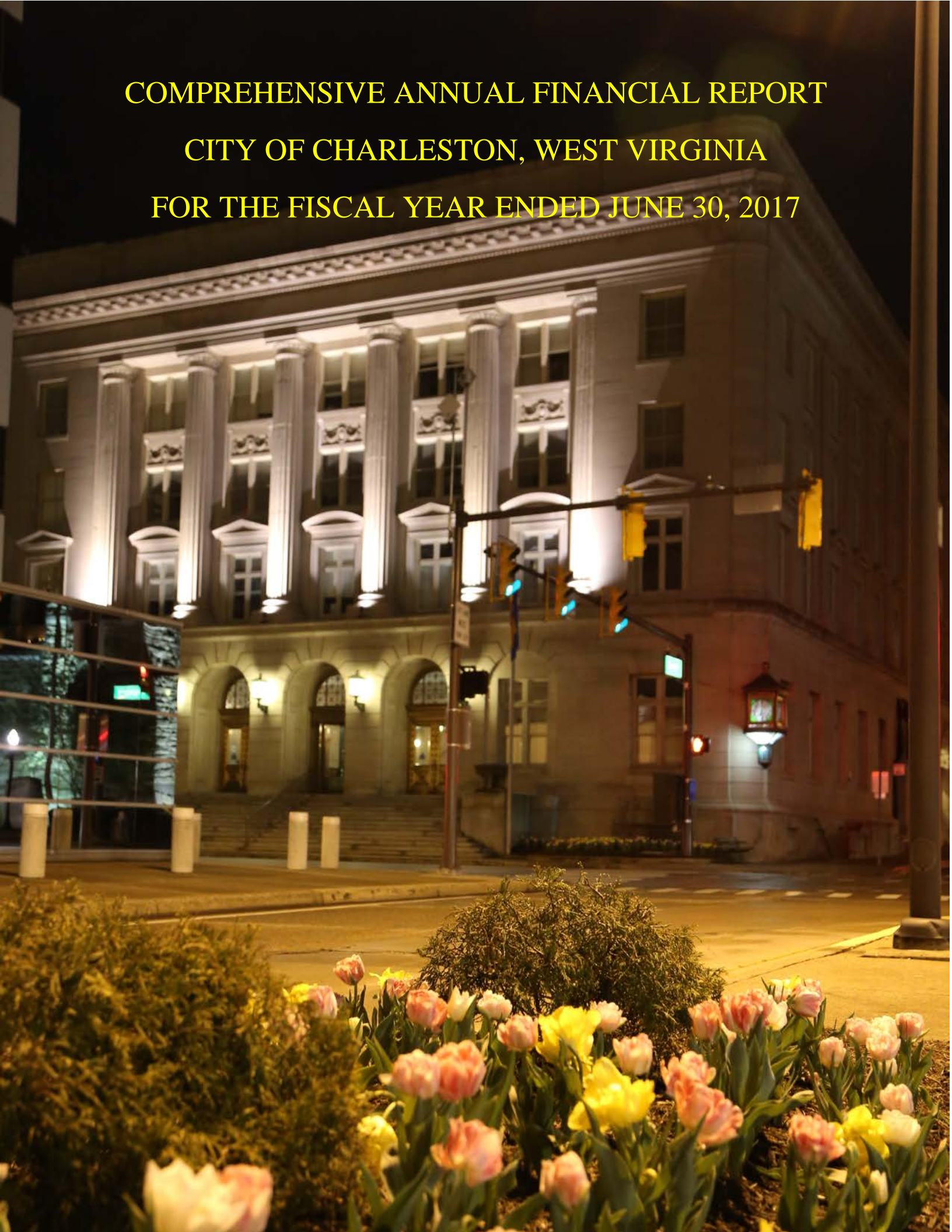


COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2017





**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Mayor:	Danny Jones
City Manager:	David Molgaard
Finance Director:	Joseph Estep
City Auditor (Controller):	Tia Robertson, M.A.F.M.

Prepared by the
Charleston Accounting/Financial Department





CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

To the Honorable Members of the City of Charleston
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, 2017. The firm of Suttle & Stalnaker, PLLC, 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.

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,

A handwritten signature in blue ink, reading "Danny Jones".

Danny Jones
Mayor

ACKNOWLEDGMENTS

Report prepared by:

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

Financial Reporting Team:

Tia Robertson, M.A.F.M., City Auditor/Controller
Jennifer Vickers, CPA, Assistant City Auditor/Controller
Nancy S. Bliss, Senior Accountant
Priscilla McClanahan, Accountant
Sandy Starcher, Accounting Technician

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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FOR THE YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

December 27, 2017

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, 2017. 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 Suttle & Stalnaker, 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.

Suttle & Stalnaker has issued an unmodified ("clean") opinion on the City of Charleston's financial statements for the fiscal year ended June 30, 2017. 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 Uniform Guidance. 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-six 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 council members are elected by ward. The mayor and council serve four year terms. For cost savings purposes, the current term will be three and a half years to coincide the city election with the congressional election.

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 5.0 percent at June 30th reflected a decrease from the prior year. The State and United States unemployment rates were 4.6 and 4.3 percent.

A recent survey conducted by Howards Swint, an associate broker with Colliers International, found vacancy rates for Charleston's Class A buildings have hit unseen highs despite improving conditions for the state's economy. Six of the seven modern, Class A high-rise office towers in downtown Charleston, saw their vacancy rates increase from an average of 17.8 percent in October to 19.6 percent in July.

The Class A market struggles are primarily attributed to a drop in natural gas demand after a period of high activity in the Marcellus Shale region. Vacancy rates are a lagging indicator of the economy's health. A recent uptick in the energy industry shows improvement, which can lead to more hires and as a result office space is needed.

Uncertainty remains in the fate of the big box retail stores as they compete against online shopping. During this fiscal year, Sears and Sear Auto Center closed at the Charleston Town Center Mall location. Kmart, Macy's, Gymboree, and Abercrombie & Fitch have all announced store closings across the country. The Town Center Mall will have to continue to reinvent itself to keep up with changing market conditions.

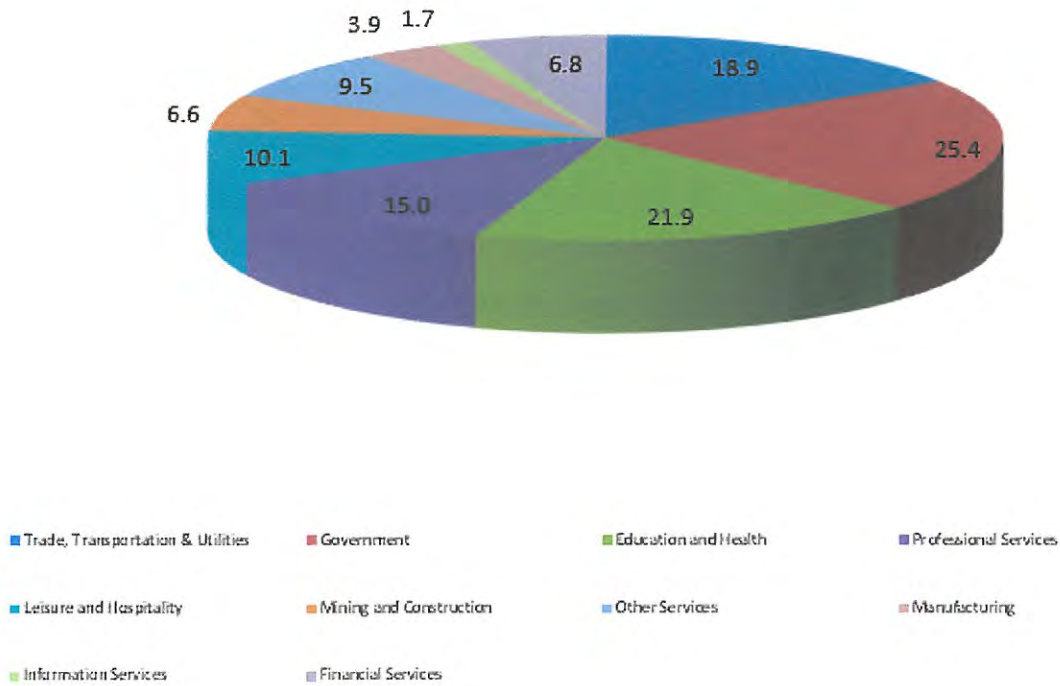
The City of Charleston has experienced new construction including: Enterprise Rent-A-Car at 320 MacCorkle Avenue, Wendy's restaurant on Virginia Street, two new Bojangles' restaurants, a veterinarian hospital at 301 Virginia Street, West, Starbucks at 112 Kanawha Boulevard, and a new Pioneer Federal Credit Union at 1316 Kanawha Boulevard.

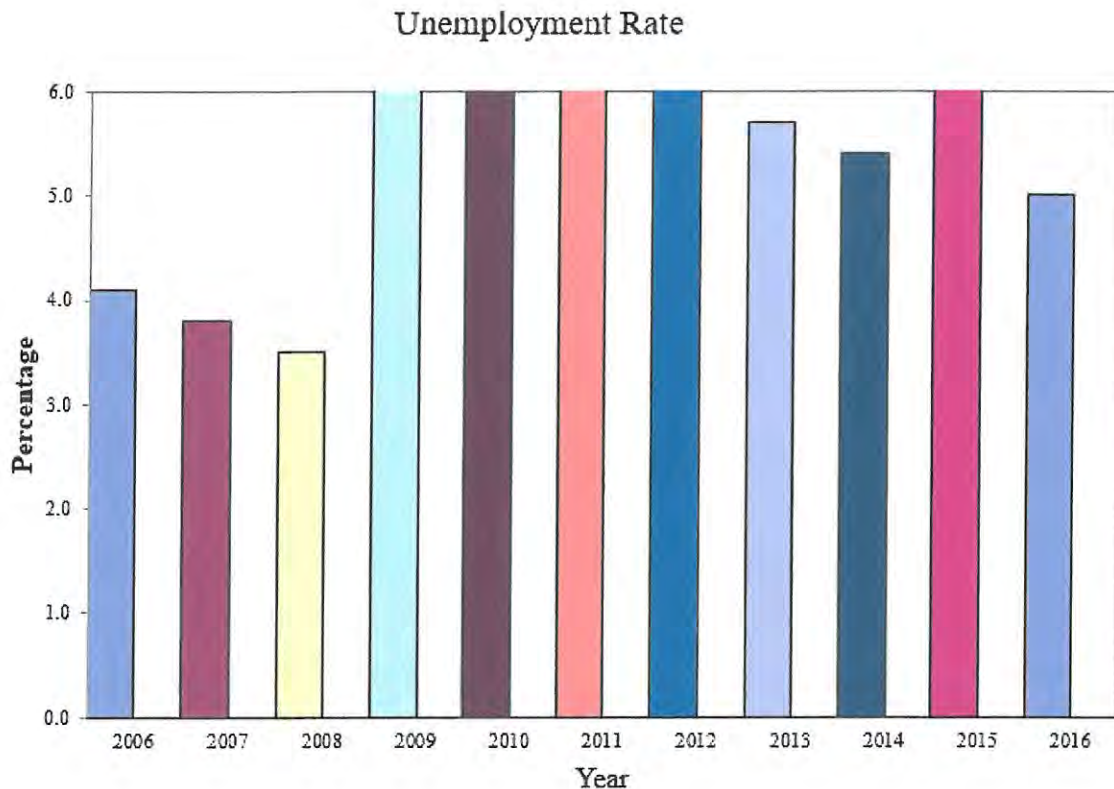
The Charleston Convention and Visitors Bureau (CVB) is charged with maximizing business and leisure tourism expenditures in the city of Charleston, thus increasing the tax base for its citizens. The CVB booked 28,960 rooms with an estimated economic impact of \$18.8 million in the years to follow.

The city is currently experiencing a renaissance of public and private tourism infrastructure improvements exceeding \$200 million dollars. The projects include:

- \$100 million Charleston Convention Center
- \$20 million upgrade of the riverfront Sheraton by Four Points
- \$13 million new Marriott Courtyard
- \$8 million Charleston Marriott
- \$10 million Charleston Town Center Mall
- \$5 million Hampton Inn Southridge
- \$3.5 million Holiday Inn Express Civic Center
- \$200,000 to update University of Charleston Stadium
- \$3 million riverfront bike lane
- \$1.6 million street improvements in warehouse district
- \$1 million new East End Community Park
- \$600,000 for new boat docking at Haddad Riverfront Park
- \$300,000 new turf for Appalachian Power Park
- \$200,000 new Kanawha Café at Yeager Airport

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





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. The City of Charleston, West Virginia strives to be the most efficient and effective at balancing and meeting the needs and expectations of its core constituents. 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.

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 City plans to update, expand, and renovate the Charleston Convention and Civic Center to current market standards to capture more of the regional meeting, conference and convention market. The goals of the project include: (i) adding a flexible, upscale and high quality Ballroom/Banquet Hall with 19,200 square feet (the "Elk River Addition"), (ii) renovating and construction additional meeting spaces with new front and back of facility spaces, (iii) constructing new lobbies at Clendenin Street and Quarrier Street and updating other entryways, (iv) providing a new central plant, with electrical, plumbing, and fire protection improvements, and (iv) general improvements to the facility aesthetics, site conditions, operations, planning, systems and technology.

The Project is being constructed under a design build contract. The City selected BBL Carlton as the Design Builder and has negotiated a base contract in the approximate amount of \$82,219,485. Inclusion of Consultant and Criteria Development, Furniture, Fixtures & Equipment, along with other proposed enhancements, the total project costs are estimated at approximately \$102,000,000. The project is expected to be completed in Spring, 2018.

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. The sales tax in the fiscal year 2015 generated \$7.4 million. These extra revenues will 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 2014 and became effective July 1, 2015. This additional half-cent-per dollar tax revenue is committed to police and fire pensions. This portion of the overall sales tax generated \$7.4 Million in fiscal year 2016. It has been projected this sales tax increase should provide enough reserves to pay current or projected pension benefits through 2027. The City estimates that projected revenues will increase 2.5% per year beginning with year 2016.

In 2013, 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. Revenues totaled \$835,000 at the end of fiscal year 2016

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. The design plan has been completed for the 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.

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, 2016. This was the eleventh 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 black ink that reads "Tia C. Robertson". The signature is written in a cursive, flowing style.

Tia C. Robertson, M.A.F.M
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

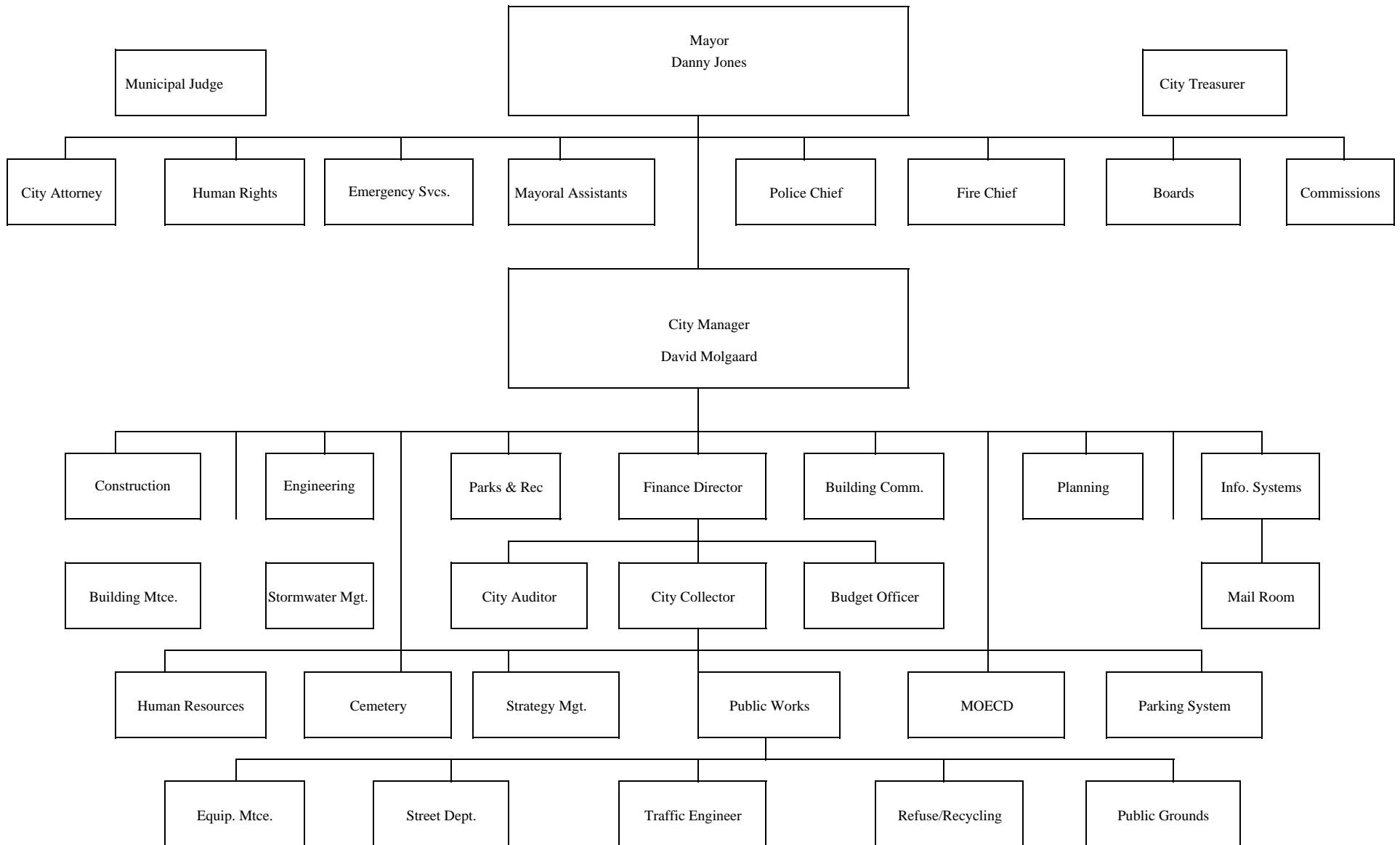
June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO

CITY OF CHARLESTON

Organizational Chart



CITY OF CHARLESTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2017

OFFICE	NAME	TERM
--------	------	------

Elective

Mayor:	Danny Jones	06/21/15 - 01/07/2019
Treasurer:	Victor Grigoraci	06/21/15 - 01/07/2019
Municipal Judge:	Anne Charnock	06/21/15 - 01/07/2019

Council Members

At Large	Becky Ceperley	Ward 8	Cubert Smith
At Large	Mary Jean Davis	Ward 9	Mary Beth Hoover
At Large	Karen Ireland	Ward 10	Keeley Steele
At Large	J. Thomas Lane	Ward 11	Shannon Snodgrass
At Large	Andy Richardson	Ward 12	Susie Salisbury
At Large	Jerry L. Ware	Ward 13	Brent Burton
Ward 1	Bernard Slater	Ward 14	Courtney Persinger
Ward 2	Bobby Haas	Ward 15	Samuel Minardi
Ward 3	Chuck Overstreet	Ward 16	Bobby Reishman
Ward 4	Rev. James Ealy	Ward 17	John Miller, Jr.
Ward 5	Jeanine Faegre	Ward 18	Rick Burka
Ward 6	Edward Talkington	Ward 19	Jack Harrison
Ward 7	Archie Chestnut	Ward 20	Mike Clowser

Appointive

City Manager:	David Molgaard	Mayor Assistants:	Rod Blackstone Beverly Page
Finance Director:	Joseph Estep		
City Clerk:	JB Akers	City Collector:	Tonya Cotton
Attorney:	Paul Ellis	City Engineer:	Chris Knox
		Economic & Community Development	
City Auditor:	Tia C. Robertson, M.A.F.M.	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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 2017, 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 Urban Renewal Authority (CURA) and the Charleston Convention and Visitor's Bureau (CVB), which represents 9 percent of the assets, 17 percent of the net position, and 10 percent of the revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the CURA and CVB, 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 the 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Coal Severance Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 27, the schedules of employer defined benefit plans information on pages 114 through 117, the schedules of other post employment benefit plan information on page 118, the schedules of public employees retirement system on pages 119 through 120, and the schedules of municipal police officers and firefighters retirement system on pages 121 through 122 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 introductory section, combining and individual nonmajor fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 as described above, the combining and individual nonmajor 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 or the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Charleston, West Virginia
December 21, 2017

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

This section of the City of Charleston's (the City) Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the City's financial performance during the fiscal year ended June 30, 2017. 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 deficit net position of \$192,170,955 in fiscal year 2017 and a deficit net position of \$183,629,721 in fiscal year 2016.

Of the net position in fiscal year 2017, a deficit balance of \$319,925,075 was reported as total unrestricted net position, which includes \$321,047,171 deficit balance in governmental activities and a \$1,122,096 balance in business-type activities. Total net position decreased \$8,541,234 as a result of this year's operations.

The City's governmental activities reported total expenses of \$123,312,930, total revenues of \$115,863,054, and transfers out of \$1,894,049 for a net decrease of \$9,343,925.

Business-type activities reported total expenses of \$7,816,011, program revenues of \$6,403,757, general revenues of \$320,896, and transfers in of \$1,894,049 for a net increase of \$802,691.

Fund Level

Governmental funds reported a combined fund balance of \$122,783,432, a decrease of \$30,581,954 from the prior year. This includes \$46,020,681 of restricted fund balance for the Civic Center Renovation Project.

The General Fund reported an unassigned fund balance of \$22,699,961, non-spendable fund balance of \$577,358, restricted fund balance of \$1,345,072, committed fund balance of \$23,571,412, and assigned fund balance of \$4,733,963, compared to \$18,858,461, \$585,364, \$1,581,117, \$22,204,602, and \$5,785,779, respectively, in the prior year.

Total governmental funds reported non-spendable fund balance of \$1,882,422, restricted of \$58,346,230, committed of \$35,114,005, and assigned fund balance of \$4,733,963, compared to \$1,788,157, \$93,529,949, \$33,401,537, and \$5,785,779, respectively, in the prior year. The total unassigned fund balance for the governmental funds was \$22,706,812, compared to unassigned fund balance of \$18,859,964 in prior year.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

Long-term Debt

Total bonds and obligations under long-term leases at year end were \$107,275,764, a net decrease of \$3,504,419 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, 2017

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 30 through 33 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 36 through 47 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 50 through 54 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 57 and 58 of this report.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

Government-Wide Financial Analysis

The City's combined net position (governmental and business-type activities) totaled (\$192,170,955) at the end of 2017 and (\$183,629,721) at the end of 2016. The largest portion of the City's net position, \$63,783,877, reflects investment 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, \$63,970,243, 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 (\$319,925,075), reflects the City's deficit of remaining assets to remaining liabilities.

CITY OF CHARLESTON'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 138,261,935	\$ 168,653,755	\$ 7,942,255	\$ 6,059,417	\$ 146,204,190	\$ 174,713,172
Capital assets	153,549,652	113,707,245	17,367,747	18,194,406	170,917,399	131,901,651
Total assets	291,811,587	282,361,000	25,310,002	24,253,823	317,121,589	306,614,823
Deferred Outflows of Resources						
Deferred assumption changes-pensions	10,801,125	51,575,620	-	-	10,801,125	51,575,620
Loss on refunding of debt	31,831	36,429	142,242	161,421	174,073	197,850
Total deferred outflows of resources	10,832,956	51,612,049	142,242	161,421	10,975,198	51,773,470
Long-term liabilities outstanding	483,377,119	505,161,272	6,328,293	6,045,142	489,705,412	511,206,414
Other liabilities	22,434,536	22,314,013	967,279	1,016,121	23,401,815	23,330,134
Total liabilities	505,811,655	527,475,285	7,295,572	7,061,263	513,107,227	534,536,548
Deferred Inflows of Resources						
Deferred investment experience-pensions	7,160,515	7,481,466	-	-	7,160,515	7,481,466
Net Position:						
Net Investment in capital assets	50,490,892	91,753,906	13,292,985	13,684,752	63,783,877	105,438,658
Restricted	60,228,652	96,997,958	3,741,591	2,567,120	63,970,243	99,565,078
Unrestricted	(321,047,171)	(389,735,566)	1,122,096	1,102,109	(319,925,075)	(388,633,457)
Total net position	\$ (210,327,627)	\$ (200,983,702)	\$ 18,156,672	\$ 17,353,981	\$ (192,170,955)	\$ (183,629,721)

Governmental Activities. Governmental activities decreased the City of Charleston's net position by \$8,541,234 which is primarily attributable to GASB 68 requiring employers to recognize their proportionate share of the pension plan's unfunded liability as well as related deferred outflows of resources, deferred inflows of resources and pension expense.

As of June 30, 2017, per GASB 68 the net pension liability balance was \$345,775,829 of which \$333,577,361 was attributed to police and fire pension and \$12,198,468 was attributed general government. This was a decrease of \$25,421,015 from fiscal year end 2016.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

Business-type Activities. Total net position of the City's business-type activities increased \$802,691 (5 percent) over prior year. Total operating revenues increased \$25,378 (1 percent) over prior year. The Civic Center experienced a decrease in charges to customers in the amount of \$5,314 primarily due to a decrease in ticketed events and overall rentals. Any time ticketed events decrease then ancillary items related to the event also decrease such as commissions, patron services, security, and electricity. The facility experienced decreased room rental in the amount of \$32,490 (3 percent). The Parking System experienced a \$27,609 (1 percent) increase in operating revenues from the prior year. Parking violation revenue increased \$22,915 (11 percent) from prior year due to resolution of challenges in obtaining violator names and addresses to send out notice letters. Building rentals increased \$97,532; 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. 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 decreased \$29,099 (less than 1 percent) and Parking System net position increased \$831,790 (less than 1 percent).

A Tax Incremental Financing District was established for the Civic Center's future expansion and renovation. Collections during 2016 were \$346,176 and in 2017 \$293,485 (16 percent decrease) which is restricted for future bond payments.

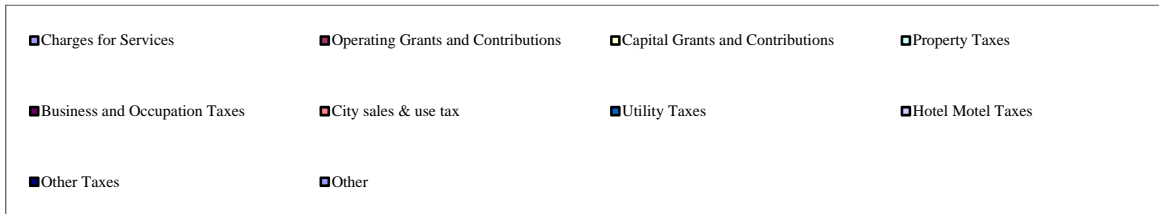
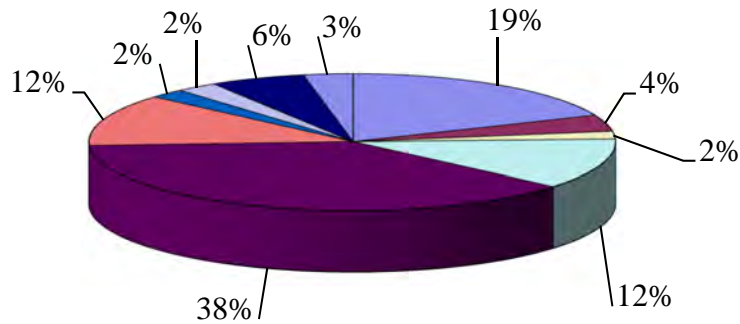
CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

City of Charleston's Changes in Net Position

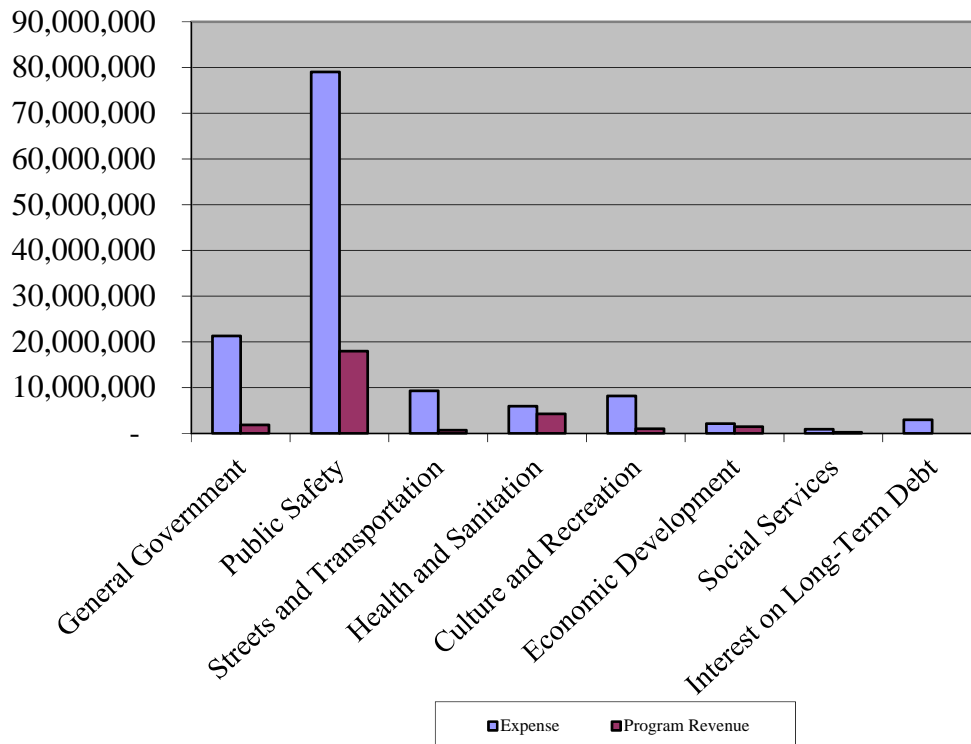
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 21,246,781	\$ 21,473,741	\$ 6,388,654	\$ 6,363,276	\$ 27,635,435	\$ 27,837,017
Operating Grants and Contributions	5,064,871	4,517,992	-	-	5,064,871	4,517,992
Capital Grants and Contributions	4,070,239	2,134,042	15,103	-	4,085,342	2,134,042
General Revenues:						
Property Taxes	14,549,810	13,773,096	-	-	14,549,810	13,773,096
Business and Occupation Taxes	45,996,988	43,535,853	-	-	45,996,988	43,535,853
City sales & use tax	15,034,244	14,240,163	-	-	15,034,244	14,240,163
Other Taxes	7,249,127	6,717,881	-	-	7,249,127	6,717,881
Other	2,650,994	3,490,504	320,896	403,787	2,971,890	3,894,291
Total Revenues	115,863,054	109,883,272	6,724,653	6,767,063	122,587,707	116,650,335
Expenses:						
General Government	22,041,544	21,301,605	-	-	22,041,544	21,301,605
Public Safety	70,697,561	79,047,639	-	-	70,697,561	79,047,639
Highways & Streets	8,445,513	9,281,976	-	-	8,445,513	9,281,976
Health & Sanitation	5,092,395	5,924,840	-	-	5,092,395	5,924,840
Economic Development	3,356,073	2,135,877	-	-	3,356,073	2,135,877
Culture & Recreation	8,839,623	8,180,960	-	-	8,839,623	8,180,960
Social Services	807,524	887,105	-	-	807,524	887,105
Capital Projects	-	1,211,863	-	-	-	1,211,863
Interest on Long-Term Debt	4,032,697	2,946,891	-	-	4,032,697	2,946,891
Civic Center	-	-	4,867,709	5,286,307	4,867,709	5,286,307
Parking System	-	-	2,948,302	3,356,641	2,948,302	3,356,641
Total Expenses	123,312,930	130,918,756	7,816,011	8,642,948	131,128,941	139,561,704
Increase in Net Position						
Before Transfers	(7,449,876)	(21,035,484)	(1,091,358)	(1,875,885)	(8,541,234)	(22,911,369)
Transfers	(1,894,049)	(1,361,717)	1,894,049	1,361,717	-	-
Increase in Net Position	(9,343,925)	(22,397,201)	802,691	(514,168)	(8,541,234)	(22,911,369)
Net Position- beginning	(200,983,702)	(210,327,627)	17,353,981	18,156,672	(183,629,721)	(192,170,955)
Net Position- ending	\$ (210,327,627)	\$ (232,724,828)	\$ 18,156,672	\$ 17,642,504	\$ (192,170,955)	\$ (215,082,324)

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

Revenue by Source-Governmental Activities

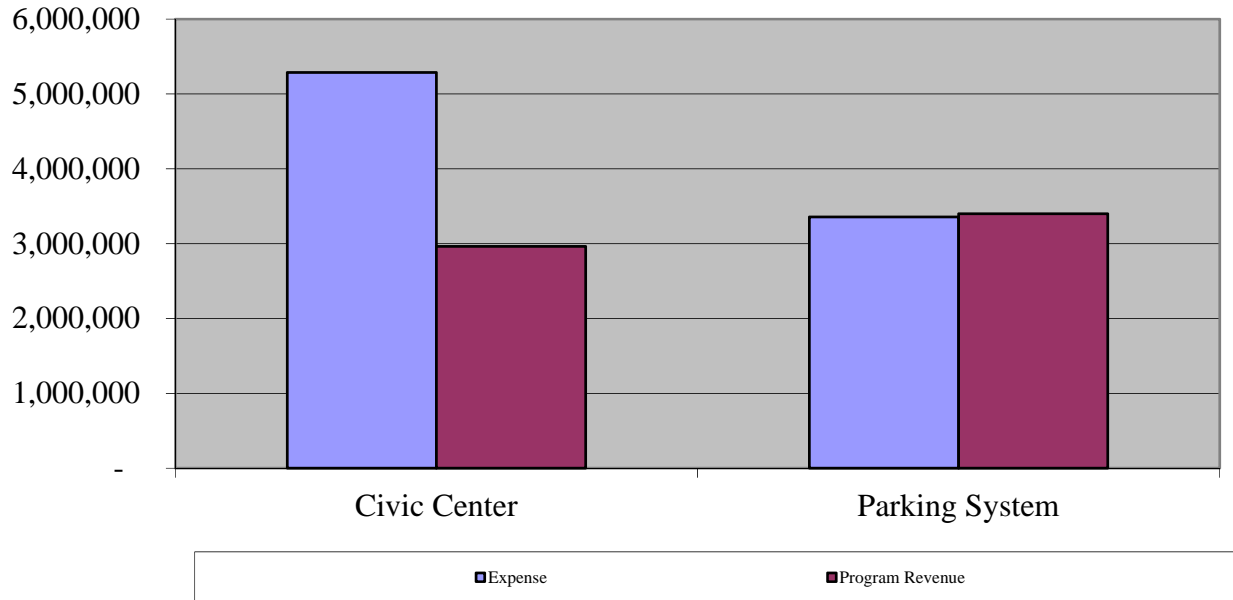


Expenses and Program Revenues-Governmental Activities

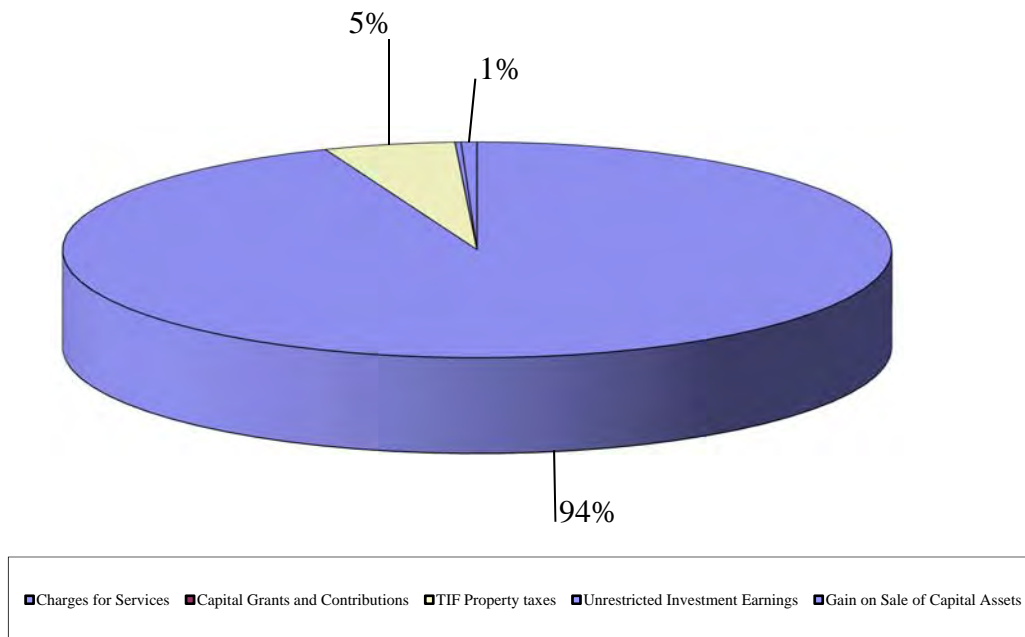


CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

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, 2017

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 \$122,783,432 (including \$46,020,681 in restricted fund balance for the Civic Center Renovation Project) , an decrease of \$30,581,956 in comparison with the prior year. Approximately 19 percent of the combined ending fund balances in the amount of \$22,706,812 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 \$1,882,422; restricted by external grants, contributors, and laws \$58,346,230; committed by the government's council \$35,114,005; and assigned by the government's council or administrative officials \$4,733,963.

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 \$22,699,961, while total fund balance reached \$52,927,766. 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 24 percent of total General Fund expenditures, while total fund balance represents 55 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased \$3,912,443 during the current fiscal year. This is primarily attributable to tax revenue increase of \$4,467,348 with total revenue increase of \$4,756,782. Expenditures increased \$7,121,625 due to rising healthcare claims and fund level capital outlays. Police and fire pension contributions increased five percent due to the Conservation Method adopted in 2011 and November 2014 the City of Charleston implemented a half cent sales tax increase dedicated to the pension reserve fund. Workers' compensation claims cost decreased ten percent due to the Return to Work program implemented in fiscal year 2015.

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 increased \$11,188 (10 percent) over the prior year due to the increase in production and coal sales. Community Development and HOME Funds are funded by HUD federal grants for community development. The grant revenues recognized were \$251,511 (14 percent) more in comparison to fiscal year 2016 due to an increase in funding. The Convention and Civic Center Project Fund is funded by the bond proceeds used for the capital improvements associated with the Charleston Convention and Civic Center Project.

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, 2017

General Fund Budgetary Highlights

The City periodically revises the General Fund 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. In fiscal year 2017 the City, through budget amendments, increased the budget by \$632,365 on the basis of additional revenue from external sources. The City also decreased the budgeted revenues by \$856,215, which amounts to a net decrease of \$223,850. Additionally, the City increased the fiscal year 2017 budget \$8,202,465 to effect the re-budgeting of the fiscal year 2016 ending fund balance.

The additional revenues from external were \$131,948 in Reimbursements, \$469,158 in Contributions and Donations, and \$31,259 in Miscellaneous. The additional revenue were used to provide funding for various City projects.

The fiscal year 2016 ending fund balance of \$8,202,465 was primarily re-budgeted to General Government Expenditures, Public Safety Expenditures, and Capital Projects Expenditures (\$1,009,219, \$1,671,675, and \$4,215,920, respectively). Additionally \$300,000 was contributed to the City's Compensation Initiative to increase wages and salaries for City employees. The City has adopted a policy of carrying forward to the next year any unspent budget funds in several areas to provide additional resources to meet unforeseen circumstances or to preserve funding to complete major projects. In this regard, the City carried forward \$107,519 for the Mayor's Economic Incentive fund, \$305,207 for the Legal department Court Costs and Claims reserve, and \$1,864,972 for the City Manager Professional Services for the purpose of architecture and engineering services associated with new and existing projects.

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, 2017, amounted to \$170,917,399 (net of accumulated depreciation). This investment in capital assets includes 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, but not limited to Pile Retaining Walls for Slip Repairs \$576,870, Replace/Repair Streetscape Sections Downtown \$520,867, Long Term Storm Water Comprehensive Plan \$421,039, Magic Island Splash Pad \$380,581, Concrete Curb & Sidewalk Summer 2016 Project \$311,877, 42nd St Streetscape Project \$222,895, and remodel of Parking Building #2 for the new Traffic, Parking & Transportation Department \$252,645.

Projects for the Rails to Trails bike/pedestrian trail, Civic Center expansion and renovation, Slack Plaza/Brawley Walkway Project, Fire Stations major remodeling and various other capital projects were remaining in construction in progress as of the end of the fiscal year in the amount of \$58,382,312.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 9,181,692	\$ 9,022,842	\$ 4,366,447	\$ 4,366,447	\$ 13,548,139	\$ 13,389,289
Construction in Progress	58,062,719	20,452,872	319,593	323,115	58,382,312	20,775,987
Buildings & Improvements	26,602,854	26,777,009	11,988,792	12,947,652	38,591,646	39,724,661
Other Improvements	9,764,862	10,006,323	257,659	284,172	10,022,521	10,290,495
Machinery & Equipment	10,450,846	9,636,208	435,256	273,020	10,886,102	9,909,228
Infrastructure	39,486,679	37,811,993	-	-	39,486,679	37,811,993
Total	\$153,549,652	\$113,707,247	\$ 17,367,747	\$ 18,194,406	\$170,917,399	\$131,901,653

Additional information on the City of Charleston's capital assets can be found in Note III.C. on pages 77 through 79 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	
	2017	2016	2017	2016	2017	2016
Revenue Bonds	\$ 92,742,657	\$ 96,644,815	\$ 4,217,004	\$ 4,671,075	\$ 96,959,661	\$101,315,890
Total	\$ 92,742,657	\$ 96,644,815	\$ 4,217,004	\$ 4,671,075	\$ 96,959,661	\$101,315,890

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 \$161,593,491.

Additional information on the City of Charleston's long-term debt can be found in Note III.G. on pages 82 through 85 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.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate of 5.0 percent at June 30th reflected a decrease from the prior year. The State and United States unemployment rates were 4.6 and 4.3 percent.

A recent survey found vacancy rates for Charleston's Class A buildings have hit unseen highs despite improving conditions for the state's economy. Six of the seven modern, Class A high-rise office towers in downtown Charleston, saw their vacancy rates jump from an average of 17.8 percent in October to 19.6 percent in July. The data came from a recent survey conducted by Howard Swint, an associate broker with Colliers International.

The Class A market struggles are primarily attributed to a drop in natural gas demand after a period of high activity in the Marcellus Shale region. Vacancy rates are a lagging indicator of the economy's health. A recent uptick in the energy industry shows improvement, which can lead to more hires which means more office space is needed.

Uncertainty remains in the fate of big box retail stores as they compete against online shopping. This year saw the closing of the Sears store at the Charleston Town Center Mall and the Sears Auto Center on Quarrier Street. Kmart, Macy's, Gymboree, and Abercrombie & Fitch have all announced store closings across the country. The Town Center Mall will have to continue to reinvent itself to keep up with changing market conditions.

Recent new construction includes; Enterprise Rent-A-Car at 320 MacCorkle Ave, Wendy's restaurant on Virginia Street, two new Bojangles' Restaurants, a veterinarian hospital at 301 Virginia Street, West, Starbucks at 112 Kanawha Boulevard, and a new Pioneer Federal Credit Union at 1316 Kanawha Boulevard.

The Charleston Convention and Visitors Bureau (CVB) is charged with maximizing business and leisure tourism expenditures in the city of Charleston, thus increasing the tax base for its citizens. The CVB booked 28,960 rooms with an estimated economic impact of \$18.8 million in the years to follow.

The city is currently experiencing a renaissance of public and private tourism infrastructure improvements exceeding \$200 million dollars. The projects include:

- \$100 million Charleston Convention Center
- \$20 million upgrade of the riverfront Sheraton by Four Points
- \$13 million new Marriott Courtyard
- \$8 million Charleston Marriott
- \$10 million Charleston Town Center Mall
- \$5 million Hampton Inn Southridge
- \$3.5 million Holiday Inn Express Civic Center
- \$200,000 to update University of Charleston Stadium
- \$3 million riverfront bike lane
- \$1.6 million street improvements in warehouse district
- \$1 million new East End Community Park
- \$600,000 for new boat docking at Haddad Riverfront Park
- \$300,000 new turf for Appalachian Power Park
- \$200,000 new Kanawha Café at Yeager Airport

The fiscal year 2018 approved expenditures budget includes decreases in Personal Services of \$3,619,428 and Transfers to Other Funds of \$1,024,883. The decrease in Personal Services is due to a compensation study implemented by the City and a change in budgetary methods where the City no longer budgets at the top of the pay scale. A decrease in Police & Fire pension benefits of \$458,571 (funded by the aforementioned sales tax). The increase in Transfers to Other Funds is to use the additional City Service Fee revenues to fund increases in the paving program.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

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, West Virginia 25330.



CITY OF CHARLESTON, WEST VIRGINIA

THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 30 through 33. 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, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 99,093,156	\$ 3,374,384	\$ 102,467,540	\$ 12,842,067	\$ 4,135,433	\$ 555,934
Investments	5,000,342	1,319,115	6,319,457	--	--	--
Receivables:						
Accounts	8,915,622	377,875	9,293,497	2,003,310	--	111,237
Accrued interest	7,665	--	7,665	--	--	--
Taxes	12,395,050	--	12,395,050	--	--	--
Other	--	--	--	5,780	--	--
Loans	5,459,318	--	5,459,318	--	2,683,857	--
Grants	1,697,538	--	1,697,538	--	--	--
Internal balances	19,099	(19,099)	--	--	--	--
Due from:						
Primary government	--	--	--	79,677	--	166,644
Component units	26,739	--	26,739	--	--	--
Fiduciary Funds	39,550	--	39,550	--	--	--
Restricted :						
TIF district	--	1,132,193	1,132,193	--	--	--
Regular account	--	1,283,590	1,283,590	--	--	--
Revenue bond covenant account	--	13	13	--	--	--
Customer deposits	--	317,567	317,567	--	--	--
Inventory	--	--	--	986,696	--	--
Prepaid items	577,358	156,617	733,975	191,653	918	8,956
Total current assets	133,231,437	7,942,255	141,173,692	16,109,183	6,820,208	842,771
Noncurrent assets:						
Regular account	--	--	--	2,298,900	--	--
Reserve account	--	--	--	6,822,652	--	--
Renewal and replacement	--	--	--	11,291,029	--	--
Restricted cash	4,436,855	--	4,436,855	311,166	--	--
Reserve for insurance deductible	--	--	--	--	--	--
Reserve for other post employment benefits	--	--	--	602,326	--	--
Reserve for health care	--	--	--	1,004,676	--	--
Reserve for flexible spending account	--	--	--	10,336	--	--
Reserve for construction	--	--	--	12,159,065	242,675	--
Capital assets:						
Nondepreciable:						
Land	9,181,692	4,366,447	13,548,139	2,654,021	8,542,617	--
Construction in progress	58,062,719	319,593	58,382,312	6,306,224	--	--
Depreciable:						
Buildings and improvements	73,885,442	68,992,320	142,877,762	--	51,622	--
Structures and improvements	--	--	--	46,702,901	--	--
Vehicles	21,051,650	--	21,051,650	--	--	--
Infrastructure	103,663,182	--	103,663,182	--	--	--
Collection system	--	--	--	87,169,412	--	--
Pumping system	--	--	--	3,070,121	--	--
Machinery and equipment	20,097,192	2,414,563	22,511,755	58,375,118	39,539	98,558
Less: accumulated depreciation	(132,392,225)	(58,725,176)	(191,117,401)	(78,481,034)	(68,088)	(79,901)
Net pension asset	593,643	--	593,643	--	--	--
Total noncurrent assets	158,580,150	17,367,747	175,947,897	160,296,913	8,808,365	18,657
Total assets	291,811,587	25,310,002	317,121,589	176,406,096	15,628,573	861,428

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
DEFERRED OUTFLOWS						
Loss on refunding of debt	31,831	142,242	174,073	--	--	--
Public Employees Retirement System (PERS):						
Contributions made after measurement date	2,238,435	--	2,238,435	476,572	15,601	53,345
Changes between projected and actual earnings	3,833,160	--	3,833,160	784,785	27,991	85,966
Changes between expected and actual experience	1,017,240	--	1,017,240	208,265	7,428	22,814
Changes in contributions	293,430		293,430	53,027	1,615	5,268
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	367,173	--	367,173	--	--	--
Changes in contributions	17,933	--	17,933	--	--	--
Changes in earnings	66,418	--	66,418	--	--	--
Changes in actual investment experience	30,646	--	30,646	--	--	--
Defined Benefit Plans (DBP):						
Changes in assumptions	2,936,690	--	2,936,690	--	--	--
Total deferred outflows of resources	10,832,956	142,242	10,975,198	1,522,649	52,635	167,393
LIABILITIES						
Current liabilities payable						
from current assets:						
Accounts payable	5,881,532	233,531	6,115,063	822,535	38,288	65,673
Refunds payable	--	22,897	22,897	--	--	--
Payroll payable	726,346	43,664	770,010	143,629	--	--
Other accrued expenses	28,416	16,176	44,592	--	1,771	25,416
Live on the Levee Charitable Raffle	4,311	--	4,311	--	--	--
Accrued interest payable	31,587	35,353	66,940	730,850	--	--
Compensated absences payable	1,411,753	87,189	1,498,942	184,322	--	6,817
Reserve for future insurance claims	1,859,550	6,680	1,866,230	--	--	--
Due to:						
Primary government	--	--	--	26,739	--	--
Component unit	190,336	31,179	221,515	--	--	--
Other governments	--	610	610	--	--	--
Unearned revenue						
Grant advances	5,389,366	--	5,389,366	--	--	--
Unearned revenue	--	--	--	--	46,916	--
Customer prepaid fees	101,390	--	101,390	--	90,000	5,000
Total current liabilities	15,624,587	477,279	16,101,866	1,908,075	176,975	102,906
Noncurrent liabilities due						
within one year:						
Bonds payable	4,058,000	490,000	4,548,000	4,388,691	--	--
Leases payable	2,751,949	--	2,751,949	--	--	--
Dormant checks payable	--	--	--	--	--	--
Compensated absences payable	--	--	--	--	--	--
Noncurrent liabilities due in more than one year:						
Bonds payable	88,684,657	3,727,004	92,411,661	87,910,596	--	--
Leases payable	7,564,154	--	7,564,154	--	--	--
Other post employment benefits	37,406,583	2,601,289	40,007,872	3,359,394	45,173	--
Net pension liability -PERS	12,198,468	--	12,198,468	2,497,430	89,077	273,570
Net pension liability - Police and Fire	333,577,361	--	333,577,361	--	--	--
Claims and judgements	3,945,896	--	3,945,896	--	--	--
Total noncurrent liabilities	490,187,068	6,818,293	497,005,361	98,156,111	134,250	273,570
	505,811,655	7,295,572	513,107,227	100,064,186	311,225	376,476

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
DEFERRED INFLOWS						
Public Employees Retirement System (PERS):						
Changes in contributions	58,588	--	58,588	14,813	141	14,524
Changes between projected and actual earnings	--	--	--	--	--	--
Changes in assumptions	594,282	--	594,282	121,671	4,340	13,328
Defined Benefit Plans (DBP):						
Changes in actual investment experience	1,850,908	--	1,850,908	--	--	--
Changes in noninvestment experience	4,580,567	--	4,580,567	--	--	--
Municipal Police & Fire Retirement System (MPFRS):						
Changes in contributions	76,170	--	76,170	--	--	--
Mayor's Contributions						
Grants	--	--	--	--	--	7,020
Total deferred inflows of resources	7,160,515	--	7,160,515	136,484	4,481	34,872
NET POSITION						
Net investment in capital assets	50,490,892	13,292,985	63,783,877	45,656,182	8,565,690	18,657
Restricted for:						
Culture and recreation	46,112,552	--	46,112,552	--	--	--
Debt service	5,956,967	2,602,718	8,559,685	20,412,581	--	--
Capital projects	925,489	--	925,489	--	--	--
General Government	710,010	--	710,010	--	--	--
Community development projects	292,200	--	292,200	--	--	--
Public safety	679,714	--	679,714	--	--	--
Health & Sanitation	3,189,823	--	3,189,823	--	--	--
Social Services						
Expendable	1,056,833	--	1,056,833	--	--	--
Nonexpendable	1,305,064	--	1,305,064	--	--	--
TIF District	--	1,132,193	1,132,193	--	--	--
Customer deposits	--	6,680	6,680	--	--	--
Unrestricted	(321,047,171)	1,122,096	(319,925,075)	11,659,312	6,799,812	598,816
Total net position	\$ (210,327,627)	\$ 18,156,672	\$ (192,170,955)	\$ 77,728,075	\$ 15,365,502	\$ 617,473

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, 2017

	Program Revenues				Net (Expense) Revenues and Changes in Net Position					
	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
Functions / Programs										
Primary government:										
Governmental activities:										
General government	\$ 22,041,544	\$ 1,633,343	\$ --	\$ 413,009	\$ (19,995,192)	\$ --	\$ (19,995,192)	\$ --	\$ --	\$ --
Public safety	70,697,561	13,214,233	3,409,013	1,826,096	(52,248,219)	--	(52,248,219)	--	--	--
Streets and transportation	8,445,513	1,039,218	--	--	(7,406,295)	--	(7,406,295)	--	--	--
Health and sanitation	5,092,395	4,007,136	--	--	(1,085,259)	--	(1,085,259)	--	--	--
Culture and recreation	8,839,623	1,202,284	--	1,645,587	(5,991,752)	--	(5,991,752)	--	--	--
Interest on long-term debt	4,032,697	--	--	--	(4,032,697)	--	(4,032,697)	--	--	--
Social services	807,524	150,567	--	--	(656,957)	--	(656,957)	--	--	--
Capital projects	--	--	--	--	--	--	--	--	--	--
Economic development	3,356,073	--	1,655,858	185,547	(1,514,668)	--	(1,514,668)	--	--	--
Total governmental activities	123,312,930	21,246,781	5,064,871	4,070,239	(92,931,039)	--	(92,931,039)	--	--	--
Business-type activities:										
Civic Center	4,867,709	2,962,180	--	15,103	--	(1,890,426)	(1,890,426)	--	--	--
Parking System	2,948,302	3,426,474	--	--	--	478,172	478,172	--	--	--
Total business-type activities	7,816,011	6,388,654	--	15,103	--	(1,412,254)	(1,412,254)	--	--	--
Total primary government	\$ 131,128,941	\$ 27,635,435	\$ 5,064,871	\$ 4,085,342	(92,931,039)	(1,412,254)	(94,343,293)	--	--	--
Component units:										
Sanitary Board	20,428,935	24,094,555	--	9,509	--	--	--	3,675,129	--	--
Urban Renewal Authority	859,412	609,274	--	13,850	--	--	--	--	(236,288)	--
Convention & Visitor's Bureau	1,844,399	109,046	--	1,717,857	--	--	--	--	--	(17,496)
Total component units	\$ 23,132,746	\$ 24,812,875	\$ --	\$ 1,741,216	--	--	--	3,675,129	(236,288)	(17,496)
General revenues:										
Ad valorem property taxes					14,544,695	--	14,544,695	--	--	--
Business & occupation tax					45,996,988	--	45,996,988	--	--	--
Alcoholic beverages tax					942,479	--	942,479	--	--	--
Utility services tax					2,708,004	--	2,708,004	--	--	--
Hotel occupancy tax					3,166,489	--	3,166,489	--	--	--
Animal tax					6,067	--	6,067	--	--	--
Gas and oil severance tax					67,446	--	67,446	--	--	--
Amusement tax					228,370	--	228,370	--	--	--
Sales and use tax					15,034,244	--	15,034,244	--	--	--
Coal severance tax					130,272	--	130,272	--	--	--
Unrestricted investment earnings					554,501	21,676	576,177	67,047	115,646	108
Refunds					94,327	--	94,327	--	--	--
Reimbursement					966,601	--	966,601	--	--	--
Other					--	--	--	224,259	--	--
Gain(Loss) on sale of capital assets					138,646	5,735	144,381	--	805	--
Miscellaneous					902,034	293,485	1,195,519	--	--	--
Transfers					(1,894,049)	1,894,049	--	--	(894,429)	--
Total general revenues and transfers					83,587,114	2,214,945	85,802,059	291,306	(777,978)	108
Change in net position					(9,343,925)	802,691	(8,541,234)	3,966,435	(1,014,266)	(17,388)
Net position - beginning					(200,983,702)	17,353,981	(183,629,721)	73,761,640	16,379,768	634,861
Net position - ending					\$ (210,327,627)	\$ 18,156,672	\$ (192,170,955)	\$ 77,728,075	\$ 15,365,502	\$ 617,473

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



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.

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.

Nonmajor governmental funds are presented in aggregate and then by fund type beginning on page 126.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2017

	General	Coal Severance Tax	Community Development	HOME	Convention & Civic Center Project	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ 37,416,865	\$ 22	\$ 6,851	\$ 42,986	\$ 49,926,098	\$ 11,700,334	\$ 99,093,156
Investments	177,109	--	--	--	--	4,823,233	5,000,342
Receivables:							
Taxes	12,351,410	43,640	--	--	--	--	12,395,050
Accounts	8,463,590	--	--	--	--	452,032	8,915,622
Grants	--	--	118,873	30,017	--	1,548,648	1,697,538
Loans	--	--	2,092,008	3,093,001	--	274,309	5,459,318
Accrued interest	3,401	--	--	--	--	4,264	7,665
Due from:							
Other funds	2,419,574	--	--	--	--	3,805,104	6,224,678
Component units	14,545	--	--	--	--	12,194	26,739
Prepaid items	577,358	--	--	--	--	--	577,358
Restricted cash	419,583	--	--	--	--	4,017,272	4,436,855
Total assets	<u>61,843,435</u>	<u>43,662</u>	<u>2,217,732</u>	<u>3,166,004</u>	<u>49,926,098</u>	<u>26,637,390</u>	<u>143,834,321</u>
Deferred Outflows:							
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 61,843,435</u>	<u>\$ 43,662</u>	<u>\$ 2,217,732</u>	<u>\$ 3,166,004</u>	<u>\$ 49,926,098</u>	<u>\$ 26,637,390</u>	<u>\$ 143,834,321</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 909,806	\$ --	\$ 15,631	\$ 21,819	\$ 3,904,247	\$ 1,030,029	\$ 5,881,532
Payroll payable	726,346	--	--	--	--	--	726,346
Live on the Levee Charity Raffle	--	--	--	--	--	4,311	4,311
Other accrued expenditures	28,416	--	--	--	--	--	28,416
Reserve for future insurance claims	1,859,550	--	--	--	--	--	1,859,550
Due to:							
Component unit	190,336	--	--	--	--	--	190,336
Other funds	4,396,212	--	103,242	8,198	1,170	1,657,207	6,166,029
Other governments	--	--	--	--	--	--	--
Grant advances	--	--	2,092,008	3,135,987	--	161,371	5,389,366
Customer prepaid fees	101,390	--	--	--	--	--	101,390
Total liabilities	<u>8,212,056</u>	<u>--</u>	<u>2,210,881</u>	<u>3,166,004</u>	<u>3,905,417</u>	<u>2,852,918</u>	<u>20,347,276</u>
Deferred Inflows:							
Taxes	<u>703,613</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>703,613</u>
Total deferred inflows of resources	<u>703,613</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>703,613</u>
Total liabilities and deferred inflows of resources	<u>8,915,669</u>	<u>--</u>	<u>2,210,881</u>	<u>3,166,004</u>	<u>3,905,417</u>	<u>2,852,918</u>	<u>21,050,889</u>
Fund balances:							
Nonspendable	577,358	--	--	--	--	1,305,064	1,882,422
Restricted	1,345,072	43,662	--	--	46,020,681	10,936,815	58,346,230
Committed	23,571,412	--	--	--	--	11,542,593	35,114,005
Assigned	4,733,963	--	--	--	--	--	4,733,963
Unassigned	<u>22,699,961</u>	<u>--</u>	<u>6,851</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>22,706,812</u>
Total fund balances	<u>52,927,766</u>	<u>43,662</u>	<u>6,851</u>	<u>--</u>	<u>46,020,681</u>	<u>23,784,472</u>	<u>122,783,432</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 61,843,435</u>	<u>\$ 43,662</u>	<u>\$ 2,217,732</u>	<u>\$ 3,166,004</u>	<u>\$ 49,926,098</u>	<u>\$ 26,637,390</u>	<u>\$ 143,834,321</u>

CITY OF CHARLESTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2017

Total fund balances on the governmental fund's balance sheet	\$	122,783,432
--	----	-------------

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 III.C.).		153,549,652
--	--	-------------

Net Pension assets used in governmental activities are not financial resources and, therefore not reported in the funds.		593,643
--	--	---------

Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. This is the amount of deferred taxes (Note III.B.).		703,613
---	--	---------

Deferred inflows and outflows related to pension activity are not required to be reported in the funds but are required to be reported at the government-wide level (Note V.).

Deferred outflows:

Loss on refunding of debt		31,831
---------------------------	--	--------

Public Employees Retirement System (PERS):

Deferred outflows:

Contributions made after measurement date		2,238,435
---	--	-----------

Changes in contributions		293,430
--------------------------	--	---------

Changes in earnings		3,833,160
---------------------	--	-----------

Change in actual investment experience		1,017,240
--	--	-----------

Deferred inflows:

Changes in contributions		(58,588)
--------------------------	--	-----------

Changes in assumptions		(594,282)
------------------------	--	------------

Defined Benefit Plans (DBP):

Deferred outflows:

Changes in assumptions		2,936,690
------------------------	--	-----------

Deferred inflows:

Changes in actual investment experience		(1,850,908)
---	--	--------------

Changes in noninvestment experience		(4,580,567)
-------------------------------------	--	--------------

CITY OF CHARLESTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (Continued)
June 30, 2017

MPFRS	
Deferred outflows:	
Contributions made after measurement date	367,173
Changes in contributions	17,933
Changes in actual noninvestment experience	30,646
Changes in earnings	66,418
Deferred inflows:	
Changes in contributions	(76,170)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note III.G.).	
Capital leases	(10,316,103)
Compensated absences	(1,411,753)
Net pension liability - PERS	(12,198,468)
Net pension liability - Police & Fire	(333,577,361)
Bonds payable (less bond discount of \$6,842)	(92,742,657)
Accrued interest payable	(31,587)
Claims & judgements	(3,945,896)
Other post employment benefits	(37,406,583)
	<hr/>
Net position of governmental activities	\$ (210,327,627)
	<hr/>

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, 2017

	General	Coal Severance Tax	Community Development	HOME	Convention & Civic Center Project	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem property taxes	\$ 14,363,448	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 14,363,448
Business & occupation tax	45,996,988	--	--	--	--	--	45,996,988
Alcoholic beverages tax	942,479	--	--	--	--	--	942,479
Utility services tax	2,708,004	--	--	--	--	--	2,708,004
Hotel occupancy tax	3,166,489	--	--	--	--	--	3,166,489
Animal tax	6,067	--	--	--	--	--	6,067
Gas and oil severance tax	67,446	--	--	--	--	--	67,446
Amusement tax	228,370	--	--	--	--	--	228,370
City sales tax	15,034,244	--	--	--	--	--	15,034,244
Coal severance tax	--	130,272	--	--	--	--	130,272
Licenses and permits	2,101,210	--	--	--	--	--	2,101,210
Intergovernmental:							
Federal	156,350	--	1,451,851	604,095	--	3,020,610	5,232,906
State	3,428,212	--	--	--	--	196,904	3,625,116
Local	--	--	--	--	--	22,862	22,862
Charges for services	14,706,400	--	--	--	--	4,023,715	18,730,115
Fines and forfeits	--	--	--	--	--	415,455	415,455
Interest and investment earnings	124,473	5	--	--	195,077	234,941	554,496
Payments in lieu of taxes	94,327	--	--	--	--	--	94,327
Reimbursements	966,601	--	--	--	--	--	966,601
Contributions and donations	393,809	--	--	--	300,000	196,703	890,512
Miscellaneous	859,633	--	41,784	--	--	617	902,034
Total revenues	105,344,550	130,277	1,493,635	604,095	495,077	8,111,807	116,179,441
EXPENDITURES							
Current:							
General government	18,367,809	--	--	--	--	108,052	18,475,861
Public safety	47,801,255	--	--	--	--	1,411,540	49,212,795
Streets and transportation	8,042,677	--	--	--	--	1,315	8,043,992
Health and sanitation	4,326,045	--	--	--	--	1,063,879	5,389,924
Culture and recreation	6,779,683	--	--	--	--	1,781,284	8,560,967
Social services	753,577	--	--	--	--	27,592	781,169
Capital projects	6,466,023	--	--	--	36,186,330	3,494,643	46,146,996
Economic development	--	--	1,488,287	604,095	--	1,663,788	3,756,170
Debt service:							
Principal	3,960,000	--	--	--	--	3,909,000	7,869,000
Interest & fiscal charges	225,994	--	--	--	--	3,716,048	3,942,042
Bond issuance costs	99,333	--	--	--	--	--	99,333
Total expenditures	96,822,396	--	1,488,287	604,095	36,186,330	17,177,141	152,278,249
Excess (deficiency) of revenues over expenditures	8,522,154	130,277	5,348	--	(35,691,253)	(9,065,334)	(36,098,808)

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2017

	General	Coal Severance Tax	Community Development	HOME	Convention & Civic Center Project	Other Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Transfers in	17,219,604	--	--	--	1,725	15,959,003	33,180,332
Transfers (out)	(29,255,218)	(117,096)	--	--	--	(5,717,067)	(35,089,381)
Issuance of debt	4,310,000	--	--	--	--	--	4,310,000
Proceeds from the sale of assets	245,003	--	--	--	--	--	245,003
Capital leases	2,870,900	--	--	--	--	--	2,870,900
Total other financing sources (uses)	(4,609,711)	(117,096)	--	--	1,725	10,241,936	5,516,854
Net change in fund balances	3,912,443	13,181	5,348	--	(35,689,528)	1,176,602	(30,581,954)
Fund balances - beginning	49,015,323	30,481	1,503	--	81,710,209	22,607,870	153,365,386
Fund balances - ending	<u>\$ 52,927,766</u>	<u>\$ 43,662</u>	<u>\$ 6,851</u>	<u>\$ --</u>	<u>\$ 46,020,681</u>	<u>\$ 23,784,472</u>	<u>\$ 122,783,432</u>

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, 2017

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

Net change in fund balances - total governmental funds	\$ (30,581,954)
Capital outlays are reported as an expenditure in the governmental funds but are considered an asset at the government-wide level. This is the amount of capital assets that were purchased during the fiscal year (Note III.C.).	47,383,798
Capital outlays are reported as an expenditure in the governmental funds. 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 of depreciation expense charged during the year (Note III.C.).	(7,435,032)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (Note III.C.).	(106,359)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference in deferred taxes from the prior year (Note III.B.).	181,242
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68 (Note V.).	
<i>Public Employee Retirement System (PERS):</i>	
Contributions made after measurement date	2,238,435
Amount of pension expenses recognized at government-wide level - deferred outflows	992,899
Amount of pension expenses recognized at government-wide level - deferred inflows	1,872,950
<i>Defined Benefit Plans (DBP):</i>	
Amount of pension expenses recognized at government-wide level - deferred outflows	(44,175,579)
Amount of pension expenses recognized at government-wide level - deferred inflows	(1,526,589)
<i>Municipal Police Officer and Firefighter Retirement System (MPFRS):</i>	
Contributions made after measurement date	367,173
Amount of pension expenses recognized at government-wide level - deferred outflows	(197,423)
Amount of pension expenses recognized at government-wide level - deferred inflows	(25,410)

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, 2017

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 issuance costs, premiums, discounts, and similar items 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 III.G.).

Bond proceeds	(4,310,000)
Bond principle payments	3,909,000
Lease proceeds	(2,870,900)
Lease principle payments	6,329,091
Net pension liability - PERS	(5,018,702)
Net pension liability - DBP	30,439,717
Net pension liability - MPFRS	221,321
Claims and judgements	146,556
Other post employment benefits	(7,192,519)
Bond discount	(6,842)
Interest Payable	15,525

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. This is the change in compensated absences.

5,677

Change in net position of governmental activities	\$ <u><u>(9,343,925)</u></u>
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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, 2017

	Budgeted Amounts		Actual	Adjustments		Variance With
	Original	Final	Modified	Budget	Actual	Final Budget
			Accrual Basis	Basis	Amounts	Positive
						(Negative)
REVENUES						
Taxes:						
Property	\$ 13,900,000	\$ 13,900,000	\$ 14,363,448	\$ (85)	\$ 14,363,363	\$ 463,363
Business & occupation	45,400,000	44,543,785	45,996,988	(162,899)	45,834,089	1,290,304
Utility	2,900,000	2,900,000	2,708,004	--	2,708,004	(191,996)
Hotel motel	3,000,000	3,000,000	3,166,489	--	3,166,489	166,489
City sales tax	--	--	15,034,244	(15,034,244)	--	--
Alcoholic beverages	900,000	900,000	942,479	--	942,479	42,479
Amusement	190,000	190,000	228,370	--	228,370	38,370
Animal	10,000	10,000	6,067	--	6,067	(3,933)
Gas & oil severance	100,000	100,000	67,446	--	67,446	(32,554)
Licenses and permits (includes IRP fees)	2,098,500	2,098,500	2,101,210	--	2,101,210	2,710
Charges for services	14,851,000	14,851,000	14,706,400	--	14,706,400	(144,600)
Intergovernmental:						
Federal	100,000	100,000	156,350	--	156,350	56,350
State	--	--	3,428,212	(3,409,013)	19,199	19,199
Interest and investment earnings	30,000	30,000	124,473	(93,359)	31,114	1,114
Reimbursements	1,180,000	1,311,948	966,601	--	966,601	(345,347)
Payments in lieu of taxes	35,000	35,000	94,327	--	94,327	59,327
Contributions and donations	350,000	819,158	393,809	(5,000)	388,809	(430,349)
Miscellaneous	381,000	412,259	859,633	--	859,633	447,374
Total revenues	85,425,500	85,201,650	105,344,550	(18,704,600)	86,639,950	1,438,300
EXPENDITURES						
General government:						
Mayor's office	527,524	666,587	568,186	(8,411)	559,775	106,812
City council	208,767	208,767	386,533	--	386,533	(177,766)
City manager	3,390,212	4,673,438	3,220,600	(18,322)	3,202,278	1,471,160
City treasurer	167,463	185,592	197,686	(16,823)	180,863	4,729
City Collector	1,055,307	1,081,531	1,044,888	(58,879)	986,009	95,522
City clerk	191,249	193,850	180,695	--	180,695	13,155
Municipal Court	510,991	598,079	478,002	(16,823)	461,179	136,900
City Attorney	1,107,645	1,810,217	1,823,886	--	1,823,886	(13,669)
City Auditor	519,196	527,581	490,450	(16,823)	473,627	53,954
Engineering	1,050,148	1,117,800	985,192	(16,823)	968,369	149,431
MOECD	608,905	635,221	614,044	(8,411)	605,633	29,588
Human Resources	775,798	800,556	759,136	--	759,136	41,420
Contributions to Main Street						
Program	80,000	80,000	80,000	--	80,000	--
Position & Compensation Initiative	1,933,664	494,482	--	--	--	494,482
Regional Intergovernmental						
Council	20,000	20,000	20,134	--	20,134	(134)
Mail room	289,753	291,628	272,793	(25,234)	247,559	44,069
Building commission	979,333	999,643	1,031,578	(8,411)	1,023,167	(23,524)
Planning	622,436	643,716	587,393	(16,823)	570,570	73,146
Elections	--	--	--	--	--	--

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, 2017

	Budgeted Amounts		Actual	Adjustments		Variance With
	Original	Final	Modified	Budget	Actual	Final Budget
			Accrual Basis	Basis	Amounts	Positive
						(Negative)
Information systems	1,391,518	1,445,377	1,325,892	(16,823)	1,309,069	136,308
Building maintenance	715,372	722,584	760,895	(25,234)	735,661	(13,077)
Regular Retiree Health Benefits	992,000	992,000	--	1,278,528	1,278,528	(286,528)
Internal audit	271,579	252,556	226,116	--	226,116	26,440
Morris Square	339,259	353,803	396,334	--	396,334	(42,531)
Employee health clinic	711,500	711,500	895,543	--	895,543	(184,043)
Public works	361,482	366,796	370,722	(8,411)	362,311	4,485
Public grounds	1,631,884	1,702,421	1,651,111	(67,291)	1,583,820	118,601
Contingency	169,261	55,740	--	--	--	55,740
Total general government	20,622,246	21,631,465	18,367,809	948,986	19,316,795	2,314,670
Public safety:						
Police	20,520,993	21,374,162	24,057,650	(1,757,564)	22,300,086	(925,924)
Fire	18,920,195	19,710,077	22,136,256	(1,743,974)	20,392,282	(682,205)
Traffic engineering	1,598,548	1,619,580	1,380,710	(50,468)	1,330,242	289,338
C-K emergency services	231,685	239,277	226,639	(8,411)	218,228	21,049
Total public safety	41,271,421	42,943,096	47,801,255	(3,560,417)	44,240,838	(1,297,742)
Streets and transportation:						
Streets and transportation	4,558,545	4,736,775	4,717,296	(294,398)	4,422,898	313,877
Equipment maintenance	3,619,813	3,677,123	3,325,381	(126,171)	3,199,210	477,913
Total streets and transportation	8,178,358	8,413,898	8,042,677	(420,569)	7,622,108	791,790
Health and sanitation:						
Refuse collection & recycling	4,044,413	4,169,561	4,165,795	(193,462)	3,972,333	197,228
Kanawha-Charleston health department	125,000	125,000	125,000	--	125,000	--
CARES	48,000	48,000	35,250	--	35,250	12,750
Total health and sanitation	4,217,413	4,342,561	4,326,045	(193,462)	4,132,583	209,978
Culture and recreation:						
Parks and recreation	3,024,132	3,123,293	3,240,455	(142,993)	3,097,462	25,831
Convention and visitor's bureau	1,500,000	1,500,000	1,576,780	--	1,576,780	(76,780)
Cultural/fairs/festivals	239,000	239,000	229,860	--	229,860	9,140
Festival Fund for the Arts	186,067	203,788	87,000	--	87,000	116,788
Municipal auditorium	268,123	271,022	249,745	--	249,745	21,277
Charleston Area Alliance	100,000	100,000	100,000	--	100,000	--
Library	933,226	933,226	933,226	--	933,226	--
Appalachian Power Park	380,000	380,000	362,617	--	362,617	17,383
Total culture and recreation	6,630,548	6,750,329	6,779,683	(142,993)	6,636,690	113,639
Social services:						
Spring hill cemetery	768,731	782,344	753,577	(42,057)	711,520	70,824
Human rights	--	--	--	--	--	--
Total social services	768,731	782,344	753,577	(42,057)	711,520	70,824

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, 2017

	Budgeted Amounts		Actual	Adjustments		Variance With
	Original	Final	Modified	Budget	Actual	Final Budget
			Accrual Basis	Basis	Amounts	Positive
						(Negative)
Economic Development:						
Wayfinding commission	--	--	--	--	--	--
Total economic development	--	--	--	--	--	--
Capital projects:						
General government	860,229	2,786,564	737,892	--	737,892	2,048,672
Public safety	2,592,045	4,185,839	3,215,511	--	3,215,511	970,328
Streets and transportation	1,378,512	1,448,536	1,416,972	--	1,416,972	31,564
Health and sanitation	1,055,538	1,180,393	849,832	--	849,832	330,561
Culture and recreation	124,811	568,578	186,726	--	186,726	381,852
Social services	76,247	133,392	59,090	--	59,090	74,302
Total capital projects	6,087,382	10,303,302	6,466,023	--	6,466,023	3,837,279
Debt service:						
Principal	490,000	490,000	3,960,000	--	3,960,000	(3,470,000)
Interest	219,060	219,060	191,514	--	191,514	27,546
Bond Service Charges	1,200	1,200	133,813	--	133,813	(132,613)
Total debt service	710,260	710,260	4,285,327	--	4,285,327	(3,575,067)
Total expenditures	88,486,359	95,877,255	96,822,396	(3,410,512)	93,411,884	2,465,371
Excess of revenues over (under) expenditures	(3,060,859)	(10,675,605)	8,522,154	(15,294,088)	(6,771,934)	3,903,671
OTHER FINANCING SOURCES (USES)						
Transfers in	5,934,100	5,934,100	17,219,604	(7,537,122)	9,682,482	3,748,382
Transfers out	(5,969,141)	(6,521,344)	(29,255,218)	21,275,222	(7,979,996)	(1,458,652)
Capital lease proceeds	2,870,900	2,835,384	2,870,900	--	2,870,900	35,516
Sale of capital assets	225,000	225,000	245,003	--	245,003	20,003
Proceeds from sale of bonds	--	--	4,310,000	--	4,310,000	4,310,000
Total other financing sources (uses)	3,060,859	2,473,140	(4,609,711)	13,738,100	9,128,389	6,655,249
Net change in fund balance	--	(8,202,465)	3,912,443	(1,555,988)	2,356,455	10,558,920
Fund balance-beginning	--	8,202,465	49,015,323	(40,812,858)	8,202,465	--
Fund balance-ending	\$ --	\$ --	\$ 52,927,766	\$ (42,368,846)	\$ 10,558,920	\$ 10,558,920

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) - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Modified Accrual Basis	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Coal severance tax	\$ 135,000	\$ 135,000	\$ 130,272	\$ (4,728)
Interest earnings	25	25	5	(20)
Total revenues	135,025	135,025	130,277	(4,748)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(135,025)	(165,491)	(117,096)	48,395
Total other financing sources (uses)	(135,025)	(165,491)	(117,096)	48,395
Net change in fund balance	- -	(30,466)	13,181	43,647
Fund balance - beginning	- -	30,466	30,481	15
Fund balance - ending	\$ - -	\$ - -	\$ 43,662	\$ 43,662

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, 2017

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current:			
Cash and cash equivalents	\$ 57,854	\$ 3,316,530	\$ 3,374,384
Investments	336,348	982,767	1,319,115
Receivables:			
Accounts	274,866	103,009	377,875
Due from:			
Other funds	1,719	484	2,203
Restricted:			
TIF district taxes receivable	5,232	--	5,232
TIF district	1,126,961	--	1,126,961
Regular account	--	1,283,590	1,283,590
Revenue bond covenant accounts	--	13	13
Customer deposits	317,567	--	317,567
Prepaid items	89,732	66,885	156,617
Total current assets	2,210,279	5,753,278	7,963,557
Noncurrent assets:			
Restricted assets:			
Revenue bond covenant accounts	--	--	--
Total restricted assets	--	--	--
Capital assets:			
Nondepreciable:			
Land	300,000	4,066,447	4,366,447
Construction in progress	317,672	1,921	319,593
Depreciable:			
Buildings & Improvements	36,798,972	32,193,348	68,992,320
Machinery and equipment	1,363,865	1,050,698	2,414,563
Less: accumulated depreciation	(31,947,020)	(26,778,156)	(58,725,176)
Total capital assets (net of accumulated depreciation)	6,833,489	10,534,258	17,367,747
Total noncurrent assets	6,833,489	10,534,258	17,367,747
Total assets	9,043,768	16,287,536	25,331,304
DEFERRED OUTFLOWS			
Loss on refunding of debt	142,242	--	142,242
Total deferred outflows of resources	142,242	--	142,242
Total assets and deferred outflows of resources	9,186,010	16,287,536	25,473,546

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2017

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
LIABILITIES			
Current liabilities payable from current assets:			
Accounts payable	207,128	26,403	233,531
Insurance claims payable	16,692	6,205	22,897
Payroll payable	26,631	17,033	43,664
Other accrued expenses	1,919	14,257	16,176
Compensated absences payable	59,358	27,831	87,189
Customer deposits	6,680	- -	6,680
Accrued revenue bond/note interest payable	35,353	- -	35,353
Due to:			
Component unit	31,179	- -	31,179
Other funds	12,366	8,936	21,302
Other governments	- -	610	610
Bonds payable	490,000	- -	490,000
Total current liabilities payable from current assets	887,306	101,275	988,581
Noncurrent liabilities			
Bonds payable	3,727,004	- -	3,727,004
Other postemployment benefits payable	1,358,353	1,242,936	2,601,289
Total noncurrent liabilities	5,085,357	1,242,936	6,328,293
Total liabilities	5,972,663	1,344,211	7,316,874
DEFERRED INFLOWS			
Total deferred inflows of resources	- -	- -	- -
Total liabilities and deferred inflows of resources	5,972,663	1,344,211	7,316,874
NET POSITION			
Net investment in capital assets	2,758,727	10,534,258	13,292,985
Restricted for debt service	336,348	2,266,370	2,602,718
Restricted for customer deposits	6,680	- -	6,680
Restricted for TIF district	1,132,193	- -	1,132,193
Unrestricted	(1,020,601)	2,142,697	1,122,096
Total net position	\$ 3,213,347	\$ 14,943,325	\$ 18,156,672

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, 2017

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Operating revenues:			
Sales and services to customers	\$ 1,852,196	\$ 3,344,047	\$ 5,196,243
Rental fees	1,074,411	79,640	1,154,051
Miscellaneous	35,573	2,787	38,360
Total revenues	<u>2,962,180</u>	<u>3,426,474</u>	<u>6,388,654</u>
Operating expenses:			
Personal services	2,021,436	1,534,778	3,556,214
Contractual services	1,781,208	605,248	2,386,456
Materials and supplies	162,879	68,437	231,316
Depreciation	668,060	739,839	1,407,899
Total operating expenses	<u>4,633,583</u>	<u>2,948,302</u>	<u>7,581,885</u>
Operating income (loss)	<u>(1,671,403)</u>	<u>478,172</u>	<u>(1,193,231)</u>
Nonoperating revenues (expenses):			
Interest revenue	1,360	12,892	14,252
Investment earnings	3,489	3,935	7,424
Gain (loss) on sale of fixed assets	5,550	185	5,735
Energy rebates	15,103	--	15,103
TIF property taxes	293,485	--	293,485
Interest & fiscal charges	(234,126)	--	(234,126)
Total nonoperating revenues (expenses)	<u>84,861</u>	<u>17,012</u>	<u>101,873</u>
Income (loss) before operating transfers and contributions	<u>(1,586,542)</u>	<u>495,184</u>	<u>(1,091,358)</u>
Transfers in	1,639,568	336,606	1,976,174
Transfers(out)	<u>(82,125)</u>	<u>--</u>	<u>(82,125)</u>
Change in net position	<u>(29,099)</u>	<u>831,790</u>	<u>802,691</u>
Net position at beginning of year	<u>3,242,446</u>	<u>14,111,535</u>	<u>17,353,981</u>
Net position at end of year	<u>\$ 3,213,347</u>	<u>\$ 14,943,325</u>	<u>\$ 18,156,672</u>

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, 2017

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 2,841,382	\$ 3,468,485	\$ 6,309,867
Cash paid for goods and services	(1,890,756)	(667,883)	(2,558,639)
Cash paid for interfund services	62,774	45,990	108,764
Cash paid to employees	(1,712,069)	(1,221,749)	(2,933,818)
Net cash provided (used) by operating activities	(698,669)	1,624,843	926,174
Cash flows from noncapital financing activities:			
Transfers in	1,639,568	336,606	1,976,174
Transfers (out)	(82,125)	- -	(82,125)
Energy Rebates	15,103	- -	15,103
Net cash provided by noncapital financing activities	1,572,546	336,606	1,909,152
Cash flows from capital and related financing activities:			
Purchases of capital assets	(217,750)	(361,569)	(579,319)
Acquisition and construction of capital assets	- -	(1,920)	(1,920)
Principal paid on capital debt	(465,000)	- -	(465,000)
Proceeds from the sales of capital assets	5,550	185	5,735
Interest paid on capital debt	(207,956)	- -	(207,956)
TIF district property taxes	293,485	- -	293,485
Net cash used by capital and related financing activities	(591,671)	(363,304)	(954,975)
Cash flows from investing activities:			
Interest received	4,847	16,825	21,672
Net cash provided by investing activities	4,847	16,825	21,672
Net increase in cash and cash equivalents	287,053	1,614,970	1,902,023
Cash and cash equivalents, July 1, 2016 (including \$1,155,140 and \$1,285,773 and in restricted accounts)	1,234,110	3,967,930	5,202,040
Cash and cash equivalents, June 30, 2017 (including \$1,463,309 and \$1,391,095 and in restricted accounts)	\$ 1,521,163	\$ 5,582,900	\$ 7,104,063

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, 2017

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,671,403)	\$ 478,172	\$ (1,193,231)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	668,060	739,839	1,407,899
Decrease (increase) in prepaid items	(37,762)	675	(37,087)
Decrease (increase) in accounts receivable	(40,993)	42,260	1,267
Decrease (increase) in due from other funds	60,653	46,523	107,176
Decrease (increase) in due to other funds	2,121	(533)	1,588
Decrease (increase) in insurance payable	(41,804)	(15,159)	(56,963)
Decrease (increase) in unearned revenue	1,000	(249)	751
Increase (decrease) in customer deposits	(80,805)	- -	(80,805)
Increase (decrease) in accounts payable	77,030	7,900	84,930
Increase (decrease) in other postemployment benefits payable	392,663	369,559	762,222
Increase (decrease) in payroll payable	(44,736)	(36,174)	(80,910)
Increase (decrease) in other accrued expenses	(6,649)	180	(6,469)
Increase (decrease) in due to component unit & other entities	20,712	(2,953)	17,759
Increase (decrease) in compensated absences	3,244	(5,197)	(1,953)
Net cash provided (used) by operations	<u>\$ (698,669)</u>	<u>\$ 1,624,843</u>	<u>\$ 926,174</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 150.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	Pension Trust Funds	Agency Funds
	<hr/>	<hr/>
ASSETS		
Non-pooled cash	\$ 2,161,487	\$ 3,705,953
	<hr/>	<hr/>
Total cash	2,161,487	3,705,953
	<hr/>	<hr/>
Investments, at fair value:		
Federal government securities	6,616,901	- -
Collateralized mortgage obligations	2,804,905	- -
Managed bond funds	4,162,352	- -
Managed stock funds	22,544,477	- -
	<hr/>	<hr/>
Total investments	36,128,635	- -
	<hr/>	<hr/>
Receivables:		
Interest	42,560	- -
Accounts receivable	32,740	160,058
Due from other funds	- -	142,503
	<hr/>	<hr/>
Total receivables	75,300	302,561
	<hr/>	<hr/>
Total assets	38,365,422	4,008,514
	<hr/>	<hr/>
DEFERRED OUTFLOWS		
Total deferred outflows of resources	- -	- -
	<hr/>	<hr/>
LIABILITIES		
Refunds payable and other	607,087	1,531,629
Due to: other funds	- -	182,053
Due to: other governments	112	2,294,832
	<hr/>	<hr/>
Total liabilities	607,199	4,008,514
	<hr/>	<hr/>
DEFERRED INFLOWS		
Total deferred inflows of resources	- -	- -
	<hr/>	<hr/>
NET POSITION		
Net position restricted for pension benefits	\$ 37,758,223	\$ - -
	<hr/>	<hr/>

(1) A schedule of funding progress for each plan is presented in the Required Supplementary Information section of this report.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 9,041,222
Plan members	1,149,444
Insurance premium surtax	3,409,013
Additional transfers in	<u>2,732,934</u>
Total contributions	<u>16,332,613</u>
Investment income:	
Net increase (decrease) in fair value of investments	3,060,278
Interest and dividends	681,171
Less: investment expense	<u>(159,402)</u>
Net investment income	<u>3,582,047</u>
Total additions	<u>19,914,660</u>
DEDUCTIONS	
Benefits	14,195,303
Administrative expenses	17,722
Refunds of contributions	<u>51,349</u>
Total deductions	<u>14,264,374</u>
Change in net assets	5,650,286
Net position restricted for pension benefits:	
Beginning of year	<u>32,107,937</u>
End of year	<u><u>\$ 37,758,223</u></u>

(1) A schedule of funding progress for each plan is presented in the Required Supplementary Information section of this report.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Charleston, West Virginia (the City), 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-six member council. The accompanying financial statements present the government and its component units as required by accounting principles generally accepted in the United States of America (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 GAAP. 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 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 appointed by council. The Board is fiscally dependent upon the City since the government's council must approve rates for user charges and authorize bond issuances.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

The Convention and Civic Center Expansion/Renovation Project Fund, a capital project fund, accounts for capital improvements associated with the Charleston Convention and Civic Center Project to be financed with City sales and use tax revenue.

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

In accordance with GAAP, 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 III.A.

State statutes authorize the government to invest in the West Virginia Board of Treasury Investments or the West Virginia Municipal Bond Commission, which is reported at amortized cost, 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 five percent of the total pension fund assets; and (2) at no time can the equity portion of the portfolio exceed seventy-five percent of the total portfolio.

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."

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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, 2017.

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, 2017, 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	\$ -	9.26 cents	5.03 cents	9.26 cents
Class II	\$ 1,300,120,636	18.52 cents	10.06 cents	18.52 cents
Class IV	\$ 1,931,749,193	37.04 cents	20.12 cents	37.04 cents

The City of Charleston, West Virginia held a special election on March 7, 2015. The City was authorized to lay an excess levy to provide approximately \$5,157,688 annually for four fiscal years which began fiscal year ended June 30, 2016, through June 30, 2019, 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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 acquisition 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:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 - 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. Vacation is accrued on a calendar monthly basis and earned as the employee provides services throughout the year. Employees are allowed accumulate 240 hours at any given time. Uniformed policemen are entitled to carryover 240 hours and firemen cannot carryover any vacation. 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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 \$1,882,422 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 \$58,346,228 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 City Council or under its authority. The approval does not automatically lapse at the end of the fiscal year. The government has \$35,114,005 of committed fund balance at fiscal yearend.
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 \$4,733,963 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 \$22,706,812 of unassigned fund balance at fiscal yearend.

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2017

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 City 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 year-end was \$4,155,690.

II. 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 GAAP 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.

CITY OF CHARLESTON, WEST VIRGINIA
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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:

GENERAL FUND

Amount	Description
\$1,009,219	General Government Expenditure Increase
1,671,675	Public Safety Expenditure Increase
235,540	Streets and Transportation Increase
125,148	Health and Sanitation Increase
119,781	Culture and Recreation Increase
13,613	Social Services Increase
4,215,920	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 GAAP 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 III.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	\$ 3,912,444	\$ 10,558,921
Basis of Accounting Difference	(1,555,988)	42,368,846
GAAP Basis	<u>\$ 2,356,456</u>	<u>\$ 52,927,767</u>

Intergovernmental revenues - state and public safety expenditures both decreased by \$3,409,013, 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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, 2017.

Encumbrance Description	General Fund
Professional Services	\$ 1,358,109
Court Costs & Damages	41,977
Contributions To Other Entities	93,800
Materials & Supplies	4,066
Comprehensive Plan	494,482
Police fine supported training	9,936
Capital Outlays	2,233,665
	<u>\$ 4,236,035</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash & Cash Equivalents and Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

At year end, the government had the following investments:

		Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Primary Government	Fair Value		
West Virginia Municipal Bond Commission, at amortized cost	\$ 1,496,224	Not Rated	Not Rated
WVBTI Short Term Bond Pool	2,826,467	Not Rated	Not Rated
	<u>4,322,691</u>		
US Treasury N/B 1.25%	99,598	AA+	Not Rated
US Treasury N/B 2%	100,047	AA+	Not Rated
Total Rated Securities	199,645		
Common Stock	203,763	Not Rated	Not Rated
Mutual Fund	1,241,725	Not Rated	Not Rated
Certificates of Deposit	351,633	Not Rated	Not Rated
Total Unrated Securities	1,797,121	Not Rated	Not Rated
Total Primary Government	<u>\$ 6,319,457</u>		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Policemen's Pension and Relief			
U.S. Government Securities - Federal Home Ln MTG Corp MTN	\$ 495,080	AA+	Aaa
U.S. Government Securities - Fed Home Ln Mtg Corp Mtn	498,385	AA+	Aaa
U.S. Government Securities - Federal Farm Cr Bks Cons	100,100	AA+	Aaa
U.S. Government Securities - Federal Farm Cr Bks Cons	489,280	AA+	Aaa
U.S. Government Securities - Federal Farm Cr Bks Cons	485,950	AA+	Aaa
U.S. Government Securities - Federal Home Loan Banks	193,604	AA+	Aaa
U.S. Government Securities - Federal Farm Cr Bks Cons	499,100	AA+	Aaa
U.S. Government Securities - Federal Home Loan Banks	496,520	AA+	Aaa
U.S. Government Securities - Fed Home Ln Mtg Corp Mtn	496,300	AA+	Aaa
Corporate Bonds -Mattel Inc	99,962	BBB	Baa2
Corporate Bonds - Coca Cola	99,606	AA-	Aa3
Corporate Bonds -Ebay Inc	100,401	BBB+	Baa1
Corporate Bonds -Ryder Sys MTN BE	100,910	BBB+	Baa1
Corporate Bonds -JP Morgan Chase & Co	100,320	A-	A3
Corporate Bonds -Ally Finl Inc SR GLBL NT	102,750	BB+	NA
Corporate Bonds -General Elec Cap Corp MTN	100,196	AA-	A1
Corporate Bonds -Johnson & Johnson	99,015	AAA	Aaa
Corporate Bonds - Verizon Communications Inc	101,324	BBB+	Baa1
Corporate Bonds - Goldman Sachs Group Inc	98,655	BBB+	A3
Corporate Bonds - HSBC USA Inc	95,880	A	NA
Corporate Bonds - Toronto Dominion Bank	99,546	AA-	Aa2
Corporate Bonds - Ebay Inc	99,120	BBB+	Baa1
Corporate Bonds - Amazon Com Inc	100,801	AA-	Baa1
Corporate Bonds - Johnson & Johnson	98,988	AAA	Aaa
Corporate Bonds - Goldman Sachs Group Inc	97,808	BBB+	A3
Corporate Bonds - Express Scripts HLDG Co	99,313	BBB+	Baa2
Corporate Bonds - Kellog Co	98,321	BBB	Baa2
Corporate Bonds - Credit Suisse London MTN	99,070	Not rated	A1
Corporate Bonds - 3M MTN	94,773	AA-	A1
Corporate Bonds - Bank of America Corp MTN	94,203	BBB+	Baa1
Total Rated Securities	<u>5,835,281</u>		
Exchange Traded Products	8,222,825		
Common Stock	3,540,665		
Certificates of Deposit	<u>1,204,174</u>		
Total Unrated Securities	<u>12,967,664</u>		
Total Policemen's Pension and Relief	<u><u>\$ 18,802,945</u></u>		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Firemen's Pension and Relief			
U.S Government Securities - Federal Natl Mtg Assn	\$ 95,928	AA-	Not rated
U.S Government Securities - Federal Home Ln MTG Corp MTN	495,080	AA+	Aaa
U.S. Government Securities - Federal Farm Cr Bks Cons	100,100	AA+	Aaa
U.S. Government Securities - Federal Farm Cr Bks Cons	485,950	AA+	Aaa
U.S Government Securities - Federal Home Loan Banks	193,604	AA+	Aaa
U.S. Government Securities - Federal Farm Cr Bks Cons	499,100	AA+	Aaa
U.S Government Securities - Federal Home Loan Banks	496,520	AA+	Aaa
U.S Government Securities - Federal Home Ln MTG Corp MTN	496,300	AA+	Aaa
Corporate Bonds -Allergen Inc	99,768	BBB+	Baa3
Corporate Bonds -Pepsico Inc	100,970	A+	A1
Corporate Bonds -AT & T Inc	100,593	BBB+	Baa1
Corporate Bonds - Coca Cola	99,606	AA-	Aa3
Corporate Bonds -Ebay Inc	100,401	BBB+	Baa1
Corporate Bonds - JP Morgan Chase	100,320	A-	A3
Corporate Bonds -Ally Finl Inc	102,750	BB+	Not rated
Corporate Bonds - General Electric Capital Corp	100,196	AA-	A1
Corporate Bonds - Johnson & Johnson	99,015	AAA	Aaa
Corporate Bonds - Verizon Communications	101,324	BBB+	Baa1
Corporate Bonds - Goldman Sachs Group Inc	98,655	BBB+	A3
Corporate Bonds - HSBC USA Inc	95,880	A	Not rated
Corporate Bonds - Ebay	99,120	BBB+	Baa1
Corporate Bonds - Amazon Com Inc	100,801	AA-	Baa1
Corporate Bonds - Johnson & Johnson	98,988	AAA	Aaa
Corporate Bonds - Goldman Sachs Group Inc	97,808	BBB+	A3
Corporate Bonds -Express Scripts	99,313	BBB+	Baa2
Corporate Bonds - Kellog Co	98,321	BBB	Baa2
Corporate Bonds - 3M Co MTN	94,773	AA-	A1
Corporate Bonds - Bank of America Corp	94,203	BBB+	Baa1
Corporate Bonds - JP Morgan Chase & Co	98,585	A-	A3
Total Rated Securities	4,943,972		
Exchange Traded Products	7,535,768		
Common Stock	3,245,219		
Certificates of Deposits	1,600,731		
Total Unrated Securities	12,381,718		
Total Firemen's Pension and Relief	\$ 17,325,690		

CITY OF CHARLESTON, WEST VIRGINIA
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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.

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, 2017 was \$2,826,467.

Credit Risk

It's the government's policy to limit its investments as stated in the West Virginia 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, 2017, 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.

As of June 30, 2017 the City's investments had the following maturities.

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Primary Government:					
West Virginia Municipal Bond Commission, at amortized cost	\$ 1,496,224	\$ 1,496,224	\$ -	\$ -	\$ -
WVBTI Short Term Bond Pool	2,826,467	2,826,467	-	-	-
US Treasury N/B 1.25%	99,598	-	99,598	-	-
US Treasury N/B 2%	100,047	-	100,047	-	-
Common Stock	203,763	203,763	-	-	-
Mutual Funds	1,241,725	1,241,725	-	-	-
Certificates of Deposit	351,633	351,633	-	-	-
	<u>\$ 6,319,457</u>	<u>\$ 6,119,812</u>	<u>\$ 199,645</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Policemen's Pension and Relief:					
Federal Home Ln MTG Corp MTN	\$ 495,080	\$ -	\$ 495,080	\$ -	\$ -
Fed Home Ln Mtg Corp Mtn	498,385	-	498,385	-	-
Federal Farm Cr Bks Cons	100,100	-	100,100	-	-
Federal Farm Cr Bks Cons	489,280	-	-	489,280	-
Federal Farm Cr Bks Cons	485,950	-	-	485,950	-
Federal Home Loan Banks	193,604	-	-	193,604	-
Federal Farm Cr Bks Cons	499,100	-	-	499,100	-
Federal Home Loan Banks	496,520	-	-	496,520	-
Fed Home Ln Mtg Corp Mtn	496,300	-	-	496,300	-
Corporate Bonds -Mattel Inc	99,962	-	99,962	-	-
Corporate Bonds - Coca Cola	99,606	-	99,606	-	-
Corporate Bonds -Ebay Inc	100,401	-	100,401	-	-
Corporate Bonds -Ryder Sys MTN BE	100,910	-	100,910	-	-
Corporate Bonds -JP Morgan Chase & Co	100,320	-	100,320	-	-
Corporate Bonds -Ally Finl Inc SR GLBL NT	102,750	-	102,750	-	-
Corporate Bonds -General Elec Cap Corp MTN	100,196	-	100,196	-	-
Corporate Bonds -Johnson & Johnson	99,015	-	99,015	-	-
Corporate Bonds - Verizon Communications Inc	101,324	-	101,324	-	-
Corporate Bonds - Goldman Sachs Group Inc	98,655	-	98,655	-	-
Corporate Bonds - HSBC USA Inc	95,880	-	95,880	-	-
Corporate Bonds - Toronto Dominion Bank	99,546	-	99,546	-	-
Corporate Bonds - Ebay Inc	99,120	-	99,120	-	-
Corporate Bonds - Amazon Com Inc	100,801	-	100,801	-	-
Corporate Bonds - Johnson & Johnson	98,988	-	98,988	-	-
Corporate Bonds - Goldman Sachs Group Inc	97,808	-	97,808	-	-
Corporate Bonds - Express Scripts HLDG Co	99,313	-	-	99,313	-
Corporate Bonds - Kellog Co	98,321	-	-	98,321	-
Corporate Bonds - Credit Suisse London MTN	99,070	-	-	99,070	-
Corporate Bonds - 3M MTN	94,773	-	-	94,773	-
Corporate Bonds - Bank of America Corp MTN	94,203	-	-	-	94,203
Exchange Traded Products	8,222,825	8,222,825	-	-	-
Common Stock	3,540,665	3,540,665	-	-	-
Certificates of Deposit	1,204,174	1,204,174	-	-	-
	<u>\$ 18,802,945</u>	<u>\$ 12,967,664</u>	<u>\$ 2,688,847</u>	<u>\$ 3,052,231</u>	<u>\$ 94,203</u>

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Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Firemen's Pension & Relief:					
Federal Natl Mtg Assn	\$ 95,928	\$ -	\$ 95,928	\$ -	\$ -
Federal Home Ln MTG Corp MTN	495,080	-	495,080	-	-
Federal Farm Cr Bks Cons	100,100	-	100,100	-	-
Federal Farm Cr Bks Cons	485,950	-	-	485,950	-
Federal Home Loan Banks	193,604	-	-	193,604	-
Federal Farm Cr Bks Cons	499,100	-	-	499,100	-
Federal Home Loan Banks	496,520	-	-	496,520	-
Federal Home Ln MTG Corp MTN	496,300	-	-	496,300	-
Corporate Bonds -Allergen Inc	99,768	99,768	-	-	-
Corporate Bonds -Pepsico Inc	100,970	-	100,970	-	-
Corporate Bonds -AT & T Inc	100,593	-	100,593	-	-
Corporate Bonds - Coca Cola	99,606	-	99,606	-	-
Corporate Bonds -Ebay Inc	100,401	-	100,401	-	-
Corporate Bonds - JP Morgan Chase	100,320	-	100,320	-	-
Corporate Bonds -Ally Finl Inc	102,750	-	102,750	-	-
Corporate Bonds - General Electric Capital Corp	100,196	-	100,196	-	-
Corporate Bonds - Johnson & Johnson	99,015	-	99,015	-	-
Corporate Bonds - Verizon Communications	101,324	-	101,324	-	-
Corporate Bonds - Goldman Sachs Group Inc	98,655	-	98,655	-	-
Corporate Bonds - HSBC USA Inc	95,880	-	95,880	-	-
Corporate Bonds - Ebay	99,120	-	99,120	-	-
Corporate Bonds - Amazon Com Inc	100,801	-	100,801	-	-
Corporate Bonds - Johnson & Johnson	98,988	-	98,988	-	-
Corporate Bonds - Goldman Sachs Group Inc	97,808	-	97,808	-	-
Corporate Bonds -Express Scripts	99,313	-	-	99,313	-
Corporate Bonds - Kellog Co	98,321	-	-	98,321	-
Corporate Bonds - 3M Co MTN	94,773	-	-	94,773	-
Corporate Bonds - Bank of America Corp	94,203	-	-	-	94,203
Corporate Bonds - JP Morgan Chase & Co	98,585	-	-	-	98,585
Exchange Traded Products	7,535,768	7,535,768	-	-	-
Common Stock	3,245,219	3,245,219	-	-	-
Certificates of Deposit	1,600,731	1,600,731	-	-	-
Totals	<u>\$ 17,325,690</u>	<u>\$ 12,481,486</u>	<u>\$ 2,187,535</u>	<u>\$ 2,463,881</u>	<u>\$ 192,788</u>
Totals for interest rate risk	<u>\$ 42,448,092</u>	<u>\$ 31,568,962</u>	<u>\$ 5,076,027</u>	<u>\$ 5,516,112</u>	<u>\$ 286,991</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.

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2017

Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. The Policemen's Pension Fund had five mutual fund investments in Ishares Russell Midcap Value ETF, Ishares Russell Midcap Growth, Ishares Core S&P Mid-Cap ETF, Ishares Russell 2000 Value ETF, and SPDR S&P 500 ETF Trust Unit Ser 1 S&P that had seven percent, six percent, six percent, five percent, and five percent respectively; the Firemen's Pension Fund had five mutual fund investments in Ishares Russell Midcap Value ETF, Ishares Russell Midcap Growth, Ishares Core S&P Mid-Cap ETF, Ishares Russell 2000 Value ETF, and SPDR S&P 500 ETF Trust Unit Ser 1 S&P that were seven percent, six percent, six percent, five percent and five percent respectively, of the total portfolio; and Spring Hill Cemetery had four mutual fund investments in Vanguard Growth Index Fund, Baird Financial Group, Credit Suisse FI Rt Credit, and Federated Institutional High Yield Bond that were seven percent, thirteen percent, six percent, and seven percent, respectively, of the total portfolio at June 30, 2017.

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, 2017.

Fair Value of Investments

The City of Charleston measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than quoted market prices; and,

Level 3: Unobservable inputs.

At June 30, 2017, the Entity had the following recurring fair value measurements.

		Fair Value Measurements Using			
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Investments by fair value level - Police Pension	Total	Level 1	Level 2	Level 3	
Exchange Traded Products (ETPs)	\$ 8,222,825	\$ 8,222,825	-	\$ -	
Common Stock	3,540,665	3,540,665	-	-	
Corporate Bonds	2,080,962	2,080,962	-	-	
US Treasury	3,754,319	3,754,319	-	-	
Total	\$ 17,598,771	\$ 17,598,771	-	\$ -	

CITY OF CHARLESTON, WEST VIRGINIA
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		Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level - Fire Pension	Total	Level 1	Level 2	Level 3
Exchange Traded Products (ETPs)	\$ 7,535,768	\$ 7,535,768	-	\$ -
Common Stock	3,245,219	3,245,219	-	-
Corporate Bonds	2,081,390	2,081,390	-	-
US Treasury	2,862,582	2,862,582	-	-
Total	<u>\$ 15,724,959</u>	<u>\$ 15,724,959</u>	<u>-</u>	<u>\$ -</u>

B. Receivables

	General	Coal Severance	Community Development	HOME
Receivables:				
Accounts	\$ 8,544,721	\$ -	\$ -	\$ -
Accrued interest	3,401	-	-	-
Taxes	12,351,410	43,640	-	-
Loans	-	-	2,789,344	3,093,001
Grants	-	-	118,873	30,017
Gross receivables	<u>20,899,532</u>	<u>43,640</u>	<u>2,908,217</u>	<u>3,123,018</u>
Less: allowance for uncollectible	<u>(81,131)</u>	<u>-</u>	<u>(697,336)</u>	<u>-</u>
Net total receivables	<u>\$ 20,818,401</u>	<u>\$ 43,640</u>	<u>\$ 2,210,881</u>	<u>\$ 3,123,018</u>
	Civic Center	Parking System	Nonmajor Funds and Fiduciary Funds	Total
Receivables:				
Accounts	\$ 280,098	\$ 125,009	\$ 644,830	\$ 9,594,658
Accrued interest	-	-	46,824	50,225
Taxes	-	-	-	12,395,050
Loans	-	-	324,357	6,206,702
Grants	-	-	1,548,648	1,697,538
Gross receivables	<u>280,098</u>	<u>125,009</u>	<u>2,564,659</u>	<u>29,944,173</u>
Less: allowance for uncollectible	<u>-</u>	<u>(22,000)</u>	<u>(50,048)</u>	<u>(850,515)</u>
Net total receivables	<u>\$ 280,098</u>	<u>\$ 103,009</u>	<u>\$ 2,514,611</u>	<u>\$ 29,093,658</u>

CITY OF CHARLESTON, WEST VIRGINIA
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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	\$ 703,613	\$ -
Prepaid License Fees, Advance Office Rental, and Prepaid Cemetery Burial Fees (general fund)	-	101,390
Grant draw downs prior to meeting all eligibility requirements	-	5,389,366
Total	<u>\$ 703,613</u>	<u>\$ 5,490,756</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Primary Government</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,022,842	\$ 158,850	\$ -	\$ 9,181,692
Construction in progress	20,452,872	42,355,971	(4,746,124)	58,062,719
Total capital assets not being depreciated	<u>29,475,714</u>	<u>42,514,821</u>	<u>(4,746,124)</u>	<u>67,244,411</u>
Capital assets being depreciated:				
Buildings and improvements	50,986,918	1,023,208	(161,150)	51,848,976
Structures and improvements	21,520,392	519,700	(3,626)	22,036,466
Machinery and equipment	19,758,152	1,737,603	(1,738,573)	19,757,182
Vehicles	20,304,021	2,524,353	(1,776,724)	21,051,650
Furniture	362,912	-	(22,902)	340,010
Infrastructure	99,854,842	3,810,234	(1,894)	103,663,182
Total capital assets being depreciated	<u>212,787,237</u>	<u>9,615,098</u>	<u>(3,704,869)</u>	<u>218,697,466</u>
Less accumulated depreciation:				
Buildings and improvements	(24,209,909)	(1,161,913)	125,700	(25,246,122)
Structures and improvements	(11,514,071)	(759,754)	2,221	(12,271,604)
Machinery and equipment	(16,042,571)	(1,334,170)	1,725,328	(15,651,413)
Vehicles	(14,383,140)	(2,045,017)	1,721,838	(14,706,319)
Furniture	(363,166)	-	22,902	(340,264)
Infrastructure	(62,042,849)	(2,134,178)	524	(64,176,503)
Total accumulated depreciation	<u>(128,555,706)</u>	<u>(7,435,032)</u>	<u>3,598,513</u>	<u>(132,392,225)</u>
Total capital assets being depreciated, net	<u>84,231,531</u>	<u>2,180,066</u>	<u>(106,356)</u>	<u>86,305,241</u>
Governmental activities capital assets, net	<u>\$ 113,707,245</u>	<u>\$ 44,694,887</u>	<u>\$ (4,852,480)</u>	<u>\$ 153,549,652</u>

CITY OF CHARLESTON, WEST VIRGINIA
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,366,447	\$ -	\$ -	\$ 4,366,447
Construction in progress	323,115	485,491	(489,013)	319,593
Total capital assets, not being depreciated	<u>4,689,562</u>	<u>485,491</u>	<u>(489,013)</u>	<u>4,686,040</u>
Capital assets being depreciated:				
Buildings and improvements	67,911,802	330,849	(33,908)	68,208,743
Structures and improvement	783,577	-	-	783,577
Machinery and equipment	2,129,923	217,751	(116,829)	2,230,845
Vehicles	164,906	36,162	(17,350)	183,718
Total capital assets being depreciated	<u>70,990,208</u>	<u>584,762</u>	<u>(168,087)</u>	<u>71,406,883</u>
Less accumulated depreciation:				
Buildings and improvements	(54,964,150)	(1,289,709)	33,908	(56,219,951)
Structures and improvements	(499,405)	(26,513)	-	(525,918)
Machinery and equipment	(1,943,213)	(63,924)	116,827	(1,890,310)
Vehicles	(78,596)	(27,753)	17,352	(88,997)
Total accumulated depreciation	<u>(57,485,364)</u>	<u>(1,407,899)</u>	<u>168,087</u>	<u>(58,725,176)</u>
Total capital assets being depreciated, net	<u>13,504,844</u>	<u>(823,137)</u>	<u>-</u>	<u>12,681,707</u>
Business-type activities capital assets, net	<u>\$ 18,194,406</u>	<u>\$ (337,646)</u>	<u>\$ (489,013)</u>	<u>\$ 17,367,747</u>

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

Governmental activities:	
General government	\$ 2,722,734
Public safety	1,860,264
Highways and streets, including depreciation of general infrastructure assets	1,087,584
Health and sanitation	584,628
Culture and recreation	1,090,265
Social services	<u>89,557</u>
Total depreciation expense-governmental activities	<u>\$ 7,435,032</u>
Business-type activities:	
Civic Center	\$ 668,060
Parking System	<u>739,839</u>
Total depreciation expense-business-type activities	<u>\$ 1,407,899</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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Construction in Progress

The government has active construction projects as of June 30, 2017. The projects include street, retaining walls, 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
Fire Stations Remodel & Upgrades	\$ 294,067	General Fund
Fire Trucks	1,068,778	General Fund
Middle Eastern Mart Remodel for Police Department	37,352	General Fund
Records management software	338,585	General Fund
Riverfront updates	39,824	General Fund
Safe Routes to School - Piedmont Elementary	50,000	General Fund
Schoenbaum Tennis Courts	48,707	General Fund
South Side Bridge Inspection & Rehabilitation	28,260	General Fund
City Hall Renovations & Additions	79,302	General Fund
Old Metro 911	-	General Fund
Morris Building Upgrades	674	General Fund
Equipment Maintenance remodel	16,226	General Fund
Slack Plaza Project	1,850,180	General Fund
Stormwater Project	-	General Fund
Rails to Trails Bike / Pedestrian Path	1,852,057	General Fund
Sugar Creek Retaining Wall	-	General Fund
Civic Center Expansion & Renovation	52,676,379	Sales & Use Tax
Parking Building Renovations	1,921	Parking System
Total	\$ <u>58,382,312</u>	

CITY OF CHARLESTON, WEST VIRGINIA
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D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund	Purpose	Amount
General	Civic Center	Reimbursements Insurance/Fuel	\$ 9,180
Civic Center	Nonmajor Governmental Fund	Patron Services, Security, and Union Tech	1,719
Nonmajor Governmental Fund	Civic Center	Capital Improvement Fee Collected	3,186
General	Parking System	Reimbursement Insurance/Fuel	8,936
Parking	General Fund	Validated Tickets	484
General	CDBG	Reimbursement Salary & Utilities	103,242
General	Home	Reimbursement Salary & Utilities	8,198
General	Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	375,032
General	Civic Center Capital Projects	DEP Permit	1,170
General	Agency Fund	Reimbursement of equipment	173
Nonmajor Governmental Funds	General Fund	Reimbursements, Loans, Sales Tax, & Transfers	4,395,728
Nonmajor Governmental Funds	Nonmajor Governmental Fund	Loans & Transfers	1,280,457
Nonmajor Governmental Funds	Agency Fund	Reimbursements	39,376
	Total		<u>\$ 6,226,881</u>

Interfund transfers:

	Transfers In						Total Transfers Out
	General Fund	Springhill Cemetery	Nonmajor Governmental	Civic Center	Parking System	Agency Fund	
Transfers out:							
General fund	\$ 14,003,056	\$ -	\$ 13,840,464	\$ 1,289,401	\$ 336,606	\$ 15,000	\$ 29,484,527
Coal severance tax	-	-	-	117,096	-	-	117,096
Nonmajor governmental funds	3,221,548	13,425	2,019,714	233,071	-	-	5,487,758
Civic Center	-	-	82,125	-	-	-	82,125
Total Transfers In	<u>\$ 17,224,604</u>	<u>\$ 13,425</u>	<u>\$ 15,942,303</u>	<u>\$ 1,639,568</u>	<u>\$ 336,606</u>	<u>\$ 15,000</u>	<u>\$ 35,171,506</u>

The general fund interfund transfers provide appropriations to subsidize the Civic Center for healthcare, debt service and operating costs. The general fund interfund transfers also supports the various capital project and debt service needs throughout the City.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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On November 17, 2016, the City of Charleston issued \$4,310,000 of Taxable Lease Revenue Refunding and Improvement Bonds (The City of Charleston Stadium Project), Series 2016A. The proceeds of which are to be used to current to currently refund the Series 2004 Bonds, pay the costs of improvements to the facilities by upgrading and replacing the technology in the scoreboard and pay costs of issuance.

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	23,937,016	-	196,998
Less: accumulated depreciation	(22,520,532)	-	(196,998)
Total	<u>\$ 22,855,135</u>	<u>\$ -</u>	<u>\$ -</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

Year Ending June 30	Governmental Activities
2018	\$ 2,928,682
2019	2,353,524
2020	1,883,952
2021	1,295,771
2022	757,578
2023-2027	<u>1,711,994</u>
Total minimum lease payments	10,931,501
Less: amount representing interest	<u>(615,398)</u>
Present value of minimum lease payments	<u>\$ 10,316,103</u>

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 \$8,667,220 for a total of \$30,105,871 with accumulated depreciation of \$7,085,563 at June 30, 2017. Rents totaled \$706,411 for the fiscal year 2017. The rents are generally based upon square footage and are payable in monthly, quarterly, or annual installments in accordance with the respective lease agreements.

CITY OF CHARLESTON, WEST VIRGINIA
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Minimum future rentals to be received on non-cancelable leases have remaining terms in excess of one year as of June 30, 2017 for each of the next five years and thereafter and in the aggregate are as follows:

June 30,	Amount
2018	\$ 705,186
2019	691,711
2020	624,271
2021	641,155
2022	641,155
2023-2027	2,012,399
2028-2032	59,947
	<u>\$ 5,375,824</u>

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, 2017 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, 2017:

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 \$645,000 and interest in the amount of \$116,440 on the bonds when due until bond maturity in 2024. During the fiscal year 2017 lease payments in the principal amount of \$80,000 and interest in the amount of \$30,730 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 \$1,255,000 and interest in the amount of \$220,506 on the bonds when due until bond maturity in 2024. During the fiscal year 2017 lease payments in the principal amount of \$155,000 and interest in the amount of \$57,963 were used to pay the debt service on the bonds.

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The City of Charleston issued Sales Tax Revenue Bonds (Civic Center Renovation Project), Series 2015, on August 17, 2015 in the amount of \$97,250,000. These bonds were issued to renovate the existing Civic Center. The City of Charleston implemented a Sales Tax Ordinance requiring that the Municipal Sales Tax Revenues each quarter be utilized to satisfy the debt service requirements and any prior debt service requirements deficit each fiscal year on, and to replenish any required reserves in accordance with the bond documents for, any bonds issued by, or other obligations incurred by, the City, from time to time, including any refunding bonds, to finance improvements to the Charleston Convention and Civic Center. These revenues are required to be sufficient to pay the principal amount of \$3,674,000 and interest amount of \$3,622,405.

Revenue Bonds – Business-type Activities

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 \$1,480,000 and interest in the amount of \$317,475 until bond maturity in 2023. During the fiscal year 2017 these pledged revenues were used to pay the principal amount of \$175,000 and interest amount of \$84,405 were used to pay the debt service on these bonds which is 5.4% 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 \$2,015,000 and interest amount of \$366,050 until bond maturity in 2024. During the fiscal year 2017 these pledged revenues were used to pay the principal amount of \$205,000 and interest amount of \$89,500 on these bonds which is 4.71% 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 \$800,000 and interest of \$144,420 until bond maturity in 2024. During the fiscal year 2017 lease payments in the principal amount of \$85,000 and interest amount of \$35,600 were used to pay the debt service on these bonds.

Revenue bonds outstanding, net of unamortized discounts of \$125,339 (Public Safety Center \$14,121; Center for the Arts & Sciences \$33,221; and Civic Center of \$77,997) at year end are as follows:

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Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2017
Governmental activities:					
Public Safety Center Refunding Series 2009	2024	3.00-4.40%	\$ 1,180,000	\$ (535,000)	\$ 645,000
Center for the Arts & Sciences Refunding Series 2010	2024	3.10-4.375%	2,280,000	(1,025,000)	1,255,000
Civic Center Project Series 2015	2035	4%	97,250,000	(6,360,000)	90,890,000
Less: Bond discount			(163,895)	116,552	(47,343)
Total governmental activities			<u>\$ 100,546,105</u>	<u>\$ (7,803,448)</u>	<u>\$ 92,742,657</u>
Business-type activities:					
Civic Center Improvement Series 1998	2023	4.60-5.10%	\$ 3,635,000	\$ (2,155,000)	\$ 1,480,000
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	(1,260,000)	2,015,000
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	(525,000)	800,000
Less: Bond discount			(1,061,733)	983,737	(77,996)
Total revenue bonds			<u>\$ 7,173,267</u>	<u>\$ (2,956,263)</u>	<u>\$ 4,217,004</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 4,058,000	\$ 3,559,243	\$ 490,000	\$ 188,580
2019	4,221,000	3,401,025	510,000	166,800
2020	4,380,000	3,236,225	530,000	143,780
2021	4,545,000	3,064,957	550,000	119,510
2022	4,727,000	2,887,236	570,000	94,310
2023-2027	25,575,000	11,546,159	1,645,000	114,965
2028-2032	27,604,000	6,306,498	-	-
2033-2037	17,680,000	1,262,250	-	-
Totals	<u>\$ 92,790,000</u>	<u>\$ 35,263,593</u>	<u>\$ 4,295,000</u>	<u>\$ 827,945</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Changes in Long-term Liabilities

Governmental Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 96,699,000	\$	\$ (3,909,000)	\$ 92,790,000	\$ 4,058,000
Less deferred amounts:					
Bond discount	(54,185)	-	6,842	(47,343)	-
Total bonds payable	<u>96,644,815</u>	<u>-</u>	<u>(3,902,158)</u>	<u>92,742,657</u>	<u>4,058,000</u>
Capital leases	9,464,294	7,180,900	(6,329,091)	10,316,103	2,751,949
Net OPEB obligation	30,214,064	7,192,519	-	37,406,583	-
Net pension liability	371,196,844	5,018,702	(30,439,717)	345,775,829	-
Claims and judgments	<u>4,092,452</u>	<u>-</u>	<u>(146,556)</u>	<u>3,945,896</u>	<u>-</u>
Governmental activities					
Long-term liabilities	<u>\$ 511,612,469</u>	<u>\$ 19,392,121</u>	<u>\$ (40,817,522)</u>	<u>\$ 490,187,068</u>	<u>\$ 6,809,949</u>

Business-type Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable	\$ 4,760,000	\$ -	\$ (465,000)	\$ 4,295,000	\$ 490,000
Less: deferred amounts:					
Bond discount	(88,925)	-	10,929	(77,996)	-
Total bonds payable	<u>4,671,075</u>	<u>-</u>	<u>(454,071)</u>	<u>4,217,004</u>	<u>490,000</u>
Net OPEB obligation	1,839,067	762,222	-	2,601,289	-
Compensated absences	<u>89,143</u>	<u>82,897</u>	<u>(84,851)</u>	<u>87,189</u>	<u>-</u>
Business-type activities					
Long-term liabilities	<u>\$ 6,599,285</u>	<u>\$ 845,119</u>	<u>\$ (538,922)</u>	<u>\$ 6,905,482</u>	<u>\$ 490,000</u>

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

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.

CITY OF CHARLESTON, WEST VIRGINIA
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H. Restricted Assets And Investments

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

	Governmental Activities	Business-type Activities
Customer deposits	\$ -	\$ 317,567
Cash - contractual agreement	353,461	-
Debt service	4,083,394	-
WV Board of Treasury short term bond pool - investment	2,826,467	-
Endowment fund - investments	1,996,766	-
West Virginia Municipal Bond Commission	177,109	1,319,115
TIF District account	-	1,126,961
Revenue bond operations and maintenance account	-	1,283,590
Revenue bond debt covenant account	-	13
Total restricted assets and investments	<u>\$ 9,437,197</u>	<u>\$ 4,047,246</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

I. Fund Balance Detail

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

	General Fund	Coal Severance	Community Development	HOME	Convention & Civic Center Project	Nonmajor Funds	Total
Nonspendable:							
Prepays-Insurance	\$ 577,358	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 577,358
Perpetual Care Cemetery	--	--	--	--	--	1,305,064	1,305,064
Restricted:							
Police protection	--	--	--	--	--	679,714	679,714
Public trusts lands	--	--	--	--	--	44,478	44,478
Human Rights	--	--	--	--	--	15,602	15,602
Ball Park	--	--	--	--	--	91,871	91,871
Perpetual Care Cemetery	--	--	--	--	--	1,056,833	1,056,833
Equipment lease purchases	925,489	--	--	--	--	--	925,489
Debt service	419,583	43,662	--	--	--	5,493,722	5,956,967
Municipal Court	--	--	--	--	--	117,050	117,050
Public Arts	--	--	--	--	--	48,160	48,160
Recreational Trails & Facilities	--	--	--	--	--	198,226	198,226
Landfill Closure	--	--	--	--	--	3,189,823	3,189,823
Historic Preservation	--	--	--	--	--	1,336	1,336
Civic Center	--	--	--	--	46,020,681	--	46,020,681
Committed:							
Highway beautification	--	--	--	--	--	31,169	31,169
Civic Center debt service & pension reserve	7,261,426	--	--	--	--	--	7,261,426
Public Safety	10,287,425	--	--	--	--	8,980	10,296,405
Sanitation	--	--	--	--	--	445,117	445,117
Bridges, highways & infrastructure	--	--	--	--	--	3,021,817	3,021,817
Civic Center capital improvements	--	--	--	--	--	273,322	273,322
Municipal Auditorium capital improvements	--	--	--	--	--	120,101	120,101
City facilities capital improvements	--	--	--	--	--	7,397,239	7,397,239
Employee Insurance	5,970,363	--	--	--	--	--	5,970,363
Recreational soccer fields	--	--	--	--	--	3,081	3,081
Culture and Recreation	--	--	--	--	--	62,878	62,878
Community development	52,198	--	--	--	--	152,090	204,288
Ball Park	--	--	--	--	--	26,799	26,799
Assigned:							
Professional government services	1,865,973	--	--	--	--	--	1,865,973
Mayor's contributions to other entities	97,866	--	--	--	--	--	97,866
Legal liability claims	41,977	--	--	--	--	--	41,977
Compensation Initiative	494,482	--	--	--	--	--	494,482
Capital Projects	2,233,665	--	--	--	--	--	2,233,665
Unassigned	22,699,961	--	6,851	--	--	--	22,706,812
Total fund balances	<u>\$ 52,927,766</u>	<u>\$ 43,662</u>	<u>\$ 6,851</u>	<u>\$ -</u>	<u>\$ 46,020,681</u>	<u>\$ 23,784,472</u>	<u>\$ 122,783,432</u>

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J. Benefits Funded by the State of West Virginia

For the year ended June 30, 2017, 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	\$ 1,698,684
Firemen's Pension and Relief Fund	<u>1,710,329</u>
Total	<u>\$ 3,409,013</u>

IV. 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.

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, 2017. 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 \$600,000 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 6/30/2017	Year Ended 6/30/2016
Unpaid claims, beginning of fiscal year	\$ 4,092,452	\$ 4,250,567
Incurred claims (including IBNRs)	1,497,482	1,663,388
Claims paid	<u>(1,644,038)</u>	<u>(1,821,503)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,945,896</u>	<u>\$ 4,092,452</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.

CITY OF CHARLESTON, WEST VIRGINIA
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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.

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 \$1,056,833 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

F. Post-Employment Healthcare Plan

IV: 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, 2017 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 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, 2017 the monthly retiree contribution for non-tobacco users is as follows:

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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 general employees hired before January 1, 2015 and police and fire employees hired before January 1, 2013 can roll over an 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. Active general employees hired on or after January 1, 2015 and police and fire employees hired on or after January 1, 2013 can convert up to six months of unused sick time for single coverage and up to four and a half months for family coverage.

The same benefit options are available to retirees as active employees. Effective January 1, 2015 the City's health plan becomes self-insured for all participants (pre-Medicare and post-Medicare retirees).

The monthly COBRA rates effective on January 1, 2017 are \$521.48 for medical and prescription drugs for single and \$1,147.26 for employee and spouse.

The number of participants as of June 30, 2017 the effective date of the biennial OPEB valuation, was 651 active employees and 496 retired employees.

Employees who retire under the WV Public Employees Retirement System (P.E.I.A.) 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.

CITY OF CHARLESTON, WEST VIRGINIA
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IV: 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, 2017, 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	\$ 14,562,650	\$ 1,082,655	\$ 15,645,305
Interest on net OPEB obligation	1,491,698	110,959	1,602,657
Adjustment to annual required contribution	(1,195,550)	(88,883)	(1,284,433)
Annual OPEB cost	14,858,798	1,104,731	15,963,529
Contributions made	(7,948,788)	(60,000)	(8,008,788)
Increase (decrease) in net OPEB obligation	6,910,010	1,044,731	7,954,741
Net OPEB obligation at beginning of the year	30,214,064	1,839,067	32,053,131
Net OPEB obligation at the end of the year	\$ 37,124,074	\$ 2,883,798	\$ 40,007,872

IV.F.3. Trend Information

Fiscal Year	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2017	\$ 15,963,530	50.1%	\$ 40,007,872
2016	\$ 16,268,731	36.9%	\$ 32,053,131
2015	\$ 10,870,547	34.9%	\$ 21,787,022
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

CITY OF CHARLESTON, WEST VIRGINIA
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IV.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
7/1/16	--	\$ 203,538,748	\$ 203,538,748	0.0%	\$ 31,594,903	644.2%
7/1/15	--	\$ 197,164,010	\$ 197,164,010	0.0%	\$ 30,641,315	643.5%
7/1/14	--	\$ 126,087,701	\$ 126,087,701	0.0%	\$ 29,462,803	428.0%
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%

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.

IV: 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, 2016 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 data was provided by the City as of July 2017 and no material modifications were made to the census data.

Measurement Date June 30, 2017; the actuarial present values were rolled-back to July 1, 2016 on a no loss/gain basis.

Discount Rate 5.0% unfunded.

Payroll Growth 4.0% per year.

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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 SOA RPH-2016 Total Dataset Mortality Table fully generated with Scale MP-2016.

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. All employees eligible for the sick leave benefit are assumed to have five years of free coverage.

For general employees hired after January 1, 2015 and police and fire employees hired after January 1, 2013, it is assumed that none of them gets the sick leave benefits at retirement due to the short duration of the sick leave that can be converted to health coverage upon retirement.

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 2018 9.00%; FYE 2019 8.50%; FYE 2020 8.00%; FYE 2021 7.50%; FYE 2022 7.00%; FYE 2023 6.50%; FYE 2024 6.00%; FYE 2025 5.50%; FYE 2026+ 5.00%.

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

V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

On July 1, 2014, the government implemented GASB Statement No. 68, Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*.

V: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, 2016 and GASB Statement No. 67 Plan Reporting and Accounting Schedules and GASB No. 68 Accounting and Financial Reporting for Pensions at measurement date of June 30, 2017.

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, 2016 and GASB Statement No. 67 Plan Reporting and Accounting Schedules GASB No. 68 Accounting and Financial Reporting for Pensions at measurement date of June 30, 2017.

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.

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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.

As of July 1, 2016 memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	114	125	239
Vested Terminated Benefits	5	1	6
Retirees and Beneficiaries Currently Receiving Benefits	221	237	458
Total	<u>340</u>	<u>363</u>	<u>703</u>

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:

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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 \$5,947,860 for the plan year ending June 30, 2018, to a high of \$11,488,092 for the plan year ending June 30, 2038. Employer contributions for the Firemen's Pension and Relief Fund are expected to increase from \$6,254,664 for the plan year ending June 30, 2017, to a high of \$11,486,113 for the plan year ending June 30, 2037.

For the Policemen's Pension Fund the funded ratio is projected to increase from 12% in 2018 to 49% in 2038, and ultimately to 100% in 2046. For the Firemen's Pension Fund the funded ratio is projected to increase from 10% in 2018 to 44% in 2037, and 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).

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense / expenditures. For defined benefit plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service (www.GASB.org).

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Actuarial Methods and Assumptions

	<u>PPRF</u>	<u>FPRF</u>
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 and 9.5% if hired after January 1, 2010	
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
Valuation Date	7/1/2016 and projected to the measurement date of June 30, 2017.	7/1/2016 and projected to the measurement date of June 30, 2017.
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method/Period	30-Year Closed Level-Percentage-of-Pay 24 years remaining as of July 1, 2016	30-Year Closed Level-Percentage-of-Pay 24 years remaining as of July 1, 2016
	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	Fair Value	Fair Value
Investment Rate of Return	4.5% per year before 2047; 6% thereafter	

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Projected Salary Increases	Service Based Increase		Service Based Increase	
	<u>Years of Service</u>	<u>Increase</u>	<u>Years of Service</u>	<u>Increase</u>
	1	20.0%	1	20.0%
	2	6.5%	2	6.5%
	3	3.5%	3	3.5%
	4	2.75%	4	2.75%
	5-9	2.50%	5-9	2.50%
	10-29	2.00%	10-29	2.00%
	30-34	1.25%	30-34	1.25%
0% increases for service over 34.				
Post-Retirement COLA	2.75% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.		2.75% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.	
Wage Inflation	3.75%		3.75%	
Increase in State Insurance Premium Tax Allocation	2.75% on and after year 1		2.75% on and after year 1	
Retirement	Age Rates 50 45% 51-55 30% 56-59 35% 60 100%		Age Rates 50 45% 51-55 30% 56-59 35% 60 100%	
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 the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The disabled mortality assumption was updated to the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, set forward 4 years, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The pre-retirement mortality assumption was updated to the RP-2014 Blue Collar Total Employee Mortality table, with generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales.

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 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%.

CITY OF CHARLESTON, WEST VIRGINIA
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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% or more of the pension plan's fiduciary net position must be disclosed in accordance with GAAP. The Policemen's Pension and Relief Fund had five investments that were 5% or more of the pension plan's fiduciary net position at June 30, 2017, which were Ishares Russell Midcap Value EFT at 7%, Ishares Russell Midcap Growth 6%, Ishares Core S&P Mid-Cap ETF at 6%, Ishares Russell 2000 Value ETF at 5%, and SPDR S&P 500ETF Trust unit Ser 1 S&P at 5%. The Firemen's Pension & Relief Fund had five investments that were 5% or more of the pension plan's fiduciary net position at June 30, 2017, which were Ishares Russell Midcap Value ETF at 7%, Ishares Russell Midcap Growth at 6%, Ishares Core S&P Mid-Cap EFT at 6%, Ishares Russell 2000 Value ETF at 5%, and SPDR S&P 500ETF Trust uni Ser 1 S&P at 5%.

Rate of Return: The money-weighted rate of return on pension plan investments, net of pension plan expense, for fiscal year ended June 30, 2017 was 4.20 percent for the Policemen's Pension and Relief Fund. For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 4.77 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, 2017, were as follows:

	PPRF	FPRF
Total pension liability	\$ 180,888,957	\$ 190,446,627
Plan fiduciary net position	(20,042,001)	(17,716,222)
Plan net pension liability	<u>\$ 160,846,956</u>	<u>\$ 172,730,405</u>
Plan fiduciary net position as a percentage of total pension liability	11.08%	9.30%
Discount Rate	4.345%	4.316%

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In accordance with GASB No. 67 & GASB No. 68 a single discount rate of 4.3453% for the Policemen's Pension and 4.3156% for the Firemen's Pension was used to measure the total pension liability as of June 30, 2017. These single discount rates were based on the expected rate of return on pension plan investments of 4.5% before 2046 and 6.000% after 2046, and the municipal bond rate of 3.56%. 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 4.3453% for the Policemen's Pension and 4.3156% 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 6.0%. 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 \$213,433,800 and \$219,608,700, 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>3.3453%</u>	<u>4.3453%</u>	<u>5.3453%</u>
\$ 190,727,000	\$ 160,846,956	\$ 137,137,464

Firemen's Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
<u>3.3156%</u>	<u>4.3156%</u>	<u>5.3156%</u>
\$ 203,906,345	\$ 172,730,405	\$ 147,969,818

CITY OF CHARLESTON, WEST VIRGINIA
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Changes in the Net Pension Liability - Policemen's Pension and Relief Fund

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary Net	Pension
	Liability (a)	Position (b)	Liability (a-b)
Balances at June 30, 2016	\$ 194,602,316	\$ 17,122,419	\$ 177,479,897
Changes for the year:			
Service cost	4,344,855	--	4,344,855
Interest	7,255,244	--	7,255,244
Differences between expected & actual experience	(3,481,866)	--	(3,481,866)
Changes of assumptions or other inputs	(14,823,343)	--	(14,823,343)
Contributions - employer	--	7,498,088	(7,498,088)
Contributions - employee	--	574,939	(574,939)
Net investment income	--	1,864,923	(1,864,923)
Benefit payments, including refunds of employee contributions	(7,008,249)	(7,008,249)	--
Administrative expense		(10,119)	10,119
Net changes	(13,713,359)	2,919,582	(16,632,941)
Balances at June 30, 2017	\$ 180,888,957	\$ 20,042,001	\$ 160,846,956

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

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary Net	Pension
	Liability (a)	Position (b)	Liability (a-b)
Balances at June 30, 2016	\$ 201,522,698	\$ 14,985,517	\$ 186,537,181
Changes for the year:			
Service cost	4,558,952	--	4,558,952
Interest	7,563,985	--	7,563,985
Differences between expected & actual experience	(352,450)	--	(352,450)
Changes of assumptions or other inputs	(15,608,155)	--	(15,608,155)
Contributions - employer	--	7,685,081	(7,685,081)
Contributions - employee	--	574,505	(574,505)
Net investment income	--	1,717,125	(1,717,125)
Benefit payments, including refunds of employee contributions	(7,238,403)	(7,238,403)	--
Administrative expense	--	(7,603)	7,603
Net changes	(11,076,071)	2,730,705	(13,806,776)
Balances at June 30, 2017	\$ 190,446,627	\$ 17,716,222	\$ 172,730,405

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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

For the year ended June 30, 2017, the government recognized the following pension expenses.

	<u>PPRF</u>	<u>FPRF</u>
Pension expense	<u>\$14,556,695</u>	<u>\$15,888,925</u>

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

Policemen's Pension and Relief Fund

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference non-investment experience	\$ - -	\$ (3,563,808)
Changes of assumptions	2,155,981	- -
Difference due to investment experience	- -	(934,879)
	<u>\$ 2,155,981</u>	<u>\$ (4,498,687)</u>

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

**Year Ended
June 30:**

2018	\$ 2,132,573
2019	(3,253,892)
2020	(1,007,091)
2021	(214,296)
Total	<u>\$ (2,342,706)</u>

Firemen's Pension and Relief Fund

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference - non-investment experience	\$ - -	\$ (1,016,759)
Changes of assumptions	780,709	- -
Difference - investment experience	- -	(916,029)
	<u>\$ 780,709</u>	<u>\$ (1,932,788)</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		
June 30:		
2018	\$	2,842,325
2019		(3,601,752)
2020		(193,941)
2021		(198,711)
Total	\$	<u>(1,152,079)</u>

V.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% for employees hired before July 1, 2016 and 6.00% for employees hired after July 1, 2016.
City's contribution rate:	14%
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, 2017

V.B.2. Trend Information

<u>Fiscal Year</u>	<u>Cost</u>	<u>Contributed</u>
2017	\$ 2,238,435	100%
2016	2,513,283	100%
2015	2,456,565	100%
2014	2,526,476	100%
2013	2,372,689	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%

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, West Virginia 25304.

V.B.3. Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the government reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016 using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2017, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2016:

	<u>PERS</u>
Amount for proportionate share of net pension liability	\$ 12,198,303
Percentage for proportionate share of net pension liability	1.327175%
Increase/(decrease) % from prior proportion measured actual earnings on pension plan investments	0.041439%

For the year ended June 30, 2017, the government recognized the following pension expense.

	<u>PERS</u>
Government-wide pension expense	<u>\$ 2,120,832</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

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

Public Employees Retirement System (PERS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Net difference between projected and actual earnings on pension plan investments	\$ 3,833,160	\$ --
Difference between expected and actual experience	1,017,240	--
Deferred difference in assumptions	--	(594,282)
Changes in proportion and differences between government contributions and proportionate share of contributions	293,430	(58,588)
Government contributions subsequent to the measurement date	2,238,435	--
	<hr/>	<hr/>
	\$ 7,382,265	\$ (652,870)
	<hr/> <hr/>	<hr/> <hr/>

The amount reported as deferred outflows of resources related resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2018	\$ 394,097
2019	339,672
2020	1,417,232
2021	1,417,187
2022	922,772
Total	<hr/> \$ 4,490,960 <hr/>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

V.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.
Benefits and eligibility for distribution:	<p>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:</p> <p style="text-align: center;">Final Average Salary x Years of Credited Service x Benefit Percentage</p> <p style="text-align: center;">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</p>
Provisions for:	
Cost of Living	Yes
Death Benefits	Yes

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

V.C.2. Trend Information

Municipal Police and Firefighters Retirement System (MPFRS)

Police

Fiscal Year	Annual Pension Cost	Percentage Contributed
2017	\$ 222,403	100%
2016	\$ 168,547	100%
2015	\$ 105,816	100%
2014	\$ 59,623	100%
2013	\$ 28,547	100%

Fire

Fiscal Year	Annual Pension Cost	Percentage Contributed
2017	\$ 144,771	100%
2016	\$ 102,015	100%
2015	\$ 55,174	100%
2014	\$ 46,744	100%
2013	\$ 8,544	100%

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, West Virginia 25304.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

V.C.3. Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the government reported the following asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016 using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension asset was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2016, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2015:

	MPFRS - Police	MPFRS - Fire
Amount for proportionate share of net pension asset	\$ 369,892	\$ 223,751
Percentage for proportionate share of net pension asset	26.159244%	15.823930%
Increase/(decrease) % from prior proportion measured actual earnings on pension plan investments	3.056396%	5.701632%

For the year ended June 30, 2017, the government recognized the following pension expense.

	MPFRS - Police	MPFRS - Fire
Government-wide pension expense	\$ 1,102	\$ (204)

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

Municipal Police Officers and Firefighters Retirement System - Police

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 41,384	\$ - -
Difference between expected and actual experience	19,096	- -
Changes in proportion and differences between government contributions and proportionate share of contributions	- -	(31,486)
Government contributions subsequent to the measurement date	222,402	- -
	\$ 282,882	\$ (31,486)

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

Municipal Police Officers and Firefighters Retirement System - Fire

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 25,034	\$ - -
Differences between expected and actual experience	11,550	- -
Changes in proportion and differences between government contributions and proportionate share of contributions	17,933	(44,684)
Government contributions subsequent to the measurement date	144,771	- -
	<u>\$ 199,288</u>	<u>\$ (44,684)</u>

The amount reported as deferred outflows of resources related resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended</u>	<u>Police</u>	<u>Fire</u>
June 30, 2018	\$ 6,193	\$ 2,597
June 30, 2019	6,192	2,597
June 30, 2020	8,804	4,644
June 30, 2021	8,801	4,648
June 30, 2022	4,804	2,148
June 30, 2023	(1,318)	(1,680)
June 30, 2024	(1,318)	(1,680)
June 30, 2025	(917)	337
June 30, 2026	(1,987)	(1,725)
June 30, 2027	(217)	(1,725)
June 30, 2028	(43)	(328)
Total	<u>\$ 28,994</u>	<u>\$ 9,833</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

V.D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2015 and rolled forward to June 30, 2016 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employee Retirement System

Actuarial Assumptions

Inflation Rate	3.00%
Salary Increases	3.35% - 6.00%
Investment Rate of Return	7.50%

Mortality Rates:

Healthy males – 110% of R. P. 2000 Non-annuitant, Scale AA
Healthy females – 101% of R. P. 2000 Non-annuitant, Scale AA
Disabled males – 96% of R. P. 2000 Disabled Annuitant, Scale AA
Disabled females – 107% of R. P. 2000 Disabled Annuitant, Scale AA

The actuarial assumptions used in the July 1, 2015 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2015.

Municipal Police Officers and Firefighters Retirement System

Actuarial Assumptions

Inflation Rate	3.00%
Salary Increases	By age from 4.75% at age 30 declining to 3.25% at age 65
Investment Rate of Return	7.50%

Mortality Rates:

Active – RP2000 non-annuitant mortality table; scale BB; retired and disabled – RP2000 healthy annuitant mortality table scale BB.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Rates summarized in the following table include the inflation component and were used for the following defined benefit plan:

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

Investment	Long-term Expected Real Rate of Return	Target Asset Allocation All Plans	Weighted Average Expected Real Rate of Return
Primary Government:			
US Equity (Russell 3000)	7.00%	27.50%	1.92%
International Equity (ACWI ex US)	7.70%	27.50%	2.12%
Core Fixed Income	2.70%	7.50%	0.20%
High Yield	5.50%	7.50%	0.41%
Real Estate	7.00%	10.00%	0.70%
Private Equity	9.40%	10.00%	0.94%
Hedge Funds	4.70%	10.00%	0.47%
TIPS	2.70%	0.00%	0.00%
Total		100.00%	6.76%
Inflation (CPI)			1.90%
			<u>8.66%</u>

Discount Rate

The discount rate used to measure the total pension liability / asset was 7.5 percent for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability/asset of each plan.

The following chart represents the sensitivity of the net pension liability/asset to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net position liability/asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Government's proportionate share of PERS's net pension liability	\$ 22,078,498	\$ 12,198,303	\$ 3,805,422
Government's proportionate share of MPFRS Police net pension asset	\$ (249,821)	\$ (369,892)	\$ (461,711)
Government's proportionate share of MPFRS Fire net pension asset	\$ (151,119)	\$ (223,751)	\$ (279,292)

Pension Plan's Fiduciary Net Position

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2017

V.D.2 Newly Issued Accounting Pronouncements

The Governmental Accounting Standards Board has also issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The City has not yet determined the effect that the adoption of GASB Statement No. 75 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73, effective for fiscal years beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, No. 68, and No. 73. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City has not yet determined the effect that the adoption of GASB Statement No. 82 may have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017

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

Policemen's Pension and Relief Fund (PPRF)

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 4,344,855	\$ 3,313,221	\$ 3,292,778	\$ 3,209,021
Interest	7,255,244	7,209,972	7,332,999	7,461,048
Changes in benefit terms	--	--	--	--
Differences between expected and actual experience	(3,481,866)	(2,127,001)	(1,897,115)	--
Changes in assumptions	(14,823,343)	26,684,740	8,006,116	6,439,110
Benefits payments, including refunds of member contributions	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Net change in total pension liability	(13,713,359)	28,021,255	9,699,317	10,421,047
Total pension liability-beginning	194,602,316	166,581,061	156,881,744	146,460,696
Total pension liability-ending (a)	<u>\$ 180,888,957</u>	<u>\$ 194,602,316</u>	<u>\$ 166,581,061</u>	<u>\$ 156,881,743</u>
Plan fiduciary net position				
Contributions-employer	\$ 7,498,088	\$ 6,858,876	\$ 6,530,016	\$ 6,448,555
Contributions-members	574,939	556,799	592,173	648,924
Net investment income	1,864,923	695,811	766,556	1,415,864
Benefit payments, including refunds of member contributions	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Administrative expenses	(10,119)	(13,087)	(12,349)	(22,264)
Other	--	--	--	--
Net change in plan fiduciary net position	2,919,582	1,038,722	840,935	1,802,947
Plan fiduciary net position - beginning	17,122,419	16,083,697	15,242,762	13,439,815
Plan fiduciary net position-ending (b)	<u>\$ 20,042,001</u>	<u>\$ 17,122,419</u>	<u>\$ 16,083,697</u>	<u>\$ 15,242,762</u>
Net pension liability - ending (a) - (b)	<u>\$ 160,846,956</u>	<u>\$ 177,479,897</u>	<u>\$ 150,497,364</u>	<u>\$ 141,638,981</u>
Plan fiduciary net position as a percentage of the total pension liability	11.08%	8.80%	9.66%	9.72%
Covered employee payroll	\$ 6,876,181	\$ 7,194,432	\$ 7,849,996	\$ 8,257,284
Net pension liability as a percentage of covered employee payroll	2339.19%	2466.91%	1917.16%	1715.32%

Notes to PPRF'S Schedule:

Changes in assumptions. In 2017 the interest rate used to discount liabilities and project assets was 4.500%. For purposes of the accounting actuarial valuation, the blended interest rate used to discount liabilities was changed from 3.8228% to 4.3453%. For purposes of the accounting valuation, we assumed a discount rate based on the municipal bond rate of 3.5600% prior to 2047 and a discount rate of 6.000% for plan years after 2046 which resulted in a blended discount rate of 4.3453%.

Mortality rates for both plans were based on the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The disabled mortality assumption was updated to the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, set forward 4 years, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The pre-retirement mortality assumption was updated to the RP-2014 Blue Collar Total Employee Mortality table, with generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales.

The wage inflation assumption used to project compensation was 3.75%

The service based compensation increased assumption was updated based on observed experience.

General inflation, post retirement COLA and the increase in State Insurance Premium Tax Allocation was 2.75%.

Turnover, retirement rates and disability assumptions were updated based on observed experience.

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

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017

I. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (Continued)

Firemen's Pension and Relief Fund (FPRF)

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 4,558,952	\$ 3,402,390	\$ 3,160,914	\$ 3,139,576
Interest	7,563,985	7,426,782	7,516,367	7,715,345
Changes in benefit terms	--	--	--	--
Differences between expected and actual experience	(352,450)	(1,147,647)	(3,217,247)	--
Changes in assumptions	(15,608,155)	27,065,406	8,277,173	6,693,190
Benefits payments, including refunds of member contributions	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Net change in total pension liability	(11,076,071)	29,671,026	8,877,423	10,604,353
Total pension liability-beginning	201,522,698	171,851,672	162,974,249	152,369,897
Total pension liability-ending (a)	<u>\$ 190,446,627</u>	<u>\$ 201,522,698</u>	<u>\$ 171,851,672</u>	<u>\$ 162,974,250</u>
Plan fiduciary net position				
Contributions-employer	\$ 7,685,081	\$ 6,906,802	\$ 6,561,849	\$ 6,735,846
Contributions-members	574,505	580,188	592,996	603,333
Net investment income	1,717,125	695,679	622,444	1,317,995
Benefit payments, including refunds of member contributions	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Administrative expenses	(7,603)	(9,741)	(5,864)	(8,132)
Other	--	--	--	--
Net change in plan fiduciary net position	2,730,705	1,097,023	911,641	1,705,284
Plan fiduciary net position - beginning	14,985,517	13,888,494	12,976,853	11,271,569
Plan fiduciary net position-ending (b)	<u>\$ 17,716,222</u>	<u>\$ 14,985,517</u>	<u>\$ 13,888,494</u>	<u>\$ 12,976,853</u>
Net pension liability - ending (a) - (b)	<u>\$ 172,730,405</u>	<u>\$ 186,537,181</u>	<u>\$ 157,963,178</u>	<u>\$ 149,997,397</u>
Plan fiduciary net position as a percentage of the total pension liability	9.30%	7.44%	8.08%	7.96%
Covered employee payroll	\$ 7,038,745	\$ 7,273,171	\$ 7,364,910	\$ 7,872,875
Net pension liability as a percentage of covered employee payroll	2453.99%	2564.73%	2144.81%	1905.24%

Notes to FPRF'S Schedule:

Changes in assumptions. In 2017 the interest rate used to discount liabilities and project assets was 4.500%. For purposes of the accounting actuarial valuation, the blended interest rate used to discount liabilities was changed from 3.8228% to 4.3453%. For purposes of the accounting valuation, we assumed a discount rate based on the municipal bond rate of 3.5600% prior to 2047 and a discount rate of 6.000% for plan years after 2046 which resulted in a blended discount rate of 4.3453%.

Mortality rates for both plans were based on the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The disabled mortality assumption was updated to the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, set forward 4 years, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The pre-retirement mortality assumption was updated to the RP-2014 Blue Collar Total Employee Mortality table, with generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales.

The wage inflation assumption used to project compensation was 3.75%

The service based compensation increased assumption was updated based on observed experience.

General inflation, post retirement COLA and the increase in State Insurance Premium Tax Allocation was 2.75%.

Turnover, retirement rates and disability assumptions were updated based on observed experience.

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

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017

II. SCHEDULES OF INVESTMENT RETURNS

Policemen's Pension and Relief Fund (PPRF)

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	11.14%	4.75%	6.50%	10.65%

Firemen's Pension and Relief Fund (PFRF)

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	11.25%	5.15%	5.04%	11.17%

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

III. SCHEDULES OF CONTRIBUTIONS MULTIYEAR

Policemen's Pension and Relief Fund (PPRF)

	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 10,113,252	\$ 9,998,469	\$ 8,371,076	\$ 8,290,897
Employer contribution (b)	5,799,404	5,226,466	4,977,472	4,919,728
State contribution (c)	1,698,684	1,632,410	1,552,544	1,528,827
Contribution deficiency (excess)	\$ 2,615,164	\$ 3,139,593	\$ 1,841,060	\$ 1,842,342
Covered payroll (f)	6,876,181	7,194,432	7,849,996	8,257,284
Actual contribution as a percent of covered payroll [(b)+(c)]/f	109%	95%	83%	78%

Firemen's Pension and Relief Fund (PFRF)

	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 10,712,117	\$ 10,373,813	\$ 8,533,617	\$ 8,544,824
Employer contribution (b)	5,974,752	5,300,143	5,004,065	5,191,340
State contribution (c)	1,710,329	1,606,659	1,557,784	1,544,506
Contribution deficiency (excess)	\$ 3,027,036	\$ 3,467,011	\$ 1,971,768	\$ 1,808,978
Covered payroll (f)	7,038,745	7,273,171	7,364,910	7,872,875
Actual contribution as a percent of covered payroll [(b)+(c)]/f	109%	95%	89%	86%

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2017

NOTES TO SCHEDULES

Significant Actuarial Assumptions

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

	Policemen's Pension & Relief Fund 6/30/2017	Firemen's Pension & Relief Fund 6/30/2017
Valuation Date	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay	Level Percentage-of-Pay
Amortization Method	30 Years Closed (Level Percentage)	30 Years Closed (Level Percentage)
Amortization Period	Market Value	Market Value
Actuarial Asset Valuation Method		
Actuarial Assumptions:		
Investment Rate of Return	4.50% per year before 2047; 6.00% thereafter	4.50% per year before 2047; 6.00% thereafter
Projected Salary Increases	20% 1 year, 6.5% 2 years , 3.5% 3 years, 2.75 4 years, 2.50% 5-9 years, 2.00% 10-29 years, 1.25% 30-34 years, and 0.00% after 34 years of service	20% 1 year, 6.5% 2 years , 3.5% 3 years, 2.75 4 years, 2.50% 5-9 years, 2.00% 10-29 years, 1.25% 30-34 years, and 0.00% after 34 years of service
Post Retirement Benefit Increases	None	None
Inflation	2.75%	2.75%
Cost of Living Adjustments	2.75% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years	2.75% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years
Mortality	Mortality rates for both plans were based on the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The disabled mortality assumption was updated to the RP-2014 Blue Collar Total Healthy Annuitant Mortality table, set forward 4 years, with projected generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales. The pre-retirement mortality assumption was updated to the RP-2014 Blue Collar Total Employee Mortality table, with generational mortality improvement using the MP-2014 2-dimensional mortality improvement scales.	

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June, 30, 2017

I. SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) -Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b)-(a)</u>	Funded Ratio <u>(a)/(b)</u>	Covered Payroll <u>(c)</u>	UAAL as a % covered payroll <u>(b-a)/c</u>
7/1/10	\$ --	\$ 75,615,299	\$ 75,615,299	0.00%	\$ 31,448,512	240.44%
7/1/11	--	60,679,215	60,679,215	0.00%	29,494,443	205.73%
7/1/12	--	73,958,600	73,958,600	0.00%	30,674,221	241.11%
7/1/13	--	85,737,794	85,737,794	0.00%	30,511,701	281.00%
7/1/14	--	126,087,701	126,087,701	0.00%	29,462,803	427.96%
7/1/15	--	197,164,010	197,164,010	0.00%	30,641,315	643.5%
7/1/16	--	203,538,748	203,538,748	0.00%	31,594,903	644.2%

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS

<u>Fiscal Year</u>	Annual Required Contribution	Employer Contributions	Percent Contributed
2011	\$ 5,325,615	\$ 2,836,898	53.27%
2012	5,315,345	4,104,850	77.23%
2013	6,457,372	4,587,248	71.04%
2014	7,499,563	3,898,088	51.98%
2015	10,724,572	3,797,037	35.41%
2016	16,052,428	6,002,621	37.39%
2017	15,645,305	8,008,789	51.19%

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2017

Public Employees Retirement System
Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	1.327175%	1.285736%	1.301165%	1.266242%
Government's proportionate share of the net pension liability (asset)	\$ 12,198,468	\$ 7,179,766	\$ 4,802,144	\$ 11,543,445
Government's covered-employee payroll	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.02%	40.20%	26.55%	65.94%
Plan fiduciary net position as a percentage of the total pension liability	86.11%	91.29%	93.98%	79.70%

* - The amounts presented for each fiscal year were determined as of June 30, 2016
Only four years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2017

Public Employees Retirement System
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 2,238,435	\$ 2,513,283	\$ 2,456,565	\$ 2,526,476	\$ 2,372,689	\$ 2,399,128	\$ 2,046,007	\$ 1,799,608	\$ 1,675,990	\$ 1,600,134
Contributions in relation to the contractually required contribution	<u>(2,238,435)</u>	<u>(2,513,283)</u>	<u>(2,456,565)</u>	<u>(2,526,476)</u>	<u>(2,372,689)</u>	<u>(2,399,128)</u>	<u>(2,046,007)</u>	<u>(1,799,608)</u>	<u>(1,675,990)</u>	<u>(1,600,134)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Government's covered-employee payroll	\$ -	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll.	**	13.60%	13.75%	13.97%	13.55%	**	**	**	**	**

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

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2017

Municipal Police Officers and Firefighters Retirement System
Last 10 Fiscal Years*

	Police Officers Retirement System			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	26.159244%	25.359714%	21.403699%	19.176794%
Government's proportionate share of the net pension liability (asset)	\$ (369,892)	\$ (244,721)	\$ (145,331)	\$ (50,819)
Government's covered-employee payroll	\$ 1,434,311	\$ 959,612	\$ 392,330	\$ 185,248
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-25.79%	-25.50%	-37.04%	-27.43%
Plan fiduciary net position as a percentage of the total pension liability	174.30%	189.27%	230.08%	200.40%

* - The amounts presented for each fiscal year were determined as of June 30, 2016
Only four years are presented due to the availability of the information in the application of the reporting requirements prospectively.

	Firefighters Retirement System			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	15.823930%	13.222939%	16.780704%	5.739737%
Government's proportionate share of the net pension liability (asset)	\$ (223,751)	\$ 127,601	\$ 113,941	\$ 15,210
Government's covered-employee payroll	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-25.79%	25.50%	37.04%	27.43%
Plan fiduciary net position as a percentage of the total pension liability	174.30%	189.27%	230.08%	200.40%

* - The amounts presented for each fiscal year were determined as of June 30, 2016
Only four years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2017

Public Employees Retirement System
Last 10 Fiscal Years

Police Officers Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 244,403	\$ 168,547	\$ 105,816	\$ 59,623	\$ 28,547	\$ 17,434
Contributions in relation to the contractually required contribution	<u>(244,403)</u>	<u>(168,547)</u>	<u>(105,816)</u>	<u>(59,623)</u>	<u>(28,547)</u>	<u>(17,434)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered-employee payroll	\$ **	\$ 1,434,311	\$ 959,612	\$ 392,330	\$ 185,248	\$ **
Plan fiduciary net position as a percentage of the total pension liability	**	11.75%	11.03%	15.20%	15.41%	**

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

Firefighters Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 144,771	\$ 102,014	\$ 55,174	\$ 46,744	\$ 8,544	\$ --
Contributions in relation to the contractually required contribution	<u>(144,771)</u>	<u>(102,014)</u>	<u>(55,174)</u>	<u>(46,744)</u>	<u>(8,544)</u>	<u>--</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered-employee payroll	\$ **	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446	\$ **
Plan fiduciary net position as a percentage of the total pension liability	**	11.76%	11.03%	15.20%	15.41%	**

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



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.

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

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.

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, 2017

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS					
Assets:					
Current:					
Cash and cash equivalents	\$ 1,413,597	\$ 9,920,032	\$ 5,442	\$ 361,263	\$ 11,700,334
Investments	2,826,467	--	--	1,996,766	4,823,233
Receivables:					
Accounts	452,032	--	--	--	452,032
Grants	1,548,648	--	--	--	1,548,648
Loans	274,309	--	--	--	274,309
Accrued interest	--	--	--	4,264	4,264
Due from:					
Other funds	728,225	1,252,010	1,824,469	400	3,805,104
Component units	12,194	--	--	--	12,194
Restricted cash	353,461	--	3,663,811	--	4,017,272
Total assets	<u>7,608,933</u>	<u>11,172,042</u>	<u>5,493,722</u>	<u>2,362,693</u>	<u>26,637,390</u>
Deferred Outflows:					
	--	--	--	--	--
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 7,608,933</u>	<u>\$ 11,172,042</u>	<u>\$ 5,493,722</u>	<u>\$ 2,362,693</u>	<u>\$ 26,637,390</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 839,390	\$ 190,639	\$ --	\$ --	\$ 1,030,029
Compensated absences payable	4,311	--	--	--	4,311
Due to:					
Other funds	1,619,078	37,333	--	796	1,657,207
Customer advances	161,371	--	--	--	161,371
Total liabilities	<u>2,624,150</u>	<u>227,972</u>	<u>--</u>	<u>796</u>	<u>2,852,918</u>
Deferred Inflows:					
	--	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>2,624,150</u>	<u>227,972</u>	<u>--</u>	<u>796</u>	<u>2,852,918</u>
Fund balances:					
Reserved for:					
Nonspendable	--	--	--	1,305,064	1,305,064
Restricted	4,294,389	91,871	5,493,722	1,056,833	10,936,815
Committed	690,394	10,852,199	--	--	11,542,593
Total fund balances	<u>4,984,783</u>	<u>10,944,070</u>	<u>5,493,722</u>	<u>2,361,897</u>	<u>23,784,472</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,608,933</u>	<u>\$ 11,172,042</u>	<u>\$ 5,493,722</u>	<u>\$ 2,362,693</u>	<u>\$ 26,637,390</u>

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, 2017

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Ad valorem property taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental:					
Federal	3,020,610	--	--	--	3,020,610
State	196,904	--	--	--	196,904
Local	22,862	--	--	--	22,862
Charges for services	4,007,136	16,579	--	--	4,023,715
Fines and forfeits	412,455	3,000	--	--	415,455
Interest earnings	45,813	32,474	18,524	138,130	234,941
Reimbursements	--	--	--	--	--
Contributions and donations	196,703	--	--	--	196,703
Miscellaneous	617	--	--	--	617
Total revenues	<u>7,903,100</u>	<u>52,053</u>	<u>18,524</u>	<u>138,130</u>	<u>8,111,807</u>
EXPENDITURES					
Current:					
General government	108,052	--	--	--	108,052
Public safety	1,411,540	--	--	--	1,411,540
Streets and transportation	1,315	--	--	--	1,315
Health and sanitation	1,063,879	--	--	--	1,063,879
Culture and recreation	1,781,284	--	--	--	1,781,284
Social services	--	--	--	27,592	27,592
Capital projects	--	3,494,643	--	--	3,494,643
Economic development	1,663,788	--	--	--	1,663,788
Debt service:					
Principal	--	--	3,909,000	--	3,909,000
Interest	--	--	3,716,048	--	3,716,048
Total expenditures	<u>6,029,858</u>	<u>3,494,643</u>	<u>7,625,048</u>	<u>27,592</u>	<u>17,177,141</u>
Excess (deficiency) of revenues over expenditures	1,873,242	(3,442,590)	(7,606,524)	110,538	(9,065,334)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,931,845	6,392,873	7,620,860	13,425	15,959,003
Transfers (out)	<u>(3,203,848)</u>	<u>(2,513,213)</u>	<u>(6)</u>	<u>--</u>	<u>(5,717,067)</u>
Total other financing sources (uses)	<u>(1,272,003)</u>	<u>3,879,660</u>	<u>7,620,854</u>	<u>13,425</u>	<u>10,241,936</u>
Net change in fund balance	601,239	437,070	14,330	123,963	1,176,602
Fund balances - beginning	<u>4,383,544</u>	<u>10,507,000</u>	<u>5,479,392</u>	<u>2,237,934</u>	<u>22,607,870</u>
Fund balances - ending	<u>\$ 4,984,783</u>	<u>\$ 10,944,070</u>	<u>\$ 5,493,722</u>	<u>\$ 2,361,897</u>	<u>\$ 23,784,472</u>



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.

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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).

Project West Invest This fund is designed to promote and provide incentives for Charleston police officers to live in Charleston's West Side to create a catalyst for positive change.

Historic Preservation Fund This fund was established to account for funds received from the State for historic preservation.

Safe Routes to School Program This fund was established to account for federal grants received from the Federal Highway Administration for the East End Kids Walk & Bike Safe Routes to Piedmont Project for infrastructure-related project and non-infrastructure-related activities.

Slack Plaza This fund was established to account for grant revenues, transfers, and gifts received designated to be expended for construction, renovations, and other improvements to the Slack Plaza area from Capitol Street to Court Street.

Live on the Levee This fund was established to account for all Live on the Levee Series revenues and expenditures that runs from May to September each year.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Homeland Security Assistance	Homeland Security Grant	Human Rights	Municipal Beautification	Municipal Court	Police & Fire Donation	Police Grant	Public Arts Grant
ASSETS AND DEFERRED OUTFLOWS											
Assets:											
Current:											
Cash and cash equivalents	\$ 610,519	\$ 1,574	\$ 44,478	\$ --	\$ --	\$ 176,794	\$ 31,169	\$ 163,994	\$ 8,980	\$ 61,111	\$ 48,160
Investments	--	--	--	--	--	--	--	--	--	--	--
Receivables:											
Accounts	--	39,976	--	--	--	--	--	45,516	--	--	--
Grants	--	--	--	--	--	--	--	--	--	156,811	--
Loans	--	--	--	--	--	--	--	--	--	--	--
Due from:											
Other funds	67,625	--	--	--	--	--	--	--	--	20,963	--
Component units	--	--	--	--	--	--	--	--	--	--	--
Restricted cash	--	--	--	--	--	--	--	--	--	--	--
Total assets	<u>678,144</u>	<u>41,550</u>	<u>44,478</u>	<u>--</u>	<u>--</u>	<u>176,794</u>	<u>31,169</u>	<u>209,510</u>	<u>8,980</u>	<u>238,885</u>	<u>48,160</u>
Deferred Outflows:											
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 678,144</u>	<u>\$ 41,550</u>	<u>\$ 44,478</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 176,794</u>	<u>\$ 31,169</u>	<u>\$ 209,510</u>	<u>\$ 8,980</u>	<u>\$ 238,885</u>	<u>\$ 48,160</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 35,256	\$ 39,434	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 26,191	\$ --	\$ 20,513	\$ --
Live on the Levee Charity Raffle	--	--	--	--	--	--	--	--	--	--	--
Due to:											
Other funds	--	1,937	--	--	--	--	--	66,269	--	181,546	--
Grant advances	--	179	--	--	--	161,192	--	--	--	--	--
Total liabilities	<u>35,256</u>	<u>41,550</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>161,192</u>	<u>--</u>	<u>92,460</u>	<u>--</u>	<u>202,059</u>	<u>--</u>
Deferred Inflows:											
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>35,256</u>	<u>41,550</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>161,192</u>	<u>--</u>	<u>92,460</u>	<u>--</u>	<u>202,059</u>	<u>--</u>
Fund balances:											
Restricted	642,888	--	44,478	--	--	15,602	--	117,050	--	36,826	48,160
Committed	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>31,169</u>	<u>--</u>	<u>8,980</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>642,888</u>	<u>--</u>	<u>44,478</u>	<u>--</u>	<u>--</u>	<u>15,602</u>	<u>31,169</u>	<u>117,050</u>	<u>8,980</u>	<u>36,826</u>	<u>48,160</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 678,144</u>	<u>\$ 41,550</u>	<u>\$ 44,478</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 176,794</u>	<u>\$ 31,169</u>	<u>\$ 209,510</u>	<u>\$ 8,980</u>	<u>\$ 238,885</u>	<u>\$ 48,160</u>

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2017

	Rail Trail Project	Rental Rehabilitation	Solid Waste	Special Demolition	Supportive Housing	U.S.Small Business Administration	Project West Invest	Historic Preservation	Safe Routes to School Program	Slack Plaza	Live on the Levee	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS												
Assets:												
Current:												
Cash and cash equivalents	\$ --	\$ --	\$ 128,317	\$ 1,947	\$ --	\$ 10,177	\$ 56,600	\$ 1,336	\$ --	\$ --	\$ 68,441	\$ 1,413,597
Investments	--	--	2,826,467	--	--	--	--	--	--	--	--	2,826,467
Receivables:												
Accounts	--	--	365,957	--	--	--	--	--	--	--	583	452,032
Grants	787,216	--	--	--	16,747	--	--	--	34,409	553,465	--	1,548,648
Loans	--	150,143	--	--	--	--	124,166	--	--	--	--	274,309
Due from:												
Other funds	627,075	--	--	--	--	--	--	--	7,251	5,311	--	728,225
Component units	--	--	12,194	--	--	--	--	--	--	--	--	12,194
Restricted cash	--	--	353,461	--	--	--	--	--	--	--	--	353,461
Total assets	<u>1,414,291</u>	<u>150,143</u>	<u>3,686,396</u>	<u>1,947</u>	<u>16,747</u>	<u>10,177</u>	<u>180,766</u>	<u>1,336</u>	<u>41,660</u>	<u>558,776</u>	<u>69,024</u>	<u>7,608,933</u>
Deferred Outflows:												
	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 1,414,291</u>	<u>\$ 150,143</u>	<u>\$ 3,686,396</u>	<u>\$ 1,947</u>	<u>\$ 16,747</u>	<u>\$ 10,177</u>	<u>\$ 180,766</u>	<u>\$ 1,336</u>	<u>\$ 41,660</u>	<u>\$ 558,776</u>	<u>\$ 69,024</u>	<u>\$ 7,608,933</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 627,075	\$ --	\$ 51,456	\$ --	\$ 16,747	\$ --	\$ 200	\$ --	\$ 7,251	\$ 5,311	\$ 9,956	\$ 839,390
Live on the Levee Charity Raffle	--	--	--	--	--	--	--	--	--	--	4,311	4,311
Due to:												
Other funds	779,733	--	--	--	--	--	--	--	34,409	553,465	1,719	1,619,078
Grant advances	--	--	--	--	--	--	--	--	--	--	--	161,371
Total liabilities	<u>1,406,808</u>	<u>--</u>	<u>51,456</u>	<u>--</u>	<u>16,747</u>	<u>--</u>	<u>200</u>	<u>--</u>	<u>41,660</u>	<u>558,776</u>	<u>15,986</u>	<u>2,624,150</u>
Deferred Inflows:												
	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>1,406,808</u>	<u>--</u>	<u>51,456</u>	<u>--</u>	<u>16,747</u>	<u>--</u>	<u>200</u>	<u>--</u>	<u>41,660</u>	<u>558,776</u>	<u>15,986</u>	<u>2,624,150</u>
Fund balances:												
Restricted	7,483	--	3,189,823	--	--	10,177	180,566	1,336	--	--	--	4,294,389
Committed	--	150,143	445,117	1,947	--	--	--	--	--	--	53,038	690,394
Total fund balances	<u>7,483</u>	<u>150,143</u>	<u>3,634,940</u>	<u>1,947</u>	<u>--</u>	<u>10,177</u>	<u>180,566</u>	<u>1,336</u>	<u>--</u>	<u>--</u>	<u>53,038</u>	<u>4,984,783</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,414,291</u>	<u>\$ 150,143</u>	<u>\$ 3,686,396</u>	<u>\$ 1,947</u>	<u>\$ 16,747</u>	<u>\$ 10,177</u>	<u>\$ 180,766</u>	<u>\$ 1,336</u>	<u>\$ 41,660</u>	<u>\$ 558,776</u>	<u>\$ 69,024</u>	<u>\$ 7,608,933</u>

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, 2017

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Homeland Security Assistance	Homeland Security Grant	Human Rights	Municipal Beautificaton	Municipal Court
REVENUES								
Intergovernmental:								
Federal	\$ 896,247	\$ 213,512	--	\$ --	\$ 53,850	\$ --	\$ --	\$ --
State	186,300	--	--	--	6,768	--	--	--
Local	--	--	--	--	--	--	--	--
Charges for services	--	--	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	--	412,455
Interest and investment earnings	1,954	--	154	--	--	--	108	--
Contributions and donations	--	--	1,250	--	--	--	868	--
Miscellaneous	--	--	--	--	--	--	--	--
Total revenues	<u>1,084,501</u>	<u>213,512</u>	<u>1,404</u>	<u>--</u>	<u>60,618</u>	<u>--</u>	<u>976</u>	<u>412,455</u>
EXPENDITURES								
Current:								
General government	--	--	--	--	--	--	--	108,052
Public safety	579,046	213,512	--	--	60,618	--	--	--
Streets and transportation	--	--	--	--	--	--	1,315	--
Health and sanitation	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--
Economic development	--	--	1,001	--	--	--	--	--
Total expenditures	<u>579,046</u>	<u>213,512</u>	<u>1,001</u>	<u>--</u>	<u>60,618</u>	<u>--</u>	<u>1,315</u>	<u>108,052</u>
Excess (deficiency) of revenues over expenditures	505,455	--	403	--	--	--	(339)	304,403
OTHER FINANCING SOURCES (USES)								
Transfers in	--	--	--	--	--	--	--	--
Transfers (out)	--	--	--	--	--	--	--	(303,848)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(303,848)</u>
Net change in fund balance	505,455	--	403	--	--	--	(339)	555
Fund balances - beginning	<u>137,433</u>	<u>--</u>	<u>44,075</u>	<u>--</u>	<u>--</u>	<u>15,602</u>	<u>31,508</u>	<u>116,495</u>
Fund balances - ending	<u>\$ 642,888</u>	<u>\$ --</u>	<u>\$ 44,478</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,602</u>	<u>\$ 31,169</u>	<u>\$ 117,050</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2017

	Police & Fire Donation	Police Grant	Public Arts Grant	Rail Trail Project	Rental Rehabilitation	Solid Waste	Special Demolition	Supportive Housing
REVENUES								
Intergovernmental:								
Federal	\$ --	\$ 523,021	\$ --	\$ 702,835	\$ --	\$ --	\$ --	\$ 105,547
State	--	--	--	--	--	--	--	--
Local	--	22,862	--	--	--	--	--	--
Charges for services	--	--	--	--	--	4,007,136	--	--
Fines and forfeits	--	--	--	--	--	--	--	--
Interest and investment earnings	44	--	--	--	--	43,117	7	--
Contributions and donations	3,385	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--	526	--
	<u>3,429</u>	<u>545,883</u>	<u>--</u>	<u>702,835</u>	<u>--</u>	<u>4,050,253</u>	<u>533</u>	<u>105,547</u>
EXPENDITURES								
Current:								
General government	--	--	--	--	--	--	--	--
Public safety	12,481	545,883	--	--	--	--	--	--
Streets and transportation	--	--	--	--	--	--	--	--
Health and sanitation	--	--	--	--	--	1,063,879	--	--
Culture and recreation	--	--	--	--	--	--	--	--
Economic development	--	--	--	1,510,978	--	--	--	105,547
	<u>12,481</u>	<u>545,883</u>	<u>--</u>	<u>1,510,978</u>	<u>--</u>	<u>1,063,879</u>	<u>--</u>	<u>105,547</u>
Excess (deficiency) of revenues over expenditures	(9,052)	--	--	(808,143)	--	2,986,374	533	--
OTHER FINANCING SOURCES (USES)								
Transfers in	--	--	--	808,143	--	--	--	--
Transfers (out)	--	--	--	--	--	(2,900,000)	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>808,143</u>	<u>--</u>	<u>(2,900,000)</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	--	--	--	808,143	--	(2,900,000)	--	--
Net change in fund balance	(9,052)	--	--	--	--	86,374	533	--
Fund balances - beginning	18,032	36,826	48,160	7,483	150,143	3,548,566	1,414	--
Fund balances - ending	<u>\$ 8,980</u>	<u>\$ 36,826</u>	<u>\$ 48,160</u>	<u>\$ 7,483</u>	<u>\$ 150,143</u>	<u>\$ 3,634,940</u>	<u>\$ 1,947</u>	<u>\$ --</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2017

	U.S.Small Business Administration	Project West Invest	Historic Preservation	Safe Routes to School Program	Slack Plaza	Live on the Levee	Total Nonmajor Special Revenue Funds
REVENUES							
Intergovernmental:							
Federal	\$ --	\$ --	\$ --	\$ 86,142	\$ 439,456	\$ --	\$ 3,020,610
State	--	--	3,836	--	--	--	196,904
Local	--	--	--	--	--	--	22,862
Charges for services	--	--	--	--	--	--	4,007,136
Fines and forfeits	--	--	--	--	--	--	412,455
Interest and investment earnings	--	215	--	--	--	214	45,813
Contributions and donations	--	80,000	--	--	3,600	107,600	196,703
Miscellaneous	--	--	--	--	--	91	617
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>91</u>	<u>617</u>
Total revenues	<u>--</u>	<u>80,215</u>	<u>3,836</u>	<u>86,142</u>	<u>443,056</u>	<u>107,905</u>	<u>7,903,100</u>
EXPENDITURES							
Current:							
General government	--	--	--	--	--	--	108,052
Public safety	--	--	--	--	--	--	1,411,540
Streets and transportation	--	--	--	--	--	--	1,315
Health and sanitation	--	--	--	--	--	--	1,063,879
Culture and recreation	--	--	--	93,393	1,555,374	132,517	1,781,284
Economic development	--	39,629	6,633	--	--	--	1,663,788
	<u>--</u>	<u>39,629</u>	<u>6,633</u>	<u>93,393</u>	<u>1,555,374</u>	<u>132,517</u>	<u>6,029,858</u>
Total expenditures	<u>--</u>	<u>39,629</u>	<u>6,633</u>	<u>93,393</u>	<u>1,555,374</u>	<u>132,517</u>	<u>6,029,858</u>
Excess (deficiency) of revenues over expenditures	--	40,586	(2,797)	(7,251)	(1,112,318)	(24,612)	1,873,242
OTHER FINANCING SOURCES (USES)							
Transfers in	--	--	4,133	7,251	1,112,318	--	1,931,845
Transfers (out)	--	--	--	--	--	--	(3,203,848)
	<u>--</u>	<u>--</u>	<u>4,133</u>	<u>7,251</u>	<u>1,112,318</u>	<u>--</u>	<u>(1,272,003)</u>
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>4,133</u>	<u>7,251</u>	<u>1,112,318</u>	<u>--</u>	<u>(1,272,003)</u>
Net change in fund balance	--	40,586	1,336	--	--	(24,612)	601,239
Fund balances - beginning	<u>10,177</u>	<u>139,980</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>77,650</u>	<u>4,383,544</u>
Fund balances - ending	<u>\$ 10,177</u>	<u>\$ 180,566</u>	<u>\$ 1,336</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 53,038</u>	<u>\$ 4,984,783</u>



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.

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.

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.

Ball Park Stadium This City Council established fund is maintained to account for revenue sources expended for the ball park stadium.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2017

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Soccer Field	South Side Recreation	Ball Park Stadium	Total Nonmajor Capital Projects Funds
ASSETS AND DEFERRED OUTFLOWS											
Assets:											
Current:											
Cash and cash equivalents	\$ 91,871	\$ 2,903,564	\$ 270,136	\$ 4,471,308	\$ 1,870,835	\$ 146,797	\$ 125,801	\$ 3,081	\$ 9,840	\$ 26,799	\$ 9,920,032
Due from:											
Other funds	--	--	3,186	266,097	982,727	--	--	--	--	--	1,252,010
Total assets	91,871	2,903,564	273,322	4,737,405	2,853,562	146,797	125,801	3,081	9,840	26,799	11,172,042
Deferred Outflows:	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 91,871	\$ 2,903,564	\$ 273,322	\$ 4,737,405	\$ 2,853,562	\$ 146,797	\$ 125,801	\$ 3,081	\$ 9,840	\$ 26,799	\$ 11,172,042
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ --	\$ 28,544	\$ --	\$ 48,712	\$ 113,383	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 190,639
Due to:											
Other funds	--	--	--	--	31,633	--	5,700	--	--	--	37,333
Total liabilities	--	28,544	--	48,712	145,016	--	5,700	--	--	--	227,972
Deferred Inflows:	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	28,544	--	48,712	145,016	--	5,700	--	--	--	227,972
FUND BALANCES											
Reserved for:											
Restricted	91,871	--	--	--	--	--	--	--	--	--	91,871
Committed	--	2,875,020	273,322	4,688,693	2,708,546	146,797	120,101	3,081	9,840	26,799	10,852,199
Total fund balances	91,871	2,875,020	273,322	4,688,693	2,708,546	146,797	120,101	3,081	9,840	26,799	10,944,070
Total liabilities, deferred inflows and fund balances	\$ 91,871	\$ 2,903,564	\$ 273,322	\$ 4,737,405	\$ 2,853,562	\$ 146,797	\$ 125,801	\$ 3,081	\$ 9,840	\$ 26,799	\$ 11,172,042

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, 2017

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Soccer Field	South Side Recreation	Ball Park Stadium	Total Nonmajor Capital Projects Funds
REVENUES											
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 16,579	\$ --	\$ --	\$ --	\$ 16,579
Fines and forfeits	--	--	3,000	--	--	--	--	--	--	--	3,000
Interest and investment earnings	348	4,699	1,211	14,946	10,234	508	392	6	34	96	32,474
Total revenues	348	4,699	4,211	14,946	10,234	508	16,971	6	34	96	52,053
EXPENDITURES											
Current:											
Capital projects	32,441	1,265,315	--	957,072	564,402	--	--	--	--	675,413	3,494,643
Total expenditures	32,441	1,265,315	--	957,072	564,402	--	--	--	--	675,413	3,494,643
Excess (deficiency) of revenues over expenditures	(32,093)	(1,260,616)	4,211	(942,126)	(554,168)	508	16,971	6	34	(675,317)	(3,442,590)
OTHER FINANCING SOURCES (USES)											
Transfers in	25,000	3,082,110	82,125	1,470,180	1,019,342	--	--	--	--	714,116	6,392,873
Transfers (out)	--	--	(233,070)	(398,964)	(1,863,479)	--	(5,700)	--	--	(12,000)	(2,513,213)
Total other financing sources (uses)	25,000	3,082,110	(150,945)	1,071,216	(844,137)	--	(5,700)	--	--	702,116	3,879,660
Net change in fund balance	(7,093)	1,821,494	(146,734)	129,090	(1,398,305)	508	11,271	6	34	26,799	437,070
Fund balances - beginning	98,964	1,053,526	420,056	4,559,603	4,106,851	146,289	108,830	3,075	9,806	--	10,507,000
Fund balances - ending	\$ 91,871	\$ 2,875,020	\$ 273,322	\$ 4,688,693	\$ 2,708,546	\$ 146,797	\$ 120,101	\$ 3,081	\$ 9,840	\$ 26,799	\$ 10,944,070



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.

Civic Center Project Debt Service Fund This fund is used to account for the accumulation of resources and payment of long-term debt principal and interest related to the Civic Center Project from governmental resources and for governmental revenue bonds debt principal and interest from specified revenues.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR DEBT SERVICE FUNDS
June 30, 2017

	Debt Service Sinking Fund	Civic Center Project Debt Service Fund	Total Nonmajor Debt Service Funds
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS AND DEFERRED OUTFLOWS			
Assets			
Current:			
Cash and cash equivalents	\$ --	\$ 5,442	\$ 5,442
Due from:			
Other funds	--	1,824,469	1,824,469
Restricted cash	<u>177</u>	<u>3,663,634</u>	<u>3,663,811</u>
Total assets	<u>177</u>	<u>5,493,545</u>	<u>5,493,722</u>
Deferred Outflows:			
	<u>--</u>	<u>--</u>	<u>--</u>
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	\$ <u><u>177</u></u>	\$ <u><u>5,493,545</u></u>	\$ <u><u>5,493,722</u></u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
LIABILITIES			
Total liabilities	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>
Deferred Inflows:			
	<u>--</u>	<u>--</u>	<u>--</u>
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES			
Reserved for:			
Restricted	<u>177</u>	<u>5,493,545</u>	<u>5,493,722</u>
Total fund balances	<u>177</u>	<u>5,493,545</u>	<u>5,493,722</u>
Total liabilities, deferred inflows and fund balances	\$ <u><u>177</u></u>	\$ <u><u>5,493,545</u></u>	\$ <u><u>5,493,722</u></u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR DEBT SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2017

	Debt Service Sinking Fund	Civic Center Project Debt Service Fund	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes:			
Interest and investment earnings	\$ 5,115	\$ 13,409	\$ 18,524
	<u> </u>	<u> </u>	<u> </u>
Total revenues	5,115	13,409	18,524
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Current:			
Principal	235,000	3,674,000	3,909,000
Interest	93,643	3,622,405	3,716,048
Bond issuance costs	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	328,643	7,296,405	7,625,048
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	(323,528)	(7,282,996)	(7,606,524)
OTHER FINANCING SOURCES (USES)			
Transfers in	323,693	7,297,167	7,620,860
Transfers (out)	--	(6)	(6)
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	323,693	7,297,161	7,620,854
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	165	14,165	14,330
Fund balances - beginning	12	5,479,380	5,479,392
	<u> </u>	<u> </u>	<u> </u>
Fund balances - ending	\$ 177	\$ 5,493,545	\$ 5,493,722
	<u> </u>	<u> </u>	<u> </u>



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
COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
June 30, 2017

	Spring Hill Cemetery
ASSETS AND DEFERRED OUTFLOWS	
Assets:	
Current:	
Cash and cash equivalents	\$ 361,263
Investments	1,996,766
Receivables:	
Accrued interest	4,264
Due from:	
Other funds	<u>400</u>
Total assets	<u>2,362,693</u>
Deferred Outflows:	
	<u>- -</u>
Total deferred outflows of resources	<u>- -</u>
Total assets and deferred outflows of resources	<u>\$ 2,362,693</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
LIABILITIES	
Due to:	
Other funds	\$ <u>796</u>
Total liabilities	<u>796</u>
Deferred Inflows:	
	<u>- -</u>
Total deferred inflows of resources	<u>- -</u>
Total liabilities and deferred inflows of resources	<u>796</u>
FUND BALANCES	
Reserved for:	
Nonspendable	1,305,064
Restricted	<u>1,056,833</u>
Total fund balances	<u>2,361,897</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,362,693</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR PERMANENT FUNDS
 For the Fiscal Year Ended June 30, 2017

	<u>Spring Hill Cemetery</u>
REVENUES	
Interest and investment earnings	\$ <u>138,130</u>
Total revenues	<u>138,130</u>
EXPENDITURES	
Current:	
Social services	<u>27,592</u>
Total expenditures	<u>27,592</u>
Excess (deficiency) of revenues over expenditures	110,538
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>13,425</u>
Total other financing sources (uses)	<u>13,425</u>
Net change in fund balance	123,963
Fund balances - beginning	<u>2,237,934</u>
Fund balances - ending	\$ <u><u>2,361,897</u></u>



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
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 June 30, 2017

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ASSETS			
Non-pooled cash	\$ 1,183,547	\$ 977,940	\$ 2,161,487
Total cash	1,183,547	977,940	2,161,487
Investments, at fair value:			
Federal government securities	3,754,319	2,862,582	6,616,901
Certificates of Deposit	1,204,174	1,600,731	2,804,905
Managed bond funds	2,080,962	2,081,390	4,162,352
Managed stock funds	11,763,490	10,780,987	22,544,477
Total investments	18,802,945	17,325,690	36,128,635
Receivables:			
Interest receivable	22,844	19,716	42,560
Accounts receivable	32,740	--	32,740
Total receivables	55,584	19,716	75,300
Total assets	20,042,076	18,323,346	38,365,422
DEFERRED OUTFLOWS			
	--	--	--
Total deferred outflows of resources	--	--	--
LIABILITIES			
Accounts payable	75	37	112
Benefits payable	--	607,087	607,087
Total liabilities	75	607,124	607,199
DEFERRED INFLOWS			
Total deferred inflows of resources	--	--	--
NET POSITION			
Net position held in trust for pension benefits	\$ 20,042,001	\$ 17,716,222	\$ 37,758,223

(1) A schedule of funding progress for each plan is presented in the Required Supplementary Information section of this report.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 2017

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ADDITIONS			
Contributions:			
Employer	\$ 4,475,411	\$ 4,565,811	\$ 9,041,222
Plan members	574,939	574,505	1,149,444
Insurance premium surtax	1,698,684	1,710,329	3,409,013
Additional tranfers in	1,323,993	1,408,941	2,732,934
Total contributions	8,073,027	8,259,586	16,332,613
Investment income:			
Net increase (decrease) in fair value of investments	1,587,118	1,473,160	3,060,278
Interest and dividends	360,430	320,741	681,171
Less: investment expense	(82,625)	(76,777)	(159,402)
Net investment income	1,864,923	1,717,124	3,582,047
Total additions	9,937,950	9,976,710	19,914,660
DEDUCTIONS			
Benefits	6,974,822	7,220,481	14,195,303
Administrative expenses	10,119	7,603	17,722
Refunds of contributions	33,427	17,922	51,349
Total deductions	7,018,368	7,246,006	14,264,374
Change in net assets	2,919,582	2,730,704	5,650,286
Net position held in trust for pension benefits:			
Beginning of year	17,122,419	14,985,518	32,107,937
End of year	\$ 20,042,001	\$ 17,716,222	\$ 37,758,223

(1) A schedule of funding progress for each plan is presented in the Required Supplementary Information section of this report.



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 Collection Fee Account This fund is custodial in nature and accounts for revenues collected for credit card sales.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2017

	Civic Center Ticket	Civic Center Promotions	Metro Drug Enforcement Task Force	Pending Forfeiture	Police Asset & Liability	City of Charleston Fee Collection Account	Total Agency Funds
ASSETS							
Cash and cash equivalents	\$ 1,067,851	\$ 7,175	\$ 268,615	\$ 2,312,162	\$ 30,150	\$ 20,000	\$ 3,705,953
Receivables:							
Accounts	--	--	32,080	127,978	--	--	160,058
Due from other funds	--	--	142,503	--	--	--	142,503
	<u>1,067,851</u>	<u>7,175</u>	<u>443,198</u>	<u>2,440,140</u>	<u>30,150</u>	<u>20,000</u>	<u>4,008,514</u>
Total assets							
	<u>1,067,851</u>	<u>7,175</u>	<u>443,198</u>	<u>2,440,140</u>	<u>30,150</u>	<u>20,000</u>	<u>4,008,514</u>
DEFERRED OUTFLOWS							
	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	<u>\$ 1,067,851</u>	<u>\$ 7,175</u>	<u>\$ 443,198</u>	<u>\$ 2,440,140</u>	<u>\$ 30,150</u>	<u>\$ 20,000</u>	<u>\$ 4,008,514</u>
LIABILITIES							
Due to other governments	\$ --	\$ --	\$ --	\$ 2,294,832	\$ --	\$ --	\$ 2,294,832
Due to other funds	--	--	36,745	145,308	--	--	182,053
Refunds payable and others	1,067,851	7,175	406,453	--	30,150	20,000	1,531,629
	<u>1,067,851</u>	<u>7,175</u>	<u>443,198</u>	<u>2,440,140</u>	<u>30,150</u>	<u>20,000</u>	<u>4,008,514</u>
Total liabilities							
	<u>1,067,851</u>	<u>7,175</u>	<u>443,198</u>	<u>2,440,140</u>	<u>30,150</u>	<u>20,000</u>	<u>4,008,514</u>
DEFERRED INFLOWS							
	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	<u>\$ 1,067,851</u>	<u>\$ 7,175</u>	<u>\$ 443,198</u>	<u>\$ 2,440,140</u>	<u>\$ 30,150</u>	<u>\$ 20,000</u>	<u>\$ 4,008,514</u>

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Civic Center Ticket	Civic Center Promotions	Metro Drug Enforcement Task Force	Pending Forfeiture	Police Asset & Liability	City of Charleston Fee Collection Account	Total Agency Funds
ASSETS							
Cash and cash equivalents							
July 1, 2016	\$ 183,377	\$ 15,434	\$ 181,738	\$ 1,911,431	\$ 29,177	\$ 10,000	\$ 2,331,157
Receivables, July 1, 2016	--	--	50,506	--	--	--	50,506
Due from other funds, July 1, 2016	--	--	--	--	--	--	--
Additions-cash	10,365,070	188,848	784,284	933,610	19,506	10,000	12,301,318
Deductions-cash	(9,480,596)	(197,107)	(697,407)	(532,879)	(18,533)	--	(10,926,522)
Additions-receivable	--	--	59,428	127,978	--	--	187,406
Deductions-receivable	--	--	(77,854)	--	--	--	(77,854)
Additions-due from other funds	--	--	142,503	--	--	--	142,503
Cash and cash equivalents							
June 30, 2017	1,067,851	7,175	268,615	2,312,162	30,150	20,000	3,705,953
Receivables, June 30, 2017	--	--	32,080	127,978	--	--	160,058
Due from other funds, June 30, 2017	--	--	142,503	--	--	--	142,503
Total assets, June 30, 2017	\$ <u>1,067,851</u>	\$ <u>7,175</u>	\$ <u>443,198</u>	\$ <u>2,440,140</u>	\$ <u>30,150</u>	\$ <u>20,000</u>	\$ <u>4,008,514</u>
LIABILITIES							
Refunds payable and others							
July 1, 2016	\$ 183,377	\$ 15,434	\$ 225,507	\$ 1,904,496	\$ 29,177	\$ 10,000	\$ 2,367,991
Additions	10,365,070	188,848	700,571	921,915	19,506	--	12,195,910
Deductions	(9,480,596)	(197,107)	(519,625)	(531,579)	(18,533)	--	(10,747,440)
Due to other funds July 1, 2016	--	--	6,737	6,935	--	10,000	23,672
Additions	--	--	36,745	145,308	--	--	182,053
Deductions	--	--	(6,737)	(6,935)	--	--	(13,672)
Refunds payable and others							
June 30, 2017	1,067,851	7,175	406,453	2,294,832	30,150	10,000	3,816,461
Due to other funds June 30, 2017	--	--	36,745	145,308	--	10,000	192,053
Total liabilities, June 30, 2017	\$ <u>1,067,851</u>	\$ <u>7,175</u>	\$ <u>443,198</u>	\$ <u>2,440,140</u>	\$ <u>30,150</u>	\$ <u>20,000</u>	\$ <u>4,008,514</u>



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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 69,648,983	\$ 73,968,963	\$ 83,612,718	\$ 82,874,654	\$ 82,454,592	\$ 83,960,629	\$ 87,087,352	\$ 84,322,842	\$ 91,753,906	\$ 50,490,892
Restricted	14,713,465	13,856,864	8,954,706	21,260,146	22,474,411	6,470,883	6,149,457	7,789,769	96,997,958	60,228,652
Unrestricted	(39,331,088)	(49,998,448)	(61,208,990)	(78,514,106)	(83,189,573)	(72,369,899)	(71,367,528)	(280,654,508)	(389,735,566)	(321,047,171)
Total governmental activities net position	<u>\$ 45,031,360</u>	<u>\$ 37,827,379</u>	<u>\$ 31,358,434</u>	<u>\$ 25,620,694</u>	<u>\$ 21,739,430</u>	<u>\$ 18,061,613</u>	<u>\$ 21,869,281</u>	<u>\$ (188,541,897)</u>	<u>\$ (200,983,702)</u>	<u>\$ (210,327,627)</u>
Business-type activities										
Net investment in capital assets	\$ 10,508,737	\$ 11,003,316	\$ 11,045,766	\$ 11,453,846	\$ 11,731,642	\$ 12,406,337	\$ 12,922,295	\$ 13,140,432	\$ 13,684,752	\$ 13,292,985
Restricted	2,055,937	2,132,493	1,987,636	2,010,685	1,998,496	2,017,873	1,928,494	2,383,212	2,567,120	3,741,591
Unrestricted	739,912	963,564	1,481,099	1,816,359	2,547,076	2,028,805	2,346,951	2,344,505	1,102,109	1,122,096
Total business-type activities	<u>\$ 13,304,586</u>	<u>\$ 14,099,373</u>	<u>\$ 14,514,501</u>	<u>\$ 15,280,890</u>	<u>\$ 16,277,214</u>	<u>\$ 16,453,015</u>	<u>\$ 17,197,740</u>	<u>\$ 17,868,149</u>	<u>\$ 17,353,981</u>	<u>\$ 18,156,672</u>
Primary government										
Net investment in capital assets	\$ 80,157,720	\$ 84,972,279	\$ 94,658,484	\$ 94,328,500	\$ 94,186,234	\$ 96,366,966	\$ 100,009,647	\$ 97,463,274	\$ 105,438,658	\$ 63,783,877
Restricted	16,769,402	15,989,357	10,942,342	23,270,831	24,472,907	8,488,756	8,077,951	10,172,981	99,565,078	63,970,243
Unrestricted	(38,591,176)	(49,034,884)	(59,727,891)	(76,697,497)	(80,642,497)	(70,341,094)	(278,310,003)	(278,310,003)	(388,633,457)	(319,925,075)
Total primary government net position	<u>\$ 58,335,946</u>	<u>\$ 51,926,752</u>	<u>\$ 45,872,935</u>	<u>\$ 40,901,834</u>	<u>\$ 38,016,644</u>	<u>\$ 34,514,628</u>	<u>\$ (170,222,405)</u>	<u>\$ (170,673,748)</u>	<u>\$ (183,629,721)</u>	<u>\$ (192,170,955)</u>

CITY OF CHARLESTON, WEST VIRGINIA

Table 2

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

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
General government	\$ 15,897,074	\$ 14,323,394	\$ 11,927,925	\$ 14,678,134	\$ 17,731,874	\$ 17,435,160	\$ 18,195,010	\$ 18,995,563	\$ 21,301,175	\$ 22,041,544
Public safety	48,241,928	49,742,002	51,702,101	48,939,715	47,682,757	49,882,789	48,445,018	68,307,214	79,048,069	70,697,561
Streets and transportation	8,346,954	10,646,908	12,983,127	11,247,814	10,566,066	10,622,107	11,628,169	9,245,547	9,281,976	8,445,513
Health and sanitation	5,207,158	5,729,637	5,583,600	5,738,852	5,340,104	5,583,625	5,978,855	5,505,915	5,924,840	5,092,395
Culture and recreation	6,675,344	7,305,225	7,235,426	7,296,468	7,156,105	7,516,254	7,456,492	7,277,495	7,985,791	8,839,623
Social services	822,953	831,811	858,632	726,284	371,124	511,436	860,187	829,925	887,105	807,524
Economic development	2,995,622	2,024,572	5,428,332	2,767,138	2,730,673	2,726,995	2,909,258	2,010,564	2,135,877	3,356,073
Capital Projects	-	-	-	-	-	-	-	1,263,916	1,211,863	-
Interest on long-term debt	58,003	920,328	779,600	680,588	680,342	559,472	491,682	384,551	3,142,060	4,032,697
Total governmental activities	88,245,036	91,523,877	96,498,743	92,074,993	92,259,045	94,837,838	95,964,671	113,820,690	130,918,756	123,312,930
Business-type activities										
Civic center	4,889,784	4,787,698	4,733,849	4,553,220	4,775,999	4,921,903	4,885,275	4,631,750	5,308,177	4,867,709
Parking system	3,140,715	2,921,629	2,888,475	2,869,089	2,893,076	2,860,448	2,912,491	2,907,045	3,356,641	2,948,302
Total business-type activities	8,030,499	7,709,327	7,622,324	7,422,309	7,669,075	7,782,351	7,797,766	7,538,795	8,664,818	7,816,011
Total primary government	\$ 96,275,535	\$ 99,233,204	\$ 104,121,067	\$ 99,497,302	\$ 99,928,120	\$ 102,620,189	\$ 103,762,437	\$ 121,359,485	\$ 139,583,574	\$ 131,128,941
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 3,535,513	\$ 3,456,574	\$ 3,032,201	\$ 3,485,637	\$ 2,742,318	\$ 2,883,260	\$ 3,545,715	\$ 1,914,583	\$ 1,856,810	\$ 1,633,343
Public safety	8,163,860	8,569,748	10,125,363	10,110,851	10,088,885	10,278,179	9,704,654	12,239,320	12,605,975	13,214,233
Culture and recreation	95,038	120,618	103,740	101,352	1,038,368	993,673	530,410	943,363	1,013,627	1,202,284
Streets and transportation	2,071,313	2,639,926	1,650,000	1,687,280	1,650,000	1,650,000	2,206,804	848,200	1,612,144	1,039,218
Health and sanitation	4,193,130	4,103,198	4,078,634	4,202,709	4,244,195	4,139,576	4,089,254	4,046,579	4,242,651	4,007,136
Economic development	-	-	-	-	-	-	-	-	-	-
Social services	191,635	161,208	137,875	112,123	115,329	181,974	157,490	186,639	142,534	150,567
Operating grants and contributions	9,541,628	8,572,211	8,743,137	9,199,315	8,803,239	8,704,482	8,298,558	4,826,242	4,680,788	5,064,871
Capital grants and contributions	1,471,975	1,509,503	7,654,827	1,561,603	1,391,735	2,296,876	1,807,358	1,468,326	1,971,246	4,070,239
Total governmental activities program revenues	\$ 29,264,092	\$ 29,132,986	\$ 35,525,777	\$ 30,460,870	\$ 30,074,069	\$ 31,128,020	\$ 30,340,243	\$ 26,473,252	\$ 28,125,775	\$ 30,381,891

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

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services										
Rentals and parking fees	\$ 3,572,936	\$ 3,663,108	\$ 1,094,783	\$ 3,606,545	\$ 3,887,577	\$ 3,728,044	\$ 3,749,201	\$ 3,759,896	\$ 4,169,633	\$ 3,859,869
Catering services	698,859	627,378	626,077	525,923	1,020,385	559,926	683,220	742,331	580,788	492,401
Parking violations	690,898	561,973	511,152	517,353	587,162	439,100	461,128	501,697	354,405	454,752
Parking meters	550,322	501,244	511,011	526,958	501,484	497,171	459,114	471,893	456,997	474,086
Other	1,105,029	1,074,676	3,711,047	1,029,662	1,038,443	1,315,385	1,413,194	1,104,518	801,453	1,107,546
Capital grants and contributions	224,125	48,387	20,240	439,181	152,000	42,470	18,272	93,553	21,870	15,103
Total business-type activities program revenues	6,842,169	6,476,766	6,474,310	6,645,622	7,187,051	6,582,096	6,784,129	6,673,888	6,385,146	6,403,757
Net (expense) revenue										
Governmental activities	(58,980,944)	(62,390,891)	(60,972,966)	(61,614,123)	(62,184,976)	(63,709,818)	(65,624,428)	(87,347,438)	(102,792,981)	(92,931,039)
Business-type activities	(1,188,330)	(1,232,561)	(1,148,014)	(776,687)	(482,024)	(1,200,255)	(1,013,637)	(864,907)	(2,279,672)	(1,412,254)
Total primary government net (expense) revenue	\$ (60,169,274)	\$ (63,623,452)	\$ (62,120,980)	\$ (62,390,810)	\$ (62,667,000)	\$ (64,910,073)	\$ (66,638,065)	\$ (88,212,345)	\$ (105,072,653)	\$ (94,343,293)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 10,355,037	\$ 10,541,473	\$ 11,438,498	\$ 11,548,479	\$ 11,955,757	\$ 12,564,591	\$ 13,011,895	\$ 13,320,252	\$ 13,773,096	\$ 14,544,695
Business and occupation taxes	36,666,641	39,691,857	37,874,423	38,852,038	40,750,458	41,355,598	46,402,641	43,575,524	43,535,853	45,996,988
City Sales & Use taxes	-	-	-	-	-	-	4,507,057	7,400,475	14,240,163	15,034,244
Utility taxes	2,307,808	2,776,258	2,693,921	3,055,717	2,701,790	2,907,752	2,848,995	2,937,831	2,508,107	2,708,004
Hotel occupancy taxes	2,567,145	2,779,180	2,767,690	2,745,140	3,117,547	3,039,553	2,787,461	2,937,375	2,917,816	3,166,489
Other taxes	1,048,092	1,050,431	1,072,361	1,020,032	1,019,882	1,209,480	1,147,957	1,395,817	1,291,958	1,374,634
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	336,531	151,378	33,867	78,352	77,866	72,877	94,984	195,353	343,036	554,501
Gain (Loss) on sale of capital assets	129,838	168,333	164,158	110,918	137,994	246,638	177,517	198,735	450,522	138,646
Miscellaneous	-	-	-	-	-	-	-	490,181	1,607,876	902,034
Reimbursement	-	-	-	-	-	-	-	1,218,226	1,089,070	1,060,928
Transfers	(1,192,468)	(1,972,000)	(1,540,897)	(1,534,293)	(1,457,582)	(1,364,488)	(1,546,411)	(1,252,156)	(1,361,717)	(1,894,049)
Total governmental activities	\$ 52,218,624	\$ 55,186,910	\$ 54,504,021	\$ 55,876,383	\$ 58,303,712	\$ 60,032,001	\$ 69,432,096	\$ 72,417,613	\$ 80,395,780	\$ 83,587,114

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

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities										
Property taxes-TIF District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,379	\$ 262,505	\$ 346,176	\$ 293,485
Investment earnings	157,601	52,842	13,356	11,416	10,685	11,553	11,809	13,949	15,929	21,676
Miscellaneous	-	2,506	8,889	33,049	1,434	15	(22,237)	6,706	41,682	5,735
Transfers	1,192,468	1,972,000	1,540,897	1,534,293	1,457,582	1,364,488	1,546,411	1,252,156	1,361,717	1,894,049
Total business-type activities	1,350,069	2,027,348	1,563,142	1,578,758	1,469,701	1,376,056	1,758,362	1,535,316	1,765,504	2,214,945
Total primary government	53,568,693	57,214,258	56,067,163	57,455,141	59,773,413	61,408,057	71,190,458	73,952,929	82,161,284	85,802,059
Change in net position										
Governmental activities	(6,762,320)	(7,203,981)	(6,468,945)	(5,737,740)	(3,881,264)	(3,677,817)	3,807,668	(14,929,825)	(22,397,201)	(9,343,925)
Business-type activities	161,739	794,787	415,128	802,071	996,324	175,801	744,725	670,409	(514,168)	802,691
Total primary government	\$ (6,600,581)	\$ (6,409,194)	\$ (6,053,817)	\$ (4,935,669)	\$ (2,884,940)	\$ (3,502,016)	\$ 4,552,393	\$ (14,259,416)	\$ (22,911,369)	\$ (8,541,234)

CITY OF CHARLESTON, WEST VIRGINIA

Table 3

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Nonspendable:										
Prepays	\$ 859,405	\$ 830,761	\$ 606,961	\$ 599,087	\$ 538,965	\$ 534,963	\$ 590,403	\$ 599,879	\$ 585,364	\$ 577,358
Restricted for:										
Debt service	190,551	200,176	205,344	218,305	225,834	235,836	245,844	260,847	270,851	419,583
Capital projects	1,243,786	1,417,733	418,980	763,483	916,027	1,045,534	383,464	1,801,415	1,310,266	925,489
Committed for:										
Public safety	68,470	59,820	26,037	30,112	20,128	13,348	11,029	-	5,481,327	10,287,425
OPEB	-	396,562	2,256,244	7,968,345	8,538,480	9,067,704	9,101,263	10,571,491	9,666,044	5,970,363
Civic Center & Pensions	-	-	-	-	-	-	-	-	7,025,170	7,261,426
Community development	-	-	-	62,811	55,593	55,778	4,242,439	9,133,138	32,061	52,198
Assigned for:										
General government	2,253,687	3,302,099	2,008,363	3,182,005	3,339,990	3,763,986	4,407,616	3,784,676	3,145,421	3,750,851
Public safety	-	-	136,293	183,045	50,647	69,416	73,628	2,450	624,441	106,964
Community development	-	-	46,991	-	-	-	-	-	-	-
Culture & recreation	-	25,000	14,895	-	1,897	-	48,352	1,903,418	2,015,917	876,148
Social services	-	-	-	29,354	-	-	-	-	-	-
Capital outlay	197,520	579,294	-	-	-	-	-	-	-	-
Unassigned	14,761,514	15,897,279	23,398,552	19,729,491	20,543,173	20,028,109	21,590,940	24,513,819	18,858,461	22,699,961
Total General Fund	\$ 19,574,933	\$ 22,708,724	\$ 29,118,660	\$ 32,766,038	\$ 34,230,734	\$ 34,814,674	\$ 40,694,978	\$ 52,571,133	\$ 49,015,323	\$ 52,927,766
All other governmental funds										
Nonspendable:										
Perpetual care	\$ 1,011,273	\$ 897,998	\$ 1,010,198	\$ 1,116,511	\$ 1,032,114	\$ 1,195,015	\$ 1,286,351	\$ 1,225,195	\$ 1,202,793	\$ 1,305,064
Restricted for:										
General government	151,112	118,186	134,743	140,179	117,942	117,439	116,934	44,006	44,075	44,478
Debt service	3,721,980	3,948,843	72,428	6	69,796	59,732	63,749	49,925	5,509,873	5,537,384
Community development	2,476,291	2,473,626	2,591,286	2,554,261	2,840,758	2,669,670	2,797,983	2,971,778	3,376,311	3,437,547
Perpetual care	553,215	606,658	657,879	748,567	885,180	835,864	945,224	1,026,359	1,035,141	1,056,833
Public safety	188,461	364,219	264,277	233,913	199,491	184,379	196,227	248,234	174,259	796,763
Culture & Recreation	-	-	-	-	-	127,415	113,681	121,820	98,964	91,871
Social services	-	-	-	16,220	-	-	-	15,657	-	15,601
Capital projects	-	-	6,137	1,294	10,814	-	-	24,533	81,710,209	46,020,681
Committed for:										
General government	1,288,469	1,840,757	-	-	-	24,593	50,383	30,948	-	31,169
Public safety	-	-	-	49,027	49,198	43,019	22,887	22,511	18,032	8,980
Community development	-	-	30,476	216,027	262,743	170,143	150,143	282,047	151,557	152,090
Streets & transportation	-	-	-	32,611	-	31,275	31,266	145,778	1,231,323	3,021,817
Health & Sanitation	396,629	378,063	318,383	430,070	421,358	376,241	351,089	386,223	510,152	445,117
Culture & Recreation	-	-	-	-	-	346,817	433,501	339,953	80,725	92,758
Debt service	-	-	-	74,371	-	-	-	-	-	-
Capital projects	4,656,742	3,941,227	2,826,676	2,610,542	2,897,456	3,046,007	5,125,807	5,324,603	9,205,146	7,790,662
Unassigned	-	-	-	-	-	-	(46,316)	(69,967)	1,503	6,851
Total all other governmental funds	\$ 14,444,172	\$ 14,569,577	\$ 7,912,483	\$ 8,223,599	\$ 8,786,850	\$ 9,227,609	\$ 11,638,909	\$ 12,189,603	\$ 104,350,063	\$ 69,855,666

The fund balance information for years 2007 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 53,028,638	\$ 57,051,587	\$ 55,577,494	\$ 57,209,561	\$ 59,653,667	\$ 60,951,422	\$ 70,823,001	\$ 71,595,722	\$ 78,170,310	\$ 82,643,807
Licenses and permits	1,455,775	1,731,941	1,601,720	1,624,147	1,727,040	1,980,033	2,314,548	1,951,906	1,785,106	2,101,210
Fines and forfeitures	1,206,087	1,189,702	731,521	865,220	889,523	682,139	607,189	597,295	822,135	415,455
Charges for services	15,318,855	16,141,496	16,659,106	17,172,031	17,196,859	17,378,425	17,083,347	17,605,092	18,172,250	18,730,115
Intergovernmental	9,438,800	8,423,241	11,857,013	9,231,083	8,360,571	9,043,036	8,438,015	6,553,675	6,777,791	8,880,884
Investment earnings	778,985	400,498	321,058	310,621	274,412	227,115	333,819	195,353	343,036	554,496
Other revenues	2,370,284	2,419,634	3,918,629	2,355,501	2,657,649	2,290,775	2,380,245	2,216,847	3,858,393	2,853,474
Total revenues	83,597,424	87,358,099	90,666,541	88,768,164	90,759,721	92,552,945	101,980,164	100,715,890	109,929,021	116,179,441
Expenditures										
General government	15,247,865	14,755,393	14,892,930	15,098,648	16,758,073	17,300,093	17,895,004	16,865,727	18,463,262	18,475,861
Public safety	38,115,187	38,850,635	41,180,127	41,258,476	43,270,217	45,244,968	43,177,644	41,064,211	44,496,338	49,212,795
Streets & transportation	7,795,553	8,269,936	8,495,674	9,283,553	9,344,871	9,885,764	9,695,257	8,604,396	8,659,689	8,043,992
Health & sanitation	5,248,854	5,639,276	5,666,817	5,700,048	5,910,632	5,743,792	5,935,792	5,242,341	5,541,497	5,389,924
Culture & recreation	5,816,312	6,421,350	6,194,436	6,226,957	6,495,293	6,606,428	6,371,573	6,230,982	6,374,973	8,560,967
Economic development	4,004,487	3,616,919	7,630,856	3,616,911	3,467,050	4,122,299	3,904,672	2,501,317	2,498,592	3,756,170
Social services	828,870	795,455	858,122	765,398	734,641	1,153,456	771,640	752,103	812,046	781,169
Capital outlay	1,980,606	3,269,518	4,077,111	2,583,511	2,435,895	1,903,430	5,468,283	7,367,534	26,747,478	46,146,996
Debt service:										
Principal	1,761,291	1,881,447	5,231,528	696,861	727,364	753,081	630,000	660,000	3,381,000	7,869,000
Issuance Costs	-	-	66,822	-	-	-	-	-	542,430	99,333
Interest	873,674	919,824	636,643	504,268	473,340	441,233	408,921	381,025	3,135,359	3,942,042
Total expenditures	81,672,699	84,419,753	94,931,066	85,734,631	89,617,376	93,154,544	94,258,786	89,669,636	120,652,664	152,278,249
Excess of revenues over (under) expenditures	1,924,725	2,938,346	(4,264,525)	3,033,533	1,142,345	(601,599)	7,721,378	11,046,254	(10,723,643)	(36,098,808)
Special item-legal settlement	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses)										
Proceeds from										
borrowing	2,326,542	2,161,000	5,445,500	2,266,500	2,158,500	2,264,500	1,482,000	2,494,500	100,206,000	7,180,900
Transfers in	7,159,465	7,388,416	15,628,709	7,123,537	6,925,212	7,112,640	11,199,977	7,197,960	33,229,618	33,180,332
Transfers out	(8,347,666)	(9,301,832)	(17,076,640)	(8,630,764)	(8,348,929)	(8,443,345)	(12,320,360)	(8,520,478)	(34,601,335)	(35,089,381)
Other	136,957	94,936	19,799	165,688	150,819	692,501	208,609	208,613	486,286	245,003
Total other financing sources (uses)	1,275,298	342,520	4,017,368	924,961	885,602	1,626,296	570,226	1,380,595	99,320,569	5,516,854
Net change in fund balance	\$ 3,200,023	\$ 3,280,866	\$ (247,157)	\$ 3,958,494	\$ 2,027,947	\$ 1,024,697	\$ 8,291,604	\$ 12,426,849	\$ 88,596,926	\$ (30,581,954)
Debt service as a percentage of noncapital expenditures	3%	3%	6%	1%	1%	1%	1%	1%	7%	11%

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

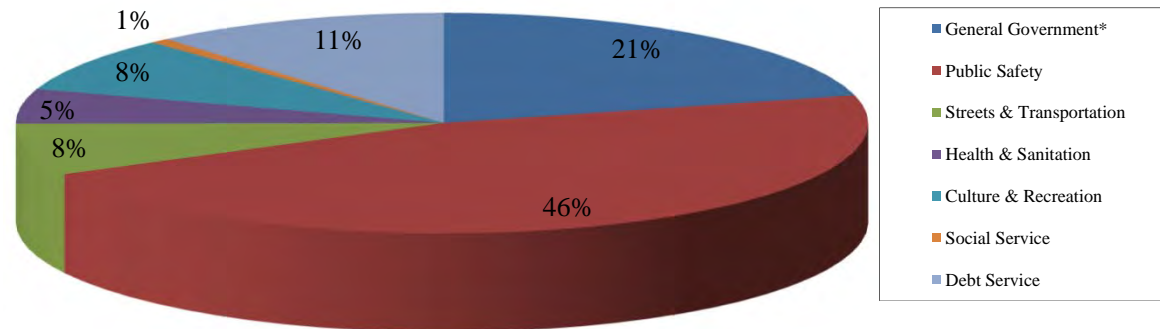
Fiscal Years	General Government*	Public Safety	Streets & Transportation	Health & Sanitation	Culture & Recreation	Social Service	Debt Service	Total
2008 \$	19,252,352 \$	38,115,187 \$	7,795,553 \$	5,248,854 \$	5,816,312 \$	828,870 \$	2,634,965 \$	79,692,093
2009 \$	18,372,312 \$	38,850,635 \$	8,269,936 \$	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
2015 \$	19,367,044 \$	41,064,211 \$	8,604,396 \$	5,242,341 \$	6,230,982 \$	752,103 \$	1,041,025 \$	82,302,102
2016 \$	20,961,854 \$	44,496,338 \$	8,659,689 \$	5,541,497 \$	6,374,973 \$	812,046 \$	7,058,789 \$	93,905,186
2017 \$	22,232,031 \$	49,212,795 \$	8,043,992 \$	5,389,924 \$	8,560,967 \$	781,169 \$	11,910,375 \$	106,131,253

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

*Includes expenditures for economic development

Excludes Capital Projects

Expenditures by Function - Governmental Fund Types for the Current Year

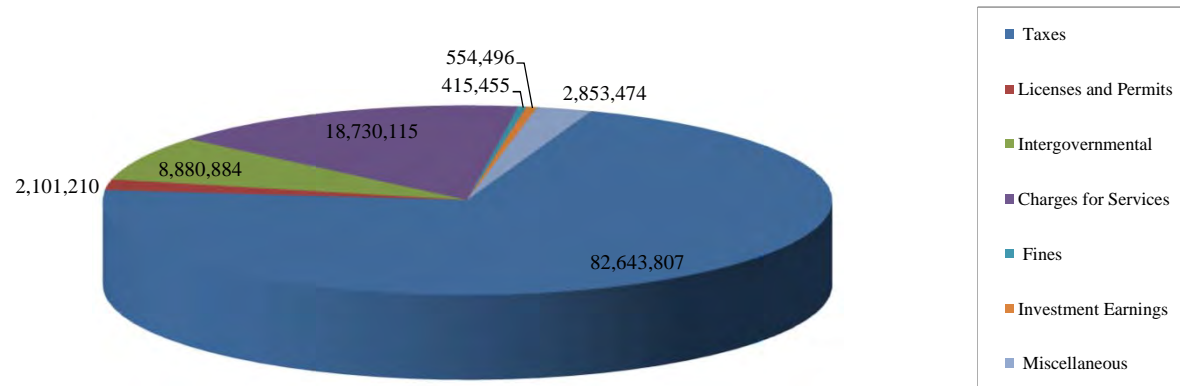


CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Revenues By Source - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Years	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines	Investment Earnings	Miscellaneous	Total
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
2015 \$	71,595,722 \$	1,951,906 \$	6,553,675 \$	17,586,425 \$	597,295 \$	175,700 \$	1,856,011 \$	100,316,734
2016 \$	78,170,310 \$	1,785,106 \$	6,777,791 \$	18,172,250 \$	822,135 \$	343,036 \$	3,858,393 \$	109,929,021
2017 \$	82,643,807 \$	2,101,210 \$	8,880,884 \$	18,730,115 \$	415,455 \$	554,496 \$	2,853,474 \$	116,179,441

Includes General Fund, Special Revenue Funds, Permanent Fund, and Debt Service Fund
Excludes Capital Projects

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
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
2015 \$	13,348,700 \$	43,575,524 \$	7,400,475 \$	2,937,831 \$	921,639 \$	2,937,375 \$	185,084 \$	289,094 \$	71,595,722
2016 \$	13,676,413 \$	43,535,853 \$	14,240,163 \$	2,508,107 \$	922,499 \$	2,917,816 \$	172,886 \$	196,573 \$	78,170,310
2017 \$	14,363,448 \$	45,996,988 \$	15,034,244 \$	2,708,004 \$	942,479 \$	3,166,489 \$	228,370 \$	203,785 \$	82,643,807

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
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%
2015 \$	13,925,782 \$	11,675,684	83.84%	552,063 \$	12,227,747	87.81%	425,683	3.06%
2016 \$	14,328,627 \$	12,020,502	83.89%	476,761 \$	12,497,263	87.22%	522,366	3.65%
2017 \$	14,757,622 \$	12,598,820	85.37%	499,600 \$	13,098,420	88.76%	703,613	4.77%

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 2017				
Class		Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1	Production of Natural Resources	1.00%	10	0.21%	\$ 36,538	0.09%
2	Manufacturing	0.00%	-	0.00%	-	0.00%
3	Retailers	0.50%	1,011	20.84%	7,629,686	18.60%
4	Wholesalers	0.15%	373	7.69%	1,392,464	3.39%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	2,126,576	5.18%
6	Electric Power Companies (All Other Sales and Demand Charges)	0.03%	1	0.02%	1,172,142	2.86%
7	Natural Gas Companies	0.03%	1	0.02%	245,574	0.60%
8	Water Companies	4.00%	1	0.02%	823,066	2.01%
9	All Other Public Utilities	2.00%	7	0.14%	43,204	0.11%
10	Contracting	2.00%	595	12.26%	5,602,188	13.66%
11	Amusement	0.50%	22	0.45%	453,630	1.11%
12	Service & All Other Businesses	1.00%	1,829	37.70%	17,102,583	41.70%
13	Rents and Royalties	1.00%	950	19.58%	2,545,297	6.21%
14	Banking and Other Financial Institutions	1.00%	51	1.05%	1,842,681	4.49%
Totals			4,852	100.00%	\$ 41,015,630	100.00%

		Fiscal Year 2016				
Class		Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1	Production of Natural Resources	1.00%	8	0.17%	\$ 27,096	0.07%
2	Manufacturing	0.00%	-	0.00%	-	0.00%
3	Retailers	0.50%	978	20.29%	7,572,212	18.23%
4	Wholesalers	0.15%	386	8.01%	1,337,740	3.22%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,977,322	4.76%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,140,973	2.75%
7	Natural Gas Companies	3.00%	1	0.02%	525,030	1.26%
8	Water Companies	4.00%	1	0.02%	773,708	1.86%
9	All Other Public Utilities	2.00%	8	0.17%	104,496	0.25%
10	Contracting	2.00%	549	11.39%	5,729,306	13.79%
11	Amusement	0.50%	22	0.46%	344,021	0.83%
12	Service & All Other Businesses	0.10%	1,848	38.35%	17,424,576	41.96%
13	Rents and Royalties	0.10%	962	19.96%	2,645,642	6.37%
14	Banking and Other Financial Institutions	0.10%	54	1.12%	1,930,419	4.65%
Totals			4,819	100.00%	\$ 41,532,541	100.00%

CITY OF CHARLESTON, WEST VIRGINIA

Table 9 (Continued)

Principal Revenue Source

Business and Occupation Tax Revenue Filers By Class

		Fiscal Year 2015			
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%	\$ 18,776	0.05%
2 Manufacturing	0.30%	1	0.02%	32	0.00%
3 Retailers	0.50%	1,059	18.54%	8,018,668	19.44%
4 Wholesalers	0.15%	430	7.53%	1,424,071	3.45%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	1,433,267	3.48%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,518,637	3.68%
7 Natural Gas Companies	3.00%	2	0.04%	749,896	1.82%
8 Water Companies	4.00%	2	0.04%	723,330	1.75%
9 All Other Public Utilities	2.00%	6	0.11%	15,933	0.04%
10 Contracting	2.00%	544	9.52%	4,881,720	11.84%
11 Amusement	0.50%	32	0.56%	403,113	0.98%
12 Service & All Other Businesses	1.00%	2,031	35.53%	17,487,274	42.39%
13 Rents and Royalties	1.00%	1,532	26.82%	2,589,707	6.28%
14 Banking and Other Financial Institutions	1.00%	63	1.10%	1,979,139	4.80%
Totals		5,713	100.00%	\$ 41,243,563	100.00%

		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	37.50%	16,845,733	40.57%
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		4,799	100.00%	\$ 41,544,197	100.00%

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

		Fiscal Year 2013				
	Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of 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	40.50%
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		5,839	100.00%	\$ 39,179,796	100.00%

		Fiscal Year 2012				
	Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1	Production of Natural Resources	1.00%	11	0.19%	\$ 96,366	0.25%
2	Manufacturing	3.00%	45	0.77%	323,130	0.84%
3	Retailers	0.50%	1,081	18.47%	7,567,150	19.59%
4	Wholesalers	0.15%	460	7.86%	1,418,628	3.67%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,932,223	5.00%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,140,342	2.95%
7	Natural Gas Companies	3.00%	2	0.03%	568,317	1.47%
8	Water Companies	4.00%	1	0.02%	757,268	1.96%
9	All Other Public Utilities	2.00%	6	0.10%	56,098	0.15%
10	Contracting	2.00%	516	8.81%	4,216,039	10.92%
11	Amusement	0.50%	37	0.63%	306,350	0.79%
12	Service & All Other Businesses	1.00%	1,991	34.01%	15,790,193	40.89%
13	Rents and Royalties	1.00%	1,631	27.86%	2,446,095	6.33%
14	Banking and Other Financial Institutions	1.00%	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 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability
1	Production of Natural Resources	1.00%	8	0.14%	\$ 19,584
2	Manufacturing	3.00%	47	0.81%	355,563
3	Retailers	0.50%	1,059	18.34%	7,278,769
4	Wholesalers	0.15%	469	8.12%	1,185,723
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,829,175
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,069,228
7	Natural Gas Companies	3.00%	2	0.03%	693,354
8	Water Companies	4.00%	1	0.02%	715,867
9	All Other Public Utilities	2.00%	1	0.02%	44,248
10	Contracting	2.00%	515	8.92%	3,529,749
11	Amusement	0.50%	33	0.57%	289,647
12	Service & All Other Businesses	1.00%	1,978	34.25%	15,766,732
13	Rents and Royalties	1.00%	1,597	27.65%	2,528,263
14	Banking and Other Financial Institutions	1.00%	63	1.09%	1,870,713
	Totals		5,775	100.00%	\$ 37,176,615

		Fiscal Year 2010			
	Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability
1	Production of Natural Resources	1.00%	5	0.11%	\$ 18,420
2	Manufacturing	3.00%	32	0.72%	317,725
3	Retailers	0.50%	913	20.47%	7,105,802
4	Wholesalers	0.15%	366	8.20%	1,003,969
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	1,584,404
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	932,584
7	Natural Gas Companies	3.00%	2	0.04%	835,828
8	Water Companies	4.00%	2	0.04%	738,629
9	All Other Public Utilities	2.00%	3	0.07%	30,143
10	Contracting	2.00%	564	12.64%	3,230,548
11	Amusement	0.50%	21	0.47%	307,393
12	Service & All Other Businesses	1.00%	1,681	37.68%	15,249,924
13	Rents and Royalties	1.00%	826	18.52%	2,170,226
14	Banking and Other Financial Institutions	1.00%	43	0.96%	1,753,561
	Totals		4,461	100.00%	\$ 35,279,156

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 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of 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	34.36%	17,119,132	45.01%
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		6,683	100.00%	\$ 38,022,690	100.00%

		Fiscal Year 2008				
	Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of 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%	1	0.02%	792,692	2.32%
7	Natural Gas Companies	3.00%	2	0.03%	890,233	2.60%
8	Water Companies	4.00%	1	0.02%	656,817	1.92%
9	All Other Public Utilities	2.00%	4	0.06%	81,902	0.24%
10	Contracting	2.00%	763	11.99%	3,264,605	9.54%
11	Amusement	0.50%	46	0.72%	302,396	0.88%
12	Service & All Other Businesses	1.00%	2,153	33.83%	14,381,469	42.00%
13	Rents and Royalties	1.00%	1,627	25.57%	2,102,504	6.14%
14	Banking and Other Financial Institutions	1.00%	75	1.18%	1,999,636	5.84%
	Totals		6,364	100.00%	\$ 34,231,326	100.00%

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
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%	-
2015	\$ 3,208,195,965	\$ 1,924,917,579	\$ -	\$ -	\$ -	0.00%	0.00%	-
2016	\$ 3,246,792,017	\$ 1,948,075,210	\$ -	\$ -	\$ -	0.00%	0.00%	-
2017	\$ 3,231,869,829	\$ 1,939,121,897	\$ -	\$ -	\$ -	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**

	Governmental Activities				Business-type Activities						
Fiscal Years	General Obligation Bonds	Revenue Bonds	Capital Leases		Revenue Bonds	Capital Leases		Total Primary Government	Percentage of Personal Income	Per Capita	
2008	\$ 2,645,000	\$ 4,147,126	\$ 11,261,072	\$	\$ 14,917,361	\$ -	\$	\$ 32,970,559	18.51%	694	
2009	\$ 1,370,000	\$ 3,875,679	\$ 11,232,515	\$	\$ 13,782,652	\$ -	\$	\$ 30,260,846	16.20%	653	
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%	548	
2012	\$ -	\$ 3,008,554	\$ 10,786,372	\$	\$ 10,141,186	\$ -	\$	\$ 23,936,112	12.21%	503	
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	
2015	\$ -	\$ 2,298,973	\$ 9,069,295	\$	\$ 6,172,947	\$ -	\$	\$ 17,541,215	12.32%	341	
2016	\$ -	\$ 96,644,815	\$ 9,464,294	\$	\$ 4,671,075	\$ -	\$	\$ 110,780,184	1.95%	2,155	
2017	\$ -	\$ 92,742,657	\$ 10,316,103	\$	\$ 4,217,004	\$ -	\$	\$ 107,275,764	2.02%	2,087	

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		
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
2015	\$ 3,232,637	\$ 4,622,336	\$ (1,389,699)	\$ 425,000	\$ 245,227	\$ 670,227	-207.35%	\$ 1,294,339
2016	\$ 2,964,411	\$ 5,054,297	\$ (2,089,886)	\$ 445,000	\$ 228,620	\$ 673,620	-310.25%	\$ 1,399,714
2017	\$ 2,962,180	\$ 4,633,583	\$ (1,671,403)	\$ 465,000	\$ 207,956	\$ 672,956	-248.37%	\$ 1,406,497

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			
						Principal	Interest	Total	Coverage
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%
2015	\$	3,610,203	\$	2,739,890	\$ 870,313	\$ 1,215,000	\$ 104,214	\$ 1,319,214	65.97%
2016	\$	3,398,865	\$	3,259,416	\$ 139,449	\$ 1,085,000	\$ 48,825	\$ 1,133,825	12.30%
2017	\$	3,426,474	\$	2,948,302	\$ 478,172	\$ -	\$ -	\$ -	0.00%

CITY OF CHARLESTON, WEST VIRGINIA
Table 14
Demographic Statistics -
Last Ten Fiscal Years

Fiscal Years	Population		Personal Income	Per Capita Income	Unemployment Rate
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
2015	51,400	\$	2,161,370	\$ 42,046	6.8
2016	51,400	\$	2,161,370	\$ 42,046	6.0
2017	51,400	\$	2,161,884	\$ 42,046	4.6

Bureau of Economic Analysis and Bureau of Labor Statistics - based on most current census results, and the Department of Numbers
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 2017

Assessed value	\$ 3,231,869,829
Debt limit (5% of assessed value)	161,593,491
Debt applicable to limit:	
General obligation bonds	-
Less: amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	\$ 161,593,491

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 132,591,824	\$ 138,553,363	\$ 143,329,025	\$ 144,180,795	\$ 146,598,381	\$ 154,574,769	\$ 159,574,769	\$ 160,409,798	\$ 162,339,601	\$ 161,593,491
Total debt applicable to limit	2,645,000	1,370,000	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 135,236,824</u>	<u>\$ 139,923,363</u>	<u>\$ 143,329,025</u>	<u>\$ 144,180,795</u>	<u>\$ 146,598,381</u>	<u>\$ 154,574,769</u>	<u>\$ 159,574,769</u>	<u>\$ 160,409,798</u>	<u>\$ 162,339,601</u>	<u>\$ 161,593,491</u>
Total net debt applicable to the limit as a percentage of debt limit	2%	1%	0%	0%	0%	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
2008	135,414	-0.3	3.5	-0.3
2009	129,331	-4.5	6.6	-0.3
2010	126,017	-2.6	8.1	3.1
2011	129,142	2.5	7.6	1.5
2012	130,329	0.9	6.9	-0.5
2013	130,500	0.1	5.7	-0.7
2014	131,100	0.5	5.4	-1.2
2015	94,400	-28	6.8	-0.3
2016	94,700	0.32	6.0	1.4
2017	93,800	-0.96	4.6	-1.4

U.S. Bureau of Labor Statistics

CITY OF CHARLESTON, WEST VIRGINIA

Table 17
Kanawha County
Ten Largest Employers in Kanawha County and Rank -
June 30, 2017 and 2007

Rank	Company Name	2017	
		Total Employees	Employee Percentage
1	Charleston Area Medical Center, Inc.	6,800	0% **
2	Kanawha County Board of Education	3,750	19% **
3	Federal Government	2,600	13% **
4	Herbert J. Thomas Memorial Hospital Association	1,300	7% **
5	Frontier Communications	1,250	6% **
6	Walmart	1,100	6% **
7	City of Charleston Municipality	889	5%
8	West Virginia Department of Health and Human Resources	720	4% **
9	West Virginia Department of Administration	700	4% **
10	Dow Chemical & Gestamp Manufacturing	400	2% **
	Total	19,509	66%

Workforce West Virginia, an agency of the Department of Commerce

**This information is unavailable for these organizations for fiscal year 2017, consequently, the number of employees is estimated based upon prior years.

CITY OF CHARLESTON, WEST VIRGINIA

Table 18

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

Function/Program	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrest	7,649	6,812	5,704	7,435	6,945	8,106	7,781	5,287	5,482	4,797
Citations written	20,804	16,217	10,438	18,710	14,891	15,115	15,845	6,868	8,243	5,368
Offenses charged	24,006	18,887	6,626	7,454	8,458	10,232	10,010	8,474	7,059	8,435
Fire										
Emergency medical responses	17,788	12,709	12,538	13,106	13,379	13,325	12,843	13,311	13,887	14,453
Fire responses	13,131	17,424	16,417	16,272	16,867	11,327	10,392	15,604	16,518	9,277
Inspections	1,124	1,138	897	854	1,415	1,526	849	1,146	1,765	1,223
Refuse collection										
Refuse collected (tons annually)	26,977	13,816	13,228	26,659	12,772	26,541	26,894	26,315	24,282	25,648
Recyclables collected (tons annually)	1,072	1,031	991	3,410	502	985	956	918	839	840
Yard waste collected (tons annually)	1,653	455	454	1,031	402	1,580	1,725	1,456	1,398	1,314
Sludge (tons annually)	5,641	2,701	1,250	5,938	Unavailable	Unavailable	Unavailable	Unavailable	4,651	4,307
Other public works										
Streets resurfaced (Miles)	10.56	9.40	5.14	6.96	8.47	7.11	6.8	14.96	11.62	9.9
Potholes repaired	27	57	82	77	83	71	200	218	179	210
Parking systems										
Parking violations	48,277	45,545	43,316	44,159	49,313	45,975	42,607	38,362	37,155	36,458
Civic center										
Number of events (annual average)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,150	2,397	1,717
Municipal auditorium										
events (number of days annual average)	115-120	115-120	115-120	115-120	115-120	115-120	115-120	80	56	77

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	5	5	5	4	4	4	4	4	4	4
Patrol units	94	94	92	88	88	88	88	88	88	88
Fire stations	9	9	9	9	8	8	8	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	325	325	325	325	325	325	325
Traffic signals	152	152	152	148	148	148	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	1	1
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	4	4
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	1,150	1,150	1,150	1,150	1,059	1,035	1,035	1,035	1,155	1,155
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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Management	48	49	52	50	42	41	42	42	43	45
Finance	26	22	20	29	23	23	23	23	23	24
Planning	17	17	17	21	21	20	21	21	20	21
Building	14	20	30	26	25	24	25	25	29	29
Engineering	8	9	9	8	9	10	10	10	11	11
Other	32	31	42	55	70	95	132	132	132	68
Police										
Officers	179	183	179	160	159	153	155	159	171	162
Civilians	28	24	26	27	27	26	26	24	21	26
Fire										
Officers	191	188	199	174	161	153	152	159	151	155
Civilians	4	3	2	2	2	2	2	2	2	2
Other public safety	8	8	8	8	8	2	2	2	2	2
Refuse collection	66	66	65	68	67	65	64	64	67	66
Public works	118	121	126	129	140	131	126	126	126	98
Parks and recreation	93	108	83	91	85	93	95	95	98	115
Social services	21	10	10	9	9	7	7	8	8	21
Civic center	23	22	21	21	23	24	25	23	23	22
Parking system	26	25	24	26	25	26	30	23	23	22
Total	902	906	913	904	896	895	937	938	950	889

Sources: City of Charleston Payroll

