
Unassigned	13,398,499	13,680,593	13,116,869	14,761,514	15,897,279	23,398,552	19,729,491	20,543,173	20,028,109	21,590,940
<b>Total General Fund</b>	<b>\$ 20,489,457</b>	<b>\$ 17,987,348</b>	<b>\$ 18,170,589</b>	<b>\$ 19,574,933</b>	<b>\$ 22,708,724</b>	<b>\$ 29,118,660</b>	<b>\$ 32,766,038</b>	<b>\$ 34,230,734</b>	<b>\$ 34,814,674</b>	<b>\$ 40,694,978</b>
All other governmental funds										
Nonspendable:										
Perpetual care	\$ 916,503	\$ 954,952	\$ 1,002,093	\$ 1,011,273	\$ 897,998	\$ 1,010,198	\$ 1,116,511	\$ 1,032,114	\$ 1,195,015	\$ 1,286,351
Restricted for:										
General government	68,490	121,527	143,229	151,112	118,186	134,743	140,179	117,942	117,439	116,934
Debt service	2,838,712	3,093,355	3,440,280	3,721,980	3,948,843	72,428	6	69,796	59,732	63,749
Community development	2,176,828	2,391,137	2,394,425	2,476,291	2,473,626	2,591,286	2,554,261	2,840,758	2,669,670	2,797,983
Perpetual care	426,224	473,466	605,904	553,215	606,658	657,879	748,567	885,180	835,864	945,224
Public safety	133,076	130,784	152,294	188,461	364,219	264,277	233,913	199,491	184,379	196,227
Culture & Recreation	-	-	-	-	-	-	-	-	127,415	113,681
Social services	-	-	-	-	-	-	16,220	-	-	-
Capital projects	-	-	-	-	-	6,137	1,294	10,814	-	-
Committed for:										
General government	533,587	1,163,903	1,228,029	1,288,469	1,840,757	-	-	-	24,593	50,383
Public safety	-	-	-	-	-	-	49,027	49,198	43,019	22,887
Community development	-	-	-	-	-	30,476	216,027	262,743	170,143	150,143
Steets & transportation	-	-	-	-	-	-	32,611	-	31,275	31,266
Health & Sanitation	419,039	431,999	358,635	396,629	378,063	318,383	430,070	421,358	376,241	351,089
Culture & Recreation	-	-	-	-	-	-	-	-	346,817	433,501
Debt service	-	-	-	-	-	-	74,371	-	-	-
Capital projects	929,347	2,710,766	3,323,604	4,656,742	3,941,227	2,826,676	2,610,542	2,897,456	3,046,007	5,125,807
Unassigned	-	-	-	-	-	-	-	-	-	(46,316)
<b>Total all other governmental funds</b>	<b>\$ 8,441,806</b>	<b>\$ 11,471,889</b>	<b>\$ 12,648,493</b>	<b>\$ 14,444,172</b>	<b>\$ 14,569,577</b>	<b>\$ 7,912,483</b>	<b>\$ 8,223,599</b>	<b>\$ 8,786,850</b>	<b>\$ 9,227,609</b>	<b>\$ 11,638,909</b>

The fund balance information for years 2005 through 2010 was restated from the previously reported reserved and unreserved to the new classifications required by GASB 54 which was implemented July 1, 2010. The fund balances were restated to the various classifications based upon the information available which has resulted in some variances in the classifications over the years.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 4**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 46,430,717	\$ 49,242,614	\$ 51,334,552	\$ 53,028,638	\$ 57,051,587	\$ 55,577,494	\$ 57,209,561	\$ 59,653,667	\$ 60,951,422	\$ 70,823,001
Licenses and permits	1,406,671	1,507,731	1,585,869	1,455,775	1,731,941	1,601,720	1,624,147	1,727,040	1,980,033	2,314,548
Fines and forfeitures	1,237,831	1,425,243	1,334,183	1,206,087	1,189,702	731,521	865,220	889,523	682,139	607,189
Charges for services	13,242,403	12,545,403	13,455,536	15,318,855	16,141,496	16,659,106	17,172,031	17,196,859	17,378,425	17,083,347
Intergovernmental	8,696,949	5,595,090	4,928,969	9,438,800	8,423,241	11,857,013	9,231,083	8,360,571	9,043,036	8,438,015
Investment earnings	549,103	818,789	1,184,506	778,985	400,498	321,058	310,621	274,412	227,115	333,819
Other revenues	2,109,403	2,098,938	2,426,221	2,370,284	2,419,634	3,918,629	2,355,501	2,657,649	2,290,775	2,380,245
<b>Total revenues</b>	<b>73,673,077</b>	<b>73,233,808</b>	<b>76,249,836</b>	<b>83,597,424</b>	<b>87,358,099</b>	<b>90,666,541</b>	<b>88,768,164</b>	<b>90,759,721</b>	<b>92,552,945</b>	<b>101,980,164</b>
<b>Expenditures</b>										
General government	12,386,355	12,680,635	14,029,365	15,247,865	14,755,393	14,892,930	15,098,648	16,758,073	17,300,093	17,895,004
Public safety	30,988,041	32,091,386	32,351,932	38,115,187	38,850,635	41,180,127	41,258,476	43,270,217	45,244,968	43,177,644
Streets & transportation	6,369,531	6,517,185	7,007,636	7,795,553	8,269,936	8,495,674	9,283,553	9,344,871	9,885,764	9,695,257
Health & sanitation	4,579,408	4,976,157	5,090,595	5,248,854	5,639,276	5,666,817	5,700,048	5,910,632	5,743,792	5,935,792
Culture & recreation	4,463,030	5,453,355	5,852,014	5,816,312	6,421,350	6,194,436	6,226,957	6,495,293	6,606,428	6,371,573
Economic development	2,990,521	3,640,671	4,043,828	4,004,487	3,616,919	7,630,856	3,616,911	3,467,050	4,122,299	3,904,672
Social services	647,150	665,296	856,383	828,870	795,455	858,122	765,398	734,641	1,153,456	771,640
Capital outlay	22,074,584	5,011,702	3,311,765	1,980,606	3,269,518	4,077,111	2,583,511	2,435,895	1,903,430	5,468,283
Debt service:										
Principal	1,183,247	1,517,603	1,651,681	1,761,291	1,881,447	5,231,528	696,861	727,364	753,081	630,000
Refunding debt issuance costs	-	-	-	-	-	66,822	-	-	-	-
Interest	735,873	1,079,040	979,118	873,674	919,824	636,643	504,268	473,340	441,233	408,921
<b>Total expenditures</b>	<b>86,417,740</b>	<b>73,633,030</b>	<b>75,174,317</b>	<b>81,672,699</b>	<b>84,419,753</b>	<b>94,931,066</b>	<b>85,734,631</b>	<b>89,617,376</b>	<b>93,154,544</b>	<b>94,258,786</b>
Excess of revenues over (under) expenditures	(12,744,663)	(399,222)	1,075,519	1,924,725	2,938,346	(4,264,525)	3,033,533	1,142,345	(601,599)	7,721,378
Special item-legal settlement	-	300,978	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>										
Proceeds from										
borrowing	10,116,502	1,573,000	1,317,227	2,326,542	2,161,000	5,445,500	2,266,500	2,158,500	2,264,500	1,482,000
Transfers in	15,311,778	10,755,743	8,002,458	7,159,465	7,388,416	15,628,709	7,123,537	6,925,212	7,112,640	11,199,977
Transfers out	(16,459,853)	(12,573,603)	(9,209,992)	(8,347,666)	(9,301,832)	(17,076,640)	(8,630,764)	(8,348,929)	(8,443,345)	(12,320,360)
Other	6,111,760	871,075	174,632	136,957	94,936	19,799	165,688	150,819	692,501	208,609
<b>Total other financing sources (uses)</b>	<b>15,080,187</b>	<b>626,215</b>	<b>284,325</b>	<b>1,275,298</b>	<b>342,520</b>	<b>4,017,368</b>	<b>924,961</b>	<b>885,602</b>	<b>1,626,296</b>	<b>570,226</b>
<b>Net change in fund balance</b>	<b>\$ 2,335,524</b>	<b>\$ 527,971</b>	<b>\$ 1,359,844</b>	<b>\$ 3,200,023</b>	<b>\$ 3,280,866</b>	<b>\$ (247,157)</b>	<b>\$ 3,958,494</b>	<b>\$ 2,027,947</b>	<b>\$ 1,024,697</b>	<b>\$ 8,291,604</b>
Debt service as a percentage of noncapital expenditures	3%	4%	3%	3%	3%	7%	1%	1%	1%	1%

Some capital outlays are included in the activity or function. The capital outlay listed above is for capital project funds only.

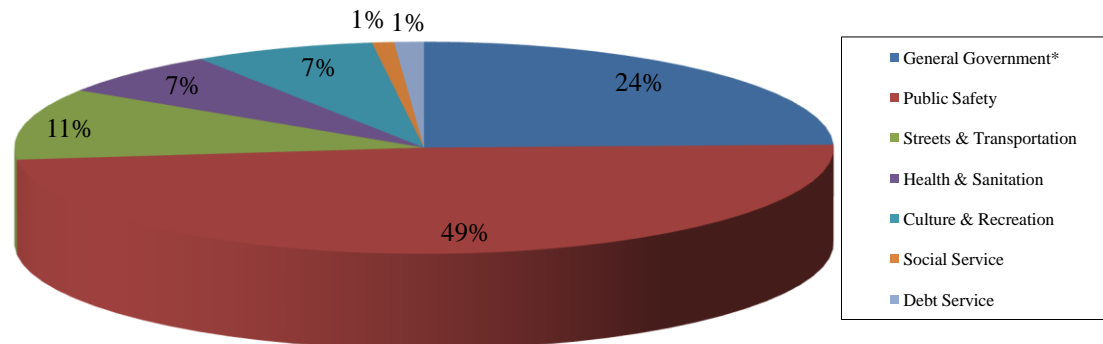
**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 5**  
**Expenditures By Function - Governmental Fund Types -**  
**For the Last Ten Fiscal Years**

Fiscal Years	General Government*	Public Safety	Streets & Transportation	Health & Sanitation	Culture & Recreation	Social Service	Debt Service	Total
2005 \$	15,376,877 \$	30,988,041 \$	6,369,531 \$	4,579,408 \$	4,463,030 \$	647,150 \$	1,919,120 \$	64,343,157
2006 \$	16,321,306 \$	32,091,386 \$	6,517,185 \$	4,976,157 \$	5,453,355 \$	665,296 \$	2,596,643 \$	68,621,328
2007 \$	18,073,193 \$	32,351,932 \$	7,007,636 \$	5,090,595 \$	5,852,014 \$	856,383 \$	2,630,799 \$	71,862,552
2008 \$	19,252,352 \$	38,115,187 \$	7,795,553 \$	5,248,854 \$	5,816,312 \$	828,870 \$	2,634,965 \$	79,692,093
2009 \$	18,372,312 \$	38,850,635 \$	8,269,936 \$	5,639,276 \$	6,421,350 \$	795,455 \$	2,801,271 \$	81,150,235
2010 \$	22,523,786 \$	41,180,127 \$	8,495,674 \$	5,666,817 \$	6,194,436 \$	858,122 \$	5,934,993 \$	90,853,955
2011 \$	18,715,559 \$	41,258,476 \$	9,283,553 \$	5,700,048 \$	6,226,957 \$	765,398 \$	1,201,129 \$	83,151,120
2012 \$	20,225,123 \$	43,270,217 \$	9,344,871 \$	5,910,632 \$	6,495,293 \$	734,641 \$	1,200,704 \$	87,181,481
2013 \$	21,422,392 \$	45,244,968 \$	9,885,764 \$	5,743,792 \$	6,606,428 \$	1,153,456 \$	1,194,314 \$	91,251,114
2014 \$	21,799,676 \$	43,177,644 \$	9,695,257 \$	5,935,792 \$	6,371,573 \$	771,640 \$	1,038,921 \$	88,790,503

Includes General Fund, Special Revenue Funds, Permanent Fund, and Debt Service Fund

\*Includes expenditures for economic development

**Expenditures by Function - Governmental Fund Types for the Current Year**



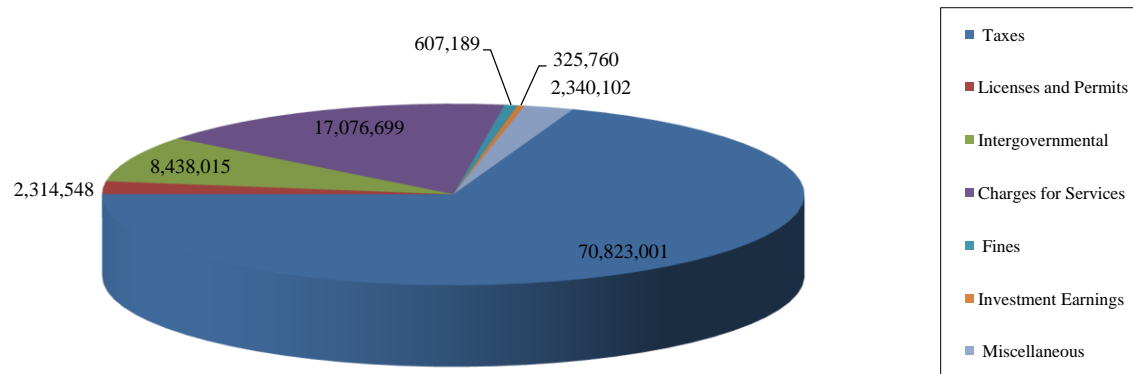


**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 6**  
**Revenues By Source - Governmental Fund Types -**  
**For the Last Ten Fiscal Years**

Fiscal Years	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines	Investment Earnings	Miscellaneous	Total
2005 \$	46,430,717 \$	1,406,671 \$	8,696,949 \$	13,209,907 \$	1,237,831 \$	429,158 \$	1,999,821 \$	73,411,054
2006 \$	49,242,614 \$	1,507,731 \$	5,588,637 \$	12,536,018 \$	1,425,243 \$	772,955 \$	2,058,036 \$	73,131,234
2007 \$	51,334,552 \$	1,585,869 \$	4,928,969 \$	13,423,005 \$	1,334,183 \$	1,088,606 \$	2,206,694 \$	75,901,878
2008 \$	53,028,638 \$	1,455,775 \$	9,438,600 \$	15,304,291 \$	1,206,087 \$	643,072 \$	2,175,928 \$	83,252,391
2009 \$	57,051,587 \$	1,731,941 \$	8,423,241 \$	16,107,818 \$	1,189,702 \$	349,788 \$	2,359,774 \$	87,213,851
2010 \$	55,577,494 \$	1,601,720 \$	11,857,013 \$	16,638,335 \$	731,521 \$	311,374 \$	3,849,333 \$	90,566,790
2011 \$	57,209,561 \$	1,624,147 \$	9,231,083 \$	17,168,218 \$	865,220 \$	300,741 \$	2,205,837 \$	88,604,807
2012 \$	59,653,667 \$	1,727,040 \$	8,360,571 \$	17,169,861 \$	889,523 \$	265,855 \$	2,527,104 \$	90,593,621
2013 \$	60,951,422 \$	1,980,033 \$	9,043,036 \$	17,349,859 \$	682,139 \$	218,932 \$	2,218,519 \$	92,443,940
2014 \$	70,823,001 \$	2,314,548 \$	8,438,015 \$	17,076,699 \$	607,189 \$	325,760 \$	2,340,102 \$	101,925,314

Includes General Fund, Special Revenue Funds, Permanent Fund, and Debt Service Fund

Revenues by Source - Governmental Fund Type for the Current Year



**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 7**  
**Detailed Revenues From Taxes - Governmental Fund Types -**  
**For the Last Ten Fiscal Years**

Fiscal Years	Property Tax	Business & Occupation Tax	City Sales & Use Tax	Utility Tax	Consumer Sales Tax Liquor	Hotel Occupancy Tax	Amusement Tax	Miscellaneous Taxes	Total
2005 \$	9,844,571 \$	32,714,707 \$	- \$	2,017,526 \$	474,137 \$	1,143,828 \$	190,822 \$	45,126 \$	46,430,717
2006 \$	10,142,543 \$	33,681,586 \$	- \$	2,140,036 \$	746,717 \$	2,311,414 \$	163,005 \$	57,314 \$	49,242,615
2007 \$	10,443,411 \$	35,567,872 \$	- \$	2,120,895 \$	551,366 \$	2,433,977 \$	161,559 \$	55,472 \$	51,334,552
2008 \$	10,438,952 \$	36,666,641 \$	- \$	2,307,808 \$	800,647 \$	2,567,145 \$	187,168 \$	60,277 \$	53,028,638
2009 \$	10,753,861 \$	39,691,857 \$	- \$	2,776,258 \$	778,890 \$	2,779,180 \$	203,751 \$	67,790 \$	57,051,587
2010 \$	11,169,099 \$	37,874,423 \$	- \$	2,693,921 \$	826,209 \$	2,767,690 \$	193,976 \$	52,176 \$	55,577,494
2011 \$	11,536,634 \$	38,852,038 \$	- \$	3,055,717 \$	821,111 \$	2,745,140 \$	150,312 \$	48,609 \$	57,209,561
2012 \$	12,063,990 \$	40,750,458 \$	- \$	2,701,790 \$	782,221 \$	3,117,547 \$	179,470 \$	58,191 \$	59,653,667
2013 \$	12,439,039 \$	41,355,598 \$	- \$	2,907,752 \$	977,270 \$	3,039,553 \$	176,634 \$	55,576 \$	60,951,422
2014 \$	13,128,890 \$	46,402,641 \$	4,507,057 \$	2,848,995 \$	855,825 \$	2,787,461 \$	191,837 \$	100,295 \$	70,823,001

**CITY OF CHARLESTON, WEST VIRGINIA**

**Table 8  
Property Tax Levies and Collections - General Fund -  
For the Last Ten Fiscal Years**

Fiscal Years	Total Tax Levy	Current Tax Collections	Percent Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2005	\$ 8,596,979	\$ 6,912,926	80.41%	\$ 1,386,381	\$ 8,299,307	96.54%	\$ 515,819	6.00%
2006	\$ 8,715,463	\$ 8,261,230	94.79%	\$ 322,779	\$ 8,584,009	98.49%	\$ 510,092	5.85%
2007	\$ 9,071,618	\$ 8,327,766	91.80%	\$ 548,019	\$ 8,875,785	97.84%	\$ 470,677	5.19%
2008	\$ 9,163,154	\$ 8,540,242	93.20%	\$ 344,519	\$ 8,884,761	96.96%	\$ 406,484	4.44%
2009	\$ 9,440,524	\$ 8,738,117	92.56%	\$ 462,489	\$ 9,200,606	97.46%	\$ 231,842	2.46%
2010	\$ 10,028,680	\$ 9,271,727	92.45%	\$ 376,955	\$ 9,648,682	96.21%	\$ 466,928	4.66%
2011	\$ 11,893,824	\$ 10,941,052	91.99%	\$ 595,582	\$ 11,536,634	97.00%	\$ 521,966	4.39%
2012	\$ 12,294,171	\$ 11,543,435	93.89%	\$ 520,555	\$ 12,063,990	98.13%	\$ 422,483	3.44%
2013	\$ 12,855,184	\$ 11,902,083	92.59%	\$ 536,956	\$ 12,439,039	96.76%	\$ 571,126	4.44%
2014	\$ 13,520,304	\$ 12,546,273	92.80%	\$ 582,617	\$ 13,128,890	97.10%	\$ 454,131	3.36%

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 9**  
**Principal Revenue Source**  
**Business and Occupation Tax Revenue Filers By Class -**  
**For the Last Ten Fiscal Years**

		Fiscal Year 2014				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	9	0.19%	\$ 23,727	0.06%
2	Manufacturing	3.00%	35	0.73%	184,147	0.44%
3	Retailers	0.50%	969	20.19%	7,682,364	18.49%
4	Wholesalers	0.15%	388	8.09%	1,504,936	3.62%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,899,680	4.57%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,115,156	2.68%
7	Natural Gas Companies	3.00%	1	0.02%	640,263	1.54%
8	Water Companies	4.00%	1	0.02%	666,563	1.60%
9	All Other Public Utilities	2.00%	6	0.13%	5,324	0.01%
10	Contracting	2.00%	547	11.40%	6,145,407	14.79%
11	Amusement	0.50%	24	0.50%	473,516	1.14%
12	Service & All Other Businesses	1.00%	1,800	37.51%	16,845,733	40.55%
13	Rents and Royalties	1.00%	955	19.90%	2,372,929	5.71%
14	Banking and Other Financial Institutions	1.00%	62	1.29%	1,984,452	4.78%
Totals			<u>4,799</u>	<u>100.00%</u>	<u>\$ 41,544,197</u>	<u>100.00%</u>

		Fiscal Year 2013				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	7	0.12%	\$ 7,543	0.02%
2	Manufacturing	3.00%	43	0.74%	306,438	0.78%
3	Retailers	0.50%	1,075	18.41%	7,695,611	19.64%
4	Wholesalers	0.15%	437	7.48%	1,395,630	3.56%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,933,103	4.93%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,140,254	2.91%
7	Natural Gas Companies	3.00%	3	0.05%	483,340	1.23%
8	Water Companies	4.00%	1	0.02%	749,718	1.91%
9	All Other Public Utilities	2.00%	6	0.10%	21,430	0.05%
10	Contracting	2.00%	545	9.33%	4,641,987	11.85%
11	Amusement	0.50%	34	0.58%	387,842	0.99%
12	Service & All Other Businesses	1.00%	1,980	33.91%	15,861,239	40.48%
13	Rents and Royalties	1.00%	1,637	28.04%	2,476,009	6.32%
14	Banking and Other Financial Institutions	1.00%	69	1.18%	2,079,652	5.31%
Totals			<u>5,839</u>	<u>100.00%</u>	<u>\$ 39,179,796</u>	<u>100.00%</u>

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 9 (Continued)**  
**Principal Revenue Source**  
**Business and Occupation Tax Revenue Filers By Class**

		Fiscal Year 2012				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	11	0.19%	\$ 96,366	0.25%	
2	Manufacturing	45	0.77%	323,130	0.84%	
3	Retailers	1,081	18.47%	7,567,150	19.59%	
4	Wholesalers	460	7.86%	1,418,628	3.67%	
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	1	0.02%	1,932,223	5.00%	
6	Electric Power Companies (All Other Sales and Demand Charges)	1	0.02%	1,140,342	2.95%	
7	Natural Gas Companies	2	0.03%	568,317	1.47%	
8	Water Companies	1	0.02%	757,268	1.96%	
9	All Other Public Utilities	6	0.10%	56,098	0.15%	
10	Contracting	516	8.81%	4,216,039	10.92%	
11	Amusement	37	0.63%	306,350	0.79%	
12	Service & All Other Businesses	1,991	34.01%	15,790,193	40.88%	
13	Rents and Royalties	1,631	27.86%	2,446,095	6.33%	
14	Banking and Other Financial Institutions	71	1.21%	2,004,234	5.19%	
Totals		5,854	100.00%	\$ 38,622,433	100.00%	

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 9 (Continued)**  
**Principal Revenue Source**  
**Business and Occupation Tax Revenue Filers By Class**

		Fiscal Year 2011				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	8	0.14%	\$ 19,584	0.05%
2	Manufacturing	3.00%	47	0.81%	355,563	0.96%
3	Retailers	0.50%	1,059	18.34%	7,278,769	19.58%
4	Wholesalers	0.15%	469	8.12%	1,185,723	3.19%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,829,175	4.92%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,069,228	2.88%
7	Natural Gas Companies	3.00%	2	0.03%	693,354	1.87%
8	Water Companies	4.00%	1	0.02%	715,867	1.93%
9	All Other Public Utilities	2.00%	1	0.02%	44,248	0.12%
10	Contracting	2.00%	515	8.92%	3,529,749	9.49%
11	Amusement	0.50%	33	0.57%	289,647	0.78%
12	Service & All Other Businesses	1.00%	1,978	34.25%	15,766,732	42.41%
13	Rents and Royalties	1.00%	1,597	27.65%	2,528,263	6.80%
14	Banking and Other Financial Institutions	1.00%	63	1.09%	1,870,713	5.03%
Totals			<u>5,775</u>	<u>100.00%</u>	<u>\$ 37,176,615</u>	<u>100.00%</u>

		Fiscal Year 2010				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	5	0.11%	\$ 18,420	0.05%
2	Manufacturing	3.00%	32	0.72%	317,725	0.90%
3	Retailers	0.50%	913	20.47%	7,105,802	20.14%
4	Wholesalers	0.15%	366	8.20%	1,003,969	2.85%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	1,584,404	4.49%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	932,584	2.64%
7	Natural Gas Companies	3.00%	2	0.04%	835,828	2.37%
8	Water Companies	4.00%	2	0.04%	738,629	2.09%
9	All Other Public Utilities	2.00%	3	0.07%	30,143	0.09%
10	Contracting	2.00%	564	12.64%	3,230,548	9.16%
11	Amusement	0.50%	21	0.47%	307,393	0.87%
12	Service & All Other Businesses	1.00%	1,681	37.68%	15,249,924	43.23%
14	Banking and Other Financial Institutions	1.00%	43	0.96%	1,753,561	4.97%
Totals			<u>4,461</u>	<u>100.00%</u>	<u>\$ 35,279,156</u>	<u>100.00%</u>

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 9 (Continued)**  
**Principal Revenue Source**  
**Business and Occupation Tax Revenue Filers By Class**

		Fiscal Year 2009				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	11	0.16%	\$ 450	0.00%
2	Manufacturing	3.00%	48	0.72%	344,110	0.91%
3	Retailers	0.50%	1,200	17.96%	7,452,717	19.60%
4	Wholesalers	0.15%	485	7.26%	1,178,090	3.10%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.03%	1,428,790	3.76%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.01%	850,516	2.24%
7	Natural Gas Companies	3.00%	3	0.04%	1,139,275	3.00%
8	Water Companies	4.00%	1	0.01%	731,205	1.92%
9	All Other Public Utilities	2.00%	4	0.06%	46,358	0.12%
10	Contracting	2.00%	847	12.67%	3,197,120	8.41%
11	Amusement	0.50%	42	0.63%	81,854	0.22%
12	Service & All Other Businesses	1.00%	2,295	34.34%	17,119,132	45.02%
13	Rents and Royalties	1.00%	1,683	25.18%	2,450,421	6.44%
14	Banking and Other Financial Institutions	1.00%	61	0.91%	2,002,652	5.27%
Totals			<u>6,683</u>	<u>100.00%</u>	<u>\$ 38,022,690</u>	<u>100.00%</u>

		Fiscal Year 2008				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	10	0.16%	\$ 3,921	0.01%
2	Manufacturing	3.00%	54	0.85%	362,330	1.06%
3	Retailers	0.50%	1,177	18.49%	6,851,776	20.02%
4	Wholesalers	0.15%	450	7.07%	1,214,168	3.55%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,326,877	3.88%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	2	0.03%	792,692	2.32%
7	Natural Gas Companies	3.00%	1	0.02%	890,233	2.60%
8	Water Companies	4.00%	4	0.06%	656,817	1.92%
9	All Other Public Utilities	2.00%	763	11.99%	81,902	0.24%
10	Contracting	2.00%	46	0.72%	3,264,605	9.54%
11	Amusement	0.50%	2,153	33.83%	302,396	0.88%
12	Service & All Other Businesses	1.00%	1,627	25.57%	14,381,469	42.01%
13	Rents and Royalties	1.00%	75	1.18%	2,102,504	6.14%
14	Banking and Other Financial Institutions	1.00%	-	0.00%	1,999,636	5.84%
Totals			<u>6,364</u>	<u>99.98%</u>	<u>\$ 34,231,326</u>	<u>100.00%</u>

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 9 (Continued)**  
**Principal Revenue Source**  
**Business and Occupation Tax Revenue Filers By Class**

		Fiscal Year 2007				
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	
1	Production of Natural Resources	15	0.23%	\$ 2,999	0.01%	
2	Manufacturing	58	0.91%	350,353	1.05%	
3	Retailers	1,167	18.24%	7,007,495	21.08%	
4	Wholesalers	428	6.69%	1,048,908	3.16%	
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	3	0.05%	1,216,064	3.66%	
6	Electric Power Companies (All Other Sales and Demand Charges)	1	0.02%	548,390	1.65%	
7	Natural Gas Companies	3	0.05%	973,137	2.93%	
8	Water Companies	2	0.03%	657,833	1.98%	
9	All Other Public Utilities	7	0.11%	78,230	0.24%	
10	Contracting	811	12.68%	3,055,984	9.19%	
11	Amusement	45	0.70%	342,871	1.03%	
12	Service & All Other Businesses	2,129	33.28%	13,618,532	40.97%	
13	Rents and Royalties	1,671	26.12%	2,168,817	6.53%	
14	Banking and Other Financial Institutions	58	0.91%	2,168,322	6.52%	
	Totals	<u>6,398</u>	<u>100.00%</u>	<u>\$ 33,237,935</u>	<u>100.00%</u>	

		Fiscal Year 2006				
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	
1	Production of Natural Resources	14	0.20%	\$ 10,056	0.03%	
2	Manufacturing	71	1.02%	362,036	1.07%	
3	Retailers	1,365	19.57%	6,799,683	20.19%	
4	Wholesalers	464	6.65%	916,554	2.72%	
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	5	0.07%	1,181,517	3.51%	
6	Electric Power Companies (All Other Sales and Demand Charges)	2	0.03%	742,428	2.20%	
7	Natural Gas Companies	4	0.06%	865,231	2.57%	
8	Water Companies	2	0.03%	659,616	1.96%	
9	All Other Public Utilities	3	0.04%	3,409	0.01%	
10	Contracting	867	12.43%	3,387,279	10.06%	
11	Amusement	50	0.72%	384,539	1.14%	
12	Service & All Other Businesses	2,273	32.58%	14,364,904	42.65%	
13	Rents and Royalties	1,792	25.69%	2,074,824	6.16%	
14	Banking and Other Financial Institutions	64	0.92%	1,929,559	5.73%	
	Totals	<u>6,976</u>	<u>100.00%</u>	<u>\$ 33,681,635</u>	<u>100.00%</u>	



**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 9 (Continued)**  
**Principal Revenue Source**  
**Business and Occupation Tax Revenue Filers By Class**

Class	Fiscal Year 2005				
	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	16	0.22%	\$ 15,049	0.05%
2 Manufacturing	3.00%	79	1.11%	335,813	1.03%
3 Retailers	0.50%	1,360	19.09%	6,781,563	20.89%
4 Wholesalers	0.15%	483	6.78%	803,359	2.47%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.01%	1,116,703	3.44%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	3	0.04%	865,422	2.67%
7 Natural Gas Companies	3.00%	4	0.06%	438,162	1.35%
8 Water Companies	4.00%	1	0.01%	586,135	1.81%
9 All Other Public Utilities	2.00%	6	0.08%	44,245	0.14%
10 Contracting	2.00%	791	11.10%	3,573,848	11.01%
11 Amusement	0.50%	58	0.81%	376,528	1.16%
12 Service & All Other Businesses	1.00%	2,383	33.46%	13,757,357	42.37%
13 Rents and Royalties	1.00%	1,866	26.20%	1,981,182	6.10%
14 Banking and Other Financial Institutions	1.00%	72	1.01%	1,792,896	5.52%
Totals		7,123	100.00%	\$ 32,468,262	100.00%

Source: City of Charleston Revenue System

The City of Charleston imposes a Business and Occupation tax upon all business performed within the City of Charleston. Non-profit organizations are exempt from this tax. The tax is calculated by multiplying the classification(s) rate times the business' gross receipts.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 10**  
**Ratio of Outstanding General Obligation Bonds to**  
**Assessed Value, Estimated Actual Taxable Value and Net Debt Per Capita -**  
**For the Last Ten Fiscal Years**

Fiscal Years	Assessed Value	Estimated Actual Taxable Value of Property	Gross Bonded Debt	Debt Service Fund	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2005	\$ 2,499,526,545	\$ 1,499,715,927	\$ 5,955,000	\$ 2,761,237	\$ 3,193,763	0.13%	0.21%	62
2006	\$ 2,531,327,042	\$ 1,518,796,225	\$ 4,930,000	\$ 2,955,244	\$ 1,974,756	0.08%	0.13%	39
2007	\$ 2,623,069,250	\$ 1,573,841,550	\$ 3,830,000	\$ 3,346,560	\$ 483,440	0.02%	0.03%	10
2008	\$ 2,651,836,470	\$ 1,591,101,882	\$ 2,645,000	\$ 3,622,601	\$ (977,601)	-0.04%	-0.06%	(19)
2009	\$ 2,771,067,257	\$ 1,662,640,354	\$ 1,370,000	\$ 3,785,755	\$ (2,415,755)	-0.09%	-0.15%	(48)
2010	\$ 2,866,580,495	\$ 1,719,948,297	\$ -	\$ 3,903,692	\$ (3,903,692)	-0.14%	-0.23%	(78)
2011	\$ 2,883,615,894	\$ 1,730,169,536	\$ -	\$ -	\$ -	0.00%	0.00%	-
2012	\$ 2,931,967,620	\$ 1,759,180,572	\$ -	\$ -	\$ -	0.00%	0.00%	-
2013	\$ 3,087,614,182	\$ 1,852,568,509	\$ -	\$ -	\$ -	0.00%	0.00%	-
2014	\$ 3,191,495,380	\$ 1,914,897,228	\$ -	\$ -	\$ -	0.00%	0.00%	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Assessed value does not include exempt property. The Kanawha County Assessor estimates actual taxable value of property at sixty percent. Population data can be found in the Table of Demographic Statistics. The City currently has no general obligation bond debt outstanding.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 11**  
**Ratio of Outstanding Debt by Type -**  
**For the Last Ten Fiscal Years**

Fiscal Years	Governmental Activities				Business-type Activities			Percentage of Personal Income	Per Capita
	General Obligation	Revenue	Capital	Revenue	Capital	Total Primary			
	Bonds	Bonds	Leases	Bonds	Leases	Government			
2005	\$ 5,955,000	\$ 4,887,701	\$ 11,705,822	\$ 18,076,489	\$ 15,787	\$ 40,640,799	26.16%	787	
2006	\$ 4,930,000	\$ 4,650,098	\$ 11,491,961	\$ 17,056,779	\$ -	\$ 38,128,838	23.83%	745	
2007	\$ 3,830,000	\$ 4,418,825	\$ 10,987,881	\$ 16,007,070	\$ -	\$ 35,243,776	20.53%	694	
2008	\$ 2,645,000	\$ 4,147,126	\$ 11,261,072	\$ 14,917,361	\$ -	\$ 32,970,559	18.51%	653	
2009	\$ 1,370,000	\$ 3,875,679	\$ 11,232,515	\$ 13,782,652	\$ -	\$ 30,260,846	16.20%	599	
2010	\$ -	\$ 3,664,899	\$ 11,156,673	\$ 12,668,472	\$ -	\$ 27,490,044	14.23%	548	
2011	\$ -	\$ 3,339,478	\$ 11,068,526	\$ 11,457,329	\$ -	\$ 25,865,333	13.33%	503	
2012	\$ -	\$ 3,008,554	\$ 10,786,372	\$ 10,141,186	\$ -	\$ 23,936,112	12.21%	466	
2013	\$ -	\$ 2,715,290	\$ 10,147,127	\$ 9,330,223	\$ -	\$ 22,192,640	10.97%	432	
2014	\$ -	\$ 2,512,131	\$ 9,055,434	\$ 7,779,085	\$ -	\$ 19,346,650	8.89%	376	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
See Table 14 on Demographic Statistics for personal income and population data.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 12**  
**Revenue Bond Coverage - Civic Center Revenue Bonds -**  
**For the Last Ten Fiscal Years**

Fiscal Years	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	General Fund & Coal Severance Transfers
				Principal	Interest	Total		
2005 \$	2,801,245 \$	3,758,036 \$	(956,791) \$	230,000 \$	504,424 \$	734,424	-130.28% \$	1,091,309
2006 \$	2,533,883 \$	4,019,922 \$	(1,486,039) \$	245,000 \$	475,718 \$	720,718	-206.19% \$	1,137,268
2007 \$	2,848,127 \$	4,252,177 \$	(1,404,050) \$	255,000 \$	465,415 \$	720,415	-194.89% \$	1,081,807
2008 \$	3,063,446 \$	4,422,167 \$	(1,358,721) \$	270,000 \$	519,124 \$	789,124	-172.18% \$	1,121,463
2009 \$	2,823,229 \$	4,391,541 \$	(1,568,312) \$	280,000 \$	434,949 \$	714,949	-219.36% \$	1,812,381
2010 \$	2,839,910 \$	4,314,792 \$	(1,474,882) \$	300,000 \$	397,689 \$	697,689	-211.40% \$	1,432,678
2011 \$	2,547,456 \$	4,211,851 \$	(1,664,395) \$	315,000 \$	305,206 \$	620,206	-268.36% \$	1,314,817
2012 \$	3,101,777 \$	4,335,808 \$	(1,234,031) \$	385,000 \$	289,458 \$	674,458	-182.97% \$	1,301,836
2013 \$	2,936,164 \$	4,616,987 \$	(1,680,823) \$	390,000 \$	276,207 \$	666,207	-252.30% \$	1,373,459
2014 \$	3,254,330 \$	4,593,226 \$	(1,338,896) \$	410,000 \$	259,250 \$	669,250	-200.06% \$	1,203,704

The General Fund and Coal Severance Fund transfer specific revenue pledged for the Civic Center Debt Service. The General Fund also transfers funds for operational subsidy.

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 13**  
**Revenue Bond Coverage - Parking System Revenue Bonds -**  
**For the Last Ten Fiscal Years**

Fiscal Years	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 3,606,556	\$ 2,473,235	\$ 1,133,321	\$ 875,000	\$ 839,929	\$ 1,714,929	66.09%
2006	\$ 3,784,728	\$ 2,591,777	\$ 1,192,951	\$ 890,000	\$ 449,604	\$ 1,339,604	89.05%
2007	\$ 4,040,726	\$ 2,716,769	\$ 1,323,957	\$ 910,000	\$ 421,403	\$ 1,331,403	99.44%
2008	\$ 3,940,591	\$ 2,653,197	\$ 1,287,394	\$ 935,000	\$ 390,455	\$ 1,325,455	97.13%
2009	\$ 3,734,111	\$ 2,546,844	\$ 1,187,267	\$ 970,000	\$ 356,450	\$ 1,326,450	89.51%
2010	\$ 3,656,645	\$ 2,471,699	\$ 1,184,946	\$ 995,000	\$ 319,555	\$ 1,314,555	90.14%
2011	\$ 4,142,631	\$ 2,493,365	\$ 1,649,266	\$ 1,025,000	\$ 282,501	\$ 1,307,501	126.14%
2012	\$ 3,970,745	\$ 2,529,183	\$ 1,441,562	\$ 1,060,000	\$ 237,690	\$ 1,297,690	111.09%
2013	\$ 3,657,500	\$ 2,590,134	\$ 1,067,366	\$ 925,000	\$ 195,316	\$ 1,120,316	95.27%
2014	\$ 3,537,324	\$ 2,694,571	\$ 842,753	\$ 1,175,000	\$ 152,810	\$ 1,327,810	63.47%

Bond Rate Covenant Percentage Required 115%

\$	842,745	Net Revenues
	705,926	Depreciation-Non-cash
	<u>101,197</u>	OPEB Long-Term Non-cash
\$	<u>1,649,868</u>	Net Revenues for Coverage Requirement
	 <u>124%</u>	Bond Debt Coverage

**CITY OF CHARLESTON, WEST VIRGINIA**

**Table 14  
Demographic Statistics -  
Last Ten Fiscal Years**

Fiscal Years	Population	Personal Income	Per Capita Income	Unemployment Rate
2005	51,648	\$ 1,609,868	\$ 31,179	4.7
2006	51,156	\$ 1,728,561	\$ 33,798	4.1
2007	50,773	\$ 1,789,241	\$ 35,248	3.8
2008	50,478	\$ 1,882,829	\$ 37,306	3.5
2009	50,478	\$ 1,902,011	\$ 37,687	6.6
2010	50,132	\$ 1,921,031	\$ 38,177	7.6
2011	51,400	\$ 1,940,241	\$ 38,673	7.4
2012	51,400	\$ 1,959,643	\$ 40,027	6.9
2013	51,400	\$ 2,022,473	\$ 41,228	5.7
2014	51,400	\$ 2,175,248	\$ 42,329	5.4

Bureau of Economic Analysis/U.S. Department of Commerce

Per Capita Income is based on an average annual growth rate of PCPI of 1.3% to 3.5% as information is updated as becomes available.

**CITY OF CHARLESTON, WEST VIRGINIA**

**Table 15  
Legal Debt Margin Information -  
Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed value	<u>\$ 3,191,495,380</u>
Debt limit (5% of assessed value)	<u>159,574,769</u>
Debt applicable to limit:	
General obligation bonds	-
Less: amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 159,574,769</u>

	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 114,708,065	\$ 115,320,129	\$ 119,639,489	\$ 132,591,824	\$ 138,553,363	\$ 143,329,025	\$ 144,180,795	\$ 146,598,381	\$ 154,380,709	\$ 159,574,769
Total debt applicable to limit	<u>5,955,000</u>	<u>4,930,000</u>	<u>3,830,000</u>	<u>2,645,000</u>	<u>1,370,000</u>	-	-	-	-	-
Legal debt margin	<u>\$ 111,514,302</u>	<u>\$ 113,430,666</u>	<u>\$ 119,156,049</u>	<u>\$ 133,569,425</u>	<u>\$ 140,969,118</u>	<u>\$ 143,329,025</u>	<u>\$ 144,180,795</u>	<u>\$ 146,598,381</u>	<u>\$ 154,380,709</u>	<u>\$ 159,574,769</u>
Total net debt applicable to the limit as a percentage of debt limit	5%	4%	3%	2%	1%	0%	0%	0%	0%	0%

Note: Under State finance law, WV State Code §13-1-3, the City's outstanding debt should not exceed 5 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation debt.

**CITY OF CHARLESTON, WEST VIRGINIA**

**Table 16**

**Employment/Unemployment and Change -  
Last Ten Fiscal Years**

Fiscal Years	Employment		Unemployment	
	Total	% Change Year Ago	Rate	Unit Change Year Ago
2005	133,234	1.2	4.7	-0.1
2006	135,085	1.4	4.1	-0.6
2007	135,847	0.6	3.8	-0.3
2008	135,414	-0.3	3.5	-0.3
2009	129,331	-4.5	6.6	3.1
2010	126,017	-4.4	8.1	0.8
2011	129,142	-0.6	7.6	-0.4
2012	130,329	0.9	6.9	-0.5
2013	130,500	0.13	5.7	-0.2
2014	131,100	0.005	5.4	0.3

Charleston, WV MSA Statistical Data  
U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**CITY OF CHARLESTON, WEST VIRGINIA**

**Table 17**

**Kanawha County  
Ten Largest Employers in Kanawha County and Rank -  
June 30, 2014 and 2005**

Rank	2014			2005
	Company Name	Total Employees	Employee Percentage	Company Name
1	Charleston Area Medical Center, Inc.	6,577	37%	Charleston Area Medical Center
2	Kanawha County Board of Education	3,978	22%	Kanawha County Board of Education
3	Herbert J. Thomas Memorial Hospital Association	1,200	7%	Herbert J. Thomas Memorial Hospital Association
4	Wal-Mart Associates, Inc.	1,100	6% **	Wal-Mart Associates, Inc.
5	West Virginia Department of Highways	1,000	6% **	Minneapolis Postal Data Center
6	The Kroger Company	900	5% **	Dow (Union Carbide Corporation)
7	City of Charleston Municipality	786	4%	West Virginia Department of Highways
8	U.S. Postal Service	750	4% **	West Virginia Department of Health and Human Resources
9	West Virginia Department of Health and Human Resources	720	4% **	City of Charleston Municipality
10	West Virginia Department of Administration	700	4% **	Bayer Cropscience
	Total	17,711	100%	

Workforce West Virginia, an agency of the Department of Commerce  
\*\*This information is unavailable for these organizations, consequently, the number of employees is estimated.  
The total employee information is unavailable for the 2004 year.



**CITY OF CHARLESTON, WEST VIRGINIA**

**Table 18**

**Operating Indicators by Function/Program -  
Last Ten Fiscal Years**

Function/Program	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police</b>										
Physical arrest	4,990	6,314	6,270	7,649	6,812	5,704	7,435	6,945	8,106	7,781
Citations written	16,460	19,946	23,494	20,804	16,217	10,438	18,710	14,891	15,115	15,845
Offenses charged	28,207	29,659	29,195	24,006	18,887	6,626	7,454	8,458	10,232	10,010
<b>Fire</b>										
Emergency medical responses	11,157	12,373	18,926	17,788	12,709	12,538	13,106	13,379	13,325	12,843
Fire responses	8,661	9,000	12,214	13,131	17,424	16,417	16,272	16,867	11,327	10,392
Inspections	1,019	1,019	1,156	1,124	1,138	897	854	1,415	1,526	849
<b>Refuse collection</b>										
Refuse collected (tons annually)	27,461	27,869	30,571	26,977	13,816	13,228	26,659	12,772	26,541	26,894
Recyclables collected (tons annually)	1,350	1,380	1,293	1,072	1,031	991	3,410	502	985	956
Yard waste collected (tons annually)	3,428	2,658	2,271	1,653	455	454	1,031	402	1,580	1,725
Sludge (tons annually)	2,170	2,289	5,175	5,641	2,701	1,250	5,938	Unavailable	Unavailable	Unavailable
<b>Other public works</b>										
Streets resurfaced (Miles)	27.50	25.58	9.30	10.56	9.40	5.14	6.96	8.47	7.11	6.8
Potholes repaired	83	34	177	27	57	82	77	83	71	200
<b>Parking systems</b>										
Parking violations	52,995	64,418	62,942	48,277	45,545	43,316	44,159	49,313	45,975	42,607
<b>Civic center</b>										
Number of events (annual average)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>Municipal auditorium</b>										
events (number of days annual average)	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120

Sources: Various City of Charleston departments

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 19**  
**Capital Asset Statistics by Function / Program -**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	5	5	5	5	5	5	4	4	4	4
Patrol units	90	90	94	94	94	92	88	88	88	88
Fire stations	9	9	9	9	9	9	9	8	8	8
Refuse collection										
Collection trucks	30	30	30	30	30	30	30	30	30	30
Other public works										
Street (miles)	300	300	300	300	300	300	325	325	325	325
Traffic signals	152	152	152	152	152	152	148	148	148	148
Parks and recreation										
Community centers	3	3	3	3	3	3	3	3	3	3
Neighborhood centers	3	3	3	3	3	3	3	3	3	3
Parks	6	6	6	6	6	6	6	6	6	6
Parks acreage	115	115	115	115	115	115	115	115	115	115
Swimming pools	5	5	5	5	5	5	5	5	5	5
Tennis courts	16	16	16	16	16	16	16	16	16	16
Parking system										
Number of parking garages	6	6	6	6	6	6	6	6	6	6
Number of parking meters	1,073	1,098	1,100	1,150	1,150	1,150	1,150	1,059	1,035	1,035
Civic center										
Types of facilities	6	6	6	6	6	6	6	6	6	6

Sources: Various City of Charleston Departments

**CITY OF CHARLESTON, WEST VIRGINIA**  
**Table 20**  
**Full-Time Equivalent City Government Employees By Function / Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Management	44	42	47	48	49	52	50	42	41	42
Finance	21	23	26	26	22	20	29	23	23	23
Planning	17	17	17	17	17	17	21	21	20	21
Building	4	14	14	14	20	30	26	25	24	25
Engineering	8	8	8	8	9	9	8	9	10	10
Other	39	32	31	32	31	42	55	70	95	132
Police										
Officers	168	171	180	179	183	179	160	159	153	155
Civilians	45	29	28	28	24	26	27	27	26	26
Fire										
Officers	190	191	187	191	188	199	174	161	153	152
Civilians	5	5	5	4	3	2	2	2	2	2
Other public safety	9	9	8	8	8	8	8	8	2	2
Refuse collection	77	69	74	66	66	65	68	67	65	64
Public works	119	120	119	118	121	126	129	140	131	126
Parks and recreation	80	90	87	93	108	83	91	85	93	95
Social services	19	19	17	21	10	10	9	9	7	7
Civic center	44	30	24	23	22	21	21	23	24	25
Parking system	36	35	28	26	25	24	26	25	26	30
<b>Total</b>	<b>925</b>	<b>904</b>	<b>900</b>	<b>902</b>	<b>906</b>	<b>913</b>	<b>904</b>	<b>896</b>	<b>895</b>	<b>937</b>

Sources: City of Charleston Payroll

