

Audited Financial Statements

City of Charleston

Year Ended June 30, 2022

**CITY OF CHARLESTON, WEST VIRGINIA
TABLE OF CONTENTS
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Page(s)</u>
City Officials	5
Independent Auditor's Report	6 - 8
Management's Discussion and Analysis	9 - 20
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	24 - 26
Statement of Activities	27
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	29
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	30 - 31
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	32 - 33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34 - 35
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund	36 - 38
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Coal Severance Tax Fund	39
Statement of Net Position - Proprietary Funds	41 - 42
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	43
Statement of Cash Flows - Proprietary Funds	44 - 45
Statement of Fiduciary Net Position - Fiduciary Funds	47
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	48
Notes to the Financial Statements	49 - 112
Required Supplementary Information:	
Employer Defined Benefit Plans:	
Schedules of Changes In the Net Pension Liability and Related Ratios	114 - 115
Schedules of Investment Returns	116
Schedule of Contributions Multiyear	116
Notes to Schedules	117

CITY OF CHARLESTON, WEST VIRGINIA
TABLE OF CONTENTS (continued)
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Page(s)</u>
Other Post-Employment Benefits:	
Schedules of Changes in Net OPEB Liability and Related Ratios	118
Notes to the Schedules	119
Other Post-Employment Benefits PEIA:	
Schedule of the Government's Proportionate Share of the Net Pension Liability	120
Schedule of Government Contributions	121
Notes to the Schedules	122
Public Employees Retirement System:	
Schedule of the Government's Proportionate Share of the Net Pension Liability	123
Schedule of Government Contributions	124
Notes to the Schedules	125 - 126
Municipal Police Officers and Firefighters Retirement System:	
Schedule of the Government's Proportionate Share of the Net Pension Liability	127
Schedule of Government Contributions	128
Notes to the Schedules	129 - 130
Supplementary Information:	
Combining Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	133
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances - Nonmajor Governmental Funds	134
Combining Balance Sheet - Nonmajor Special Revenue Funds	138 - 139
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances - Nonmajor Special Revenue Funds	140 - 142
Combining Balance Sheet - Nonmajor Capital Projects Funds	144
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Capital Projects Funds	145
Combining Balance Sheet - Nonmajor Debt Service Fund	147
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -	
Nonmajor Debt Service Fund	148
Combining Balance Sheet - Nonmajor Permanent Fund	150
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -	
Nonmajor Permanent Fund	151
Combining Statement of Fiduciary Net Position - Pension Trust Funds	153
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	154
Schedule of State Grant Awards	155

CITY OF CHARLESTON, WEST VIRGINIA
TABLE OF CONTENTS (continued)
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Page(s)</u>
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 <i>Government Auditing Standards</i>	156 - 157
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	158 - 160
Schedule of Expenditures of Federal Awards	161 - 162
Notes to the Schedule of Expenditures of Federal Awards	163
Schedule of Findings and Questioned Costs	164 - 167
Summary Schedule of Prior Audit Findings	168
Corrective Action Plan	169

CITY OF CHARLESTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2022

OFFICE		NAME		TERM
<hr/>				
<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
<u>Council Members</u>				
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	Larry Moore	Ward 17	Bruce King	
Ward 5	Jeanine Faegre	Ward 18	Bobby Brown	
Ward 6	Deanna McKinney	Ward 19	Brady Campbell	
Ward 7	Adam Knauff	Ward 20	Chad Robinson	
<u>Appointive</u>				
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		
City Auditor:	Jennifer Vickers	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

Opinions

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

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, 2022, 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.

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, 14 percent, and 7 percent of the assets, net position, and revenues of the discretely presented component units as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended. 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

Suncrest Towne Centre
453 Suncrest Towne Centre Drive
Suite 201
Morgantown, WV 26505

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

suttlecpas.com
cpa@suttlecpas.com

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

Change in Accounting Principle

As described in Note III.E to the financial statements, in 2022, the City adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

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 20, the schedules of employer defined benefit plans information on pages 114 through 117, the schedules of other post employment benefit plan information on pages 118 through 119, the schedules of other post-employment benefits PEIA on pages 120 through 122, the schedules of public employees retirement system on pages 123 through 126, and the schedules of municipal police officers and firefighters retirement system on pages 127 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements, schedule of state grant awards, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of state grant awards, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023, 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.



Charleston, West Virginia
January 27, 2023

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

This section of the City of Charleston's (the City) Annual Comprehensive Financial Report presents Management's Discussion and Analysis of the City's financial performance during the fiscal year ended June 30, 2022. 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 \$443,486,900 in fiscal year 2022 and a deficit net position of \$503,840,395 in fiscal year 2021.

Of the net position in fiscal year 2022, a deficit balance of \$679,112,389 was reported as total unrestricted net position, which includes \$678,224,409 deficit balance in governmental activities and a \$887,980 deficit balance in business-type activities. Total net position increased \$60,353,495 as a result of this year's operations.

Deferred outflows increased by \$833,020 in governmental activities and decreased by \$448,678 in business-type activities. Deferred inflows increased by \$102,052,748 in governmental activities and increased by \$3,380,602 in business-type activities.

The City's governmental activities reported total expenses of \$66,598,528, total revenues of \$126,389,395, and transfers out of \$1,750,094 for a net increase of \$58,040,773. This net increase is due to several factors concerning our long-term assets/liabilities. The pension asset/liability related to the WV Public Employee Retirement System had a decrease in liability of \$14,749,299, an increase in deferred outflows of \$157,047, and an increase in deferred inflows of \$11,084,797 for a total reduction of expenses of \$3,821,479. The pension asset/liability related to the Municipal Police & Firemen's Retirement System had an increase in the asset of \$1,327,077, an increase in deferred outflows of \$419,824, and an increase in deferred inflows of \$797,084 for a total reduction of expenses by \$949,817. The net pension liability related to the Municipal Policemen's & Firemen's Defined Benefit Plan decreased by \$56,800,055, the deferred outflows increased by \$5,917,961, and the deferred inflows increased by \$25,165,412, for a total reduction in expenses of \$37,553,604. The net other post-employment benefit asset/liability related to West Virginia Public Insurance decreased by \$216,144, the deferred outflows increased by \$7,353,888, and the deferred inflows increased by \$6,577,330, for a total reduction in expense of \$992,702.

Business-type activities reported total expenses of \$19,838,376, program revenues of \$20,040,620, general revenues of \$357,538, capital grants and contributions of \$2,846, and transfers in of \$1,750,094 for a net increase of \$2,312,722. The main reason for this increase is a reduction in the other post-employment liability. This liability decreased \$6,710,872, the deferred outflows decreased by \$429,499, and the deferred inflows increased by \$1,868,930, for a total reduction in expenses of \$4,412,443. The Charleston Coliseum and Convention Center also significantly increased their events for fiscal year 2022, which increased the revenues and corresponding expenses.

Fund Level

Governmental funds reported a combined fund balance of \$121,609,027, an increase of \$6,092,601 from the prior year. This increase was due to a reduction in expenses for fiscal year 2022, and a reduction in transfers out to other funds.

The General Fund reported an unassigned fund balance of \$49,834,354, non-spendable fund balance of \$88,741, restricted fund balance of \$418,509, committed fund balance of \$45,097,062, and assigned fund balance of \$0, compared to \$46,685,059, \$836,611, \$1,321,575, \$40,465,059, and \$0, respectively, in the prior year.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

Total governmental funds reported non-spendable fund balance of \$1,632,177, restricted of \$14,347,957, committed of \$55,794,539, and assigned fund balance of \$0, compared to \$2,056,630, \$15,350,231, \$51,424,506, and \$0, respectively, in the prior year.

Long-term Debt

Total bonds and obligations under long-term liabilities at year end were \$71,686,647, a net decrease of \$5,287,072 from 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:

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

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.

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 24 through 27 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 29 through 39 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 41 through 45 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 47 and 48 of this report.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

Government-Wide Financial Analysis

The City's combined net position (governmental and business-type activities) totaled (\$443,486,900) at the end of 2022 and (\$503,840,395) at the end of 2021. The largest portion of the City's net position, \$205,252,649, reflects investment in capital assets such as land, buildings, equipment, and infrastructure, less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequentially, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt and deferred outflows, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the City's net position, \$30,372,840, 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 (\$679,112,389), reflects the City's deficit of remaining assets to remaining liabilities.

CITY OF CHARLESTON'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 183,494,476	\$ 146,656,244	\$ 15,088,698	\$ 11,356,318	\$ 198,583,174	\$ 158,012,562
Capital assets	106,649,216	103,449,309	104,487,669	108,882,383	211,136,885	212,331,692
Total assets	290,143,692	250,105,553	119,576,367	120,238,701	409,720,059	370,344,254
Deferred Outflows of Resources						
Pensions	15,157,392	8,662,560	-	-	15,157,392	8,662,560
OPEB	46,602,714	52,264,526	1,256,725	1,686,224	47,859,439	53,950,750
Loss on refunding of debt	-	-	46,348	65,527	46,348	65,527
Total deferred outflows of resources	61,760,106	60,927,086	1,303,073	1,751,751	63,063,179	62,678,837
Long-term liabilities outstanding	685,908,988	824,182,887	5,941,547	13,211,707	691,850,535	837,394,594
Other liabilities	47,831,970	28,780,433	892,323	426,499	48,724,293	29,206,932
Total liabilities	733,740,958	852,963,320	6,833,870	13,638,206	740,574,828	866,601,526
Deferred Inflows of Resources						
OPEB	115,135,637	51,921,317	3,579,221	1,710,291	118,714,858	53,631,608
Leases Receivable	1,792,135	-	1,512,670	-	3,304,805	-
Unearned Revenue	-	-	7,429	8,427	7,429	8,427
Pensions	53,668,218	16,621,925	-	-	53,668,218	16,621,925
Total deferred inflows of resources	170,595,990	68,543,242	5,099,320	1,718,718	175,695,310	70,261,960
Net Position:						
Net Investment in capital assets	102,340,279	96,612,810	102,912,370	106,767,191	205,252,649	203,380,001
Restricted	23,450,980	17,406,861	6,921,860	5,932,433	30,372,840	23,339,294
Unrestricted	(678,224,409)	(724,493,594)	(887,980)	(6,066,096)	(679,112,389)	(730,559,690)
Total net position	\$ (552,433,150)	\$ (610,473,923)	\$ 108,946,250	\$ 106,633,528	\$ (443,486,900)	\$ (503,840,395)

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

Governmental Activities. Governmental activities increased the City of Charleston's net position by \$58,040,773, which is primarily attributable to the reduction of expenses of several long-term liabilities, including net pension liability and other post-employment liabilities associated with WV PEIA.

As of June 30, 2022, the net pension liability balance was \$342,843,281, all of which can be attributed to police and fire pension. This liability decreased by \$56,800,055. The general government net pension liability decreased by \$14,749,229, which resulted in a net pension asset of \$9,085,725.

Business-type Activities. Total net position of the City's business-type activities increased over the prior year. Total operating revenues increased \$14,462,945 over the prior year. The Charleston Coliseum & Convention Center (CCCC) experienced an increase in operating revenues of \$14,180,072 and an increase in operating expenses \$9,225,786. The CCCC revenues were up during the year due to a significant increase in events. The Parking System experienced a \$282,873 increase in operating revenues from the prior year. The operating expenses for the Parking System decreased by \$1,736,679, mostly due to the decrease in other post-employment benefit expenses. The CCCC total net position increased \$320,356 and Parking System net position increased by \$1,992,366.

A Tax Incremental Financing District was established for the CCCC's future expansion and renovation. Collections during 2022 were \$67,312 and in 2021 \$232,171 which is restricted for future bond payments.

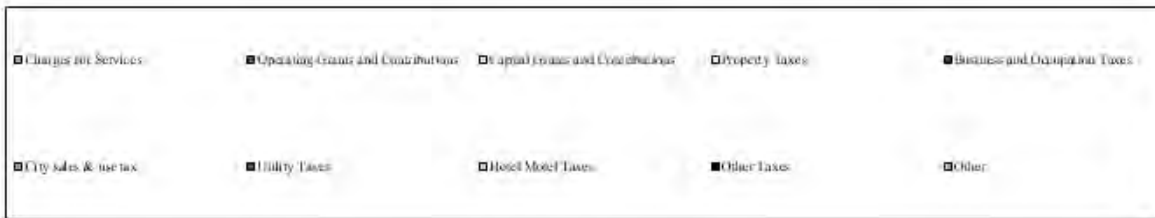
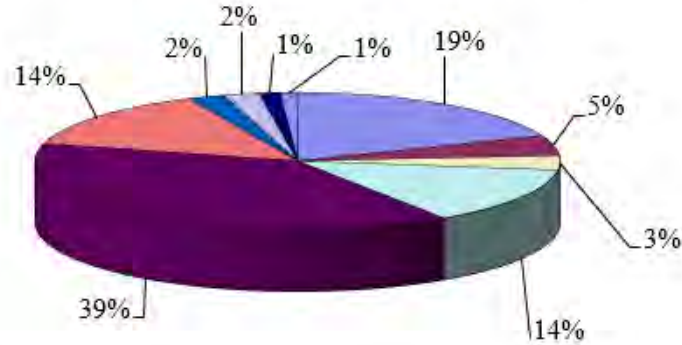
CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

City of Charleston's Changes in Net Position

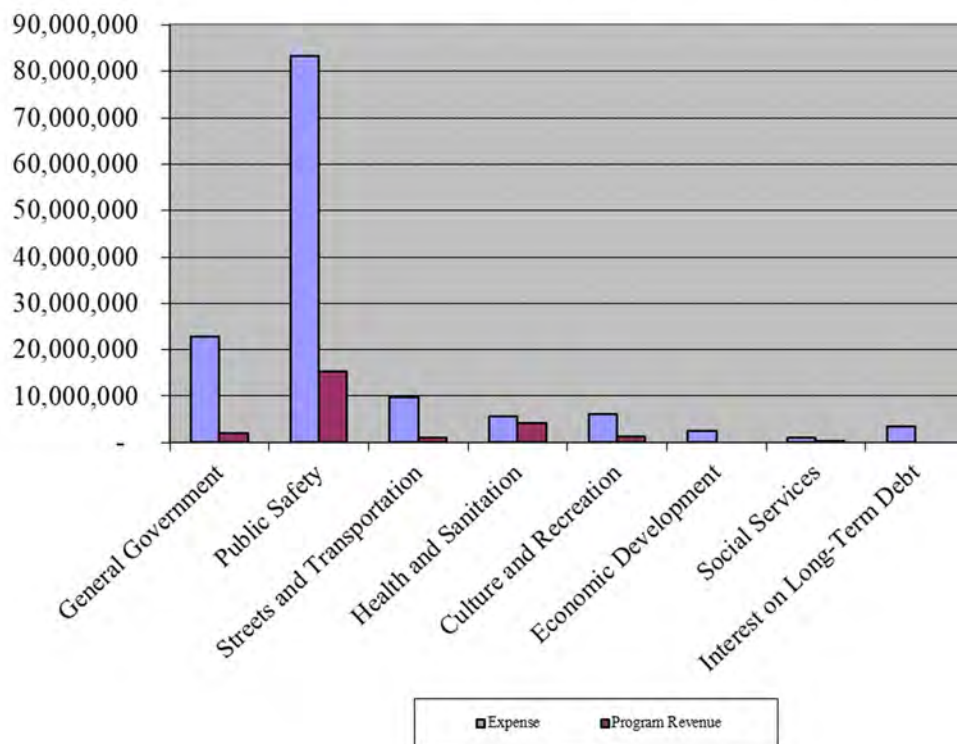
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 24,038,120	\$ 22,468,867	\$ 20,040,620	\$ 5,577,675	\$ 44,078,740	\$ 28,046,542
Operating Grants and Contributions	5,974,325	5,939,292	-	-	5,974,325	5,939,292
Capital Grants and Contributions	4,288,148	13,836,641	2,846	508,498	4,290,994	14,345,139
General Revenues:						
Property Taxes	17,042,072	16,870,208	-	-	17,042,072	16,870,208
Business and Occupation Taxes	48,609,127	45,065,926	-	-	48,609,127	45,065,926
City sales & use tax	17,852,592	16,354,605	-	-	17,852,592	16,354,605
Other Taxes	7,209,781	5,838,322	-	-	7,209,781	5,838,322
Other	1,375,230	5,159,342	357,538	240,136	1,732,768	5,399,478
Total Revenues	126,389,395	131,533,203	20,401,004	6,326,309	146,790,399	137,859,512
Expenses:						
General Government	17,248,218	22,831,051	-	-	17,248,218	22,831,051
Public Safety	20,736,398	83,211,852	-	-	20,736,398	83,211,852
Highways & Streets	8,931,214	9,759,321	-	-	8,931,214	9,759,321
Health & Sanitation	5,031,107	5,528,272	-	-	5,031,107	5,528,272
Economic Development	4,196,186	2,489,781	-	-	4,196,186	2,489,781
Culture & Recreation	7,047,352	6,116,472	-	-	7,047,352	6,116,472
Social Services	1,064,641	1,136,778	-	-	1,064,641	1,136,778
Interest on Long-Term Debt	2,343,412	3,463,399	-	-	2,343,412	3,463,399
Civic Center	-	-	19,207,069	10,003,929	19,207,069	10,003,929
Parking System	-	-	631,307	2,367,986	631,307	2,367,986
Total Expenses	66,598,528	134,536,926	19,838,376	12,371,915	86,436,904	146,908,841
Increase in Net Position						
Before Transfers	59,790,867	(3,003,723)	562,628	(6,045,606)	60,353,495	(9,049,329)
Transfers	(1,750,094)	(2,461,693)	1,750,094	2,461,693	-	-
Increase in Net Position	58,040,773	(5,465,416)	2,312,722	(3,583,913)	60,353,495	(9,049,329)
Net Position- beginning	(610,473,923)	(605,008,507)	106,633,528	110,217,441	(503,840,395)	(494,791,066)
Net Position- ending	\$ (552,433,150)	\$ (610,473,923)	\$ 108,946,250	\$ 106,633,528	\$ (443,486,900)	\$ (503,840,395)

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

Revenue by Source-Governmental Activities

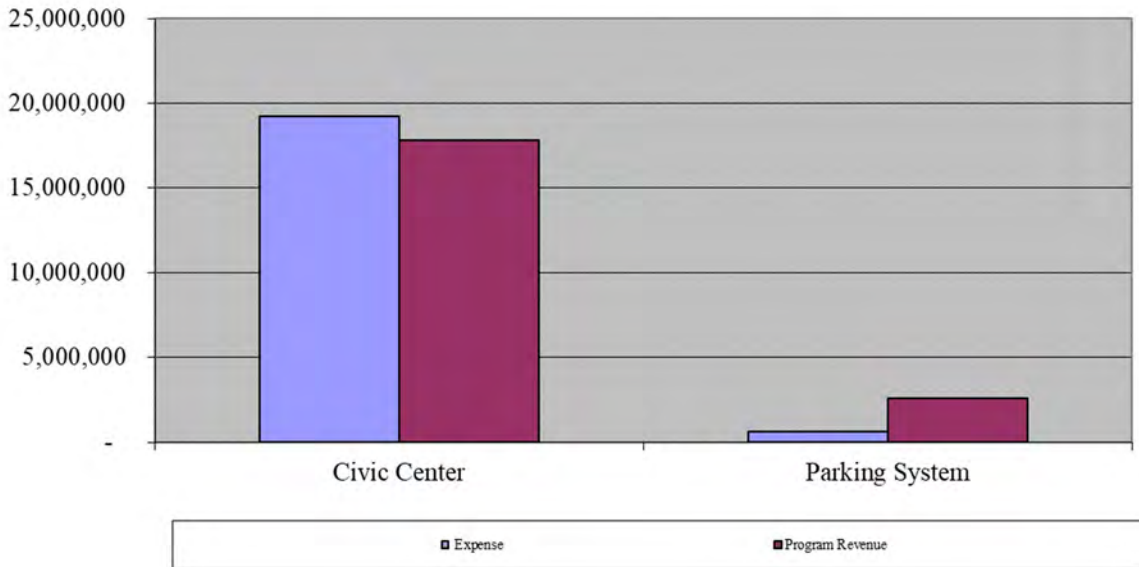


Expenses and Program Revenues-Governmental Activities

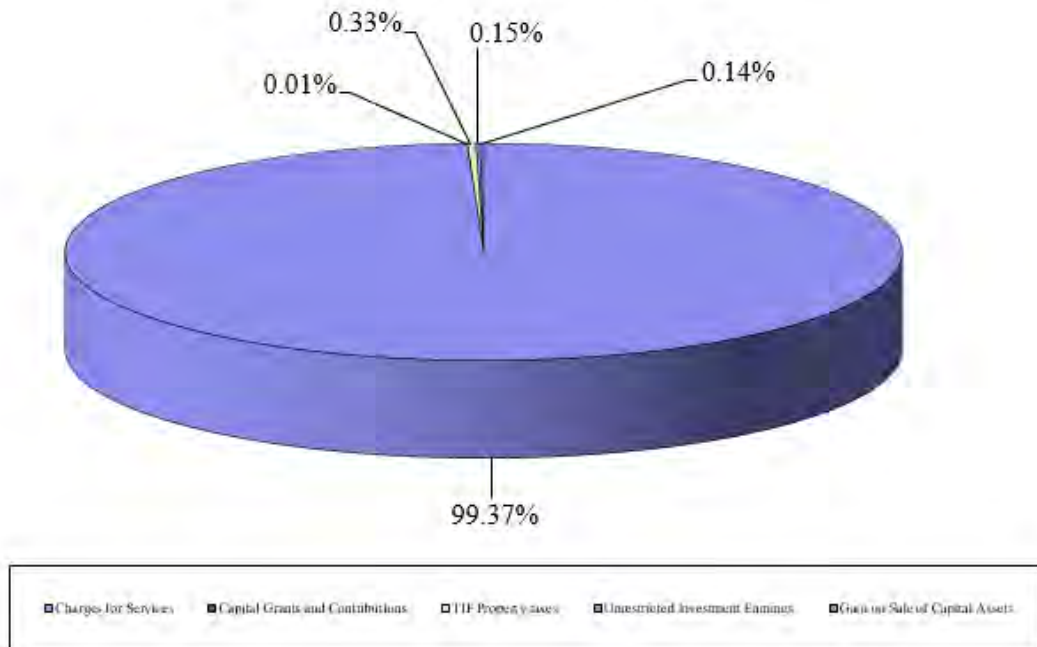


CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

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, 2022

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 \$121,609,027, an increase \$6,092,601 in comparison with the prior year. Approximately 41 percent of the combined ending fund balances in the amount of \$49,834,354 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable for prepaid items and permanent fund corpus \$1,632,177; restricted by external grants, contributors, and laws \$14,347,957; committed by the government's council \$55,794,539, 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 \$49,834,354, while total fund balance was \$95,438,666. 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 51 percent of total General Fund expenditures, while total fund balance represents 98 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased \$6,129,990 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 increased by \$94,123 over the prior year due to an increase in production and coal sales. Community Development and HOME Funds are funded by HUD federal grants for community development. The grant revenues recognized were \$229,517 higher in comparison to fiscal year 2021 due to an increase in funding. The American Rescue Plan 2021 Fund is funded by federal grant money received from the American Rescue Plan Act of 2021. The grant revenues recognized were \$1,810,921 higher in comparison to fiscal year 2021 due to the City incurring eligible expenses and thus recognizing revenue in fiscal year 2022.

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

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

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 2022 the City, through budget amendments, increased the budget by \$8,661,523, on the basis of additional revenue from external and internal sources. The City also decreased the budgeted revenues by \$1,685,007, which amounts to a net increase of \$7,745,482. Additionally, the City increased the fiscal year 2022 budget \$11,346,530 to effect the re-budgeting of the fiscal year 2021 ending fund balance.

The increase in revenues from external were \$240,010 in Contributions and Donations. There were no other increases in revenues.

The fiscal year 2021 ending fund balance of \$11,346,530 was primarily re-budgeted to Capital Outlay expenditures of \$1,002,136, Ball Park Debt service \$319,439, non-spendable insurance expenditures of \$836,611, Public Safety expenditures of \$25,775, and General Government expenditures of \$9,162,569. The City has adopted a policy of carrying forward to the next year any unspent budget funds in several areas to provide additional resources to meet unforeseen circumstances or to preserve funding to complete major projects. In this regard, the City carried forward \$500,000 to open to new capital project funds.

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, 2022, amounted to \$211,136,885 (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 South Side Bridge Intersection and Rehabilitation, Emergency Streambank, Five Corners Architectural Study, Five Corners Traffic Study, Concrete Curb & Sidewalks, Slack Plaza, Charleston Fire Department Rehabilitation, Software, Parks & Recreation HVAC, Beatrice Street Park, Martin Luther King, Jr. Center Remodel, YWCA Fire Suppression Replacement, Charleston Fire Office Remodel, Cato Park Recreation Projects, and Civic Center Grab & Go Project, all of which came to a total of \$8,792,878.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 9,216,489	\$ 9,380,911	\$ 4,366,447	\$ 4,366,447	\$ 13,582,936	\$ 13,747,358
Construction in Progress	8,769,899	6,268,362	22,979	-	8,792,878	6,268,362
Buildings & Improvements	23,050,527	24,173,797	99,174,780	103,807,673	122,225,307	127,981,470
Other Improvements	13,580,603	14,169,902	-	-	13,580,603	14,169,902
Machinery & Equipment	8,012,665	8,585,824	815,567	708,263	8,828,232	9,294,087
Infrastructure	44,019,033	40,870,513	107,896	-	44,126,929	40,870,513
Total	\$ 106,649,216	\$ 103,449,309	\$ 104,487,669	\$ 108,882,383	\$ 211,136,885	\$ 212,331,692

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

Additional information on the City of Charleston's capital assets can be found in Note III.C. on pages 69 through 71 of this report.

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

City of Charleston's Outstanding Debt
Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue Bonds	\$ 70,065,000	\$ 74,793,000	\$ 1,621,647	\$ 2,180,719	\$ 71,686,647	\$ 76,973,719
Total	\$ 70,065,000	\$ 74,793,000	\$ 1,621,647	\$ 2,180,719	\$ 71,686,647	\$ 76,973,719

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Charleston is \$161,336,853.

Additional information on the City of Charleston's long-term debt can be found in Note III.G. on pages 75 through 78 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 was 4.2 percent for June 2022, which is an increase from 3.1 percent from October 2021. The State of West Virginia and the United States unemployment rates as of June 2022 was 3.6 percent, which is an increase for the State from the October 2021 rate of 2.9 percent but a decrease for the Country from the October rate of 4.3 percent. According to the Charleston Area Alliance website, the Charleston region has a labor force of over 87,000 people. Of these 87,000 people, nearly 20,000 work in an office or administrative support position, and over 9,000 work as executives, managers, or administrators. There are over 9,300 businesses operating in the Charleston Area, employing over 123,000 people, of which 2,700 or more offer professional, scientific, or technical services (charlestonareaalliance.org/economic-development/).

In September 2021, the Charleston City Council created the City Center Business Improvement District. This district will be represented by a seven-member board which is comprised of commercial business owners located in the district. Fees will be assessed to the property owners that are located within this district, and the revenues generated from these assessments will be used to maintain, enhance, promote, market and otherwise increase services to this area.

The return of the Sternwheel Regatta was announced in October 2021. The event was held June 30 through July 4, 2022 and generated \$31,507,883 in economic impact for the Charleston region. The Regatta attracted approximately 210,000 attendees, 71 percent of which were local attends and 29 percent out-of-town attendees. Hotel occupancy was estimated to have been at 95 percent, and it was estimated to have directly supported 5,978 jobs.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

The City of Charleston, along with the Kanawha County Commission and other elected officials of the State of West Virginia, announced in August 2022 plans to establish the Capital Sports Center, which will have the capacity to host major regional and national events. The proposed Center will feature an aquatic center, six basketball courts or twelve volleyball courts, an indoor turf field, two wrestling mats, eight pickleball courts, and elevated running/walking track and more housed in the 247,000 square foot facility. This financial joint venture between the City of Charleston and the Kanawha County Commission will be the largest ever and is a great opportunity to grow sports tourism in the Charleston area.

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.

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 24 through 27. 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, 2022

	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	\$ 69,866,740	\$ 5,238,688	\$ 75,105,428	\$ 14,632,578	\$ 3,050,945	\$ 839,780
Investments	65,026,376	399,899	65,426,275	--	--	--
Receivables:						
Accounts	4,989,879	812,374	5,802,253	1,245,524	--	268,938
Accrued interest	5,868	--	5,868	--	--	--
Taxes	19,338,312	--	19,338,312	--	--	--
Lease	415,540	103,428	518,968	--	--	--
Other	--	--	--	431,300	500,000	--
Loans	3,719,057	--	3,719,057	--	740,180	--
Grants	346,250	--	346,250	--	--	--
Special assessments	21,210	--	21,210	--	--	--
Internal balances	204,643	(204,643)	--	--	--	--
Due from:						
Primary government	--	--	--	66,923	--	--
Component units	26,468	--	26,468	--	--	--
Fiduciary Funds	503,852	--	503,852	--	--	--
Restricted :						
TIF district	--	495,285	495,285	--	--	--
Tickets & Promotions	--	3,359,146	3,359,146	--	--	--
Regular account	--	--	--	--	--	--
Revenue bond covenant account	--	3,330,682	3,330,682	--	--	--
Customer deposits	--	116,667	116,667	--	--	--
Inventory	--	--	--	1,277,258	--	--
Prepaid items	88,741	5,663	94,404	118,310	614	--
Total current assets	164,552,936	13,657,189	178,210,125	17,771,893	4,291,739	1,108,718
Noncurrent assets:						
Regular account	--	--	--	2,620,361	--	--
Reserve account	--	--	--	7,432,971	--	--
Renewal and replacement	--	--	--	14,562,937	--	--
Restricted cash	4,814,090	--	4,814,090	--	--	--
Reserve for insurance deductible	--	--	--	316,379	--	--
Reserve for other post employment benefits	--	--	--	612,417	--	--
Reserve for health care	--	--	--	1,021,507	--	--
Reserve for flexible spending account	--	--	--	10,908	--	--
Reserve for construction	--	--	--	953,472	122,675	--
Capital assets:						
Nondepreciable:						
Land	9,216,489	4,366,447	13,582,936	2,654,021	7,136,055	--
Construction in progress	8,769,899	22,979	8,792,878	1,118,838	--	--
Depreciable:						
Buildings and improvements	85,124,951	151,289,628	236,414,579	--	72,324	--
Structures and improvements	--	--	--	48,329,880	--	--
Vehicles	24,424,458	--	24,424,458	--	--	--
Infrastructure	119,160,319	--	119,160,319	5,848,723	--	--
Collection System	--	--	--	122,665,425	--	--
Pumping System	--	--	--	3,070,121	--	--
Machinery and equipment	23,109,473	3,926,434	27,035,907	60,080,057	40,590	91,859
Lease asset	--	--	--	250,971	--	--
Less: accumulated depreciation	(163,156,373)	(55,117,819)	(218,274,192)	(105,685,876)	(91,254)	(88,562)
Lease Receivable	1,404,723	1,431,509	2,836,232	--	--	--
Net pension asset - MPFRS	3,448,691	--	3,448,691	--	--	--
Net pension asset - PERS	9,085,725	--	9,085,725	2,497,561	75,257	275,768
Net pension asset - PEIA (OPEB)	188,311	--	188,311	20,376	626	2,139
Total noncurrent assets	125,590,756	105,919,178	231,509,934	168,381,049	7,356,273	281,204
Total assets	290,143,692	119,576,367	409,720,059	186,152,942	11,648,012	1,389,922

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2022

	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	--	46,348	46,348	--	--	--
Public Employees Retirement System (PERS):						
Contributions made after measurement date	1,678,590	--	1,678,590	467,883	13,388	47,778
Changes between expected and actual experience	1,036,914	--	1,036,914	285,036	8,589	31,472
Changes in contributions	--	--	--	11,296	--	242
Changes in assumptions	1,728,701	--	1,728,701	475,200	14,319	52,469
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	772,346	--	772,346	--	--	--
Changes in contributions	380,401	--	380,401	--	--	--
Changes in assumptions	376,975	--	376,975	--	--	--
Changes between expected and actual experience	227,827	--	227,827	--	--	--
Other Post Employment Benefits (OPEB)						
Changes in assumptions	36,904,131	1,217,778	38,121,909	2,279,949	--	--
Changes between expected and actual experience	1,180,285	38,947	1,219,232	--	--	--
Other Post Employment Benefits (OPEB) - PEIA						
Changes in proportionate share	7,881,758	--	7,881,758	857,053	1,282	6,556
Contributions made after measurement date	636,540	--	636,540	66,092	2,104	36,993
Defined Benefit Plans (DBP):						
Changes in actual investment experience	8,120,827	--	8,120,827	--	--	--
Changes in earnings	834,811	--	834,811	--	--	--
 Total deferred outflows of resources	 61,760,106	 1,303,073	 63,063,179	 4,442,509	 39,682	 175,510
LIABILITIES						
Current liabilities payable						
from current assets:						
Accounts payable	4,455,831	720,988	5,176,819	949,538	5,870	168,647
Refunds payable	--	--	--	--	--	--
Payroll payable	1,429,861	53,779	1,483,640	194,632	--	--
Other accrued expenses	169,478	3,555	173,033	--	31,169	7,489
Live on the Levee Charitable Raffle	50	--	50	--	--	--
Accrued interest payable	15,398	12,760	28,158	657,739	--	--
Compensated absences payable	521,872	30,216	552,088	282,556	--	--
Bonds payable	4,780,000	610,000	5,390,000	4,951,375	--	--
Finance Purchase Payable	1,876,706	--	1,876,706	--	--	--
Lease liability	--	--	--	41,118	--	--
Reserve for future insurance claims	1,268,132	--	1,268,132	--	--	--
Claims and judgements	957,223	--	957,223	--	--	--
Due to:						
Primary government	--	--	--	26,468	--	--
Component unit	271,764	15,171	286,935	--	--	--
Other governments	95,055	544	95,599	--	40,000	--
Unearned revenue						
Grant advances	38,559,974	--	38,559,974	--	--	--
Unearned revenue	--	--	--	--	800	--
Customer prepaid fees	87,332	55,310	142,642	--	--	--
Total current liabilities	54,488,676	1,502,323	55,990,999	7,103,426	77,839	176,136
Noncurrent liabilities due in more than one year:						
Bonds payable	65,285,000	1,011,647	66,296,647	77,237,480	--	--
Leases payable	--	--	--	173,938	--	--
Finance Purchase Payable	2,432,231	--	2,432,231	--	--	--
Total other post employment benefits liability (OPEB)	266,473,126	4,274,576	270,747,702	17,278,810	--	--
Net pension liability - Police and Fire	342,843,281	--	342,843,281	--	--	--
Compensated absences payable	782,809	45,324	828,133	--	--	--
Claims and judgements	1,435,835	--	1,435,835	--	--	--
Total noncurrent liabilities	679,252,282	5,331,547	684,583,829	94,690,228	--	--
Total liabilities	733,740,958	6,833,870	740,574,828	101,793,654	77,839	176,136

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2022

	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	405,615	--	405,615	14,430	675	2,051
Changes in investment experience	34,441	--	34,441	--	--	--
Changes between projected and actual earnings	11,637,333	--	11,637,333	3,198,969	96,392	353,214
Changes in assumptions	73,643	--	73,643	20,244	610	2,235
Changes in expected and actual experience	--	--	--	9,468	285	1,045
Other Post Employment Benefits (OPEB)						
Changes in assumptions	71,181,047	2,348,862	73,529,909	4,258,056	--	--
Differences between expected and actual experience	37,285,401	1,230,359	38,515,760	5,318,920	--	--
Other Post Employment Benefits (OPEB) - PELA						
Changes in expected and actual non-investment experience	1,297,180	--	1,297,180	140,357	4,313	14,737
Changes in assumptions	3,984,743	--	3,984,743	431,156	13,249	45,269
Changes in earnings	1,299,585	--	1,299,585	140,617	4,321	14,764
Changes in contributions	80,248	--	80,248	83,246	511	22,460
Changes in reallocation of proportionate share	7,433	--	7,433	1,358	234	930
Defined Benefit Plans (DBP):						
Changes in assumptions	40,484,565	--	40,484,565	--	--	--
Municipal Police & Fire Retirement System (MPFRS):						
Changes in actual investment experience	79,944	--	79,944	--	--	--
Changes in assumptions	20,539	--	20,539	--	--	--
Changes in contributions	69,175	--	69,175	--	--	--
Changes in earnings	862,963	--	862,963	--	--	--
Lease Receivables	1,792,135	1,512,670	3,304,805	--	--	--
Deferred Revenue	--	7,429	7,429	--	--	--
Total deferred inflows of resources	170,595,990	5,099,320	175,695,310	13,616,821	120,590	456,705
NET POSITION						
Net investment in capital assets	102,340,279	102,912,370	205,252,649	56,143,305	7,157,715	3,297
Restricted for:						
Culture and recreation	96,215	--	96,215	--	--	--
Debt service	5,682,110	3,330,682	9,012,792	25,569,741	--	--
Capital projects	90,946	--	90,946	--	--	--
General Government	306,175	--	306,175	--	13,000	--
Community development projects	770,000	--	770,000	--	--	--
Highways and streets	--	--	--	--	--	--
Tickets & Promotions	--	2,979,226	2,979,226	--	--	--
Public safety	2,272,198	--	2,272,198	--	--	--
Culture and recreation	--	--	--	--	--	--
Health & Sanitation	3,971,678	--	3,971,678	--	--	--
Pension benefits	5,552,517	--	5,552,517	493,865	--	--
Other post-employment benefits	2,037,420	--	2,037,420	146,787	--	--
Social Services						
Expendable	1,128,285	--	1,128,285	--	--	--
Nonexpendable	1,543,436	--	1,543,436	--	--	--
TIF District	--	495,285	495,285	--	--	--
Customer deposits	--	116,667	116,667	--	--	--
Unrestricted	(678,224,409)	(887,980)	(679,112,389)	(7,168,722)	4,318,550	929,294
Total net position	\$ (552,433,150)	\$ 108,946,250	\$ (443,486,900)	\$ 75,184,976	\$ 11,489,265	\$ 932,591

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, 2022

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	\$ 17,248,218	\$ 1,925,291	\$ --	\$ 2,534,261	\$ (12,788,666)	\$ --	\$ (12,788,666)	\$ --	\$ --	\$ --
Public safety	20,736,398	15,416,531	3,728,368	1,558,930	(32,569)	--	(32,569)	--	--	--
Streets and transportation	8,931,214	1,109,609	--	--	(7,821,605)	--	(7,821,605)	--	--	--
Health and sanitation	5,031,107	4,095,523	--	--	(935,584)	--	(935,584)	--	--	--
Culture and recreation	7,047,352	1,257,893	--	158,689	(5,630,770)	--	(5,630,770)	--	--	--
Interest on long-term debt	2,343,412	--	--	--	(2,343,412)	--	(2,343,412)	--	--	--
Social services	1,064,641	233,273	--	--	(831,368)	--	(831,368)	--	--	--
Economic development	4,196,186	--	2,245,957	36,268	(1,913,961)	--	(1,913,961)	--	--	--
Total governmental activities	66,598,528	24,038,120	5,974,325	4,288,148	(32,297,935)	--	(32,297,935)	--	--	--
Business-type activities:										
Civic Center	19,207,069	17,465,820	--	2,846	--	(1,738,403)	(1,738,403)	--	--	--
Parking System	631,307	2,574,800	--	--	--	1,943,493	1,943,493	--	--	--
Total business-type activities	19,838,376	20,040,620	--	2,846	--	205,090	205,090	--	--	--
Total primary government	\$ 86,436,904	\$ 44,078,740	\$ 5,974,325	\$ 4,290,994	(32,297,935)	205,090	(32,092,845)	--	--	--
Component units:										
Sanitary Board	\$ 19,550,536	\$ 21,275,144	\$ --	\$ 3,096	--	--	--	1,727,704	--	--
Urban Renewal Authority	514,026	219,881	--	--	--	--	--	--	(294,145)	--
Convention & Visitor's Bureau	1,142,364	48,383	--	1,576,973	--	--	--	--	--	482,992
Total component units	\$ 21,206,926	\$ 21,543,408	\$ --	\$ 1,580,069	--	--	--	1,727,704	(294,145)	482,992
General revenues:										
Ad valorem property taxes					17,042,072	--	17,042,072	--	--	--
Business & occupation tax					48,609,127	--	48,609,127	--	--	--
Alcoholic beverages tax					1,038,039	--	1,038,039	--	--	--
Utility services tax					2,814,926	--	2,814,926	--	--	--
Hotel occupancy tax					2,778,601	--	2,778,601	--	--	--
Animal tax					5,638	--	5,638	--	--	--
Gas & Oil Severance					90,153	--	90,153	--	--	--
Amusement tax					291,491	--	291,491	--	--	--
Sales and use tax					17,852,592	--	17,852,592	--	--	--
Coal severance tax					190,933	--	190,933	--	--	--
Unrestricted investment earnings					(487,519)	31,120	(456,399)	67,672	11,492	870
Refunds					91,627	--	91,627	--	--	--
Gain(Loss) on sale of capital assets					142,070	28,416	170,486	--	--	--
Miscellaneous & Other					1,442,783	251,205	1,693,988	1,983,192	--	5,000
Total General Revenues					91,902,533	310,741	92,213,274	2,050,864	11,492	5,870
Extraordinary Item - Insurance Proceeds					186,269	46,797	233,066			
Transfers					(1,750,094)	1,750,094	--			
Change in net position					58,040,773	2,312,722	60,353,495	3,778,568	(282,653)	488,862
Net position - beginning					(610,473,923)	106,633,528	(503,840,395)	71,406,408	11,771,918	443,729
Net position - ending					\$ (552,433,150)	\$ 108,946,250	\$ (443,486,900)	\$ 75,184,976	\$ 11,489,265	\$ 932,591

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

CITY OF CHARLESTON, WEST VIRGINIA

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

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

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

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

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

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, 2022

	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	\$ 53,679,113	\$ 6	\$ 25,502	\$ 20,410	\$ 1,087,690	\$ 15,054,019	\$ 69,866,740
Investments	25,030,131	--	--	--	34,461,750	5,534,495	65,026,376
Receivables:							
Taxes	19,273,824	64,488	--	--	--	--	19,338,312
Accounts	4,428,625	--	--	--	--	561,254	4,989,879
Grants	--	--	234,510	35,217	--	76,523	346,250
Special assessments	--	--	--	--	--	21,210	21,210
Loans	--	--	1,540,515	1,834,364	--	344,178	3,719,057
Accrued interest	57	--	--	--	--	5,811	5,868
Lease	1,820,263	--	--	--	--	--	1,820,263
Due from:							
Other funds	3,429,889	--	--	--	--	2,557,635	5,987,524
Component units	10,765	--	--	--	--	15,703	26,468
Prepaid items	88,741	--	--	--	--	--	88,741
Restricted cash	327,563	--	--	--	--	4,486,527	4,814,090
Total assets	108,088,971	64,494	1,800,527	1,889,991	35,549,440	28,657,355	176,050,778
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 108,088,971	\$ 64,494	\$ 1,800,527	\$ 1,889,991	\$ 35,549,440	\$ 28,657,355	\$ 176,050,778
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,876,752	\$ --	\$ 171,028	\$ 762	\$ 491,241	\$ 1,916,048	\$ 4,455,831
Payroll payable	1,429,861	--	--	--	--	--	1,429,861
Live on the Levee Charity Raffle	--	--	--	--	--	50	50
Other accrued expenditures	169,478	--	--	--	--	--	169,478
Reserve for future insurance claims	1,268,132	--	--	--	--	--	1,268,132
Due to:							
Component unit	271,764	--	--	--	--	--	271,764
Other funds	4,623,835	--	88,792	34,980	--	531,422	5,279,029
Other governments	95,055	--	--	--	--	--	95,055
Deferred Revenue	2,851	--	--	--	--	--	2,851
Grant advances	--	--	1,540,515	1,854,249	34,990,437	171,922	38,557,123
Customer prepaid fees	87,332	--	--	--	--	--	87,332
Total liabilities	9,825,060	--	1,800,335	1,889,991	35,481,678	2,619,442	51,616,506
Deferred Inflows:							
Taxes	1,033,110	--	--	--	--	--	1,033,110
Lease Receivable	1,792,135	--	--	--	--	--	1,792,135
Total deferred inflows of resources	2,825,245	--	--	--	--	--	2,825,245
Total liabilities and deferred inflows of resources	12,650,305	--	1,800,335	1,889,991	35,481,678	2,619,442	54,441,751
Fund balances:							
Nonspendable	88,741	--	--	--	--	1,543,436	1,632,177
Restricted	418,509	64,494	192	--	67,762	13,797,000	14,347,957
Committed	45,097,062	--	--	--	--	10,697,477	55,794,539
Unassigned	49,834,354	--	--	--	--	--	49,834,354
Total fund balances	95,438,666	64,494	192	--	67,762	26,037,913	121,609,027
Total liabilities, deferred inflows and fund balances	\$ 108,088,971	\$ 64,494	\$ 1,800,527	\$ 1,889,991	\$ 35,549,440	\$ 28,657,355	\$ 176,050,778

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, 2022

Total fund balances on the governmental fund's balance sheet	\$	121,609,027
--------------------------------------------------------------	----	-------------

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.).		106,649,216
------------------------------------------------------------------------------------------------------------------------------------	--	-------------

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

MPFRS Net pension asset		3,448,691
PERS Net pension asset		9,085,725
PEIA Net pension asset		188,311

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.).		1,033,110
-------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

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.).

Public Employees Retirement System (PERS):

Deferred outflows:

Contributions made after measurement date		1,678,590
Changes between expected and actual experience		1,036,914
Changes in assumptions		1,728,701

Deferred inflows:

Changes in contributions		(405,615)
Changes in investment experience		(34,441)
Changes between projected and actual earnings		(11,637,333)
Changes in assumptions		(73,643)

Defined Benefit Plans (DBP):

Deferred outflows:

Changes in actual investment experience		8,120,827
Changes in assumptions		834,811

Deferred inflows:

Changes in assumptions		(40,484,565)
------------------------	--	---------------

CITY OF CHARLESTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (Continued)
June 30, 2022

MPFRS

Deferred outflows:

Contributions made after measurement date	772,346
Changes in contributions	380,401
Changes in earnings	376,975
Changes in actual investment experience	227,827

Deferred inflows:

Changes in contributions	(69,175)
Changes in actual investment experience	(79,944)
Changes in assumptions	(20,539)
Changes in earnings	(862,963)
Employer contributions	

OPEB

Deferred outflows:

Changes in actual investment experience	1,180,285
Changes in assumptions	36,904,131

Deferred inflows:

Difference between expected and actual experience	(37,285,401)
Changes in assumptions	(71,181,047)

OPEB - PEIA

Deferred outflows:

Contributions made after measurement date	636,540
Changes in proportionate share	7,881,758

Deferred inflows:

Difference between expected and actual experience	(1,297,180)
Changes in assumptions	(3,984,743)
Changes in earnings	(1,299,585)
Changes in contributions	(80,248)
Changes in reallocation of proportionate share	(7,433)

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.).

Finance purchase payable	(4,308,937)
Compensated absences	(1,304,681)
Net pension liability - Police & Fire	(342,843,281)
Bonds payable	(70,065,000)
Accrued interest payable	(15,398)
Claims & judgements	(2,393,058)
Other post employment benefits	(266,473,126)

Net position of governmental activities	\$	(552,433,150)
-----------------------------------------	----	----------------

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, 2022

	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	\$ 16,814,033	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 16,814,033
Business & occupation tax	48,609,127	--	--	--	--	--	48,609,127
Alcoholic beverages tax	1,038,039	--	--	--	--	--	1,038,039
Utility services tax	2,814,926	--	--	--	--	--	2,814,926
Hotel occupancy tax	2,778,601	--	--	--	--	--	2,778,601
Animal tax	5,638	--	--	--	--	--	5,638
Gas and oil severance tax	90,153	--	--	--	--	--	90,153
Amusement tax	291,491	--	--	--	--	--	291,491
City sales tax	17,852,592	--	--	--	--	--	17,852,592
Coal severance tax	--	190,933	--	--	--	--	190,933
Licenses and permits	1,745,644	--	--	--	--	--	1,745,644
Intergovernmental:							
Federal	307,494	--	2,177,315	525,749	1,810,921	932,344	5,753,823
State	3,751,706	--	--	--	--	441,799	4,193,505
Local	--	--	--	--	--	74,132	74,132
Charges for services	16,275,773	--	--	--	--	4,223,069	20,498,842
Fines and forfeits	--	--	--	--	--	1,213,665	1,213,665
Interest and investment earnings	(770,947)	--	--	--	66,118	217,310	(487,519)
Payments in lieu of taxes	91,627	--	--	--	--	--	91,627
IRP fees	579,969	--	--	--	--	--	579,969
Contributions and donations	321,301	--	--	--	--	540,891	862,192
Miscellaneous	1,343,870	--	26,291	--	--	72,622	1,442,783
Total revenues	113,941,037	190,933	2,203,606	525,749	1,877,039	7,715,832	126,454,196
EXPENDITURES							
Current:							
General government	19,399,401	--	--	--	--	221,899	19,621,300
Public safety	53,690,790	--	--	--	--	1,787,048	55,477,838
Streets and transportation	8,207,317	--	--	--	--	--	8,207,317
Health and sanitation	3,878,991	--	--	--	--	1,094,735	4,973,726
Culture and recreation	5,942,631	--	--	--	--	235,046	6,177,677
Social services	798,481	--	--	--	--	182,006	980,487
Capital projects	4,321,147	--	--	--	--	7,207,542	11,528,689
Economic development	417,131	--	2,203,770	525,749	1,269,083	237,560	4,653,293
Debt service:							
Principal	465,000	--	--	--	--	4,728,000	5,193,000
Interest & fiscal charges	49,894	--	--	--	--	2,297,391	2,347,285
Bond issuance costs	5,050	--	--	--	--	--	5,050
Total expenditures	97,175,833	--	2,203,770	525,749	1,269,083	17,991,227	119,165,662
Excess (deficiency) of revenues over expenditures	16,765,204	190,933	(164)	--	607,956	(10,275,395)	7,288,534

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, 2022

	General	Coal Severance Tax	Community Development	HOME	American Rescue Plan Act 2021	Other Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Transfers in	22,947,519	--	--	--	--	14,097,547	37,045,066
Transfers (out)	(34,136,894)	(155,726)	--	--	(541,838)	(3,960,702)	(38,795,160)
Insurance Proceeds	186,269	--	--	--	--	--	186,269
Proceeds from sale of assets	367,892	--	--	--	--	--	367,892
Total other financing sources (uses)	(10,635,214)	(155,726)	--	--	(541,838)	10,136,845	(1,195,933)
Net change in fund balances	6,129,990	35,207	(164)	--	66,118	(138,550)	6,092,601
Fund balances - beginning	89,308,676	29,287	356	--	1,644	26,176,463	115,516,426
Fund balances - ending	<u>\$ 95,438,666</u>	<u>\$ 64,494</u>	<u>\$ 192</u>	<u>\$ --</u>	<u>\$ 67,762</u>	<u>\$ 26,037,913</u>	<u>\$ 121,609,027</u>

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

CITY OF CHARLESTON, WEST VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$ 6,092,601
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.).	11,107,382
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year (Note III.C.).	(7,681,653)
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).	(225,822)
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.).	228,039
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	1,678,590
Amount of pension expenses recognized at government-wide level - deferred outflows	(1,521,543)
Amount of pension expenses recognized at government-wide level - deferred inflows	(11,084,797)
<i>Defined Benefit Plans (DBP):</i>	
Amount of pension expenses recognized at government-wide level - deferred outflows	5,917,961
Amount of pension expenses recognized at government-wide level - deferred inflows	(25,164,412)
<i>Municipal Police Officer and Firefighter Retirement System (MPFRS):</i>	
Contributions made after measurement date	772,346
Amount of pension expenses recognized at government-wide level - deferred outflows	(352,522)
Amount of pension expenses recognized at government-wide level - deferred inflows	(797,084)
<i>Other Post Employment Benefits (OPEB):</i>	
Amount of OPEB expenses recognized at government-wide level - deferred outflows	(13,015,700)
Amount of OPEB expenses recognized at government-wide level - deferred inflows	(56,636,990)
<i>Other Post Employment Benefits (OPEB) - PEIA:</i>	
Contributions made after measurement date	636,540
Amount of OPEB expenses recognized at government-wide level - deferred outflows	6,717,348
Amount of OPEB expenses recognized at government-wide level - deferred inflows	(6,577,330)

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, 2022

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 principle payments	4,728,000
Finance purchase payments	2,527,562
Net pension liability (asset) - PERS	14,749,229
Net pension liability - DBP	56,800,055
Net pension asset - MPFRS	1,327,077
Claims and judgements	1,414,129
Other post employment benefits	66,123,932
Other post employment benefits - PEIA	216,144
Interest Payable	8,923

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.

	<u>52,768</u>
Change in net position of governmental activities	<u>\$ 58,040,773</u>

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, 2022

	Budgeted Amounts		Actual	Adjustments		Variance With
	Original	Final	Modified	Budget	Actual	Final Budget
			Accrual Basis	Basis	Amounts	Positive
						(Negative)
REVENUES						
Taxes:						
Property	\$ 17,000,000	\$ 17,000,000	\$ 16,814,033	\$ --	\$ 16,814,033	\$ (185,967)
Business & occupation	42,500,000	41,343,949	48,609,127	(434,847)	48,174,280	6,830,331
Utility	2,700,000	2,700,000	2,814,926	--	2,814,926	114,926
Hotel motel	2,250,000	2,250,000	2,778,601	--	2,778,601	528,601
City sales tax	--	--	17,852,592	(17,852,592)	--	--
Alcoholic beverages	1,000,000	1,000,000	1,038,039	--	1,038,039	38,039
Amusement	50,000	50,000	291,491	--	291,491	241,491
Animal	6,000	6,000	5,638	--	5,638	(362)
Gas & oil severance	75,000	75,000	90,153	--	90,153	15,153
Licenses and permits (includes IRP fees)	2,057,000	2,057,000	2,325,613	--	2,325,613	268,613
Charges for services	15,599,600	15,599,600	16,265,858	(28,128)	16,237,730	638,130
Intergovernmental:						
Federal	100,000	100,000	307,494		307,494	207,494
State	--	--	3,751,706	(3,728,368)	23,338	23,338
Interest and investment earnings	30,000	30,000	(770,947)	817,729	46,782	16,782
Payments in lieu of taxes	50,000	50,000	91,627	--	91,627	41,627
Contributions and donations	240,000	480,010	321,301	--	321,301	(158,709)
Filing Fees	8,000	8,000	9,915	--	9,915	1,915
Miscellaneous	1,560,000	1,560,000	1,343,870	--	1,343,870	(216,130)
Total revenues	\$ 85,225,600	\$ 84,309,559	\$ 113,941,037	\$ (21,226,206)	\$ 92,714,831	\$ 8,405,272
EXPENDITURES						
General government:						
Mayor's office	\$ 1,375,389	\$ 1,385,389	\$ 1,102,030	\$ (14,114)	\$ 1,087,916	\$ 297,473
City Council	401,219	410,386	345,783	--	345,783	64,603
City Manager	2,254,853	2,411,575	2,194,045	(28,227)	2,165,818	245,757
City Treasurer	192,013	202,013	210,217	(28,227)	181,990	20,023
City Collector	1,124,327	1,124,327	1,069,678	(84,682)	984,996	139,331
City Clerk	182,366	182,366	180,143	--	180,143	2,223
Municipal Court	470,854	470,854	469,420	(28,227)	441,193	29,661
City Attorney	1,119,177	1,927,177	1,460,812	--	1,460,812	466,365
City Auditor	478,361	478,361	423,576	(28,227)	395,349	83,012
Engineering	915,490	915,940	843,311	(28,227)	815,084	100,856
MOECD	513,188	561,631	527,848	(14,114)	513,734	47,897
Human Resources	663,968	663,968	601,916	(14,114)	587,802	76,166
Contributions to Main Street						
Program	75,000	75,000	75,000	--	75,000	--
Position & Compensation Initiative	--	681,834	464,108	--	464,108	217,726
Regional Intergovernmental						
Council	19,904	19,904	19,904	--	19,904	--
Mail room	188,228	213,228	224,909	(42,341)	182,568	30,660
Capital Market Contributions	20,000	20,000	20,000	--	20,000	--
Building commission	1,287,477	2,213,027	2,264,013	(14,114)	2,249,899	(36,872)
Planning	660,731	910,731	865,886	(28,227)	837,659	73,072
Elections	22,000	22,000	69,139	--	69,139	(47,139)

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, 2022

	Budgeted Amounts		Actual	Adjustments		Variance With
	Original	Final	Modified	Budget	Actual	Final Budget
			Accrual Basis	Basis	Amounts	Positive
						(Negative)
Information systems	1,698,884	2,298,884	1,551,085	(69,656)	1,481,429	817,455
Building maintenance	1,257,166	1,294,557	1,073,360	(28,228)	1,045,132	249,425
Regular Retiree Health Benefits & COBRA	2,206,222	2,206,222	2,650	1,877,120	1,879,770	326,452
Constituent Services	173,064	277,183	203,818	- -	203,818	73,365
Morris Square	376,494	376,544	304,408	- -	304,408	72,136
Employee health clinic	619,500	819,500	912,751	- -	912,751	(93,251)
Public works	384,213	384,213	375,579	(28,228)	347,351	36,862
Public grounds	1,467,010	1,678,410	1,544,012	(98,796)	1,445,216	233,194
Contingency	200,272	100,165	- -	- -	- -	100,165
Total general government	20,347,370	24,325,389	19,399,401	1,299,371	20,698,772	3,626,617
Public safety:						
Police	24,519,958	24,530,093	26,081,673	(1,951,566)	24,130,107	399,986
Fire	25,370,606	25,411,606	26,034,301	(1,903,825)	24,130,476	1,281,130
Traffic engineering	1,419,994	1,420,494	1,544,024	(84,682)	1,459,342	(38,848)
C-K emergency services	116,225	124,225	30,792	(14,114)	16,678	107,547
Total public safety	51,426,783	51,486,418	53,690,790	(3,954,187)	49,736,603	1,749,815
Streets and transportation:						
Streets and transportation	4,181,352	4,413,042	4,445,900	(479,865)	3,966,035	447,007
Equipment maintenance	3,137,326	3,597,226	3,761,417	(211,705)	3,549,712	47,514
Total streets and transportation	7,318,678	8,010,268	8,207,317	(691,570)	7,515,747	494,521
Health and sanitation:						
Refuse collection & recycling	3,367,829	3,821,129	3,778,991	(239,933)	3,539,058	282,071
Kanawha-Charleston health department	100,000	100,000	100,000	- -	100,000	- -
Total health and sanitation	3,467,829	3,921,129	3,878,991	(239,933)	3,639,058	282,071
Culture and recreation:						
Parks and recreation	2,791,645	2,876,505	2,778,599	(127,048)	2,651,551	224,954
Convention and visitor's bureau	1,125,000	1,125,000	1,403,684	- -	1,403,684	(278,684)
Cultural/fairs/festivals	284,500	284,500	280,000	- -	280,000	4,500
Festival Fund for the Arts	225,293	225,293	178,223	- -	178,223	47,070
Municipal auditorium	- -	- -	475	- -	475	(475)
Charleston Area Alliance	100,000	100,000	100,000	- -	100,000	- -
Library	956,202	956,202	956,202	- -	956,202	- -
Appalachian Power Park	305,000	305,000	245,448	- -	245,448	59,552
Total culture and recreation	5,787,640	5,872,500	5,942,631	(127,048)	5,815,583	56,917
Social services:						
Spring hill cemetery	812,000	847,250	784,368	(42,341)	742,027	105,223
Human rights	- -	- -	14,113	(14,113)	- -	- -
Total social services	812,000	847,250	798,481	(56,454)	742,027	105,223

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, 2022

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With
	Original	Final	Modified	Budget	Amounts	Final Budget
			Accrual Basis	Basis		Positive
						(Negative)
Economic Development:						
Wayfinding commission	- -	- -	417,131	(417,131)	- -	- -
Total economic development	- -	- -	417,131	(417,131)	- -	- -
Capital projects:						
General government	516,962	926,577	452,005	- -	452,005	474,572
Public safety	2,499,256	3,089,845	1,924,278	- -	1,924,278	1,165,567
Streets and transportation	1,222,202	1,340,176	1,322,096	- -	1,322,096	18,080
Health and sanitation	781,767	1,144,050	475,705	- -	475,705	668,345
Culture and recreation	121,089	131,547	103,683	- -	103,683	27,864
Social services	43,380	42,543	43,380	- -	43,380	(837)
Total capital projects	5,184,656	6,674,738	4,321,147	- -	4,321,147	2,353,591
Debt service:						
Principal	465,000	465,000	465,000	- -	465,000	- -
Interest	49,894	49,894	49,894	- -	49,894	- -
Bond Service Charges	1,750	1,750	5,050	(3,300)	1,750	- -
Total debt service	516,644	516,644	519,944	(3,300)	516,644	- -
Total expenditures	\$ 94,861,600	\$ 101,654,336	\$ 97,175,833	\$ (4,190,252)	\$ 92,985,581	\$ 8,668,755
Excess of revenues over (under) expenditures	(9,636,000)	(17,344,777)	16,765,204	(17,035,954)	(270,750)	17,074,027
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 11,450,000	11,978,184	22,947,519	\$ (12,055,130)	\$ 10,892,389	\$ (1,085,795)
Transfers out	(4,925,000)	(6,793,787)	(34,136,894)	26,895,757	(7,241,137)	(447,350)
Equipment financing proceeds	1,811,000	298,850	- -	- -	- -	(298,850)
Sale of capital assets	250,000	250,000	367,892	- -	367,892	117,892
Insurance Proceeds	50,000	265,000	186,269	- -	186,269	(78,731)
Settlement	- -	- -	- -	- -	- -	- -
Total other financing sources (uses)	8,636,000	5,998,247	(10,635,214)	14,840,627	4,205,413	(1,792,834)
Net change in fund balance	(1,000,000)	(11,346,530)	6,129,990	(2,195,327)	3,934,663	15,281,193
Fund balance-beginning	1,000,000	11,346,530	89,308,676	(77,962,146)	11,346,530	- -
Fund balance-ending	\$ - -	\$ - -	\$ 95,438,666	\$ (80,157,473)	\$ 15,281,193	\$ 15,281,193

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Modified Accrual Basis	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Coal severance tax	\$ 80,000	\$ 124,355	\$ 190,933	\$ 66,578
Interest earnings	--	--	--	--
Total revenues	80,000	124,355	190,933	66,578
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(100,000)	(153,641)	(155,726)	(2,085)
Total other financing sources (uses)	(100,000)	(153,641)	(155,726)	(2,085)
Net change in fund balance	(20,000)	(29,286)	35,207	64,493
Fund balance - beginning	20,000	29,286	29,287	1
Fund balance - ending	\$ --	\$ --	\$ 64,494	\$ 64,494

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, 2022

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current:			
Cash and cash equivalents	\$ 248,851	\$ 4,989,837	\$ 5,238,688
Investments	399,899	--	399,899
Receivables:			
Accounts	678,624	133,750	812,374
Leases	--	103,428	103,428
Due from:			
Other funds	2,500	--	2,500
Restricted:			
TIF district	495,285	--	495,285
Regular account	--	3,330,682	3,330,682
Ticket & Promotions	3,359,146	--	3,359,146
Customer deposits	116,667	--	116,667
Prepaid items	5,013	650	5,663
Total current assets	5,305,985	8,558,347	13,864,332
Capital assets:			
Nondepreciable:			
Land	300,000	4,066,447	4,366,447
Construction in progress	22,979	--	22,979
Depreciable:			
Buildings & Improvements	126,908,918	24,380,710	151,289,628
Machinery and equipment	2,060,774	1,865,660	3,926,434
Less: accumulated depreciation	(33,127,524)	(21,990,295)	(55,117,819)
Total capital assets (net of accumulated depreciation)	96,165,147	8,322,522	104,487,669
Lease receivable-noncurrent	--	1,431,509	1,431,509
Total noncurrent assets	96,165,147	9,754,031	105,919,178
Total assets	101,471,132	18,312,378	119,783,510
DEFERRED OUTFLOWS			
OPEB Changes between expected and actual experience	23,317	15,630	38,947
OPEB Changes in assumptions	729,065	488,713	1,217,778
Loss on refunding of debt	46,348	--	46,348
Total deferred outflows of resources	798,730	504,343	1,303,073
Total assets and deferred outflows of resources	102,269,862	18,816,721	121,086,583

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, 2022

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
LIABILITIES			
Current liabilities payable			
from current assets:			
Accounts payable	693,200	27,788	720,988
Payroll payable	24,700	29,079	53,779
Other accrued expenses	100	3,455	3,555
Compensated absences payable	16,922	13,294	30,216
Customer deposits	55,310	- -	55,310
Accrued revenue bond/note interest payable	12,760	- -	12,760
Due to:			
Component unit	15,171	- -	15,171
Other funds	176,613	30,530	207,143
Other governments	- -	544	544
Bonds payable	610,000	- -	610,000
Total current liabilities payable from current assets	1,604,776	104,690	1,709,466
Noncurrent liabilities			
Bonds payable	1,011,647	- -	1,011,647
Compensated absences payable	25,383	19,941	45,324
Other postemployment benefits payable	2,258,764	2,015,812	4,274,576
Total noncurrent liabilities	3,295,794	2,035,753	5,331,547
Total liabilities	4,900,570	2,140,443	7,041,013
DEFERRED INFLOWS			
OPEB Changes in Assumptions	1,406,228	942,634	2,348,862
OPEB Changes between expected and actual experience	736,597	493,762	1,230,359
Lease receivable	- -	1,512,670	1,512,670
Deferred revenue	300	7,129	7,429
Total deferred inflows of resources	2,143,125	2,956,195	5,099,320
Total liabilities and deferred inflows of resources	7,043,695	5,096,638	12,140,333
NET POSITION			
Net investment in capital assets	94,589,848	8,322,522	102,912,370
Restricted for debt service	- -	3,330,682	3,330,682
Restricted for customer deposits	116,667	- -	116,667
Restricted for TIF district	495,285	- -	495,285
Restricted for Tickets & Promotions	2,979,226	- -	2,979,226
Unrestricted	(2,954,859)	2,066,879	(887,980)
Total net position	\$ 95,226,167	\$ 13,720,083	\$ 108,946,250

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, 2022

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Operating revenues:			
Sales and services to customers	\$ 15,673,410	\$ 2,465,417	\$ 18,138,827
Rental fees	1,779,398	107,062	1,886,460
Miscellaneous	13,012	2,321	15,333
Total revenues	<u>17,465,820</u>	<u>2,574,800</u>	<u>20,040,620</u>
Operating expenses:			
Personal services	(1,978,040)	(480,891)	(2,458,931)
Contractual services	16,007,385	564,960	16,572,345
Miscellaneous	54	--	54
Materials and supplies	314,328	81,983	396,311
Utilities	--	--	--
Depreciation	4,745,370	465,255	5,210,625
Total operating expenses	<u>19,089,097</u>	<u>631,307</u>	<u>19,720,404</u>
Operating income (loss)	<u>(1,623,277)</u>	<u>1,943,493</u>	<u>320,216</u>
Nonoperating revenues (expenses):			
Interest revenue	10,663	20,457	31,120
Capital improvement fees	249,877	--	249,877
Gain (loss) on sale of fixed assets	--	28,416	28,416
Centerplate	(65,984)	--	(65,984)
TIF property taxes	67,312	--	67,312
Interest & fiscal charges	(117,972)	--	(117,972)
Total nonoperating revenues (expenses)	<u>143,896</u>	<u>48,873</u>	<u>192,769</u>
Income (loss) before operating transfers and contributions	<u>(1,479,381)</u>	<u>1,992,366</u>	<u>512,985</u>
Capital contributions - Energy Rebates	2,846	--	2,846
Insurance Claims	46,797	--	46,797
Federal Grants	--	--	--
Transfers in	2,017,158	--	2,017,158
Transfers(out)	(267,064)	--	(267,064)
Change in net position	320,356	1,992,366	2,312,722
Net position at beginning of year	<u>94,905,811</u>	<u>11,727,717</u>	<u>106,633,528</u>
Net position at end of year	<u>\$ 95,226,167</u>	<u>\$ 13,720,083</u>	<u>\$ 108,946,250</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, 2022

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 17,128,143	\$ 2,535,167	\$ 19,663,310
Cash paid for goods and services	(15,669,621)	(602,324)	(16,271,945)
Cash received for interfund services	135,983	3,075	139,058
Cash paid to employees	(963,235)	(983,825)	(1,947,060)
Net cash provided by operating activities	631,270	952,093	1,583,363
Cash flows from noncapital financing activities:			
Transfers in	2,017,158	--	2,017,158
Transfers (out)	(267,064)	--	(267,064)
Net cash provided by noncapital financing activities	1,750,094	--	1,750,094
Cash flows from capital and related financing activities:			
Insurance Proceeds	46,797	--	46,797
Capital improvement fees received	249,877	--	249,877
Distinctive Gourmet	(65,984)	--	(65,984)
Acquisition and construction of capital assets	(616,420)	(199,491)	(815,911)
Principal paid on capital debt	(570,000)	--	(570,000)
Proceeds from the sales of capital assets	--	28,416	28,416
Interest paid on capital debt	(92,782)	--	(92,782)
TIF district property taxes	67,312	--	67,312
Capital Contributions - Energy Rebates	2,846	--	2,846
Net cash used by capital and related financing activities	(978,354)	(171,075)	(1,149,429)
Cash flows from investing activities:			
Interest received	10,663	20,457	31,120
Net cash provided by investing activities	10,663	20,457	31,120
Net increase (decrease) in cash and cash equivalents	1,413,673	801,475	2,215,148
Cash and cash equivalents, July 1, 2021 (including \$2,507,086 and \$2,815,938 in restricted accounts)	3,089,508	7,519,044	10,608,552
Cash and cash equivalents, June 30, 2022 (including \$3,759,048 and \$3,330,682 in restricted accounts)	\$ 4,503,181	\$ 8,320,519	\$ 12,823,700

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, 2022

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (1,623,277)	1,943,493	\$ 320,216
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	4,745,370	465,255	5,210,625
Decrease (increase) in prepaid items	198,872	44,455	243,327
Decrease (increase) in accounts receivable	(414,298)	(16,368)	(430,666)
Decrease (increase) in lease receivable	- -	(1,534,937)	(1,534,937)
Decrease (increase) in due from other funds	79,942	- -	79,942
Increase (decrease) in due to other funds	56,041	3,075	59,116
Increase (decrease) in insurance payable	- -	(186)	(186)
Decrease (increase) in restricted deposits	65,985	- -	65,985
Increase (decrease) in unearned revenue	- -	(998)	(998)
Increase (decrease) in customer deposits	10,636	- -	10,636
Increase (decrease) in accounts payable	453,071	272	453,343
Decrease (increase) in deferred outflows	257,134	172,364	429,498
Increase (decrease) in deferred inflows	1,118,900	2,262,700	3,381,600
Increase (decrease) in other postemployment benefits payable	(4,317,786)	(2,393,086)	(6,710,872)
Increase (decrease) in payroll payable	2,758	4,240	6,998
Increase (decrease) in other accrued expenses	(303)	- -	(303)
Increase (decrease) in due to component unit & other entities	506	(108)	398
Increase (decrease) in compensated absences	(2,281)	1,922	(359)
Net cash provided by operations	\$ <u>631,270</u>	\$ <u>952,093</u>	\$ <u>1,583,363</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 Fund descriptions and financial statements begin on page 153.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	Pension Trust Funds	Custodial Funds
ASSETS		
Non-pooled cash	\$ 84,222	\$ 1,711,759
Total cash	84,222	1,711,759
Investments, at fair value:		
Federal government securities	61,436,225	- -
Total investments	61,436,225	- -
Receivables:		
Accounts receivable	1,371	- -
Total receivables	1,371	- -
Total assets	61,521,818	1,711,759
DEFERRED OUTFLOWS		
Total deferred outflows of resources	- -	- -
LIABILITIES		
Accounts payable	75	- -
Refunds payable and other	754,128	55,969
Due to: other funds	- -	503,852
Total liabilities	754,203	559,821
DEFERRED INFLOWS		
Total deferred inflows of resources	- -	- -
NET POSITION		
Net position restricted for pension benefits	60,767,615	- -
Net position restricted for others	- -	1,151,938
Total Net Position	\$ 60,767,615	\$ 1,151,938

(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, 2022

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 8,869,018	\$ --
Plan members	941,204	--
Insurance premium surtax	3,728,368	--
Additional transfers in	5,305,223	--
Fines & Forfeits	--	864,165
	<u>18,843,813</u>	<u>864,165</u>
Total contributions	<u>18,843,813</u>	<u>864,165</u>
Investment income:		
Net increase (decrease) in fair value of investments	(5,442,166)	--
Interest and dividends	580,811	--
Less: investment expense	(152,063)	--
	<u>(5,013,418)</u>	<u>--</u>
Net investment income	<u>(5,013,418)</u>	<u>--</u>
Total additions	<u>13,830,395</u>	<u>864,165</u>
DEDUCTIONS		
Benefits	16,969,474	--
Administrative expenses	24,427	--
Refunds of contributions	105,531	--
Public Safety	--	883,238
	<u>17,099,432</u>	<u>883,238</u>
Total deductions	<u>17,099,432</u>	<u>883,238</u>
Change in net position	(3,269,037)	(19,073)
Net position restricted for pension benefits or others:		
Beginning of year	<u>64,036,652</u>	<u>1,171,011</u>
End of year	<u>\$ 60,767,615</u>	<u>\$ 1,151,938</u>

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

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The accompanying financial statements present the government and its component units as required by GAAP. In determining whether to include a governmental department, agency, commission or organization as a component unit, the government must evaluate each entity as to whether they are legally separate and financially accountable based on the criteria set forth by the Governmental Accounting Standards Board (GASB). Legal separateness is evaluated on the basis of: (1) its corporate name, (2) the right to sue and be sued and, (3) the right to buy, sell or lease and mortgage property. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose will on that organization or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. Other factors to consider in this evaluation are whether an entity is fiscally dependent on the City of Charleston and there is a financial benefit or burden relationship present regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. In addition, an organization should be evaluated if it is closely related to or financially integrated with the primary government.

Blended Component Unit

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

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

Discretely Presented Component Units

The three entities described as follows are legally separate from the City and meet GAAP criteria for a discretely presented component unit of the government. The government either appoints the board or members of the government serve on the board of all three entities and a financial benefit/burden relationship exists or the component unit is fiscally dependent upon the government.

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements; however, if applicable, inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major governmental funds are combined into a single column.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when earned and as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. However, when an asset is recorded in governmental fund financial statements, but the revenue is not available, the government reports a deferred inflow of resources until such time as the revenue becomes available. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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

The government reports the following major governmental funds:

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

The Coal Severance Tax Fund, a special revenue fund, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia counties.

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

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The American Rescue Plan Act Fund, a special revenue 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 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. 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.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Civic Center and Parking System (enterprise funds) and the Sanitary Board, Urban Renewal Authority, and Convention and Visitor's Bureau (discretely presented component units) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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.

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, which state in part that: "(a) The board of trustees may invest a portion or all of the fund assets in any of the pools, funds and securities managed by the West Virginia Investment Management Board or West Virginia Board of Treasury Investments or as otherwise provided in this section. The board of trustees shall keep as an available sum for the purpose of making regular retirement, disability retirement, death benefit, payments and administrative expenses in an estimated amount not to exceed payments for a period of ninety days in short-term investments. The board of trustees, in acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for the benefit of the fund, shall do so in accordance with the provisions of the Uniform Prudent Investor Act codified as article six-c, chapter forty-four of this code. Within the limitations of the Uniform Prudent Investor Act, the board of trustees is authorized in its sole discretion to invest and reinvest any funds received by it and not invested with the West Virginia Investment Management Board or West Virginia Board of Treasury Investments." As of June 30, 2022, the City of Charleston's Police Pension and Relief Fund and Fire Pension and Relief Fund are both currently invested in the West Virginia Investment Management Board.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

2. Receivables and Payables

Inter-fund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "inter-fund receivables or payables" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Trade Receivables

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

Property Tax Receivable

The property tax receivable is equal to 75 percent of the property taxes outstanding at June 30, 2022.

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, 2022, 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	\$ -	12.11 cents	5.03 cents	12.11 cents
Class II	\$ 1,307,675,798	24.22 cents	10.06 cents	24.22 cents
Class IV	\$ 1,919,061,270	48.44 cents	20.12 cents	48.44 cents

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 (FYE June 30, 2020) through July 1, 2022 (FYE 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.

4. Capital Assets and Depreciation

Capital assets, including property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds during the same period.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 - 40
Structures and improvements	40
Infrastructure	40 - 50
Machinery and equipment	5 - 10
Vehicles	3 - 5
Furniture	5

5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Vacation is accrued on a calendar monthly basis and earned as the employee provides services throughout the year.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Gain or loss upon refunding of debt is reported as deferred inflows or deferred outflows and amortized over the term of the related debt. Bond issuance costs, except prepaid insurance, are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund Balances

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

Non-spendable fund balance	Inventories, prepaid amounts, and endowment corpus represent fund balance amounts that are not in spendable form. The government has \$1,632,177 in non-spendable fund balance at fiscal year-end.
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 \$14,347,957 of restricted fund balance at fiscal year-end.
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 \$55,794,539 of committed fund balance at fiscal year-end.
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 year-end.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 \$49,834,354 of unassigned fund balance at fiscal year-end.

The City Council is the government's highest level of decision-making authority. City of Charleston, WV Code of Ordinances provides that all the corporate power of the City shall be vested in and exercised by City Council or under its authority. The Council would take formal action by resolution approved by majority vote to establish, modify or rescind a fund balance commitment. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the Municipality.

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

8. Stabilization Arrangements

The government has created a stabilization arrangement in accordance with West Virginia Code §7-21-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for the purpose covering a general fund shortfall or other purpose the municipality considers appropriate. The stabilization balance at fiscal year-end was \$19,145,241.

9. Newly Issued Accounting Standards

The City implemented GASB Statement No. 87, *Leases*, which is effective for fiscal years beginning after June 15, 2021. This Statement requires lessors to report leases under a single model. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources for each lease. This Statement also requires additional notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The adoption of GASB Statement No. 87 resulted in the recognition of current and noncurrent lease receivable and deferred inflows of resources related to leases. See additional information in Note III. F.

The City implemented GASB 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 adoption of GASB Statement No. 89 did not have a significant impact on the financial statements.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The City implemented GASB Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2021. The requirements of this Statement eliminate the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity or inconsistency. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The adoption of GASB Statement No. 91 did not have a significant impact on the financial statements.

The City implemented GASB 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; and (6) fair value measurements and derivative instruments. The adoption of GASB Statement No. 92 did not have a significant impact on the financial statements.

The City implemented the remainder of GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The removal of LIBOR as an appropriate benchmark interest rate was 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 removed 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 adoption of GASB Statement No. 93 did not have a significant impact on the financial statements.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish the definitions of PPPs and 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish a definition for 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.

The City implemented GASB 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 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 did not have a significant impact on the financial statements. The adoption of the remaining portions of GASB Statement No. 97 did not have a significant impact on the financial statements.

The City implemented GASB Statement No. 99, *Omnibus 2022*, with varying effective dates based upon each provision ranging from being effective immediately to fiscal years beginning after June 15, 2023. The requirements of this Statement address a variety of items, including specific provisions regarding the following topics: (1) guidance and terminology updates on reporting derivative instruments that do not meet the definition of either an investment derivative or hedging derivative, but are within the scope of GASB Statement No. 53; (2) clarification of provisions of GASB Statement Nos. 87, 94, and 96; (3) extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate; (4) accounting for Supplemental Nutrition Assistance Program (SNAP) benefits; (5) non-monetary transactions; (6) clarification related to the focus of government-wide financial statements under GASB Statement No. 34; and (7) terminology updates related to GASB Statement No. 63. The provisions effective immediately did not have a significant impact on the financial statements.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections- an Amendment of GASB Statement No. 62*, which is effective for fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. Those changes include things like: certain changes in accounting principles, certain changes in estimates that result from a justified or preferable change in measurement or new methodology. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods; changes to or within the reporting entity be reported by adjusting beginning balances of the current period; and changes in accounting estimates be reported prospectively by recognizing the change in the current period. If the change in accounting principle is the result of a new pronouncement the requirements only apply absent specific transition guidance in the pronouncement. Under this standard it is also necessary to display the total adjustment to beginning net position, fund balance, or fund net position on the face of the financial statements, by reporting unit. This statement also specifies both qualitative and quantitative disclosure requirements. Lastly, this statement provides guidance for if and how these changes should be reflected in required supplementary information and supplementary information. The City has not yet determined the effect that the adoption of GASB Statement No. 100 may have on its financial statements.

GASB has issued Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. This statement modifies the criteria requiring a liability for compensated absences to be recognized. Under this statement a liability must be recognized for leave that has not been used, or leave that has been used but not yet paid in cash or settled through noncash means. Furthermore, the liability for leave that has not been used is recognized if the leave is attributed to services already rendered, that accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. If the leave is considered more likely than not to be settled through conversion to a defined benefit post-employment benefit it should not be included in the liability for compensated absences. This statement also specifies certain types of benefits where the liability is not recognized until leave commences or where the liability is not recognized until the leave is used. The statement also provides guidance for measuring the liability and modifies the disclosure requirements allowing for disclosure of only the net change in the liability, and no longer requiring disclosure of which governmental funds have been used to liquidate the liabilities. The City has not yet determined the effect that the adoption of GASB Statement No. 101 may have on its financial statements.

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, HOME, and American Rescue Plan Act 2021 funds, all major special revenue funds. Annual budgets are adopted on a basis consistent with GAAP for the General Fund and the Coal Severance Tax Fund, except as noted. All annual appropriations lapse at fiscal yearend.

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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
\$ 3,978,019	General Government Expenditure Increase
59,635	Public Safety Expenditure Increase
691,590	Streets and Transportation Increase
453,300	Health and Sanitation Increase
84,860	Culture and Recreation Increase
35,250	Social Services Increase
1,490,082	Capital Projects Expenditure Increase

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

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

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

	Net Change in Fund Balance	Fund Balance
Budgetary Basis		
Basis of Accounting Difference	\$ 6,129,990	\$ 95,438,666
GAAP Basis	(2,195,327)	(80,157,473)
	<u>\$ 3,934,663</u>	<u>\$ 15,281,193</u>

Intergovernmental revenues - state and public safety expenditures both decreased by \$3,728,368 per budget basis for the pension allocation from the State of West Virginia.

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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, 2022.

<u>Encumbrance Description</u>	<u>General Fund</u>
Contributions to Other Entities	\$ 74,309
Court Costs & Damages	367,041
Comprehensive Plan	29,087
Stormwater Project	4,373
Culture & Recreation	4,500
Police Department	17,613
Fire Department	653,972
	<u>\$ 1,150,895</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash & Cash Equivalents and Investments

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

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

At year end, the government had the following investments:

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Primary Government	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
West Virginia Municipal Bond Commission, at amortized cost	\$ 399,899	Not Rated	Not Rated
WV Money Market Pool	38,453,466	Not Rated	Not Rated
WV Short-term Bond Pool	24,031,265	Not Rated	Not Rated
	<u>62,884,630</u>		
US Treasury N/B 2%	99,594	Not Rated	Not Rated
US Treasury N/B 1.5%	100,006	Not Rated	A2
	<u>199,600</u>		
Common Stock	276,051	Not Rated	Not Rated
Mutual Funds	1,580,581	Not Rated	Not Rated
Certificates of Deposit	395,910	Not Rated	Not Rated
Exchange Traded Products	89,503	Not Rated	Not Rated
Total Unrated Securities	<u>2,342,045</u>	Not Rated	Not Rated
Total Primary Government	<u>\$ 65,426,275</u>		

Pension & Relief Funds	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Policemen's Pension & Relief			
West Virginia Investment Management Board	\$ <u>32,298,309</u>	Not Rated	Not Rated
Firemen's Pension & Relief			
West Virginia Investment Management Board	\$ <u>29,137,916</u>	Not Rated	Not Rated
Total Pension & Relief Funds	<u>\$ 61,436,225</u>		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 \$38,453,466 and in the West Virginia Short Term Bond Pool of \$24,031,265.

The City's Pension and Relief funds have invested in The West Virginia Investment Management Board, which was created and established to act "*in all respects for the benefit of the state's public employees and ultimately the citizens of the state and the West Virginia Investment Management Board may act as trustee of the irrevocable trusts created by this article and to manage and invest other state funds. W.Va. Code §12-6-1(f).*" The City has investments in the West Virginia Investment Management Board in the amount of \$32,298,309 for the Policemen's Pension and \$29,137,916 for the Firemen's Pension.

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, 2022, 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

As of June 30, 2022, the City's investments had the following maturities.

Security Type	Less than				
	Fair Value	1 Year	1-5	6-10	More than 10 Years
Primary Government:					
West Virginia Municipal Bond					
at amortized cost	\$ 399,899	\$ 399,899	\$ -	\$ -	\$ -
West Virginia Money Market Pool	38,453,466	38,453,466	-	-	-
West Virginia Short-term Bond Pool	24,031,265	24,031,265	-	-	-
US Treasury N/B 2%	99,594	99,594	-	-	-
US Treasury N/B 1.5%	100,006	100,006	-	-	-
Common Stock	276,051	276,051	-	-	-
Mutual Funds	1,580,581	1,580,581	-	-	-
Exchange Traded Products	89,503	89,503	-	-	-
Certificates of Deposit	395,910	299,601	96,309	-	-
	<u>\$ 65,426,275</u>	<u>\$ 65,329,966</u>	<u>\$ 96,309</u>	<u>\$ -</u>	<u>\$ -</u>
Policemen's Pension and Relief					
	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
West Virginia Investment Management Board	<u>\$ 32,298,309</u>	<u>\$ 32,298,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Policemen's Pension and Relief	<u>\$ 32,298,309</u>	<u>\$ 32,298,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Firemen's Pension and Relief					
West Virginia Investment Management Board	<u>\$ 29,137,916</u>	<u>\$ 29,137,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Firemen's Pension and Relief	<u>\$ 29,137,916</u>	<u>\$ 29,137,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments	<u>\$ 61,436,225</u>	<u>\$ 61,436,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2022

Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. Spring Hill Cemetery had four mutual fund investments in Vanguard High Yield Dividend, Vanguard Growth Index Fund, Baird Aggregate Bond Fund, and PIMCO Investment Grad Corp bond Inst, that were eleven percent, eight percent, thirteen percent, and nine percent respectively, of the total portfolio at June 30, 2022.

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, 2022.

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, 2022 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 - Primary Government	Total	Level 1	Level 2	Level 3
West Virginia Municipal Bond Commission	\$ 399,899	\$ 399,899	\$ -	\$ -
West Virginia Money Market Pool	38,453,466	38,453,466	-	-
West Virginia Short-term Bond Pool	24,031,265	24,031,265	-	-
US Government Securities	199,600	199,600	-	-
Common Stock	276,051	276,051	-	-
Mutual Funds	1,580,581	1,580,581	-	-
Exchange Traded Products	89,503	89,503	-	-
Certificates of Deposit	395,910	-	395,910	-
Total	\$ 65,426,275	\$ 65,030,365	\$ 395,910	\$ -

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

		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
West Virginia Investment Management Board	\$ 32,298,309	\$ 32,298,309	\$ -	\$ -
Total	\$ 32,298,309	\$ 32,298,309	\$ -	\$ -

		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
West Virginia Investment Management Board	\$ 29,137,916	\$ 29,137,916	\$ -	\$ -
Total	\$ 29,137,916	\$ 29,137,916	\$ -	\$ -

B. Receivables

Governmental funds and business-type activities 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 and business-type activities 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 and business-type activities were as follows:

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

	General	Coal Severance	Community Development	HOME
Receivables:				
Accounts	\$ 4,509,756	\$ -	\$ -	\$ -
Accrued interest	57	-	-	-
Taxes	19,273,824	64,488	-	-
Special assessments	-	-	-	-
Loans	-	-	2,054,020	1,834,364
Grants	-	-	234,510	35,217
Lease	1,820,263	-	-	-
Gross receivables	25,603,900	64,488	2,288,530	1,869,581
Less: allowance for uncollectible	(81,131)	-	(513,505)	-
Net total receivables	\$ 25,522,769	\$ 64,488	\$ 1,775,025	\$ 1,869,581

	Civic Center	Parking System	Nonmajor Funds and Fiduciary Funds	Total
Receivables:				
Accounts	\$ 678,624	155,750	\$ 561,254	\$ 5,905,384
Accrued interest	-	-	5,811	5,868
Taxes	-	-	-	19,338,312
Special assessments	-	-	21,210	21,210
Loans	-	-	344,178	4,232,562
Grants	-	-	76,523	346,250
Lease	-	1,534,937	-	3,355,200
Gross receivables	678,624	1,690,687	1,008,976	33,204,786
Less: allowance for uncollectible	-	(22,000)	-	(616,636)
Net total receivables	\$ 678,624	\$ 1,668,687	\$ 1,008,976	\$ 32,588,150

	Deferred Inflows	Unearned
Property Taxes	\$ 1,033,110	\$ -
Lease Receivable	1,792,135	-
Prepaid License Fees, Advance Office Rental, and Prepaid Cemetary Burial Fees (General Fund)	-	87,332
Grant drawdowns prior to meeting all elibility requirements	-	38,559,974
Total	\$ 2,825,245	\$ 38,647,306

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

C. Capital Assets

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,380,911	\$ 61,400	\$ (225,822)	\$ 9,216,489
Construction in progress	6,268,362	3,680,747	(1,179,210)	8,769,899
Total capital assets not being depreciated	15,649,273	3,742,147	(1,405,032)	17,986,388
Capital assets being depreciated:				
Buildings and improvements	54,166,952	80,260	-	54,247,212
Structures and improvements	30,492,883	384,856	-	30,877,739
Machinery and equipment	21,064,330	1,782,243	(77,110)	22,769,463
Vehicles	24,516,503	1,007,418	(1,099,463)	24,424,458
Furniture	340,010	-	-	340,010
Infrastructure	113,870,651	5,289,668	-	119,160,319
Total capital assets being depreciated	244,451,329	8,544,445	(1,176,573)	251,819,201
Less accumulated depreciation:				
Buildings and improvements	(29,993,155)	(1,203,530)	-	(31,196,685)
Structures and improvements	(16,322,981)	(974,155)	-	(17,297,136)
Machinery and equipment	(18,392,625)	(1,070,638)	77,110	(19,386,153)
Vehicles	(18,602,384)	(2,292,182)	1,099,463	(19,795,103)
Furniture	(340,010)	-	-	(340,010)
Infrastructure	(73,000,138)	(2,141,148)	-	(75,141,286)
Total accumulated depreciation	(156,651,293)	(7,681,653)	1,176,573	(163,156,373)
Total capital assets being depreciated, net	87,800,036	862,792	-	88,662,828
Governmental activities capital assets, net	\$ 103,449,309	\$ 4,604,939	\$ (1,405,032)	\$ 106,649,216

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

	Beginning Balance	Increases	Decreases	Contributions Out	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 4,366,447	\$ -	\$ -	\$ -	\$ 4,366,447
Construction in progress	-	22,979	-	-	22,979
Total capital assets not being depreciated	4,366,447	22,979	-	-	4,389,426
Capital assets being depreciated:					
Buildings and improvements	151,012,538	277,090	-	-	151,289,628
Machinery and equipment	3,256,858	405,052	-	-	3,661,910
Vehicles	183,718	110,790	(29,984)	-	264,524
Total capital assets being depreciated	154,453,114	792,932	(29,984)	-	155,216,062
Less accumulated depreciation:					
Buildings and improvements	(47,204,865)	(4,909,983)	-	-	(52,114,848)
Machinery and equipment	(2,567,136)	(279,207)	-	-	(2,846,343)
Vehicles	(165,177)	(21,435)	29,984	-	(156,628)
Total accumulated depreciation	(49,937,178)	(5,210,625)	29,984	-	(55,117,819)
Total capital assets being depreciated, net	104,515,936	(4,417,693)	-	-	100,098,243
Business-type activities capital assets, net	\$ 108,882,383	\$ (4,394,714)	\$ -	\$ -	\$ 104,487,669

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

Governmental Activities:	
General Government	\$ 2,556,629
Public Safety	2,232,607
Highways and streets, including depreciation of general infrastructure assets	1,288,044
Health and Sanitation	487,289
Culture & Recreation	994,406
Social Services	122,678
Total depreciation expense - governmental activities	\$ 7,681,653
Business-type activities:	
Civic Center	\$ 4,745,370
Parking	465,255
Total depreciation expense - business type activities	\$ 5,210,625

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Construction in Progress

The government has active construction projects as of June 30, 2022. 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
South Side Bridge Inspection & Rehabilitation	\$ 2,606,080	General Fund
Emergency Streambank - Kan. River & Greenbrier Street	1,617,690	General Fund
Five Corners Architectural Survey	16,182	MOECD
Five Corners Traffic Study	63,308	General Fund
Concrete Curb & Sidewalk Summer 2020	761,866	General Fund
Salt Shed	4,800	General Fund
Slack Plaza Renovation	2,721,187	General Fund
Charleston Fire Department Rehabilitation	18,125	General Fund
Software	90,000	General Fund
Parks & Recreation HVAC	105,280	General Fund
Beatrice Street Park	228,819	General Fund
Martin Luther King, Jr. Center Remodel	62,501	General Fund / MOECD
YWCA Fire Suppression System Replacement	39,000	General Fund
Charleston Fire Office Remodel	281,633	General Fund
Cato Park Recreation Projects	153,428	General Fund
Civic Center Grab & Go Project	22,979	Civic Center Capital Improvements Fund
	\$ 8,792,878	

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Interfund receivables/payables:

Payable Fund	Purpose	Amount
Civic Center	Reimbursements Insurance/Fuel	\$ 176,613
Parking	Reimbursements Insurance/Fuel	30,530
CDBG	Reimbursement Salary & Utilities	88,792
Home	Reimbursement Salary & Utilities	34,980
Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	531,422
General	Endowment, Loans, and Reimbursements	1,795,005
Custodial Fund	Settled Cases & Reimbursements	503,852
Total		<u>\$ 3,161,194</u>

Interfund transfers:

	Transfers In				
	General Fund	Springhill Cemetery	Nonmajor Governmental	Civic Center	Total Transfers Out
Transfers out:					
General fund	\$ 18,778,463	\$ 26,963	\$ 13,859,047	\$ 1,472,421	\$ 34,136,894
Coal severance tax	-	-	-	155,726	155,726
American Rescue Plan	541,838	-	-	-	541,838
Nonmajor govern- mental funds	3,580,422	-	12,639	367,641	3,960,702
Parking	-	-	-	-	-
Civic Center	46,796	-	198,898	21,370	267,064
Total Transfers					
In	<u>\$ 22,947,519</u>	<u>\$ 26,963</u>	<u>\$ 14,070,584</u>	<u>\$ 2,017,158</u>	<u>\$ 39,062,224</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 and Ball Park 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 and Municipal Auditorium Fund (capital project funds) transfers monies to the Civic Center for various projects and capital outlay. The Civic Center transfers monies to the Civic Center Capital Improvement Fund for capital improvement fees. 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. The City has also transferred money to the Green Initiative Fund and Sidewalk Improvement Fund (capital projects funds) to open these new funds.

E. Financed Purchases

The government has entered into finance purchase agreements for the purpose of financing the acquisition of recreation, office equipment and public safety equipment. These agreements do not qualify for leases under GASB Statement No. 87, *Leases* and therefore are classified as financed purchases. They have been recorded at the present value of the future minimum 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 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. Per the implementation of GASB Statement No. 87, *Leases*, in fiscal year 2022, this bond is classified as a financed purchase and not a lease.

The assets acquired through financed purchases are as follows:

Asset	Governmental Activities	Parking System
Appalachian Power Park	\$ 21,438,651	\$ -
Machinery, equipment and vehicles	18,617,020	196,998
Less: accumulated depreciation	(23,263,458)	(196,998)
Total	\$ 16,792,213	\$ -

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The future minimum obligations and the net present value of these minimum payments as of June 30, 2022, were as follows:

Year Ending <u>June 30</u>	Governmental <u>Activities</u>
2023	\$ 1,961,729
2024	1,319,252
2025	912,891
2026	186,505
2027	81,200
2028-2032	<u>-</u>
Total minimum payments	4,461,577
Less: amount representing interest	<u>(152,640)</u>
Present value of minimum payments	<u>\$ 4,308,937</u>

F. Leases

The City implemented GASB Statement No. 87, *Leases* in fiscal year 2022, which was issued to better meet the needs of the financial statement users by improving accounting and financial reporting for leases by governments. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation had no impact on beginning net position for fiscal year 2022 since the lease receivable equaled the deferred inflows of resources at implementation. The City recognized \$3,844,753 as a lease receivable and deferred inflow as of July 1, 2021. The City identified the following leases that are applicable:

The City of Charleston, WV (lessor) entered into a lease agreement with Charles Ryan Associates, LLC (lessee) on November 7, 2011. The lease is for a term of fifteen years that will end on December 31, 2027. The lessee agreed to pay monthly installments of \$9,991. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV (lessor) entered into a lease agreement with Yoga Power, LLC (lessee) on February 1, 2022. The lease is for a term of five years that will end on January 31, 2027. The lessee agreed to pay monthly installments of \$7,500. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV (lessor) entered into a lease agreement with Charleston Regatta, Inc. (lessee) on May 3, 2022. The lease is for a term of two years that will end on April 30, 2024. The lessee agreed to pay monthly installments of \$1,389. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV (lessor) entered into a lease agreement with Charleston Professional Baseball Company, LLC. (lessee) on May 17, 2021. The lease is for a term of five years that will end on May 16, 2026. The lessee agreed to pay quarterly installments of \$60,000. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The City of Charleston, WV Parking Fund (lessor) entered into a lease agreement with Cinema VII, Inc. (lessee) on December 1, 1980. The lease is for a term of 47 years that will end on December 31, 2027. The lessee agreed to pay monthly payments of \$6,698. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV Parking Fund (lessor) entered into a lease agreement with Shaner Hotel (lessee) on December 18, 1973. The lease is for a term of 71 years that will end on December 31, 2044. The lessee agreed to pay monthly payments of \$5,917. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City's total lease receivable at June 30, 2022 was \$3,355,200. For the year ended June 30, 2022, the City recognized lease revenue of \$539,248 and lease interest revenue of \$114,492. The leases are summarized as follows for governmental and business type activities:

<u>Lessee</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Governmental activities:			
Charles Ryan	\$ 502,653	\$ 109,951	\$ 17,817
Yoga Power	383,803	82,428	13,582
Charleston Regatta	29,709	2,694	164
Charleston Professional Baseball Company, LLC	904,098	222,483	31,682
Total governmental activities	<u>\$ 1,820,263</u>	<u>\$ 417,556</u>	<u>\$ 63,245</u>
<u>Lessee</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Business-type activities:			
Cinema VII, Inc.	\$ 399,765	\$ 72,653	\$ 13,950
Shaner Hotel	1,135,172	49,039	37,297
Total business-type activities	<u>\$ 1,534,937</u>	<u>\$ 121,692</u>	<u>\$ 51,247</u>

G. Long-term Debt

General Obligation Bonds

The government has issued general obligation bonds to provide for the acquisition and construction of major capital facilities in prior years; however, the City as of June 30, 2022, 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, 2022:

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Governmental Activities:

The Coliseum and Convention Center Project Series 2021A, Series 2021B, and Series 2021B-1 were issued in the amount of \$42,760,000 to partially refund the 2015 Civic Center Project Bonds. There was a remainder of \$32,033,000 of the Civic Center Project Series 2015 that was not refunded. These bonds were issued to renovate the existing Civic Center. The City of Charleston implemented a Sales Tax Ordinance requiring that the Municipal Sales Tax Revenues each quarter be utilized to satisfy the debt service requirements and any prior debt service requirements deficit each fiscal year on, and to replenish any required reserves in accordance with the bond documents for, any bonds issued by, or other obligations incurred by, the City, from time to time, including any refunding bonds, to finance improvements to the Charleston Convention and Civic Center. These revenues are required to be sufficient to pay the principal amount of \$4,728,000 and interest amount of \$2,297,391.

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 \$480,000 and interest in the amount of \$36,975 until bond maturity in 2023. During the fiscal year 2022, these pledged revenues were used to pay the principal amount of \$220,000 and interest amount of \$35,700 on these bonds, which is 8.61% of the specified revenues.

The Civic Center Refunding Improvement Bonds, Series 2009, in the amount of \$3,275,000 were issued to current refund the Series 1999 which were issued to construct additions, betterments, and improvements to the Civic Center secured by pledged revenues from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the principal amount of \$835,000 and interest amount of \$56,210 until bond maturity in 2024. During the fiscal year 2022, these pledged revenues were used to pay the principal amount of \$250,000 and interest amount of \$41,990 on these bonds, which is 9.83% 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 \$330,000 and interest of \$21,780 until bond maturity in 2024. During the fiscal year 2022, bond payments in the principal amount of \$100,000 and interest amount of \$16,620 were used to pay the debt service on these bonds.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Revenue bond debt service requirements to maturity are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2022
Governmental activities:					
Civic Center Project Series 2015 (Unrefunded)	2036	4.00%	\$ 54,083,000	\$ (24,222,000)	\$ 29,861,000
Coliseum and Covention Center Project Series 2021A	2031	2.16%	8,270,000	(830,000)	7,440,000
Coliseum and Covention Center Project Series 2021B-1	2031	2.30%	3,379,000	(337,000)	3,042,000
Coliseum and Covention Center Project Series 2021B-2	2036	2.95%	31,605,000	(1,883,000)	29,722,000
Total governmental activities			<u>\$ 97,337,000</u>	<u>\$ (27,272,000)</u>	<u>\$ 70,065,000</u>
Business-type activities:					
Civic Center Improvement Series 1998	2023	4.60-5.10%	\$ 3,635,000	\$ (3,155,000)	\$ 480,000
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	(2,440,000)	835,000
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	(995,000)	330,000
Less: Bond discount			(1,061,733)	1,038,380	(23,353)
Total revenue bonds			<u>\$ 7,173,267</u>	<u>\$ (5,551,620)</u>	<u>\$ 1,621,647</u>

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	5,421,000	1,604,646	-	-
2028-2032	27,353,000	5,333,834	-	-
2033-2037	17,235,000	1,070,907	-	-
Totals	<u>\$ 70,065,000</u>	<u>\$ 16,057,431</u>	<u>\$ 1,645,000</u>	<u>\$ 114,965</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Changes in Long-term Liabilities

Governmental Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 74,793,000	\$ -	\$ (4,728,000)	\$ 70,065,000	\$ 4,780,000
Total bonds payable	74,793,000	-	(4,728,000)	70,065,000	4,780,000
Financed Purchases Payable	6,836,499	-	(2,527,562)	4,308,937	1,876,706
Total OPEB liability	332,597,058	-	(66,123,932)	266,473,126	-
Net OPEB liability (PEIA)	27,833	-	(27,833)	-	-
Net pension liability - Police & Fire	399,643,336	-	(56,800,055)	342,843,281	-
Net pension liability (PERS)	5,663,504	-	(5,663,504)	-	-
Compensated absences	1,357,449	1,836,218	(1,888,986)	1,304,681	521,872
Claims and judgments	3,807,187	-	(1,414,129)	2,393,058	957,223
Governmental activities					
Long-term liabilities	<u>\$ 824,725,866</u>	<u>\$ 1,836,218</u>	<u>\$ (139,174,001)</u>	<u>\$ 687,388,083</u>	<u>\$ 8,135,801</u>

Business-type Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable	\$ 2,215,000	\$ -	\$ (570,000)	\$ 1,645,000	\$ 610,000
Less: deferred amounts:					
Bond discount	(34,281)	-	10,928	(23,353)	-
Total bonds payable	2,180,719	-	(559,072)	1,621,647	610,000
Total OPEB liability	10,985,448	-	(6,710,872)	4,274,576	-
Compensated absences	75,899	73,505	(73,864)	75,540	30,216
Business-type activities					
Long-term liabilities	<u>\$ 13,242,066</u>	<u>\$ 73,505</u>	<u>\$ (7,343,808)</u>	<u>\$ 5,971,763</u>	<u>\$ 640,216</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, 2022

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	\$ -	\$ 116,667
Cash - contractual agreement	967,107	-
Debt service	3,846,983	-
WV Board of Treasury money market pool -	38,453,466	-
WV Board of Treasury short term bond pool	24,031,265	-
Endowment fund - investments	2,541,645	-
West Virginia Municipal Bond Commission	-	399,899
TIF District account	-	495,285
Revenue bond operations and maintenance account	-	3,330,682
Ticket & Promotions account	-	3,359,146
Total restricted assets and investments	\$ <u>69,840,466</u>	\$ <u>7,701,679</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

I. Fund Balance Detail

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

	General Fund	Coal Severance	Community Development	HOME	American Rescue Plan Act 2021	Nonmajor Funds	Total
Nonspendable:							
Prepays-Insurance	\$ 88,741	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 88,741
Perpetual Care Cemetery	--	--	--	--	--	1,543,436	1,543,436
Restricted:							
Police protection	--	--	--	--	--	2,272,198	2,272,198
Public Safety	--	--	--	--	--	119,091	119,091
COVID-19 Relief	--	--	--	--	67,762	--	67,762
Human Rights	--	--	--	--	--	15,602	15,602
Ball Park	--	--	--	--	--	96,215	96,215
Perpetual Care Cemetery	--	--	--	--	--	1,128,285	1,128,285
Equipment lease purchases	90,946	--	--	--	--	--	90,946
Debt service	327,563	64,494	--	--	--	5,290,053	5,682,110
Economic Development	--	--	192	--	--	552,955	553,147
Municipal Court	--	--	--	--	--	134,070	134,070
Public Arts	--	--	--	--	--	216,853	216,853
Landfill Closure	--	--	--	--	--	3,971,678	3,971,678
Committed:							
Highway beautification	--	--	--	--	--	132,996	132,996
Civic Center debt & pension reserve	36,712,181	--	--	--	--	--	36,712,181
Public Safety	17,438	--	--	--	--	--	17,438
Low-Income Housing Projects	--	--	--	--	--	--	--
Sanitation	--	--	--	--	--	567,679	567,679
Bridges, highways & infrastructure	--	--	--	--	--	3,217,112	3,217,112
Civic Center capital improvements	--	--	--	--	--	252,827	252,827
Municipal Auditorium capital improv	--	--	--	--	--	261,826	261,826
City facilities capital improvements	--	--	--	--	--	5,924,575	5,924,575
Employee Insurance	6,260,891	--	--	--	--	--	6,260,891
Culture and Recreation	--	--	--	--	--	32,753	32,753
Community development	2,106,552	--	--	--	--	307,709	2,414,261
Unassigned	49,834,354	--	--	--	--	--	49,834,354
Total fund balances	<u>\$ 95,438,666</u>	<u>\$ 64,494</u>	<u>\$ 192</u>	<u>\$ --</u>	<u>\$ 67,762</u>	<u>\$ 26,037,913</u>	<u>\$ 121,609,027</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

J. Benefits Funded by the State of West Virginia

For the year ended June 30, 2022, the State of West Virginia contributed estimated payments on behalf of the government's public safety employees in accordance with West Virginia State Code §33-3-14d. These contributions are funded by State collections of insurance premium tax and are shown in the General Fund (Employer) Statement of Revenues, Expenditures, and Changes in Fund Balance as Intergovernmental-State revenues and as Public Safety Expenditures for the contribution to the Police and Fire Pension Funds in accordance with GAAP. The State contributions were deposited directly into the Policemen's and Firemen's Pension Funds as follows:

Plan	Amount
Policemen's Pension and Relief Fund	\$ 1,866,884
Firemen's Pension and Relief Fund	1,861,484
Total	\$ <u>3,728,368</u>

IV. OTHER INFORMATION

A. Risk Management

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

The City covers its workers' compensation liability by retaining and self-insuring the first \$300,000 of each claim and maintaining layers of excess insurance that indemnifies the City for claims costs exceeding its self-insured retention limits. A Letter of Credit for \$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, 2022. 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 6/30/2022	Year Ended 6/30/2021
Unpaid claims, beginning of fiscal year	\$ 3,807,187	\$ 3,847,265
Incurred claims (including IBNRs)	1,565,277	1,864,482
Claims paid	(2,979,406)	(1,904,560)
Unpaid claims, end of fiscal year	\$ <u>2,393,058</u>	\$ <u>3,807,187</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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.

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. The City only hold money from an employee's paycheck and then immediately passes it to a third party company. The City does not administer the plan and does not contribute anything to the plan.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 \$1,543,436 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

F. Unrestricted Net Position (Deficit)

Total unrestricted net position before OPEB liability, net pension liability, and related deferred outflows and inflows	\$ 38,712,049
Less: Total OPEB liability	(270,747,702)
Less: Net pension liability - Police and Fire	(342,843,281)
Less: Deferred inflows of resources - OPEB	(112,045,669)
Add: Deferred outflows of resources - OPEB	39,341,141
Less: Deferred inflows of resources - net pension liability - Police & Fire	(40,484,565)
Add: Deferred outflows of resources - net pension liability - Police & Fire	8,955,638
Total unrestricted deficit	<u>\$ (679,112,389)</u>

G. Post-Employment Healthcare Plan

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement Systems, the City of Charleston's Policemen's Pension & Relief Fund, and the Firemen's Pension & Relief Fund. The aggregate total of items reported on the statement of net position and statement of activities related to participation in the City's single employer and the statewide multi-employer cost-sharing plan as of June 30, 2022 are as follows:

	City Plan	State Plan	Total
OPEB asset	\$ -	\$ 188,311	\$ 188,311
OPEB liability	(270,747,702)	-	(270,747,702)
Deferred outflow of resources	39,341,141	8,518,298	47,859,439
Deferred inflow of resources	(112,045,669)	(6,669,189)	(118,714,858)
OPEB expense (offset)	6,730,695	(356,162)	6,374,533
Contributions	7,614,380	636,540	8,250,920

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

IV: G.1. Single Employer Plan

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 reports 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 \$188.52 and for retiree and spouse \$292.50.

Due to State law WV 8-12-8; retirees must not pay more for health care coverage than active employees. As a result, all members who were hired after July 1, 1984 will all pay the same contributions at retirement. In the prior valuation, all employees hired after July 1, 2000 contribute a) the COBRA rate less b) a 2.0% credit for every year of service (limited to 50%).

Due to the substantive plan provision change, the health care coverage election rate assumption for retirees who were hired after July 1, 2000 has increased. Since these retirees will no longer pay the full cost of coverage, 90% 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.

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:

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 P.E.I.A. insurance.

The monthly COBRA rates effective on January 1, 2021 are \$1,475.82 for medical and prescription drugs for single and \$2,272.92 for employee and spouse.

The number of participants as of June 30, 2022, the effective date of the OPEB GASB 74/75 actuarial valuation, was 548 active employees and 621 retired employees.

Employees who retire under the WV Public Employees Retirement System (PEIA) 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.

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.

Actuarial Methods and Assumptions

In the June 30, 2022 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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. In subsequent valuations, any employees hired after July 1, 2020 will be excluded and will not generate a liability. The measurement date of this valuation is June 30, 2022, and therefore the only employees included in this valuation are those eligible for retiree health care benefits hired prior to the cutoff date.

Per the Detailed Actuary's Notes from the Nyhart report, the following assumptions in the June 30, 2022 report have been updated:

The discount rate has been updated from 2.19% as of July 1, 2021 to 4.09% as of June 30, 2022 based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating on AA/Aa for higher (or equivalent quality on another rating scale). This change caused a significant decrease in liabilities for the City. The discount rate will be updated annually to reflect the market conditions as of the measurement date.

The mortality assumption has been updated to use mortality improvement Scale MP-2021 from Scale MP-2019. The base mortality tables remain unchanged. The impact of this change is a slight decrease in liabilities for the City.

Health care trend rates have been updated to an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50% for pre-65 benefits and an initial rate of 6.50% decreasing by 0.25% annually to an ultimate rate of 4.50% for post-65 benefits. The impact of this change is an increase in liabilities for the City.

Census Data Census data was provided by the City in September 2022 and no material modifications were made to the census data.

Measurement Date June 30, 2022

Discount Rate 2.19% as of July 1, 2021 and 4.09% as of June 30, 2022

Payroll Growth 3.00% 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, 2021. 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-2021.

Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Disability None.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Sick Leave Benefits Percentage of employees eligible for the sick leave benefits at retirement is assumed to be: 1) 90% for police officers 2) 60% for general employees and firefighters. All employees eligible for the sick leave benefit are assumed to have five years of free coverage.

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

Conversion to free health care at retirement is based on two days sick leave (16 hours) for one month of single coverage or three days sick leave (24 hours) for one-month family coverage.

Health Care Trend Rates: FYE 2023 7.50%; FYE 2024 7.0%; FYE 2025 6.50%; FYE 2026 6.00%; FYE 2027 5.50%; FYE 2028 5%; 2029+ 4.50%.

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

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

Total Other Post-Employment Benefits (OPEB) Liability:

The components of net OPEB liability at June 30, 2022, were as follows:

	Governmental Activities	Business-type Activities
Total OPEB liability	\$ 226,473,126	\$ 4,274,576
Plan fiduciary net position	-	-
Plan net OPEB liability	<u>\$ 226,473,126</u>	<u>\$ 4,274,576</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
Discount Rate	4.09%	4.09%

In accordance with GASB No. 75, the discount rate is 2.19% as of July 1, 2021, and 4.09% as of June 30, 2022. 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).

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Sensitivity of the net OPEB liability to the Discount Rate Assumption

Other Post-Employment Benefits Liability:

1% Decrease	Discount Rate Assumption	1% Increase
3.09%	4.09%	5.09%
\$ 313,338,856	\$ 270,747,702	\$ 236,566,075

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

Other Post-Employment Benefits Liability:

1% Decrease	Healthcare Trend Rate	1% Increase
3.5%	4.5%	5.5%
\$ 234,532,383	\$ 270,747,702	\$ 316,281,380

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2021	\$ 343,582,506	\$ --	\$ 343,582,506
Changes for the year:			
Service cost	13,773,081	--	13,773,081
Interest	7,743,161	--	7,743,161
Changes of benefit terms	--	--	--
Differences between expected & actual experience	(29,430)	--	(29,430)
Changes of assumptions or other inputs	(86,707,236)	--	(86,707,236)
Contributions - employer	--	7,614,380	(7,614,380)
Contributions - employee	--	--	--
Net investment income	--	--	--
Benefit payments, including refunds of employee contributions	(7,614,380)	(7,614,380)	--
Administrative expense	--	--	--
Other changes	--	--	--
Net changes	(72,834,804)	--	(72,834,804)
Balances at June 30, 2022	\$ 270,747,702	\$ --	\$ 270,747,702

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

OPEB expense \$ 6,730,695

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,219,232	\$ (38,515,760)
Changes of assumptions	38,121,909	(73,529,909)
	<u>\$ 39,341,141</u>	<u>\$ (112,045,669)</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:	
2023	\$ (14,785,546)
2024	(14,730,896)
2025	(12,938,628)
2026	(15,793,347)
2027	(14,456,111)
Total	<u>\$ (72,704,528)</u>

IV: G.2. Cost Sharing Multi-Employer Plan

Plan Descriptions, Contribution Information, and Funding Policies

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, Troopers Plan A, or Troopers Plan B pension systems, as administered by the West Virginia Consolidated Public Retirement Board (CPRB). The plan is closed to new entrants.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 rate related to the measurement date of June 30, 2021, was:

	<u>2021</u>
Paygo premium	\$160

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 of Charleston's contributions to the OPEB plan for the year ended June 30, 2022, was \$636,540. The City switched to PEIA for all active employees hired after July 1, 2020.

Actuarial Assumptions and Methods - The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. 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 2020, decreasing by 0.50% for one year then 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, decreasing ratably 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".
- Mortality post retirement: Pub-2010 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 General Employee Mortality Tables projected with MP-2019.
- Expenses: Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.

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.

There were no assumption changes from the actuarial valuation as of June 30, 2020, measured at June 30, 2020 and rolled forward to a measurement date of June 30, 2021.

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 (WV-BTI).

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 WV-BTI was estimated based on WV-IMB assumed inflation of 2.0% plus a 25-basis point spread.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The target allocation and estimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below for June 30, 2021:

Asset Class	Target Allocation	Long-term Expected Real Return
Global equity	55.0%	4.8%
Core plus fixed income	15.0%	2.1%
Core real estate	10.0%	4.1%
Hedge fund	10.0%	2.4%
Private equity	10.0%	6.8%

Discount rate - The discount rate used to measure the total OPEB asset was 6.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made in accordance with the prefunding and investment policies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Sensitivity of the net OPEB asset to changes in the discount rate - The following presents the City of Charleston's proportionate share of the net OPEB asset as of June 30, 2022 calculated using the discount rate of 6.65%, as well as what the City of Charleston's net OPEB asset 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	Current Discount Rate	1% Increase
	5.65%	6.65%	7.65%
Net OPEB asset (liability) \$	<u>(1,010,496)</u>	\$ <u>188,311</u>	\$ <u>1,183,663</u>

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rate - The following presents the City of Charleston's proportionate share of the net OPEB asset as of June 30, 2022 calculated using the healthcare cost trend rate, as well as what the City of Charleston's net OPEB asset 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	Healthcare Cost Trend Rates	1% Increase
Net OPEB asset (liability) \$	<u>1,390,386</u>	\$ <u>188,311</u>	\$ <u>(1,275,955)</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

The June 30, 2022 net OPEB asset was measured as of June 30, 2021, and the total OPEB asset was determined by an actuarial valuation as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

At June 30, 2022, the City of Charleston's proportionate share of the net OPEB asset was \$188,311. Of this amount, the City of Charleston recognized \$188,311 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, 2021. Employer contributions are recognized when due. At the June 30, 2021 measurement date, the City of Charleston's proportion was 0.633302780%, an increase of 0.627390968% from its proportion of 0.005911812% calculated as of June 30, 2020.

For the year ended June 30, 2022, the City of Charleston recognized OPEB expense of (\$356,162). Of this amount, (\$356,162) was recognized as the City of Charleston's proportionate share of OPEB expense.

At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience	\$ -	\$ 1,297,180
Changes in assumptions	-	3,984,743
Reallocation of Opt-Out Employer Change in proportionate share	-	7,433
Changes in proportion and difference between employer contributions contributions and proportionate share of contributions	7,881,758	80,248
Net difference between projected and actual investment earnings	-	1,299,585
Contributions after the measurement date	636,540	-
Total	<u>\$ 8,518,298</u>	<u>\$ 6,669,189</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

The City of Charleston will recognize the \$636,540 of contributions made after the measurement date of the net OPEB asset but before the end of the City's reporting period as an increase of the net OPEB asset 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:

Fiscal Year Ended		Amortization
June 30,		
2023	\$	497,696
2024		508,406
2025		531,823
2026		(325,356)
Total	\$	<u>1,212,569</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, 2022.

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*. The City of Charleston, West Virginia participates in single employer plans for the City of Charleston's Policemen's Pension & Relief Fund and the Firemen's Pension & Relief Fund and cost sharing multi-employer plans under the West Virginia Public Employees Retirement System (PERS) and the West Virginia Municipal Police Officers and Firefighters Retirement System (MPFRS). The aggregate total of items reported on the statement of net position and statement of activities related to participation in the City's single employer and the statewide multi-employer cost-sharing plan as of June 30, 2022 are as follows:

	City Plan	State Plan - PERS	State Plan - MPFRS	Total
Pension asset	\$ -	\$ 9,085,725	\$ 3,448,691	\$ 12,534,416
Pension liability	(342,843,281)	-	-	(342,843,281)
Deferred outflow of resources	8,955,638	4,444,205	1,757,549	15,157,392
Deferred inflow of resources	(40,484,565)	(12,151,032)	(1,032,621)	(53,668,218)
Pension expense (offset)	(19,650,995)	(2,142,889)	(177,471)	(21,971,355)
Contributions	10,108,485	1,678,590	772,346	12,559,421

V:A.1. Single Employer Plans

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:

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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, 2021, 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, 2022.

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, 2021, 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, 2022.

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 153-154. 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.

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, 2021, memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	80	80	160
Vested Terminated Benefits	7	2	9
Former Members Due Refunds	1	1	2
Retirees and Beneficiaries Currently			-
Receiving Benefits	226	254	480
Total	<u>314</u>	<u>337</u>	<u>651</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

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

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

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

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

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

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

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

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

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

Employer contributions for the Policemen's Pension and Relief Fund are expected to increase from \$6,716,750 for the plan year ending June 30, 2023, to a high of \$9,213,145 for the plan year ending June 30, 2033. Employer contributions for the Firemen's Pension and Relief Fund are expected to increase from \$8,088,370 for the plan year ending June 30, 2023, to a high of \$111,240,234 for the plan year ending June 30, 2035. For the Policemen's Pension Fund, the funded ratio is projected to increase from 20.02% in 2023 to 36.28% in 2033, and ultimately to 100% in 2046. For the Firemen's Pension Fund, the funded ratio is projected to increase from 15.61% in 2022 to 37.95% 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).

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

	<u>PPRF</u>	<u>FPRF</u>
Determination of contribution requirement	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may elect to finance benefit obligations using the Conservation Method as defined in West Virginia State Code §8-22-20 (f)(1) and effected by the passage of Senate Bill No. 544.	
Plan Members	8% of covered payroll and 9.5% if hired after January 1, 2010	
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Benefit Terms	In accordance with WV State Code the annual benefit equals 60% of average annual compensation, not less than \$6,000, plus an additional percentage of average annual compensation for service over 20 years equal to 2% for each year of service between 20 and 25 and 1% for each year of service between 25 and 30 years. Employees serving in the military are eligible for an additional 1% of average annual compensation for each year of military service up to four years. The maximum benefit is limited to 75% of average annual compensation. Benefits continue for life.	
Post-Retirement Benefit Increases	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees), multiplied by the sum of the allowable amount (first \$15,000 of initial benefits paid) and the accumulated supplemental pensions paid in prior years.	
Eligibility for Distribution	Members are eligible at the earlier of age 50 with 20 years of credited service or age 65.	
Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes
Valuation Date	7/1/2021 and projected to the measurement date of June 30, 2022.	7/1/2021 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 15-28.5 years remaining as of July 1, 2020	40-Year Closed Level-Percentage-of-Pay 15-28.5 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.		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Actuarial Asset Valuation Method	Fair Value	Fair Value		
Investment Rate of Return	5.25% per year before 2047	4.75% per year before 2047		
Projected Salary Increases	Service Based Increase			
	<u>Years of Service</u>	<u>Increase</u>	<u>Years of Service</u>	<u>Increase</u>
	0	20.0%	0	20.0%
	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 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

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

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

Rate of Return: The money-weighted rate of return on pension plan investments, net of pension plan expense, for fiscal year ended June 30, 2022 was 6.60% for the Policemen's Pension and Relief Fund. For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 7.70% for the Firemen's Pension and Relief Fund. These amounts only represent January 2022 through June 2022 for the Policemen's Pension and Relief Fund and February 2022 through June 2022 for the Firemen's Pension and Relief Fund due to the switch to the West Virginia Investment Management Board. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability: The components of net pension liability for the Policemen's and Firemen's Pension and Relief Fund at June 30, 2022, were as follows:

	<u>PPRF</u>	<u>FPRF</u>
Total pension liability	\$ 191,977,166	\$ 211,725,988
Plan fiduciary net position	<u>(32,382,516)</u>	<u>(28,477,357)</u>
Plan net pension liability	<u>\$ 159,594,650</u>	<u>\$ 183,248,631</u>
Plan fiduciary net position as a percentage of total pension liability	16.87%	13.45%
Discount Rate	4.31%	4.13%

In accordance with GASB No. 67 & GASB No. 68 a single discount rate of 4.31% for the Policemen's Pension and 4.13% for the Firemen's Pension was used to measure the total pension liability as of June 30, 2022. These single discount rates were based on the expected rate of return on pension plan investments of 5.25% for the Policemen's Pension and 4.75% for the Firemen's Pension, and the municipal bond rate of 3.69%. The projection of cash flows used to determine these single discount rates assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members, after plan year 2046. Therefore, the single discount rate of 4.31% for the Policemen's Pension and 4.13% for the Firemen's Pension was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 5.25% for Policemen's Pension and 4.75% for Firemen's Pension has been blended with the 3.69% 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, 2022. 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 \$179,618,956 and \$211,712,810, respectively.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

Policemen's Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
3.31%	4.31%	5.31%
\$ 189,150,959	\$ 159,594,650	\$ 135,977,461

Firemen's Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
3.13%	4.13%	5.13%
\$ 215,724,965	\$ 183,248,631	\$ 157,237,482

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary Net	Pension
	Liability (a)	Position (b)	Liability (a-b)
Balances at June 30, 2021	\$ 219,422,813	\$ 33,412,868	\$ 186,009,945
Changes for the year:			
Service cost	3,656,866	--	3,656,866
Interest	6,504,578	--	6,504,578
Changes of benefit terms	--	--	--
Differences between expected & actual experience	9,982,382	--	9,982,382
Changes of assumptions or other inputs	(39,510,571)	--	(39,510,571)
Contributions - employer	--	8,267,191	(8,267,191)
Contributions - employee	--	469,508	(469,508)
Net investment income	--	(1,671,294)	1,671,294
Benefit payments, including refunds of employee contributions	(8,078,902)	(8,078,902)	--
Administrative expense	--	(16,855)	16,855
Other changes	--	--	--
Net changes	(27,445,647)	(1,030,352)	(26,415,295)
Balances at June 30, 2022	\$ 191,977,166	\$ 32,382,516	\$ 159,594,650

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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, 2021			
Changes for the year:	\$ 244,257,175	\$ 30,623,784	\$ 213,633,391
Service cost	4,736,556	--	4,736,556
Interest	6,929,019	--	6,929,019
Changes of benefit terms	--	--	--
Differences between expected & actual experience	6,259,273	--	6,259,273
Changes of assumptions or other inputs	(41,458,561)	--	(41,458,561)
Contributions - employer	--	9,635,418	(9,635,418)
Contributions - employee	--	473,067	(473,067)
Net investment income	--	(3,249,866)	3,249,866
Benefit payments, including refunds of employee contributions	(8,997,474)	(8,997,474)	--
Administrative expense	--	(7,572)	7,572
Other changes	--	--	--
Net changes	(32,531,187)	(2,146,427)	(30,384,760)
Balances at June 30, 2022	\$ 211,725,988	\$ 28,477,357	\$ 183,248,631

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

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

	PPRF	FPRF
Pension expense	<u>\$(12,978,002)</u>	<u>\$(6,672,993)</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,991,191	\$ - -
Changes of assumptions	- -	19,755,285
Net difference between projected and actual earnings on pension plan investments	<u>186,196</u>	<u>- -</u>
	<u>\$ 5,177,387</u>	<u>\$ 19,755,285</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:**

2023	\$ (15,033,570)
2024	(206,527)
2025	(364,917)
2026	<u>654,724</u>
Total	<u>\$ (14,950,290)</u>

Firemen's Pension and Relief Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,129,636	\$ - -
Changes of assumptions	- -	20,729,280
Net difference between projected and actual earnings pension plan investments	<u>1,021,007</u>	<u>- -</u>
	<u>\$ 4,150,643</u>	<u>\$ 20,729,280</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

**Year Ended
June 30:**

2023	\$	(17,558,518)
2024		102,804
2025		(37,889)
2026		914,966
Total	\$	<u><u>(16,578,637)</u></u>

V.B. Cost Sharing Multi-Employer Plans

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue. S.E., Charleston, West Virginia 25304.

V.B.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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021, 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, 2022, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2021:

	<u>PERS</u>
Amount for proportionate share of net pension asset	\$ 9,085,725
Percentage for proportionate share of net pension liability	1.034896%
Increase/(decrease) % from prior proportion measured	
actual earnings on pension plan investments	-0.036376%

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

	<u>PERS</u>
Government-wide pension expense	<u>\$ (2,142,889)</u>

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Public Employees Retirement System (PERS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ - -	\$ 11,637,333
Difference between expected and actual experience	1,036,914	34,441
Changes in assumptions	1,728,701	73,643
Changes in proportion and differences between government contributions and proportionate share of contributions	- -	405,615
Government contributions subsequent to the measurement date	1,678,590	- -
	<u>\$ 4,444,205</u>	<u>\$ 12,151,032</u>

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
2023	\$ (1,942,685)
2024	(1,514,902)
2025	(2,432,352)
2026	(3,495,478)
Total	\$ (9,385,417)

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
-----------------------------	-------------------------------------------------------------------------------

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Authority establishing contribution

Obligations and benefit provisions:	State Statute
Plan member's contribution rate:	8.5%
City's contribution rate:	8.5%
Period required to vest:	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.
Benefits and eligibility for distribution:	<p>A member who has attained age 50 when age and contributory service equals 70 (excluding military service) or has attained age 60 and completion of 10 years contributory service (excluding military service). The final average salary is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (Jan. 1-Dec. 31) within the last 10 years of service. The accrued benefit on behalf of any member is calculated as follows:</p> <p>Final Average Salary x Years of Credited Service x Benefit Percentage</p> <p>2.6% x FAS x Years of Service for years 1-20 2.0 % x FAS x Years of Service for years 21-25 1.0% x FAS x Years of Service for years 26-30</p>
Provisions for:	
Cost of Living	Yes
Death Benefits	Yes

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, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021, 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, 2022, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2021:

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

	<u>MPFRS - Police</u>	<u>MPFRS - Fire</u>
Amount for proportionate share of net pension asset	\$ 1,854,704	\$ 1,593,987
Percentage for proportionate share of net pension asset	16.993804%	14.604973%
Increase/(decrease) % from prior proportion measured actual earnings on pension plan investments	-0.177455%	-2.147882%

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

	<u>MPFRS - Police</u>	<u>MPFRS - Fire</u>
Government-wide pension expense	<u>\$ (75,021)</u>	<u>\$ (102,450)</u>

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	\$ - -	\$ 464,101
Difference between expected and actual experience	122,525	42,993
Changes in assumptions	202,738	11,046
Changes in proportion and differences between government contributions and proportionate share of contributions	230,448	12,274
Government contributions subsequent to the measurement	<u>407,533</u>	<u>- -</u>
	<u>\$ 963,244</u>	<u>\$ 530,414</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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	\$ --	\$ 398,862
Difference between expected and actual experience	105,302	36,951
Changes in assumptions	174,237	9,493
Changes in proportion and differences between government contributions and proportionate share of contributions	149,953	56,901
Government contributions subsequent to the measurement date	<u>364,813</u>	<u> --</u>
	<u>\$ 794,305</u>	<u>\$ 502,207</u>

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, 2023	\$ (8,508)	\$ (44,827)
June 30, 2024	1,810	(35,918)
June 30, 2025	(11,910)	(41,734)
June 30, 2026	(64,359)	(79,121)
June 30, 2027	45,092	46,455
June 30, 2028	39,732	51,843
June 30, 2029	<u>23,440</u>	<u>30,587</u>
Total	<u>\$ 25,297</u>	<u>\$ (72,715)</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

V.D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employee Retirement System

Actuarial Assumptions

Inflation Rate	2.75%
Salary Increases	2.75% - 6.75%, average, including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense

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

The economic assumptions used in the June 30, 2021 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. All other assumptions used in the June 30, 2021 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	2.75%
Salary Increases	By age from 4.75% at age 30 declining to 3.25% at age 65
Investment Rate of Return	7.25%

Mortality Rates:

Active—100% of Pub-2010 Safety Employee Table, Amount-weighted, projected generationally with Scale MP-2020

Healthy Male Retirees—98% of Pub-2010 Safety Retiree Male Table, Amount-weighted, projected generationally with Scale MP-2020

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Healthy Female Retirees – 99% of Pub-2010 Safety Retiree Female Table, Amount-weighted, projected generationally with Scale MP-2020

Disabled Males – 124% of Pub-2010 Safety Disabled Male Table, Amount-weighted, projected generationally with Scale MP-2020.

Disabled Females – 100% of Pub-2010 Safety Disabled Female Table, Amount-weighted, projected generationally with Scale MP-2020.

All assumptions used in the June 30, 2021 MPFRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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%	1.51%
International Equity	7.0%	27.5%	1.93%
Fixed Income	2.2%	15.0%	0.33%
Real Estate	6.6%	10.0%	0.66%
Private Equity	8.5%	10.0%	0.85%
Hedge Funds	4.0%	10.0%	0.40%
Total		100.00%	5.68%
Inflation (CPI)			2.10%
			<u>7.78%</u>

Discount Rate

The discount rate used to measure the total pension asset was 7.25% 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 asset of each plan.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Government's proportionate share of PERS's net pension asset (liability)	\$	(103,821)	\$ 9,085,725	\$ 16,842,146
Government's proportionate share of MPFRS Police net pension asset	\$	1,249,215	\$ 1,854,704	\$ 2,310,308
Government's proportionate share of MPFRS Fire net pension asset	\$	1,073,612	\$ 1,593,987	\$ 1,985,546

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
For the Fiscal Year Ended June 30, 2022

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

Policemen's Pension and Relief Fund (PPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 3,656,866	\$ 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	6,504,578	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	9,982,382	(3,724,015)	973,413	3,780,602	(4,059,168)	(3,481,866)	(2,127,001)	(1,897,115)	--
Changes in assumptions	(39,510,571)	(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	(8,078,902)	(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	(27,445,647)	(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	219,422,813	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)	\$ 191,977,166	\$ 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	\$ 8,267,191	\$ 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	469,508	483,946	473,005	510,010	525,513	574,939	556,799	592,173	648,924
Net investment income	(1,671,294)	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	(8,078,902)	(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	(16,855)	(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	(1,030,352)	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	33,412,868	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)	\$ 32,382,516	\$ 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)	\$ 159,594,650	\$ 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	16.87%	15.23%	11.44%	11.77%	12.50%	11.08%	8.80%	9.66%	9.72%
Covered payroll	\$ 5,717,369	\$ 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	2791.40%	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 5.25% for Policemen's Pension has been blended with the 3.69% 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, 2022. 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 nine 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, 2022

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

Firemen's Pension and Relief Fund (FPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 4,736,556	\$ 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	6,929,019	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	6,259,273	6,075,355	2,442,355	230,664	(1,328,621)	(352,450)	(1,147,647)	(3,217,247)	--
Changes in assumptions	(41,458,561)	(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	(8,997,474)	(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	(32,531,187)	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	244,257,175	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)	\$ 211,725,988	\$ 244,257,175	\$ 238,241,616	\$ 218,420,916	\$ 191,791,397	\$ 190,446,627	\$ 201,522,698	\$ 171,851,672	\$ 162,974,250
Plan fiduciary net position									
Contributions-employer	\$ 9,635,418	\$ 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	473,067	530,627	603,480	509,721	525,870	574,505	580,188	592,996	603,333
Net investment income	(3,249,866)	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	(8,997,474)	(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	(7,572)	(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	(2,146,427)	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	30,623,784	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)	\$ 28,477,357	\$ 30,623,784	\$ 23,647,016	\$ 22,233,766	\$ 20,062,367	\$ 17,716,222	\$ 14,985,517	\$ 13,888,494	\$ 12,976,853
Net pension liability - ending (a) - (b)	\$ 183,248,631	\$ 213,633,391	\$ 214,594,600	\$ 196,187,150	\$ 171,729,030	\$ 172,730,405	\$ 186,537,181	\$ 157,963,178	\$ 149,997,397
Plan fiduciary net position as a percentage of the total pension liability	13.45%	12.54%	9.93%	10.18%	10.46%	9.30%	7.44%	8.08%	7.96%
Covered payroll	\$ 6,197,423	\$ 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	2956.85%	3420.26%	3490.74%	3056.00%	2553.21%	2453.99%	2564.73%	2144.81%	1905.24%

Notes to FPRFS Schedule:

For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 4.75% for Firemen's Pension has been blended with the 3.69% 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, 2022. 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 nine 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, 2022

II. SCHEDULES OF INVESTMENT RETURNS

Policemen's Pension and Relief Fund (PPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-6.60%	24.42%	1.80%	6.33%	8.08%	11.14%	4.75%	6.50%	10.65%

Firemen's Pension and Relief Fund (PFRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-7.70%	24.24%	1.82%	6.26%	8.07%	11.25%	5.15%	5.04%	11.17%

Only nine 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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 10,069,011	\$ 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)	6,400,307	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)	1,866,884	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)	\$ 1,801,820	\$ 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)	5,717,369	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	145%	148%	124%	110%	108%	109%	95%	83%	78%

Firemen's Pension and Relief Fund (PFRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 12,874,793	\$ 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)	7,773,934	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)	1,861,484	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)	\$ 3,239,375	\$ 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)	6,197,423	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	155%	148%	137%	125%	117%	109%	95%	89%	86%

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

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>6/30/2022</u>	Firemen's Pension & Relief Fund <u>6/30/2022</u>
Valuation Date	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay	Level Percentage-of-Pay
Amortization Method	40 Years Closed (Level Percentage)	40 Years Closed (Level Percentage)
Amortization Period	Fair Value	Fair Value
Actuarial Asset Valuation Method		
Actuarial Assumptions:		
Investment Rate of Return	5.250%	4.750%
Projected Salary Increases	20% 0 years, 9% 1 year, 6.5% 2 years, 6.0% 3 years, 5.0% 4 -28 years, 4.0% 29-33 years, 3.5 % 34+ years	20% 0 years, 9% 1 year, 6.5% 2 years , 6.0% 3 years, 5.0% 4 -28 years, 4.0% 29-33 years, 3.5% 34+ years
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:	Disclose any other important changes here not included in the above table.	

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

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

Other Post Employment Benefits (OPEB)

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 13,773,081	\$ 12,762,083	\$ 12,250,898	\$ 11,717,752	\$ 11,106,811
Interest	7,743,161	9,227,829	11,051,420	11,973,708	10,565,286
Changes of benefit terms	--	--	--	--	--
Changes in assumptions	(86,707,236)	26,560,939	28,897,982	17,896,868	(7,643,289)
Differences between expected and actual experience	(29,430)	(34,584,375)	(11,769,659)	(28,650,473)	7,315,402
Benefits payments	(7,614,380)	(9,006,369)	(8,749,770)	(7,284,299)	(8,067,334)
Net change in total OPEB liability	(72,834,804)	4,960,107	31,680,871	5,653,556	13,276,876
Total pension liability-beginning (restated for Fiscal Year 2017)	343,582,506	338,622,399	306,941,528	301,287,972	288,011,096
Total pension liability-ending (a)	<u>\$ 270,747,702</u>	<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	\$ 7,614,380	\$ 9,006,369	\$ 8,749,770	\$ 7,284,299	\$ 8,067,334
Contributions-active employees	--	--	--	--	--
Net investment income	--	--	--	--	--
Benefit payments	(7,614,380)	(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>	<u>\$ --</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 270,747,702</u>	<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%	0.00%
Covered-employee payroll	\$ 26,522,877	\$ 30,237,582	\$ 29,356,876	\$ 29,931,917	\$ 33,255,922
Net OPEB liability as a percentage of covered-employee payroll	1020.81%	1136.28%	1153.47%	1025.47%	905.97%

Notes to OPEB Plan Schedule:

This plan is not accounted for as a trust fund, as an irrevocable trust has not been established and therefore no assets have been accumulated to pay the related benefits.

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. In subsequent valuations, any employees hired after July 1, 2020 will be excluded and will not generate a liability. The measurement date of this valuation is June 30, 2022, and therefore the only employees included in this valuation are those eligible for retiree health care benefits hired prior to the cutoff date.

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 4.09% as of June 30, 2022. This changes caused a significant decrease in liabilities for the City of Charleston. The discount rate will be updated annually to reflect current market conditions.

The mortality assumption has been updated to use mortality improvement Scale MP-2021 from Scale MP-2019. The base mortality tables remain unchanged. The impact of this change is a slight decrease in liabilities for the City of Charleston.

The wage inflation assumption used to project compensation was 3.00% per year plus the annual merit scale based on the West Virginia Public Employees' Retirement System actuarial valuation as of June 30, 2021. The scale is 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%.

Only five 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, 2022

NOTES TO SCHEDULES

Significant Actuarial Assumptions

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

	Other Postemployment Benefits
	<u>6/30/2022</u>
Valuation Date	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay
Amortization Method	30 Years Closed (Level Percentage)
Amortization Period	Market Value
Actuarial Asset Valuation Method	
Actuarial Assumptions:	
Discount Rate	2.19% as of July 1, 2021 and 4.09% as of June 30, 2022
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 Scale MP-2019 to Scale MP-2021, using the following tables: General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021; Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021; and Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2022

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

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>
Government's proportion of the net pension liability (asset) (percentage)	0.633302780%		0.006301472%		0.005911812%		0.00596038%
Government's proportionate share of the net pension liability (asset)	\$ (188,311)	\$	27,833	\$	98,085	\$	127,876
Government's covered-employee payroll	\$ 10,406,997	\$	107,908	\$	113,816	\$	122,226
Government's proportionate share of the net other-post employment liability (asset) as a percentage of its covered-employee payroll	-1.81%		25.79%		86.18%		104.62%
Plan fiduciary net position as a percentage of the total other post-employment liability	101.81%		73.49%		39.69%		30.98%

* - The amounts presented for each fiscal year were determined as of June 30, 2021.
Only four years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2022

West Virginia Retiree Health Benefit Trust Fund
Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 636,540	\$ 1,154,880	\$ 12,180	\$ 12,180	\$ 12,180
Contributions in relation to the contractually required contribution	<u>(636,540)</u>	<u>(1,154,880)</u>	<u>(12,180)</u>	<u>(12,180)</u>	<u>(12,180)</u>
Contribution deficiency (excess)	<u> ** </u>	<u> ** </u>	<u> ** </u>	<u> ** </u>	<u> ** </u>
Government's covered-employee payroll	\$ 12,099,805	\$ 10,406,997	\$ 107,908	\$ 113,816	\$ 122,226
Contributions as a percentage of covered-employee payroll.	5.26%	11.10%	11.29%	10.70%	9.97%

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2022

Actuarial Changes OPEB 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.

	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
<u>2021</u>	2.25%	Specific to the OPEB covered group. 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 General Below-Median 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 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
<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 2020, decreasing by 0.50% for one year then 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, 2022

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>
Government's proportion of the net pension liability (asset) (percentage)	1.034896%	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)	\$ (9,085,725)	\$ 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	\$ 16,653,509	\$ 16,836,136	\$ 19,596,039	\$ 19,519,308	\$ 20,073,697	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-54.56%	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	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

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

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, 2022

Public Employees Retirement System
Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,678,590	\$ 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
Contributions in relation to the contractually required contribution	<u>(1,678,590)</u>	<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>
Contribution deficiency (excess)	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Government's covered payroll	\$ 17,054,535	\$ 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.	9.84%	9.94%	9.91%	9.47%	10.47%	11.15%	13.60%	13.75%	13.97%	13.55%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (PERS)
YEAR ENDED JUNE 30, 2022

Actuarial Changes Pension Plan

An experience study for economic assumptions, which was based on the years 2015 through 2020, and an experience study for all other assumptions, 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, 2021 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2021</u>	2.75% - 5.55%	3.60% - 6.75%	2.75%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Disabled Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%
<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%	2.00-35.88%	0.005-0.540%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (PERS)
YEAR ENDED JUNE 30, 2022

	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%	2.00-35.88%	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%	2.00-35.88%	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%	2.00-35.88%	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%	2.00-35.88%	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	1.00-26.00%	2.00-31.2%	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, 2022

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

	Police Officers Retirement System								
	<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>
Government's proportion of the net pension liability (asset) (percentage)	16.993804%	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)	\$ (1,854,704)	\$ (1,073,890)	\$ (968,262)	\$ (899,107)	\$ (735,550)	\$ (369,892)	\$ (244,721)	\$ (145,331)	\$ (50,819)
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
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-43.21%	-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	182.78%	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, 2021.
Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

	Firefighters Retirement System								
	<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>
Government's proportion of the net pension liability (asset) (percentage)	14.604973%	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)	\$ (1,593,987)	\$ (1,047,724)	\$ (721,869)	\$ (591,577)	\$ (478,801)	\$ (223,751)	\$ (127,601)	\$ (113,941)	\$ (15,210)
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
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-43.42%	-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	182.78%	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, 2021.
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, 2022

Municipal Police Officers and Firefighters Retirement System
Last 10 Fiscal Years

Police Officers Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 407,533	\$ 362,999	\$ 295,323	\$ 302,026	\$ 264,399	\$ 222,403	\$ 168,547	\$ 105,816	\$ 59,623	\$ 28,547
Contributions in relation to the contractually required contribution	<u>(407,533)</u>	<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>
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	\$ 4,854,809	\$ 4,291,833	\$ 3,500,625	\$ 2,540,250	\$ 2,068,865	\$ 2,068,865	\$ 1,434,311	\$ 959,612	\$ 392,330	\$ 185,248
Plan fiduciary net position as a percentage of the total pension liability	8.39%	8.46%	8.44%	11.89%	12.78%	10.75%	11.75%	11.03%	15.20%	15.41%

Firefighters Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 364,813	\$ 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>(364,813)</u>	<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>
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	\$ 4,333,657	\$ 3,671,189	\$ 3,393,434	\$ 1,671,389	\$ 1,346,713	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446
Plan fiduciary net position as a percentage of the total pension liability	8.42%	8.50%	8.50%	13.47%	12.92%	10.75%	11.76%	11.03%	15.20%	15.41%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (MPFRS)
YEAR ENDED JUNE 30, 2022

Actuarial Changes Pension Plan

An experience study, which was based on the years 2015 through 2020, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2021 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2021</u>	n/a	3.25% - 4.75%	2.75%	Active-100% of Pub-2010 Safety Employee Table, Amount-weighted, projected generationally with Scale MP-2020; Healthy Male Retirees - 98% of Pub-2010 Safety Retiree Male Table, Amount-weighted, projected generationally with Scale MP-2020; Healthy Female Retirees - 99% of Pub-2010 Safety Retiree Female Table, Amount-weighted, projected generationally with Scale MP-2020; Disabled Males - 124% of Pub-2010 Safety Disabled Male Table, Amount weighted, projected generationally with Scale MP-2020; Disabled Females - 100% of Pub-2010 Safety Disabled Female Table, Amount-weighted, projected generationally with Scale MP-2020	n/a	3.00-21.00%	0.03-0.40%
<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 Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality 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 Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%
<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 Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality 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
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (MPFRS)
YEAR ENDED JUNE 30, 2022

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<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 Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality 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%
<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, 2022

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS					
Assets:					
Current:					
Cash and cash equivalents	\$ 3,699,189	\$ 11,219,945	\$ 21,014	\$ 113,871	\$ 15,054,019
Investments	2,992,850	--	--	2,541,645	5,534,495
Receivables:					
Accounts	560,423	--	--	831	561,254
Grants	76,523	--	--	--	76,523
Special assessments	21,210	--	--	--	21,210
Loans	344,178	--	--	--	344,178
Accrued interest	--	--	--	5,811	5,811
Due from:					
Other funds	658,850	139,603	1,749,619	9,563	2,557,635
Component units	15,703	--	--	--	15,703
Restricted cash	967,107	--	3,519,420	--	4,486,527
Total assets	9,336,033	11,359,548	5,290,053	2,671,721	28,657,355
Deferred Outflows:					
	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 9,336,033	\$ 11,359,548	\$ 5,290,053	\$ 2,671,721	\$ 28,657,355
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 561,803	\$ 1,354,245	\$ --	\$ --	\$ 1,916,048
Live on the Levee Charity	50	--	--	--	50
Due to:					
Other funds	528,922	2,500	--	--	531,422
Grant advances	171,922	--	--	--	171,922
Total liabilities	1,262,697	1,356,745	--	--	2,619,442
Deferred Inflows:					
	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--
Total liabilities and deferred inflows of resources	1,262,697	1,356,745	--	--	2,619,442
Fund balances:					
Reserved for:					
Nonspendable	--	--	--	1,543,436	1,543,436
Restricted	7,282,447	96,215	5,290,053	1,128,285	13,797,000
Committed	790,889	9,906,588	--	--	10,697,477
Total fund balances	8,073,336	10,002,803	5,290,053	2,671,721	26,037,913
Total liabilities, deferred inflows and fund balances	\$ 9,336,033	\$ 11,359,548	\$ 5,290,053	\$ 2,671,721	\$ 28,657,355

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, 2022

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Ad valorem property taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental:					
Federal	932,344	--	--	--	932,344
State	317,195	124,604	--	--	441,799
Local	74,132	--	--	--	74,132
Charges for services	4,130,467	92,602	--	--	4,223,069
Fines and forfeits	1,213,665	--	--	--	1,213,665
Interest earnings	492,315	24,484	1,923	(301,412)	217,310
Contributions and donations	263,456	52,726	--	224,709	540,891
Miscellaneous	68,647	3,975	--	--	72,622
Total revenues	<u>7,492,221</u>	<u>298,391</u>	<u>1,923</u>	<u>(76,703)</u>	<u>7,715,832</u>
EXPENDITURES					
Current:					
General government	221,899	--	--	--	221,899
Public safety	1,787,048	--	--	--	1,787,048
Streets and transportation	--	--	--	--	--
Health and sanitation	1,094,735	--	--	--	1,094,735
Culture and recreation	235,046	--	--	--	235,046
Social services	--	--	--	182,006	182,006
Capital projects	--	7,207,542	--	--	7,207,542
Economic development	237,560	--	--	--	237,560
Debt service:					
Principal	--	--	4,728,000	--	4,728,000
Interest	--	--	2,297,391	--	2,297,391
Total expenditures	<u>3,576,288</u>	<u>7,207,542</u>	<u>7,025,391</u>	<u>182,006</u>	<u>17,991,227</u>
Excess (deficiency) of revenues over expenditures	3,915,933	(6,909,151)	(7,023,468)	(258,709)	(10,275,395)
OTHER FINANCING SOURCES (USES)					
Transfers in	183,639	6,868,898	7,018,047	26,963	14,097,547
Transfers (out)	(3,580,422)	(380,280)	--	--	(3,960,702)
Total other financing sources (uses)	<u>(3,396,783)</u>	<u>6,488,618</u>	<u>7,018,047</u>	<u>26,963</u>	<u>10,136,845</u>
Net change in fund balance	519,150	(420,533)	(5,421)	(231,746)	(138,550)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 8,073,336</u>	<u>\$ 10,002,803</u>	<u>\$ 5,290,053</u>	<u>\$ 2,671,721</u>	<u>\$ 26,037,913</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.

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

Business Improvement District This fund was established to account for revenues generated by the City Center Business Improvement District.

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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.

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	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	Rental Rehabilitation	Solid Waste
ASSETS AND DEFERRED OUTFLOWS												
Assets:												
Current:												
Cash and cash equivalents	\$ 555,150	\$ 443	\$ 77	\$ 23,670	\$ 176,794	\$ 132,996	\$ 285,366	\$ 119,911	\$ 273,554	\$ 216,853	\$ --	\$ 265,292
Investments	--	--	--	--	--	--	--	--	--	--	--	2,992,850
Receivables:												
Accounts	92,532	--	--	--	--	--	36,728	--	--	--	--	390,803
Grants	--	11,440	--	11,398	--	--	--	--	53,054	--	--	--
Special assessments	--	--	--	--	--	--	--	--	--	--	--	--
Loans	--	--	--	--	--	--	--	--	--	--	--	--
Due from:												
Other funds	134,723	--	--	9,074	--	--	--	--	13,449	--	--	--
Component units	--	--	--	--	--	--	--	--	--	--	--	15,703
Restricted cash	--	--	--	--	--	--	--	--	--	--	--	967,107
Total assets	782,405	11,883	77	44,142	176,794	132,996	322,094	119,911	340,057	216,853	--	4,631,755
Deferred Outflows:												
	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 782,405	\$ 11,883	\$ 77	\$ 44,142	\$ 176,794	\$ 132,996	\$ 322,094	\$ 119,911	\$ 340,057	\$ 216,853	\$ --	\$ 4,631,755
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 5,000	\$ 11,647	\$ --	\$ 9,074	\$ --	\$ --	\$ 111,125	\$ 820	\$ 26,100	\$ --	\$ --	\$ 92,398
Live on the Levee Charity Raffle	--	--	--	--	--	--	--	--	--	--	--	--
Due to:												
Other funds	--	--	--	35,068	--	--	76,899	--	266,714	--	--	--
Grant advances	--	236	77	--	161,192	--	--	--	10,417	--	--	--
Total liabilities	5,000	11,883	77	44,142	161,192	--	188,024	820	303,231	--	--	92,398
Deferred Inflows:												
	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	5,000	11,883	77	44,142	161,192	--	188,024	820	303,231	--	--	92,398
Fund balances:												
Restricted	777,405	--	--	--	15,602	--	134,070	119,091	36,826	216,853	--	3,971,678
Committed	--	--	--	--	--	132,996	--	--	--	--	--	567,679
Total fund balances	777,405	--	--	--	15,602	132,996	134,070	119,091	36,826	216,853	--	4,539,357
Total liabilities, deferred inflows and fund balances	\$ 782,405	\$ 11,883	\$ 77	\$ 44,142	\$ 176,794	\$ 132,996	\$ 322,094	\$ 119,911	\$ 340,057	\$ 216,853	\$ --	\$ 4,631,755

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2022

	Special Demolition	Supportive Housing	U.S. Small Business Administration	Project West Invest	Historic Preservation	Slack Plaza	Business Improvement District	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	HOME ARP	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS																
Assets:																
Current:																
Cash and cash equivalents	\$ 16,749	\$ --	\$ 10,177	\$ 566	\$ --	\$ --	\$ 49,627	\$ 48,183	\$ --	\$ 201,051	\$ --	\$ 1,264	\$ 601,955	\$ 719,511	\$ --	\$ 3,699,189
Investments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2,992,850
Receivables:				--												
Accounts	--	--	--	--	--	--	--	--	--	--	30,900	--	9,460	--	--	560,423
Grants	--	--	--	--	--	--	--	--	--	--	--	--	--	--	631	76,523
Special assessments	--	--	--	--	--	--	21,210	--	--	--	--	--	--	--	--	21,210
Loans	--	--	--	212,915	--	--	--	--	131,263	--	--	--	--	--	--	344,178
Due from:																
Other funds	--	--	--	--	--	--	--	--	--	--	13,300	--	488,304	--	--	658,850
Component units	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	15,703
Restricted cash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	967,107
Total assets	16,749	--	10,177	213,481	--	--	70,837	48,183	131,263	201,051	44,200	1,264	1,099,719	719,511	631	9,336,033
Deferred Outflows:																
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 16,749	\$ --	\$ 10,177	\$ 213,481	\$ --	\$ --	\$ 70,837	\$ 48,183	\$ 131,263	\$ 201,051	\$ 44,200	\$ 1,264	\$ 1,099,719	\$ 719,511	\$ 631	\$ 9,336,033
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES																
Liabilities:																
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 30,125	\$ 16,644	\$ --	\$ 3,017	\$ 13,300	\$ --	\$ 140,475	\$ 101,447	\$ 631	\$ 561,803
Live on the Levee Charity Raffle	--	--	--	--	--	--	--	50	--	--	--	--	--	--	--	50
Due to:																
Other funds	--	--	--	--	--	--	--	--	--	--	30,900	--	119,341	--	--	528,922
Grant advances	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	171,922
Total liabilities	--	--	--	--	--	--	30,125	16,694	--	3,017	44,200	--	259,816	101,447	631	1,262,697
Deferred Inflows:																
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	--	--	--	--	--	30,125	16,694	--	3,017	44,200	--	259,816	101,447	631	1,262,697
Fund balances:																
Restricted	--	--	10,177	213,481	--	--	--	--	131,263	198,034	--	--	839,903	618,064	--	7,282,447
Committed	16,749	--	--	--	--	--	40,712	31,489	--	--	--	1,264	--	--	--	790,889
Total fund balances	16,749	--	10,177	213,481	--	--	40,712	31,489	131,263	198,034	--	1,264	839,903	618,064	--	8,073,336
Total liabilities, deferred inflows and fund balances	\$ 16,749	\$ --	\$ 10,177	\$ 213,481	\$ --	\$ --	\$ 70,837	\$ 48,183	\$ 131,263	\$ 201,051	\$ 44,200	\$ 1,264	\$ 1,099,719	\$ 719,511	\$ 631	\$ 9,336,033

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, 2022

	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
REVENUES									
Intergovernmental:									
Federal	\$ 170,444	\$ 337,436	\$ --	\$ 125,210	\$ --	\$ --	\$ --	\$ --	\$ 273,586
State	277,954	--	--	--	--	--	--	--	8,641
Local	--	--	--	--	--	--	--	--	24,132
Charges for services	--	--	--	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	521,848	--	--
Interest and investment earnings	1,247	--	--	--	--	212	--	106	--
Contributions and donations	--	--	--	--	--	--	--	104,767	--
Miscellaneous	888	--	--	--	--	--	--	--	--
	<u>450,533</u>	<u>337,436</u>	<u>--</u>	<u>125,210</u>	<u>--</u>	<u>212</u>	<u>521,848</u>	<u>104,873</u>	<u>306,359</u>
Total revenues									
EXPENDITURES									
Current:									
General government	--	--	--	--	--	--	221,899	--	--
Public safety	101,634	337,436	--	125,210	--	--	--	820	306,359
Health and sanitation	--	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	--	--	--	--
	<u>101,634</u>	<u>337,436</u>	<u>--</u>	<u>125,210</u>	<u>--</u>	<u>--</u>	<u>221,899</u>	<u>820</u>	<u>306,359</u>
Total expenditures									
Excess (deficiency) of revenues over expenditures	348,899	--	--	--	--	212	299,949	104,053	--
OTHER FINANCING SOURCES (USES)									
Transfers in	--	--	--	--	--	100,000	--	--	--
Transfers (out)	--	--	--	--	--	--	(297,422)	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>100,000</u>	<u>(297,422)</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)									
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>100,000</u>	<u>(297,422)</u>	<u>--</u>	<u>--</u>
Net change in fund balance	348,899	--	--	--	--	100,212	2,527	104,053	--
Fund balances - beginning	428,506	--	--	--	15,602	32,784	131,543	15,038	36,826
	<u>428,506</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,602</u>	<u>32,784</u>	<u>131,543</u>	<u>15,038</u>	<u>36,826</u>
Fund balances - ending	\$ 777,405	\$ --	\$ --	\$ --	\$ 15,602	\$ 132,996	\$ 134,070	\$ 119,091	\$ 36,826
	<u>\$ 777,405</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,602</u>	<u>\$ 132,996</u>	<u>\$ 134,070</u>	<u>\$ 119,091</u>	<u>\$ 36,826</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2022

	Public Arts Grant	Rental Rehabilitation	Solid Waste	Special Demolition	Supportive Housing	U.S. Small Business Administration	Project West Invest	Historic Preservation	Slack Plaza	Business Improvement District
REVENUES										
Intergovernmental:										
Federal	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State	--	--	--	--	--	--	--	--	--	--
Local	--	--	--	--	--	--	--	--	--	--
Charges for services	--	--	4,059,715	--	--	--	--	--	--	70,752
Fines and forfeits	--	--	--	--	--	--	--	--	--	--
Interest and investment earnings	--	--	486,749	29	--	--	1	--	--	85
Contributions and donations	--	--	--	--	--	--	--	1,400	--	--
Miscellaneous	--	--	--	28,364	--	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>4,546,464</u>	<u>28,393</u>	<u>--</u>	<u>--</u>	<u>1</u>	<u>1,400</u>	<u>--</u>	<u>70,837</u>
Total revenues	--	--	4,546,464	28,393	--	--	1	1,400	--	70,837
EXPENDITURES										
Current:										
General government	--	--	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--	--	--
Health and sanitation	--	--	1,094,735	--	--	--	--	--	--	--
Culture and recreation	22,061	--	--	--	--	--	--	8,417	12,639	--
Economic development	--	29,312	--	--	--	--	35,000	--	--	30,125
	<u>22,061</u>	<u>29,312</u>	<u>1,094,735</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>35,000</u>	<u>8,417</u>	<u>12,639</u>	<u>30,125</u>
Excess (deficiency) of revenues over expenditures	(22,061)	(29,312)	3,451,729	28,393	--	--	(34,999)	(7,017)	(12,639)	40,712
OTHER FINANCING SOURCES (USES)										
Transfers in	30,000	--	--	--	--	--	--	--	12,639	--
Transfers (out)	--	--	(3,250,000)	(33,000)	--	--	--	--	--	--
	<u>30,000</u>	<u>--</u>	<u>(3,250,000)</u>	<u>(33,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,639</u>	<u>--</u>
Total other financing sources (uses)	30,000	--	(3,250,000)	(33,000)	--	--	--	--	12,639	--
Net change in fund balance	7,939	(29,312)	201,729	(4,607)	--	--	(34,999)	(7,017)	--	40,712
Fund balances - beginning	208,914	29,312	4,337,628	21,356	--	10,177	248,480	7,017	--	--
Fund balances - ending	<u>\$ 216,853</u>	<u>\$ --</u>	<u>\$ 4,539,357</u>	<u>\$ 16,749</u>	<u>\$ --</u>	<u>\$ 10,177</u>	<u>\$ 213,481</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 40,712</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2022

	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	HOME ARP	Total Nonmajor Special Revenue Funds
REVENUES									
Intergovernmental:									
Federal	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 20,000	\$ --	\$ 5,668	\$ 932,344
State	--	--	--	30,600	--	--	--	--	317,195
Local	--	--	--	--	--	50,000	--	--	74,132
Charges for services	--	--	--	--	--	--	--	--	4,130,467
Fines and forfeits	--	--	--	--	--	691,817	--	--	1,213,665
Interest and investment earnings	48	--	514	--	2	1,430	1,892	--	492,315
Contributions and donations	156,511	--	--	--	778	--	--	--	263,456
Miscellaneous	50	--	39,345	--	--	--	--	--	68,647
	<u>156,609</u>	<u>--</u>	<u>39,859</u>	<u>30,600</u>	<u>780</u>	<u>763,247</u>	<u>1,892</u>	<u>5,668</u>	<u>7,492,221</u>
EXPENDITURES									
Current:									
General government	--	--	--	--	--	--	--	--	221,899
Public safety	--	--	--	--	--	577,465	338,124	--	1,787,048
Health and sanitation	--	--	--	--	--	--	--	--	1,094,735
Culture and recreation	191,929	--	--	--	--	--	--	--	235,046
Economic development	--	17,139	89,716	30,600	--	--	--	5,668	237,560
	<u>191,929</u>	<u>17,139</u>	<u>89,716</u>	<u>30,600</u>	<u>--</u>	<u>577,465</u>	<u>338,124</u>	<u>5,668</u>	<u>3,576,288</u>
Excess (deficiency) of revenues over expenditures	(35,320)	(17,139)	(49,857)	--	780	185,782	(336,232)	--	3,915,933
OTHER FINANCING SOURCES (USES)									
Transfers in	41,000	--	--	--	--	--	--	--	183,639
Transfers (out)	--	--	--	--	--	--	--	--	(3,580,422)
	<u>41,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(3,396,783)</u>
Net change in fund balance	5,680	(17,139)	(49,857)	--	780	185,782	(336,232)	--	519,150
Fund balances - beginning	25,809	148,402	247,891	--	484	654,121	954,296	--	7,554,186
Fund balances - ending	<u>\$ 31,489</u>	<u>\$ 131,263</u>	<u>\$ 198,034</u>	<u>\$ --</u>	<u>\$ 1,264</u>	<u>\$ 839,903</u>	<u>\$ 618,064</u>	<u>\$ --</u>	<u>\$ 8,073,336</u>

CITY OF CHARLESTON, WEST VIRGINIA

CAPITAL PROJECTS FUNDS

Nonmajor Funds

Ball Park Maintenance Fund This fund is used to account for contributions by the General Fund of \$25,000 annually for maintenance and improvements of the ball park in accordance with a contract between the City and the Charleston Professional Baseball Company.

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.

Green Initiatives Fund This City Council established fund is to account for capital improvements associated with implementing projects to improve energy efficiency and reduce the environmental impacts of the City's facilities and fleet.

Sidewalk Improvement Program Fund This City Council established fund is to account for capital improvements for sidewalk infrastructure improvements, maintenance, repairs, and replacement.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2022

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Green Initiatives	Sidewalk Improvement Project	Total Nonmajor Capital Projects Funds
ASSETS AND DEFERRED OUTFLOWS										
Assets:										
Current:										
Cash and cash equivalents	\$ 96,215	\$ 4,032,972	\$ 133,652	\$ 2,034,297	\$ 4,024,495	\$ 153,940	\$ 243,898	\$ 250,248	\$ 250,228	\$ 11,219,945
Due from:										
Other funds	--	--	121,675	--	--	--	17,928	--	--	139,603
Total assets	96,215	4,032,972	255,327	2,034,297	4,024,495	153,940	261,826	250,248	250,228	11,359,548
Deferred Outflows:										
	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 96,215	\$ 4,032,972	\$ 255,327	\$ 2,034,297	\$ 4,024,495	\$ 153,940	\$ 261,826	\$ 250,248	\$ 250,228	\$ 11,359,548
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ --	\$ 1,220,028	\$ --	\$ 73,896	\$ 60,321	\$ --	\$ --	\$ --	\$ --	\$ 1,354,245
Due to:										
Other funds	--	--	2,500	--	--	--	--	--	--	2,500
Total liabilities	--	1,220,028	2,500	73,896	60,321	--	--	--	--	1,356,745
Deferred Inflows:										
	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	1,220,028	2,500	73,896	60,321	--	--	--	--	1,356,745
FUND BALANCES										
Reserved for:										
Restricted	96,215	--	--	--	--	--	--	--	--	96,215
Committed	--	2,812,944	252,827	1,960,401	3,964,174	153,940	261,826	250,248	250,228	9,906,588
Total fund balances	96,215	2,812,944	252,827	1,960,401	3,964,174	153,940	261,826	250,248	250,228	10,002,803
Total liabilities, deferred inflows and fund balances	\$ 96,215	\$ 4,032,972	\$ 255,327	\$ 2,034,297	\$ 4,024,495	\$ 153,940	\$ 261,826	\$ 250,248	\$ 250,228	\$ 11,359,548

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, 2022

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Green Initiatives	Sidewalk Improvement Project	Total Nonmajor Capital Projects Funds
REVENUES										
Intergovernmental:										
Federal	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State	--	--	--	--	124,604	--	--	--	--	124,604
Charges for services	--	--	--	--	--	--	92,602	--	--	92,602
Interest and investment earnings	227	7,911	518	4,397	10,016	382	557	248	228	24,484
Contributions and donations	--	--	--	6,646	46,080	--	--	--	--	52,726
Miscellaneous	--	--	--	--	3,975	--	--	--	--	3,975
Total revenues	<u>227</u>	<u>7,911</u>	<u>518</u>	<u>11,043</u>	<u>184,675</u>	<u>382</u>	<u>93,159</u>	<u>248</u>	<u>228</u>	<u>298,391</u>
EXPENDITURES										
Current:										
Capital projects	<u>21,340</u>	<u>3,673,293</u>	<u>--</u>	<u>329,610</u>	<u>3,183,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,207,542</u>
Total expenditures	<u>21,340</u>	<u>3,673,293</u>	<u>--</u>	<u>329,610</u>	<u>3,183,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,207,542</u>
Excess (deficiency) of revenues over expenditures	(21,113)	(3,665,382)	518	(318,567)	(2,998,624)	382	93,159	248	228	(6,909,151)
OTHER FINANCING SOURCES (USES)										
Transfers in	25,000	3,000,000	198,898	610,000	2,535,000	--	--	250,000	250,000	6,868,898
Transfers (out)	<u>--</u>	<u>--</u>	<u>(367,641)</u>	<u>--</u>	<u>(12,639)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(380,280)</u>
Total other financing sources (uses)	<u>25,000</u>	<u>3,000,000</u>	<u>(168,743)</u>	<u>610,000</u>	<u>2,522,361</u>	<u>--</u>	<u>--</u>	<u>250,000</u>	<u>250,000</u>	<u>6,488,618</u>
Net change in fund balance	3,887	(665,382)	(168,225)	291,433	(476,263)	382	93,159	250,248	250,228	(420,533)
Fund balances - beginning	<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>--</u>	<u>10,423,336</u>
Fund balances - ending	<u>\$ 96,215</u>	<u>\$ 2,812,944</u>	<u>\$ 252,827</u>	<u>\$ 1,960,401</u>	<u>\$ 3,964,174</u>	<u>\$ 153,940</u>	<u>\$ 261,826</u>	<u>\$ 250,248</u>	<u>\$ 250,228</u>	<u>\$ 10,002,803</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 FUND
June 30, 2022

	Civic Center Project Debt Service Fund
	<u>Fund</u>
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Current:	
Cash and cash equivalents	\$ 21,014
Due from:	
Other funds	1,749,619
Restricted cash	<u>3,519,420</u>
Total assets	<u>5,290,053</u>
Deferred Outflows:	
	<u>- -</u>
Total deferred outflows of resources	<u>- -</u>
Total assets and deferred outflows of resources	<u>\$ 5,290,053</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Total liabilities	\$ <u>- -</u>
Deferred Inflows:	
	<u>- -</u>
Total deferred inflows of resources	<u>- -</u>
Total liabilities and deferred inflows of resources	<u>- -</u>
FUND BALANCES	
Reserved for:	
Restricted	<u>5,290,053</u>
Total fund balances	<u>5,290,053</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,290,053</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2022

	Civic Center Project Debt Service Fund
	<u> </u>
REVENUES	
Interest and investment earnings	\$ <u>1,923</u>
 Total revenues	 <u>1,923</u>
EXPENDITURES	
Debt service:	
Principal	4,728,000
Interest	<u>2,297,391</u>
 Total expenditures	 <u>7,025,391</u>
 Excess (deficiency) of revenues over expenditures	 (7,023,468)
OTHER FINANCING SOURCES (USES)	
Transfers in	7,018,047
Transfers (out)	<u>- -</u>
 Total other financing sources (uses)	 <u>7,018,047</u>
 Net change in fund balance	 (5,421)
 Fund balances - beginning	 <u>5,295,474</u>
 Fund balances - ending	 <u><u>\$ 5,290,053</u></u>

CITY OF CHARLESTON, WEST VIRGINIA PERMANENT FUND

Nonmajor Fund

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

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUND
 June 30, 2022

	Spring Hill Cemetery
ASSETS AND DEFERRED OUTFLOWS	
Assets:	
Current:	
Cash and cash equivalents	\$ 113,871
Investments	2,541,645
Receivables:	
Accounts	831
Accrued interest	5,811
Due from:	
Other funds	<u>9,563</u>
Total assets	<u>2,671,721</u>
Deferred Outflows:	
	<u>--</u>
Total deferred outflows of resources	<u>--</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,671,721</u></u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities	
	\$ <u>--</u>
Total liabilities	<u>--</u>
Deferred Inflows:	
	<u>--</u>
Total deferred inflows of resources	<u>--</u>
Total liabilities and deferred inflows of resources	<u>--</u>
FUND BALANCES	
Reserved for:	
Nonspendable	1,543,436
Restricted	<u>1,128,285</u>
Total fund balances	<u>2,671,721</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 2,671,721</u></u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR PERMANENT FUND
 For the Fiscal Year Ended June 30, 2022

	<u>Spring Hill Cemetery</u>
REVENUES	
Interest and investment earnings	\$ (301,412)
Contributions & Donations	<u>224,709</u>
Total revenues	<u>(76,703)</u>
EXPENDITURES	
Current:	
Social services	<u>182,006</u>
Total expenditures	<u>182,006</u>
Excess (deficiency) of revenues over expenditures	(258,709)
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>26,963</u>
Total other financing sources (uses)	<u>26,963</u>
Net change in fund balance	(231,746)
Fund balances - beginning	<u>2,903,467</u>
Fund balances - ending	<u><u>\$ 2,671,721</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, 2022

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ASSETS			
Non-pooled cash	\$ 35,805	\$ 48,417	\$ 84,222
Total cash	<u>35,805</u>	<u>48,417</u>	<u>84,222</u>
Investments, at fair value:			
WV Investment Management Board	<u>32,298,309</u>	<u>29,137,916</u>	<u>61,436,225</u>
Total investments	<u>32,298,309</u>	<u>29,137,916</u>	<u>61,436,225</u>
Receivables:			
Accounts receivable	<u>--</u>	<u>1,371</u>	<u>1,371</u>
Total receivables	<u>--</u>	<u>1,371</u>	<u>1,371</u>
Total assets	<u>32,334,114</u>	<u>29,187,704</u>	<u>61,521,818</u>
DEFERRED OUTFLOWS			
	<u>--</u>	<u>--</u>	<u>--</u>
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
LIABILITIES			
Accounts payable	75	--	75
Benefits payable	<u>--</u>	<u>754,128</u>	<u>754,128</u>
Total liabilities	<u>75</u>	<u>754,128</u>	<u>754,203</u>
DEFERRED INFLOWS			
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
NET POSITION			
Net position held in trust for pension benefits	<u>\$ 32,334,039</u>	<u>\$ 28,433,576</u>	<u>\$ 60,767,615</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
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 For the Fiscal Year Ended June 30, 2022

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ADDITIONS			
Contributions:			
Employer	\$ 4,179,018	\$ 4,690,000	\$ 8,869,018
Plan members	469,508	471,696	941,204
Insurance premium surtax	1,866,884	1,861,484	3,728,368
Additional transfers in	2,221,289	3,083,934	5,305,223
Total contributions	8,736,699	10,107,114	18,843,813
Investment income:			
Net increase (decrease) in fair value of investments	(1,933,058)	(3,509,108)	(5,442,166)
Interest and dividends	291,777	289,034	580,811
Less: investment expense	(78,490)	(73,573)	(152,063)
Net investment income	(1,719,771)	(3,293,647)	(5,013,418)
Total additions	7,016,928	6,813,467	13,830,395
DEDUCTIONS			
Benefits	8,058,261	8,911,213	16,969,474
Administrative expenses	16,855	7,572	24,427
Refunds of contributions	20,641	84,890	105,531
Total deductions	8,095,757	9,003,675	17,099,432
Change in net position	(1,078,829)	(2,190,208)	(3,269,037)
Net position held in trust for pension benefits:			
Beginning of year	33,412,868	30,623,784	64,036,652
End of year	\$ 32,334,039	\$ 28,433,576	\$ 60,767,615

(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
SCHEDULE OF STATE GRANT AWARDS
YEAR ENDED JUNE 30, 2022

AWARDING AGENCY:	GRANT NAME	GRANT IDENTIFICATION	PERIOD OF AWARD	TOTAL AWARD	FUNDS RECEIVED	EXPENDITURES	RECEIVABLE (REFUNDABLE) 6/30/2022	UNEXPENDED BALANCE
WV Department of Health & Human Resources	State Opioid Response Program	G200575	10/1/19-9/30/22	\$ 399,998	\$ 102,755	\$ 102,755	\$ -	\$ 297,243
WV Department of Health & Human Resources	State Opioid Response Program	G200527	9/30/21-9/29/22	200,000	14,627	18,662	4,035	181,338
Total State Awards				\$ 599,998	\$ 117,382	\$ 121,417	\$ 4,035	\$ 478,581

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 27, 2023, 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. 87, *Leases*. Our opinion was not modified with respect to this matter.

Report on 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.

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 2022-001 to be a material weakness.

Report on 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, West Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Charleston, West Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
January 27, 2023

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

Opinion on Each Major Federal Program

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

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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



Charleston, West Virginia
January 27, 2023

**CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Program Title</u>	<u>Federal Assistance Listing 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	\$ 186,894	\$ 4,067,693	\$ 2,054,020
Subrecipients of 14.218					
Bob Burdette			10,254		
Covenant House			6,628		
Daymark, Inc.			18,000		
KVFH			12,000		
Manna Meal			17,000		
Midian Leadership Project			13,236		
Rea of Hope, Inc.			7,500		
RCCR			23,000		
Step by Step			3,158		
Food Shack			5,804		
WV Health Right			45,000		
WV Women Work			6,300		
Women's Health			11,250		
YWCA - SOJ			7,764		
Total Subrecipients of 14.218			<u>186,894</u>		
COVID-19: Community Development Block Grants-CV (CARES ACT ALLOCATION - JULY 2020) Entitlement Grants	COVID 14.218	N/A	268,257	327,360	-
Subrecipients of 14.218 - CDBG-CV					
CARE			22,435		
Keep Your Faith			1,505		
STEP BY STEP			11,122		
United Way			15,648		
YWCA - RFAP			1,886		
Manna Meal			127,000		
Salvation Army			2,394		
United Way			14,959		
Health Right			54,541		
YWCA- RFAP			4,767		
YWCA - SOJ			12,000		
Total Subrecipients of 14.218 - CDBG-CV			<u>268,257</u>		
HOME Investment Partnerships Program	14.239	N/A	N/A	2,355,228	1,834,364
COVID-19: HOME Investment Partnerships Program -CV (American Rescue Plan Program)	COVID 14.239	N/A	N/A	5,668	-
Total U.S. Department of Housing and Urban Development				<u>6,755,949</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	75,350	
Homeland Security - K-9	97.067	19-LE-08	N/A	3,206	
Homeland Security - IRE	97.067	20-LE-15	N/A	9,570	
Homeland Security - STBK CPD	97.067	21-LE-26	N/A	9,998	
Homeland Security - RRT 2020	97.067	20-SHS-35	N/A	32,553	
				<u>130,677</u>	
West Virginia Department of Emergency Management					
Emergency Management Performance Grants	97.042	WV Emergency	N/A	68,000	
Total U.S. Department of Homeland Security				<u>198,677</u>	

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Program Title</u>	<u>Federal Assistance Listing 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	2018-DJ-BX-0034	N/A	31,022	
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0762	N/A	15,392	
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA21GG01990JAGX	N/A	51,554	
Comprehensive Opioid Abuse Site-Based Program	16.838	2019-AR-BX-K030	N/A	126,519	
BJA FY20 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0719	N/A	239,468	
Total JAG Program Cluster				463,955	
Pass-Through Programs From:					
West Virginia Department of Criminal Justice Services					
<u>Program Title</u>					
Crime Victims Assistance	16.575	18-VA-058	N/A	10,553	
Crime Victims Assistance	16.575	19-VA-049	N/A	25,500	
JAG Prevention Resource Officers	16.579	20-JAG-08	N/A	20,000	
MDENT Task Force	16.579	20-JAG-07	26,250	35,000	
				91,053	
Subrecipients of 16.579					
St. Albans PD			8,750		
South Charleston PD			8,750		
Nitro PD			8,750		
Total Subrecipients of 16.579			26,250		
Project Safe Neighborhoods - NIBIN	16.609	18-PSN-002	N/A	11,856	
Equitable Sharing - Treasury	21.016	N/A	N/A	25,672	
Equitable Sharing - Justice	16.922	N/A	N/A	3,900	
Federal Bureau of Investigations	16.302	N/A	N/A	6,530	
US Marshals	16.000	N/A	N/A	2,016	
Organized Crime Drug Enforcement Task Forces	16.UNKNOWN	MA-WVS-0135	N/A	11,060	
Customs & Border Protections/Immigration and Customs Enforcement	16.UNKNOWN	WV-S VOTF	N/A	9,460	
Coronavirus Local Fiscal Recovery Fund	21.027	N/A	1,269,084	1,810,921	
Subrecipients of 21.027					
Charleston Regatta, Inc.			500,000		
YWCA			2,859		
Manna Meals			165,976		
Bright Futures			111,866		
Partnership of African American Churches			440,000		
Charleston Convention & Business Bureau			48,383		
Total Subrecipients of 21.027			1,269,084		
				1,881,415	
Total U. S. Department of Justice				2,436,423	
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-Through From:					
West Virginia Department of Transportation:					
CPD Highway Safety Program	20.600	F21HS-08	10,730	57,596	
CPD Highway Safety Program	20.600	F22HS-08	16,515	121,722	
Subrecipients of 20.600 F21HS-08					
City of Parkersburg			724		
City of Spencer			1,199		
City of Vienna			1,175		
Roane CSD			423		
South Charleston PD			5,102		
St. Albans PD			1,968		
Town of Clendenin			139		
Total Subrecipients of 20.600 F21HS-08			10,730		
Subrecipients of 20.600 F22HS-08					
City of Pennsboro			754		
City of Spencer			594		
City of Vienna			1,175		
Roane CSD			211		
South Charleston PD			6,293		
St. Albans PD			5,554		
Dunbar PD			1,838		
Town of Clendenin			96		
Total Subrecipients of 20.600 F22HS-08			16,515		
Total U.S. Department of Transportation				179,318	
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		131,161	
Total Executive Office of the President - Office of National Drug Control Policy				131,161	
TOTAL FEDERAL AWARDS EXPENDITURES				\$ 9,701,528	
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, 2022

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2022. 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 Assistance Listing Number</u>	<u>Outstanding Amount</u>
Community Development Block Grants/Entitlement Grants	14.218	<u>\$ 2,054,020</u>
HOME Investment Partnership Program	14.239	<u>\$ 1,834,364</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, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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, 2022

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:

Federal Assistance Listing

Number(s)

Name of Federal Program or Cluster

14.239

Home Investment Partnerships Program

21.027

Coronavirus State and Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low-risk auditee?

 yes X no

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

2022 – 001	FILE MAINTENANCE AND DOCUMENTATION OF PENSION RECORDS – POLICEMEN’S PENSION AND RELIEF FUND (PPRF) & FIREMEN’S PENSION AND RELIEF FUND (FPRF) (Repeat of Prior Year Finding 2021-001; 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 and FPRF, 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:	<p>PPRF- From a sample of census data, which included four participants, and the review of four pension disbursements, we noted the following:</p> <ul style="list-style-type: none">• One instance in which the pension benefit could not be recalculated due to missing or unavailable documentation supporting the calculation. <p>FPRF- From a sample of census data, which included five participants, and the review of five pension disbursements, we noted the following:</p> <ul style="list-style-type: none">• 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 plans 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:	<i>We agree with the findings and will take the necessary corrective actions as noted in the corrective action plan attached.</i>

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

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, 2022

<u>Programs</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2021 – 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 2022-001.</p>	Unknown



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

January 27, 2023

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, 2022.

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

Audit Period July 1, 2021 to June 30, 2022

The finding from the June 30, 2022 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Finding 2022-001: File Maintenance and Documentation of Pension Records – Policemen's Pension and Relief Fund (PPRF) & Firemen's Pension and Relief Fund (FPRF)

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 City Auditor will work with the Police Pension Secretary and the Fire 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 City Auditor at Jennifer.vickers@cityofcharleston.org or at 304-348-8028.

Sincerely,

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