

Audited Financial Statements

City of Charleston

Year Ended June 30, 2021

**CITY OF CHARLESTON, WEST VIRGINIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**CITY OF CHARLESTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2021**

OFFICE	NAME	TERM
<u>Elective</u>		
Mayor:	Amy Shuler Goodwin	1/07/2019-1/02/2023
Treasurer:	Victor Grigoraci	1/07/2019-1/02/2023
Municipal Judge:	Anne Charnock	1/07/2019-1/02/2023

Council Members

At Large	Ben Adams	Ward 8	Robert Sheets
At Large	Becki Ceperley	Ward 9	Mary Beth Hoover
At Large	Naomi Bays	Ward 10	Keeley Steele
At Large	Jennifer Pharr	Ward 11	Shannon Snodgrass
At Large	Caitlin Cook	Ward 12	Joseph Jenkins
At Large	Emmett Pepper	Ward 13	Brent Burton
Ward 1	Pat Jones	Ward 14	Courtney Persinger
Ward 2	Bobby Haas	Ward 15	Samuel Minardi
Ward 3	Chuck Overstreet	Ward 16	Bobby Reishman
Ward 4	Tiffany Wesley Plear	Ward 17	Bruce King
Ward 5	Jeanine Faegre	Ward 18	Will Laird
Ward 6	Deanna McKinney	Ward 19	Brady Campbell
Ward 7	Adam Knauff	Ward 20	Chad Robinson

Appointive

City Manager:	Jonathan Storage	Chief of Staff:	Matt Sutton
Finance Director:	Andy Wood	City Collector:	Christina Merbedone-Byrd
City Clerk:	Miles Cary	City Engineer:	Chris Knox
Attorney:	Kevin Baker	Economic & Community Development Director:	Andrew Backus



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, 2021, 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 7 percent of the assets, 15 percent of the net position, and 6 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The Virginia Center
1411 Virginia Street, East | Suite 100
Charleston, WV 25301

MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue | Suite 220
PO Box 149
Parkersburg, WV 26102

MAIN (304) 485-6584
FAX (304) 485-0971

The Wharf District
68 Clay Street | Suite C
Morgantown, WV 26501

MAIN (304) 554-3371
FAX (304) 554-3410

suttlecpas.com
cpa@suttlecpas.com

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, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note I.D to the financial statements, in 2021, the City adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter

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 9 through 19, the schedules of employer defined benefit plans information on pages 113 through 116, the schedules of other post employment benefit plan information on pages 117 through 118, the schedules of other post-employment benefits PEIA on pages 119 through 121, the schedules of public employees retirement system on pages 122 through 125, and the schedules of municipal police officers and firefighters retirement system on pages 126 through 130 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Suttle & Stalaker, PLLC".

Charleston, West Virginia

December 30, 2021

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

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, 2021. 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 \$503,840,395 in fiscal year 2021 and a deficit net position of \$494,791,066 (restated due to error and implementation of GASB 84) in fiscal year 2020.

Of the net position in fiscal year 2021, a deficit balance of \$730,559,690 was reported as total unrestricted net position, which includes \$724,493,594 deficit balance in governmental activities and a \$6,066,096 deficit balance in business-type activities. Total net position decreased \$9,049,329 as a result of this year's operations.

Deferred outflows decreased by \$3,496,746 in governmental activities and increased by \$399,797 in business-type activities. Deferred inflows increased by \$34,433,805 in governmental activities and increased by \$652,961 in business-type activities.

The City's governmental activities reported total expenses of \$134,536,926, total revenues of \$131,533,203, and transfers out of \$2,461,693 for a net decrease of \$5,465,416. This net decrease is due to receipt of additional federal revenues from the Coronavirus Aid, Relief, and Economic Security Act; and Coronavirus Response and Relief Supplemental Appropriations Act offset by increases in net pension and OPEB liabilities resulting in additional expenses.

Business-type activities reported total expenses of \$12,371,915, program revenues of \$5,577,675, general revenues of \$240,136, capital grants and contributions of \$508,498 and transfers in of \$2,461,693 for a net decrease of \$3,583,913.

Fund Level

Governmental funds reported a combined fund balance of \$115,516,426, an increase of \$17,218,591 (including amounts from restatement) from the prior year as a result of receiving federal funding to cover expenditures from the Coronavirus Aid, Relief, and Economic Security Act; and the Coronavirus Response and Relief Supplemental Appropriations act.

The General Fund reported an unassigned fund balance of \$46,685,059, non-spendable fund balance of \$836,611, restricted fund balance of \$1,321,575, committed fund balance of \$40,465,431, and assigned fund balance of \$0, compared to \$34,929,232, \$1,045,727, \$2,638,629, \$35,482,790 and \$0, respectively, in the prior year.

Total governmental funds reported non-spendable fund balance of \$2,056,630, restricted of \$33,750,910, committed of \$51,424,506, and assigned fund balance of \$0, compared to \$2,257,736, \$16,629,129, \$44,481,738, and \$0, respectively, in the prior year. The total unassigned fund balance for the governmental funds was \$46,685,059, compared to unassigned fund balance of \$34,929,232 in prior year.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

Long-term Debt

Total bonds and obligations under long-term liabilities at year end were \$76,973,719, a net decrease of \$4,732,071 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, 2021

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 23 through 26 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 28 through 37 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 39 through 43 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 45 and 46 of this report.

Government-Wide Financial Analysis

The City's combined net position (governmental and business-type activities) totaled (\$503,840,395) at the end of 2021 and (\$494,791,066 restated) at the end of 2020. The largest portion of the City's net position, \$203,380,001, 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

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

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, \$23,339,294, 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 (\$730,559,690), reflects the City's deficit of remaining assets to remaining liabilities.

CITY OF CHARLESTON'S NET POSITION

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 146,656,244	\$ 112,792,294	\$ 11,356,318	\$ 9,568,779	\$ 158,012,562	\$ 122,361,073
Capital assets	103,449,309	103,911,303	108,882,383	114,250,989	212,331,692	218,162,292
Total assets	<u>250,105,553</u>	<u>216,703,597</u>	<u>120,238,701</u>	<u>123,819,768</u>	<u>370,344,254</u>	<u>340,523,365</u>
Deferred Outflows of Resources						
Pensions	8,662,560	26,007,745	-	-	8,662,560	26,007,745
OPEB	52,264,526	38,416,087	1,686,224	1,267,249	53,950,750	39,683,336
Loss on refunding of debt	-	-	65,527	84,705	65,527	84,705
Total deferred outflows of resources	<u>60,927,086</u>	<u>64,423,832</u>	<u>1,751,751</u>	<u>1,351,954</u>	<u>62,678,837</u>	<u>65,775,786</u>
Long-term liabilities outstanding	824,182,887	832,036,095	13,211,707	13,041,608	837,394,594	845,077,703
Other liabilities	28,780,433	19,990,404	426,499	846,916	29,206,932	20,837,320
Total liabilities	<u>852,963,320</u>	<u>852,026,499</u>	<u>13,638,206</u>	<u>13,888,524</u>	<u>866,601,526</u>	<u>865,915,023</u>
Deferred Inflows of Resources						
OPEB	51,921,317	31,736,911	1,710,291	1,045,539	53,631,608	32,782,450
Unearned Revenue	-	-	8,427	20,218	8,427	20,218
Pensions	16,621,925	2,372,526	-	-	16,621,925	2,372,526
Total deferred inflows of resources	<u>68,543,242</u>	<u>34,109,437</u>	<u>1,718,718</u>	<u>1,065,757</u>	<u>70,261,960</u>	<u>35,175,194</u>
Net Position:						
Net Investment in capital assets	96,612,810	94,906,656	106,767,191	111,615,904	203,380,001	206,522,560
Restricted	17,406,861	18,883,465	5,932,433	4,703,771	23,339,294	23,587,236
Unrestricted	<u>(724,493,594)</u>	<u>(718,798,628)</u>	<u>(6,066,096)</u>	<u>(6,102,234)</u>	<u>(730,559,690)</u>	<u>(724,900,862)</u>
Total net position (restated FY 2020)	<u>\$ (610,473,923)</u>	<u>\$ (605,008,507)</u>	<u>\$ 106,633,528</u>	<u>\$ 110,217,441</u>	<u>\$ (503,840,395)</u>	<u>\$ (494,791,066)</u>

Governmental Activities. Governmental activities decreased the City of Charleston's net position by \$5,465,416 which is primarily attributable to the receipt of additional federal revenues from the Coronavirus Aid, Relief (CRSSA), and Economic Security Act offset by increases in expenses caused by changes to the net OPEB liability.

As of June 30, 2021, per GASB 68 the net pension liability balance was \$405,306,840 of which \$399,643,336 was attributed to police and fire pension and \$5,663,504 was attributed general government. This was a decrease of \$16,304,400 for the police and fire pension and an increase of \$2,951,593 for the general government.

Business-type Activities. Total net position of the City's business-type activities decreased \$3,583,913 over the prior year. Total operating revenues increased \$603,583 over the prior year. The Charleston Coliseum & Convention Center (CCCC) experienced an increase in operating revenues of \$945,321 and an increase in operating expenses \$1,228,570. The CCCC revenues were up during the year due to events resuming after the COVID pandemic. The Parking System experienced a \$341,738 decrease in operating revenues from the prior year. The operating expenses for the Parking System decreased by \$135,802. The CCCC total net position decreased \$3,515,076 (taking into account the restatement for CCCC net position in FY 2020) and Parking System net position decreased \$68,837.

A Tax Incremental Financing District was established for the CCCC's future expansion and renovation. Collections during 2020 were \$194,980 and during 2021 were \$232,171 which is restricted for future bond payments.

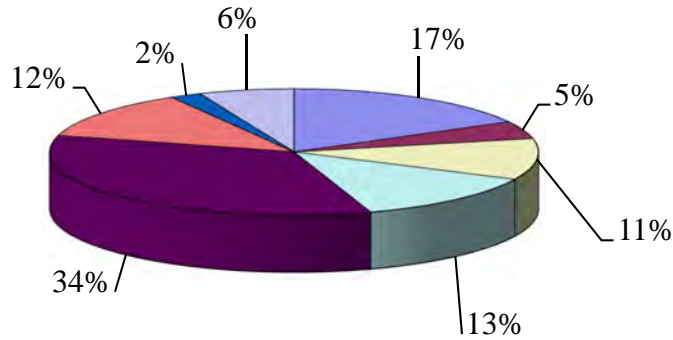
CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

City of Charleston's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 22,468,867	\$ 23,455,764	\$ 5,577,675	\$ 4,974,092	\$ 28,046,542	\$ 28,429,856
Operating Grants and Contributions	5,939,292	5,202,517	-	-	5,939,292	5,202,517
Capital Grants and Contributions	13,836,641	13,671,290	508,498	-	14,345,139	13,671,290
General Revenues:						
Property Taxes	16,870,208	15,974,408	-	-	16,870,208	15,974,408
Business and Occupation Taxes	45,065,926	42,132,390	-	-	45,065,926	42,132,390
City sales & use tax	16,354,605	14,934,639	-	-	16,354,605	14,934,639
Other Taxes	5,838,322	6,190,820	-	-	5,838,322	6,190,820
Other	5,159,342	5,078,074	240,136	303,138	5,399,478	5,381,212
Total Revenues	131,533,203	126,639,902	6,326,309	5,277,230	137,859,512	131,917,132
Expenses:						
General Government	22,831,051	22,515,628	-	-	22,831,051	22,515,628
Public Safety	83,211,852	99,040,087	-	-	83,211,852	99,040,087
Highways & Streets	9,759,321	9,674,366	-	-	9,759,321	9,674,366
Health & Sanitation	5,528,272	5,411,967	-	-	5,528,272	5,411,967
Economic Development	2,489,781	1,677,478	-	-	2,489,781	1,677,478
Culture & Recreation	6,116,472	7,101,781	-	-	6,116,472	7,101,781
Social Services	1,136,778	870,085	-	-	1,136,778	870,085
Capital Projects	-	-	-	-	-	-
Interest on Long-Term Debt	3,463,399	3,355,147	-	-	3,463,399	3,355,147
Civic Center	-	-	10,003,929	8,801,801	10,003,929	8,801,801
Parking System	-	-	2,367,986	2,503,788	2,367,986	2,503,788
Total Expenses	134,536,926	149,646,539	12,371,915	11,305,589	146,908,841	160,952,128
Increase in Net Position						
Before Transfers	(3,003,723)	(23,006,637)	(6,045,606)	(6,028,359)	(9,049,329)	(29,034,996)
Capital Contributions - Energy Rebates	-	-	-	83,935	-	-
Transfers	(2,461,693)	(1,667,977)	2,461,693	1,667,977	-	-
Increase in Net Position	(5,465,416)	(24,674,614)	(3,583,913)	(4,276,447)	(9,049,329)	(28,951,061)
Net Position- beginning	(606,843,522)	(582,168,908)	108,643,267	112,919,714	(498,200,255)	(469,249,194)
Restatement	1,835,015	-	1,574,174	-	3,409,189	-
Net Position - beginning (restated)	(605,008,507)	(582,168,908)	110,217,441	112,919,714	(494,791,066)	(469,249,194)
Net Position- ending	\$ (610,473,923)	\$ (606,843,522)	\$ 106,633,528	\$ 108,643,267	\$ (503,840,395)	\$ (498,200,255)

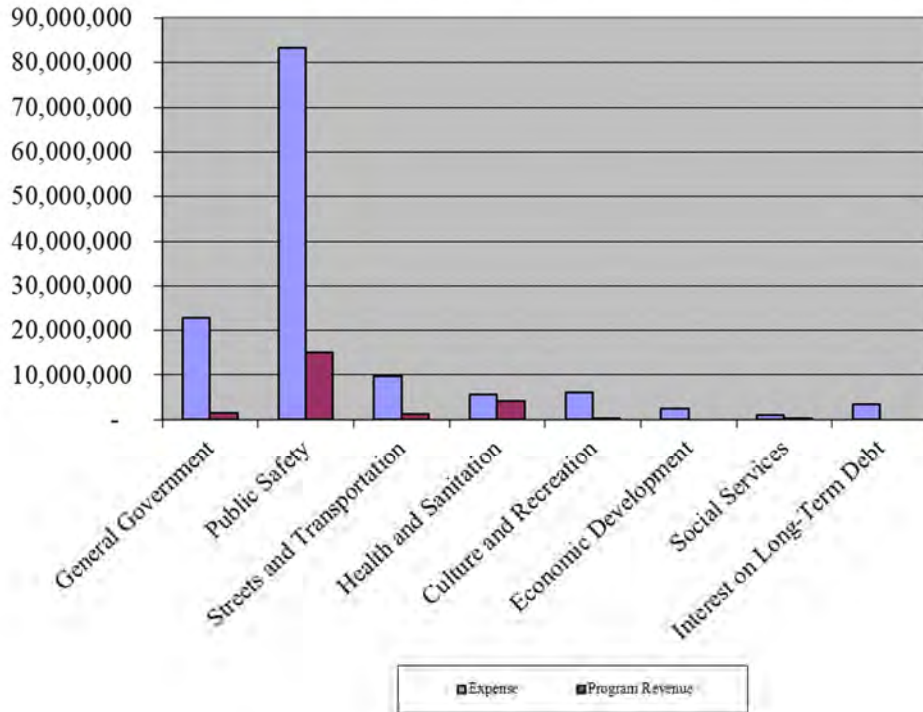
CITY OF CHARLESTON, WEST VIRGINIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Fiscal Year Ended June 30, 2021

Revenue by Source-Governmental Activities



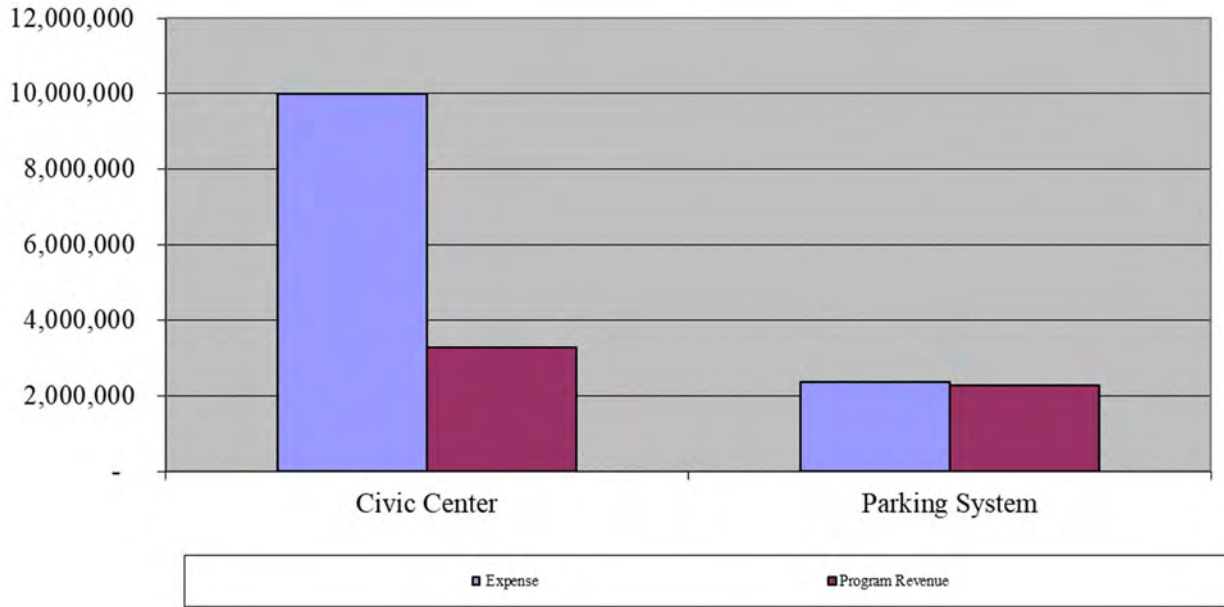
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Property Taxes	Business and Occupation Taxes	City sales & use tax
Utility Taxes	Other Taxes	

Expenses and Program Revenues-Governmental Activities

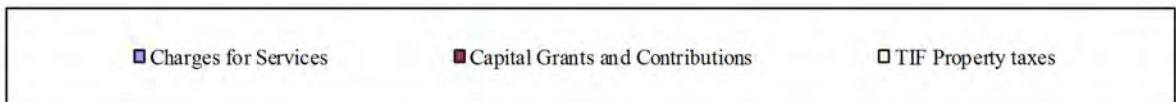
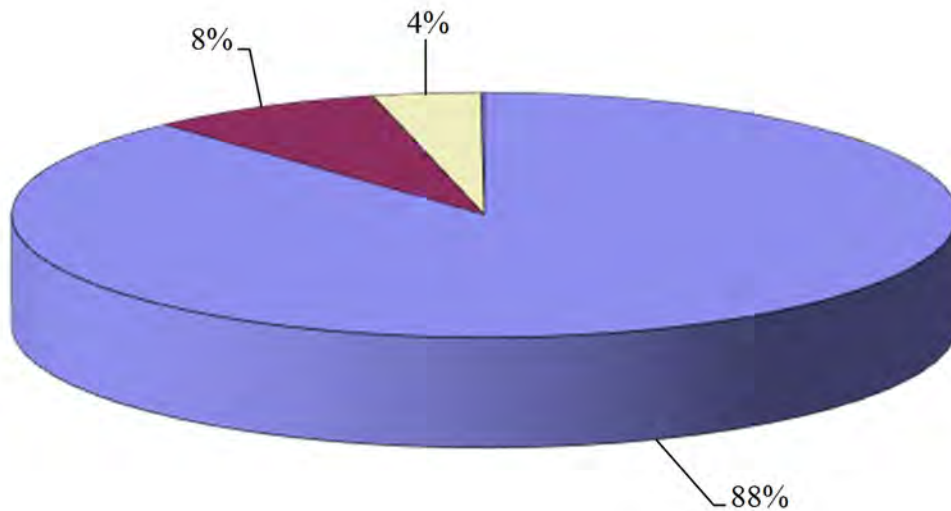


CITY OF CHARLESTON, WEST VIRGINIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Fiscal Year Ended June 30, 2021

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, 2021

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 \$115,516,426, an increase \$17,218,591 (including the restatement) in comparison with the prior year. Approximately 35 percent of the combined ending fund balances in the amount of \$46,685,059 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 \$2,056,630; restricted by external grants, contributors, and laws \$15,350,231; committed by the government's council \$51,424,506; and assigned by the government's council or administrative officials \$0.

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 \$46,685,059, while total fund balance reached \$89,308,676. 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 49 percent of total General Fund expenditures, while total fund balance represents 94 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased \$15,212,298 during the current fiscal year. Police and fire pension contributions increased one percent due to the Conservation Method adopted in 2011 and in November 2014 the City of Charleston implemented a half cent sales tax increase dedicated to the pension reserve fund.

The Coal Severance Tax Fund receives coal severance tax distributed from the State of West Virginia collections. These revenues are dedicated to the Civic Center bond debt service. Coal severance tax revenue decreased \$34,008 over the prior year due to a decrease in production and coal sales. Community Development and HOME Funds are funded by HUD federal grants for community development. The grant revenues recognized were \$754,907 higher in comparison to fiscal year 2020 due to an increase in funding.

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.

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 2021 the City, through budget amendments, increased the budget by \$13,187,047, on the basis of additional revenue from external and internal sources. The City also decreased the budgeted revenues by \$8,905,124 which amounts to a net increase of \$4,281,923. Additionally, the City increased the fiscal year 2021 budget \$19,896,769 to effect the re-budgeting of the fiscal year 2020 ending fund balance.

The additional revenues from external were \$31,500 from the State, \$23,000 from Contributions and Donations, \$1,067,547 from a settlement from an asphalt company (classified as miscellaneous on the budget), and \$12,065,000 from reimbursements which included money from the Coronavirus Relief Fund.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

The fiscal year 2020 ending fund balance of \$19,896,769 was primarily re-budgeted to Capital Outlay expenditures of \$2,182,912, Ball Park Debt service \$359,397, non-spendable insurance expenditures of \$1,045,727, Public Safety expenditures of \$211,136, and General Government expenditures of \$15,497,597. 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 \$600,000 for the Legal department Court Costs and Claims reserve.

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, 2021, amounted to \$212,331,692 (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:

Projects for the Emergency Streambank #14 Kanawha River & Greenbrier Street, South Side Bridge Inspection and Rehabilitation, Citywide Fiber Optics, Barlow Drive, Slack Plaza, and various other capital projects were the projects in construction as of June 30, 2021, totaling \$6,268,362.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 9,380,911	\$ 9,371,611	\$ 4,366,447	\$ 4,366,447	\$ 13,747,358	\$ 13,738,058
Construction in Progress	6,268,362	3,343,020	-	-	6,268,362	3,343,020
Buildings & Improvements	24,173,797	25,340,697	103,807,673	108,900,734	127,981,470	134,241,431
Other Improvements	14,169,902	15,268,509	-	-	14,169,902	15,268,509
Machinery & Equipment	8,585,824	9,850,176	708,263	983,808	9,294,087	10,833,984
Infrastructure	40,870,513	40,737,290	-	-	40,870,513	40,737,290
Total	\$ 103,449,309	\$ 103,911,303	\$ 108,882,383	\$ 114,250,989	\$ 212,331,692	\$ 218,162,292

Additional information on the City of Charleston's capital assets can be found in Note III.C. on pages 70 through 72 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, WEST VIRGINIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

City of Charleston's Outstanding Debt
Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$ 74,793,000	\$ 78,986,000	\$ 2,180,719	\$ 2,719,790	\$ 76,973,719	\$ 81,705,790
Total	\$ 74,793,000	\$ 78,986,000	\$ 2,180,719	\$ 2,719,790	\$ 76,973,719	\$ 81,705,790

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 \$165,028,151.

Additional information on the City of Charleston's long-term debt can be found in Note III.G. on pages 75 through 77 of this report.

Economic Factors and Next Year’s Budget

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate of 3.1 percent for October is indicative of the economic rebound from the corona virus pandemic. The State and United States unemployment rates are 2.9 and 4.3 percent. According to WorkForce West Virginia’s records, the state’s unemployment rate is the lowest rate it has been since April-June of 2008 when the seasonally adjusted rate was 4.4% for those three months. It is also the lowest unemployment rate within WorkForce’s available data going back to 1976. The state’s low unemployment rate is somewhat offset by the state’s low labor force participation rate of 55.2 percent.

Howard Swint, a former associate broker with Colliers International, states that “given the extended nature of the pandemic, trends suggest a continuation of a sizable number of stay-at-home orders from employers that typically occupy office towers. With that said, as coal production continues its short-term boost, it is expected that those ancillary support businesses will stabilize and perhaps possibly expand marginally. So, too, with the natural gas industry for while an uptick in E&P operations is not anticipated in the near-term, a drawdown of stored supplies will position the industry for growth heading into Q1 2022, especially if weather conditions experience a prolonged cold period. As more formerly vacant office space is repositioned in the marketplace for residential usage, office market supply will narrow and perhaps impact vacancy and lease rates accordingly.”

Uncertainty remains with the fate of big box retail stores as they compete against online shopping. The Charleston Town Center Mall emerged from bankruptcy and was purchased by the Hull Property Group, a full-service retail real estate company whose mission is to facilitate transformational improvements to enclosed malls and retail nodes. The mall continues to struggle along with changes in the market, which means the mall will have to continue to reinvent and possible repurpose itself.

New commercial construction is up from 2019 with most projects being renovations or adaptive reuses of structures. Elk City continues to experience a renaissance with the continued addition of small businesses locating there.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021

The Charleston Convention & Visitors Bureau (CVB) is an accredited Destination Marketing Organization charged with marketing Charleston nationally as a premier destination, thus enriching our community's overall quality of life through economic and social prosperity. In pursuing this mission their primary goal is to add to Charleston's tax base and, in part, improve the overall quality of life for its citizens. Tim Brady, the President and CEO of the CVB states "The last two years have been challenging for the CVB, much as they have for organizations across multiple industries. However, the future is beginning to look brighter. The CVB has recruited and booked several conferences and sporting events to be held in the city in 2022 and beyond which will provide increased occupancy tax revenues to help drive recovery. Our FY 2022 budget is set at \$1.1 million, which is 75% of our pre-pandemic budget. While the convention business may be slower to rebound to pre-Covid levels, our pivot toward a focus on travel sports and leisure travel is showing an increased return on investment."

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.



FINANCIAL SECTION

CITY OF CHARLESTON, WEST VIRGINIA THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 23 through 26. 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, 2021

	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	\$ 63,421,811	\$ 4,858,771	\$ 68,280,582	\$ 15,435,136	\$ 3,311,055	\$ 632,059
Investments	46,453,900	381,924	46,835,824	--	--	--
Receivables:						
Accounts	10,283,990	381,708	10,665,698	1,421,731	--	256,547
Accrued interest	21,260	--	21,260	--	--	--
Taxes	13,968,907	--	13,968,907	--	--	--
Other	--	--	--	16,236	500,000	--
Loans	4,184,099	--	4,184,099	--	746,115	--
Grants	531,024	--	531,024	--	--	--
Internal balances	65,584	(65,584)	--	--	--	--
Due from:						
Primary government	--	--	--	58,887	--	--
Component units	43,635	--	43,635	--	--	--
Fiduciary funds	42,733	--	42,733	--	--	--
Restricted :						
TIF district	--	426,757	426,757	--	--	--
Tickets & Promotions	--	2,125,162	2,125,162	--	--	--
Regular account	--	--	--	--	--	--
Revenue bond covenant account	--	2,815,938	2,815,938	--	--	--
Customer deposits	--	182,652	182,652	--	--	--
Inventory	--	--	--	1,181,804	--	--
Prepaid items	841,045	248,990	1,090,035	327,344	632	--
Total current assets	139,857,988	11,356,318	151,214,306	18,441,138	4,557,802	888,606
Noncurrent assets:						
Regular account	--	--	--	2,508,890	--	--
Reserve account	--	--	--	7,426,506	--	--
Renewal and replacement	--	--	--	13,942,572	--	--
Restricted cash	4,676,642	--	4,676,642	--	--	--
Reserve for insurance deductible	--	--	--	315,601	--	--
Reserve for other post employment benefits	--	--	--	610,912	--	--
Reserve for health care	--	--	--	1,018,997	--	--
Reserve for flexible spending account	--	--	--	9,965	--	--
Reserve for construction	--	--	--	1,065,025	242,675	--
Capital assets:						
Nondepreciable:						
Land	9,380,911	4,366,447	13,747,358	2,654,021	7,119,282	--
Construction in progress	6,268,362	--	6,268,362	8,705,040	--	--
Depreciable:						
Buildings and improvements	84,659,835	151,012,538	235,672,373	--	72,324	--
Structures and improvements	--	--	--	47,816,042	--	--
Vehicles	24,516,503	--	24,516,503	--	--	--
Infrastructure	113,870,651	--	113,870,651	--	--	--
Collection System	--	--	--	112,928,717	--	--
Pumping System	--	--	--	3,070,121	--	--
Machinery and equipment	21,404,340	3,440,576	24,844,916	61,009,152	40,590	90,010
Less: accumulated depreciation	(156,651,293)	(49,937,178)	(206,588,471)	(100,367,782)	(89,091)	(86,896)
Net pension asset	2,121,614	--	2,121,614	--	--	--
Total noncurrent assets	110,247,565	108,882,383	219,129,948	162,713,779	7,385,780	3,114
Total assets	250,105,553	120,238,701	370,344,254	181,154,917	11,943,582	891,720

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2021

	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	--	65,527	65,527	--	--	--
Public Employees Retirement System (PERS):						
Contributions made after measurement date	1,654,581	--	1,654,581	450,277	13,650	50,020
Changes between projected and actual earnings	1,795,045	--	1,795,045	468,257	14,719	52,581
Changes between expected and actual experience	833,439	--	833,439	217,412	6,834	24,413
Changes in contributions	4,093	--	4,093	4,354	--	3,971
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	674,972	--	674,972	--	--	--
Changes in contributions	308,249	--	308,249	--	--	--
Changes in earnings	156,388	--	156,388	--	--	--
Changes in actual investment experience	198,116	--	198,116	--	--	--
Other Post Employment Benefits (OPEB)						
Changes in assumptions	48,739,545	1,608,329	50,347,874	3,014,173	--	--
Changes between expected and actual experience	2,360,571	77,895	2,438,466	--	--	--
Other Post Employment Benefits (OPEB) - PEIA						
Changes in earnings	3,055	--	3,055	3,226	699	4,213
Changes in proportionate share	6,475	--	6,475	7,119	2,617	15,033
Contributions made after measurement date	1,154,880	--	1,154,880	124,960	3,840	51,236
Defined Benefit Plans (DBP):						
Changes in actual investment experience	--	--	--	--	--	--
Changes in assumptions	3,037,677	--	3,037,677	--	--	--
Total deferred outflows of resources	<u>60,927,086</u>	<u>1,751,751</u>	<u>62,678,837</u>	<u>4,289,778</u>	<u>42,359</u>	<u>201,467</u>
LIABILITIES						
Current liabilities payable						
from current assets:						
Accounts payable	3,082,267	267,645	3,349,912	1,953,610	56,895	175,065
Refunds payable	--	186	186	--	--	--
Payroll payable	1,145,836	46,781	1,192,617	168,024	--	--
Other accrued expenses	130,042	3,859	133,901	--	26,483	129,089
Live on the Levee Charitable Raffle	50	--	50	--	--	--
Accrued interest payable	24,321	17,678	41,999	650,512	--	--
Compensated absences payable	542,979	30,359	573,338	288,935	--	--
Bonds payable	4,728,000	570,000	5,298,000	4,388,828	--	--
Leases payable	2,527,562	--	2,527,562	--	--	--
Reserve for future insurance claims	1,178,817	44,674	1,223,491	--	--	--
Due to:						
Primary government	--	--	--	43,634	--	--
Component unit	185,949	14,665	200,614	--	--	--
Other governments	36,446	652	37,098	--	40,000	--
Unearned revenue						
Grant advances	22,368,432	--	22,368,432	--	--	--
Unearned revenue	--	--	--	--	800	--
Customer prepaid fees	85,294	--	85,294	--	--	--
Total current liabilities	<u>36,035,995</u>	<u>996,499</u>	<u>37,032,494</u>	<u>7,493,543</u>	<u>124,178</u>	<u>304,154</u>
Noncurrent liabilities due in more than one year:						
Bonds payable	70,065,000	1,610,719	71,675,719	77,163,620	--	--
Leases payable	4,308,937	--	4,308,937	--	--	--
Total other post employment benefits liability (OPEB)	332,597,058	10,985,448	343,582,506	--	--	--
Net other post employment benefits liability (OPEB) - PEIA	27,833	--	27,833	22,282,617	9,214	38,390
Net pension liability -PERS	5,663,504	--	5,663,504	1,477,387	46,438	165,897
Net pension liability - Police and Fire	399,643,336	--	399,643,336	--	--	--
Compensated absences payable	814,470	45,540	860,010	--	--	--
Claims and judgements	3,807,187	--	3,807,187	--	--	--
Total noncurrent liabilities	<u>816,927,325</u>	<u>12,641,707</u>	<u>829,569,032</u>	<u>100,923,624</u>	<u>55,652</u>	<u>204,287</u>
Total liabilities	<u>852,963,320</u>	<u>13,638,206</u>	<u>866,601,526</u>	<u>108,417,167</u>	<u>179,830</u>	<u>508,441</u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2021

	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	699,935	--	699,935	28,200	1,019	6,715
Changes in investment experience	116,758	--	116,758	--	--	--
Changes between projected and actual earnings	--	--	--	--	--	--
Changes in assumptions	249,542	--	249,542	65,096	2,046	7,310
Changes in expected and actual experience	--	--	--	30,458	957	3,420
Other Post Employment Benefits (OPEB)						
Changes in assumptions	2,466,375	81,387	2,547,762	148,793	--	--
Changes between projected and actual earnings	--	--	--	5,255,178	--	--
Differences between expected and actual experience	49,363,083	1,628,904	50,991,987	--	--	--
Changes in contributions	--	--	--	--	--	--
Other Post Employment Benefits (OPEB) - PEIA						
Difference between expected and actual experience	--	--	--	--	--	--
Changes in assumptions	62,825	--	62,825	66,353	20,797	86,655
Changes in earnings	942	--	942	995	--	24,892
Changes in contributions	--	--	--	5,317	3,400	8,420
Changes in expected and actual experience	18,046	--	18,046	19,060	5,974	1,299
Changes in reallocation of proportionate share	10,046	--	10,046	1,670	--	2,306
Defined Benefit Plans (DBP):						
Changes between projected and actual earnings	7,494,755	--	7,494,755	--	--	--
Changes in assumptions	5,963,391	--	5,963,391	--	--	--
Changes in actual investment experience	1,862,007	--	1,862,007	--	--	--
Municipal Police & Fire Retirement System (MPFRS):						
Changes in actual investment experience	106,180	--	106,180	--	--	--
Changes in assumptions	39,350	--	39,350	--	--	--
Changes in contributions	90,007	--	90,007	--	--	--
Mayor's Contributions	--	--	--	--	--	--
Deferred Revenue	--	8,427	8,427	--	--	--
Total deferred inflows of resources	68,543,242	1,718,718	70,261,960	5,621,120	34,193	141,017
NET POSITION						
Net investment in capital assets	96,612,810	106,767,191	203,380,001	54,262,863	7,143,105	3,114
Restricted for:						
Culture and recreation	92,328	--	92,328	--	--	--
Debt service	5,644,200	3,197,862	8,842,062	24,942,993	--	--
Capital projects	1,002,136	--	1,002,136	--	--	--
General Government	985,400	--	985,400	--	13,000	--
Community development projects	871,237	--	871,237	--	--	--
Highways and streets	--	--	--	--	--	--
Tickets & Promotions	--	2,125,162	2,125,162	--	--	--
Public safety	2,073,749	--	2,073,749	--	--	--
Culture and recreation	--	--	--	--	--	--
Health & Sanitation	3,834,344	--	3,834,344	--	--	--
Social Services						
Expendable	1,220,019	--	1,220,019	--	--	--
Nonexpendable	1,683,448	--	1,683,448	--	--	--
TIF District	--	426,757	426,757	--	--	--
Customer deposits	--	182,652	182,652	--	--	--
Unrestricted	(724,493,594)	(6,066,096)	(730,559,690)	(7,799,448)	4,615,813	440,615
Total net position	\$ (610,473,923)	\$ 106,633,528	\$ (503,840,395)	\$ 71,406,408	\$ 11,771,918	\$ 443,729

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, 2021

Functions / Programs	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	
Primary government:											
Governmental activities:											
General government	\$ 22,831,051	\$ 1,512,017	\$ --	\$ 584,422	\$ (20,734,612)	\$ --	\$ (20,734,612)	\$ --	\$ --	\$ --	\$ --
Public safety	83,211,852	15,023,240	3,871,059	12,217,526	(52,100,027)	--	(52,100,027)	--	--	--	--
Streets and transportation	9,759,321	1,319,437	--	751,431	(7,688,453)	--	(7,688,453)	--	--	--	--
Health and sanitation	5,528,272	4,122,037	--	--	(1,406,235)	--	(1,406,235)	--	--	--	--
Culture and recreation	6,116,472	347,461	--	40,768	(5,728,243)	--	(5,728,243)	--	--	--	--
Interest on long-term debt	3,463,399	--	--	--	(3,463,399)	--	(3,463,399)	--	--	--	--
Social services	1,136,778	144,675	--	--	(992,103)	--	(992,103)	--	--	--	--
Capital projects	--	--	--	--	--	--	--	--	--	--	--
Economic development	2,489,781	--	2,068,233	242,494	(179,054)	--	(179,054)	--	--	--	--
Total governmental activities	134,536,926	22,468,867	5,939,292	13,836,641	(92,292,126)	--	(92,292,126)	--	--	--	--
Business-type activities:											
Civic Center	10,003,929	3,285,748	--	508,498	--	(6,209,683)	(6,209,683)	--	--	--	--
Parking System	2,367,986	2,291,927	--	--	--	(76,059)	(76,059)	--	--	--	--
Total business-type activities	12,371,915	5,577,675	--	508,498	--	(6,285,742)	(6,285,742)	--	--	--	--
Total primary government	\$ 146,908,841	\$ 28,046,542	\$ 5,939,292	\$ 14,345,139	(92,292,126)	(6,285,742)	(98,577,868)	--	--	--	--
Component units:											
Sanitary Board	21,105,156	21,621,722	--	28,169	--	--	--	544,735	--	--	--
Urban Renewal Authority	692,595	361,778	--	--	--	--	--	--	(330,817)	--	--
Convention & Visitor's Bureau	930,451	19,799	--	1,026,790	--	--	--	--	--	116,138	--
Total component units	\$ 22,728,202	\$ 22,003,299	\$ --	\$ 1,054,959	--	--	--	544,735	(330,817)	116,138	--
General revenues:											
Ad valorem property taxes					16,870,208	--	16,870,208	--	--	--	--
Business & occupation tax					45,065,926	--	45,065,926	--	--	--	--
Alcoholic beverages tax					1,034,916	--	1,034,916	--	--	--	--
Utility services tax					2,711,349	--	2,711,349	--	--	--	--
Hotel occupancy tax					1,873,649	--	1,873,649	--	--	--	--
Animal tax					5,219	--	5,219	--	--	--	--
Gas & Oil Severance					82,054	--	82,054	--	--	--	--
Amusement tax					34,325	--	34,325	--	--	--	--
Sales and use tax					16,354,605	--	16,354,605	--	--	--	--
Coal severance tax					96,810	--	96,810	--	--	--	--
Unrestricted investment earnings					1,095,696	7,965	1,103,661	31,340	10,881	302	--
Refunds					96,454	--	96,454	--	--	--	--
Insurance Proceeds					984,025	--	984,025	--	--	--	--
Gain(Loss) on sale of capital assets					317,370	--	317,370	28,234	(449,421)	(2,865)	--
Settlement					1,067,547	--	1,067,547	--	--	--	--
Miscellaneous & Other					1,598,250	232,171	1,830,421	138,519	1,635	--	--
Total General Revenues					89,288,403	240,136	89,528,539	198,093	(436,905)	(2,563)	--
Transfers					(2,461,693)	2,461,693	--	--	--	--	--
Change in net position					(5,465,416)	(3,583,913)	(9,049,329)	742,828	(767,722)	113,575	--
Net position - beginning (restated) Note III.K.					(605,008,507)	110,217,441	(494,791,066)	70,663,580	12,539,640	330,154	--
Net position - ending					<u>\$ (610,473,923)</u>	<u>\$ 106,633,528</u>	<u>\$ (503,840,395)</u>	<u>\$ 71,406,408</u>	<u>\$ 11,771,918</u>	<u>\$ 443,729</u>	<u>--</u>

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.

American Rescue Plan Act Fund This fund was established to account for federal grant money received from the American Rescue Plan Act of 2021.

Nonmajor governmental funds are presented in aggregate and then by fund type beginning on page 133.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General	Coal Severance Tax	Community Development	HOME	American Rescue Plan Act 2021	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ 45,297,232	\$ 38	\$ 6,395	\$ 37,433	\$ 2,401,532	\$ 15,679,181	\$ 63,421,811
Investments	24,686,584	--	--	--	16,000,791	5,766,525	46,453,900
Receivables:							
Taxes	13,939,658	29,249	--	--	--	--	13,968,907
Accounts	9,840,135	--	--	--	--	443,855	10,283,990
Grants	--	--	135,095	36,204	--	359,725	531,024
Loans	--	--	1,663,304	2,095,165	--	425,630	4,184,099
Accrued interest	16,114	--	--	--	--	5,146	21,260
Due from:							
Other funds	3,637,202	--	--	--	--	1,546,403	5,183,605
Component units	17,779	--	--	--	--	25,856	43,635
Prepaid items	836,611	--	--	--	--	4,434	841,045
Restricted cash	319,439	--	--	--	--	4,357,203	4,676,642
Total assets	98,590,754	29,287	1,804,794	2,168,802	18,402,323	28,613,958	149,609,918
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 98,590,754	\$ 29,287	\$ 1,804,794	\$ 2,168,802	\$ 18,402,323	\$ 28,613,958	\$ 149,609,918
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,135,531	\$ --	\$ 60,888	\$ 633	\$ --	\$ 1,885,215	\$ 3,082,267
Payroll payable	1,145,836	--	--	--	--	--	1,145,836
Live on the Levee Charity Raffle	--	--	--	--	--	50	50
Other accrued expenditures	130,042	--	--	--	--	--	130,042
Reserve for future insurance claims	1,178,817	--	--	--	--	--	1,178,817
Due to:							
Component unit	185,949	--	--	--	--	--	185,949
Other funds	4,579,092	--	80,246	35,389	--	380,561	5,075,288
Other governments	36,446	--	--	--	--	--	36,446
Unearned revenue	--	--	--	--	--	--	--
Grant advances	--	--	1,663,304	2,132,780	18,400,679	171,669	22,368,432
Customer prepaid fees	85,294	--	--	--	--	--	85,294
Total liabilities	8,477,007	--	1,804,438	2,168,802	18,400,679	2,437,495	33,288,421
Deferred Inflows:							
Taxes	805,071	--	--	--	--	--	805,071
Total deferred inflows of resources	805,071	--	--	--	--	--	805,071
Total liabilities and deferred inflows of resources	9,282,078	--	1,804,438	2,168,802	18,400,679	2,437,495	34,093,492
Fund balances:							
Nonspendable	836,611	--	--	--	--	1,220,019	2,056,630
Restricted	1,321,575	29,287	356	--	1,644	13,997,369	15,350,231
Committed	40,465,431	--	--	--	--	10,959,075	51,424,506
Assigned	--	--	--	--	--	--	--
Unassigned	46,685,059	--	--	--	--	--	46,685,059
Total fund balances	89,308,676	29,287	356	--	1,644	26,176,463	115,516,426
Total liabilities, deferred inflows and fund balances	\$ 98,590,754	\$ 29,287	\$ 1,804,794	\$ 2,168,802	\$ 18,402,323	\$ 28,613,958	\$ 149,609,918

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

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

Total fund balances on the governmental fund's balance sheet	\$	115,516,426
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.).		103,449,309
Net Pension assets used in governmental activities are not financial resources and, therefore not reported in the funds.		2,121,614
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.).		805,071
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.).		
<i>Public Employees Retirement System (PERS):</i>		
Deferred outflows:		
Contributions made after measurement date		1,654,581
Changes between expected and actual experience		833,439
Changes in contributions		4,093
Deferred inflows:		
Changes in contributions		(699,935)
Changes in investment experience		(116,758)
Changes in assumptions		(249,542)
<i>Defined Benefit Plans (DBP):</i>		
Deferred outflows:		
Changes in assumptions		3,037,677
Deferred inflows:		
Changes in actual investment experience		(7,494,755)
Changes in actual investment experience		(1,862,007)
Changes in assumptions		(5,963,391)

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

CITY OF CHARLESTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (Continued)
June 30, 2021

MPFRS	
Deferred outflows:	
Contributions made after measurement date	674,972
Changes in contributions	308,249
Changes in earnings	156,388
Changes in actual investment experience	198,116
Deferred inflows:	
Changes in contributions	(90,007)
Changes in earnings	(106,180)
Changes in assumptions	(39,350)
OPEB	
Deferred outflows:	
Changes in actual investment experience	2,360,571
Changes in assumptions	48,739,545
Deferred inflows:	
Changes in actual investment experience	(49,363,083)
Changes in assumptions	(2,466,375)
OPEB - PEIA	
Deferred outflows:	
Contributions made after measurement date	1,154,880
Changes in earnings	3,055
Changes in proportionate share	6,475
Deferred inflows:	
Changes in assumptions	(62,825)
Changes in earnings	(942)
Changes in expected and actual experience	(18,046)
Changes in reallocation of proportionate share	(10,046)
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	(6,836,499)
Compensated absences	(1,357,449)
Net pension liability - PERS	(5,663,504)
Net pension liability - Police & Fire	(399,643,336)
Bonds payable	(74,793,000)
Accrued interest payable	(24,321)
Claims & judgements	(3,807,187)
Other post employment benefits	(332,597,058)
Other post employment benefits - PEIA	(27,833)
	<hr/>
Net position of governmental activities	\$ <u><u>(610,473,923)</u></u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	General	Coal Severance Tax	Community Development	HOME	American Rescue Plan Act 2021	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem property taxes	\$ 16,841,612	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 16,841,612
Business & occupation tax	45,065,926	--	--	--	--	--	45,065,926
Alcoholic beverages tax	1,034,916	--	--	--	--	--	1,034,916
Utility services tax	2,711,349	--	--	--	--	--	2,711,349
Hotel occupancy tax	1,873,649	--	--	--	--	--	1,873,649
Animal tax	5,219	--	--	--	--	--	5,219
Gas and oil severance tax	82,054	--	--	--	--	--	82,054
Amusement tax	34,325	--	--	--	--	--	34,325
City sales tax	16,354,605	--	--	--	--	--	16,354,605
Coal severance tax	--	96,810	--	--	--	--	96,810
Licenses and permits	1,460,519	--	--	--	--	--	1,460,519
Intergovernmental:							
Federal	11,658,212	--	1,829,042	644,505	--	1,364,298	15,496,057
State	3,983,984	--	--	--	--	479,664	4,463,648
Local	--	--	--	--	--	50,000	50,000
Charges for services	15,408,915	--	--	--	--	4,109,734	19,518,649
Fines and forfeits	--	--	--	--	--	679,591	679,591
Interest and investment earnings	178,584	--	--	--	1,644	915,468	1,095,696
Payments in lieu of taxes	96,454	--	--	--	--	--	96,454
IRP fees	810,108	--	--	--	--	--	810,108
Contributions and donations	108,848	--	--	--	--	248,063	356,911
Miscellaneous	1,489,229	--	39,420	--	--	69,601	1,598,250
Total revenues	119,198,508	96,810	1,868,462	644,505	1,644	7,916,419	129,726,348
EXPENDITURES							
Current:							
General government	18,788,617	--	--	--	--	144,461	18,933,078
Public safety	53,804,015	--	--	--	--	1,119,627	54,923,642
Streets and transportation	7,478,349	--	--	--	--	--	7,478,349
Health and sanitation	3,636,054	--	--	--	--	1,158,161	4,794,215
Culture and recreation	4,879,333	--	--	--	--	4,697	4,884,030
Social services	686,827	--	--	--	--	249,267	936,094
Capital projects	5,277,735	--	--	--	--	5,116,849	10,394,584
Economic development	196,515	--	1,868,980	644,505	--	185,095	2,895,095
Debt service:							
Principal	505,000	--	--	--	--	4,280,000	4,785,000
Interest & fiscal charges	60,175	--	--	--	--	3,151,839	3,212,014
Bond issuance costs	5,050	--	--	--	--	256,786	261,836
Total expenditures	95,317,670	--	1,868,980	644,505	--	15,666,782	113,497,937
Excess (deficiency) of revenues over expenditures	23,880,838	96,810	(518)	--	1,644	(7,750,363)	16,228,411
OTHER FINANCING SOURCES (USES)							
Transfers in	34,713,199	--	--	--	--	13,287,380	48,000,579
Transfers (out)	(46,721,612)	(89,982)	--	--	--	(3,650,678)	(50,462,272)
Insurance Proceeds	984,025	--	--	--	--	--	984,025
Proceeds from sale of assets	293,801	--	--	--	--	25,000	318,801
Proceeds from refunding of bonds	994,500	--	--	--	--	42,762,000	43,756,500
Other financing - debt service - principal	--	--	--	--	--	(42,675,000)	(42,675,000)
Total other financing sources (uses)	(9,736,087)	(89,982)	--	--	--	9,748,702	(77,367)
SPECIAL ITEM							
Settlement	1,067,547	--	--	--	--	--	1,067,547
Net change in fund balances	15,212,298	6,828	(518)	--	1,644	1,998,339	17,218,591
Fund balances - beginning (restated) Note III.K.	74,096,378	22,459	874	--	--	24,178,124	98,297,835
Fund balances - ending	\$ 89,308,676	\$ 29,287	\$ 356	\$ --	\$ 1,644	\$ 26,176,463	\$ 115,516,426

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, 2021

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

Net change in fund balances - total governmental funds	\$	17,218,591
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 and constructed during the fiscal year (Note III.C.).		7,593,433
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.).		(8,053,996)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold (Note III.C.).		(1,431)
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.).		28,596
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		1,654,581
Amount of pension expenses recognized at government-wide level - deferred outflows		710,946
Amount of pension expenses recognized at government-wide level - deferred inflows		1,079,577
<i>Defined Benefit Plans (DBP):</i>		
Amount of pension expenses recognized at government-wide level - deferred outflows		(20,020,937)
Amount of pension expenses recognized at government-wide level - deferred inflows		(15,224,075)
<i>Municipal Police Officer and Firefighter Retirement System (MPFRS):</i>		
Contributions made after measurement date		674,972
Amount of pension expenses recognized at government-wide level - deferred outflows		(364,747)
Amount of pension expenses recognized at government-wide level - deferred inflows		(104,901)
<i>Other Post Employment Benefits (OPEB):</i>		
Amount of OPEB expenses recognized at government-wide level - deferred outflows		12,696,767
Amount of OPEB expenses recognized at government-wide level - deferred inflows		(20,144,990)
<i>Other Post Employment Benefits (OPEB) - PEIA:</i>		
Contributions made after measurement date		1,154,880
Amount of OPEB expenses recognized at government-wide level - deferred outflows		(3,208)
Amount of OPEB expenses recognized at government-wide level - deferred inflows		(39,416)

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, 2021

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	(42,762,000)
Bond principle payments	46,955,000
Lease proceeds	(994,500)
Lease principle payments	3,162,648
Net pension liability - PERS	(2,951,593)
Net pension liability - DBP	16,304,400
Net pension asset - MPFRS	431,483
Claims and judgements	40,078
Other post employment benefits	(4,791,719)
Other post employment benefits - PEIA	70,252
Interest payable	10,451

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.

	205,442
Change in net position of governmental activities	\$ (5,465,416)

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, 2021

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 16,500,000	\$ 16,500,000	\$ 16,841,612	\$ (29)	\$ 16,841,583	\$ 341,583
Business & occupation	44,000,000	38,594,876	45,065,926	(2,441,681)	42,624,245	4,029,369
Utility	2,700,000	2,700,000	2,711,349	--	2,711,349	11,349
Hotel motel	3,150,000	1,500,000	1,873,649	--	1,873,649	373,649
City sales tax	--	--	16,354,605	(16,354,605)	--	--
Alcoholic beverages	1,025,000	1,025,000	1,034,916	--	1,034,916	9,916
Amusement	150,000	75,000	34,325	--	34,325	(40,675)
Animal	6,000	6,000	5,219	--	5,219	(781)
Gas & oil severance	125,000	125,000	82,054	--	82,054	(42,946)
Licenses and permits (includes IRP fees)	2,142,000	2,117,000	2,270,627	--	2,270,627	153,627
Charges for services	16,904,600	15,289,600	15,408,915	--	15,408,915	119,315
Intergovernmental:						
Federal	100,000	12,100,000	11,658,212	--	11,658,212	(441,788)
State	--	31,500	3,983,984	(3,871,059)	112,925	--
Interest and investment earnings	150,000	15,000	178,584	(151,285)	27,299	--
Payments in lieu of taxes	90,000	90,000	96,454	--	96,454	6,454
Contributions and donations	240,000	263,000	108,848	--	108,848	(154,152)
Miscellaneous	1,395,000	2,527,547	1,489,229	--	1,489,229	(1,038,318)
Total revenues	\$ 88,677,600	\$ 92,959,523	\$ 119,198,508	\$ (22,818,659)	\$ 96,379,849	\$ 3,326,602
EXPENDITURES						
General government:						
Mayor's office	\$ 1,041,982	\$ 1,096,982	\$ 915,987	\$ (17,624)	\$ 898,363	\$ 198,619
City Council	412,945	420,445	354,371	--	354,371	66,074
City Manager	2,067,335	2,106,835	1,881,892	(35,247)	1,846,645	260,190
City Treasurer	187,800	187,800	201,602	(35,247)	166,355	21,445
City Collector	1,153,134	1,153,134	1,010,151	(105,742)	904,409	248,725
City Clerk	180,436	180,436	175,387	--	175,387	5,049
Municipal Court	469,888	469,888	473,792	(35,247)	438,545	31,343
City Attorney	1,104,891	2,594,891	2,460,527	--	2,460,527	134,364
City Auditor	490,286	490,286	506,971	(35,247)	471,724	18,562
Engineering	902,838	902,838	835,585	(35,247)	800,338	102,500
MOECD	546,244	546,244	526,483	(17,624)	508,859	37,385
Human Resources	665,955	665,955	585,459	(17,624)	567,835	98,120
Contributions to Main Street Program	75,000	75,000	75,000	--	75,000	--
Regional Intergovernmental Council	20,500	20,500	20,099	--	20,099	401
Mail room	183,177	183,177	235,317	(52,871)	182,446	731
Building commission	1,255,873	2,263,470	2,126,553	(17,624)	2,108,929	154,541
Planning	581,369	581,369	575,496	(35,247)	540,249	41,120
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, 2021

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Information systems	\$ 1,679,691	\$ 2,179,691	\$ 1,558,104	\$ (35,247)	\$ 1,522,857	\$ 656,834
Building maintenance	1,249,263	1,249,263	986,395	(35,247)	951,148	298,115
Regular Retiree Health Benefits & COBRA	1,725,677	2,625,677	5,902	2,343,946	2,349,848	275,829
Constituent Services	176,248	176,248	120,969	--	120,969	55,279
Morris Square	376,945	376,945	248,527	--	248,527	128,418
Employee health clinic	1,000,000	1,000,000	1,057,039	--	1,057,039	(57,039)
Public works	382,036	382,036	387,357	(35,247)	352,110	29,926
Public grounds	1,489,311	1,497,311	1,463,652	(123,366)	1,340,286	157,025
Contingency	375,000	252,500	--	--	--	252,500
Total general government	19,793,824	23,678,921	18,788,617	1,674,248	20,462,865	3,216,056
Public safety:						
Police	24,458,914	25,694,411	26,210,821	(2,013,505)	24,197,316	1,497,095
Fire	25,079,877	24,931,373	26,069,966	(2,016,167)	24,053,799	877,574
Traffic engineering	1,415,651	1,415,651	1,491,024	(105,742)	1,385,282	30,369
C-K emergency services	116,676	116,676	32,204	(17,624)	14,580	102,096
Total public safety	51,071,118	52,158,111	53,804,015	(4,153,038)	49,650,977	2,507,134
Streets and transportation:						
Streets and transportation	4,274,543	4,176,248	4,380,161	(599,204)	3,780,957	395,291
Equipment maintenance	3,170,614	3,170,614	3,098,188	(264,355)	2,833,833	336,781
Total streets and transportation	7,445,157	7,346,862	7,478,349	(863,559)	6,614,790	732,072
Health and sanitation:						
Refuse collection & recycling	3,294,097	3,559,097	3,536,054	(299,602)	3,236,452	322,645
Kanawha-Charleston health department	100,000	100,000	100,000	--	100,000	--
Total health and sanitation	3,394,097	3,659,097	3,636,054	(299,602)	3,336,452	322,645
Culture and recreation:						
Parks and recreation	2,845,927	2,845,927	2,210,004	(158,637)	2,051,367	794,560
Convention and visitor's bureau	1,575,000	750,000	929,586	--	929,586	(179,586)
Cultural/fairs/festivals	274,000	274,000	185,590	--	185,590	88,410
Festival Fund for the Arts	220,744	220,744	181,281	--	181,281	39,463
Municipal auditorium	260,925	260,925	112,706	--	112,706	148,219
Charleston Area Alliance	100,000	100,000	100,000	--	100,000	--
Library	956,202	956,202	956,202	--	956,202	--
Appalachian Power Park	405,000	405,000	203,964	--	203,964	201,036
Total culture and recreation	6,637,798	5,812,798	4,879,333	(158,637)	4,720,696	1,092,102
Social services:						
Spring hill cemetery	692,978	702,978	669,203	(52,871)	616,332	86,646
Human rights	--	--	17,624	(17,624)	--	--
Total social services	692,978	702,978	686,827	(70,495)	616,332	86,646

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, 2021

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Economic Development:						
Wayfinding commission	\$ --	\$ --	\$ 196,515	\$ (196,515)	\$ --	\$ --
Total economic development	<u>--</u>	<u>--</u>	<u>196,515</u>	<u>(196,515)</u>	<u>--</u>	<u>--</u>
Capital projects:						
General government	518,784	947,365	391,913	--	391,913	555,452
Public safety	1,700,779	1,122,746	2,511,338	--	2,511,338	(1,388,592)
Streets and transportation	1,283,466	1,798,268	1,675,947	--	1,675,947	122,321
Health and sanitation	657,510	657,510	518,121	--	518,121	139,389
Culture and recreation	82,669	107,669	97,029	--	97,029	10,640
Social services	86,995	86,995	83,387	--	83,387	3,608
Total capital projects	<u>4,330,203</u>	<u>4,720,553</u>	<u>5,277,735</u>	<u>--</u>	<u>5,277,735</u>	<u>(557,182)</u>
Debt service:						
Principal	505,000	505,000	505,000	--	505,000	--
Interest	60,175	60,175	60,175	--	60,175	--
Bond Service Charges	1,750	1,750	5,050	(3,300)	1,750	--
Total debt service	<u>566,925</u>	<u>566,925</u>	<u>570,225</u>	<u>(3,300)</u>	<u>566,925</u>	<u>--</u>
Total expenditures	\$ <u>93,932,100</u>	\$ <u>98,646,245</u>	\$ <u>95,317,670</u>	\$ <u>(4,070,898)</u>	\$ <u>91,246,772</u>	\$ <u>7,399,473</u>
Excess of revenues over (under) expenditures	<u>(5,254,500)</u>	<u>(5,686,722)</u>	<u>23,880,838</u>	<u>(18,747,761)</u>	<u>5,133,077</u>	<u>10,819,799</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 8,930,000	\$ 8,468,000	\$ 34,713,199	\$ (26,255,918)	\$ 8,457,281	\$ (10,719)
Transfers out	(5,470,000)	(24,862,547)	(46,721,612)	21,241,142	(25,480,470)	(617,923)
Capital lease proceeds	994,500	994,500	994,500	--	994,500	--
Sale of capital assets	250,000	250,000	293,801	--	293,801	43,801
Insurance Proceeds	50,000	940,000	984,025	--	984,025	44,025
Total other financing sources (uses)	<u>4,754,500</u>	<u>(14,210,047)</u>	<u>(9,736,087)</u>	<u>(5,014,776)</u>	<u>(14,750,863)</u>	<u>(540,816)</u>
SPECIAL ITEM						
Settlement	--	--	1,067,547	--	1,067,547	1,067,547
Net change in fund balance	(500,000)	(19,896,769)	15,212,298	(23,762,537)	(8,550,239)	11,346,530
Fund balance-beginning (Restated Note III.K.)	<u>500,000</u>	<u>19,896,769</u>	<u>74,096,378</u>	<u>(54,199,609)</u>	<u>19,896,769</u>	<u>--</u>
Fund balance-ending	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>89,308,676</u></u>	\$ <u><u>(77,962,146)</u></u>	\$ <u><u>11,346,530</u></u>	\$ <u><u>11,346,530</u></u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Coal severance tax	\$ 100,000	\$ 100,000	\$ 96,810	\$ (3,190)
Interest earnings	<u>25</u>	<u>25</u>	<u>--</u>	<u>(25)</u>
Total revenues	<u>100,025</u>	<u>100,025</u>	<u>96,810</u>	<u>(3,215)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(140,025)</u>	<u>(122,484)</u>	<u>(89,982)</u>	<u>32,502</u>
Total other financing sources (uses)	<u>(140,025)</u>	<u>(122,484)</u>	<u>(89,982)</u>	<u>32,502</u>
Net change in fund balance	(40,000)	(22,459)	6,828	29,287
Fund balance - beginning	<u>40,000</u>	<u>22,459</u>	<u>22,459</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 29,287</u>	<u>\$ 29,287</u>

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, 2021

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current:			
Cash and cash equivalents	\$ 155,665	\$ 4,703,106	\$ 4,858,771
Investments	381,924	--	381,924
Receivables:			
Accounts	264,326	117,382	381,708
Due from:			
Other funds	82,442	--	82,442
Restricted:			
TIF district	426,757	--	426,757
Regular account	--	2,815,938	2,815,938
Ticket & Promotions	2,125,162	--	2,125,162
Customer deposits	182,652	--	182,652
Prepaid items	203,885	45,105	248,990
Total current assets	3,822,813	7,681,531	11,504,344
Capital assets:			
Nondepreciable:			
Land	300,000	4,066,447	4,366,447
Depreciable:			
Buildings & Improvements	126,631,828	24,380,710	151,012,538
Machinery and equipment	1,744,423	1,696,153	3,440,576
Less: accumulated depreciation	(28,382,154)	(21,555,024)	(49,937,178)
Total capital assets (net of accumulated depreciation)	100,294,097	8,588,286	108,882,383
Total noncurrent assets	100,294,097	8,588,286	108,882,383
Total assets	104,116,910	16,269,817	120,386,727
DEFERRED OUTFLOWS			
OPEB Changes between expected and actual experience	46,635	31,260	77,895
OPEB Changes in assumptions	962,882	645,447	1,608,329
Loss on refunding of debt	65,527	--	65,527
Total deferred outflows of resources	1,075,044	676,707	1,751,751
Total assets and deferred outflows of resources	105,191,954	16,946,524	122,138,478

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, 2021

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
LIABILITIES			
Current liabilities payable from current assets:			
Accounts payable	240,129	27,516	267,645
Insurance claims payable	--	186	186
Payroll payable	21,942	24,839	46,781
Other accrued expenses	404	3,455	3,859
Customer deposits	44,674	--	44,674
Accrued revenue bond/note interest payable	17,678	--	17,678
Due to:			
Component unit	14,665	--	14,665
Other funds	120,571	27,455	148,026
Other governments	--	652	652
Bonds payable	570,000	--	570,000
 Total current liabilities payable from current assets	 1,030,063	 84,103	 1,114,166
Noncurrent liabilities			
Bonds payable	1,610,719	--	1,610,719
Compensated absences payable	44,586	31,313	75,899
Other postemployment benefits payable	6,576,550	4,408,898	10,985,448
 Total noncurrent liabilities	 8,231,855	 4,440,211	 12,672,066
 Total liabilities	 9,261,918	 4,524,314	 13,786,232
DEFERRED INFLOWS			
OPEB changes in assumptions	48,725	32,662	81,387
OPEB changes between expected and actual experience	975,200	653,704	1,628,904
Deferred revenue	300	8,127	8,427
 Total deferred inflows of resources	 1,024,225	 694,493	 1,718,718
 Total liabilities and deferred inflows of resources	 10,286,143	 5,218,807	 15,504,950
NET POSITION			
Net investment in capital assets	98,178,905	8,588,286	106,767,191
Restricted for debt service	381,924	2,815,938	3,197,862
Restricted for customer deposits	182,652	--	182,652
Restricted for TIF district	426,757	--	426,757
Restricted for tickets & promotions	2,125,162	--	2,125,162
Unrestricted	(6,389,589)	323,493	(6,066,096)
 Total net position	 \$ 94,905,811	 \$ 11,727,717	 \$ 106,633,528

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, 2021

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Operating revenues:			
Sales and services to customers	\$ 2,812,998	\$ 2,190,689	\$ 5,003,687
Rental fees	469,740	98,610	568,350
Miscellaneous	3,010	2,628	5,638
Total revenues	<u>3,285,748</u>	<u>2,291,927</u>	<u>5,577,675</u>
Operating expenses:			
Personal services	1,184,525	1,067,109	2,251,634
Contractual services	3,889,769	573,488	4,463,257
Materials and supplies	77,961	55,605	133,566
Depreciation	4,711,056	671,784	5,382,840
Total operating expenses	<u>9,863,311</u>	<u>2,367,986</u>	<u>12,231,297</u>
Operating (loss)	<u>(6,577,563)</u>	<u>(76,059)</u>	<u>(6,653,622)</u>
Nonoperating revenues (expenses):			
Interest revenue	743	7,222	7,965
TIF property taxes	232,171	--	232,171
Interest & fiscal charges	(140,618)	--	(140,618)
Total nonoperating revenues (expenses)	<u>92,296</u>	<u>7,222</u>	<u>99,518</u>
Income (loss) before operating transfers and contributions	<u>(6,485,267)</u>	<u>(68,837)</u>	<u>(6,554,104)</u>
Capital contributions - energy rebates	8,498	--	8,498
Federal grants	500,000	--	500,000
Transfers in	2,957,235	--	2,957,235
Transfers(out)	(495,542)	--	(495,542)
Change in net position	(3,515,076)	(68,837)	(3,583,913)
Net position at beginning of year (restated Note III.K.)	<u>98,420,887</u>	<u>11,796,554</u>	<u>110,217,441</u>
Net position at end of year	<u>\$ 94,905,811</u>	<u>\$ 11,727,717</u>	<u>\$ 106,633,528</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, 2021

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 3,115,845	\$ 2,313,632	\$ 5,429,477
Cash paid for goods and services	(3,800,408)	(654,452)	(4,454,860)
Cash paid for interfund services	(20,269)	8,698	(11,571)
Cash paid to employees	(982,422)	(907,935)	(1,890,357)
Net cash provided (used) by operating activities	(1,687,254)	759,943	(927,311)
Cash flows from noncapital financing activities:			
Transfers in	2,957,235	--	2,957,235
Transfers (out)	(495,542)	--	(495,542)
Net cash provided by noncapital financing activities	2,461,693	--	2,461,693
Cash flows from capital and related financing activities:			
Purchases of capital assets	(13,264)	(970)	(14,234)
Acquisition and construction of capital assets	--	--	--
Principal paid on capital debt	(550,000)	--	(550,000)
Proceeds from the sales of capital assets	--	--	--
Interest paid on capital debt	(115,252)	--	(115,252)
TIF district property taxes	232,171	--	232,171
Capital contributions - federal grants	500,000	--	500,000
Capital contributions - energy rebates	8,497	--	8,497
Net cash provided (used) by capital and related financing activities	62,152	(970)	61,182
Cash flows from investing activities:			
Interest received	743	7,222	7,965
Net cash provided by investing activities	743	7,222	7,965
Net increase in cash and cash equivalents	837,334	766,195	1,603,529
Cash and cash equivalents, July 1, 2020 (including \$1,942,481 and \$2,335,536 and in restricted accounts)	2,252,174	6,752,849	9,005,023
Cash and cash equivalents, June 30, 2021 (including \$2,933,843 and \$2,815,938 and in restricted accounts)	\$ 3,089,508	\$ 7,519,044	\$ 10,608,552

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, 2021

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating (loss)	\$ (6,577,563)	\$ (76,059)	\$ (6,653,622)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	4,711,056	671,784	5,382,840
Decrease (increase) in prepaid items	(3,931)	(6,370)	(10,301)
Decrease (increase) in accounts receivable	(237,140)	30,206	(206,934)
Decrease (increase) in due from other funds	(80,615)	--	(80,615)
Increase (decrease) in due to other funds	60,346	8,698	69,044
Increase (decrease) in insurance payable	(34,515)	(3,073)	(37,588)
Decrease (increase) in restricted deposits	44,706	--	44,706
Increase (decrease) in unearned revenue	(3,200)	(8,501)	(11,701)
Increase (decrease) in customer deposits	25,734	--	25,734
Increase (decrease) in accounts payable	161,327	(19,063)	142,264
Decrease (increase) in deferred outflows	(250,834)	(168,141)	(418,975)
Increase (decrease) in deferred inflows	397,977	266,775	664,752
Increase (decrease) in other postemployment benefits payable	100,541	67,847	168,388
Increase (decrease) in payroll payable	(5,293)	5,356	63
Increase (decrease) in other accrued expenses	(1,098)	--	(1,098)
Increase (decrease) in due to component unit & other entities	11,022	74	11,096
Increase (decrease) in compensated absences	(5,774)	(9,590)	(15,364)
	<u>\$ (1,687,254)</u>	<u>\$ 759,943</u>	<u>\$ (927,311)</u>
Net cash provided (used) by operations	<u>\$ (1,687,254)</u>	<u>\$ 759,943</u>	<u>\$ (927,311)</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.

Custodial 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 Custodial Fund descriptions and financial statements begin on page 151.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

	Pension Trust Funds	Custodial Funds
ASSETS		
Non-pooled cash	\$ 7,640,848	\$ 1,181,958
Total cash	7,640,848	1,181,958
Investments, at fair value:		
Federal government securities	1,956,200	--
Collateralized mortgage obligations	2,331,590	--
Common stock	11,406,577	--
Managed bond funds	12,457,372	--
Exchange traded product	28,908,456	--
Total investments	57,060,195	--
Receivables:		
Interest	67,869	--
Accounts receivable	--	39,749
Total receivables	67,869	39,749
Total assets	64,768,912	1,221,707
DEFERRED OUTFLOWS		
Total deferred outflows of resources	--	--
LIABILITIES		
Refunds payable and other	732,260	7,963
Due to: other funds	--	42,733
Total liabilities	732,260	50,696
DEFERRED INFLOWS		
Total deferred inflows of resources	--	--
NET POSITION		
Net position restricted for pension benefits	64,036,652	--
Net position held for others	--	1,171,011
Total net position	\$ 64,036,652	\$ 1,171,011

(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, 2021

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Employer	\$ 8,931,487	\$ --
Plan members	1,014,573	--
Insurance premium surtax	3,871,059	--
Additional transfers in	4,820,441	--
Fines & forfeits	--	731,029
	<u>18,637,560</u>	<u>731,029</u>
Investment income:		
Net increase (decrease) in fair value of investments	11,523,015	--
Interest and dividends	881,535	1,100
Less: investment expense	<u>(257,405)</u>	<u>--</u>
Net investment income	<u>12,147,145</u>	<u>1,100</u>
Total additions	<u>30,784,705</u>	<u>732,129</u>
DEDUCTIONS		
Benefits	16,377,187	--
Administrative expenses	21,603	--
Public safety	--	538,332
	<u>16,398,790</u>	<u>538,332</u>
Change in net position	14,385,915	193,797
Net position restricted for pension benefits:		
Beginning of year (restated)	<u>49,650,737</u>	<u>977,214</u>
End of year	<u>\$ 64,036,652</u>	<u>\$ 1,171,011</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, 2021

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 (the 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
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The City of Charleston Urban Renewal Authority (the 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, 2021

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 or fund balance 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 or fund balance 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, 2021

The American Rescue Plan Act Fund was established to account for federal grant money received from the American Rescue Plan Act of 2021.

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 Fiduciary 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 Custodial Fund account for assets held by the City of Charleston, West Virginia for others in a custodial capacity. The Pending Forfeiture 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.

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 Fund Balance

1. Deposits and Investments

The City of Charleston, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of less than three months from the date of acquisition.

For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity. In accordance with 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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."

Trade Receivables

All trade receivables are shown at their net realizable value, which includes reductions for estimated portions that are expected to be uncollectible.

CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2021

Property Tax Receivable

The property tax receivable is equal to 75 percent of the property taxes outstanding at June 30, 2021.

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, 2021, 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	\$ -	11.40 cents	5.03 cents	11.4 cents
Class II	\$1,307,366,982	22.80 cents	10.06 cents	22.8 cents
Class IV	\$1,993,196,036	45.60 cents	20.12 cents	45.6 cents

The City of Charleston, West Virginia held an election on May 8, 2018. The City was authorized to lay an excess levy to provide approximately \$4,930,900 annually for four fiscal years beginning July 1, 2019 (fiscal year end June 30, 2020) through July 1, 2022 (fiscal year end June 30, 2023) 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, 2021

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:

Assets	Years
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.

6. Long-term Obligations

In the government-wide financial statements, and proprietary funds 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 \$2,056,630 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 \$15,350,231 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 \$51,424,506 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 no 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 \$46,685,059 of unassigned fund balance at fiscal yearend.

The City Council is the government's highest level of decision-making authority. City of Charleston, WV Code of Ordinances provides that all the corporate power of the City shall be vested in and exercised by 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 \$20,561,375.

9. Newly Issued Accounting Pronouncements

The Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities, effective for fiscal years beginning after December 31, 2020. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The City of Charleston has implemented GASB 84 as of June 30, 2021.

The Governmental Accounting Standards Board has also issued Statement No. 87, Leases, effective for fiscal years beginning after June 15, 2021. The requirements of this Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The City of Charleston has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, effective for fiscal years beginning after December 31, 2021. The requirements of this Statement will enhance the relevance and comparability about capital assets and the cost of borrowing for a reporting period and will simplify accounting for interest cost incurred before the end of a construction period. The City of Charleston has not yet determined the effect that the adoption of GASB Statement No. 89 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 90, Majority Equity Interest – an amendment to GASB Statements No. 14 and No. 16., effective for fiscal years beginning after December 31, 2020. The requirements of this Statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statements for certain component units. The City of Charleston has determined that there is no material effect of the adoption of GASB Statement No. 90.

The Governmental Accounting Standards Board has also issued Statement No. 91, Conduit Debt Obligations., effective for fiscal years beginning after December 31, 2022. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The City of Charleston has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

CITY OF CHARLESTON, WEST VIRGINIA
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The Governmental Accounting Standards Board has also issued Statement No. 92, Omnibus 2020, which is effective for fiscal years beginning after June 15, 2021. The requirements of this Statement address a variety of items, including specific provisions regarding the following topics: (1) GASB Statement No. 87 Implementation; (2) intra-entity transfers of assets; (3) postemployment benefits; (4) government acquisitions; (5) risk financing and insurance related activities of public entity risk pools; (6) fair value measurements and derivative instruments. The City has not yet determined the effect that the adoption of GASB Statement No. 92 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 93, Replacement of Interbank Offered Rates. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. This Statement removes LIBOR as an appropriate benchmark to coincide with its cessation at the end of calendar year 2021. The new guidance also addresses accounting and financial reporting implications that result from a change or replacement of any interbank offered rate (IBOR) in both hedging derivative instruments and leases. The standard also identifies appropriate benchmark interest rates for hedging derivatives. The City has not yet determined the effect that the adoption of GASB Statement No. 93 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish the definitions of Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions, but are outside of the scope of Lease or Service Concession Arrangement Guidance. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will require governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The City has not yet determined the effect that the adoption of GASB Statement No. 94 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 96, Subscription-Based Information Technology Arrangements, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish a definition for Subscription-Based Information Technology Arrangements (SBITA) which is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Generally, this statement will require a government to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The statement also establishes guidance for the treatment of costs related to SBITA activities other than subscription payments. Those activities are: Preliminary Project Stage, Initial Implementation Stage, and Operation and Additional Implementation Stage. This Statement also requires a government to disclose essential information about the arrangement such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability. The City has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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The Governmental Accounting Standards Board has also issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32., parts of which were effective immediately, while other provisions are effective for reporting periods beginning after June 15, 2021. The provisions that were immediately effective required that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan that the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform and (2) limits the applicability of the financial burden criterion in GASB Statement No. 84 to defined benefit pension plans and defined OPEB plans administered through trusts. This Statement also requires that an IRC Section 457 Plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that arrangements under IRC Section 457 should be assessed as a potential fiduciary activity under GASB Statement No. 84. As part of the supersession of GASB Statement No. 32, this statement also requires that investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances. The portion of GASB Statement No. 97 that was effective immediately had no material impact on the financial statements. The City has not yet determined the effect that the adoption of the remaining portions of GASB Statement No. 97 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 98, The Annual Comprehensive Financial Report., effective for fiscal years beginning after December 31, 2021. The primary objective of this statement is to establish the term *Annual Comprehensive Financial Report* and its acronym *ACFR*. The City of Charleston has implemented this pronouncement as of June 30, 2021, and there is no material effect to the financial statements.

The Governmental Accounting Standards Board has also issued Implementation Guide N0. 2018-1, Implementation Guidance Update – 2018, GASB Implementation Guide No. 2019-1, Implementation Guidance Update-2019, Implementation Guide No. 2019-2, Fiduciary Activities and GASB No. 2019-3, Leases. The purpose of these implementation guides is to provide guidance that clarifies, explains, or elaborates on the related GASB Statements. The requirements of these Implementation Guides will take effect for financial statements starting with the fiscal year that ends June 30, 2020, June 30,2021, and June 30,2022, respectively. The City of Charleston has not yet determined the effects that the adoption of the above-mentioned implementation guides will have on its financial statements.

CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2021

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, or other 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.

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
\$	3,885,097	General Government Expenditure Increase
	1,086,993	Public Safety Expenditure Increase
	(98,295)	Streets and Transportation Decrease
	265,000	Health and Sanitation Increase
	(825,000)	Culture and Recreation Decrease
	10,000	Social Services Increase
	390,350	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.

CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2021

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		
Basis of Accounting Difference	\$ 15,212,298	\$ 89,308,676
GAAP Basis	(23,762,537)	(77,962,146)
	\$ (8,550,239)	\$ 11,346,530

Intergovernmental revenues - state and public safety expenditures both decreased by \$3,871,059 per budget basis for the pension allocation from the State of West Virginia.

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

B. Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances are listed below for the General Fund, a major fund. There were no other major or non-major funds with encumbrances at June 30, 2021.

Encumbrance Description	General Fund
Professional Services	\$ 151,462
Contributions to Other Entities	104,664
Comprehensive Plan	64
Stormwater Project	4,314
Culture & Recreation	88,410
Police Department	25,775
Fire Department	146,621
	\$ 521,310

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		Standard & Poor's and Fitch	Moody's Investment Services
WV Municipal Bond Commission, at amortized cost	\$ 381,924	Not Rated	Not Rated
WV Short Term Bond Pool	23,740,545	Not Rated	Not Rated
WV Money Market Pool	19,931,227	Not Rated	Not Rated
	<u>44,053,696</u>		
US Treasury N/B 2%	102,918		
US Treasury N/B 1.5%	101,559		
	<u>204,477</u>		
Common Stock	302,683	Not Rated	Not Rated
Mutual Funds	1,866,766	Not Rated	Not Rated
Certificates of Deposit	408,202		
Total Unrated Securities	<u>2,577,651</u>		
Total Primary Government	<u><u>\$ 46,835,824</u></u>		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Policemen's Pension and Relief			
U.S. Government Agency Securities			
Federal Farm Cr Bks Bonds	\$ 484,130		
Federal Home Loan Ba SER IW-2031	493,970		
Corporate Bonds			
Caterpillar Fin Svcs	100,421	A	A2
Boeing Co	251,575	BBB-	Baa2
Ebay Inc	101,727	BBB+	Baa1
Keybank National Association	102,325	A-	A3
Waste Mgmt Inc	102,407	A-	Baa1
Amazon	102,767	AA	A1
Johnson & Johnson	102,544	AAA	Aaa
Express Scripts	104,522	A-	Not Rated
Kellog Co	105,036	BBB	Baa2
Barclays Bank PLC Ser A Mtn	393,348	A	A1
Ford Motor Credit	497,595	BB+	Ba2
Goodyear Tire & Rubr Co	559,515	BB-	B2
Canadian Imp Bank	242,402	BBB+	A2
Wells Fargo & Co	248,152	BBB+	A2
Marriott Intl Inc	106,221	BBB-	Baa3
United Rentals	258,697	BB	Ba2
3M Co	105,698	A+	A1
JP Morgan Chase	489,855	A-	A2
Conagra Brands	244,105	BBB-	Baa3
Masco Corp	244,300	BBB	Baa2
Goldman Sachs Group	492,790	BBB+	A2
Goldman Sachs Group	481,635	BBB+	A2
Morgan Stanley	244,273	BBB+	A1
Citigroup Inc	496,165	BBB+	A3
Total Rated Securities	<u>7,156,175</u>		
Common Stock	5,909,453		
Exchange Traded Products	14,975,694		
Certificates of Deposit	1,220,169		
Total Unrated Securities	<u>22,105,316</u>		
Total Policemen's Pension and Relief	<u>\$ 29,261,491</u>		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Firemen's Pension and Relief			
U.S. Government Agency Securities			
Federal Farm Cr Bks Bonds	\$ 484,130		
Federal Home Loan Ba SER IW-2031	493,970		
Corporate Bonds			
Caterpillar Fin Svcs	100,421	A	A2
Boeing Co	251,575	BBB-	Baa2
Ebay Inc	101,727	BBB+	Baa1
Keybank National Association	102,325	A-	A3
Waste Mgmt Inc	102,407	A-	Baa1
Amazon	102,767	AA	A1
Johnson & Johnson	102,544	AAA	Aaa
Express Scripts	104,522	A-	Not Rated
Kellog Co	105,036	BBB	Baa2
Barclays Bank PLC Ser A Mtn	393,348	A	A1
Ford Motor Credit	497,595	BB+	Ba2
Goodyear Tire & Rubr Co	559,515	BB-	B2
Canadian Imp Bank	242,402	BB-	A2
Wells Fargo & Co	248,152	BBB+	A2
Marriott Intl Inc	106,221	BBB-	Baa3
United Rentals	258,697	BB	Ba2
3M Co	105,698	A+	A1
JP Morgan Chase	489,855	A-	A2
Conagra Brands	244,105	BBB-	Baa3
Masco Corp	244,300	BBB	Baa2
Goldman Sachs Group	492,790	BBB+	A2
Goldman Sachs Group	481,635	BBB+	A2
Morgan Stanley	244,273	BBB+	A1
Citigroup Inc	496,165	BBB+	A3
JP Morgan Chase	101,222	A-	A2
Total Rated Securities	7,257,397		
Common Stock	5,497,124		
Exchange Traded Products	13,932,762		
Certificates of Deposit	1,111,421		
Total Unrated Securities	20,541,307		
Total Firemen's Pension and Relief	\$ 27,798,704		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 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 has investments in the West Virginia Money Market Pool in the amount of \$19,931,227 and in the West Virginia Short Term Bond Pool of \$23,740,545.

A Fund rated "AAAm" has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. "AAAm" is the highest principal stability fund rating assigned by Standard & Poor's.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool:

External Pool	2021	
	Carrying Value	WAM (Days)
WV Money Market Pool	\$ 19,931,227	52

The following table provides information on the effective duration for the WV Short Term Bond Pool:

External Pool	2021	
	Carrying Value	Effective Duration (Days)
WV Short Term Bond Pool	\$ 23,740,535	638

Other Investment Risks - Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the BTI's Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2021

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a consolidated fund pool or account investment in a single corporate issuer. The BTI's investment policy prohibits these pools and accounts, permitted to hold corporate securities, from investing more than 5% of their assets in any one corporate name or one corporate issue.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City has no securities with foreign currency risk.

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, 2021, 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, 2021, the City's investments had the following maturities.

Security Type	Fair Value	Less than			More than
		1 Year	1-5	6-10	10 Years
Primary Government:					
West Virginia Municipal Bond Commission, at amortized cost	\$ 381,924	\$ -	\$ -	\$ -	\$ -
West Virginia Money Market Pool	19,931,227	-	-	-	-
West Virginia Short-term Bond Pool	23,740,545	-	-	-	-
US Treasury N/B 2%	102,918	-	102,918	-	-
US Treasury N/B 1.5%	101,559	-	101,559	-	-
Common Stock	302,683	302,683	-	-	-
Mutual Funds	1,866,766	1,866,766	-	-	-
Certificates of Deposit	408,202	101,622	306,580	-	-
	<u>\$ 46,835,824</u>	<u>\$ 2,271,071</u>	<u>\$ 511,057</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Policemen's Pension and Relief

	Fair Value	1 Year	1-5	6-10	10 Years
U.S. Government Securities					
Federal Farm Cr Bks Bonds	\$ 484,130	\$ -	\$ -	\$ 484,130	\$ -
Federal Home Loan Ba SER IW-2031	493,970	-	-	493,970	-
Corporate Bonds					
Caterpillar Fin Svcs	100,421	100,421	-	-	-
Boeing Co	251,575	251,575	-	-	-
Ebay Inc	101,727	-	101,727	-	-
Keybank National Association	102,325	-	102,325	-	-
Waste Mgmt Inc	102,407	-	102,407	-	-
Amazon	102,767	-	102,767	-	-
Johnson & Johnson	102,544	-	102,544	-	-
Express Scripts	104,522	-	104,522	-	-
Kellog Co	105,036	-	105,036	-	-
Barclays Bank PLC Ser A Mtn	393,348	-	393,348	-	-
Ford Motor Credit	497,595	-	497,595	-	-
Goodyear Tire & Rubr Co	559,515	-	559,515	-	-
Canadian Imp Bank	242,402	-	242,402	-	-
Wells Fargo & Co	248,152	-	248,152	-	-
Marriott Intl Inc	106,221	-	106,221	-	-
United Rentals	258,697	-	-	258,697	-
3M Co	105,698	-	-	105,698	-
JP Morgan Chase	489,855	-	-	489,855	-
Conagra Brands	244,105	-	-	244,105	-
Masco Corp	244,300	-	-	244,300	-
Goldman Sachs Group	492,790	-	-	492,790	-
Goldman Sachs Group	481,635	-	-	481,635	-
Morgan Stanley	244,273	-	-	244,273	-
Citigroup Inc	496,165	-	-	496,165	-
Exchange Traded Products	14,975,694	14,975,694	-	-	-
Common Stock	5,909,453	5,909,453	-	-	-
Certificates of Deposit	1,220,169	-	462,074	758,095	-
Total Policemen's Pension and Relief	\$ 29,261,491	\$ 21,237,143	\$ 3,230,635	\$ 4,793,713	\$ -

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Firemen's Pension and Relief

	<u>Fair Value</u>	<u>1 Year</u>	<u>1-5</u>	<u>6-10</u>	<u>10 Years</u>
U.S. Government Securities					
Federal Farm Cr Bks Bonds	\$ 484,130	\$ -	\$ -	\$ 484,130	\$ -
Federal Home Loan Ba SER IW-2031	493,970	-	-	493,970	-
Corporate Bonds					
Caterpillar Fin Svcs	100,421	100,421	-	-	-
Boeing Co	251,575	251,575	-	-	-
Ebay Inc	101,727	-	101,727	-	-
Keybank National Association	102,325	-	102,325	-	-
Waste Mgmt Inc	102,407	-	102,407	-	-
Amazon	102,767	-	102,767	-	-
Johnson & Johnson	102,544	-	102,544	-	-
Express Scripts	104,522	-	104,522	-	-
Kellog Co	105,036	-	105,036	-	-
Barclays Bank PLC Ser A Mtn	393,348	-	393,348	-	-
Ford Motor Credit	497,595	-	497,595	-	-
Goodyear Tire & Rubr Co	559,515	-	559,515	-	-
Canadian Imp Bank	242,402	-	242,402	-	-
Wells Fargo & Co	248,152	-	248,152	-	-
Marriott Intl Inc	106,221	-	106,221	-	-
United Rentals	258,697	-	-	258,697	-
3M Co	105,698	-	-	105,698	-
JP Morgan Chase	489,855	-	-	489,855	-
Conagra Brands	244,105	-	-	244,105	-
Masco Corp	244,300	-	-	244,300	-
Goldman Sachs Group	492,790	-	-	492,790	-
Goldman Sachs Group	481,635	-	-	481,635	-
Morgan Stanley	244,273	-	-	244,273	-
Citigroup Inc	496,165	-	-	496,165	-
JP Morgan Chase	101,222	-	-	-	101,222
Exchange Traded Products	13,932,762	13,932,762	-	-	-
Common Stock	5,497,124	5,497,124	-	-	-
Certificates of Deposit	1,111,421	-	353,326	758,095	-
Total Firemen's Pension and Relief	<u>\$ 27,798,704</u>	<u>\$ 19,781,882</u>	<u>\$ 3,121,887</u>	<u>\$ 4,793,713</u>	<u>\$ 101,222</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
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. The Policemen's Pension Fund had five exchange traded products in iShares Russell Mid-Cap Value, iShares TR Rus MD CP GR, iShares S&P Midcap 400 Index Fund, iShares Russell 2000 Value, and SPDR S&P 500 that had eight percent, eight percent, eight percent, eight percent, and six percent respectively; the Firemen's Pension Fund had five exchange traded products in iShares Russell Mid-Cap Value, iShares TR Rus MD CP GR, iShares S&P Midcap 400 Index Fund, iShares Russell 2000 Value, and SPDR S&P 500 that were eight percent, eight percent, eight percent, eight percent, and six percent respectively, of the total portfolio; and Spring Hill Cemetery had six mutual fund investments in Fidelity Mid Cap Indx, Vanguard High Yield Dividend, Vanguard Growth Index Fund, Baird Aggregate Bond Fund, Federated Institutional High Yield Bond Inst Class and PIMCO Investment Grade Corp bond Inst, that were eight percent, nine percent, ten percent, fourteen percent five percent and eleven percent respectively, of the total portfolio at June 30, 2021.

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, 2021.

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, 2021 the City 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)	\$ 14,975,694	\$ 14,975,694	\$ -	\$ -
Common Stock	5,909,453	5,909,453	-	-
Corporate Bonds	7,156,175	7,156,175	-	-
Certificates of Deposit	1,220,169	-	1,220,169	-
Total	\$ 29,261,491	\$ 28,041,322	\$ 1,220,169	\$ -

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

		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)	\$ 13,932,762	\$ 13,932,762	\$ -	\$ -
Common Stock	5,497,124	5,497,124	-	-
Corporate Bonds	7,257,397	7,257,397	-	-
Certificates of Deposit	1,111,421	-	1,111,421	-
Total	\$ 27,798,704	\$ 26,687,283	\$ 1,111,421	\$ -

		Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level - Primary Government	Total	Level 1	Level 2	Level 3
West Virginia Municipal Bond Commission	\$ 381,924	\$ 381,924	\$ -	\$ -
West Virginia Money Market Pool	19,931,227	19,931,227	-	-
West Virginia Short-term Bond Pool	23,740,545	23,740,545	-	-
US Treasury N/B 2%	102,918	-	-	-
US Treasury N/B 1.5%	101,559	-	-	-
Common Stock	302,683	302,683	-	-
Mutual Funds	1,866,766	1,866,766	-	-
Certificates of Deposit	408,202	-	408,202	-
Total	\$46,835,824	\$ 46,223,145	\$ 408,202	\$ -

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

B. Receivables

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:

	General	Coal Severance	Community Development	HOME
Receivables:				
Accounts	\$ 9,921,266	\$ -	\$ -	\$ -
Accrued interest	16,114	-	-	-
Taxes	13,939,658	29,249	-	-
Loans	-	-	2,217,739	2,095,165
Grants	-	-	135,095	36,204
Gross receivables	<u>23,877,038</u>	<u>29,249</u>	<u>2,352,834</u>	<u>2,131,369</u>
Less: allowance for uncollectible	<u>(81,131)</u>	<u>-</u>	<u>(554,435)</u>	<u>-</u>
Net total receivables	<u>\$ 23,795,907</u>	<u>\$ 29,249</u>	<u>\$ 1,798,399</u>	<u>\$ 2,131,369</u>

	Civic Center	Parking System	Nonmajor Funds	Total
Receivables:				
Accounts	\$ 264,326	\$ 139,382	\$ 443,855	\$ 10,768,829
Accrued interest	-	-	5,146	21,260
Taxes	-	-	-	13,968,907
Loans	-	-	425,630	4,738,534
Grants	-	-	359,725	531,024
Gross receivables	<u>264,326</u>	<u>139,382</u>	<u>1,234,356</u>	<u>30,028,554</u>
Less: allowance for uncollectible	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>(657,566)</u>
Net total receivables	<u>\$ 264,326</u>	<u>\$ 117,382</u>	<u>\$ 1,234,356</u>	<u>\$ 29,370,988</u>

	Deferred Inflows	Unearned
Property Taxes	\$ 805,071	\$ -
Prepaid License Fees, Advance Office Rental, and Prepaid Cemetary Burial Fees (general fund)	-	85,294
Grant drawdowns prior to meeting all eligibility requirements	-	22,368,432
Total	<u>\$ 805,071</u>	<u>\$ 22,453,726</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,371,611	\$ 9,300	\$ -	\$ 9,380,911
Construction in progress	3,343,020	2,925,342	-	6,268,362
Total capital assets not being depreciated	<u>12,714,631</u>	<u>2,934,642</u>	<u>-</u>	<u>15,649,273</u>
Capital assets being depreciated:				
Buildings and improvements	54,123,672	43,280	-	54,166,952
Structures and improvements	30,492,883	-	-	30,492,883
Machinery and equipment	20,824,706	441,968	(202,344)	21,064,330
Vehicles	24,851,097	1,901,560	(2,236,154)	24,516,503
Furniture	340,010	-	-	340,010
Infrastructure	111,598,668	2,271,983	-	113,870,651
Total capital assets being depreciated	<u>242,231,036</u>	<u>4,658,791</u>	<u>(2,438,498)</u>	<u>244,451,329</u>
Less accumulated depreciation:				
Buildings and improvements	(28,782,975)	(1,210,180)	-	(29,993,155)
Structures and improvements	(15,224,374)	(1,098,607)	-	(16,322,981)
Machinery and equipment	(17,459,537)	(1,133,747)	200,913	(18,392,371)
Vehicles	(18,365,836)	(2,472,702)	2,236,154	(18,602,384)
Furniture	(340,264)	-	-	(340,264)
Infrastructure	(70,861,378)	(2,138,760)	-	(73,000,138)
Total accumulated depreciation	<u>(151,034,364)</u>	<u>(8,053,996)</u>	<u>2,437,067</u>	<u>(156,651,293)</u>
Total capital assets being depreciated, net	<u>91,196,672</u>	<u>(3,395,205)</u>	<u>(1,431)</u>	<u>87,800,036</u>
Governmental activities capital assets, net	<u>\$ 103,911,303</u>	<u>\$ (460,563)</u>	<u>\$ (1,431)</u>	<u>\$ 103,449,309</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,366,447	\$ -	\$ -	\$ 4,366,447
Total capital assets not being depreciated	4,366,447	-	-	4,366,447
Capital assets being depreciated:				
Buildings and improvements	150,999,274	13,264	-	151,012,538
Machinery and equipment	3,255,888	970	-	3,256,858
Vehicles	183,718	-	-	183,718
Total capital assets being depreciated	154,438,880	14,234	-	154,453,114
Less accumulated depreciation:				
Buildings and improvements	(42,098,540)	(5,106,325)	-	(47,204,865)
Machinery and equipment	(2,305,298)	(261,838)	-	(2,567,136)
Vehicles	(150,500)	(14,677)	-	(165,177)
Total accumulated depreciation	(44,554,338)	(5,382,840)	-	(49,937,178)
Total capital assets being depreciated, net	109,884,542	(5,368,606)	-	104,515,936
Business-type activities capital assets, net	\$ 114,250,989	\$ (5,368,606)	\$ -	\$ 108,882,383

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

Governmental Activities:	
General Government	\$ 2,738,895
Public Safety	2,140,272
Highways and streets, including depreciation of general infrastructure assets	1,340,875
Health and Sanitation	561,257
Culture & Recreation	1,145,715
Social Services	126,982
Total depreciation expense - governmental activities	<u>\$ 8,053,996</u>
Business-type activities:	
Civic Center	\$ 4,711,055
Parking	671,785
Total depreciation expense - business type activities	<u>\$ 5,382,840</u>

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2021

Construction in Progress

The government has active construction projects as of June 30, 2021. The projects include equipment for police vehicles, Five Corners architectural study, fiber optics, emergency streambank repairs for Kanawha River and Greenbrier Street, Southside Bridge inspection and rehabilitation, community center remodels, Curb and Sidewalk projects, retaining wall projects, Barlow Drive repairs, a skate park, a dog park, a salt shed, and renovations at Slack Plaza. At year end, the amounts for governmental activities are as follows:

Project	Spent-to-Date	Funded
Equipment for police vehicles	\$ 34,409	General Fund
Five Corners Architectural Study	16,182	General Fund
Fiber Optics City Wide	99,704	General Fund
Emergency Streambank - Kan. River & Greenbrier Street	1,617,690	General Fund
South Side Bridge Inspection & Rehabilitation	2,606,080	General Fund
Curb & Sidewalks	268,455	MOECD
Pile & Lagging Retaining Wall	274,790	General Fund
Barlow Drive	488,157	WV DOH / General Fund
Skate Park	210,352	General Fund
Washington Dog Park	16,323	General Fund
Salt Shed	4,800	General Fund
Slack Plaza Renovation	513,444	General Fund
Community Center Remodels	117,976	General Fund
	<u>\$ 6,268,362</u>	

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Interfund receivables/payables:

Payable Fund	Purpose	Amount
Civic Center	Reimbursements Insurance/Fuel	\$ 38,130
Parking	Reimbursements Insurance/Fuel	27,455
CDBG	Reimbursement Salary & Utilities	80,246
HOME	Reimbursement Salary & Utilities	35,389
Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	380,561
General	Endowment, Loans, and Reimbursements	1,311,686
Custodial Fund	Settled Cases & Reimbursements	42,733
Total		<u>\$ 1,916,200</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Interfund transfers:

	Transfers In				Total Transfers Out
	General Fund	Springhill Cemetery	Nonmajor Governmental	Civic Center	
Transfers out:					
General fund	\$ 31,076,358	\$ 15,700	\$ 13,246,110	\$ 2,383,444	\$ 46,721,612
Coal severance tax	-	-	-	89,982	89,982
Nonmajor govern- mental funds	3,636,841	-	8,659	5,178	3,650,678
Civic Center	-	-	16,911	478,631	495,542
Total Transfers In	<u>\$ 34,713,199</u>	<u>\$ 15,700</u>	<u>\$ 13,271,680</u>	<u>\$ 2,957,235</u>	<u>\$ 50,957,814</u>

The General Fund interfund transfers provide appropriations to subsidize the Civic Center for healthcare, debt service and operating costs, it transfers monies to the Public Arts Fund (special revenue fund) for various public art related expenses, to the General Maintenance Fund, City Service Fee Fund, and Facilities Maintenance Fund (capital project funds) for building maintenance, paving projects, facilities maintenance, and Ball Park maintenance respectively. The General Fund also transfers monies to Spring Hill Cemetery Fund (permanent fund) for various cemetery maintenance/grounds keeping. Coal Severance Fund transfers monies to Civic Center for debt service payments. Solid Waste, Municipal Court, and Sinking Fund (special revenue funds) transfer monies to the General Fund to help offset refuse cost, municipal court cost, and to pay off debt service respectively. The Civic Center Capital Improvement Fund (capital project fund) transfers monies to the Civic Center for capital improvement fees. The Civic Center transfers monies to the Civic Center Capital Improvement Fund for various Civic Center project expenses. Due to the implementation of GASB 54, several special revenue funds are included in the General Fund instead of being shown as stand-alone funds. The transfers showing above from the General Fund to the General Fund are results of these special revenue transfers. These transfers are for City Sales tax monies being transferred to Pension Reserves and to open new funds.

E. Leases

Capital Leases

The government has entered into lease agreements as lessee for financing the acquisition of recreation, office equipment and public safety equipment. These lease agreements qualify as capital leases for accounting purposes, and, therefore have been recorded at the present value of the future minimum lease payments as of the inception date.

On November 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Parking System</u>
Appalachian Power Park	\$ 21,438,651	\$ -
Machinery, equipment and vehicles	19,155,649	196,998
Less: accumulated depreciation	<u>(22,823,328)</u>	<u>(196,998)</u>
Total	<u>\$ 17,770,972</u>	<u>\$ -</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 2,665,782
2023	1,961,729
2024	1,319,252
2025	912,891
2026	186,505
2027-2031	<u>81,200</u>
Total minimum lease payments	7,127,359
Less: amount representing interest	<u>(290,860)</u>
Present value of minimum lease payments	<u>\$ 6,836,499</u>

F. Long Term Operating Leases

The City is the owner of a ballpark stadium and has entered into a stadium license, lease, and service agreement with Charleston Professional Baseball Co., operating as the “The Dirty Birds”. The lease is for a period of five 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 ballpark and Morris Square office building are recorded at a cost of \$21,438,651 plus land and renovations at a cost of \$8,765,717 for a total of \$30,204,368 with accumulated depreciation of \$9,776,295 at June 30, 2021. Rents totaled \$415,188 for the fiscal year 2021. The rents totaled do not include the receivable amount. 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
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Minimum future rentals to be received on non-cancelable leases have remaining terms in excess of one year as of June 30, 2021, for each of the next five years and thereafter and in the aggregate are as follows:

June 30,	Amount
2022	\$ 494,366
2023	465,494
2024	465,494
2025	462,894
2026	389,894
2027-2031	232,341
Total	\$ 2,510,483

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, 2021, 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, 2021:

Governmental Activities:

The Coliseum and Convention Center Project Series 2021A, Series 2021B, and Series 2021B-1 were issued in the amount of \$43,760,000 to partially refund the 2015 Civic Center Project Bonds. There was a remainder of \$31,539,000 of the Civic Center Project Series 2015 that was not refunded. All the 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 \$4,728,000 and interest amount of \$2,297,392.

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 \$700,000 and interest in the amount of \$72,675 until bond maturity in 2023. During the fiscal year 2021 these pledged revenues were used to pay the principal amount of \$210,000 and interest amount of \$46,610 on these bonds which is 13.01% of the specified revenues.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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 \$1,085,000 and interest amount of \$98,200 until bond maturity in 2024. During the fiscal year 2020 these pledged revenues were used to pay the principal amount of \$245,000 and interest amount of \$52,385 on these bonds which is 15.09% 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 \$430,000 and interest of \$38,400 until bond maturity in 2024. During the fiscal year 2021 lease payments in the principal amount of \$95,000 and interest amount of \$20,715 were used to pay the debt service on these bonds.

Revenue bonds outstanding, net of unamortized discounts of \$34,281 (Civic Center) at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2021
Governmental activities:					
Civic Center Project Series 2015 (Unrefunded)	2036	4.00%	\$ 54,083,000	\$ (22,544,000)	\$ 31,539,000
Coliseum and Covention Center Project Series 2021A	2031	2.16%	8,270,000	-	8,270,000
Coliseum and Covention Center Project Series 2021B-1	2031	2.30%	3,379,000	-	3,379,000
Coliseum and Covention Center Project Series 2021B-2	2036	2.95%	31,605,000	-	31,605,000
Total governmental activities			<u>\$ 97,337,000</u>	<u>\$ (22,544,000)</u>	<u>\$ 74,793,000</u>
Business-type activities:					
Civic Center Improvement Series 1998	2023	4.60-5.10%	\$ 3,635,000	\$ (2,935,000)	\$ 700,000
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	(2,190,000)	1,085,000
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	(895,000)	430,000
Less: Bond discount			(1,061,733)	1,027,452	(34,281)
Total revenue bonds			<u>\$ 7,173,267</u>	<u>\$ (4,992,548)</u>	<u>\$ 2,180,719</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 4,728,000	\$ 2,297,392	\$ 570,000	\$ 94,310
2023	4,780,000	2,245,852	610,000	67,490
2024	4,933,000	2,093,393	635,000	38,675
2025	5,090,000	1,935,808	400,000	8,800
2026	5,253,000	1,772,991	-	-
2027-2031	27,851,000	6,229,583	-	-
2032-2036	22,158,000	1,779,804	-	-
Totals	<u>\$ 74,793,000</u>	<u>\$ 18,354,823</u>	<u>\$ 2,215,000</u>	<u>\$ 209,275</u>

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

	Governmental Activities				Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Revenue Bonds	\$ 78,986,000	\$ 42,762,000	\$ (46,955,000)	\$ 74,793,000	\$ 4,728,000
Total bonds payable	<u>78,986,000</u>	<u>42,762,000</u>	<u>(46,955,000)</u>	<u>74,793,000</u>	<u>4,728,000</u>
Capital leases	9,004,647	994,500	(3,162,648)	6,836,499	2,527,562
Total OPEB liability	327,805,339	47,094,325	(42,302,606)	332,597,058	-
Net OPEB liability (PEIA)	98,085	8,948	(79,200)	27,833	-
Net pension liability - Police & Fire	415,947,736	30,131,103	(46,435,503)	399,643,336	-
Net pension liability (PERS)	2,711,911	4,616,290	(1,664,697)	5,663,504	-
Compensated absences	1,562,891	1,792,120	(1,997,562)	1,357,449	542,979
Claims and judgments	3,847,265	-	(40,078)	3,807,187	-
Governmental activities					
Long-term liabilities	<u>\$ 839,963,874</u>	<u>\$ 127,399,286</u>	<u>\$ (142,637,294)</u>	<u>\$ 824,725,866</u>	<u>\$ 7,798,541</u>

	Business-type Activities				Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Revenue bonds payable	\$ 2,765,000	\$ -	\$ (550,000)	\$ 2,215,000	\$ 570,000
Less: deferred amounts:					
Bond discount	(45,210)	-	10,929	(34,281)	-
Total bonds payable	<u>2,719,790</u>	<u>-</u>	<u>(539,071)</u>	<u>2,180,719</u>	<u>570,000</u>
Total OPEB liability	10,817,060	1,456,526	(1,288,138)	10,985,448	-
Compensated absences	91,263	93,825	(109,189)	75,899	30,359
Business-type activities					
Long-term liabilities	<u>\$ 13,628,113</u>	<u>\$ 1,550,351</u>	<u>\$ (1,936,398)</u>	<u>\$ 13,242,066</u>	<u>\$ 600,359</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
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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	\$ -	\$ 182,652
Cash - contractual agreement	839,273	-
Debt service	3,837,369	-
WV Board of Treasury money market pool -	19,931,227	-
WV Board of Treasury short term bond pool	23,740,545	-
Endowment fund - investments	2,782,128	-
West Virginia Municipal Bond Commission	-	381,924
TIF District account	-	426,757
Revenue bond operations and maintenance account	-	2,815,938
Ticket & Promotions account	-	2,125,162
Total restricted assets and investments	\$ 51,130,542	\$ 5,932,433

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

I. Fund Balance Detail

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

	General Fund	Coal Severance	Community Development Block Grant	HOME	American Rescue Plan Act 2021	Nonmajor Funds	Total
Nonspendable:							
Prepays-Insurance	\$ 836,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 836,611
Perpetual Care Cemetery	-	-	-	-	-	1,220,019	1,220,019
Restricted:							
Police protection	-	-	-	-	-	2,073,749	2,073,749
COVID-19 Relief	-	-	-	-	1,644	-	1,644
Human Rights	-	-	-	-	-	15,602	15,602
Ball Park	-	-	-	-	-	92,328	92,328
Perpetual Care Cemetery	-	-	-	-	-	1,683,448	1,683,448
Equipment lease purchases	1,002,136	-	-	-	-	-	1,002,136
Debt service	319,439	29,287	-	-	-	5,295,474	5,644,200
Economic Development	-	-	356	-	-	654,950	655,306
Municipal Court	-	-	-	-	-	131,543	131,543
Public Arts	-	-	-	-	-	208,914	208,914
Landfill Closure	-	-	-	-	-	3,834,344	3,834,344
Historic Preservation	-	-	-	-	-	7,017	7,017
Committed:							
Highway beautification	-	-	-	-	-	32,784	32,784
Civic Center debt & pension reserve	32,258,085	-	-	-	-	-	32,258,085
Public Safety	25,775	-	-	-	-	15,038	40,813
Low-Income Housing Projects	-	-	-	-	-	29,312	29,312
Sanitation	-	-	-	-	-	503,284	503,284
Bridges, highways & infrastructure	-	-	-	-	-	3,631,884	3,631,884
Civic Center capital improvements	-	-	-	-	-	421,052	421,052
Municipal Auditorium capital improvements	-	-	-	-	-	168,667	168,667
City facilities capital improvements	-	-	-	-	-	6,109,405	6,109,405
Employee Insurance	6,245,382	-	-	-	-	-	6,245,382
Culture and Recreation	-	-	-	-	-	26,293	26,293
Community development	1,936,189	-	-	-	-	21,356	1,957,545
Unassigned	46,685,059	-	-	-	-	-	46,685,059
Total fund balances	\$ 89,308,676	\$ 29,287	\$ 356	\$ -	\$ 1,644	\$ 26,176,463	\$ 115,516,426

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

J. Benefits Funded by the State of West Virginia

For the year ended June 30, 2021, 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:

<u>Plan</u>	<u>Amount</u>
Policemen's Pension and Relief Fund	\$ 1,907,763
Firemen's Pension and Relief Fund	<u>1,963,296</u>
Total	<u><u>\$ 3,871,059</u></u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

K. Restatement of Beginning Fund Balance and Net Position

The beginning fund balance of the General Fund, as well as the beginning net position of the Civic Center fund, governmental activities, and business-type activities was restated at July 1, 2020. The restatements were due to the implementation of *GASB Statement No. 84, Fiduciary Activities*, of which the purpose is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. Previously reported agency funds will now either be reported as custodial funds or not be reported as fiduciary funds at all. It was determined that the only the Pending Forfeiture fund will be reported in fiduciary activity as a custodial fund. Previously reported agency funds will be shown as follows: The City of Charleston Fee Collection Account will be included with the General Fund, Metro Drug Enforcement Task Force and Police Asset & Liability will be reported as special revenue funds, and Civic Center Ticket Account and Civic Center Promotions Account will be included with the Civic Center Fund. The restatement also includes an error correction from the prior year in the Home Ownership Zone fund. An amount from the prior year was reported as an expenditure rather than a loan receivable.

	<u>General Fund</u>	<u>Home Ownership Zone</u>	<u>Other Nonmajor Governmental</u>
Fund balance, as previously stated	\$ 74,066,378	\$ 145,567	\$ 22,373,109
Add:			
Metro Drug Enforcement Task Force	-	-	716,418
Police Asset & Liability	-	-	1,069,097
Collections Fee account	30,000	-	-
Loan receivable	-	19,500	19,500
Total fund balance, restated	<u>\$ 74,096,378</u>	<u>\$ 165,067</u>	<u>\$ 24,178,124</u>
	<u>Governmental Activities</u>	<u>Civic Center</u>	<u>Business-type Activities</u>
Net Position, as previously stated	\$ (606,843,522)	\$ 96,846,713	\$ 108,643,267
Add:			
Metro Drug Enforcement Task Force	716,418	-	-
Police Asset & Liability	1,069,097	-	-
Collections Fee account	30,000	-	-
Loan receivable	19,500	-	-
Civic Center Ticket account	-	1,568,667	1,568,667
Civic Center Promotions account	-	5,507	5,507
Total net position, restated	<u>\$ (605,008,507)</u>	<u>\$ 98,420,887</u>	<u>\$ 110,217,441</u>

CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2021

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 \$1,000,000 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, 2021. 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 includes 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 6/30/2021	Year Ended 6/30/2020
Unpaid claims, beginning of fiscal year	\$ 3,847,265	\$ 3,925,755
Incurred claims (including IBNRs)	1,864,482	1,571,872
Claims paid	(1,904,560)	(1,650,362)
Unpaid claims, end of fiscal year	\$ 3,807,187	\$ 3,847,265

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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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 \$1,220,019 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
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F. Unrestricted Net Position (Deficit)

Total unrestricted net position before OPEB liability, net pension liability, and related deferred outflows and inflows, and bonds payable	\$ 104,049,552
Less: Total OPEB liability	(343,582,506)
Less: Net OPEB - PEIA liability	(27,833)
Less: Net pension liability - PERS	(5,663,504)
Less: Net pension liability - Police and Fire	(399,643,336)
Less: Bonds payable	(76,973,719)
Less: Deferred inflows of resources - OPEB	(51,829,458)
Add: Deferred outflows of resources - OPEB	51,100,116
Less: Deferred inflows of resources - OPEB - PEIA	(91,859)
Add: Deferred outflows of resources - OPEB - PEIA	1,164,410
Less: Deferred inflows of resources - net pension liability - PERS	(1,066,235)
Add: Deferred outflows of resources - net pension liability - PERS	4,287,158
Less: Deferred inflows of resources - net pension liability - Police & Fire	(15,320,153)
Add: Deferred outflows of resources - net pension liability - Police & Fire	3,037,677
	\$ (730,559,690)
Total unrestricted deficit	\$ (730,559,690)

G. Post-Employment Healthcare Plan

IV: G.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 The Health Plan, a third-party administrator. As of July 1, 2020, this self-insured plan is only offered to retirees of the City of Charleston. 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. The following information comes from report prepared by our consulting actuarial firm, Nyhart.

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, 2021, premium rates for medical for single are \$804.14 and for retiree and spouse \$1,608.27.

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% of active employees with current coverage and no coverage are assumed to elect coverage at the end of the sick leave benefits free period. It is assumed that 100% of inactive employees with current coverage will elect coverage and that there will be no inactive employees with no coverage. Upon death of the retiree or active employee, it is assumed 40% of the surviving spouses will elect coverage.

CITY OF CHARLESTON, WEST VIRGINIA
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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, 2021, the monthly retiree contribution for non-tobacco users is as follows:

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

The City does not have a practice of increasing the retiree contributions. For GASB 75 purposes, it was assumed that these rates will increase by 4.0% annually.

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 City's health plan is self-insured for all retiree participants (pre-Medicare and post-Medicare retirees). Active participants are now covered under the PEIA insurance.

The monthly COBRA rates effective on January 1, 2021 are \$804.14 for medical and prescription drugs for single and \$1,608.27 for employee and spouse.

The number of participants as of June 30, 2021, the effective date of the OPEB GASB 74/75 interim actuarial valuation, was based upon the full valuation report from June 30, 2020, which was 678 active employees and 571 retired employees.

Employees who retire under the WV Public Employees Retirement System (PERS) have the option of maintaining the City's OPEB plan or electing PEIA insurance.

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

CITY OF CHARLESTON, WEST VIRGINIA
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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.

IV: G.2. Actuarial Methods and Assumptions

In the June 30, 2021 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

There have been no substantive plan provisions since the June 30, 2020 report. As of the July 1, 2020 report, an eligibility cut-off date of July 1, 2020 has been implemented, and only employees hired by July 1, 2020 are eligible for retiree health care benefits. The measurement date of this evaluation is July 1, 2020, and therefore all employees included in this valuation are eligible for retiree health care benefits. In valuations following this one, any employees hired after July 1, 2020 will be excluded and will not generate a liability.

Interim year valuation results have been projected from the June 30, 2020 full valuation, but adjustments have been made for actual claims and enrollment experience and actual premium rate changes. These changes resulted in a decrease of liabilities.

The discount rate as of the Measurement Date was updated based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current interim report valuation uses a discount rate of 2.66% as of July 1, 2020 and 2.19% as of June 30, 2021. The impact of this change is an increase in liabilities. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

The June 30, 2021 report was an interim report and used the following assumptions from the June 30, 2020 report.

Census Data Census data was provided by the City in August 2020 and no material modifications were made to the census data.

Measurement Date June 30, 2021

Discount Rate 2.66% as of July 1, 2020 and 2.19% as of June 30, 2021

Payroll Growth 3.0% general wage inflation per year plus the annual merit scale based on the West Virginia Public Employees' Retirement System actuarial valuation as of June 30, 2019. The rates are as follows: Age 20, Rate 3.50%; Age 30, Rate 1.60%; Age 40, Rate 1.10%, Age 50, Rate 0.85%; Age 60+, Rate 0.35%.

Cost Method Entry Age Normal Level % of Salary Method where: Service cost for each individual participant, payable for the date of employment to date of retirement, is sufficient to pay for the participant's benefits at retirement; and Annual Service Cost is constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

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

Mortality General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019.

Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019

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 received 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: fiscal year end 2021 8.00% current, 8.00% prior; fiscal year end 2022 7.5% current, 7.5% prior; fiscal year end 2023 7.00% current, 7.00% prior; fiscal year end 2024 6.5% current, 6.5 % prior; fiscal year end 2025 6.00% current, 6.00% prior; fiscal year end 2026 5.50%, 5.50% prior; fiscal year end 2027 5.00% current; 5.00% prior fiscal year end 2028+ 4.5% current.

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

IV: G.3. Plan Descriptions, Contribution Information, Funding Policies, and Total OPEB Liability

Total Other Post-Employment Benefits (OPEB) Liability:

The components of net OPEB liability at June 30, 2021, were as follows:

	Governmental Activities	Business-type Activities
Total OPEB liability	\$ 332,597,058	\$ 10,985,448
Plan fiduciary net position	-	-
 Plan net OPEB liability	 <u>\$ 332,597,058</u>	 <u>\$ 10,985,448</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
 Discount Rate	 2.19%	 2.19%

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In accordance with GASB No. 75, the discount rate is 2.66% as of July 1, 2020, and 2.19% as of June 30, 2021. Under GASB No. 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Sensitivity of the net OPEB liability to the Discount Rate Assumption

Other Post-Employment Benefits Liability:

1% Decrease	Discount Rate Assumption	1% Increase
<u>1.19%</u>	<u>2.19%</u>	<u>3.19%</u>
\$ 412,093,000	\$ 343,582,506	\$290,572,994

Sensitivity of the net OPEB liability to the Health Care Trend Assumption

Other Post-Employment Benefits Liability:

1% Decrease	Discount Rate Assumption	1% Increase
<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
\$ 284,280,379	\$ 343,582,506	\$ 421,700,091

Changes in the Total OPEB Liability - Governmental & Business-type Activities

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2020	\$ 338,622,399	\$ -	\$ 338,622,399
Changes for the year:			
Service cost	12,762,083	-	12,762,083
Interest	9,227,829	-	9,227,829
Changes of benefit terms	-	-	-
Differences between expected & actual experience	(34,584,375)	-	(34,584,375)
Changes of assumptions or other inputs	26,560,939	-	26,560,939
Contributions - employer	-	9,006,369	(9,006,369)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(9,006,369)	(9,006,369)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	<u>4,960,107</u>	<u>-</u>	<u>4,960,107</u>
Balances at June 30, 2021	<u>\$ 343,582,506</u>	<u>\$ -</u>	<u>\$ 343,582,506</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the government recognized the following expenses.

OPEB expense \$21,660,476

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

OPEB	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,438,466	\$ (50,991,987)
Changes of assumptions	<u>50,347,874</u>	<u>(2,547,762)</u>
	<u>\$ 52,786,340</u>	<u>\$ (53,539,749)</u>

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

<u>Year Ended June 30:</u>	
2022	\$ (329,436)
2023	(329,435)
2024	(274,785)
2025	1,517,483
2026	<u>(1,337,236)</u>
Total	<u>\$ 764,074</u>

IV: G.2. Plan Descriptions, Contribution Information, and Funding Policies

As related to the implementation of GASB 75, following are the City of Charleston’s net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, and the OPEB expense and expenditures for the fiscal year ended June 30, 2021, related to the Public Employees Retirement System (as per the WV RHBT Audited Schedules of Employer Other Post-Employment Benefits Allocations and Other Post-Employment Benefits by Employer report):

	<u>2021</u>
Net OPEB liability	\$ 27,833
Deferred outflows of resources	1,164,410
Deferred inflows of resources	(91,859)
OPEB expense	(27,628)
Contributions made by the City of Charleston	1,154,880

CITY OF CHARLESTON, WEST VIRGINIA
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Plan Description - The West Virginia Other Postemployment Benefit (OPEB) Plan (the Plan) is a cost-sharing, multiple employer, defined benefit other postemployment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code. Financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with the approval of the PEIA Finance Board. The plan provides medical and prescription drug insurance, as well as life insurance, benefits to certain retirees of State agencies, colleges and universities, county boards of education, and other government entities who receive pension benefits under the PERS, STRS, TDCRS, TIAA-CREF, Plan G, MPFRS, Troopers Plan A, or Troopers Plan B pension systems, as administered by the West Virginia Consolidated Public Retirement Board (CPRB).

Plan fiduciary net position - The Plan’s fiduciary net position has been determined on the same basis used by the Plan. The RHBT is accounted for as a fiduciary fund, and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP for fiduciary funds as prescribed or permitted by the GASB. The primary sources of revenue are plan members and employer contributions. Members’ contributions are recognized in the period in which the contributions are due. Employer contributions and related receivables to the trust are recognized pursuant to a formal commitment from the employer or statutory or contractual requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable.

RHBT is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia’s Comprehensive Annual Financial Report. RHBT issues publicly available financial statements and required supplementary information for the OPEB plan. Details regarding this plan and a copy of the RHBT financial report may be obtained by contacting PEIA at 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, or by calling (888) 680-7342.

Benefits provided - The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

The medical and prescription drug insurance is provided through two options:

- Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses
- External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses

Contributions - Employer contributions from the RHBT billing system represent what the employer was billed during the respective year for its portion of the pay-as-you-go (paygo) premiums, retiree leave conversion billings, and other matters, including billing adjustments.

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rates related to the measurement date of June 30, 2020, were:

	2020	2019
Paygo premium	\$168	\$183

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

Retirees leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988, may convert accrued sick or annual leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988, to June 30, 2001 may convert accrued sick or annual leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

The City switched to PEIA for all active employees on July 1, 2020, and therefore the contributions for fiscal year ended June 30, 2021, were \$1,154,880.

Actuarial Assumptions and Methods - The June 30, 2021 OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2020, which is the measurement date. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.25%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 6.65%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
- Mortality post retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females.
- Mortality pre-retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

Certain assumptions have been changed since the prior actuarial valuation as of June 30, 2018 and a measurement date of June 30, 2020 as reflected in the footnote *Reconciliation of the Total OPEB Liability between Valuation Dates*. The net effect of the assumption changes was approximately \$1,147 million.

CITY OF CHARLESTON, WEST VIRGINIA
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- General/price inflation – Decrease price inflation rate from 2.75% to 2.25%.
- Discount rate – Decrease discount rate from 7.15% to 6.65%.
- Wage inflation – Decrease wage inflation rate from 4.00% to 2.75%.
- OPEB retirement – Develop explicit retirement rates for members who are eligible to retire with healthcare benefits and elect healthcare coverage.
- Waived annuitant termination – Develop explicit waived termination rates for members who are eligible to retire with healthcare benefits but waive healthcare coverage.
- SAL conversion – Develop explicit SAL conversion rates for members who are eligible to convert sick and annual leave (SAL) balances at retirement and convert SAL balances into OPEB benefits.
- Lapse/re-entry – Develop net lapse/re-entry rates for members who either lapse coverage after electing healthcare coverage or elect healthcare coverage after waiving coverage.
- Other demographic assumptions – Develop termination, disability, and mortality rates based on experience specific to OPEB covered group.

Long-term expected rates of return - The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board (WV-IMB) and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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. Target asset allocations, capital market assumptions, and forecast returns were provided by the Plan’s investment advisors, including WV-IMB. The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments was estimated based on WV-IMB assumed inflation of 2.0% plus a 25-basis point spread.

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

Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Global equity	6.8%	55%
Core plus fixed income	4.1%	15%
Core real estate	6.1%	10%
Hedge fund	4.4%	10%
Private equity	8.8%	10%

Discount rate - The discount rate used to measure the total OPEB liability was 6.65%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions will continue to follow the current funding policies. Based on those assumptions and that the OPEB plan is expected to be fully funded by the fiscal year ended June 30, 2025, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF CHARLESTON, WEST VIRGINIA
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Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the City of Charleston's proportionate share of the net OPEB liability as of June 30, 2021 calculated using the discount rate of 6.65%, as well as what the City of Charleston's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.65%) or one percentage point higher (7.65%) than the current rate.

	1% Decrease <u>5.65%</u>	Current Discount Rate <u>6.65%</u>	1% Increase <u>7.65%</u>
Net OPEB liability	\$ <u>39,694</u>	\$ <u>27,833</u>	\$ <u>17,904</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate - The following presents the City of Charleston's proportionate share of the net OPEB liability as of June 30, 2021 calculated using the healthcare cost trend rate, as well as what the City of Charleston's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease <u> </u>	Current Discount Rate <u> </u>	1% Increase <u> </u>
Net OPEB liability	\$ <u>16,747</u>	\$ <u>27,833</u>	\$ <u>41,222</u>

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

The June 30, 2021, net OPEB liability was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2020.

At June 30, 2021, the City of Charleston's proportionate share of the net OPEB liability was \$27,833. Of this amount, the City of Charleston recognized \$27,833 as its proportionate share on the statement of net position.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to OPEB for the fiscal year ended June 30, 2020. Employer contributions are recognized when due. At the June 30, 2020 measurement date, the City of Charleston's proportion was .006301472% which was an increase of .00038966% from its proportion calculated as of June 30, 2019.

For the year ended June 30, 2021, the City of Charleston recognized OPEB expense of (\$27,628). Of this amount, (\$27,628) was recognized as the City of Charleston's proportionate share of OPEB expense. The City of Charleston switched all active employees to PEIA insurance as of July 1, 2020.

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At June 30, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

<u>June 30, 2021</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 18,046
Changes in assumptions	-	62,825
Reallocation of Opt-Out Employer Change in proportionate share	-	10,046
Changes in proportion and difference between employer contributions and proportionate share of contributions	6,475	-
Net difference between projected and actual investment earnings.	3,055	942
Contributions after the measurement date	1,154,880	-
Total	<u>\$ 1,164,410</u>	<u>\$ 91,859</u>

The City of Charleston will recognize the \$1,154,880 of contributions made after the measurement date of the net OPEB liability but before the end of the City’s reporting period as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amortization</u>
2022	\$ (33,698)
2023	(33,280)
2024	(16,039)
2025	688
2026	-
Total	<u>\$ (82,329)</u>

Payables to the OPEB Plan - The City of Charleston’s did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2021.

CITY OF CHARLESTON, WEST VIRGINIA
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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.I. 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, 2020, 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, 2021.

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, 2020, 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, 2021.

The City of Charleston includes the financial statements of the Policemen's Pension and Relief fund and the Firemen's Pension and Relief fund with the financial statements of the City. The statements of both funds can be found on pages 44-46. The Pension funds do not have separate financial statements.

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
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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, 2019, memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	89	94	183
Vested Terminated Benefits	9	2	11
Former Members Due Refunds	1	1	2
Retirees and Beneficiaries Currently Receiving Benefits	219	245	464
Total	<u>318</u>	<u>342</u>	<u>660</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:

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.

CITY OF CHARLESTON, WEST VIRGINIA
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Employer contributions for the Policemen's Pension and Relief Fund are expected to increase from \$6,170,806 for the plan year ending June 30, 2022, to a high of \$8,473,219 for the plan year ending June 30, 2033. Employer contributions for the Firemen's Pension and Relief Fund are expected to increase from \$7,496,214 for the plan year ending June 30, 2022, to a high of \$10,651,383 for the plan year ending June 30, 2035. For the Policemen's Pension Fund the funded ratio is projected to increase from 20.36% in 2022 to 37.68% in 2033, and ultimately to 100% in 2046. For the Firemen's Pension Fund the funded ratio is projected to increase from 16.19% in 2022 to 39.69% in 2035, an ultimately to 100% in 2046. This policy defers contributions and produces virtually no significant growth in the funded ratio until the last 10 years of the projection period. This policy is not consistent with generally accepted actuarial principles.

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

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).

Actuarial Methods and Assumptions

	PPRF	FPRF
Determination of contribution requirement	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may elect to finance benefit obligations using the Conservation Method as defined in West Virginia State Code §8-22-20 (f)(1) and effected by the passage of Senate Bill No. 544.	
Plan Members	8% of covered payroll 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.	

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Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes
Valuation Date	7/1/2020 and projected to the measurement date of June 30, 2022.	7/1/2020 and projected to the measurement date of June 30, 2022.
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method/Period	40-Year Closed Level-Percentage-of-Pay 30.5 years remaining as of July 1, 2020	40-Year Closed Level-Percentage-of-Pay 30.5 years remaining as of July 1, 2020
	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	4.250%	4.750%
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 9.0%	1 9.0%
	2 6.5%	2 6.5%
	3 6.0%	3 6.0%
	4-28 5.0%	4-28 5.0%
	29-33 4.0%	29-33 4.0%
	34+ 3.5%	34+ 3.5%
Post-Retirement COLA	2.50% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.	2.50% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.
Wage Inflation	2.50%	2.50%
Increase in State Insurance Premium Tax Allocation	2.50% on and after year 1	2.50% on and after year 1
Retirement	Age Rates	Age Rates
	50: 60%	50: 55%
	51-52: 40%	51-52: 35%
	53-54: 40%	53-54: 25%
	55-56: 50%	55-56: 25%
	57-59: 40%	57-59: 25%
	60: 100%	60: 100%
Percent Married	70%	70%
Spouse Age	Females 3 years younger than males	

Mortality rates for both plans were based on the following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010

CITY OF CHARLESTON, WEST VIRGINIA
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Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.

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 Equivalent 2%-25%.

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

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

Rate of Return: The money-weighted rate of return on pension plan investments, net of pension plan expense, for fiscal year ended June 30, 2020 was 24.42% for the Policemen's Pension and Relief Fund. For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 24.24% 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.

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Net Pension Liability: The components of net pension liability for the Policemen’s and Firemen’s Pension and Relief Fund at June 30, 2021, were as follows:

	PPRF	FPRF
Total pension liability	\$ 219,422,813	\$ 244,257,175
Plan fiduciary net position	(33,412,868)	(30,623,784)
Plan net pension liability	\$ 186,009,945	\$ 213,633,391
Plan fiduciary net position as a percentage of total pension liability	15.23%	12.54%
Discount Rate	3.02%	2.89%

In accordance with GASB No. 67 & GASB No. 68 a single discount rate of 3.02% for the Policemen’s Pension and 2.89% for the Firemen’s Pension was used to measure the total pension liability as of June 30, 2021. These single discount rates were based on the expected rate of return on pension plan investments of 4.75% for the Policemen’s Pension and 4.25% for the Firemen’s Pension, and the municipal bond rate of 1.92%. 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 3.02% for the Policemen’s Pension and 2.89% 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, a long-term expected rate of investment return of 4.75% for Policemen’s Pension and 4.25% for Firemen’s Pension has been blended with the 1.92% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity’s Fixed Income Market Data webpage as of June 30, 2021. It was assumed by the City’s actuaries that 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.

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 \$183,537,905 and \$221,402,075, respectively.

CITY OF CHARLESTON, WEST VIRGINIA
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Sensitivity of the net pension liability to the single discount rate assumption

Policemen's Pension and Relief Fund:

1% Decrease 2.02%	Discount Rate Assumption 3.02%	1% Increase 4.02%
\$ 224,369,365	\$ 186,009,945	\$ 155,956,909

Firemen's Pension and Relief Fund:

1% Decrease 1.89%	Discount Rate Assumption 2.89%	1% Increase 3.89%
\$ 255,959,073	\$ 213,633,391	\$ 180,343,528

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at June 30, 2020	\$ 227,356,857	\$ 26,003,721	\$ 201,353,136
Changes for the year:			
Service cost	4,151,322	--	4,151,322
Interest	7,508,938	--	7,508,938
Changes of benefit terms	--	--	--
Differences between expected & actual experience	(3,724,015)	--	(3,724,015)
Changes of assumptions or other inputs	(8,117,188)	--	(8,117,188)
Contributions - employer	--	8,396,467	(8,396,467)
Contributions - employee	--	483,946	(483,946)
Net investment income	--	6,293,489	(6,293,489)
Benefit payments, including refunds of employee contributions	(7,753,101)	(7,753,101)	--
Administrative expense	--	(11,654)	11,654
Other changes	--	--	--
Net changes	(7,934,044)	7,409,147	(15,343,191)
Balances at June 30, 2021	\$ 219,422,813	\$ 33,412,868	\$ 186,009,945

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at June 30, 2020			
Changes for the year:	\$ 238,241,616	\$ 23,647,016	\$ 214,594,600
Service cost	4,560,637	--	4,560,637
Interest	7,813,248	--	7,813,248
Changes of benefit terms	--	--	--
Differences between expected & actual experience	6,075,355	--	6,075,355
Changes of assumptions or other inputs	(3,809,595)	--	(3,809,595)
Contributions - employer	--	9,226,520	(9,226,520)
Contributions - employee	--	530,627	(530,627)
Net investment income	--	5,853,656	(5,853,656)
Benefit payments, including refunds of employee contributions	(8,624,086)	(8,624,086)	--
Administrative expense	--	(9,949)	9,949
Other changes	--	--	--
Net changes	6,015,559	6,976,768	(961,209)
Balances at June 30, 2021	\$ 244,257,175	\$ 30,623,784	\$ 213,633,391

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

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

	PPRF	FPRF
Pension expense	\$17,987,978	\$18,575,621

CITY OF CHARLESTON, WEST VIRGINIA
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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 between expected and actual experience	\$ -	\$ 1,862,007
Changes of assumptions	-	4,058,594
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>3,859,587</u>
	<u><u>\$ -</u></u>	<u><u>\$ 9,780,188</u></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:**

2022	\$	(6,975,090)
2023		(924,202)
2024		(861,253)
2025		<u>(1,019,643)</u>
Total	\$	<u><u>(9,780,188)</u></u>

Firemen's Pension and Relief Fund

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 3,037,677	\$ -
Changes of assumptions	-	1,904,797
Net difference between projected and actual earnings pension plan investments	<u>-</u>	<u>3,635,168</u>
	<u><u>\$ 3,037,677</u></u>	<u><u>\$ 5,539,965</u></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:	
2022	\$ 136,566
2023	(873,839)
2024	(812,161)
2025	(952,854)
Total	\$ (2,502,288)

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, 2015 and 6.00% for employees hired after July 1, 2015.
City's contribution rate:	10%
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

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.

CITY OF CHARLESTON, WEST VIRGINIA
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V.B.2. 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, and rolled forward to June 30, 2020, 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, 2021, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2020:

	PERS
Amount for proportionate share of net pension liability	\$ 5,663,504
Percentage for proportionate share of net pension liability	1.071272%
(Decrease) % from prior proportion measured actual earnings on pension plan investments	-0.189929%

For the year ended June 30, 2021, the government recognized the following pension expense.

	PERS
Government-wide pension expense	\$ 1,161,070

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
Net difference between projected and actual earnings on pension plan investments	\$ 1,795,045	\$ -
Difference between expected and actual experience	833,439	116,758
Deferred difference in assumptions	-	249,542
Changes in proportion and differences between government contributions and proportionate share of contributions	4,093	699,935
Government contributions subsequent to the measurement date	1,654,581	-
	\$ 4,287,158	\$ 1,066,235

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 NOTES TO THE FINANCIAL STATEMENTS
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The amount reported as deferred outflows of resources resulting from government contributions subsequent to the measurement date but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent period. 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:

Fiscal Year Ended June 30,	Amortization
2022	\$ (822,363)
2023	640,483
2024	1,068,266
2025	679,956
Total	\$ 1,566,342

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:	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:

CITY OF CHARLESTON, WEST VIRGINIA
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Final Average Salary x Years of Credited Service x Benefit Percentage

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

Provisions for:	
Cost of Living	Yes
Death Benefits	Yes

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.

V.C.2. 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, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2019, and rolled forward to June 30, 2020, 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, 2021, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2020:

	<u>MPFRS - Police</u>	<u>MPFRS - Fire</u>
Amount for proportionate share of net pension asset	\$ 1,073,890	\$ 1,047,724
Percentage for proportionate share of net pension asset	17.171259%	16.752855%
Increase/(decrease) % from prior proportion measured actual earnings on pension plan investments	-3.946796%	1.008715%

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

	<u>MPFRS - Police</u>	<u>MPFRS - Fire</u>
Government-wide pension expense	<u>\$ 51,351</u>	<u>\$ (13,186)</u>

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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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 79,157	\$ -
Difference between expected and actual experience	100,279	53,744
Changes in assumptions	-	19,917
Changes in proportion and differences between government contributions and proportionate share of contributions	278,552	16,234
Government contributions subsequent to the measurement	<u>362,999</u>	<u>-</u>
	<u>\$ 820,987</u>	<u>\$ 89,895</u>

Municipal Police Officers and Firefighters Retirement System - Fire

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 77,231	\$ -
Difference between expected and actual experience	97,837	52,436
Changes in assumptions	-	19,433
Changes in proportion and differences between government contributions and proportionate share of contributions	29,697	73,773
Government contributions subsequent to the measurement date	<u>311,973</u>	<u>-</u>
	<u>\$ 516,738</u>	<u>\$ 145,642</u>

CITY OF CHARLESTON, WEST VIRGINIA
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The amount reported as deferred outflows of resources resulting from government contributions subsequent to the measurement date but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent period. 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, 2022	\$ 75,579	\$ 9,951
June 30, 2023	90,306	19,213
June 30, 2024	100,624	28,122
June 30, 2025	86,904	22,306
June 30, 2026	15,898	(15,081)
June 30, 2027	<u>(1,218)</u>	<u>(5,388)</u>
Total	<u>\$ 368,093</u>	<u>\$ 59,123</u>

V.D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019, and rolled forward to June 30, 2020 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% - 6.50%
Investment Rate of Return	7.50%

Mortality Rates:

Active – 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018

Retired healthy males – 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018

Retired healthy females – 122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018

Disabled males – 118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018

Disabled females – 117% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018

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The actuarial assumptions used in the June 30, 2020 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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 – 100% of RP-2014 Non-Annuitant tables (sex-distinct), Scale MP-2016 fully generational

Healthy Male Retirees – 103% of RP-2014 Male Healthy Annuitant table, Scale MP-2016 fully generational

Healthy Female Retirees – 100 % of RP-2014 Female Healthy Annuitant tables, Scale MP-2016 fully generational

Disabled Males – 100% of RP-2014 Male Disabled Annuitant table, Scale MP-2016 fully generational

Disabled Females – 100% of RP-2014 Female Disabled Annuitant table, Scale MP-2016 fully generational

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:

Investment	Long-term Expected Real Rate of Return	Target Asset Allocation All Plans	Weighted Average Expected Real Rate of Return
Primary Government:			
Domestic Equity	5.5%	27.5%	1.60%
International Equity	7.0%	27.5%	2.12%
Fixed Income	2.2%	15.0%	0.50%
Real Estate	6.6%	10.0%	0.61%
Private Equity	8.5%	10.0%	0.81%
Hedge Funds	4.0%	10.0%	0.44%
Total		100.00%	6.15%
Inflation (CPI)			2.00%
			<u>8.15%</u>

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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 <u>6.50%</u>	Current Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Government's proportionate share of PERS's net pension liability	\$ 14,429,884	\$ 5,663,504	\$ (1,748,627)
Government's proportionate share of MPFRS Police net pension asset	\$ (688,396)	\$ (1,073,890)	\$ (1,362,196)
Government's proportionate share of MPFRS Fire net pension asset	\$ (671,622)	\$ (1,047,724)	\$ (1,329,004)

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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
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I. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Policemen's Pension and Relief Fund (PPRF)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 4,151,322	\$ 4,155,408	\$ 4,337,479	\$ 3,766,725	\$ 4,344,855	\$ 3,313,221	\$ 3,292,778	\$ 3,209,021
Interest	7,508,938	7,662,910	7,761,028	7,612,050	7,255,244	7,209,972	7,332,999	7,461,048
Changes in benefit terms	--	--	--	--	--	--	--	--
Differences between expected and actual experience	(3,724,015)	973,413	3,780,602	(4,059,168)	(3,481,866)	(2,127,001)	(1,897,115)	--
Changes in assumptions	(8,117,188)	12,802,534	21,109,488	(1,852,553)	(14,823,343)	26,684,740	8,006,116	6,439,110
Benefits payments, including refunds of member contributions	(7,753,101)	(7,354,698)	(7,158,883)	(7,068,435)	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Net change in total pension liability	(7,934,044)	18,239,567	29,829,714	(1,601,381)	(13,713,359)	28,021,255	9,699,317	10,421,047
Total pension liability-beginning	227,356,857	209,117,290	179,287,576	180,888,957	194,602,316	166,581,061	156,881,744	146,460,696
Total pension liability-ending (a)	\$ 219,422,813	\$ 227,356,857	\$ 209,117,290	\$ 179,287,576	\$ 180,888,957	\$ 194,602,316	\$ 166,581,061	\$ 156,881,743
Plan fiduciary net position								
Contributions-employer	\$ 8,396,467	\$ 7,954,830	\$ 7,514,119	\$ 7,380,065	\$ 7,498,088	\$ 6,858,876	\$ 6,530,016	\$ 6,448,555
Contributions-members	483,946	473,005	510,010	525,513	574,939	556,799	592,173	648,924
Net investment income	6,293,489	339,084	1,342,285	1,540,163	1,864,923	695,811	766,556	1,415,864
Benefit payments, including refunds of member contributions	(7,753,101)	(7,354,698)	(7,158,883)	(7,068,435)	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Administrative expenses	(11,654)	(12,086)	(7,349)	(11,765)	(10,119)	(13,087)	(12,349)	(22,264)
Other	--	--	(4,334)	196	--	--	--	--
Net change in plan fiduciary net position	7,409,147	1,400,135	2,195,848	2,365,737	2,919,582	1,038,722	840,935	1,802,947
Plan fiduciary net position - beginning	26,003,721	24,603,586	22,407,738	20,042,001	17,122,419	16,083,697	15,242,762	13,439,815
Plan fiduciary net position-ending (b)	\$ 33,412,868	\$ 26,003,721	\$ 24,603,586	\$ 22,407,738	\$ 20,042,001	\$ 17,122,419	\$ 16,083,697	\$ 15,242,762
Net pension liability - ending (a) - (b)	\$ 186,009,945	\$ 201,353,136	\$ 184,513,704	\$ 156,879,838	\$ 160,846,956	\$ 177,479,897	\$ 150,497,364	\$ 141,638,981
Plan fiduciary net position as a percentage of the total pension liability	15.23%	11.44%	11.77%	12.50%	11.08%	8.80%	9.66%	9.72%
Covered payroll	\$ 5,656,443	\$ 6,434,785	\$ 6,815,851	\$ 6,805,977	\$ 6,876,181	\$ 7,194,432	\$ 7,849,996	\$ 8,257,284
Net pension liability as a percentage of covered payroll	3288.46%	3129.14%	2707.13%	2305.03%	2339.19%	2466.91%	1917.16%	1715.32%

Notes to PPRF'S Schedule:

For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 4.75% for Policemen's Pension has been blended with the 1.92% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2021. It was assumed by the City's actuaries that 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.

Mortality rates for both plans were based on the following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.

The wage inflation assumption used to project compensation was 2.50%

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 2.50%.

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

Only eight 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, 2021

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

Firemen's Pension and Relief Fund (FPRF)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 4,560,637	\$ 4,064,952	\$ 4,191,779	\$ 3,812,937	\$ 4,558,952	\$ 3,402,390	\$ 3,160,914	\$ 3,139,576
Interest	7,813,248	7,955,978	8,242,853	8,083,617	7,563,985	7,426,782	7,516,367	7,715,345
Changes in benefit terms	--	--	--	--	--	--	--	--
Differences between expected and actual experience	6,075,355	2,442,355	230,664	(1,328,621)	(352,450)	(1,147,647)	(3,217,247)	--
Changes in assumptions	(3,809,595)	13,305,537	21,564,458	(1,797,321)	(15,608,155)	27,065,406	8,277,173	6,693,190
Benefits payments, including refunds of member contributions	(8,624,086)	(7,948,122)	(7,600,235)	(7,425,842)	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Net change in total pension liability	6,015,559	19,820,700	26,629,519	1,344,770	(11,076,071)	29,671,026	8,877,423	10,604,353
Total pension liability-beginning	238,241,616	218,420,916	191,791,397	190,446,627	201,522,698	171,851,672	162,974,249	152,369,897
Total pension liability-ending (a)	<u>\$ 244,257,175</u>	<u>\$ 238,241,616</u>	<u>\$ 218,420,916</u>	<u>\$ 191,791,397</u>	<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	\$ 9,226,520	\$ 8,442,090	\$ 8,035,292	\$ 7,843,092	\$ 7,685,081	\$ 6,906,802	\$ 6,561,849	\$ 6,735,846
Contributions-members	530,627	603,480	509,721	525,870	574,505	580,188	592,996	603,333
Net investment income	5,853,656	321,619	1,232,322	1,409,712	1,717,125	695,679	622,444	1,317,995
Benefit payments, including refunds of member contributions	(8,624,086)	(7,948,122)	(7,600,235)	(7,425,842)	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Administrative expenses	(9,949)	(5,817)	(301)	(6,890)	(7,603)	(9,741)	(5,864)	(8,132)
Other	--	--	(5,400)	203	--	--	--	--
Net change in plan fiduciary net position	6,976,768	1,413,250	2,171,399	2,346,145	2,730,705	1,097,023	911,641	1,705,284
Plan fiduciary net position - beginning	23,647,016	22,233,766	20,062,367	17,716,222	14,985,517	13,888,494	12,976,853	11,271,569
Plan fiduciary net position-ending (b)	<u>\$ 30,623,784</u>	<u>\$ 23,647,016</u>	<u>\$ 22,233,766</u>	<u>\$ 20,062,367</u>	<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>\$ 213,633,391</u>	<u>\$ 214,594,600</u>	<u>\$ 196,187,150</u>	<u>\$ 171,729,030</u>	<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	12.54%	9.93%	10.18%	10.46%	9.30%	7.44%	8.08%	7.96%
Covered payroll	\$ 6,246,122	\$ 6,147,535	\$ 6,419,737	\$ 6,725,992	\$ 7,038,745	\$ 7,273,171	\$ 7,364,910	\$ 7,872,875
Net pension liability as a percentage of covered payroll	3420.26%	3490.74%	3056.00%	2553.21%	2453.99%	2564.73%	2144.81%	1905.24%

CITY OF CHARLESTON, WEST VIRGINIA
 REQUIRED SUPPLEMENTARY INFORMATION
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II. SCHEDULES OF INVESTMENT RETURNS

Policemen's Pension and Relief Fund (PPRF)

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	24.42%	1.80%	6.33%	8.08%	11.14%	4.75%	6.50%	10.65%

Firemen's Pension and Relief Fund (PFRF)

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	24.24%	1.82%	6.26%	8.07%	11.25%	5.15%	5.04%	11.17%

Only eight 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)

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)								
\$	12,493,271	\$ 12,292,781	\$ 11,932,575	\$ 10,273,775	\$ 10,113,252	\$ 9,998,469	\$ 8,371,076	\$ 8,290,897
Employer contribution (b)	6,488,704	6,040,294	5,764,885	5,642,434	5,799,404	5,226,466	4,977,472	4,919,728
State contribution (c)	1,907,763	1,914,536	1,749,234	1,698,684	1,698,684	1,632,410	1,552,544	1,528,827
Contribution deficiency (excess)	\$ 4,096,804	\$ 4,337,951	\$ 4,418,456	\$ 2,932,657	\$ 2,615,164	\$ 3,139,593	\$ 1,841,060	\$ 1,842,342
Covered payroll (f)	5,656,443	6,434,785	6,815,851	6,805,977	6,876,181	7,194,432	7,849,996	8,257,284
Actual contribution as a percent of covered payroll [(b)+(c)]/f	148%	124%	110%	108%	109%	95%	83%	78%

Firemen's Pension and Relief Fund (PFRF)

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)								
\$	13,106,480	\$ 12,798,513	\$ 12,736,724	\$ 10,930,487	\$ 10,712,117	\$ 10,373,813	\$ 8,533,617	\$ 8,544,824
Employer contribution (b)	7,263,224	6,489,575	6,253,683	6,107,953	5,974,752	5,300,143	5,004,065	5,191,340
State contribution (c)	1,963,296	1,952,515	1,781,609	1,735,139	1,710,329	1,606,659	1,557,784	1,544,506
Contribution deficiency (excess)	\$ 3,879,960	\$ 4,356,423	\$ 4,701,432	\$ 3,087,395	\$ 3,027,036	\$ 3,467,011	\$ 1,971,768	\$ 1,808,978
Covered payroll (f)	6,246,122	6,147,535	6,419,737	6,725,992	7,038,745	7,273,171	7,364,910	7,872,875
Actual contribution as a percent of covered payroll [(b)+(c)]/f	148%	137%	125%	117%	109%	95%	89%	86%

CITY OF CHARLESTON, WEST VIRGINIA
 REQUIRED SUPPLEMENTARY INFORMATION
 For the Fiscal Year Ended June 30, 2021

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 <u>6/30/2021</u>	Firemen's Pension & Relief Fund <u>6/30/2021</u>
Valuation Date	6/30/2021	6/30/2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage-of-Pay	Level Percentage-of-Pay
Amortization Period	40 Years Closed (Level Percentage)	40 Years Closed (Level Percentage)
Actuarial Asset Valuation Method	Fair Value	Fair Value
Actuarial Assumptions:		
Investment Rate of Return	4.250%	4.750%
Projected Salary Increases	9% 1 year, 6.5% 2 years , 6.0% 3 years, 5.0% 4-28 years, 3.5% 29-33 years, and 0.00% after 34 years of service	9% 1 year, 6.5% 2 years , 6.0% 3 years, 5.0% 4 years, 5.0% 4-28 years, 4.0% 29-33 years, and 0.00% after 34 years of service
Post Retirement Benefit Increases	None	None
Inflation	2.50%	2.50%
Cost of Living Adjustments	2.50% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years	2.50% 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 following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.	
Other Information:	Pursuant to the 2020 Actuarial Methods Recommendations Report, the City adopted changes to the following methods: <ul style="list-style-type: none"> • Amortization method: for the Standard and Optional funding policies, the method was changed from a single, closed amortization base to a layered amortization approach. • Asset method: the method was changed from the market value of assets to a four-year smoothed actuarial value of assets. • Roll-forward method: for the Standard and Optional funding policies, the method was changed from developing contributions for the valuation year to rolling valuation results forward one year to better align the contribution calculation with the expected timing of the contribution. 	

CITY OF CHARLESTON, WEST VIRGINIA
 REQUIRED SUPPLEMENTARY INFORMATION
 For the Fiscal Year Ended June 30, 2021

I. SCHEDULES OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS

Other Post Employment Benefits (OPEB)

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 12,762,083	\$ 12,250,898	\$ 11,717,752	\$ 11,106,811
Interest	9,227,829	11,051,420	11,973,708	10,565,286
Changes of benefit terms	--	--	--	--
Changes in assumptions	26,560,939	28,897,982	17,896,868	(7,643,289)
Differences between expected and actual experience	(34,584,375)	(11,769,659)	(28,650,473)	7,315,402
Benefits payments	(9,006,369)	(8,749,770)	(7,284,299)	(8,067,334)
Net change in total OPEB liability	4,960,107	31,680,871	5,653,556	13,276,876
Total pension liability-beginning (restated for Fiscal Year 2017)	338,622,399	306,941,528	301,287,972	288,011,096
Total pension liability-ending (a)	<u>\$ 343,582,506</u>	<u>\$ 338,622,399</u>	<u>\$ 306,941,528</u>	<u>\$ 301,287,972</u>
Plan fiduciary net position				
Contributions-employer	\$ 9,006,369	\$ 8,749,770	\$ 7,284,299	\$ 8,067,334
Contributions-active employees	--	--	--	--
Net investment income	--	--	--	--
Benefit payments	(9,006,369)	(8,749,770)	(7,284,299)	(8,067,334)
Administrative expenses	--	--	--	--
Net change in plan fiduciary net position	--	--	--	--
Plan fiduciary net position - beginning	--	--	--	--
Plan fiduciary net position-ending (b)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 343,582,506</u>	<u>\$ 338,622,399</u>	<u>\$ 306,941,528</u>	<u>\$ 301,287,972</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 30,237,582	\$ 29,356,876	\$ 29,931,917	\$ 33,255,922
Net OPEB liability as a percentage of covered payroll	1136.28%	1153.47%	1025.47%	905.97%

Notes to OPEB Schedule:

An eligibility cut-off date of July 1, 2020 has been implemented, and only employees hired by June 30, 2020 are eligible for retiree health care benefits. The measurement date of this evaluation is July 1, 2020, and therefore all employees included in this valuation are eligible for retiree health care benefits. In valuations following this one, any employees hired after July 1, 2020 will be excluded and will not generate a liability.

Changes in assumptions. The discount rate as of the Measurement Date was updated based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current full valuation uses a discount rate of 2.66% as of July 1, 2020 and 2.19% as of June 30, 2021. The impact of this change is a significant increase in liabilities. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

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, 2021

NOTES TO SCHEDULES

Significant Actuarial Assumptions

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

	<u>Other Postemployment Benefits</u>
Valuation Date	6/30/2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage-of-Pay
Amortization Period	30 Years Closed (Level Percentage)
Actuarial Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	2.66% as of July 1, 2021 and 2.19% as of June 30, 2021
Projected Salary Increases	3.00% general wage inflation plus the annual merit scale as follows (based on the West Virginia Public Employees' Retirement System): Age 20, Rate 3.50%; Age 30, Rate 1.60%; Age 40, Rate 1.10%, Age 50, Rate .85%, Age 60+, Rate .35%
Inflation	3.00%
Mortality	The mortality assumption has been updated from RHP-2017 Total Dataset Mortality fully generational using Scale MP-2017 to the following: General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019; Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019; and Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE TOTAL OTHER POST-EMPLOYMENT LIABILITY
For the Fiscal Year Ended June 30, 2021

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Government's proportion of the net pension liability (asset) (percentage)	0.006301472%	0.005911812%	0.00596038%
Government's proportionate share of the net pension liability (asset)	\$ 27,833	\$ 98,085	\$ 127,876
Government's covered payroll	\$ 107,908	\$ 113,816	\$ 122,226
Government's proportionate share of the net other-post employment liability (asset) as a percentage of its covered payroll	25.79%	86.18%	104.62%
Plan fiduciary net position as a percentage of the total other post-employment liability	73.79%	39.69%	30.98%

* - The amounts presented for each fiscal year were determined as of June 30, 2020.
 Only three 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, 2021**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 12,180	\$ 12,180	\$ 12,180
Contributions in relation to the contractually required contribution	<u>(12,180)</u>	<u>(12,180)</u>	<u>(12,180)</u>
Contribution deficiency (excess)	<u>**</u>	<u>**</u>	<u>**</u>
Government's covered payroll	\$ 107,908	\$ 113,816	\$ 122,226
Contributions as a percentage of covered payroll.	11.29%	10.70%	9.97%

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2021

Actuarial Changes Other Postemployment Benefits Plan

The actuarial assumptions used in the total OPEB liability calculation can change from year to year. Please see table below which summarizes the actuarial assumptions used for the respective measurement dates.

	<u>Inflation Rate</u>	<u>Salary Increases</u>	<u>Wage Inflation Rate</u>	<u>Investment Rate of Return & Discount Rate</u>	<u>Mortality</u>	<u>Retirement Age</u>	<u>Aging Factors</u>	<u>Expenses</u>	<u>Healthcare Cost Trend Rates</u>
<u>2020</u>	2.25%	Dependent upon pension system. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019.	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024 decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
<u>2019</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
<u>2018</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
<u>2017</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2021

Public Employees Retirement System
 Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	1.071272%	1.261201%	1.364436%	1.419052%	1.327175%	1.285736%	1.301165%	1.266242%
Government's proportionate share of the net pension liability (asset)	\$ 5,663,504	\$ 2,711,746	\$ 3,523,684	\$ 6,125,266	\$ 12,198,303	\$ 7,179,766	\$ 4,802,144	\$ 11,543,445
Government's covered payroll	\$ 16,836,136	\$ 19,596,039	\$ 19,519,308	\$ 20,073,697	\$ 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 payroll	33.64%	13.84%	18.05%	30.51%	66.02%	40.20%	26.55%	65.94%
Plan fiduciary net position as a percentage of the total pension liability	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

* - The amounts presented for each fiscal year were determined as of June 30, 2020.
 Only nine 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, 2021**

**Public Employees Retirement System
Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 1,654,581	\$ 1,669,122	\$ 1,855,299	\$ 2,043,729	\$ 2,238,435	\$ 2,513,283	\$ 2,456,565	\$ 2,526,476	\$ 2,372,689	\$ 2,399,128
Contributions in relation to the contractually required contribution	<u>(1,654,581)</u>	<u>(1,669,122)</u>	<u>(1,855,299)</u>	<u>(2,043,729)</u>	<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>
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 payroll	\$ 16,653,509	\$ 16,836,136	\$ 19,596,039	\$ 19,519,308	\$ 20,073,697	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391	\$ -
Contributions as a percentage of covered payroll.	9.94%	9.91%	9.47%	10.47%	11.15%	13.60%	13.75%	13.97%	13.55%	**

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

CITY OF CHARLESTON, WEST VIRGINIA
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
 YEAR ENDED JUNE 30, 2021

Changes in Assumptions

An experience study, which was based on the years 2013 through 2018, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2020 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2020</u>	3.1% - 5.3%	3.35% - 6.5%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%
<u>2019</u>	3.1% - 5.3%	3.35% - 6.0%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018; Disabled females-118% of Pub-2010 General / Disabled Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018	2.28-45.63%	2-35.88%	0.005-0.540%

CITY OF CHARLESTON, WEST VIRGINIA
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
 YEAR ENDED JUNE 30, 2021

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2018</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females-101% of RP-2000 Healthy Annuitant, Scale AA fully generational Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2-35.88%	0.007-0.675%
<u>2017</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females-101% of RP-2000 Healthy Annuitant, Scale AA fully generational Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2-35.88%	0.007-0.675%
<u>2016</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females-101 % of RP-2000 Healthy Annuitant, Scale AA fully generational Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2-35.88%	0.007-0.675%
<u>2015</u>	3.00% - 4.6%	3.35% - 6.0%	1.90%	Healthy males - 110% of RP-2000 Non-Annuitant, Scale AA; Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA; Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA; Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA	1.75-35.1%	2-35.8%	0-0.675%
<u>2014</u>	4.25% - 6.0%	4.25% - 6.0%	2.20%	Healthy males - 1983 GAM; Healthy females-1971; disabled males - 1971 GAM; Disabled females - Revenue ruling 96-7	1-26%	2-31.2%	0-0.8%

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2020

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

	Municipal Police Officers							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	17.171259%	21.118055%	24.313262%	26.194802%	26.159244%	25.359714%	21.403699%	19.176794%
Government's proportionate share of the net pension liability (asset)	\$ (1,073,890)	\$ (968,262)	\$ (899,107)	\$ (735,550)	\$ (369,892)	\$ (244,721)	\$ (145,331)	\$ (50,819)
Government's covered payroll	\$ 3,500,625	\$ 3,195,584	\$ 2,540,250	\$ 2,068,865	\$ 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 payroll	-30.68%	-30.30%	-35.39%	-35.55%	-25.79%	-25.50%	-37.04%	-27.43%
Plan fiduciary net position as a percentage of the total pension liability	172.43%	168.31%	184.45%	203.46%	174.30%	189.27%	230.08%	200.40%

* - The amounts presented for each fiscal year were determined as of June 30, 2020.
Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

	Municipal Firefighters							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	16.752855%	15.744140%	15.997212%	17.051321%	15.823930%	13.222939%	16.780704%	5.739737%
Government's proportionate share of the net pension liability (asset)	\$ (1,047,724)	\$ (721,869)	\$ (591,577)	\$ (478,801)	\$ (223,751)	\$ (127,601)	\$ (113,941)	\$ (15,210)
Government's covered payroll	\$ 3,393,434	\$ 2,382,403	\$ 1,671,389	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-30.88%	-30.30%	-35.39%	-35.55%	-25.79%	-25.50%	-37.04%	-27.43%
Plan fiduciary net position as a percentage of the total pension liability	172.43%	168.31%	184.45%	203.46%	174.30%	189.27%	230.08%	200.40%

* - The amounts presented for each fiscal year were determined as of June 30, 2020.
Only nine 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, 2021**

**Public Employees Retirement System
Last 10 Fiscal Years**

Municipal Police Officers

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 362,999	\$ 295,323	\$ 302,026	\$ 264,399	\$ 222,403	\$ 168,547	\$ 105,816	\$ 59,623	\$ 28,547	\$ 17,434
Contributions in relation to the contractually required contribution	<u>(362,999)</u>	<u>(295,323)</u>	<u>(302,026)</u>	<u>(264,399)</u>	<u>(222,403)</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>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered payroll	\$ 4,291,833	\$ 3,500,625	\$ 3,195,584	\$ 2,540,250	\$ 2,068,865	\$ 1,434,311	\$ 959,612	\$ 392,330	\$ 185,248	**
Contributions as a percentage of the covered payroll	8.46%	8.44%	9.45%	10.41%	10.75%	11.75%	11.03%	15.20%	15.41%	**

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

Municipal Firefighters

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 311,973	\$ 288,424	\$ 225,168	\$ 173,967	\$ 144,771	\$ 102,014	\$ 55,174	\$ 46,744	\$ 8,544	--
Contributions in relation to the contractually required contribution	<u>(311,973)</u>	<u>(288,424)</u>	<u>(225,168)</u>	<u>(173,967)</u>	<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>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered payroll	\$ 3,671,189	\$ 3,393,434	\$ 2,382,403	\$ 1,671,389	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446	**
Contributions as a percentage of the covered payroll	8.50%	8.50%	9.45%	10.41%	10.75%	11.76%	11.03%	15.20%	15.41%	**

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

CITY OF CHARLESTON, WEST VIRGINIA
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
 YEAR ENDED JUNE 30, 2021

Changes in Assumptions

An experience study, which was based on the years 2011 through 2016, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2020 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2020</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational ; Disabled males-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00% - 28.00%	0.04% - 0.60%
<u>2019</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational ; Disabled males-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00% - 28.00%	0.04% - 0.60%

CITY OF CHARLESTON, WEST VIRGINIA
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
 YEAR ENDED JUNE 30, 2021

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2018</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational ; Disabled males-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00% - 28.00%	0.04% - 0.60%
<u>2017</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational ; Disabled males-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortaility tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00% - 28.00%	0.04% - 0.60%
<u>2016</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00% - 14.00%	0.05% - 0.60%

CITY OF CHARLESTON, WEST VIRGINIA
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
 YEAR ENDED JUNE 30, 2021

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2015</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00% - 14.00%	0.05% - 0.60%
<u>2014</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00% - 14.00%	0.05% - 0.60%

SUPPLEMENTARY INFORMATION

CITY OF CHARLESTON, WEST VIRGINIA GOVERNMENTAL FUND TYPES - NONMAJOR

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS					
Assets:					
Current:					
Cash and cash equivalents	\$ 3,236,160	\$ 11,724,287	\$ 517,371	\$ 201,363	\$ 15,679,181
Investments	2,984,397	--	--	2,782,128	5,766,525
Receivables:					
Accounts	443,855	--	--	--	443,855
Grants	135,333	224,392	--	--	359,725
Loans	425,630	--	--	--	425,630
Accrued interest	--	--	--	5,146	5,146
Due from:					
Other funds	99,180	184,450	1,260,173	2,600	1,546,403
Component units	25,856	--	--	--	25,856
Prepaid expenses	4,434	--	--	--	4,434
Restricted cash	839,273	--	3,517,930	--	4,357,203
Total assets	<u>8,194,118</u>	<u>12,133,129</u>	<u>5,295,474</u>	<u>2,991,237</u>	<u>28,613,958</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>\$ 8,194,118</u>	<u>\$ 12,133,129</u>	<u>\$ 5,295,474</u>	<u>\$ 2,991,237</u>	<u>\$ 28,613,958</u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 255,191	\$ 1,630,024	\$ --	\$ --	\$ 1,885,215
Live on the Levee Charity Raffle	50	--	--	--	50
Due to:					
Other funds	213,022	79,769	--	87,770	380,561
Grant advances	171,669	--	--	--	171,669
Total liabilities	<u>639,932</u>	<u>1,709,793</u>	<u>--</u>	<u>87,770</u>	<u>2,437,495</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>639,932</u>	<u>1,709,793</u>	<u>--</u>	<u>87,770</u>	<u>2,437,495</u>
 Fund balances:					
Reserved for:					
Nonspendable	--	--	--	1,220,019	1,220,019
Restricted	6,926,119	92,328	5,295,474	1,683,448	13,997,369
Committed	628,067	10,331,008	--	--	10,959,075
Total fund balances	<u>7,554,186</u>	<u>10,423,336</u>	<u>5,295,474</u>	<u>2,903,467</u>	<u>26,176,463</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,194,118</u>	<u>\$ 12,133,129</u>	<u>\$ 5,295,474</u>	<u>\$ 2,991,237</u>	<u>\$ 28,613,958</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, 2021

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Ad valorem property taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental:					
Federal	612,867	751,431	--	--	1,364,298
State	175,503	304,161	--	--	479,664
Local	50,000	--	--	--	50,000
Charges for services	4,109,434	300	--	--	4,109,734
Fines and forfeits	679,591	--	--	--	679,591
Interest earnings	413,620	8,198	1,361	492,289	915,468
Contributions and donations	189,575	5,000	--	53,488	248,063
Miscellaneous	56,962	12,639	--	--	69,601
	<u>6,287,552</u>	<u>1,081,729</u>	<u>1,361</u>	<u>545,777</u>	<u>7,916,419</u>
EXPENDITURES					
Current:					
General government	144,461	--	--	--	144,461
Public safety	1,119,627	--	--	--	1,119,627
Streets and transportation	--	--	--	--	--
Health and sanitation	1,158,161	--	--	--	1,158,161
Culture and recreation	4,697	--	--	--	4,697
Social services	--	--	--	249,267	249,267
Capital projects	--	5,116,849	--	--	5,116,849
Economic development	185,095	--	--	--	185,095
Debt service:					
Principal	--	--	4,280,000	--	4,280,000
Interest	--	--	3,151,839	--	3,151,839
Bond issuance costs	--	--	256,786	--	256,786
	<u>2,612,041</u>	<u>5,116,849</u>	<u>7,688,625</u>	<u>249,267</u>	<u>15,666,782</u>
Excess (deficiency) of revenues over expenditures	3,675,511	(4,035,120)	(7,687,264)	296,510	(7,750,363)
OTHER FINANCING SOURCES (USES)					
Transfers in	30,000	6,013,059	7,228,621	15,700	13,287,380
Transfers (out)	(3,645,442)	(5,236)	--	--	(3,650,678)
Proceeds from insurance claims	--	25,000	--	--	25,000
Other financing - debt service - principal	--	--	(42,675,000)	--	(42,675,000)
Proceeds from refunding of bonds	--	--	42,762,000	--	42,762,000
	<u>(3,615,442)</u>	<u>6,032,823</u>	<u>7,315,621</u>	<u>15,700</u>	<u>9,748,702</u>
Net change in fund balance	60,069	1,997,703	(371,643)	312,210	1,998,339
Fund balances - beginning (restated Note III.K.)	7,494,117	8,425,633	5,667,117	2,591,257	24,178,124
Fund balances - ending	<u>\$ 7,554,186</u>	<u>\$ 10,423,336</u>	<u>\$ 5,295,474</u>	<u>\$ 2,903,467</u>	<u>\$ 26,176,463</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.

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

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

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

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

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.

The Rail Trail Project Fund accounts for federal grants to acquire a railroad bridge, railroad trestle, and additional right of way and convert them to a rail trail referred to as the Charleston Kanawha Trestle Trail Project.

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
SPECIAL REVENUE FUNDS (Continued)

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 This fund was established to account for grants received to restore, rehabilitate, or repair historic properties throughout the City of Charleston.

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.

Home Ownership Zone Property This fund provides forgivable loans of up to \$20,000 to homeowners occupying houses within the Home-ownership Zone of the West Side Community Renewal Plan to make improvements to their homes.

Charleston Land Reuse Agency This fund was established to promote the productive use of property by identifying available properties suitable for public space, conservation, housing, and commercial use; and pursuing the acquisition, management, inventory, and disposition of those properties, according to the authority granted by state law and city code.

Planning Grants This fund was established to account for revenues received from various granting agencies for consultation services, architectural design services, implementation of blight analysis GIS mapping software, and other resources to coordinate program design and effective and strategic code enforcement efforts.

LGBTQ Working Group Fund This fund was established to account for revenues received from various sources to be dedicated to furthering the LGBTQ Working Group's mission to recognize that all voices and perspectives must be considered to make lasting, equitable change and remains committed to maintaining a welcoming, safe, and inclusive environment.

Metro Drug Enforcement Task Force Fund This fund was established to account for revenues from forfeitures and donations that are held until dispersed to various other City or State Agencies.

Police Asset & Liability Fund This fund was established to account for confiscated property that will normally be refunded upon court order.

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Homeland Security Assistance	Homeland Security Grant	Human Rights	Municipal Beautification	Municipal Court	Police & Fire Donation	Police Grants	Public Arts Grant	Rail Trail Project	Rental Rehabilitation	Solid Waste	Special Demolition	Supportive Housing
ASSETS AND DEFERRED OUTFLOWS															
Assets:															
Current:															
Cash and cash equivalents	\$ 416,640	\$ 800	\$ 77	\$ --	\$ 176,794	\$ 32,784	\$ 278,243	\$ 15,038	\$ 48,736	\$ 178,914	\$ --	\$ --	\$ 151,724	\$ 21,356	\$ --
Investments	--	--	--	--	--	--	--	--	--	--	--	--	2,984,397	--	--
Receivables:															
Accounts	--	--	--	--	--	--	41,710	--	--	--	--	--	380,082	--	--
Grants	--	17,012	--	26,298	--	--	--	--	80,534	--	--	--	--	--	11,489
Loans	--	--	--	--	--	--	--	--	--	--	--	29,312	--	--	--
Due from:															
Other funds	22,025	--	--	4,027	--	--	--	--	11,886	30,000	--	--	3,000	--	--
Component units	--	--	--	--	--	--	--	--	--	--	--	--	25,856	--	--
Prepaid expenses	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Restricted cash	--	--	--	--	--	--	--	--	--	--	--	--	839,273	--	--
Total assets	438,665	17,812	77	30,325	176,794	32,784	319,953	15,038	141,156	208,914	--	29,312	4,384,332	21,356	11,489
Deferred Outflows:															
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 438,665	\$ 17,812	\$ 77	\$ 30,325	\$ 176,794	\$ 32,784	\$ 319,953	\$ 15,038	\$ 141,156	\$ 208,914	\$ --	\$ 29,312	\$ 4,384,332	\$ 21,356	\$ 11,489
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES															
Liabilities:															
Accounts payable	\$ 7,873	\$ 17,812	\$ --	\$ 3,767	\$ --	\$ --	\$ 94,765	\$ --	\$ 25,016	\$ --	\$ --	\$ --	\$ 46,704	\$ --	\$ 11,204
Live on the Levee Charity Raffle	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Due to:															
Other funds	2,286	--	--	26,558	--	--	93,645	--	68,914	--	--	--	--	--	285
Grant advances	--	--	77	--	161,192	--	--	--	10,400	--	--	--	--	--	--
Total liabilities	10,159	17,812	77	30,325	161,192	--	188,410	--	104,330	--	--	--	46,704	--	11,489
Deferred Inflows:															
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	10,159	17,812	77	30,325	161,192	--	188,410	--	104,330	--	--	--	46,704	--	11,489
Fund balances:															
Restricted	428,506	--	--	--	15,602	--	131,543	--	36,826	208,914	--	--	3,834,344	--	--
Committed	--	--	--	--	--	32,784	--	15,038	--	--	--	29,312	503,284	21,356	--
Total fund balances	428,506	--	--	--	15,602	32,784	131,543	15,038	36,826	208,914	--	29,312	4,337,628	21,356	--
Total liabilities, deferred inflows and fund balances	\$ 438,665	\$ 17,812	\$ 77	\$ 30,325	\$ 176,794	\$ 32,784	\$ 319,953	\$ 15,038	\$ 141,156	\$ 208,914	\$ --	\$ 29,312	\$ 4,384,332	\$ 21,356	\$ 11,489

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 JUNE 30, 2021

	U.S. Small Business Administration	Project West Invest	Historic Preservation	Live on the Levee	Home Ownership Zone Property	Charleston Land Reuse Agency	Planning Grants	LGBT+ Working Group	Metro Drug Enforcement Task Force	Police Asset & Liability	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS											
Assets:											
Current:											
Cash and cash equivalents	\$ 10,177	\$ 564	\$ 12,085	\$ 21,621	\$ --	\$ 247,891	\$ --	\$ 484	\$ 660,016	\$ 962,216	\$ 3,236,160
Investments	--	--	--	--	--	--	--	--	--	--	2,984,397
Receivables:											
Accounts	--	--	--	--	--	--	13,800	--	8,263	--	443,855
Grants	--	--	--	--	--	--	--	--	--	--	135,333
Loans	--	247,916	--	--	148,402	--	--	--	--	--	425,630
Due from:											
Other funds	--	--	--	--	--	--	--	--	28,242	--	99,180
Component units	--	--	--	--	--	--	--	--	--	--	25,856
Prepaid expenses	--	--	--	4,434	--	--	--	--	--	--	4,434
Restricted cash	--	--	--	--	--	--	--	--	--	--	839,273
Total assets	10,177	248,480	12,085	26,055	148,402	247,891	13,800	484	696,521	962,216	8,194,118
Deferred Outflows:											
	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 10,177	\$ 248,480	\$ 12,085	\$ 26,055	\$ 148,402	\$ 247,891	\$ 13,800	\$ 484	\$ 696,521	\$ 962,216	\$ 8,194,118
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ --	\$ --	\$ 5,068	\$ 196	\$ --	\$ --	\$ --	\$ --	\$ 34,866	\$ 7,920	\$ 255,191
Live on the Levee Charity Raffle	--	--	--	50	--	--	--	--	--	--	50
Due to:											
Other funds	--	--	--	--	--	--	13,800	--	7,534	--	213,022
Grant advances	--	--	--	--	--	--	--	--	--	--	171,669
Total liabilities	--	--	5,068	246	--	--	13,800	--	42,400	7,920	639,932
Deferred Inflows:											
	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	--	5,068	246	--	--	13,800	--	42,400	7,920	639,932
Fund balances:											
Restricted	10,177	248,480	7,017	--	148,402	247,891	--	--	654,121	954,296	6,926,119
Committed	--	--	--	25,809	--	--	--	484	--	--	628,067
Total fund balances	10,177	248,480	7,017	25,809	148,402	247,891	--	484	654,121	954,296	7,554,186
Total liabilities, deferred inflows and fund balances	\$ 10,177	\$ 248,480	\$ 12,085	\$ 26,055	\$ 148,402	\$ 247,891	\$ 13,800	\$ 484	\$ 696,521	\$ 962,216	\$ 8,194,118

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, 2021

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Homeland Security Assistance	Homeland Security Grant	Human Rights	Municipal Beautification	Municipal Court	Police & Fire Donation	Police Grants	Public Arts Grant	Rail Trail Project	Rental Rehabilitation	Solid Waste	Special Demolition
REVENUES														
Intergovernmental:														
Federal	\$ 15,334	\$ 114,146	\$ --	\$ 95,378	\$ --	\$ --	\$ --	\$ --	\$ 264,770	\$ --	\$ 14,693	\$ --	\$ --	\$ --
State	150,538	--	--	--	--	--	--	--	11,165	--	--	--	--	--
Local	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Charges for services	--	--	--	--	--	--	--	--	--	--	--	--	4,109,434	--
Fines and forfeits	--	--	--	--	--	--	427,262	--	--	--	--	--	--	--
Interest and investment earnings	398	--	--	--	--	33	--	20	--	--	--	--	411,183	27
Contributions and donations	--	--	--	--	--	--	--	13,500	--	--	--	--	--	--
Miscellaneous	5,305	--	--	--	--	--	--	--	--	--	--	--	--	40,998
Total revenues	171,575	114,146	--	95,378	--	33	427,262	13,520	275,935	--	14,693	--	4,520,617	41,025
EXPENDITURES														
Current:														
General government	--	--	--	--	--	--	144,461	--	--	--	--	--	--	--
Public safety	113,280	114,146	--	95,378	--	--	--	9,925	275,935	--	--	--	--	--
Health and sanitation	--	--	--	--	--	--	--	--	--	--	--	--	1,158,161	--
Culture and recreation	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total expenditures	113,280	114,146	--	95,378	--	--	144,461	9,925	275,935	--	--	--	1,158,161	--
Excess (deficiency) of revenues over expenditures	58,295	--	--	--	--	33	282,801	3,595	--	--	14,693	--	3,362,456	41,025
OTHER FINANCING SOURCES (USES)														
Transfers in	--	--	--	--	--	--	--	--	--	30,000	--	--	--	--
Transfers (out)	--	--	--	--	--	--	(290,148)	--	--	--	(14,693)	--	(3,300,000)	(38,000)
Issuance of bonds	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--	--	(290,148)	--	--	30,000	(14,693)	--	(3,300,000)	(38,000)
Net change in fund balance	58,295	--	--	--	--	33	(7,347)	3,595	--	30,000	--	--	62,456	3,025
Fund balances - beginning (restated Note III.K.)	370,211	--	--	--	15,602	32,751	138,890	11,443	36,826	178,914	--	29,312	4,275,172	18,331
Fund balances - ending	\$ 428,506	\$ --	\$ --	\$ --	\$ 15,602	\$ 32,784	\$ 131,543	\$ 15,038	\$ 36,826	\$ 208,914	\$ --	\$ 29,312	\$ 4,337,628	\$ 21,356

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, 2021

	Supportive Housing	U.S. Small Business Administration	Project West Invest	Historic Preservation	Live on the Levee	Home Ownership Zone Property	Charleston Land Reuse Agency	Planning Grants	LGBT+ Working Group	Metro Drug Enforcement Task Force	Police Asset & Liability	Total Nonmajor Special Revenue Funds
REVENUES												
Intergovernmental:												
Federal	\$ 78,694	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 29,852	\$ --	\$ 612,867
State	--	--	--	--	--	--	--	13,800	--	--	--	175,503
Local	--	--	--	--	--	--	--	--	--	50,000	--	50,000
Charges for services	--	--	--	--	--	--	--	--	--	--	--	4,109,434
Fines and forfeits	--	--	--	--	--	--	--	--	--	252,329	--	679,591
Interest and investment earnings	--	--	5	--	13	--	257	--	--	663	1,021	413,620
Contributions and donations	--	--	150,000	--	25,500	--	--	--	575	--	--	189,575
Miscellaneous	--	--	--	--	--	29	10,630	--	--	--	--	56,962
Total revenues	78,694	--	150,005	--	25,513	29	10,887	13,800	575	332,844	1,021	6,287,552
EXPENDITURES												
Current:												
General government	--	--	--	--	--	--	--	--	--	--	--	144,461
Public safety	--	--	--	--	--	--	--	--	--	395,141	115,822	1,119,627
Health and sanitation	--	--	--	--	--	--	--	--	--	--	--	1,158,161
Culture and recreation	--	--	--	--	4,606	--	--	--	91	--	--	4,697
Economic development	78,694	--	27,917	9,493	--	16,694	38,497	13,800	--	--	--	185,095
Total expenditures	78,694	--	27,917	9,493	4,606	16,694	38,497	13,800	91	395,141	115,822	2,612,041
Excess (deficiency) of revenues over expenditures	--	--	122,088	(9,493)	20,907	(16,665)	(27,610)	--	484	(62,297)	(114,801)	3,675,511
OTHER FINANCING SOURCES (USES)												
Transfers in	--	--	--	--	--	--	--	--	--	--	--	30,000
Transfers (out)	--	--	--	(2,601)	--	--	--	--	--	--	--	(3,645,442)
Issuance of bonds	--	--	--	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	(2,601)	--	--	--	--	--	--	--	(3,615,442)
Net change in fund balance	--	--	122,088	(12,094)	20,907	(16,665)	(27,610)	--	484	(62,297)	(114,801)	60,069
Fund balances - beginning (restated Note III.K.)	--	10,177	126,392	19,111	4,902	165,067	275,501	--	--	716,418	1,069,097	7,494,117
Fund balances - ending	\$ --	\$ 10,177	\$ 248,480	\$ 7,017	\$ 25,809	\$ 148,402	\$ 247,891	\$ --	\$ 484	\$ 654,121	\$ 954,296	\$ 7,554,186

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 June 30, 2021

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Convention & Civic Center Project	Total Nonmajor Capital Projects Funds
ASSETS AND DEFERRED OUTFLOWS									
Assets									
Current:									
Cash and cash equivalents	\$ 92,328	\$ 4,547,532	\$ 404,141	\$ 1,669,076	\$ 4,688,985	\$ 153,558	\$ 168,667	\$ --	\$ 11,724,287
Grants	--	--	--	--	224,392	--	--	--	224,392
Due from:									
Other funds	--	--	16,911	--	167,539	--	--	--	184,450
Total assets	92,328	4,547,532	421,052	1,669,076	5,080,916	153,558	168,667	--	12,133,129
Deferred Outflows									
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 92,328	\$ 4,547,532	\$ 421,052	\$ 1,669,076	\$ 5,080,916	\$ 153,558	\$ 168,667	\$ --	\$ 12,133,129
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities									
Accounts payable	\$ --	\$ 989,437	\$ --	\$ 108	\$ 640,479	\$ --	\$ --	\$ --	\$ 1,630,024
Due to:									
Other funds	--	79,769	--	--	--	--	--	--	79,769
Total liabilities	--	1,069,206	--	108	640,479	--	--	--	1,709,793
Deferred Inflows									
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	1,069,206	--	108	640,479	--	--	--	1,709,793
Fund Balances									
Reserved for:									
Restricted	92,328	--	--	--	--	--	--	--	92,328
Committed	--	3,478,326	421,052	1,668,968	4,440,437	153,558	168,667	--	10,331,008
Total fund balances	92,328	3,478,326	421,052	1,668,968	4,440,437	153,558	168,667	--	10,423,336
Total liabilities, deferred inflows and fund balances	\$ 92,328	\$ 4,547,532	\$ 421,052	\$ 1,669,076	\$ 5,080,916	\$ 153,558	\$ 168,667	\$ --	\$ 12,133,129

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, 2021

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Convention & Civic Center Project	Total Nonmajor Capital Projects Funds
REVENUES									
Intergovernmental:									
Federal	\$ --	\$ 751,431	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 751,431
State	--	--	--	--	304,161	--	--	--	304,161
Charges for services	--	--	--	--	--	--	300	--	300
Interest and investment earnings	79	1,834	406	1,413	4,145	153	168	--	8,198
Contributions and donations	--	--	--	--	5,000	--	--	--	5,000
Miscellaneous	--	--	--	--	12,639	--	--	--	12,639
Total revenues	<u>79</u>	<u>753,265</u>	<u>406</u>	<u>1,413</u>	<u>325,945</u>	<u>153</u>	<u>468</u>	<u>--</u>	<u>1,081,729</u>
EXPENDITURES									
Current:									
Capital projects	<u>10,950</u>	<u>3,532,964</u>	<u>--</u>	<u>116,919</u>	<u>1,456,016</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,116,849</u>
Total expenditures	<u>10,950</u>	<u>3,532,964</u>	<u>--</u>	<u>116,919</u>	<u>1,456,016</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,116,849</u>
Excess (deficiency) of revenues over expenditures	(10,871)	(2,779,699)	406	(115,506)	(1,130,071)	153	468	--	(4,035,120)
OTHER FINANCING SOURCES (USES)									
Transfers in	25,000	4,067,547	16,911	610,000	1,293,601	--	--	--	6,013,059
Transfers (out)	--	--	(5,178)	--	--	--	--	(58)	(5,236)
Proceeds from insurance claims	--	--	--	--	25,000	--	--	--	25,000
Total other financing sources (uses)	<u>25,000</u>	<u>4,067,547</u>	<u>11,733</u>	<u>610,000</u>	<u>1,318,601</u>	<u>--</u>	<u>--</u>	<u>(58)</u>	<u>6,032,823</u>
Net change in fund balance	14,129	1,287,848	12,139	494,494	188,530	153	468	(58)	1,997,703
Fund balances - beginning	<u>78,199</u>	<u>2,190,478</u>	<u>408,913</u>	<u>1,174,474</u>	<u>4,251,907</u>	<u>153,405</u>	<u>168,199</u>	<u>58</u>	<u>8,425,633</u>
Fund balances - ending	<u>\$ 92,328</u>	<u>\$ 3,478,326</u>	<u>\$ 421,052</u>	<u>\$ 1,668,968</u>	<u>\$ 4,440,437</u>	<u>\$ 153,558</u>	<u>\$ 168,667</u>	<u>\$ --</u>	<u>\$ 10,423,336</u>

CITY OF CHARLESTON, WEST VIRGINIA DEBT SERVICE FUND

Nonmajor Fund

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, 2021

	<u>Civic Center Project Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
ASSETS AND DEFERRED OUTFLOWS		
Assets		
Current:		
Cash and cash equivalents	\$ 517,371	\$ 517,371
Due from:		
Other funds	1,260,173	1,260,173
Restricted cash	<u>3,517,930</u>	<u>3,517,930</u>
 Total assets	 <u>5,295,474</u>	 <u>5,295,474</u>
Deferred Outflows		
	<u> --</u>	<u> --</u>
Total deferred outflows of resources	<u> --</u>	<u> --</u>
 Total assets and deferred outflows of resources	 <u>\$ 5,295,474</u>	 <u>\$ 5,295,474</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities		
Accounts payable	\$ --	\$ --
Total liabilities	<u> --</u>	<u> --</u>
Deferred Inflows		
	<u> --</u>	<u> --</u>
Total deferred inflows of resources	<u> --</u>	<u> --</u>
Total liabilities and deferred inflows of resources	<u> --</u>	<u> --</u>
Fund Balances		
Reserved for:		
Restricted	<u>5,295,474</u>	<u>5,295,474</u>
Total fund balances	<u>5,295,474</u>	<u>5,295,474</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,295,474</u>	<u>\$ 5,295,474</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, 2021

	Civic Center Project Debt Service Fund	Total Nonmajor Debt Service Funds
REVENUES		
Interest and investment earnings	\$ 1,361	\$ 1,361
Total revenues	1,361	1,361
EXPENDITURES		
Debt service:		
Principal	4,280,000	4,280,000
Interest	3,151,839	3,151,839
Bond issuance costs	256,786	256,786
Total expenditures	7,688,625	7,688,625
Excess (deficiency) of revenues over expenditures	(7,687,264)	(7,687,264)
OTHER FINANCING SOURCES (USES)		
Transfers in	7,228,621	7,228,621
Transfers (out)	-	-
Proceeds from refunding of bonds	42,762,000	42,762,000
Other financing - debt service - principal	(42,675,000)	(42,675,000)
Total other financing sources (uses)	7,315,621	7,315,621
Net change in fund balance	(371,643)	(371,643)
Fund balances - beginning	5,667,117	5,667,117
Fund balances - ending	\$ 5,295,474	\$ 5,295,474

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, 2021

	<u>Spring Hill Cemetery</u>
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Current:	
Cash and cash equivalents	\$ 201,363
Investments	2,782,128
Receivables:	
Accrued interest	5,146
Due from:	
Other funds	<u>2,600</u>
Total assets	<u>2,991,237</u>
Deferred Outflows	
	<u>--</u>
Total deferred outflows of resources	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 2,991,237</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities	
Due to:	
Other funds	<u>\$ 87,770</u>
Total liabilities	<u>87,770</u>
Deferred Inflows	
	<u>--</u>
Total deferred inflows of resources	<u>--</u>
Total liabilities and deferred inflows of resources	<u>87,770</u>
Fund Balances	
Reserved for:	
Nonspendable	1,220,019
Restricted	<u>1,683,448</u>
Total fund balances	<u>2,903,467</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,991,237</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, 2021

	<u>Spring Hill Cemetery</u>
REVENUES	
Interest and investment earnings	\$ 492,289
Contributions & donations	<u>53,488</u>
Total revenues	<u>545,777</u>
EXPENDITURES	
Current:	
Social services	<u>249,267</u>
Total expenditures	<u>249,267</u>
Excess (deficiency) of revenues over expenditures	296,510
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>15,700</u>
Total other financing sources (uses)	<u>15,700</u>
Net change in fund balance	312,210
Fund balances - beginning	<u>2,591,257</u>
Fund balances - ending	<u><u>\$ 2,903,467</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, 2021

	Pension Trust Funds		Totals
	Policemen's Pension and Relief	Firemen's Pension and Relief	
ASSETS			
Non-pooled cash	\$ 4,117,031	\$ 3,523,817	\$ 7,640,848
Total cash	4,117,031	3,523,817	7,640,848
Investments, at fair value:			
Federal government securities	978,100	978,100	1,956,200
Certificates of deposit	1,220,169	1,111,421	2,331,590
Common stock	5,909,453	5,497,124	11,406,577
Managed bond funds	6,178,075	6,279,297	12,457,372
Exchange traded products	14,975,694	13,932,762	28,908,456
Total investments	29,261,491	27,798,704	57,060,195
Receivables:			
Interest receivable	34,346	33,523	67,869
Total receivables	34,346	33,523	67,869
Total assets	33,412,868	31,356,044	64,768,912
DEFERRED OUTFLOWS			
Total deferred outflows of resources	--	--	--
LIABILITIES			
Benefits payable	--	732,260	732,260
Total liabilities	--	732,260	732,260
DEFERRED INFLOWS			
Total deferred inflows of resources	--	--	--
NET POSITION			
Net position held in trust for pension benefits	\$ 33,412,868	\$ 30,623,784	\$ 64,036,652

(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, 2021

	Pension Trust Funds		Totals
	Policemen's Pension and Relief	Firemen's Pension and Relief	
ADDITIONS			
Contributions:			
Employer	\$ 4,360,361	\$ 4,571,126	\$ 8,931,487
Plan members	483,946	530,627	1,014,573
Insurance premium surtax	1,907,763	1,963,296	3,871,059
Additional transfers in	2,128,342	2,692,099	4,820,441
	<u>8,880,412</u>	<u>9,757,148</u>	<u>18,637,560</u>
Investment income:			
Net increase (decrease) in fair value of investments	5,973,454	5,549,561	11,523,015
Interest and dividends	450,819	430,716	881,535
Less: investment expense	<u>(130,783)</u>	<u>(126,622)</u>	<u>(257,405)</u>
Net investment income	<u>6,293,490</u>	<u>5,853,655</u>	<u>12,147,145</u>
Total additions	<u>15,173,902</u>	<u>15,610,803</u>	<u>30,784,705</u>
DEDUCTIONS			
Benefits	7,753,101	8,624,086	16,377,187
Administrative expenses	<u>11,654</u>	<u>9,949</u>	<u>21,603</u>
Total deductions	<u>7,764,755</u>	<u>8,634,035</u>	<u>16,398,790</u>
Change in net position	7,409,147	6,976,768	14,385,915
Net position held in trust for pension benefits:			
Beginning of year	<u>26,003,721</u>	<u>23,647,016</u>	<u>49,650,737</u>
End of year	<u>\$ 33,412,868</u>	<u>\$ 30,623,784</u>	<u>\$ 64,036,652</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 CUSTODIAL FUNDS

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.

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 June 30, 2021

	<u>Pending Forfeiture</u>
ASSETS	
Restricted cash	\$ <u>1,181,958</u>
Total cash	<u>1,181,958</u>
Receivables:	
Accounts receivable	<u>39,749</u>
Total receivables	<u>39,749</u>
Total assets	<u>1,221,707</u>
DEFERRED OUTFLOWS	
	<u>--</u>
Total deferred outflows of resources	<u>--</u>
LIABILITIES	
Accounts payable	7,963
Due to: other funds	<u>42,733</u>
Total liabilities	<u>50,696</u>
DEFERRED INFLOWS	
	<u>--</u>
Total deferred inflows of resources	<u>--</u>
NET POSITION	
Net position - held for others	\$ <u><u>1,171,011</u></u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 For the Fiscal Year Ended June 30, 2021

	<u>Pending Forfeiture</u>
ADDITIONS	
Fines & forfeits	\$ <u>731,029</u>
Total	<u>731,029</u>
Investment income:	
Interest and dividends	<u>1,100</u>
Net investment income	<u>1,100</u>
Total additions	<u>732,129</u>
DEDUCTIONS	
Public safety	<u>538,332</u>
Total deductions	<u>538,332</u>
Change in net position	193,797
Net position	
Beginning of year (restated)	<u>977,214</u>
End of year	<u>\$ <u>1,171,011</u></u>

CITY OF CHARLESTON, WEST VIRGINIA
 SCHEDULE OF STATE GRANT AWARDS
 YEAR ENDED JUNE 30, 2021

AWARDING AGENCY:	GRANT NAME	GRANT IDENTIFICATION	PERIOD OF AWARD	TOTAL AWARD	FUNDS RECEIVED	EXPENDITURES	RECEIVABLE (REFUNDABLE) 6/30/2021	UNEXPENDED BALANCE
WV Department of Health & Human Resources	State Opioid Response Program	G200575	10/1/20-9/30/21	\$ 200,000	\$ 48,723	\$ 29,024	\$ (19,699)	\$ 170,976

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2021, which states reliance on other auditors for the discretely presented component units. Our report includes a reference to other auditors who audited the financial statements of the Charleston Urban Renewal Authority (CURA), and Charleston Convention and Visitors Bureau (CVB), as described in our report on the City's financial statements. This report does not include results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes an emphasis of a matter for the adoption of GASB Statement No. 84, *Fiduciary Activities*. Our opinion was not modified with respect to this matter.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses.

The Virginia Center
1411 Virginia Street, East | Suite 100
Charleston, WV 25301

MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue | Suite 220
PO Box 149
Parkersburg, WV 26102

MAIN (304) 485-6584
FAX (304) 485-0971

The Wharf District
68 Clay Street | Suite C
Morgantown, WV 26501

MAIN (304) 554-3371
FAX (304) 554-3410

suttlecpas.com
cpa@suttlecpas.com

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Charleston Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charleston, West Virginia
December 30, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Charleston, West Virginia's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The City's basic financial statements include the operations of the Charleston Urban Renewal Authority, and Charleston Convention and Visitor's Bureau, which is not included in the City's schedule of expenditures of federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of these component units because the component units were audited by other auditors, who did not perform an audit on compliance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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cpa@suttlecpas.com

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in cursive script that reads "Seattle & Stalaker, PLLC".

Charleston, West Virginia
December 30, 2021

**CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Thru Agency Number</u>	<u>Subrecipient Amounts</u>	<u>Total Current Year Expenditures</u>	<u>Outstanding Loan Amounts</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct programs:					
CDBG-Entitlement Grants Cluster:					
Community Development Block Grants -					
Entitlement Grants	14.218	N/A	\$ 204,440	\$ 4,678,324	\$ 2,217,738
Subrecipients of 14.218					
Bob Burdette			12,000		
CARE			140		
Covenant House			8,500		
Daymark, Inc.			20,000		
Kanawha Valley Fellowship Home			14,000		
Manna Meal			33,000		
Rea of Hope, Inc.			7,500		
RCCR			23,000		
WV Health Right			49,000		
WV Women Work			6,300		
Women's Health			17,000		
YWCA - RFAP			5,000		
YWCA - Soj			9,000		
Total Subrecipients of 14.218			<u>204,440</u>		
Community Development Block Grants-CV (CARES ACT ALLOCATION - JULY 2020)					
Entitlement Grants	14.218	N/A	394,122	394,122	\$ 241,773
Subrecipients of 14.218 - CDBG-CV					
CARE			26,204		
Covenant House			20,000		
Kanawha Valley Collective			25,000		
Kanawha Valley Collective Isolation			35,000		
Keep Your Faith			3,967		
Manna Meal			57,729		
Salvation Army			3,166		
United Way			135,442		
WV Health Right			74,500		
YWCA - RFAP			3,114		
YWCA - Soj			10,000		
Total Subrecipients of 14.218 - CDBG-CV			<u>394,122</u>		
Continuum of Care	14.267	N/A	76,852	94,959	
Subrecipients of 14.267					
Covenant House			16,797		
Prestera			8,027		
RSLC			18,284		
YWCA			22,539		
Kanawha Valley Collective			11,205		
Total Subrecipients 14.267			<u>76,852</u>		
HOME Investment Partnerships Program	14.239	N/A	N/A	2,807,348	\$ 2,095,165
Total U.S. Department of Housing and Urban Development				<u>7,974,753</u>	
U.S. DEPARTMENT OF HOMELAND SECURITY					
Pass-through Programs From:					
West Virginia Department of Military Affairs and Public Safety					
Homeland Security - RRT	97.067	19-SHS-07	N/A	59,905	
Homeland Security - K-9	97.067	19-LE-08	N/A	2,134	
Homeland Security - IRE	97.067	20-LE-15	N/A	31,230	
Homeland Security - SWAT	97.067	19-LE-09	N/A	2,109	
Total U.S. Department of Homeland Security				<u>95,378</u>	

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Thru Agency Number</u>	<u>Subrecipient Amounts</u>	<u>Total Current Year Expenditures</u>	<u>Outstanding Loan Amounts</u>
U.S. DEPARTMENT OF JUSTICE					
JAG Program Cluster:					
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0090	N/A	31,521	
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0034	N/A	2,500	
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0936	N/A	47,473	
Comprehensive Opioid Abuse Site-Based Program	16.838	2019-AR-BX-K030	N/A	93,648	
BJA FY20 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0719	N/A	<u>32,652</u>	
Total JAG Program Cluster				<u>207,794</u>	
Pass-Through Programs From:					
West Virginia Department of Criminal Justice Services					
<u>Program Title</u>					
Crime Victims Assistance	16.575	17-VA-047	N/A	9,497	
Crime Victims Assistance	16.575	18-VA-058	N/A	26,688	
JAG Prevention Resource Officers	16.579	20-JAG-08	N/A	30,000	
MDENT Task Force	16.579	20-JAG-07	33,750	<u>45,000</u>	
				<u>111,185</u>	
Subrecipients of 16.579					
St. Albans PD			11,250		
South Charleston PD			11,250		
Nitro PD			<u>11,250</u>		
Total Subrecipients			<u>33,750</u>		
Project Safe Neighborhoods - NIBIN	16.609	18-PSN-002	N/A	10,282	
Equitable Sharing - Treasury	21.016		N/A	21,270	
Federal Bureau of Investigations	16.302	N/A	N/A	594	
				<u>32,146</u>	
Total U. S. Department of Justice				<u>351,125</u>	
U.S. DEPARTMENT OF TREASURY					
Pass-through Programs From:					
West Virginia Office of the Governor					
<u>Program Title</u>					
Corona Virus Relief Fund	21.019	CVRF-2020/06-0075	N/A	<u>11,975,050</u>	
Total U.S. Department of Treasury				<u>11,975,050</u>	
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-Through From:					
West Virginia Department of Transportation:					
CPD Highway Safety Program	20.600	F20HS-08	N/A	21,098	
CPD Highway Safety Program	20.600	F21HS-08	N/A	94,392	
Subrecipients of 20.600 F21HS-08					
City of Parkersburg			2,529		
City of Spencer			1,218		
City of Vienna			409		
South Charleston PD			5,794		
St. Albans PD			5,192		
Dunbar PD			241		
Town of Clendenin			519		
Wood County Commission			237		
Roane County SO			<u>151</u>		
Total Subrecipients			<u>16,290.06</u>		
Total U.S. Department of Transportation				<u>115,490</u>	
EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY					
Pass-Through From:					
Laurel County Fiscal Court					
Appalachia High Intensity Drug Trafficking Area - MDENT	95.001	N/A		104,021	
Total Executive Office of the President - Office of National Drug Control Policy				<u>104,021</u>	
TOTAL FEDERAL AWARDS EXPENDITURES				<u>\$ 20,615,817</u>	

The accompanying notes are an integral part of this schedule.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

NOTE 1- BASIS OF PRESENTATION

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2- INDIRECT COST RATE

The City has not elected to use the 10% de minimis indirect cost rate allowed under Section 200.414 of the Uniform Guidance.

NOTE 3 - LOANS OUTSTANDING

The City had the following loan balances outstanding at June 30, 2021. Loans outstanding at the beginning of the year and loans made during the year are included as federal expenditures presented in this schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Outstanding Amount</u>
Community Development Block Grants/Entitlement Grants	14.218	<u>\$ 2,217,738</u>
HOME Investment Partnership Program	14.239	<u>\$ 2,095,165</u>

NOTE 4 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

CITY OF CHARLESTON, WEST VIRGINIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

 X yes no

Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG/Entitlement Grants
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 yes X no

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

**2021 – 001 FILE MAINTENANCE AND DOCUMENTATION OF PENSION RECORDS – POLICEMEN’S PENSION AND RELIEF FUND (PPRF)
(Repeat of Prior Year Finding 2020 – 001)**

Criteria: The records supporting the underlying estimate of pension benefits for all participants both current and retired should be maintained in a manner that provides the appropriate documentation to support benefit calculations and payments.

Condition: During our audit procedures over the PPRF, we noted that certain underlying documents could not be located or contained discrepancies in the support of various pension criteria. A similar finding was noted in the prior year audit.

Context: From a sample of census data, which included four participants, and the review of four pension disbursements, we noted the following:

- Two instances in which the pension benefit could not be recalculated due to missing or unavailable documentation supporting the calculation.

Effect: Without the appropriate and accurate supporting documentation, the PPRF may not be able to provide evidence of compliance with plan provisions including the basis for pension disbursement. In addition, errors may also result in a misstatement of census data used by actuaries and disclosure of pension liabilities.

Cause: The City’s established procedures to ensure that pension files and all underlying supporting documentation and calculations are accurate did not sufficiently identify certain errors in the calculations.

Identification as a repeat finding, if applicable: Yes

Recommendation: The City should continue to establish enhanced procedures to ensure all pension and personnel documentation are current, accurate, and maintained by the City.

Management’s Response: *We agree with the findings and will take the necessary corrective actions as noted in the corrective action plan attached.*

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

SECTION III

FEDERAL AWARD FINDINGS
AND QUESTIONED COSTS SECTION

None.

CITY OF CHARLESTON, WEST VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

<u>Programs</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2020 – 001	<p>DOCUMENTATION AND CALCULATION – POLICEMEN’S PENSION AND RELIEF FUND (PPRF)</p> <p>The calculations made in supporting the disbursement of pension benefits for all participants should be completed in accordance with relevant plan provisions and State Code to provide for appropriate benefit calculations and payments.</p> <p>Condition: During the audit procedures over PPRF, we noted that certain calculations contained discrepancies in support of various pension criteria.</p> <p>Recommendation: The City should continue to establish enhanced procedures to ensure all pension and personnel documentation are current, accurate, and maintained by the City.</p> <p>Status: Unresolved, see repeat finding 2021-001.</p>	Unknown



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

December 29, 2021

To Whom It May Concern:

The Management of the City of Charleston respectfully submits the following corrective action plan for the year ended June 30, 2021.

Suttle & Stalnaker, PLLC
1411 Virginia Street E., Suite 100
Charleston, WV 25301

Audit Period July 1, 2020 to June 30, 2021

The finding from the June 30, 2021 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Finding 2021-001: File Maintenance and Documentation of Pension Records – Policemen’s Pension and Relief Fund (PPRF)

The records supporting the underlying estimate of pension benefits for all participants both current and retired should be maintained in a manner that provides the appropriate documentation to support benefit calculations and payments.

Responsible Parties: The Interim City Auditor will work with the Police Pension Secretary to establish policies and procedures to ensure all pension and personnel documentation are current, accurate, and maintained properly.

If there are any questions regarding this plan, please contact the Interim City Auditor at Jennifer.vickers@cityofcharleston.org or at 304-348-8028.

Best Regards,

Jennifer Vickers, CPA and CICA
Interim City Auditor / Controller
City of Charleston, West Virginia