

Audited Financial Statements

City of Charleston

Year Ended June 30, 2023



A Professional Limited Liability Company

**CITY OF CHARLESTON, WEST VIRGINIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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CITY OF CHARLESTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2023

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OFFICE	NAME	TERM
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Elective

Mayor:	Amy Shuler Goodwin	1/03/2023-1/04/2027
Treasurer:	Ben Adams	1/03/2023-1/04/2027
Municipal Judge:	Matthew Smith	1/03/2023-1/04/2027

Council Members

At Large	Becki Ceperley	Ward 8	Kathy Rubio
At Large	Caitlin Cook	Ward 9	Mary Beth Hoover
At Large	Emmett Pepper	Ward 10	Chelsea Steelhammer
At Large	Jennifer Pharr	Ward 11	Shannon Snodgrass
At Large	Joe Solomon	Ward 12	Joseph Jenkins
At Large	Shawn Taylor	Ward 13	Frank Annie
Ward 1	Pat Jones	Ward 14	Patrick Salango
Ward 2	Bobby Haas	Ward 15	Samuel Minardi
Ward 3	Chuck Overstreet	Ward 16	John Gianola
Ward 4	Larry Moore	Ward 17	Bruce King
Ward 5	Jeanine Faegre	Ward 18	Pam Burka
Ward 6	Michael Ferrell	Ward 19	Brent Burton
Ward 7	Beth Kerns	Ward 20	Chad Robinson

Appointive

City Manager:	Benjamin Mishoe	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, 2023, 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, 2023, 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, 13 percent, and 8 percent of the assets, net position, and revenues of the discretely presented component units as of June 30, 2023. 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.

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Suite 100
Charleston, WV 25301

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FAX (304) 343-8008

The Rivers Office Park
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Suite 220
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MAIN (304) 485-6584
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453 Suncrest Towne Centre Drive
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The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701

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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.

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 22, the schedules of employer defined benefit plans information on pages 118 through 121, the schedules of other post employment benefit plan information on pages 122 through 124, the schedules of other post-employment benefits PEIA on pages 125 through 128, the schedules of public employees retirement system on pages 129 through 122, and the schedules of municipal police officers and firefighters retirement system on pages 133 through 136 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.

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 11, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Suttle & Stalaker, PLLC". The signature is written in a cursive, flowing style.

Charleston, West Virginia
January 11, 2024

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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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, 2023. 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 \$183,076,406 in fiscal year 2023 and a deficit net position of \$443,486,900 in fiscal year 2022.

Of the net position in fiscal year 2023, a deficit balance of \$424,693,743 was reported as total unrestricted net position, which includes \$426,572,291 deficit balance in governmental activities and a \$1,878,548 balance in business-type activities. Total net position increased \$260,410,494 as a result of this year's operations.

Deferred outflows decreased by \$22,015,232 in governmental activities and decreased by \$741,364 in business-type activities. Deferred inflows decreased by \$55,866,919 in governmental activities and decreased by \$2,010,694 in business-type activities.

The City's governmental activities reported total expenses of \$132,027,052, total revenues of \$143,793,828, and transfers out of \$1,173,969. Governmental activities also reported two special items for fiscal year 2023, one in the amount of \$156,799,115 for the decrease in Net pension liability related to Police and Fire Pensions, and one in the amount of \$93,114,285 for the governmental activities decrease in Other Post-Employment Benefits (OPEB) liability. GASB defines special items as significant transactions or other events that are either unusual or infrequent and are within the control of management. Effective July 1, 2023, the City switched the post-65 retirees from its self-funded insurance plan to a fully funded insurance plan with the Amwins Group. This, along with a favorable insurance experience for the year, resulted in a decrease to total OPEB liability of \$93,114,285, a decrease in deferred outflows related to OPEB of \$11,891,900, and a decrease in deferred inflows related to OPEB of \$25,599,844, for a total offset to expenses (and therefore increase to Net Position) of \$106,822,229. On August 21, 2023, Charleston City Council voted to switch the Policemen's Pension & Relief Fund and the Firemen's Pension & Relief Fund from the Conservation Method of Funding to the Optional Method of Funding. Council also voted to contribute \$18,368,423 to each Pension Fund (a total contribution of \$36,736,846). This resulted in a total decrease in the Net Pension liability for the pension funds of \$156,799,115, a decrease in deferred outflows related to pensions of \$7,912,674, and a decrease in deferred inflows related to pensions of \$13,040,064, for a total offset to expenses (and therefore increase in Net Position) of \$161,926,505. The net OPEB liability associated with the West Virginia Public Employees Insurance Agency (PEIA) increased \$790,869, deferred outflows decreased \$2,461,694, and the deferred inflows decreased \$3,646,969 for a total offset to expenses for the net OPEB asset/liability for PEIA of \$394,406. The net pension liability associated with the West Virginia Public Employees Retirement System (PERS) increased \$10,619,198, deferred outflows decreased \$335,063, and deferred inflows decreased \$12,021,488 for a total offset to expenses related to PERS of \$1,067,227. The net pension asset for West Virginia Municipal Police and Firefighters Retirement System (MPFRS) decreased \$596,991, deferred outflows increased \$586,099, and deferred inflows decreased \$923,870, for a total reduction of expenses of the net pension asset related to MPFRS of \$912,978.

Business-type activities reported total expenses of \$24,036,708, program revenues of \$21,509,592, general revenues of \$905,820, capital grants and contributions of \$10,493, a gain on sale of capital assets of \$2,885 and transfers in of \$1,173,969 for a net decrease of \$433,949. This decrease was due largely in part to a significant increase in expenses in the Civic Center (\$3,729,644 increase) for fiscal year 2023. The total OPEB liability for the business-type activities had a decrease of \$1,391,664, deferred outflows had a decrease of \$722,185, and deferred inflows had a decrease of \$1,888,065, for a total offset to expenses of \$2,557,544.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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Fund Level

Governmental funds reported a combined fund balance of \$96,747,244, a decrease of \$24,861,783 from the prior year. This decrease was due mainly in part to a large contribution to the Police & Fire Pension trust funds of \$36,736,846.

The General Fund reported an unassigned fund balance of \$46,999,174, non-spendable fund balance of \$206,932, restricted fund balance of \$337,898, committed fund balance of \$15,662,261, and assigned fund balance of \$6,253,026, compared to \$49,834,354 unassigned, \$88,741 non-spendable, \$418,509 restricted, \$45,097,062 committed, and \$0 assigned in the prior year.

Total other governmental funds reported non-spendable fund balance of \$1,682,312, restricted of \$14,836,746, committed of \$10,768,895, and assigned fund balance of \$0, compared to \$1,543,436 non-spendable, \$13,797,000 restricted, \$10,697,477 committed, and \$0 assigned in the prior year.

Long-term Debt

Total bonds and obligations under long-term liabilities at year end were \$66,307,576 a net decrease of \$5,379,071 over the prior year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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

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

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

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.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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Fiduciary funds- GASB requires governments to report their fiduciary activities in fiduciary financial statements, and under existing standards there are four different types of funds: Pension (and other employee benefit) Trust funds, Investment Trust funds, Private-Purpose Trust funds, and Custodial funds. The City is the trustee, or fiduciary, for its employees' pension plans, and these plans are reported as Pension Trust Funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The City also reports one custodial fund, Pending Forfeiture Fund, and it is used to account for assets that the City holds for others in a custodial capacity. The City does not have any Investment Trust funds or Private-Purpose Trust funds. 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.

Government-Wide Financial Analysis

The City's combined net position (governmental and business-type activities) totaled (\$183,076,406) at the end of 2023 and (\$443,486,900) at the end of 2022. The largest portion of the City's net position, \$211,609,552, 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, \$30,007,785, 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 (\$424,693,743), reflects the City's deficit of remaining assets to remaining liabilities.

	CITY OF CHARLESTON'S NET POSITION					
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 172,310,571	\$ 183,494,476	\$ 15,877,737	\$ 15,088,698	\$ 188,188,308	\$ 198,583,174
Capital assets	115,265,330	106,649,216	99,771,860	104,487,669	215,037,190	211,136,885
Total assets	287,575,901	290,143,692	115,649,597	119,576,367	403,225,498	409,720,059
Deferred Outflows of Resources						
Pensions	7,495,754	15,157,392	-	-	7,495,754	15,157,392
OPEB	32,249,120	46,602,714	534,540	1,256,725	32,783,660	47,859,439
Loss on refunding of debt	-	-	27,169	46,348	27,169	46,348
Total deferred outflows of resources	39,744,874	61,760,106	561,709	1,303,073	40,306,583	63,063,179
Long-term liabilities outstanding	425,565,072	685,908,988	3,318,382	5,941,547	428,883,454	691,850,535
Other liabilities	78,615,339	47,831,970	1,291,997	892,323	79,907,336	48,724,293
Total liabilities	504,180,411	733,740,958	4,610,379	6,833,870	508,790,790	740,574,828
Deferred Inflows of Resources						
OPEB	85,888,824	115,135,637	1,691,156	3,579,221	87,579,980	118,714,858
Leases Receivable	1,055,766	1,792,135	1,390,278	1,512,670	2,446,044	3,304,805
Unearned Revenue	101,685	-	7,192	7,429	108,877	7,429
Pensions	27,682,796	53,668,218	-	-	27,682,796	53,668,218
Total deferred inflows of resources	114,729,071	170,595,990	3,088,626	5,099,320	117,817,697	175,695,310
Net Position:						
Net Investment in capital assets	112,833,099	102,340,279	98,776,453	102,912,370	211,609,552	205,252,649
Restricted	22,150,485	23,450,980	7,857,300	6,921,860	30,007,785	30,372,840
Unrestricted (deficit)	(426,572,291)	(678,224,409)	1,878,548	(887,980)	(424,693,743)	(679,112,389)
Total net position	\$ (291,588,707)	\$ (552,433,150)	\$ 108,512,301	\$ 108,946,250	\$ (183,076,406)	\$ (443,486,900)

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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Governmental Activities. Governmental activities increased the City of Charleston's net position by \$260,844,443 which is primarily attributable to the reduction of liabilities of the Total Other Post-Employment liability and the Net Pension Liability related to Police & Fire Pensions.

As of June 30, 2023, per GASB 75 the Total Other-Post Employment liability was \$173,358,841, which is a decrease of \$93,114,285 from the prior year. The Net Pension liability related to Police & Fire Pensions was \$186,044,166, which was a decrease of \$156,799,115 from the prior year.

Business-type Activities. Total net position of the City's business-type activities decreased over the prior year. Total operating revenues increased \$1,468,972 over the prior year, however the total operating expenses increased by \$4,198,332. The Charleston Coliseum & Convention Center (CCCC) experienced an increase in operating revenues of \$1,462,728 and an increase in operating expenses \$3,729,644. The CCCC revenues were up during the year due to a significant increase in events. The Parking System experienced a \$6,244 increase in operating revenues from the prior year. The operating expenses for the Parking System decreased by \$494,387, mostly due to the decrease in other post-employment benefit expenses. The CCCC total net position decreased by \$2,235,500 and Parking System net position increased by \$1,801,551.

A Tax Incremental Financing District was established for the CCCC's future expansion and renovation. Collections during 2023 were \$2,627 and in 2022 \$67,312 which is restricted for future bond payments.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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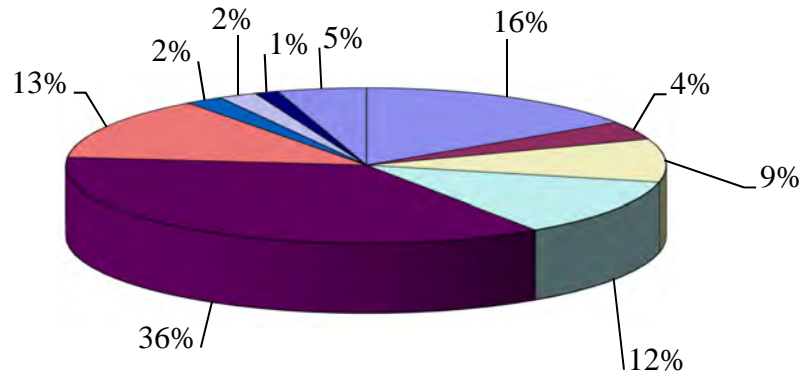
City of Charleston's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 22,501,315	\$ 24,038,120	\$ 21,509,592	\$ 20,040,620	\$ 44,010,907	\$ 44,078,740
Operating Grants and Contributions	5,552,163	5,974,325	-	-	5,552,163	5,974,325
Capital Grants and Contributions	12,936,394	4,288,148	10,493	2,846	12,946,887	4,290,994
General Revenues:						
Property Taxes	17,310,348	17,042,072	2,627	-	17,312,975	17,042,072
Business and Occupation Taxes	51,882,455	48,609,127	-	-	51,882,455	48,609,127
City sales & use tax	19,060,748	17,852,592	-	-	19,060,748	17,852,592
Other Taxes	7,674,001	7,209,781	-	-	7,674,001	7,209,781
Unrestricted Investment Earnings	5,424,905	(487,519)	514,883	31,120	5,939,788	-
Refunds	68,430	91,627	-	-	68,430	-
Gain (Loss) on sale of capital assets	41,834	142,070	2,885	28,416	44,719	-
Miscellaneous & Other	1,341,235	1,442,783	388,310	251,205	1,729,545	1,693,988
Total Revenues	143,793,828	126,203,126	22,428,790	20,354,207	166,222,618	146,557,333
Expenses:						
General Government	20,510,234	17,248,218	-	-	20,510,234	17,248,218
Public Safety	81,089,730	20,736,398	-	-	81,089,730	20,736,398
Highways & Streets	7,970,767	8,931,214	-	-	7,970,767	8,931,214
Health & Sanitation	4,372,557	5,031,107	-	-	4,372,557	5,031,107
Economic Development	7,537,918	4,196,186	-	-	7,537,918	4,196,186
Culture & Recreation	7,049,504	7,047,352	-	-	7,049,504	7,047,352
Social Services	1,214,115	1,064,641	-	-	1,214,115	1,064,641
Capital Projects	-	-	-	-	-	-
Interest on Long-Term Debt	2,282,227	2,343,412	-	-	2,282,227	2,343,412
Civic Center	-	-	22,911,014	19,207,069	22,911,014	19,207,069
Parking System	-	-	1,125,694	631,307	1,125,694	631,307
Total Expenses	132,027,052	66,598,528	24,036,708	19,838,376	156,063,760	86,436,904
Increase in Net Position						
Before Transfers	11,766,776	59,604,598	(1,607,918)	515,831	10,158,858	60,120,429
Special Item - Net Pension Liability Decrease	156,799,115	-	-	-	156,799,115	-
Special Item - OPEB Liability Decrease	93,114,285	-	-	-	93,114,285	-
Insurance Proceeds	338,236	186,269	-	46,797	338,236	233,066
Transfers	(1,173,969)	(1,750,094)	1,173,969	1,750,094	-	-
Increase in Net Position	260,844,443	58,040,773	(433,949)	2,312,722	260,410,494	60,353,495
Net Position- beginning	(552,433,150)	(610,473,923)	108,946,250	106,633,528	(443,486,900)	(503,840,395)
Net Position- ending (deficit)	\$ (291,588,707)	\$ (552,433,150)	\$ 108,512,301	\$ 108,946,250	\$ (183,076,406)	\$ (443,486,900)

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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Revenue by Source-Governmental Activities

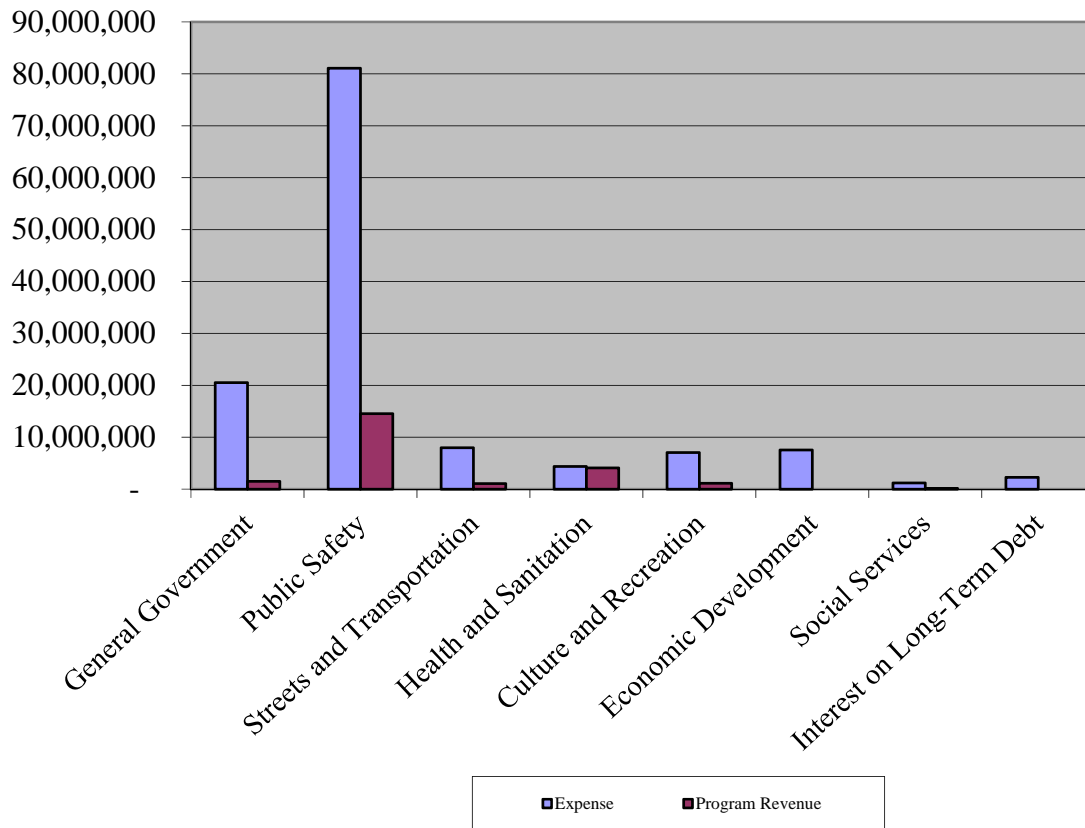


Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Business and Occupation Taxes
City sales & use tax	Utility Taxes	Hotel Motel Taxes	Other Taxes	Other

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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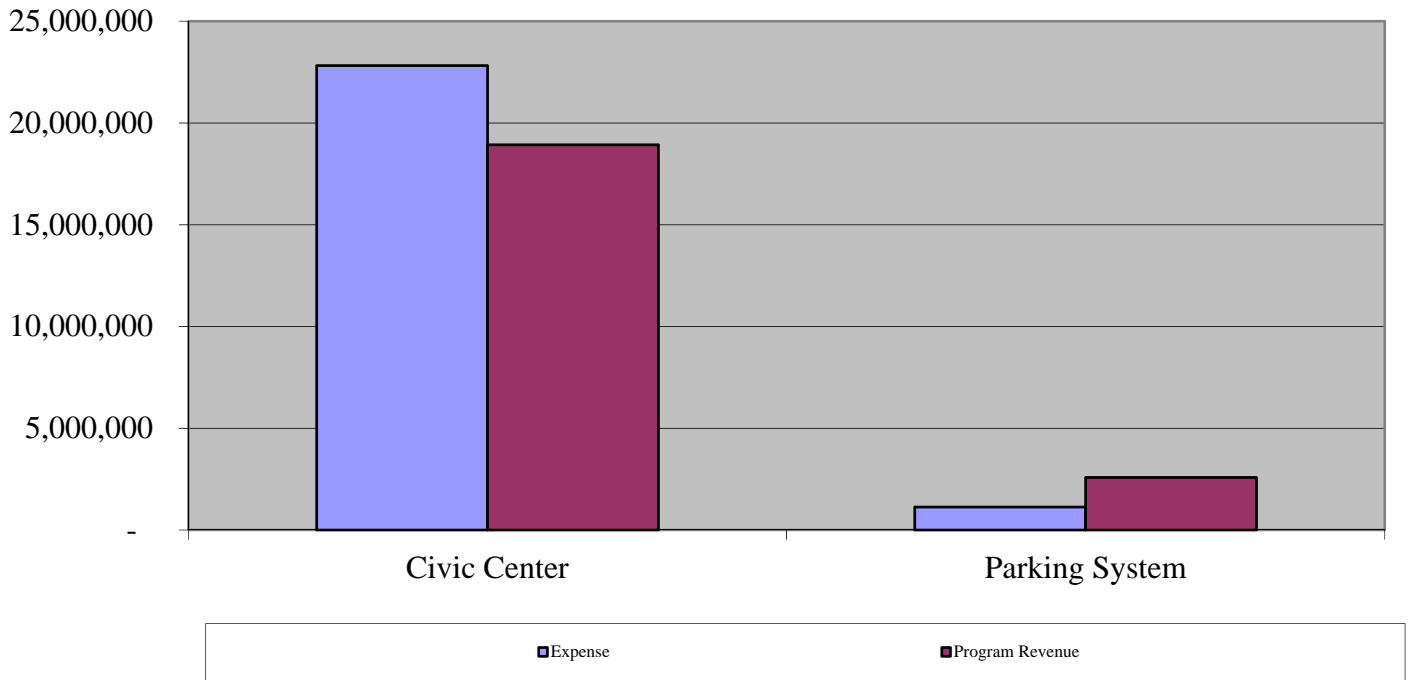
Expenses and Program Revenues-Governmental Activities



CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

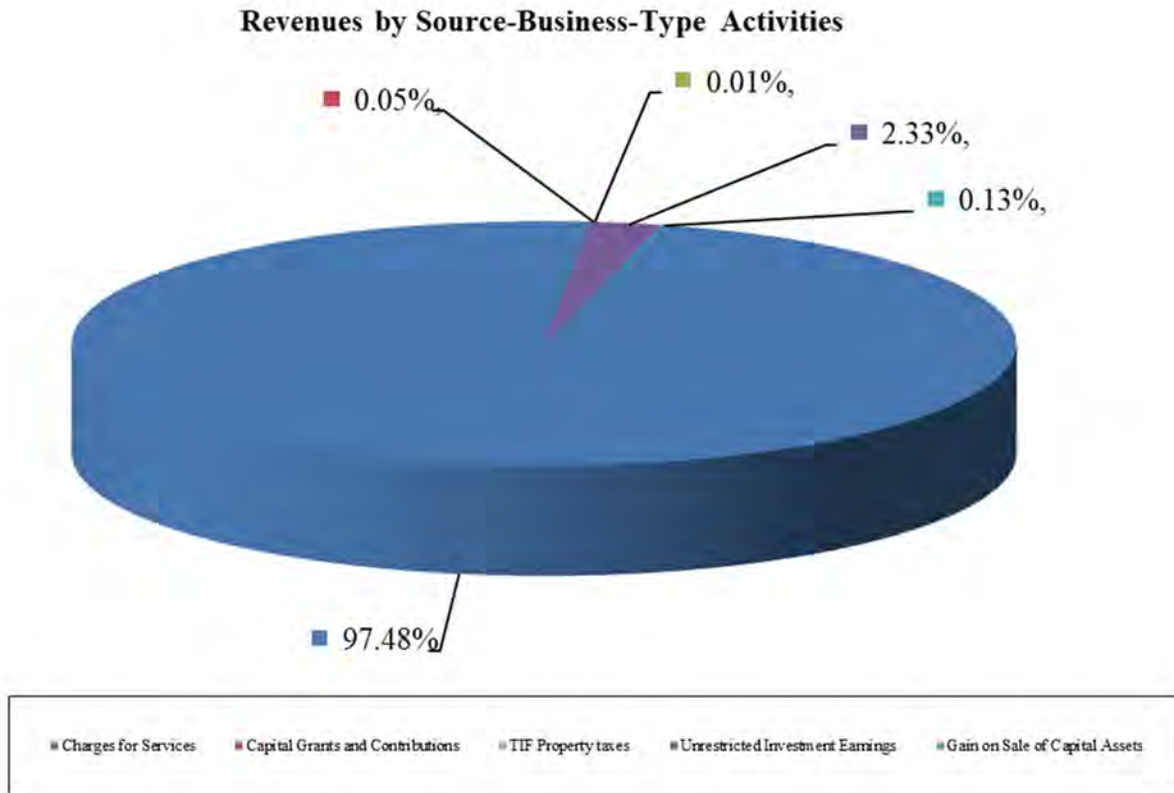
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Expenses and Program Revenues-Business-Type Activities



CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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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 \$96,747,244, a decrease of \$24,861,783 in comparison with the prior year. Approximately 49% of the combined ending fund balances in the amount of \$46,999,174 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 \$1,889,244 (2%); restricted by external grants, contributors, and laws \$15,174,644 (16%); committed by the government's council \$26,431,156 (27%) and assigned by the government's council or administrative officials \$6,253,026 (6%).

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$46,999,174, while total fund balance reached \$69,459,291. 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 34% of total General Fund expenditures, while total fund balance represents 51% of that same amount.

The fund balance of the City of Charleston's General Fund decreased \$25,979,375 during the current fiscal year. Police and fire pension contributions increased \$36,736,846 corresponding to the switch in funding methods from the Conservation method to the Optional method.

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 \$37,365 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 \$192,061 lower in comparison to fiscal year 2022 due to a decrease in funding.

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

General Fund Budgetary Highlights

The City periodically revises the General Fund budget throughout the year to recognize projects carried over from the previous year, grants and contributions received for various projects and to adjust budgets to reflect actual circumstances. In fiscal year 2023 the City, through budget amendments, increased the budget by \$7,640,337, on the basis of additional revenue from external and internal sources. The City also decreased the budgeted revenues by \$144,624 which amounts to a net increase of \$7,366,533. Additionally, the City increased the fiscal year 2023 budget \$15,275,467 to effect the re-budgeting of the fiscal year 2022 ending fund balance.

The increase in revenues from external was \$27,500 in Contributions and Donations and \$450,000 in Hotel/Motel taxes. The City decreased the B&O taxes \$416,304 and federal revenues \$800,000.

The fiscal year 2022 ending fund balance of \$15,275,467 was primarily re-budgeted to Capital Outlay expenditures of \$1,656,967, Ball Park Debt service \$327,563, non-spendable insurance expenditures of \$88,741, Public Safety expenditures of \$17,438, and General Government expenditures of \$13,184,758. 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.

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, 2023, amounted to \$215,037,190 (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 turf replacement at the Community Centers, Jones Woodland Trail Project, Five Corners Traffic Study, Retaining Wall Project, 2022 Sidewalk & Ramp Project, Slack Plaza Renovation, Chief's Office Renovation, Software, Parks & Recreation HVAC, Celebration Station, Sugar Creek, Public Safety Center, Charleston Fire Department Remodel, Concrete Street repairs, and Grab & Go, Curtain, and Concessions projects for the Civic Center. The total amount of Construction-in-Progress for FY 2023 was \$14,050,939.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 9,216,489	\$ 9,216,489	\$ 4,366,447	\$ 4,366,447	\$ 13,582,936	\$ 13,582,936
Construction in Progress	13,641,279	8,769,899	409,660	22,979	14,050,939	8,792,878
Buildings & Improvements	22,075,992	23,050,527	94,335,089	99,174,780	116,411,081	122,225,307
Other Improvements	14,906,497	13,580,603	-	-	14,906,497	13,580,603
Machinery & Equipment	6,391,536	8,012,665	660,664	815,567	7,052,200	8,828,232
Infrastructure	49,033,537	44,019,033	-	107,896	49,033,537	44,126,929
Total	\$ 115,265,330	\$ 106,649,216	\$ 99,771,860	\$ 104,487,669	\$ 215,037,190	\$ 211,136,885

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	
	2023	2022	2023	2022	2023	2022
Revenue Bonds	\$ 65,285,000	\$ 70,065,000	\$ 1,022,576	\$ 1,621,647	\$ 66,307,576	\$ 71,686,647
Total	\$ 65,285,000	\$ 70,065,000	\$ 1,022,576	\$ 1,621,647	\$ 66,307,576	\$ 71,686,647

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 \$164,263,334.

Additional information on the City of Charleston's long-term debt can be found in Note III.F. on pages 74 through 75 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 3.8% for June 2023, which is a decrease from 4.2% from June 2022. The State of West Virginia and the United States unemployment rates as of June 2023 was 3.3% and 3.6%, which is a decrease for the State from the June 2022 rate of 3.6% and no change for the U.S. rate. 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, 2023 and generated \$37.2 million in economic impact for the Charleston region. The Regatta attracted approximately 220,000 attendees, 80% of which were local attends and 20% out-of-town attendees who traveled more than 50 miles to attend. Hotel occupancy was estimated to have been at 87%, and it was estimated to have directly supported 7,948 jobs.

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.

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, 2023

	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	\$ 71,934,929	\$ 6,191,057	\$ 78,125,986	\$ 13,798,940	\$ 3,177,852	\$ 1,319,167
Investments	64,939,209	419,459	65,358,668	--	--	--
Receivables:						
Accounts	3,316,490	568,305	3,884,795	1,410,826	--	91,795
Accrued interest	3,549	--	3,549	--	--	--
Taxes	19,687,978	--	19,687,978	--	--	--
Lease	395,116	106,840	501,956	--	--	--
Other	--	--	--	42,248	500,000	--
Loans	3,426,668	--	3,426,668	--	565,000	--
Grants	496,132	--	496,132	--	--	--
Internal balances	266,750	(266,750)	--	--	--	--
Due from:						
Primary government	--	--	--	38,394	--	--
Component units	21,613	--	21,613	--	--	--
Restricted :						
TIF district	--	517,353	517,353	--	--	--
Tickets & Promotions	--	2,809,026	2,809,026	--	--	--
Revenue bond covenant account	--	4,090,611	4,090,611	--	--	--
Customer deposits	--	111,792	111,792	--	--	--
Inventory	--	--	--	1,411,480	--	--
Prepaid items	206,932	5,375	212,307	95,490	677	--
Total current assets	164,695,366	14,553,068	179,248,434	16,797,378	4,243,529	1,410,962
Noncurrent assets:						
Regular account	--	--	--	2,736,324	--	--
Reserve account	--	--	--	6,921,943	--	--
Renewal and replacement	--	--	--	16,433,561	--	--
Restricted cash	4,073,508	--	4,073,508	--	--	--
Reserve for insurance deductible	--	--	--	328,741	--	--
Reserve for other post employment benefits	--	--	--	636,347	--	--
Reserve for health care	--	--	--	1,061,423	--	--
Reserve for flexible spending account	--	--	--	11,209	--	--
Reserve for construction	--	--	--	--	122,675	--
Nondepreciable:						
Land	9,216,489	4,366,447	13,582,936	2,654,021	6,807,755	--
Construction in progress	13,641,279	409,660	14,050,939	785,679	--	--
Depreciable:						
Buildings and improvements	85,467,831	150,848,781	236,316,612	--	72,324	--
Structures and improvements	--	--	--	57,263,291	--	--
Vehicles	24,399,782	--	24,399,782	--	--	--
Infrastructure	126,431,478	--	126,431,478	--	--	--
Collection System	--	--	--	123,910,097	--	--
Pumping System	--	--	--	3,070,121	--	--
Machinery and equipment	22,771,130	3,097,806	25,868,936	60,260,546	43,068	102,562
Leasehold improvements	--	--	--	384,164	--	--
Less: accumulated depreciation	(166,662,659)	(58,950,834)	(225,613,493)	(112,242,715)	(94,532)	(90,355)
Lease Receivable	689,997	1,324,669	2,014,666	--	--	--
Net pension asset - MPFRS	2,851,700	--	2,851,700	--	--	--
Total noncurrent assets	122,880,535	101,096,529	223,977,064	164,214,752	6,951,290	12,207
Total assets	287,575,901	115,649,597	403,225,498	181,012,130	11,194,819	1,423,169

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2023

	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	--	27,169	27,169	--	--	--
Public Employees Retirement System (PERS):						
Contributions made after measurement date	1,586,515	--	1,586,515	429,840	12,096	37,638
Changes in contributions	371	--	371	6,628	22	228
Changes between projected and actual earnings	924,672	--	924,672	259,538	7,426	26,503
Changes between expected and actual experience	588,288	--	588,288	165,121	4,725	16,861
Changes in assumptions	1,009,296	--	1,009,296	283,290	8,106	28,928
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	1,029,116	--	1,029,116	--	--	--
Changes between projected and actual earnings	270,229	--	270,229	--	--	--
Changes in contributions	544,119	--	544,119	--	--	--
Changes in assumptions	295,033	--	295,033	--	--	--
Changes in actual investment experience	205,151	--	205,151	--	--	--
Other Post Employment Benefits (OPEB)						
Changes in assumptions	25,378,027	517,918	25,895,945	1,545,725	--	--
Changes between expected and actual experience	814,489	16,622	831,111	53,867	--	--
Other Post Employment Benefits (OPEB) - PEIA						
Changes in earnings	93,530	--	93,530	9,711	309	1,034
Changes in assumptions	386,423	--	386,423	40,122	1,277	4,271
Changes in proportionate share	5,061,241	--	5,061,241	549,747	212	434
Contributions made after measurement date	515,410	--	515,410	52,570	1,680	4,886
Defined Benefit Plans (DBP):						
Changes in actual investment experience	929,754	--	929,754	--	--	--
Changes in earnings	113,210	--	113,210	--	--	--
Total deferred outflows of resources	39,744,874	561,709	40,306,583	3,396,159	35,853	120,783
LIABILITIES						
Current liabilities payable						
from current assets:						
Accounts payable	3,158,785	412,783	3,571,568	1,112,832	25,131	169,246
Payroll payable	1,821,366	60,846	1,882,212	227,826	--	--
Other accrued expenses	31,498	3,555	35,053	--	--	6,033
Accrued interest payable	8,061	6,829	14,890	634,865	31,000	--
Compensated absences payable	554,534	31,930	586,464	289,854	--	--
Bonds payable	4,933,000	635,000	5,568,000	5,108,976	--	--
Finance Purchase Payable	1,274,513	--	1,274,513	--	--	--
Lease Liability	--	--	--	60,976	--	--
Reserve for future insurance claims	1,266,393	133,891	1,400,284	--	--	--
Claims and judgements	1,123,009	--	1,123,009	--	--	--
Due to:						
Primary government	--	--	--	22,117	--	--
Component unit	185,363	7,163	192,526	--	--	--
Other governments	39,590	--	39,590	--	40,000	--
Fiduciary Funds	36,736,846	--	36,736,846	--	--	--
Unearned revenue						
Grant advances	27,482,381	--	27,482,381	--	--	--
Unearned revenue	--	--	--	--	800	--
Total current liabilities	78,615,339	1,291,997	79,907,336	7,457,446	96,931	175,279
Noncurrent liabilities due in more than one year:						
Bonds payable	60,352,000	387,576	60,739,576	72,754,127	--	--
Finance Purchase Payable	1,157,718	--	1,157,718	--	--	--
Lease Liability	--	--	--	207,557	--	--
Total other post employment benefits liability (OPEB)	173,358,841	2,882,912	176,241,753	10,771,383	--	--
Net other post employment benefits liability (OPEB) - PEIA	602,558	--	602,558	62,564	1,992	43,952
Net pension liability -PERS	1,533,473	--	1,533,473	430,416	12,315	6,660
Net pension liability - Police and Fire	186,044,166	--	186,044,166	--	--	--
Compensated absences payable	831,802	47,894	879,696	--	--	--
Claims and judgements	1,684,514	--	1,684,514	--	--	--
Total noncurrent liabilities	425,565,072	3,318,382	428,883,454	84,226,047	14,307	50,612
Total Liabilities	504,180,411	4,610,379	508,790,790	91,683,493	111,238	225,891

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION
June 30, 2023

	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	129,544	--	129,544	3,963	318	--
Other Post Employment Benefits (OPEB)						
Changes in assumptions	57,376,703	1,170,954	58,547,657	3,388,801	--	--
Differences between expected and actual experience	25,489,901	520,202	26,010,103	3,716,494	--	--
Changes in contributions	--	--	--	--	--	--
Other Post Employment Benefits (OPEB) - PEIA						
Changes between expected and actual non-investment experience	768,682	--	768,682	79,812	--	8,496
Changes in assumptions	1,530,996	--	1,530,996	158,963	5,061	16,923
Changes in contributions	--	--	--	142,831	2,560	21,717
Changes in expected and actual experience	718,679	--	718,679	--	2,541	--
Changes in reallocation of proportionate share	3,863	--	3,863	431	14	49
Defined Benefit Plans (DBP):						
Changes in assumptions	27,444,501	--	27,444,501	--	--	--
Municipal Police & Fire Retirement System (MPFRS):						
Changes in actual investment experience	56,321	--	56,321	--	--	--
Changes in assumptions	4,087	--	4,087	--	--	--
Changes in contributions	48,343	--	48,343	--	--	--
Lease Receivable	1,055,766	1,390,278	2,446,044	--	--	--
Deferred Revenue	101,685	7,192	108,877	--	--	--
Total deferred inflows of resources	114,729,071	3,088,626	117,817,697	7,491,295	10,494	47,185
NET POSITION						
Net investment in capital assets	112,833,099	98,776,453	211,609,552	57,953,571	6,828,615	12,207
Restricted for:						
Culture and recreation	125,052	--	125,052	--	--	--
Debt service	5,799,608	4,510,070	10,309,678	26,091,828	--	--
General Government	1,598,334	--	1,598,334	--	13,000	--
Community development projects	667,111	--	667,111	--	--	--
Tickets & Promotions	--	2,718,085	2,718,085	--	--	--
Public safety	2,173,535	--	2,173,535	--	--	--
Health & Sanitation	4,251,038	--	4,251,038	--	--	--
Pension Benefits	5,086,597	--	5,086,597	710,038	--	--
Other Post-Employment Benefits	--	--	--	207,549	--	--
Social Services						
Expendable	766,898	--	766,898	--	--	--
Nonexpendable	1,682,312	--	1,682,312	--	--	--
TIF District	--	517,353	517,353	--	--	--
Customer deposits	--	111,792	111,792	--	--	--
Unrestricted (deficit)	(426,572,291)	1,878,548	(424,693,743)	270,515	4,267,325	1,258,669
Total net position	\$ (291,588,707)	\$ 108,512,301	\$ (183,076,406)	\$ 85,233,501	\$ 11,108,940	\$ 1,270,876

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

	Program Revenues				Net (Expense) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
Functions / Programs										
Primary government:										
Governmental activities:										
General government	\$ 20,510,234	\$ 1,507,534	\$ --	\$ 11,087,361	\$ (7,915,339)	\$ --	\$ (7,915,339)	\$ --	\$ --	\$ --
Public safety	81,089,730	14,558,677	3,441,386	1,536,825	(61,552,842)	--	(61,552,842)	--	--	--
Streets and transportation	7,970,767	1,073,356	--	--	(6,897,411)	--	(6,897,411)	--	--	--
Health and sanitation	4,372,557	4,082,944	--	--	(289,613)	--	(289,613)	--	--	--
Culture and recreation	7,049,504	1,130,264	--	131,958	(5,787,282)	--	(5,787,282)	--	--	--
Interest on long-term debt	2,282,227	--	--	--	(2,282,227)	--	(2,282,227)	--	--	--
Social services	1,214,115	148,540	--	--	(1,065,575)	--	(1,065,575)	--	--	--
Capital projects	--	--	--	--	--	--	--	--	--	--
Economic development	7,537,918	--	2,110,777	180,250	(5,246,891)	--	(5,246,891)	--	--	--
Total governmental activities	132,027,052	22,501,315	5,552,163	12,936,394	(91,037,180)	--	(91,037,180)	--	--	--
Business-type activities:										
Civic Center	22,911,014	18,928,548	--	10,493	--	(3,971,973)	(3,971,973)	--	--	--
Parking System	1,125,694	2,581,044	--	--	--	1,455,350	1,455,350	--	--	--
Total business-type activities	24,036,708	21,509,592	--	10,493	--	(2,516,623)	(2,516,623)	--	--	--
Total primary government	\$ 156,063,760	\$ 44,010,907	\$ 5,552,163	\$ 12,946,887	(91,037,180)	(2,516,623)	(93,553,803)	--	--	--
Component units:										
Sanitary Board	\$ 12,817,651	\$ 21,374,475	\$ --	\$ --	--	--	--	8,556,824	--	--
Urban Renewal Authority	491,428	311,708	--	--	--	--	--	--	(179,720)	--
Convention & Visitor's Bureau	1,659,670	93,170	--	1,896,294	--	--	--	--	--	329,794
Total component units	\$ 14,968,749	\$ 21,779,353	\$ --	\$ 1,896,294	--	--	--	8,556,824	(179,720)	329,794
General revenues:										
Ad valorem property taxes					17,310,348	--	17,310,348	--	--	--
Property Taxes - TIF district					--	2,627	--	--	--	--
Business & occupation tax					51,882,455	--	51,882,455	--	--	--
Alcoholic beverages tax					1,040,371	--	1,040,371	--	--	--
Utility services tax					2,906,258	--	2,906,258	--	--	--
Hotel occupancy tax					2,957,838	--	2,957,838	--	--	--
Animal tax					5,209	--	5,209	--	--	--
Gas & Oil Severance					284,163	--	284,163	--	--	--
Amusement tax					251,864	--	251,864	--	--	--
Sales and use tax					19,060,748	--	19,060,748	--	--	--
Coal severance tax					228,298	--	228,298	--	--	--
Unrestricted investment earnings					5,424,905	514,883	5,939,788	1,274,365	71,619	8,491
Refunds					68,430	--	68,430	--	--	--
Insurance Proceeds					--	--	--	--	--	--
Gain(Loss) on sale of capital assets					41,834	2,885	44,719	--	(272,224)	--
Settlement					--	--	--	--	--	--
Miscellaneous & Other					1,341,235	388,310	1,729,545	217,336	--	--
Total General Revenues					102,803,956	908,705	103,710,034	1,491,701	(200,605)	8,491
Special Items - Net Pension Liability offset					156,799,115	--	156,799,115			
Special Item - Other Post-Employment Benefits offset					93,114,285	--	93,114,285			
Extraordinary Item - Insurance Proceeds					338,236	--	338,236			
Transfers					(1,173,969)	1,173,969	--			
Change in net position					260,844,443	(433,949)	260,410,494	10,048,525	(380,325)	338,285
Net position - beginning					(552,433,150)	108,946,250	(443,486,900)	75,184,976	11,489,265	932,591
Net position - ending					\$ (291,588,707)	\$ 108,512,301	\$ (183,076,406)	\$ 85,233,501	\$ 11,108,940	\$ 1,270,876

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 139.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

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	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	\$ 57,003,394	\$ 17	\$ --	\$ 7,787	\$ 241,477	\$ 14,682,254	\$ 71,934,929
Investments	32,568,691	--	--	--	26,089,828	6,280,690	64,939,209
Receivables:							
Taxes	19,631,439	56,539	--	--	--	--	19,687,978
Accounts	2,738,431	--	--	--	--	578,059	3,316,490
Grants	--	--	153,776	14,592	--	327,764	496,132
Loans	--	--	1,205,692	1,928,938	--	292,038	3,426,668
Accrued interest	--	--	--	--	--	3,549	3,549
Lease	1,085,113	--	--	--	--	--	1,085,113
Due from:							
Other funds	4,400,552	--	--	--	--	2,090,965	6,491,517
Component units	9,073	--	--	--	--	12,540	21,613
Prepaid items	206,932	--	--	--	--	--	206,932
Restricted cash	337,898	--	--	--	--	3,735,610	4,073,508
Total assets	<u>117,981,523</u>	<u>56,556</u>	<u>1,359,468</u>	<u>1,951,317</u>	<u>26,331,305</u>	<u>28,003,469</u>	<u>175,683,638</u>
Deferred Outflows:							
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 117,981,523</u>	<u>\$ 56,556</u>	<u>\$ 1,359,468</u>	<u>\$ 1,951,317</u>	<u>\$ 26,331,305</u>	<u>\$ 28,003,469</u>	<u>\$ 175,683,638</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,444,611	\$ --	\$ 59,275	\$ 489	\$ 912,675	\$ 741,735	\$ 3,158,785
Payroll payable	1,814,649	--	--	--	--	6,717	1,821,366
Other accrued expenditures	31,498	--	--	--	--	--	31,498
Reserve for future insurance claims	1,266,393	--	--	--	--	--	1,266,393
Due to:							
Component unit	183,860	--	--	--	--	1,503	185,363
Other funds	41,752,226	--	94,501	14,103	--	1,100,783	42,961,613
Other governments	39,590	--	--	--	--	--	39,590
Deferred Revenue	101,685	--	--	--	--	--	101,685
Grant advances	--	--	1,205,692	1,936,725	24,178,295	161,669	27,482,381
Total liabilities	<u>46,634,512</u>	<u>--</u>	<u>1,359,468</u>	<u>1,951,317</u>	<u>25,090,970</u>	<u>2,012,407</u>	<u>77,048,674</u>
Deferred Inflows:							
Taxes	831,954	--	--	--	--	--	831,954
Lease Receivable	1,055,766	--	--	--	--	--	1,055,766
Total deferred inflows of resources	<u>1,887,720</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,887,720</u>
Total liabilities and deferred inflows of resources	<u>48,522,232</u>	<u>--</u>	<u>1,359,468</u>	<u>1,951,317</u>	<u>25,090,970</u>	<u>2,012,407</u>	<u>78,936,394</u>
Fund balances:							
Nonspendable	206,932	--	--	--	--	1,682,312	1,889,244
Restricted	337,898	56,556	--	--	1,240,335	13,539,855	15,174,644
Committed	15,662,261	--	--	--	--	10,768,895	26,431,156
Assigned	6,253,026	--	--	--	--	--	6,253,026
Unassigned	46,999,174	--	--	--	--	--	46,999,174
Total fund balances	<u>69,459,291</u>	<u>56,556</u>	<u>--</u>	<u>--</u>	<u>1,240,335</u>	<u>25,991,062</u>	<u>96,747,244</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 117,981,523</u>	<u>\$ 56,556</u>	<u>\$ 1,359,468</u>	<u>\$ 1,951,317</u>	<u>\$ 26,331,305</u>	<u>\$ 28,003,469</u>	<u>\$ 175,683,638</u>

CITY OF CHARLESTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2023

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Total fund balances on the governmental fund's balance sheet	\$	96,747,244
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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.).		115,265,330
--	--	-------------

Net Pension assets used in governmental activities are not financial resources and, therefore not reported in the funds.		
MPFRS Net pension asset		2,851,700

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.).		831,954
---	--	---------

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		1,586,515
Changes in contributions		371
Changes between projected and actual earnings		924,672
Changes between expected and actual experience		588,288
Changes in assumptions		1,009,296

Deferred inflows:

Changes in contributions		(129,544)
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Defined Benefit Plans (DBP):

Deferred outflows:

Changes in noninvestment experience		- -
Changes in actual investment experience		929,754
Changes in assumptions		113,210

Deferred inflows:

Changes in assumptions		(27,444,501)
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CITY OF CHARLESTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (Continued)
June 30, 2023

31

Municipal Police Officer and Firefighter Retirement System (MPFRS):

Deferred outflows:

Contributions made after measurement date	1,029,116
Changes in contributions	544,119
Changes in earnings	295,033
Changes in actual investment experience	205,151
Changes in earnings	270,229

Deferred inflows:

Changes in contributions	(48,343)
Changes in actual investment experience	(56,321)
Changes in assumptions	(4,087)
Employer contributions	--

Other Post Employment Benefits (OPEB):

Deferred outflows:

Changes in actual investment experience	814,489
Changes in assumptions	25,378,027

Deferred inflows:

Changes in actual investment experience	(25,489,901)
Changes in assumptions	(57,376,703)

Other Post Employment Benefits (OPEB) - PEIA:

Deferred outflows:

Contributions made after measurement date	515,410
Changes in proportionate share	5,061,241
Changes in earnings	93,530
Changes in assumptions	386,423

Deferred inflows:

Difference between expected and actual experience	(768,682)
Changes in assumptions	(1,530,996)
Changes in expected and actual experience	(718,679)
Changes in reallocation of proportionate share	(3,863)

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	(2,432,231)
Compensated absences	(1,386,336)
Lease receivable	--
Net pension liability - Police & Fire	(186,044,166)
Net pension liability - PERS	(1,533,473)
Bonds payable	(65,285,000)
Accrued interest payable	(8,061)
Claims & judgements	(2,807,523)
Other post employment benefits	(173,358,841)
Other post employment benefits - PEIA	(602,558)

Net position of governmental activities	\$	(291,588,707)
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CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

32

	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	\$ 17,511,504	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 17,511,504
Business & occupation tax	51,882,455	--	--	--	--	--	51,882,455
Alcoholic beverages tax	1,040,371	--	--	--	--	--	1,040,371
Utility services tax	2,906,258	--	--	--	--	--	2,906,258
Hotel occupancy tax	2,957,838	--	--	--	--	--	2,957,838
Animal tax	5,209	--	--	--	--	--	5,209
Gas and oil severance tax	284,163	--	--	--	--	--	284,163
Amusement tax	251,864	--	--	--	--	--	251,864
City sales tax	19,060,748	--	--	--	--	--	19,060,748
Coal severance tax	--	228,298	--	--	--	--	228,298
Licenses and permits	1,343,974	--	--	--	--	--	1,343,974
Intergovernmental:							
Federal	375,606	--	2,051,922	459,081	10,812,142	1,295,724	14,994,475
State	3,482,660	--	--	--	--	134,323	3,616,983
Local	--	--	--	--	--	79,056	79,056
Charges for services	15,754,628	--	--	--	--	4,203,278	19,957,906
Fines and forfeits	--	--	--	--	--	562,201	562,201
Interest and investment earnings	2,900,590	--	--	--	1,172,572	1,351,743	5,424,905
Payments in lieu of taxes	68,430	--	--	--	--	--	68,430
IRP fees	637,234	--	--	--	--	--	637,234
Contributions and donations	121,659	--	--	--	--	289,563	411,222
Miscellaneous	1,290,177	--	--	--	--	51,058	1,341,235
Total revenues	121,875,368	228,298	2,051,922	459,081	11,984,714	7,966,946	144,566,329
EXPENDITURES							
Current:							
General government	18,829,673	--	--	--	--	210,081	19,039,754
Public safety	94,618,086	--	--	--	--	1,852,160	96,470,246
Streets and transportation	8,569,282	--	--	--	--	26,855	8,596,137
Health and sanitation	3,726,444	--	--	--	--	1,054,542	4,780,986
Culture and recreation	6,410,211	--	--	--	--	153,809	6,564,020
Social services	824,984	--	--	--	--	426,933	1,251,917
Capital projects	2,842,912	--	--	--	--	13,856,039	16,698,951
Economic development	577,451	--	2,052,114	459,081	4,452,826	396,672	7,938,144
Debt service:							
Principal	480,000	--	--	--	--	4,780,000	5,260,000
Interest & fiscal charges	43,713	--	--	--	--	2,245,851	2,289,564
Total expenditures	136,922,756	--	2,052,114	459,081	4,452,826	25,002,942	168,889,719
Excess (deficiency) of revenues over expenditures	(15,047,388)	228,298	(192)	--	7,531,888	(17,035,996)	(24,323,390)

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

33

	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	26,592,939	--	--	--	--	20,666,949	47,259,888
Transfers (out)	(37,959,284)	(236,236)	--	--	(6,359,315)	(3,677,804)	(48,232,639)
Insurance Proceeds	338,236	--	--	--	--	--	338,236
Proceeds from sale of assets	96,122	--	--	--	--	--	96,122
Proceeds from capital debt	--	--	--	--	--	--	--
Total other financing sources (uses)	(10,931,987)	(236,236)	--	--	(6,359,315)	16,989,145	(538,393)
Net change in fund balances	(25,979,375)	(7,938)	(192)	--	1,172,573	(46,851)	(24,861,783)
Fund balances	95,438,666	64,494	192	--	67,762	26,037,913	121,609,027
Fund balances - ending	\$ 69,459,291	\$ 56,556	\$ --	\$ --	\$ 1,240,335	\$ 25,991,062	\$ 96,747,244

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, 2023

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

Net change in fund balances - total governmental funds	\$ (24,861,783)
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.).	16,048,806
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.).	(7,177,186)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (Note III.C.) This is the amount that was transferred to the Business-type activities during the year.	(201,218)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold (Note III.C.).	(54,288)
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.).	(201,156)
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	1,586,515
Amount of pension expenses recognized at government-wide level - deferred outflows	(1,921,578)
Amount of pension expenses recognized at government-wide level - deferred inflows	12,021,488
<i>Defined Benefit Plans (DBP):</i>	
Amount of pension expenses recognized at government-wide level - deferred outflows	(7,912,674)
Amount of pension expenses recognized at government-wide level - deferred inflows	13,040,064
<i>Municipal Police Officer and Firefighter Retirement System (MPFRS):</i>	
Contributions made after measurement date	1,029,116
Amount of pension expenses recognized at government-wide level - deferred outflows	(443,017)
Amount of pension expenses recognized at government-wide level - deferred inflows	923,870
<i>Other Post Employment Benefits (OPEB):</i>	
Amount of OPEB expenses recognized at government-wide level - deferred outflows	(11,891,900)
Amount of OPEB expenses recognized at government-wide level - deferred inflows	25,599,844
<i>Other Post Employment Benefits (OPEB) - PEIA:</i>	
Contributions made after measurement date	515,410
Amount of OPEB expenses recognized at government-wide level - deferred outflows	(2,977,104)
Amount of OPEB expenses recognized at government-wide level - deferred inflows	3,646,969

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, 2023

35

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	4,780,000
Finance purchase payments	1,876,706
Net pension liability (asset) - PERS	(10,619,198)
Net pension liability - DBP	156,799,115
Net pension asset - MPFRS	(596,991)
Claims and judgements	(414,465)
Other post employment benefits	93,114,285
Other post employment benefits - PEIA	(790,869)
Interest Payable	7,337

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.

(81,655)

Change in net position of governmental activities	\$ <u><u>260,844,443</u></u>
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CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
For the Fiscal Year Ended June 30, 2023

36

	Budgeted Amounts		Actual	Adjustments		Variance With
	Original	Final	Modified	Budget	Actual	Final Budget
			Accrual Basis	Basis	Amounts	Positive
						(Negative)
REVENUES						
Taxes:						
Property	\$ 17,300,000	\$ 17,300,000	\$ 17,511,504	\$ --	\$ 17,511,504	\$ 211,504
Business & occupation	45,160,000	44,743,696	51,882,455	(476,016)	51,406,439	6,662,743
Utility	2,700,000	2,700,000	2,906,258	--	2,906,258	206,258
Hotel motel	2,650,000	3,100,000	2,957,838	--	2,957,838	(142,162)
City sales tax	--	--	19,060,748	(19,060,748)	--	--
Alcoholic beverages	1,000,000	1,000,000	1,040,371	--	1,040,371	40,371
Amusement	200,000	200,000	251,864	--	251,864	51,864
Animal	5,500	5,500	5,209	--	5,209	(291)
Gas & oil severance	100,000	100,000	284,163	--	284,163	184,163
Licenses and permits (includes IRP fees)	2,122,000	2,122,000	1,981,208	--	1,981,208	(140,792)
Charges for services	16,194,100	16,194,100	15,754,628	(1,219)	15,753,409	(440,691)
Intergovernmental:						
Federal	900,000	100,000	375,606	--	375,606	275,606
State	--	--	3,482,660	(3,441,386)	41,274	41,274
Interest and investment earnings	30,000	495,000	2,900,590	(2,024,236)	876,354	381,354
Payments in lieu of taxes	90,000	90,000	68,430	--	68,430	(21,570)
Contributions and donations	240,000	267,500	121,659	--	121,659	(145,841)
Miscellaneous	1,385,000	1,385,000	1,290,177	--	1,290,177	(94,823)
Total revenues	\$ 90,076,600	\$ 89,802,796	\$ 121,875,368	\$ (25,003,605)	\$ 96,871,763	\$ 7,068,967
EXPENDITURES						
General government:						
Medical & Life insurance	\$ --	\$ 504,124	\$ --	\$ --	\$ --	\$ 504,124
Mayor's office	1,404,226	1,404,226	972,077	(13,437)	958,640	445,586
City Council	411,463	411,463	368,247	--	368,247	43,216
City Manager	2,287,961	2,315,961	1,905,105	(27,375)	1,877,730	438,231
City Treasurer	193,781	193,781	214,872	(26,875)	187,997	5,784
City Collector	1,274,305	1,274,305	1,174,646	(80,624)	1,094,022	180,283
City Clerk	190,030	190,030	189,136	--	189,136	894
Municipal Court	490,691	493,691	509,073	(26,875)	482,198	11,493
City Attorney	1,253,869	1,973,869	910,741	--	910,741	1,063,128
City Auditor	500,590	500,590	444,125	(26,875)	417,250	83,340
Engineering	972,314	972,314	897,309	(26,875)	870,434	101,880
MOECD	551,223	680,403	632,588	(13,437)	619,151	61,252
Human Resources	701,276	701,276	603,764	(13,437)	590,327	110,949
Contributions to Main Street						
Program	75,000	75,000	75,000	--	75,000	--
Regional Intergovernmental						
Council	20,000	20,000	19,520	--	19,520	480
Mail room	184,615	209,615	237,438	(40,312)	197,126	12,489
Capital Market Contributions	20,000	20,000	20,000	--	20,000	--
Building commission	1,552,715	2,562,209	2,557,247	(13,437)	2,543,810	18,399
Planning	697,068	724,568	690,619	(26,874)	663,745	60,823
Elections	22,000	77,166	77,165	--	77,165	1

CITY OF CHARLESTON, WEST VIRGINIA

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With
	Original	Final	Modified Accrual Basis	Budget Basis	Amounts	Final Budget Positive (Negative)
Information systems	\$ 1,742,238	\$ 1,957,238	\$ 1,518,965	\$ (57,145)	\$ 1,461,820	\$ 495,418
Building maintenance	1,244,575	1,271,275	1,255,247	(26,875)	1,228,372	42,903
Regular Retiree Health Benefits & COBRA	2,130,000	2,130,000	57,251	1,787,160	1,844,411	285,589
Constituent Services	266,162	266,162	238,410	--	238,410	27,752
Morris Square	424,844	440,044	305,747	--	305,747	134,297
Employee health clinic	895,644	895,644	904,455	--	904,455	(8,811)
Public works	382,427	391,227	419,072	(26,874)	392,198	(971)
Public grounds	1,659,330	1,709,530	1,631,854	(94,061)	1,537,793	171,737
Contingency	214,554	59,554	--	--	--	59,554
Total general government	21,762,901	24,425,265	18,829,673	1,245,772	20,075,445	4,349,820
Public safety:						
Police	25,732,038	26,362,051	45,757,713	(20,179,878)	25,577,835	784,216
Fire	26,605,297	26,987,652	47,222,947	(20,119,290)	27,103,657	(116,005)
Traffic engineering	1,487,199	1,511,599	1,606,539	(80,624)	1,525,915	(14,316)
C-K emergency services	120,759	120,759	30,887	(13,437)	17,450	103,309
Total public safety	53,945,293	54,982,061	94,618,086	(40,393,229)	54,224,857	757,204
Streets and transportation:						
Streets and transportation	4,367,375	4,507,375	4,455,846	(456,868)	3,998,978	508,397
Equipment maintenance	3,374,224	3,879,303	4,113,436	(201,559)	3,911,877	(32,574)
Total streets and transportation	7,741,599	8,386,678	8,569,282	(658,427)	7,910,855	475,823
Health and sanitation:						
Refuse collection & recycling	3,533,668	3,533,668	3,626,444	(228,434)	3,398,010	135,658
Kanawha-Charleston health department	100,000	100,000	100,000	--	100,000	--
Total health and sanitation	3,633,668	3,633,668	3,726,444	(228,434)	3,498,010	135,658
Culture and recreation:						
Parks and recreation	2,807,391	2,925,991	3,101,324	(120,936)	2,980,388	(54,397)
Convention and visitor's bureau	1,325,000	1,550,000	1,519,506	--	1,519,506	30,494
Cultural/fairs/festivals	257,000	357,000	316,000	--	316,000	41,000
Festival Fund for the Arts	231,425	242,425	205,594	--	205,594	36,831
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	319,700	211,585	--	211,585	108,115
Total culture and recreation	5,982,018	6,451,318	6,410,211	(120,936)	6,289,275	162,043
Social services:						
Spring hill cemetery	956,145	957,370	811,547	(40,312)	771,235	186,135
Human rights	--	--	13,437	(13,437)	--	--
Total social services	956,145	957,370	824,984	(53,749)	771,235	186,135

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, 2023

38

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With
	Original	Final	Modified Accrual Basis	Budget Basis	Amounts	Final Budget Positive (Negative)
Economic Development:						
Wayfinding commission	--	--	3,883	(3,883)	--	--
Tourism, Business, & Community	--	--	573,568	(573,568)	--	--
Total economic development	--	--	577,451	(577,451)	--	--
Capital projects:						
General government	647,355	914,653	240,081	--	240,081	674,572
Public safety	4,355,186	5,688,126	1,489,737	--	1,489,737	4,198,389
Streets and transportation	1,462,399	1,681,899	688,024	--	688,024	993,875
Health and sanitation	1,088,908	1,986,405	280,069	--	280,069	1,706,336
Culture and recreation	141,077	249,443	103,708	--	103,708	145,735
Social services	41,294	41,294	41,293	--	41,293	1
Total capital projects	7,736,219	10,561,820	2,842,912	--	2,842,912	7,718,908
Debt service:						
Principal	480,000	480,000	480,000	--	480,000	--
Interest	38,663	38,663	38,663	--	38,663	--
Bond Service Charges	1,750	1,750	5,050	(3,300)	1,750	--
Total debt service	520,413	520,413	523,713	(3,300)	520,413	--
Total expenditures	102,278,256	109,918,593	136,922,756	(40,789,754)	96,133,002	13,785,591
Excess of revenues over (under) expenditures	(12,201,656)	(20,115,797)	(15,047,388)	15,786,149	738,761	20,854,558
OTHER FINANCING SOURCES (USES)						
Transfers in	13,549,656	13,678,836	26,592,939	(13,034,534)	13,558,405	(120,431)
Transfers out	(5,648,000)	(9,138,506)	(37,959,284)	29,021,062	(8,938,222)	200,284
Sale of capital assets	250,000	250,000	96,122	--	96,122	(153,878)
Insurance Proceeds	50,000	50,000	338,236	--	338,236	288,236
Total other financing sources (uses)	8,201,656	4,840,330	(10,931,987)	15,986,528	5,054,541	214,211
Net change in fund balance	(4,000,000)	(15,275,467)	(25,979,375)	31,772,677	5,793,302	21,068,769
Fund balance-beginning	4,000,000	15,275,467	95,432,940	(80,157,473)	15,275,467	--
Fund balance-ending	\$ --	\$ --	\$ 69,453,565	\$ (48,384,796)	\$ 21,068,769	\$ 21,068,769

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, 2023

39

	Budgeted Amounts		Actual	Variance with
	Original	Final	Modified Accrual Basis	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Coal severance tax	\$ 80,000	\$ 80,000	\$ 228,298	\$ 148,298
Total revenues	80,000	80,000	228,298	148,298
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(100,000)	(144,494)	(236,236)	(91,742)
Total other financing sources (uses)	(100,000)	(144,494)	(236,236)	(91,742)
Net change in fund balance	(20,000)	(64,494)	(7,938)	56,556
Fund balance - beginning	20,000	64,494	64,494	- -
Fund balance - ending	\$ - -	\$ - -	\$ 56,556	\$ 56,556

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, 2023

41

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current:			
Cash and cash equivalents	\$ 688,420	\$ 5,502,637	\$ 6,191,057
Investments	419,459	--	419,459
Receivables:			
Accounts	463,160	105,145	568,305
Leases	--	1,431,509	1,431,509
Due from:			
Other funds	5,899	1,810	7,709
Restricted:			
TIF district taxes receivable	--	--	--
TIF district	517,353	--	517,353
Regular account	--	4,090,611	4,090,611
Ticket & Promotions	2,809,026	--	2,809,026
Catering contract deposits	111,792	--	111,792
Prepaid items	5,013	362	5,375
Total current assets	5,020,122	11,132,074	16,152,196
Capital assets:			
Nondepreciable:			
Land	300,000	4,066,447	4,366,447
Construction in progress	409,660	--	409,660
Depreciable:			
Buildings & improvements	126,724,151	24,124,630	150,848,781
Machinery and equipment	1,640,270	1,457,536	3,097,806
Less: accumulated depreciation	(37,221,112)	(21,729,722)	(58,950,834)
Total capital assets (net of accumulated depreciation)	91,852,969	7,918,891	99,771,860
Total noncurrent assets	91,852,969	7,918,891	99,771,860
Total assets	96,873,091	19,050,965	115,924,056
DEFERRED OUTFLOWS			
OPEB difference between expected and actual experience	8,311	8,311	16,622
OPEB Changes in assumptions	258,959	258,959	517,918
Loss on refunding of debt	27,169	--	27,169
Total deferred outflows of resources	294,439	267,270	561,709
Total assets and deferred outflows of resources	97,167,530	19,318,235	116,485,765

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, 2023

42

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
LIABILITIES			
Current liabilities payable			
from current assets:			
Accounts payable	307,442	105,341	412,783
Payroll payable	27,134	33,712	60,846
Other accrued expenses	100	3,455	3,555
Compensated absences payable	16,865	15,065	31,930
Customer deposits	133,891	- -	133,891
Accrued revenue bond/note interest payable	6,829	- -	6,829
Due to:			
Component unit	6,893	270	7,163
Other funds	226,185	48,274	274,459
Bonds payable	635,000	- -	635,000
Total current liabilities payable from current assets	1,360,339	206,117	1,566,456
Noncurrent liabilities			
Bonds payable	387,576	- -	387,576
Compensated absences payable	25,297	22,597	47,894
Other postemployment benefits payable	1,557,773	1,325,139	2,882,912
Total noncurrent liabilities	1,970,646	1,347,736	3,318,382
Total liabilities	3,330,985	1,553,853	4,884,838
DEFERRED INFLOWS			
OPEB changes in assumptions	585,477	585,477	1,170,954
OPEB differences between expected and actual experience	260,101	260,101	520,202
Lease receivable	- -	1,390,278	1,390,278
Deferred revenue	300	6,892	7,192
Total deferred inflows of resources	845,878	2,242,748	3,088,626
Total liabilities and deferred inflows of resources	4,176,863	3,796,601	7,973,464
NET POSITION			
Net investment in capital assets	90,857,562	7,918,891	98,776,453
Restricted for debt service	419,459	4,090,611	4,510,070
Restricted for customer deposits	111,792	- -	111,792
Restricted for TIF district	517,353	- -	517,353
Restricted for Tickets & Promotions	2,718,085	- -	2,718,085
Unrestricted	(1,633,584)	3,512,132	1,878,548
Total net position	\$ 92,990,667	\$ 15,521,634	\$ 108,512,301

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, 2023

43

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Operating revenues:			
Sales and services to customers	\$ 16,604,070	\$ 2,330,309	\$ 18,934,379
Rental fees	2,311,028	246,882	2,557,910
Miscellaneous	13,450	3,853	17,303
Total revenues	18,928,548	2,581,044	21,509,592
Operating expenses:			
Personal services	923,772	14,645	938,417
Contractual services	16,779,681	559,083	17,338,764
Materials and supplies	351,304	78,976	430,280
Utilities	- -	- -	- -
Depreciation	4,763,984	472,990	5,236,974
Total operating expenses	22,818,741	1,125,694	23,944,435
Operating income (loss)	(3,890,193)	1,455,350	(2,434,843)
Nonoperating revenues (expenses):			
Interest revenue	168,682	346,201	514,883
Capital improvement fees	388,310	- -	388,310
Gain (loss) on sale of fixed assets	2,885	- -	2,885
TIF property taxes	2,627	- -	2,627
Interest & fiscal charges	(92,273)	- -	(92,273)
Total nonoperating revenues (expenses)	470,231	346,201	816,432
Income (loss) before operating transfers and contributions	(3,419,962)	1,801,551	(1,618,411)
Capital contributions - Energy Rebates	10,493	- -	10,493
Transfers in	1,510,430	- -	1,510,430
Transfers(out)	(336,461)	- -	(336,461)
Change in net position	(2,235,500)	1,801,551	(433,949)
Net position at beginning of year	95,226,167	13,720,083	108,946,250
Net position at end of year	\$ 92,990,667	\$ 15,521,634	\$ 108,512,301

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, 2023

44

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 19,227,467	\$ 2,590,448	\$ 21,817,915
Cash paid for goods and services	(19,038,145)	(560,492)	(19,598,637)
Cash paid for interfund services	46,173	15,933	62,106
Cash paid to employees	(921,481)	(1,050,002)	(1,971,483)
Net cash provided (used) by operating activities	(685,986)	995,887	309,901
Cash flows from noncapital financing activities:			
Transfers in	1,309,212	--	1,309,212
Transfers (out)	(336,461)	--	(336,461)
Net cash provided by noncapital financing activities	972,751	--	972,751
Cash flows from capital and related financing activities:			
Capital improvement fees	388,310	--	388,310
Acquisition and construction of capital assets	(250,588)	(69,359)	(319,947)
Principal paid on capital debt	(610,000)	--	(610,000)
Proceeds from the sales of capital assets	2,885	--	2,885
Interest paid on capital debt	(68,097)	--	(68,097)
TIF district property taxes	2,627	--	2,627
Capital Contributions - Energy Rebates	10,493	--	10,493
Net cash used by capital and related financing activities	(524,370)	(69,359)	(593,729)
Cash flows from investing activities:			
Interest received	168,682	346,201	514,883
Net cash provided by investing activities	168,682	346,201	514,883
Net increase (decrease) in cash and cash equivalents	(68,923)	1,272,729	1,203,806
Cash and cash equivalents, July 1, 2022 (including \$3,759,048 and \$3,330,682 and in restricted accounts)	4,503,181	8,320,519	12,823,700
Cash and cash equivalents, June 30, 2023 (including \$3,745,838 and \$4,090,611 and in restricted accounts)	\$ 4,434,258	\$ 9,593,248	\$ 14,027,506

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, 2023

45

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (3,890,193)	1,455,350	\$ (2,434,843)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	4,763,984	472,990	5,236,974
Decrease (increase) in prepaid items	- -	288	288
Decrease (increase) in accounts receivable	215,464	15,557	231,021
Decrease (increase) in lease receivable	- -	103,428	103,428
Decrease (increase) in due from other funds	(3,399)	(1,811)	(5,210)
Increase (decrease) in due to other funds	49,572	17,744	67,316
Increase (decrease) in allowance for doubtful accounts	- -	13,048	13,048
Decrease (increase) in restricted deposits	4,875	- -	4,875
Increase (decrease) in unearned revenue	- -	(237)	(237)
Increase (decrease) in customer deposits	78,581	- -	78,581
Increase (decrease) in accounts payable	(385,758)	77,554	(308,204)
Decrease (increase) in deferred outflows	485,112	237,073	722,185
Increase (decrease) in deferred inflows	(1,297,247)	(713,210)	(2,010,457)
Increase (decrease) in other postemployment benefits payable	(700,991)	(690,673)	(1,391,664)
Increase (decrease) in payroll payable	2,435	4,633	7,068
Increase (decrease) in due to component unit & other entities	(8,278)	(274)	(8,552)
Increase (decrease) in compensated absences	(143)	4,427	4,284
Net cash provided (used) by operations	\$ <u>(685,986)</u>	\$ <u>995,887</u>	\$ <u>309,901</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 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.

The individual Fiduciary and Custodial Fund descriptions and financial statements begin on page 161.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Pension Trust Funds	Pending Forfeiture Custodial Fund
	<u> </u>	<u> </u>
ASSETS		
Non-pooled cash	\$ 85,667	\$ 1,168,865
	<u> </u>	<u> </u>
Total cash	85,667	1,168,865
	<u> </u>	<u> </u>
Investments, at fair value:		
West Virginia Management Board	68,308,970	--
Collateralized mortgage obligations	--	--
Managed bond funds	--	--
Managed stock funds	--	--
	<u> </u>	<u> </u>
Total investments	68,308,970	--
	<u> </u>	<u> </u>
Receivables:		
Interest	--	--
Accounts receivable	784	1,600
Due from other funds	36,736,846	--
	<u> </u>	<u> </u>
Total receivables	36,737,630	1,600
	<u> </u>	<u> </u>
Total assets	105,132,267	1,170,465
	<u> </u>	<u> </u>
DEFERRED OUTFLOWS		
Total deferred outflows of resources	--	--
	<u> </u>	<u> </u>
LIABILITIES		
Accounts payable	300	--
Refunds payable and other	798,917	--
	<u> </u>	<u> </u>
Total liabilities	799,217	--
	<u> </u>	<u> </u>
DEFERRED INFLOWS		
Total deferred inflows of resources	--	--
	<u> </u>	<u> </u>
NET POSITION		
Net position restricted for pension benefits	104,333,050	--
Net position restricted for others	--	1,170,465
	<u> </u>	<u> </u>
Total net position	\$ 104,333,050	\$ 1,170,465
	<u> </u>	<u> </u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2023

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	Pension Trust Funds	Pending Forfeiture Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 8,525,000	\$ - -
Plan members	950,112	--
Insurance premium surtax	3,441,386	--
Additional transfers in	43,027,504	--
Fines & Forfeits	--	186,482
	<hr/>	<hr/>
Total contributions	55,944,002	186,482
	<hr/>	<hr/>
Investment income:		
Net increase (decrease) in fair value of investments	5,284,816	--
Interest and dividends	5,128	42,484
Less: investment expense	(1,200)	--
	<hr/>	<hr/>
Net investment income	5,288,744	42,484
	<hr/>	<hr/>
Total additions	61,232,746	228,966
	<hr/>	<hr/>
DEDUCTIONS		
Benefits	17,642,313	--
Administrative expenses	24,998	--
Refunds of contributions	--	--
Public Safety	--	210,439
	<hr/>	<hr/>
Total deductions	17,667,311	210,439
	<hr/>	<hr/>
Change in net position	43,565,435	18,527
	<hr/>	<hr/>
Net position restricted for pension benefits or others:		
Beginning of year	60,767,615	1,151,938
	<hr/>	<hr/>
End of year	\$ 104,333,050	\$ 1,170,465
	<hr/>	<hr/>

(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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Charleston, West Virginia (the City), conform to generally accepted accounting principles 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.

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.

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 assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods 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.

American Rescue Plan Act Fund. This 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 Coliseum & Convention 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 accounts for assets held by the City of Charleston, West Virginia for others in a custodial capacity. 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.

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, 2023, 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.

2. Receivables and Payables

Inter-fund Transactions

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

Trade Receivables

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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Property Tax Receivable

The property tax receivable is equal to 75 percent of the property taxes outstanding at June 30, 2023.

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, 2023, 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	\$ -	12.43 cents	5.03 cents	12.43 cents
Class II	\$ 1,342,102,056	24.86 cents	10.06 cents	24.86 cents
Class IV	\$ 1,943,164,623	49.72 cents	20.12 cents	49.72 cents

The City of Charleston, West Virginia held an election on May 10, 2018. The City was authorized to lay an excess levy to provide approximately \$4,870,051 annually for four fiscal years beginning July 1, 2019 (Fiscal year end June 30, 2020) through July 1, 2022 (Fiscal year end June 30, 2023) for the purpose of subsidizing the payment of current governmental expenses.

3. Restricted Assets

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

4. Capital Assets and Depreciation

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

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

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

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

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

5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Vacation is accrued on a calendar monthly basis and earned as the employee provides services throughout the year. Employees are allowed accumulate 240 hours at any given time. Uniformed policemen are entitled to carryover 240 hours and firemen cannot carryover any vacation. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government.

6. Long-term Obligations

In the government-wide financial statements, and proprietary 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 \$1,889,244 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 \$15,174,644 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 \$26,431,156 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 \$6,253,026 fund balance at fiscal year-end.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance. The government has \$46,999,174 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 of covering a general fund shortfall or other purpose the municipality considers appropriate. The stabilization balance at fiscal year-end was \$16,237,484.

9. Newly Issued Accounting Standards

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

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

GASB has also issued Statement No. 99, *Omnibus 2022*, which the requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of the Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The adoption of GASB Statement No. 99 did not have a significant impact on the financial statements.

GASB has issued Statement No. 100, *Accounting Changes & Error Corrections -an Amendment of GASB Statement No. 62*, which is effective for fiscal years 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 included things like: certain changes in accounting principles, certain changes in estimates that result from a justified or preferable changes 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 to 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 statement, 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 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 funds, and American Rescue Plan Act 2021, 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 year-end.

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

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year:

GENERAL FUND

Amount	Description
\$ 2,662,364	General Government Expenditure Increase
1,036,768	Public Safety Expenditure Increase
645,079	Streets and Transportation Increase
469,300	Culture and Recreation Increase
1,225	Social Services Increase
2,825,601	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.

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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:

	<u>Net Change in Fund Balance</u>	<u>Fund Balance</u>
Budgetary Basis		
Basis of Accounting Difference	\$ (25,979,375)	\$ 69,453,565
GAAP Basis	31,772,677	(48,384,796)
	<u>\$ 5,793,302</u>	<u>\$ 21,068,769</u>

Intergovernmental revenues - state and public safety expenditures both decreased by \$3,441,386 per budget basis for the pension allocation from the State of West Virginia.

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

B. Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances are listed below for the General Fund, a major fund. There were no other major or non-major funds with encumbrances at June 30, 2023.

<u>Encumbrance Description</u>	<u>General Fund</u>
Contributions to Other Entities	\$ 313,336
General Government	95,076
Court Costs & Damages	832,975
Comprehensive Plan	818
Stormwater Project	2,538
Culture & Recreation	41,000
Police Department	27,656
Fire Department	3,568,887
	<u>\$ 4,882,286</u>

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III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash & Cash Equivalents and Investments

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

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

At year end, the government had the following investments:

		Credit Risk Rating	
		Standard & Poor's	Moody's Investment Services
Primary Government	Fair Value		
West Virginia Municipal Bond Commission, at amortized cost	\$ 419,459	Not Rated	Not Rated
WV Money Market Pool	38,341,469	AAAm	Not Rated
WV Short-term Bond Pool	24,443,548	Not Rated	Not Rated
	<u>63,204,476</u>		
Common Stock	306,414	Not Rated	Not Rated
Mutual Funds	1,573,123	Not Rated	Not Rated
Certificates of Deposit	190,492	Not Rated	Not Rated
Exchange Traded Products	84,163	Not Rated	Not Rated
Total Unrated Securities	<u>2,154,192</u>	Not Rated	Not Rated
Total Primary Government	<u>\$ 65,358,668</u>		

		Credit Risk Rating	
		Standard & Poor's	Moody's Investment Services
Pension & Relief Funds	Fair Value		
Policemen's Pension & Relief			
West Virginia Investment Management Board	\$ <u>35,564,608</u>	Not Rated	Not Rated
Firemen's Pension & Relief			
West Virginia Investment Management Board	<u>32,744,362</u>	Not Rated	Not Rated
Total Pension & Relief Funds	<u>\$ 68,308,970</u>		

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 \$38,341,469 and in the West Virginia Short Term Bond Pool of \$24,443,548.

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 \$35,564,608 for the Policemen's Pension and \$32,744,362 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, 2023, 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.

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As of June 30, 2023, the City's investments had the following maturities.

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Primary Government:					
West Virginia Municipal Bond Commission, at amortized cost	\$ 419,459	\$ 419,459	\$ -	\$ -	\$ -
West Virginia Money Market Pool	38,341,469	38,341,469			
West Virginia Short-term Bond Pool	24,443,548	24,443,548			
Common Stock	306,414	306,414	-	-	-
Mutual Funds	1,573,123	1,573,123			
Exchange Traded Products	84,163	84,163	-	-	-
Certificates of Deposit	190,492	190,492	-	-	-
	<u>\$ 65,358,668</u>	<u>\$ 65,358,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Policemen's Pension and Relief

	Fair Value	1 Year	1-5	6-10	10 Years
West Virginia Investment Management Board	<u>\$ 35,564,608</u>	<u>\$ 35,564,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Policemen's Pension and Relief	<u>\$ 35,564,608</u>	<u>\$ 35,564,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Firemen's Pension and Relief

Security Type	Fair Value	1 Year	1-5	6-10	10 Years
West Virginia Investment Management Board	<u>\$ 32,744,362</u>	<u>\$ 32,744,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Firemen's Pension and Relief	<u>\$ 32,744,362</u>	<u>\$ 32,744,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total Investments	 <u>\$ 68,308,970</u>	 <u>\$ 68,308,970</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.

Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. Spring Hill Cemetery had five mutual fund investments in Fidelity Mid Cap Index, Vanguard High Yield Dividend, Vanguard Growth Index Fund, Baird Aggregate Bond Fund, and PIMCO Investment Grad Corp bond Inst, that were eight percent, ten percent, ten percent, fourteen percent, and nine percent respectively, of the total portfolio at June 30, 2023.

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Custodial Credit Risk

The City of Charleston's deposits with financial institutions are fully insured or collateralized by securities held in the government's name at June 30, 2023.

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: Quote prices for identical investments in active markets.
- Level 2: Observable inputs other than Level 1 prices. These include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

At June 30, 2023 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	\$ 419,459	\$ 419,459	\$ -	\$ -
West Virginia Money Market Pool	38,341,469	38,341,469	-	-
West Virginia Short-term Bond Pool	24,443,548	24,443,548	-	-
Common Stock	306,414	306,414	-	-
Mutual Funds	1,573,123	1,573,123	-	-
Exchange Traded Products	84,163	84,163	-	-
Certificates of Deposit	190,492	-	190,492	-
Total	\$ 65,358,668	\$ 65,168,176	\$ 190,492	\$ -

		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	\$ 35,564,608	\$ 35,564,608	\$ -	\$ -
Total	\$ 35,564,608	\$ 35,564,608	\$ -	\$ -

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		Fair Value Measurements Using			
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Investments by fair value level - Fire Pension	Total	Level 1	Level 2	Level 3	
West Virginia Investment Management Board	\$ 32,744,362	\$ 32,744,362	\$ -	\$ -	
Total	\$ 32,744,362	\$ 32,744,362	\$ -	\$ -	

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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:

	General	Coal Severance	Community Development	HOME
Receivables:				
Accounts	\$ 2,738,431	\$ -	\$ -	\$ -
Accrued interest	-	-	-	-
Taxes	19,983,601	56,539	-	-
Loans	-	-	1,607,589	1,928,938
Grants	-	-	153,776	14,592
Lease	1,085,113	-	-	-
Gross receivables	23,807,145	56,539	1,761,365	1,943,530
Less: allowance for uncollectible	(352,162)	-	(401,897)	-
Net total receivables	\$ 23,454,983	\$ 56,539	\$ 1,359,468	\$ 1,943,530
	Civic Center	Parking System	Nonmajor Funds and Fiduciary Funds	Total
Receivables:				
Accounts	\$ 463,160	\$ 140,193	\$ 578,059	\$ 3,919,843
Accrued interest	-	-	3,549	3,549
Taxes	-	-	-	20,040,140
Loans	-	-	292,038	3,828,565
Grants	-	-	327,764	496,132
Lease	-	1,431,509	-	2,516,622
Gross receivables	463,160	1,571,702	1,201,410	30,804,851
Less: allowance for uncollectible	-	(35,048)	-	(789,107)
Net total receivables	\$ 463,160	\$ 1,536,654	\$ 1,201,410	\$ 30,015,744

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	Deferred Inflows	Unearned
Property Taxes	\$ 831,954	\$ -
Lease Receivable	1,055,766	-
Prepaid License Fees, Advance Office Rental, and Prepaid Cemetary Burial Fees (General Fund)	-	101,685
Grant drawdowns prior to meeting all eligibility requirements	-	27,482,381
Total	<u>\$ 1,887,720</u>	<u>\$ 27,584,066</u>

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Contributions Out	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 9,216,489	\$ -	\$ -	\$ -	9,216,489
Construction in progress	8,769,899	10,361,745	(5,490,365)	-	13,641,279
Total capital assets not being depreciated	<u>17,986,388</u>	<u>10,361,745</u>	<u>(5,490,365)</u>	<u>-</u>	<u>22,857,768</u>
Capital assets being depreciated:					
Buildings and improvements	54,247,212	235,344	(1,920,089)	-	52,562,467
Structures and improvements	30,877,739	2,196,475	(168,850)	-	32,905,364
Machinery and equipment	22,769,463	841,431	(969,685)	(201,218)	22,439,991
Vehicles	24,424,458	633,017	(657,693)	-	24,399,782
Furniture	340,010	-	(8,871)	-	331,139
Infrastructure	119,160,319	7,271,159	-	-	126,431,478
Total capital assets being depreciated	<u>251,819,201</u>	<u>11,177,426</u>	<u>(3,725,188)</u>	<u>(201,218)</u>	<u>259,070,221</u>
Less accumulated depreciation:					
Buildings and improvements	(31,196,685)	(1,204,766)	1,914,976	-	(30,486,475)
Structures and improvements	(17,297,136)	(870,581)	168,850	-	(17,998,867)
Machinery and equipment	(19,386,153)	(1,037,022)	969,684	-	(19,453,491)
Vehicles	(19,795,103)	(1,808,162)	608,519	-	(20,994,746)
Furniture	(340,010)	-	8,871	-	(331,139)
Infrastructure	(75,141,286)	(2,256,655)	-	-	(77,397,941)
Total accumulated depreciation	<u>(163,156,373)</u>	<u>(7,177,186)</u>	<u>3,670,900</u>	<u>-</u>	<u>(166,662,659)</u>
Total capital assets being depreciated, net	<u>88,662,828</u>	<u>4,000,240</u>	<u>(54,288)</u>	<u>(201,218)</u>	<u>92,407,562</u>
Governmental activities capital assets, net	<u>\$ 106,649,216</u>	<u>\$ 14,361,985</u>	<u>\$ (5,544,653)</u>	<u>\$ (201,218)</u>	<u>\$ 115,265,330</u>

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	Beginning Balance	Increases	Contributions In	Decreases	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 4,366,447	\$ -	\$ -	\$ -	\$ 4,366,447
Construction in progress	22,979	185,463	201,218	-	409,660
Total capital assets not being depreciated	4,389,426	185,463	201,218	-	4,776,107
Capital assets being depreciated:					
Buildings and improvements	151,289,628	74,247	-	(515,094)	150,848,781
Machinery and equipment	3,661,910	60,237	-	(888,865)	2,833,282
Vehicles	264,524	-	-	-	264,524
Total capital assets being depreciated	155,216,062	134,484	-	(1,403,959)	153,946,587
Less accumulated depreciation:					
Buildings and improvements	(52,114,848)	(4,913,937)	-	515,094	(56,513,691)
Machinery and equipment	(2,846,343)	(300,859)	-	888,865	(2,258,337)
Vehicles	(156,628)	(22,178)	-	-	(178,806)
Total accumulated depreciation	(55,117,819)	(5,236,974)	-	1,403,959	(58,950,834)
Total capital assets being depreciated, net	100,098,243	(5,102,490)	-	-	94,995,753
Business-type activities capital assets, net	\$ 104,487,669	\$ (4,917,027)	\$ 201,218	\$ -	\$ 99,771,860

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

Governmental Activities:

General Government	\$ 2,566,718
Public Safety	1,849,145
Highways and streets, including depreciation of general infrastructure assets	1,346,984
Health and Sanitation	413,457
Culture & Recreation	880,185
Social Services	120,697
Total depreciation expense - governmental activities	\$ <u>7,177,186</u>

Business-type activities:

Civic Center	\$ 4,763,984
Parking	472,990
Total depreciation expense - business type activities	\$ <u>5,236,974</u>

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Construction in Progress

The government has active construction projects as of June 30, 2023. The projects include equipment for the Turf Project for the Community Centers, the Jones Woodland Trail Project, Five Corners Traffic Study, Retaining Walls, Sidewalks, & Ramp projects, Slack Plaza renovation, Police & Fire Remodels, new ERP software, HVAC system, Celebration Station, Sugar Creek, the new Public Safety Center, and concrete street repairs. At year end, the amounts for governmental activities are as follows:

Project	Spent-to-Date	Funded
Turf Project	\$ 7,306,062	General Fund
Jones Woodland Trail Project	161,552	General Fund
Five Corners Traffic Study	136,626	General Fund
Retaining Wall Project	366,127	General Fund
2022 Sidewalk & Ramp Project	1,100,033	General Fund
Slack Plaza Renovation	3,093,778	General Fund
Chief's Office Renovation	362,027	General Fund
Software	120,272	General Fund
Parks & Recreation HVAC	331,450	General Fund
Celebration Station	397,596	General Fund
Sugar Creek	93,999	General Fund / MOECD
Public Safety Center	23,500	General Fund
Charleston Fire Office Remodel	21,250	General Fund
Concrete Street Repairs	127,007	General Fund
Civic Center Grab & Go, Curtain, and Concessions Projects	409,660	Civic Center Capital Improvements Fund
	<u>\$ 14,050,939</u>	

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D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Interfund receivables/payables:

Payable Fund	Purpose	Amount
Civic Center	Reimbursements Insurance/Fuel	\$ 226,185
Parking	Reimbursements Insurance/Fuel/Salaries	48,274
CDBG	Reimbursement Salary & Utilities	94,501
Home	Reimbursement Salary & Utilities	14,103
Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	2,857,623
General	Endowment, Loans, Reimbursments, Debt Service	3,258,540
General	Contributions to Pension Funds	36,736,846
Total		<u>\$ 43,236,072</u>

Interfund transfers:

	Transfers In				
	General Fund	Springhill Cemetery	Nonmajor Governmental	Civic Center	Total Transfers Out
Transfers out:					
General fund	\$ 22,969,847	\$ 14,850	\$ 14,186,215	\$ 788,372	\$ 37,959,284
Coal severance tax	-	-	-	236,236	236,236
American Rescue Plan	229,892	-	6,129,423	-	6,359,315
Nonmajor govern- mental funds	3,393,200	-	-	284,604	3,677,804
Parking	-	-	-	-	-
Civic Center	-	-	336,461	-	336,461
Governmental Activities	-	-	-	201,218	201,218
Total Transfers In	<u>\$ 26,592,939</u>	<u>\$ 14,850</u>	<u>\$ 20,652,099</u>	<u>\$ 1,510,430</u>	<u>\$ 48,770,318</u>

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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. Governmental Activities transferred a camera system to the Business-Type Activities that was funded by a Homeland Security grant.

E. Financed Purchases

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 as leases per GASB Statement No. 87, *Leases*, and therefore are classified as financed purchases.

On November 17, 2016, the City of Charleston issued \$4,310,000 of Taxable Lease Revenue Refunding and Improvement Bonds (The City of Charleston Stadium Project), Series 2016A. The proceeds of which are to be used to current to currently refund the Series 2004 Bonds, pay the costs of improvements to the facilities by upgrading and replacing the technology in the scoreboard and pay costs of issuance. 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	17,885,012	196,998
Less: accumulated depreciation	(23,680,249)	(196,998)
Total	\$ 15,643,414	\$ -

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The future minimum obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities
2024	\$ 1,319,252
2025	912,891
2026	186,505
2027	81,200
Total minimum payments	2,499,848
Less: amount representing interest	(67,617)
Present value of minimum payments	\$ 2,432,231

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. 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 was for a term of fifteen years that was set to commence 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. This lease was bought out by the tenant for a sum of \$90,042.

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 commence on January 1, 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 commence 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 two years that will commence on April 30, 2024. 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.

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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 commence on December 30, 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 1, 1973. The lease is for a term of 71 years that will commence on December 30, 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, 2023 was \$2,516,622. For the year ended June 30, 2023 the City recognized lease revenue of \$443,739 and lease interest revenue of \$88,862. The lease are summarized as follows:

<u>Lessee</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Governmental activities:			
Charles Ryan	\$ -	\$ 79,757	\$ 12,280
Yoga Power	304,865	82,428	11,061
Charleston Regatta	13,723	16,161	684
Charleston Professional Baseball Company, LLC	766,525	143,001	16,713
Total governmental activities	<u>\$ 1,085,113</u>	<u>\$ 321,347</u>	<u>\$ 40,738</u>

<u>Lessee</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Business-type activities:			
Cinema VII, Inc.	\$ 331,153	\$ 72,653	\$ 11,759
Shaner Hotel	1,100,356	49,739	36,185
Total activities	<u>\$ 1,431,509</u>	<u>\$ 122,392</u>	<u>\$ 47,944</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, 2023, 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, 2023:

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 \$4,780,000 and interest amount of \$2,245,851.

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 \$245,000 and interest in the amount of \$12,495 until bond maturity in 2023. During the fiscal year 2023 these pledged revenues were used to pay the principal amount of \$235,000 and interest amount of \$24,480 on these bonds which is 8.14% 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 \$570,000 and interest amount of \$25,300 until bond maturity in 2024. During the fiscal year 2023 these pledged revenues were used to pay the principal amount of \$265,000 and interest amount of \$30,910 on these bonds which is 9.29% 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 \$220,000 and interest of \$9,680 until bond maturity in 2024. During the fiscal year 2023 bond payments in the principal amount of \$110,000 and interest amount of \$12,100 were used to pay the debt service on these bonds.

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Revenue bond debt service requirements to maturity are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2023
Governmental activities:					
Civic Center Project Series 2015 (Unrefunded)	2036	4.00%	\$ 54,083,000	\$ (25,968,000)	28,115,000
Coliseum and Convention Center Project Series 2021A	2031	2.16%	8,270,000	(1,664,000)	6,606,000
Coliseum and Convention Center Project Series 2021B-1	2031	2.30%	3,379,000	(676,000)	2,703,000
Coliseum and Convention Center Project Series 2021B-2	2036	2.95%	31,605,000	(3,744,000)	27,861,000
Total governmental activities			\$ 97,337,000	\$ (25,968,000)	\$ 65,285,000
Business-type activities:					
Civic Center Improvement Series 1998	2023	4.60-5.10%	\$ 3,635,000	\$ (3,390,000)	\$ 245,000
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	(2,705,000)	570,000
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	(1,105,000)	220,000
Less: Bond discount			(1,061,733)	1,049,309	(12,424)
Total revenue bonds			\$ 7,173,267	\$ (6,150,691)	\$ 1,022,576

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	5,595,000	1,430,678	-	-
2029-2033	26,855,000	4,438,294	-	-
2034-2038	12,138,000	535,770	-	-
Totals	\$ 65,285,000	\$ 13,811,580	\$ 1,035,000	\$ 47,475

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Changes in Long-term Liabilities

Governmental Activities					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 70,065,000	\$ -	\$ (4,780,000)	\$ 65,285,000	\$ 4,933,000
Total bonds payable	70,065,000	-	(4,780,000)	65,285,000	4,933,000
Financed Purchases Payable	4,308,937	-	(1,876,706)	2,432,231	1,274,513
Total OPEB liability	266,473,126	-	(93,114,285)	173,358,841	-
Net OPEB liability (PELA)	-	602,558	-	602,558	-
Net pension liability - Police & Fire	342,843,281	-	(156,799,115)	186,044,166	-
Net pension liability (PERS)	-	1,533,473	-	1,533,473	-
Compensated absences	1,304,681	987,286	(905,631)	1,386,336	554,534
Claims and judgments	2,393,058	414,465	-	2,807,523	1,123,009
Governmental activities					
Long-term liabilities	\$ 687,388,083	\$ 3,537,782	\$ (257,475,737)	\$ 433,450,128	\$ 7,885,056

Business-type Activities					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$ 1,645,000	\$ -	\$ (610,000)	\$ 1,035,000	\$ 635,000
Less: deferred amounts:					
Bond discount	(23,353)	-	10,929	(12,424)	-
Total bonds payable	1,621,647	-	(599,071)	1,022,576	635,000
Total OPEB liability	4,274,576	-	(1,391,664)	2,882,912	-
Compensated absences	75,540	(68,021)	72,305	79,824	31,930
Business-type activities					
Long-term liabilities	\$ 5,971,763	\$ (68,021)	\$ (1,918,430)	\$ 3,985,312	\$ 666,930

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.

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H. Restricted Assets and Investments

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

	Governmental Activities	Business-type Activities
Customer deposits	\$ -	\$ 111,792
Cash - contractual agreement	112,782	-
Debt service	3,960,726	-
WV Board of Treasury money market pool - investment	38,341,469	-
WV Board of Treasury short term bond pool	24,443,548	
Endowment fund - investments	2,154,192	-
West Virginia Municipal Bond Commission	-	419,459
TIF District account	-	517,353
Revenue bond operations and maintenance account	-	4,090,611
Ticket & Promotions account	-	2,809,026
Total restricted assets and investments	\$ <u>69,012,717</u>	\$ <u>7,948,241</u>

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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	\$ 206,932	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 206,932
Perpetual Care Cemetery	--	--	--	--	--	1,682,312	1,682,312
Restricted:						--	
Police protection	--	--	--	--	--	2,173,535	2,173,535
Human Rights	--	--	--	--	--	15,602	15,602
Ball Park	--	--	--	--	--	125,052	125,052
Perpetual Care Cemetery	--	--	--	--	--	766,898	766,898
Debt service	337,898	56,556	--	--	--	5,405,154	5,799,608
Economic Development	--	--	--	--	1,240,335	420,368	1,660,703
Municipal Court	--	--	--	--	--	135,465	135,465
Public Arts	--	--	--	--	--	246,743	246,743
Landfill Closure	--	--	--	--	--	4,251,038	4,251,038
Committed:							
Highway beautification	--	--	--	--	--	110,819	110,819
Civic Center debt & pension reserve	6,551,602	--	--	--	--	--	6,551,602
Public Safety	27,656	--	--	--	--	--	27,656
Sanitation	--	--	--	--	--	751,049	751,049
Bridges, highways & infrastructure	--	--	--	--	--	2,866,338	2,866,338
Civic Center capital improvements	--	--	--	--	--	350,304	350,304
Municipal Auditorium capital improvements	--	--	--	--	--	277,172	277,172
City facilities capital improvements	--	--	--	--	--	6,072,532	6,072,532
Employee Insurance	7,508,609	--	--	--	--	--	7,508,609
Culture and Recreation	--	--	--	--	--	36,909	36,909
Community development	1,574,394	--	--	--	--	303,772	1,878,166
Assigned:							
General Government	125,686	--	--	--	--	--	125,686
Public Safety	4,248,167	--	--	--	--	--	4,248,167
Streets & Transportation	283,852	--	--	--	--	--	283,852
Health & Sanitation	1,553,927	--	--	--	--	--	1,553,927
Culture and Recreation	41,394	--	--	--	--	--	41,394
Unassigned	46,999,174	--	--	--	--	--	46,999,174
Total fund balances	\$ 69,459,291	\$ 56,556	\$ --	\$ --	\$ 1,240,335	\$ 25,991,062	\$ 96,747,244

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	\$ 1,730,831
Firemen's Pension and Relief Fund	1,710,555
Total	\$ <u>3,441,386</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, 2023. 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:

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	Year Ended 6/30/2023	Year Ended 6/30/2022
Unpaid claims, beginning of fiscal year	\$ 2,393,058	\$ 3,807,187
Incurred claims (including IBNRs)	1,145,092	1,565,277
Claims paid	(730,627)	(2,979,406)
Unpaid claims, end of fiscal year	\$ <u>2,807,523</u>	\$ <u>2,393,058</u>

The government is the owner and permit holder for the City of Charleston's landfill. In accordance with the provisions of an Operating Agreement between the government and contractor dated February 15, 1994, the government maintains a contingency fund for the closure/post closure costs for the landfill in the event of default by contractor.

B. Contingent Liabilities

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

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

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

C. Deferred Compensation Plan

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held for the exclusive benefit of the participants and their beneficiaries.

D. Joint Venture

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

E. Donor-Restricted Endowment

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c) (13) of the Internal Revenue Code of 1954. The unspent endowment earnings of \$1,682,312 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as nonspendable for perpetual care.

F. Unrestricted Net Position (Deficit)

Total unrestricted net position before OPEB liability, net pension liability, and related deferred outflows and inflows	\$ 15,906,341
Less: Total OPEB liability	(173,358,841)
Less: Net pension liability - Police and Fire	(186,044,166)
Less: Deferred inflows of resources - OPEB	(82,866,604)
Add: Deferred outflows of resources - OPEB	26,192,516
Less: Deferred inflows of resources - net pension liability - Police & Fire	(27,444,501)
Add: Deferred outflows of resources - net pension liability - Police & Fire	1,042,964
Total unrestricted deficit	<u>\$ (426,572,291)</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 System, 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, 2023 are as follow:

	City Plan	State Plan	Total
OPEB liability	\$ (176,241,753)	\$ (602,558)	\$ (176,844,311)
Deferred outflow of resources	26,727,056	6,056,604	32,783,660
Deferred inflow of resources	(84,557,760)	(3,022,220)	(87,579,980)
OPEB expense (offset)	(101,381,992)	121,004	(101,260,988)
Contributions	7,997,780	515,410	8,513,190

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 a report prepared by our consulting actuarial firm, Nyhart.

Under the substantive plan provisions all Medicare retirees are covered under a Medicare Advantage plan that is fully insured and experience rated. At January 1, 2023, 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.

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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, 2023, the monthly retiree contribution for non-tobacco users is as follows:

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

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

Active general employees hired before January 1, 2015, and police and fire employees hired before January 1, 2013, can roll over an unlimited number of unused sick leave annually, which upon retirement can be converted to free health care coverage at two days of unused sick leave for one month of single coverage or three days for one month family coverage. Active general employees hired on or after January 1, 2015, and police and fire employees hired on or after January 1, 2013, can convert up to six months of unused sick time for single coverage and up to four and a half months for family coverage.

The City's health plan is self-insured as of June 30, 2023, for all retiree participants (pre-Medicare and post-Medicare retirees). As of July 1, 2023, post-Medicare retirees will be covered under a fully funded plan and pre-Medicare retirees will be funded under the City's self-insured plan. Active participants are now covered under the PEIA insurance.

The monthly COBRA rates effective on July 1, 2023 are \$1,069.86 for medical and prescription drugs for single and \$2,460.67 for employee and spouse.

The number of participants as of June 30, 2023, the effective date of the OPEB GASB 74/75 interim actuarial valuation, was based upon the full valuation report from June 30, 2022, which was 548 active employees and 621 retired employees.

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

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

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, 2023 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

There have been no substantive plan provisions since the last full valuation report dated June 30, 2022. An eligibility cut-off date of July 1, 2020 has been implemented, and only employees hired by July 1, 2020 are eligible for retiree health care benefits. The measurement date of this evaluation is June 30, 2023, and any employees hired after July 1, 2020 will be excluded and will not generate a liability.

Per the Detailed Actuary's Notes from the Nyhart report, the following assumptions in the June 30, 2023 report have been updated:

Interim year valuation results have been projected from the prior year's valuation, with adjustments for actual premiums from fiscal year 2022/23 to fiscal year 2023/24. The City changed plan providers for the medical plans effective July 1, 2023 and also changed from self-funded to fully funded plan for the post-65 plan, resulting in significant decreases in the medical premiums. Making these changes resulted in a significant decrease in liabilities that was considered a change in benefit terms and recognized immediately under GASB standards. In addition, we adjusted for actual retiree contribution experience from fiscal year 2022/23 to fiscal year 2023-24, which resulted in a slight increase in liabilities and was amortized as an experience loss.

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 7.0% decreasing by 0.50% annually to an ultimate rate of 4.50% for pre-65 benefits and an initial rate of 6.25% 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, 2023

Discount Rate 4.09% as of June 30, 2022 and 4.13% as of June 30, 2023

Finally, we have updated the discount rate assumption based on the yield for the 20-year-tax-exempt general obligation municipal bonds as of June 30, 2023 (measurement date). The discount rate is 4.13% as of June 30, 2023 and 4.09% as of June 30, 2022.

Payroll Growth 3.0% general wage inflation per year plus the annual merit scale based on the West Virginia Public Employees' Retirement System actuarial valuation as of June 30, 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.

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

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

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

Health Care Trend Rates: FYE 2023 7.00% current, 7.00% prior; FYE 2024 7.0% current, 6.5 % prior; FYE 2025 6.50% current, 6.00% prior; FYE 2026 6.0%, 5.50% prior; FYE 2027 5.50% current; 5.00% prior FYE 2028 5% current, 4.5% prior, 2029+ 4.5% current and prior.

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Retiree Contributions Retiree contributions are assumed to increase 4% annually, except for 2023 where actual increase was \$0.

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

The components of net OPEB liability at June 30, 2023, were as follows:

	Governmental Activities	Business-type Activities
Total OPEB liability	\$ 173,358,841	\$ 2,882,912
Plan fiduciary net position	-	-
Plan net OPEB liability	<u>\$ 173,358,841</u>	<u>\$ 2,882,912</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
Discount Rate	4.13%	4.13%

In accordance with GASB No. 75, the discount rate is 4.09% as of June 30, 2022, and 4.13% as of June 30, 2023. Under GASB No. 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Sensitivity of the net OPEB liability to the Discount Rate Assumption

Other Post-Employment Benefits Liability:

1% Decrease 3.13%	Discount Rate Assumption 4.13%	1% Increase 5.13%
\$ 202,016,980	\$ 176,241,753	\$ 155,344,197

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

Other Post-Employment Benefits Liability:

1% Decrease	Current Trend Rates	1% Increase
\$ 151,717,013	\$ 176,241,753	\$ 207,009,981

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	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2022	\$ 270,747,702	\$ --	\$ 270,747,702
Changes for the year:			
Service cost	6,832,490	--	6,832,490
Interest	11,191,113	--	11,191,113
Changes of benefit terms	(104,642,120)	--	(104,642,120)
Differences between expected & actual experience	1,038,889	--	1,038,889
Changes of assumptions or other inputs	(928,541)	--	(928,541)
Contributions - employer	--	7,997,780	(7,997,780)
Contributions - employee	--	--	--
Net investment income	--	--	--
Benefit payments, including refunds of employee contributions	(7,997,780)	(7,997,780)	--
Administrative expense	--	--	--
Other changes	--	--	--
Net changes	(94,505,949)	--	(94,505,949)
Balances at June 30, 2023	\$ 176,241,753	\$ --	\$ 176,241,753

For the year ended June 30, 2023, the government recognized the following OPEB expense.

OPEB expense \$ 101,381,992

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	\$ 831,111	\$ (26,010,103)
Changes of assumptions	25,895,945	(58,547,657)
	<u>\$ 26,727,056</u>	<u>\$ (84,557,760)</u>

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

Year Ended June 30:	
2024	\$ (14,708,826)
2025	(12,916,558)
2026	(15,771,277)
2027	<u>(14,434,043)</u>
Total	\$ <u><u>(57,830,704)</u></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).

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 Annual Comprehensive Annual Financial Report. RHBT issues publicly available financial statements and required supplementary information for the OPEB plan. Details regarding this plan and a copy of the RHBT financial report may be obtained by contacting PEIA at 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, or by calling (888) 680-7342.

Benefits provided - The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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

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

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rates related to the measurement date of June 30, 2022, were:

	2022
Paygo premium	\$48

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

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

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

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

The City of Charleston's contributions to the OPEB plan for the year ended June 30, 2022, was \$515,410. The City switched to PEIA for all active employees on 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:

- Cost Method: Entry Age Normal
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method: Level percentage of payroll over a 20-year closed period
- Remaining amortization period: 20 years closed as of June 30, 2017.
- 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 2023, decreasing by 0.5% 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 capital costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032..
- Inflation rate: 2.25%.
- Mortality rates based on Pub-2010 General Below Median Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females.
- Expenses: Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.

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

The actuarial valuation as of June 30, 2021, reflects updates to the following assumptions which are reviewed at each measurement date: Projected capped subsidies, per capita claim costs, healthcare trend rates, coverage and continuance, percentage eligible for tobacco-free premium discount, a retired employee assistance program participation.

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of 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 liability 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 liability.

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the City of Charleston's proportionate share of the net OPEB liability as of June 30, 2022 calculated using the discount rate of 6.65%, as well as what the City of Charleston's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.65%) or one percentage point higher (7.65%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.65%	6.65%	7.65%
Net OPEB liability	\$ 1,548,805	\$ 602,558	\$ (209,214)

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability	\$ <u>(342,568)</u>	\$ <u>602,558</u>	\$ <u>1,720,890</u>

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

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

At June 30, 2022, the City of Charleston's proportionate share of the net OPEB liability was \$(602,558). Of this amount, the City of Charleston recognized \$(602,558) 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, 2022 measurement date, the City of Charleston's proportion was 0.541387982%, a decrease of 0.091914798, from its proportion of 0.633302780% calculated as of June 30, 2021.

For the year ended June 30, 2023, the City of Charleston recognized OPEB expense of \$121,004. Of this amount, \$121,004 was recognized as the City of Charleston's proportionate share of OPEB expense.

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At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

<u>June 30, 2023</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual non-investment experience	\$ -	\$ 768,682
Changes in assumptions	386,423	1,530,996
Reallocation of Opt-Out Employer Change in proportionate share	-	3,863
Changes in proportion and difference between employer contributions and proportionate share of contributions	5,061,241	718,679
Net difference between projected and actual investment earnings.	93,530	-
Contributions after the measurement date	515,410	-
Total	\$ <u>6,056,604</u>	\$ <u>3,022,220</u>

The City of Charleston will recognize the \$515,410 of contributions made after the measurement date of the net OPEB liability but before the end of the City's reporting period as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amortization</u>
2024	\$ 1,022,656
2025	1,043,244
2026	186,064
2027	<u>267,010</u>
Total	\$ <u>2,518,974</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, 2023.

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 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 all 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, 2023 are as follows:

	City Plan	State Plan - PERS	State Plan - MPFRS	Total
Pension asset	\$ -	\$ -	\$ 2,851,700	\$ 2,851,700
Pension liability	(186,044,166)	(1,533,473)	-	(187,577,639)
Deferred outflow of resources	1,042,964	4,109,142	343,648	5,495,754
Deferred inflow of resources	(27,444,501)	(129,544)	(108,751)	(27,682,796)
Pension expense (offset)	(106,932,615)	519,288	177,212	(106,236,115)
Contributions	54,993,890	1,586,515	1,029,116	57,609,521

V: A.1. Single Employer Plan

Plan Descriptions, Contribution Information, Funding Policies, and Net Pension Liability

The City of Charleston, West Virginia participates in two single employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for full-time police employees hired prior to June 1, 2011. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2022, 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, 2023.

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, 2022, 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, 2023

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 161-162. The Pension funds do not have separate financial statements.

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The State contracts an actuary to perform actuarial valuations annually per West Virginia State Code §8-22-20. For additional information relating to the 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, 2022, memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	77	71	148
Vested Terminated Benefits	3	3	6
Former Members Due Refunds	-	1	1
Retirees and Beneficiaries Currently			-
Receiving Benefits	224	250	474
Total	<u>304</u>	<u>325</u>	<u>629</u>

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

As of August 21, 2023, the City of Charleston switched from the Conservative funding policy to the Optional funding policy as described in WV Code §8-22-20.

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

The City opted to switch to the Optional Funding method effective July 1, 2023, and the plan will remain closed to new hires.

The actuarially determined employer contribution is equal to the net employer normal cost, plus a level dollar amortization of the unfunded actuarial liability, less the state premium tax allocation applicable to the plan year, not less than \$0. The closed amortization period for the contributions developed for the fiscal year ending June 30, 2024, is normally 26.5 years for sponsors who previously used the Conservation funding policy. The City expressed interest in fully funding the plan by the 2046 rather than the year that the initial unfunded liability upon switching is set to be fully amortized by the year 2050, therefore the estimated pension contributions are based upon a closed amortization of 23 years.

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

Contributions are made to the plan on an actuarially determined basis. The City has elected to contribute the minimum employer contribution under the Option Funding Policy. Participating employees hired before January 1, 2010 will contribute 8.00% of compensation, and participating employees hired after January 1, 2010 will contribute 9.5% of compensation.

Employer contributions for the Policemen's Pension and Relief Fund are expected to decrease from a high of \$5,870,046 for the plan year ending June 30, 2024, to a low of \$11,022 for the plan year ending June 30, 2063. This is due to a large contribution made in fiscal year 2023 of \$25,085,173. Employer contributions for the Firemen's Pension and Relief Fund are expected to decrease from a high of \$6,793,547 for the plan year ending June 30, 2024, to a low of \$6,554 for the plan year ending June 30, 2063. This is due to a large contribution made in fiscal year 2023 of \$26,456,793. For the Policemen's Pension Fund the funded ratio is projected to increase from 38.63% in 2023 to 77.85% in 2046, and ultimately to 100% in 2050. For the Firemen's Pension Fund the funded ratio is projected to increase from 34.62% in 2023 to 76.54% in 2046, and ultimately to 100% in 2050. This policy is 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 non-employer contributing entities for benefits provided through the pension plan (the net pension liability).

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

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Actuarial Methods and Assumptions

	<u>PPRF</u>	<u>FPRF</u>
Determination of contribution requirement	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10.	
Plan Members	8% of covered payroll before January 1, 2010 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, 2023	
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method/Period	40-Year Closed Level-Percentage-of-Pay, 26.5 years remaining as of July 1, 2022 for both plans.	
	The sponsor finances benefits using the Optional Funding Policy as defined by state statute for both plans.	

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Actuarial Asset Valuation Method	Fair Value	Fair Value
Investment Rate of Return	7.00%	7.00%
Projected Salary Increases	Service Based Increase (both PPRF & FPRF)	
	<u>Years of Service</u>	<u>Increase</u>
	0	20.00%
	1	9.00%
	2	6.50%
	3	6.00%
	4-28	5.00%
	29-33	4.00%
	34+	3.50%
Post-Retirement COLA	2.5 % on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years for both plans.	
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.

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 fair 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, 2023, was 8.4% for the Policemen's Pension and Relief Fund. For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 8.4% for the Firemen's Pension and Relief Fund. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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The components of net pension liability for the Policemen's and Firemen's Pension and Relief Fund at June 30, 2023, were as follows:

	<u>PPRF</u>	<u>FPRF</u>
Total pension liability	\$ 141,529,478	\$ 148,847,738
Plan fiduciary net position	<u>(53,982,839)</u>	<u>(50,350,211)</u>
Plan net pension liability	<u>\$ 87,546,639</u>	<u>\$ 98,497,527</u>
Plan fiduciary net position as a percentage of total pension liability	38.14%	33.83%
Discount Rate	7.00%	7.00%

In accordance with GASB No. 67 & GASB No. 68 a single discount rate of 7.00% for the Policemen's Pension and 7.00% for the Firemen's Pension was used to measure the total pension liability as of June 30, 2023. These single discount rates were based on the expected rate of return on pension plan investments of 7.00% for the Policemen's Pension and 7.00% for the Firemen's Pension, and the municipal bond rate of 3.86%. 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 7.00% for the Policemen's Pension and 7.00% for the Firemen's Pension was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate changed from 5.25% for the Policemen's Pension & Relief Fund and 4.75% for the Firemen's Pension & Relief Fund to 7.00% for both plans. This was due to both plans investing with the West Virginia Investment Management Board, which was assumed to occur prior to the change in funding policy. Therefore, the entire unfunded liability for both plans in the valuation provided by Bolton is amortized over a single initial unfunded base.

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 \$146,162,516 and \$155,702,878, respectively.

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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
6.00%	7.00%	8.00%
\$ 104,530,979	\$ 87,546,639	\$ 73,489,998

Firemen's Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ 116,021,617	\$ 98,497,527	\$ 83,941,588

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at June 30, 2022	\$ 191,977,166	\$ 32,382,516	\$ 159,594,650
Changes for the year:			
Service cost	2,645,039	--	2,645,039
Interest	8,098,334	--	8,098,334
Changes of benefit terms	--	--	--
Differences between expected & actual experience	1,859,508	--	1,859,508
Changes of assumptions or other inputs	(54,889,003)	--	(54,889,003)
Contributions - employer	--	26,532,359	(26,532,359)
Contributions - employee	--	519,919	(519,919)
Net investment income	--	2,711,982	(2,711,982)
Benefit payments, including refunds of employee contributions	(8,161,566)	(8,161,566)	--
Administrative expense	--	(15,403)	15,403
Other changes	--	13,032	(13,032)
Net changes	(50,447,688)	21,600,323	(72,048,011)
Balances at June 30, 2023	\$ 141,529,478	\$ 53,982,839	\$ 87,546,639

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

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary Net	Pension
	Liability (a)	Position (b)	Liability (a-b)
Balances at June 30, 2022			
Changes for the year:	\$ 211,725,988	\$ 28,477,357	\$ 183,248,631
Service cost	3,057,425	--	3,057,425
Interest	8,548,506	--	8,548,506
Changes of benefit terms	--	--	--
Differences between expected & actual experience	(3,571,334)	--	(3,571,334)
Changes of assumptions or other inputs	(61,432,100)	--	(61,432,100)
Contributions - employer	--	28,461,531	(28,461,531)
Contributions - employee	--	414,928	(414,928)
Net investment income	--	2,484,504	(2,484,504)
Benefit payments, including refunds of employee contributions	(9,480,747)	(9,480,747)	--
Administrative expense	--	(9,595)	9,595
Other changes	--	2,233	(2,233)
Net changes	(62,878,250)	21,872,854	(84,751,104)
Balances at June 30, 2023	\$ 148,847,738	\$ 50,350,211	\$ 98,497,527

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

For the year ended June 30, 2023, the government recognized the following pension expenses.

	<u>PPRF</u>	<u>FPRF</u>
Pension expense	<u><u>\$(33,621,610)</u></u>	<u><u>\$(73,311,005)</u></u>

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

Policemen's Pension and Relief Fund

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 929,754	\$ - -
Changes of assumptions	- -	27,444,501
Net difference between projected and actual earnings on pension plan investments	<u>- -</u>	<u>329,585</u>
	<u><u>\$ 929,754</u></u>	<u><u>\$ 27,774,086</u></u>

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

**Year Ended
June 30:**

2024	\$ (26,824,490)
2025	(468,133)
2026	551,508
2027	<u>(103,217)</u>
Total	<u><u>\$ (26,844,332)</u></u>

Firemen's Pension and Relief Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Difference between expected and actual experience	\$ - -	\$ - -
Changes of assumptions	- -	- -
Net difference between projected and actual earnings pension plan investments	<hr/> 442,795	<hr/> - -
	\$ <u>442,795</u>	\$ <u>- -</u>

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

**Year Ended
June 30:**

2023	\$ (31,467)
2024	(172,160)
2025	780,695
2026	<hr/> (134,273)
Total	\$ <u>442,795</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.

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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:	9%
Period required to vest:	Five Years
Benefits and eligibility for distribution:	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion:	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

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

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, and rolled forward to June 30, 2022, 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, 2023, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2022:

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	<u>PERS</u>
Amount for proportionate share of net pension liability	\$ 1,533,473
Percentage for proportionate share of net pension liability	1.029736%
Increase/(decrease) % from prior proportion measured	-0.005160%

For the year ended June 30, 2023, the government recognized the following pension expense.

	<u>PERS</u>
Government-wide pension expense	<u>\$ 519,288</u>

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

Public Employees Retirement System (PERS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ 924,672	\$ --
Difference between expected and actual experience	588,288	--
Changes in assumptions	1,009,296	--
Changes in proportion and differences between government contributions and proportionate share of contributions	371	129,544
Government contributions subsequent to the measurement date	<u>1,586,515</u>	<u>--</u>
	\$ <u>4,109,142</u>	\$ <u>129,544</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:

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Fiscal Year Ended		
June 30,		Amortization
2024	\$	962,119
2025		44,669
2026		(1,046,659)
2027		<u>2,432,954</u>
Total	\$	<u><u>2,393,083</u></u>

V.C.1 Plan Descriptions, Contribution Information and Funding Policies

Municipal Police Officers and Firefighters Retirement System (MPFRS)

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

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

Municipal Police and Firefighters Retirement System (MPFRS)

Eligibility to participate:	All full-time police and firefighters employed by the City after June 1, 2011
Authority establishing contribution	
Obligations and benefit provisions:	State Statute
Plan member's contribution rate:	8.5%
City's contribution rate:	8.5%
Period required to vest:	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.
Benefits and eligibility for distribution:	<p>A member who has attained age 50 when age and contributory service equal 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 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</p> <p>2.0 % x FAS x Years of Service for years 21-25</p> <p>1.0% x FAS x Years of Service for years 26-30</p>
Provisions for:	
Cost of Living	Yes
Death Benefits	Yes

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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, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021, and rolled forward to June 30, 2022, 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, 2023, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2022:

	MPFRS - Police	MPFRS - Fire
Amount for proportionate share of net pension asset	\$ 1,504,546	\$ 1,347,154
Percentage for proportionate share of net pension asset	15.396482%	13.785859%
Increase/(decrease) % from prior proportion measured actual earnings on pension plan investments	-1.597322%	-0.819114%

For the year ended June 30, 2023, the government recognized the following pension expense.

	MPFRS - Police	MPFRS - Fire
Government-wide pension expense	\$ 118,829	\$ 58,383

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

Municipal Police Officers and Firefighters Retirement System - Police

	Deferred Outflows of Resources	Deferred Inflows of Resource
Net difference between projected and actual earnings on pension plan investments	\$ 142,572	\$ - -
Difference between expected and actual experience	108,236	29,714
Changes in assumptions	155,658	2,157
Changes in proportion and differences between government contributions and proportionate share of contributions	330,219	- -
Government contributions subsequent to the measurement	<u>468,580</u>	<u>- -</u>
	\$ <u>1,205,265</u>	\$ <u>40,185</u>

Municipal Police Officers and Firefighters Retirement System - Fire

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 127,657	\$ - -
Difference between expected and actual experience	96,915	26,607
Changes in assumptions	139,375	1,930
Changes in proportion and differences between government contributions and proportionate share of contributions	213,900	40,029
Government contributions subsequent to the measurement date	<u>515,921</u>	<u>- -</u>
	\$ <u>1,093,768</u>	\$ <u>68,566</u>

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The amount reported as deferred outflows of resources resulting from government contributions subsequent to the measurement date but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year		
Ended	Police	Fire
June 30, 2024	\$ 151,558	\$ 88,306
June 30, 2025	137,838	82,490
June 30, 2026	85,389	45,103
June 30, 2027	194,839	170,678
June 30, 2028	65,214	67,952
June 30, 2029	48,922	46,696
June 30, 2030	<u>12,740</u>	<u>8,056</u>
Total	<u>\$ 696,500</u>	<u>\$ 509,281</u>

V.D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2021, and rolled forward to June 30, 2022 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	3.60% - 6.75%
Investment Rate of Return	7.25%

Mortality Rates:

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

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

Retired healthy females – 122% of Pub-2010 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

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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.

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	5.3%	27.5%	1.46%
International Equity	6.1%	27.5%	1.68%
Fixed Income	2.2%	15.0%	0.33%
Real Estate	6.5%	10.0%	0.65%
Private Equity	9.5%	10.0%	0.95%
Hedge Funds	3.8%	10.0%	0.38%
Total		100.00%	5.45%
Inflation (CPI)			1.80%
			7.25%

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Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.25 percent for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability (asset) of each plan.

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

		1% Decrease 6.25%		Current Discount Rate 7.25%		1% Increase 8.25%
Government's proportionate share of PERS's net pension liability	\$	10,850,555	\$	1,533,473	\$	(6,440,607)
Government's proportionate share of MPFRS Police net pension (asset)	\$	(780,294)	\$	(1,504,545)	\$	(2,050,811)
Government's proportionate share of MPFRS Fire net pension (asset)	\$	(698,667)	\$	(1,347,155)	\$	(1,836,276)

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, 2023

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

Policemen's Pension and Relief Fund (PPRF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 2,645,039	\$ 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	8,098,334	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	1,859,508	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	(54,889,003)	(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	(8,161,566)	(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	(50,447,688)	(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	191,977,166	219,422,813	227,356,857	209,117,290	179,287,576	180,888,957	194,602,316	166,581,061	156,881,744	146,460,696
Total pension liability-ending (a)	\$ 141,529,478	\$ 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	\$ 26,532,359	\$ 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	519,919	469,508	483,946	473,005	510,010	525,513	574,939	556,799	592,173	648,924
Net investment income	2,711,982	(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	(8,161,566)	(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	(15,403)	(16,855)	(11,654)	(12,086)	(7,349)	(11,765)	(10,119)	(13,087)	(12,349)	(22,264)
Other	13,032	--	--	--	(4,334)	196	--	--	--	--
Net change in plan fiduciary net position	21,600,323	(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	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	13,439,815
Plan fiduciary net position-ending (b)	\$ 53,982,839	\$ 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)	\$ 87,546,639	\$ 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	38.14%	16.87%	15.23%	11.44%	11.77%	12.50%	11.08%	8.80%	9.66%	9.72%
Covered payroll	5,818,635	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	1504.59%	2791.40%	3288.46%	3129.14%	2707.13%	2305.03%	2339.19%	2466.91%	1917.16%	1715.32%

Notes to PPRF'S Schedule:

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2023

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

Firemen's Pension and Relief Fund (FPRF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 3,057,425	\$ 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	8,548,506	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	(3,571,334)	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	(61,432,100)	(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	(9,480,747)	(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	(62,878,250)	(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	211,725,988	244,257,175	238,241,616	218,420,916	191,791,397	190,446,627	201,522,698	171,851,672	162,974,249	152,369,897
Total pension liability-ending (a)	<u>\$ 148,847,738</u>	<u>\$ 211,725,988</u>	<u>\$ 244,257,175</u>	<u>\$ 238,241,616</u>	<u>\$ 218,420,916</u>	<u>\$ 191,791,397</u>	<u>\$ 190,446,627</u>	<u>\$ 201,522,698</u>	<u>\$ 171,851,672</u>	<u>\$ 162,974,250</u>
Plan fiduciary net position										
Contributions-employer	\$ 28,461,531	\$ 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	414,928	473,067	530,627	603,480	509,721	525,870	574,505	580,188	592,996	603,333
Net investment income	2,484,504	(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	(9,480,747)	(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	(9,595)	(7,572)	(9,949)	(5,817)	(301)	(6,890)	(7,603)	(9,741)	(5,864)	(8,132)
Other	2,233	--	--	--	(5,400)	203	--	--	--	--
Net change in plan fiduciary net position	21,872,854	(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	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	11,271,569
Plan fiduciary net position-ending (b)	<u>\$ 50,350,211</u>	<u>\$ 28,477,357</u>	<u>\$ 30,623,784</u>	<u>\$ 23,647,016</u>	<u>\$ 22,233,766</u>	<u>\$ 20,062,367</u>	<u>\$ 17,716,222</u>	<u>\$ 14,985,517</u>	<u>\$ 13,888,494</u>	<u>\$ 12,976,853</u>
Net pension liability - ending (a) - (b)	<u>\$ 98,497,527</u>	<u>\$ 183,248,631</u>	<u>\$ 213,633,391</u>	<u>\$ 214,594,600</u>	<u>\$ 196,187,150</u>	<u>\$ 171,729,030</u>	<u>\$ 172,730,405</u>	<u>\$ 186,537,181</u>	<u>\$ 157,963,178</u>	<u>\$ 149,997,397</u>
Plan fiduciary net position as a percentage of the total pension liability	33.83%	13.45%	12.54%	9.93%	10.18%	10.46%	9.30%	7.44%	8.08%	7.96%
Covered payroll	\$ 5,503,556	\$ 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	1789.71%	2956.85%	3420.26%	3490.74%	3056.00%	2553.21%	2453.99%	2564.73%	2144.81%	1905.24%

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2023

II. SCHEDULES OF INVESTMENT RETURNS

Policemen's Pension and Relief Fund (PPRF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.40%	-6.60%	24.42%	1.80%	6.33%	8.08%	11.14%	4.75%	6.50%	10.65%

Firemen's Pension and Relief Fund (FPRF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.40%	-7.70%	24.24%	1.82%	6.26%	8.07%	11.25%	5.15%	5.04%	11.17%

III. SCHEDULES OF CONTRIBUTIONS MULTIYEAR

Policemen's Pension and Relief Fund (PPRF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 10,517,065	\$ 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)	24,801,528	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)	1,730,831	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)	\$ (16,015,294)	\$ 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)	5,818,635	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	456%	145%	148%	124%	110%	108%	109%	95%	83%	78%

Firemen's Pension and Relief Fund (FPRF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 12,533,550	\$ 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)	26,750,976	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)	1,710,555	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)	\$ (15,927,981)	\$ 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)	5,503,556	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	517%	155%	148%	137%	125%	117%	109%	95%	89%	86%

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>6/30/2023</u>	Firemen's Pension & Relief Fund <u>6/30/2023</u>
Valuation Date	6/30/2023	6/30/2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage-of-Pay	Level Percentage-of-Pay
Amortization Period	40 Years Closed (Level Percentage)	40 Years Closed (Level Percentage)
Actuarial Asset Valuation Method	Fair Value	Fair Value
Actuarial Assumptions:		
Investment Rate of Return	7.00%	7.00%
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:	On August 21, 2023, Charleston City Council voted to switch from the Conservation Funding Policy to the Optional Funding Policy. The valuation was based upon this change.	

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

Other Post Employment Benefits (OPEB)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 6,832,490	\$ 13,773,081	\$ 12,762,083	\$ 12,250,898	\$ 11,717,752	\$ 11,106,811
Interest	11,191,113	7,743,161	9,227,829	11,051,420	11,973,708	10,565,286
Changes of benefit terms	(104,642,120)	--	--	--	--	--
Changes in assumptions	(928,541)	(86,707,236)	26,560,939	28,897,982	17,896,868	(7,643,289)
Differences between expected and actual experience	1,038,889	(29,430)	(34,584,375)	(11,769,659)	(28,650,473)	7,315,402
Benefits payments	(7,997,780)	(7,614,380)	(9,006,369)	(8,749,770)	(7,284,299)	(8,067,334)
Net change in total OPEB liability	(94,505,949)	(72,834,804)	4,960,107	31,680,871	5,653,556	13,276,876
Total OPEB liability-beginning (restated for Fiscal Year 2017)	270,747,702	343,582,506	338,622,399	306,941,528	301,287,972	288,011,096
Total OPEB liability-ending (a)	<u>\$ 176,241,753</u>	<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	\$ 7,997,780	\$ 7,614,380	\$ 9,006,369	\$ 8,749,770	\$ 7,284,299	\$ 8,067,334
Contributions-active employees	--	--	--	--	--	--
Net investment income	--	--	--	--	--	--
Benefit payments	(7,997,780)	(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>	<u>\$ --</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 176,241,753</u>	<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%	0.00%
Covered-employee payroll	\$ 31,480,732	\$ 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	559.84%	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. The measurement date of this evaluation is June 30, 2023, and therefore all employees included in this valuation are eligible for retiree health care benefits.

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 interim valuation uses a discount rate of 4.13% as of June 30, 2023. 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 six years are presented due to the availability of the information in the application of the reporting requirements prospectively.

II. SCHEDULES OF INVESTMENT RETURNS

Other Post Employment Benefits (OPEB)

	2018	2017	2016	2015	2018
Annual money-weighted rate of return, net of investment expense	8.08%	11.14%	4.75%	6.50%	10.65%

III. SCHEDULES OF CONTRIBUTIONS MULTIYEAR

Other Post Employment Benefits (OPEB)

	2018	2017	2016	2015	2018
Actuarially determined contribution (a)	\$ 10,273,775	\$ 10,113,252	\$ 9,998,469	\$ 8,371,076	\$ 8,290,897
Employer contribution (b)	5,642,434	5,799,404	5,226,466	4,977,472	4,919,728
State contribution (c)	1,698,684	1,698,684	1,632,410	1,552,544	1,528,827
Contribution deficiency (excess)	\$ 2,932,657	\$ 2,615,164	\$ 3,139,593	\$ 1,841,060	\$ 1,842,342
Covered payroll (f)	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	108%	109%	95%	83%	78%

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>6/30/2023</u>
Valuation Date	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay
Amortization Method	30 Years Closed (Level Percentage)
Amortization Period	Fair Value
Actuarial Asset Valuation Method	
Actuarial Assumptions:	
Discount Rate	4.09% as of June 30, 2022 and 4.13% as of June 30, 2023
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 TOTAL OTHER POST-EMPLOYMENT LIABILITY
For the Fiscal Year Ended June 30, 2023

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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>
Government's proportion of the net OPEB liability (asset) (percentage)	0.541387982%	0.633302780%	0.006301472%	0.005911812%	0.00596038%
Government's proportionate share of the net OPEB liability (asset)	\$ 602,558	\$ (188,311)	\$ 27,833	\$ 98,085	\$ 127,876
Government's covered payroll	\$ 12,099,805	\$ 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 payroll	4.98%	-1.81%	25.79%	86.18%	104.62%
Plan fiduciary net position as a percentage of the total other post-employment liability	93.59%	101.81%	73.49%	39.69%	30.98%

* - The amounts presented for each fiscal year were determined as of June 30, 2022.
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
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2023

West Virginia Retiree Health Benefit Trust Fund
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 515,410	\$ 636,540	\$ 1,154,880	\$ 12,180	\$ 12,180	\$ 12,180
Contributions in relation to the contractually required contribution	<u>(515,410)</u>	<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>	<u> ** </u>
Government's covered payroll	\$ 14,625,376	\$ 12,099,805	\$ 10,406,997	\$ 107,908	\$ 113,816	\$ 122,226
Contributions as a percentage of covered payroll.	3.52%	5.26%	11.10%	11.29%	10.70%	9.97%

**Only six 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, 2023

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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>2022</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-2021 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-2021	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 2023, decreasing by 0.50% for two years 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 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
<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 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024 decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2023

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	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
<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, 2023

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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>
Government's proportion of the net pension liability/asset (percentage)	1.029736%	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)	\$ 1,533,473	\$ (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	\$ 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
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	8.99%	-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	98.17%	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, 2022.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2023

Public Employees Retirement System
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,586,515	\$ 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
Contributions in relation to the contractually required contribution	<u>(1,586,515)</u>	<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>
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	\$ 17,776,958	\$ 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
Contributions as a percentage of covered payroll.	8.92%	9.84%	9.94%	9.91%	9.47%	10.47%	11.15%	13.60%	13.75%	13.97%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (PERS)
YEAR ENDED JUNE 30, 2023

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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, 2022 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2022</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; Beneficiary males-112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with Scale MP-2018; Beneficiary females-115% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with Scale MP-2018	2.28-45.63%	2.5-35.88%	0.005-0.540%
<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%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (PERS)
YEAR ENDED JUNE 30, 2023

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	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<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%
<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, 2023

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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>
Government's proportion of the net pension liability/asset (percentage)	15.396482%	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	\$ (1,504,546)	\$ (1,854,704)	\$ (1,073,890)	\$ (968,262)	\$ (899,107)	\$ (735,550)	\$ (369,892)	\$ (244,721)	\$ (145,331)	\$ (50,819)
Government's covered payroll	\$ 4,854,809	\$ 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	-30.99%	-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	156.08%	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, 2022.

	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>
Government's proportion of the net pension liability/asset (percentage)	13.785859%	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	\$ (1,347,154)	\$ (1,593,987)	\$ (1,047,724)	\$ (721,869)	\$ (591,577)	\$ (478,801)	\$ (223,751)	\$ (127,601)	\$ (113,941)	\$ (15,210)
Government's covered payroll	\$ 4,333,657	\$ 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	-31.09%	-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	156.08%	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, 2022.

**CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2023**

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

Police Officers Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 487,163	\$ 407,533	\$ 362,999	\$ 295,323	\$ 302,026	\$ 264,399	\$ 222,403	\$ 168,547	\$ 105,816	\$ 59,623
Contributions in relation to the contractually required contribution	<u>(487,163)</u>	<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>
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	\$ 5,145,607	\$ 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
Plan fiduciary net position as a percentage of the total pension liability	9.47%	8.39%	8.46%	8.44%	11.89%	12.78%	10.75%	11.75%	11.03%	15.20%

Firefighters Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 541,953	\$ 364,813	\$ 311,973	\$ 288,424	\$ 225,168	\$ 173,967	\$ 144,771	\$ 102,014	\$ 55,174	\$ 46,744
Contributions in relation to the contractually required contribution	<u>(541,953)</u>	<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>
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	\$ 5,625,713	\$ 4,333,657	\$ 3,671,189	\$ 3,393,434	\$ 1,671,389	\$ 1,346,713	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590
Plan fiduciary net position as a percentage of the total pension liability	9.63%	8.42%	8.50%	8.50%	13.47%	12.92%	10.75%	11.76%	11.03%	15.20%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (MPFRS)
YEAR ENDED JUNE 30, 2023

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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, 2022 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2022</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>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%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (MPFRS)
YEAR ENDED JUNE 30, 2023

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	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2018</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree 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>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.

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

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	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS					
Assets:					
Current:					
Cash and cash equivalents	\$ 4,403,581	\$ 9,968,368	\$ 25,436	\$ 284,869	\$ 14,682,254
Investments	4,126,498	--	--	2,154,192	6,280,690
Receivables:					
Accounts	578,009	--	50	--	578,059
Grants	327,764	--	--	--	327,764
Loans	292,038	--	--	--	292,038
Accrued interest	--	--	--	3,549	3,549
Due from:					
Other funds	119,461	208,064	1,756,840	6,600	2,090,965
Component units	12,540	--	--	--	12,540
Restricted cash	112,782	--	3,622,828	--	3,735,610
Total assets	9,972,673	10,176,432	5,405,154	2,449,210	28,003,469
Deferred Outflows:					
	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 9,972,673	\$ 10,176,432	\$ 5,405,154	\$ 2,449,210	\$ 28,003,469
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 521,208	\$ 220,527	\$ --	\$ --	\$ 741,735
Payroll payable	6,717	--	--	--	6,717
Due to:					
Component unit	1,503	--	--	--	1,503
Other funds	1,096,303	4,480	--	--	1,100,783
Grant advances	161,669	--	--	--	161,669
Total liabilities	1,787,400	225,007	--	--	2,012,407
Deferred Inflows:					
	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--
Total liabilities and deferred inflows of resources	1,787,400	225,007	--	--	2,012,407
Fund balances:					
Reserved for:					
Nonspendable	--	--	--	1,682,312	1,682,312
Restricted	7,242,751	125,052	5,405,154	766,898	13,539,855
Committed	942,522	9,826,373	--	--	10,768,895
Total fund balances	8,185,273	9,951,425	5,405,154	2,449,210	25,991,062
Total liabilities, deferred inflows and fund balances	\$ 9,972,673	\$ 10,176,432	\$ 5,405,154	\$ 2,449,210	\$ 28,003,469

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, 2023

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	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental:					
Federal	\$ 1,295,724	\$ --	\$ --	\$ --	\$ 1,295,724
State	134,323	--	--	--	134,323
Local	79,056	--	--	--	79,056
Charges for services	4,160,331	42,947	--	--	4,203,278
Fines and forfeits	562,201	--	--	--	562,201
Interest earnings	734,412	317,109	114,738	185,484	1,351,743
Contributions and donations	136,003	153,212	--	348	289,563
Miscellaneous	42,206	5,112	--	3,740	51,058
	<u>7,144,256</u>	<u>518,380</u>	<u>114,738</u>	<u>189,572</u>	<u>7,966,946</u>
Total revenues					
EXPENDITURES					
Current:					
General government	210,081	--	--	--	210,081
Public safety	1,852,160	--	--	--	1,852,160
Streets and transportation	26,855	--	--	--	26,855
Health and sanitation	1,054,542	--	--	--	1,054,542
Culture and recreation	153,809	--	--	--	153,809
Social services	--	--	--	426,933	426,933
Capital projects	--	13,856,039	--	--	13,856,039
Economic development	396,672	--	--	--	396,672
Debt service:					
Principal	--	--	4,780,000	--	4,780,000
Interest	--	--	2,245,851	--	2,245,851
	<u>3,694,119</u>	<u>13,856,039</u>	<u>7,025,851</u>	<u>426,933</u>	<u>25,002,942</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	3,450,137	(13,337,659)	(6,911,113)	(237,361)	(17,035,996)
OTHER FINANCING SOURCES (USES)					
Transfers in	55,000	13,570,885	7,026,214	14,850	20,666,949
Transfers (out)	(3,393,200)	(284,604)	--	--	(3,677,804)
	<u>(3,338,200)</u>	<u>13,286,281</u>	<u>7,026,214</u>	<u>14,850</u>	<u>16,989,145</u>
Total other financing sources (uses)					
Net change in fund balance	111,937	(51,378)	115,101	(222,511)	(46,851)
Fund balances - beginning	8,073,336	10,002,803	5,290,053	2,671,721	26,037,913
Fund balances - ending	<u>\$ 8,185,273</u>	<u>\$ 9,951,425</u>	<u>\$ 5,405,154</u>	<u>\$ 2,449,210</u>	<u>\$ 25,991,062</u>

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS

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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.

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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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.

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

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

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.

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.

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

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.

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

Metro Drug Enforcement Task Force Fund This fund 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.

CARE Office Fund This fund accounts for revenues and expenditures related to the Quick Response Team, Peer Support, Mental Health Coordinator, and other mental health services.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

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	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
ASSETS AND DEFERRED OUTFLOWS									
Assets:									
Current:									
Cash and cash equivalents	\$ 760,725	\$ --	\$ 77	\$ 274,385	\$ 176,794	\$ 110,819	\$ 278,205	\$ 115,864	\$ 389,984
Investments	--	--	--	--	--	--	--	--	--
Receivables:									
Accounts	11,200	--	--	--	--	--	32,293	--	--
Grants	--	--	--	177,514	--	--	--	--	56,572
Loans	--	--	--	--	--	--	--	--	--
Due from:									
Other funds	--	--	--	107,883	--	--	--	--	7,223
Component units	--	--	--	--	--	--	--	--	--
Restricted cash	--	--	--	--	--	--	--	--	--
Total assets	<u>771,925</u>	<u>--</u>	<u>77</u>	<u>559,782</u>	<u>176,794</u>	<u>110,819</u>	<u>310,498</u>	<u>115,864</u>	<u>453,779</u>
Deferred Outflows:									
Grants	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 771,925</u>	<u>\$ --</u>	<u>\$ 77</u>	<u>\$ 559,782</u>	<u>\$ 176,794</u>	<u>\$ 110,819</u>	<u>\$ 310,498</u>	<u>\$ 115,864</u>	<u>\$ 453,779</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 61,040	\$ --	\$ --	\$ 106,464	\$ --	\$ --	\$ 121,958	\$ 56,131	\$ 15,551
Payroll payable	--	--	--	--	--	--	--	--	--
Other accrued expenses	--	--	--	--	--	--	--	--	--
Due to:									
Component unit	--	--	--	--	--	--	--	--	--
Other funds	--	--	--	453,318	--	--	53,075	--	401,002
Grant advances	--	--	77	--	161,192	--	--	--	400
Total liabilities	<u>61,040</u>	<u>--</u>	<u>77</u>	<u>559,782</u>	<u>161,192</u>	<u>--</u>	<u>175,033</u>	<u>56,131</u>	<u>416,953</u>
Deferred Inflows:									
Taxes	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>61,040</u>	<u>--</u>	<u>77</u>	<u>559,782</u>	<u>161,192</u>	<u>--</u>	<u>175,033</u>	<u>56,131</u>	<u>416,953</u>
Fund balances:									
Nonspendable	--	--	--	--	--	--	--	--	--
Restricted	710,885	--	--	--	15,602	--	135,465	59,733	36,826
Committed	--	--	--	--	--	110,819	--	--	--
Total fund balances	<u>710,885</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,602</u>	<u>110,819</u>	<u>135,465</u>	<u>59,733</u>	<u>36,826</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 771,925</u>	<u>\$ --</u>	<u>\$ 77</u>	<u>\$ 559,782</u>	<u>\$ 176,794</u>	<u>\$ 110,819</u>	<u>\$ 310,498</u>	<u>\$ 115,864</u>	<u>\$ 453,779</u>

	Public Arts Grant	Solid Waste	Special Demolition	U.S.Small Business Administration	Project West Invest	HOME ARP	Historic Preservation	Business Improvement District
ASSETS AND DEFERRED OUTFLOWS								
Assets:								
Current:								
Cash and cash equivalents	\$ 246,743	\$ 409,144	\$ 24,200	\$ 10,177	\$ 588	\$ 4	\$ --	\$ 6,209
Investments	--	4,126,498	--	--	--	--	--	--
Receivables:								
Accounts	--	422,220	--	--	--	--	--	19,995
Grants	--	--	--	--	--	--	4,355	--
Loans	--	--	--	--	177,915	--	--	--
Due from:								
Other funds	--	--	--	--	--	--	4,355	--
Component units	--	12,540	--	--	--	--	--	--
Restricted cash	--	112,782	--	--	--	--	--	--
Total assets	<u>246,743</u>	<u>5,083,184</u>	<u>24,200</u>	<u>10,177</u>	<u>178,503</u>	<u>4</u>	<u>8,710</u>	<u>26,204</u>
Deferred Outflows:								
Grants	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	<u>\$ 246,743</u>	<u>\$ 5,083,184</u>	<u>\$ 24,200</u>	<u>\$ 10,177</u>	<u>\$ 178,503</u>	<u>\$ 4</u>	<u>\$ 8,710</u>	<u>\$ 26,204</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ --	\$ 79,594	\$ --	\$ --	\$ --	\$ --	\$ 4,355	\$ --
Payroll payable	--	--	--	--	--	--	--	--
Other accrued expenses	--	--	--	--	--	--	--	--
Due to:								
Component unit	--	1,503	--	--	--	--	--	--
Other funds	--	--	--	--	--	--	4,355	8,548
Grant advances	--	--	--	--	--	--	--	--
Total liabilities	<u>--</u>	<u>81,097</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,710</u>	<u>8,548</u>
Deferred Inflows:								
Taxes	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	<u>--</u>	<u>81,097</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,710</u>	<u>8,548</u>
Fund balances:								
Nonspendable	--	--	--	--	--	--	--	--
Restricted	246,743	4,251,038	--	10,177	178,503	4	--	--
Committed	--	751,049	24,200	--	--	--	--	17,656
Total fund balances	<u>246,743</u>	<u>5,002,087</u>	<u>24,200</u>	<u>10,177</u>	<u>178,503</u>	<u>4</u>	<u>--</u>	<u>17,656</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 246,743</u>	<u>\$ 5,083,184</u>	<u>\$ 24,200</u>	<u>\$ 10,177</u>	<u>\$ 178,503</u>	<u>\$ 4</u>	<u>\$ 8,710</u>	<u>\$ 26,204</u>

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

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	t	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	CARE Office	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS										
Assets:										
Current:										
Cash and cash equivalents	\$	45,754	\$ --	\$ 147,792	\$ 70,103	\$ 1,313	\$ 691,106	\$ 619,887	\$ 23,708	\$ 4,403,581
Investments		--	--	--	--	--	--	--	--	4,126,498
Receivables:										
Accounts		--	--	26,931	--	--	65,370	--	--	578,009
Grants		--	--	--	--	--	--	--	89,323	327,764
Loans		--	114,123	--	--	--	--	--	--	292,038
Due from:										--
Other funds		--	--	--	--	--	--	--	--	119,461
Component units		--	--	--	--	--	--	--	--	12,540
Restricted cash		--	--	--	--	--	--	--	--	112,782
Total assets		<u>45,754</u>	<u>114,123</u>	<u>174,723</u>	<u>70,103</u>	<u>1,313</u>	<u>756,476</u>	<u>619,887</u>	<u>113,031</u>	<u>9,972,673</u>
Deferred Outflows:										
Grants		--	--	--	--	--	--	--	--	--
Total deferred outflows of resources		<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	\$	<u>45,754</u>	\$ <u>114,123</u>	\$ <u>174,723</u>	\$ <u>70,103</u>	\$ <u>1,313</u>	\$ <u>756,476</u>	\$ <u>619,887</u>	\$ <u>113,031</u>	\$ <u>9,972,673</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	10,158	\$ --	\$ 57,427	\$ --	\$ --	\$ 8,530	\$ --	\$ --	\$ 521,208
Payroll payable		--	--	--	--	--	--	--	6,717	6,717
Other accrued expenses		--	--	--	--	--	--	--	--	--
Due to:										
Component unit		--	--	--	--	--	--	--	--	1,503
Other funds		--	--	--	68,214	--	1,742	--	106,049	1,096,303
Grant advances		--	--	--	--	--	--	--	--	161,669
Total liabilities		<u>10,158</u>	<u>--</u>	<u>57,427</u>	<u>68,214</u>	<u>--</u>	<u>10,272</u>	<u>--</u>	<u>112,766</u>	<u>1,787,400</u>
Deferred Inflows:										
Taxes		--	--	--	--	--	--	--	--	--
Total deferred inflows of resources		<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources		<u>10,158</u>	<u>--</u>	<u>57,427</u>	<u>68,214</u>	<u>--</u>	<u>10,272</u>	<u>--</u>	<u>112,766</u>	<u>1,787,400</u>
Fund balances:										
Nonspendable		--	--	--	--	--	--	--	--	--
Restricted		--	114,123	117,296	--	--	746,204	619,887	265	7,242,751
Committed		<u>35,596</u>	<u>--</u>	<u>--</u>	<u>1,889</u>	<u>1,313</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>942,522</u>
Total fund balances		<u>35,596</u>	<u>114,123</u>	<u>117,296</u>	<u>1,889</u>	<u>1,313</u>	<u>746,204</u>	<u>619,887</u>	<u>265</u>	<u>8,185,273</u>
Total liabilities, deferred inflows and fund balances	\$	<u>45,754</u>	\$ <u>114,123</u>	\$ <u>174,723</u>	\$ <u>70,103</u>	\$ <u>1,313</u>	\$ <u>756,476</u>	\$ <u>619,887</u>	\$ <u>113,031</u>	\$ <u>9,972,673</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, 2023

147

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Homeland Security Assistance	Homeland Security Grant	Human Rights	Municipal Beautification	Municipal Court
REVENUES							
Intergovernmental:							
Federal	\$ 47,002	\$ 199,136	\$ --	\$ 451,894	\$ --	\$ --	\$ --
State	47,222	--	--	--	--	--	--
Local	--	--	--	--	--	--	--
Charges for services	--	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	429,676
Interest and investment earnings	30,272	--	--	--	--	4,678	--
Contributions and donations	--	--	--	--	--	--	--
Miscellaneous	1,307	--	--	--	--	--	--
	<u>125,803</u>	<u>199,136</u>	<u>--</u>	<u>451,894</u>	<u>--</u>	<u>4,678</u>	<u>429,676</u>
Total revenues							
EXPENDITURES							
Current:							
General government	--	--	--	--	--	--	210,081
Public safety	192,323	199,136	--	451,894	--	--	--
Streets and transportation	--	--	--	--	--	26,855	--
Health and sanitation	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	--	--
	<u>192,323</u>	<u>199,136</u>	<u>--</u>	<u>451,894</u>	<u>--</u>	<u>26,855</u>	<u>210,081</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	(66,520)	--	--	--	--	(22,177)	219,595
OTHER FINANCING SOURCES (USES)							
Transfers in	--	--	--	--	--	--	--
Transfers (out)	--	--	--	--	--	--	(218,200)
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(218,200)</u>
Total other financing sources (uses)							
Net change in fund balance	(66,520)	--	--	--	--	(22,177)	1,395
Fund balances - beginning	777,405	--	--	--	15,602	132,996	134,070
Fund balances - ending	<u>\$ 710,885</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,602</u>	<u>\$ 110,819</u>	<u>\$ 135,465</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, 2023

148

	Police & Fire Donation	Police Grants	Public Arts Grant	Solid Waste	Special Demolition	U.S.Small Business Administration	Project West Invest
REVENUES							
Intergovernmental:							
Federal	\$ --	\$ 429,403	\$ --	\$ --	\$ --	\$ --	\$ --
State	--	13,646	--	--	--	--	--
Local	--	29,056	--	--	--	--	--
Charges for services	--	--	--	4,061,844	--	--	--
Fines and forfeits	--	--	--	--	--	--	--
Interest and investment earnings	4,400	--	--	630,428	899	--	22
Contributions and donations	7,900	--	10,000	--	--	--	--
Miscellaneous	--	--	--	--	6,552	--	--
Total revenues	12,300	472,105	10,000	4,692,272	7,451	--	22
EXPENDITURES							
Current:							
General government	--	--	--	--	--	--	--
Public safety	71,658	472,105	--	--	--	--	--
Streets and transportation	--	--	--	--	--	--	--
Health and sanitation	--	--	--	1,054,542	--	--	--
Culture and recreation	--	--	10,110	--	--	--	--
Economic development	--	--	--	--	--	--	35,000
Total expenditures	71,658	472,105	10,110	1,054,542	--	--	35,000
Excess (deficiency) of revenues over expenditures	(59,358)	--	(110)	3,637,730	7,451	--	(34,978)
OTHER FINANCING SOURCES (USES)							
Transfers in	--	--	30,000	--	--	--	--
Transfers (out)	--	--	--	(3,175,000)	--	--	--
Total other financing sources (uses)	--	--	30,000	(3,175,000)	--	--	--
Net change in fund balance	(59,358)	--	29,890	462,730	7,451	--	(34,978)
Fund balances - beginning	119,091	36,826	216,853	4,539,357	16,749	10,177	213,481
Fund balances - ending	\$ 59,733	\$ 36,826	\$ 246,743	\$ 5,002,087	\$ 24,200	\$ 10,177	\$ 178,503

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, 2023

149

	HOME ARP	Historic Preservation	Business Improvement District	Live on the Levee	Home Ownership Zone Property	Charleston Land Reuse Agency	Planning Grants
REVENUES							
Intergovernmental:							
Federal	\$ 30,013	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State	--	4,355	--	--	--	--	69,100
Local	--	--	--	--	--	--	--
Charges for services	--	--	98,487	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	--
Interest and investment earnings	4	--	1,032	848	--	6,959	2,189
Contributions and donations	--	--	--	117,603	--	500	--
Miscellaneous	--	--	--	--	--	34,347	--
Total revenues	30,017	4,355	99,519	118,451	--	41,806	71,289
EXPENDITURES							
Current:							
General government	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Streets and transportation	--	--	--	--	--	--	--
Health and sanitation	--	--	--	--	--	--	--
Culture and recreation	--	4,355	--	139,344	--	--	--
Economic development	30,013	--	122,575	--	17,140	122,544	69,400
Total expenditures	30,013	4,355	122,575	139,344	17,140	122,544	69,400
Excess (deficiency) of revenues over expenditures	4	--	(23,056)	(20,893)	(17,140)	(80,738)	1,889
OTHER FINANCING SOURCES (USES)							
Transfers in	--	--	--	25,000	--	--	--
Transfers (out)	--	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	25,000	--	--	--
Net change in fund balance	4	--	(23,056)	4,107	(17,140)	(80,738)	1,889
Fund balances - beginning	--	--	40,712	31,489	131,263	198,034	--
Fund balances - ending	\$ 4	\$ --	\$ 17,656	\$ 35,596	\$ 114,123	\$ 117,296	\$ 1,889

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, 2023

150

	LGBT+ Working Group	Metro Drug Enforcement Task Force	Police Asset & Liability	CARE Office	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental:					
Federal	\$ --	\$ 48,953	\$ --	\$ 89,323	\$ 1,295,724
State	--	--	--	--	134,323
Local	--	50,000	--	--	79,056
Charges for services	--	--	--	--	4,160,331
Fines and forfeits	--	132,525	--	--	562,201
Interest and investment earnings	49	28,267	24,100	265	734,412
Contributions and donations	--	--	--	--	136,003
Miscellaneous	--	--	--	--	42,206
Total revenues	49	259,745	24,100	89,588	7,144,256
EXPENDITURES					
Current:					
General government	--	--	--	--	210,081
Public safety	--	353,444	22,277	89,323	1,852,160
Streets and transportation	--	--	--	--	26,855
Health and sanitation	--	--	--	--	1,054,542
Culture and recreation	--	--	--	--	153,809
Economic development	--	--	--	--	396,672
Total expenditures	--	353,444	22,277	89,323	3,694,119
Excess (deficiency) of revenues over expenditures	49	(93,699)	1,823	265	3,450,137
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	--	--	55,000
Transfers (out)	--	--	--	--	(3,393,200)
Total other financing sources (uses)	--	--	--	--	(3,338,200)
Net change in fund balance	49	(93,699)	1,823	265	111,937
Fund balances - beginning	1,264	839,903	618,064	--	8,073,336
Fund balances - ending	\$ 1,313	\$ 746,204	\$ 619,887	\$ 265	\$ 8,185,273

CITY OF CHARLESTON, WEST VIRGINIA CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

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

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

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

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

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

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

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.

Public Safety Center Fund This City Council established fund is to account for capital improvements for a public safety center.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2023

152

	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	Public Safety Center	Total Nonmajor Capital Projects Funds
ASSETS AND DEFERRED OUTFLOWS											
Assets:											
Current:											
Cash and cash equivalents	\$ 125,052	\$ 1,572,112	\$ 146,720	\$ 2,678,884	\$ 3,485,391	\$ 159,931	\$ 277,172	\$ 260,027	\$ 260,005	\$ 1,003,074	\$ 9,968,368
Due from:											
Other funds	--	--	208,064	--	--	--	--	--	--	--	208,064
Total assets	<u>125,052</u>	<u>1,572,112</u>	<u>354,784</u>	<u>2,678,884</u>	<u>3,485,391</u>	<u>159,931</u>	<u>277,172</u>	<u>260,027</u>	<u>260,005</u>	<u>1,003,074</u>	<u>10,176,432</u>
Deferred Outflows:											
	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 125,052</u>	<u>\$ 1,572,112</u>	<u>\$ 354,784</u>	<u>\$ 2,678,884</u>	<u>\$ 3,485,391</u>	<u>\$ 159,931</u>	<u>\$ 277,172</u>	<u>\$ 260,027</u>	<u>\$ 260,005</u>	<u>\$ 1,003,074</u>	<u>\$ 10,176,432</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ --	\$ 128,784	\$ --	\$ 15,283	\$ 76,460	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 220,527
Due to:											
Other funds	--	--	4,480	--	--	--	--	--	--	--	4,480
Total liabilities	<u>--</u>	<u>128,784</u>	<u>4,480</u>	<u>15,283</u>	<u>76,460</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>225,007</u>
Deferred Inflows:											
	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>--</u>	<u>128,784</u>	<u>4,480</u>	<u>15,283</u>	<u>76,460</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>225,007</u>
FUND BALANCES											
Reserved for:											
Restricted	125,052	--	--	--	--	--	--	--	--	--	125,052
Committed	--	1,443,328	350,304	2,663,601	3,408,931	159,931	277,172	260,027	260,005	1,003,074	9,826,373
Total fund balances	<u>125,052</u>	<u>1,443,328</u>	<u>350,304</u>	<u>2,663,601</u>	<u>3,408,931</u>	<u>159,931</u>	<u>277,172</u>	<u>260,027</u>	<u>260,005</u>	<u>1,003,074</u>	<u>9,951,425</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 125,052</u>	<u>\$ 1,572,112</u>	<u>\$ 354,784</u>	<u>\$ 2,678,884</u>	<u>\$ 3,485,391</u>	<u>\$ 159,931</u>	<u>\$ 277,172</u>	<u>\$ 260,027</u>	<u>\$ 260,005</u>	<u>\$ 1,003,074</u>	<u>\$ 10,176,432</u>

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, 2023

153

	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	Public Safety Center	Total Nonmajor Capital Projects Funds
REVENUES											
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 42,947	\$ --	\$ --	\$ --	\$ 42,947
Interest and investment earnings	3,837	44,633	8,300	84,953	137,046	5,991	9,719	9,779	9,777	3,074	317,109
Contributions and donations	--	--	--	7,212	146,000	--	--	--	--	--	153,212
Miscellaneous	--	5,112	--	--	--	--	--	--	--	--	5,112
Total revenues	3,837	49,745	8,300	92,165	283,046	5,991	52,666	9,779	9,777	3,074	518,380
EXPENDITURES											
Current:											
Capital projects	--	4,419,361	--	558,965	8,854,213	--	--	--	--	23,500	13,856,039
Total expenditures	--	4,419,361	--	558,965	8,854,213	--	--	--	--	23,500	13,856,039
Excess (deficiency) of revenues over expenditures	3,837	(4,369,616)	8,300	(466,800)	(8,571,167)	5,991	52,666	9,779	9,777	(20,426)	(13,337,659)
OTHER FINANCING SOURCES (USES)											
Transfers in	25,000	3,000,000	336,461	1,170,000	8,015,924	--	--	--	--	1,023,500	13,570,885
Transfers (out)	--	--	(247,284)	--	--	--	(37,320)	--	--	--	(284,604)
Total other financing sources (uses)	25,000	3,000,000	89,177	1,170,000	8,015,924	--	(37,320)	--	--	1,023,500	13,286,281
Net change in fund balance	28,837	(1,369,616)	97,477	703,200	(555,243)	5,991	15,346	9,779	9,777	1,003,074	(51,378)
Fund balances - beginning	96,215	2,812,944	252,827	1,960,401	3,964,174	153,940	261,826	250,248	250,228	--	10,002,803
Fund balances - ending	\$ 125,052	\$ 1,443,328	\$ 350,304	\$ 2,663,601	\$ 3,408,931	\$ 159,931	\$ 277,172	\$ 260,027	\$ 260,005	\$ 1,003,074	\$ 9,951,425

CITY OF CHARLESTON, WEST VIRGINIA

DEBT SERVICE FUND

154

Nonmajor Fund

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR DEBT SERVICE FUNDS
June 30, 2023

155

	Civic Center Project Debt Service Fund
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Current:	
Cash and cash equivalents	\$ 25,436
Receivables:	
Accounts	50
Due from:	
Other funds	1,756,840
Restricted cash	<u>3,622,828</u>
Total assets	<u>5,405,154</u>
Deferred Outflows:	
	<u>--</u>
Total deferred outflows of resources	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 5,405,154</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>5,405,154</u>
Total fund balances	<u>5,405,154</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,405,154</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, 2023

156

	Civic Center Project Debt Service Fund
	<u> </u>
REVENUES	
Interest and investment earnings	\$ <u>114,738</u>
 Total revenues	 <u>114,738</u>
 EXPENDITURES	
Debt service:	
Principal	4,780,000
Interest	<u>2,245,851</u>
 Total expenditures	 <u>7,025,851</u>
 Excess (deficiency) of revenues over expenditures	 (6,911,113)
 OTHER FINANCING SOURCES (USES)	
Transfers in	<u>7,026,214</u>
 Total other financing sources (uses)	 <u>7,026,214</u>
 Net change in fund balance	 115,101
 Fund balances - beginning	 <u>5,290,053</u>
 Fund balances - ending	 <u><u>\$ 5,405,154</u></u>

CITY OF CHARLESTON, WEST VIRGINIA PERMANENT FUND

Nonmajor Fund

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
June 30, 2023

158

	<u>Spring Hill Cemetery</u>
ASSETS AND DEFERRED OUTFLOWS	
Assets:	
Current:	
Cash and cash equivalents	\$ 284,869
Investments	2,154,192
Receivables:	
Accrued interest	3,549
Due from:	
Other funds	<u>6,600</u>
Total assets	<u>2,449,210</u>
Deferred Outflows:	
	<u>--</u>
Total deferred outflows of resources	<u>--</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,449,210</u></u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ --
Due to:	
Other funds	<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	1,682,312
Restricted	<u>766,898</u>
Total fund balances	<u>2,449,210</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 2,449,210</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, 2023

159

	<u>Spring Hill Cemetery</u>
REVENUES	
Interest and investment earnings	\$ 185,484
Contributions & Donations	348
Miscellaneous	<u>3,740</u>
Total revenues	<u>189,572</u>
EXPENDITURES	
Current:	
Social services	<u>426,933</u>
Total expenditures	<u>426,933</u>
Excess (deficiency) of revenues over expenditures	(237,361)
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>14,850</u>
Total other financing sources (uses)	<u>14,850</u>
Net change in fund balance	(222,511)
Fund balances - beginning	<u>2,671,721</u>
Fund balances - ending	<u><u>\$ 2,449,210</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 Optional 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 Optional 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, 2023

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	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ASSETS			
Non-pooled cash	\$ 49,286	\$ 36,381	\$ 85,667
Total cash	49,286	36,381	85,667
Investments, at fair value			
WV Investment Management Board	35,564,608	32,744,362	68,308,970
Total investments	35,564,608	32,744,362	68,308,970
Receivables			
Accounts receivable	784	--	784
Due from other funds	18,368,423	18,368,423	36,736,846
Total receivables	18,369,207	18,368,423	36,737,630
Total assets	53,983,101	51,149,166	105,132,267
DEFERRED OUTFLOWS			
Total deferred outflows of resources	--	--	--
LIABILITIES			
Accounts payable	262	38	300
Benefits payable	--	798,917	798,917
Total liabilities	262	798,955	799,217
DEFERRED INFLOWS			
Total deferred inflows of resources	--	--	--
NET POSITION			
Net position held in trust for pension benefits	\$ 53,982,839	\$ 50,350,211	\$ 104,333,050

(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, 2023

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	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ADDITIONS			
Contributions:			
Employer	\$ 3,940,000	\$ 4,585,000	\$ 8,525,000
Plan members	532,951	417,161	950,112
Insurance premium surtax	1,730,831	1,710,555	3,441,386
Additional contributions	20,861,528	22,165,976	43,027,504
Total contributions	27,065,310	28,878,692	55,944,002
Investment income:			
Net increase in fair value of investments	2,759,125	2,525,691	5,284,816
Interest and dividends	1,934	3,194	5,128
Less: investment expense	(600)	(600)	(1,200)
Net investment income	2,760,459	2,528,285	5,288,744
Total additions	29,825,769	31,406,977	61,232,746
DEDUCTIONS			
Benefits	8,161,566	9,480,747	17,642,313
Administrative expenses	15,403	9,595	24,998
Total deductions	8,176,969	9,490,342	17,667,311
Change in net position	21,648,800	21,916,635	43,565,435
Net position held in trust for pension benefits:			
Beginning of year	32,334,039	28,433,576	60,767,615
End of year	\$ 53,982,839	\$ 50,350,211	\$ 104,333,050

(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, 2023

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AWARDING AGENCY:	GRANT NAME	GRANT IDENTIFICATION	PERIOD OF AWARD	TOTAL AWARD	FUNDS RECEIVED	EXPENDITURES	RECEIVABLE (REFUNDABLE) 6/30/2023	UNEXPENDED BALANCE
WV Department of Health & Human Resources	State Opioid Response Program	G220527	9/30/21-9/29/22	\$ 200,000	\$ 25,818	\$ 25,818	\$ -	\$ 174,182
WV Department of Health & Human Resources	State Opioid Response Program	G230767	9/30/22-9/29/23	200,000	64,401	64,401	-	135,599
Total State Awards				\$ 400,000	\$ 90,219	\$ 90,219	\$ -	\$ 309,781

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, 2023, 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 11, 2024, 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.

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.

The Virginia Center
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The Rivers Office Park
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Suite 220
Parkersburg, WV 26101

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

The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701

MAIN (304) 525-0301
FAX (304) 522-1569

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 2023-001 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 11, 2024

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, 2023. 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, 2023. 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, 2023.

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.

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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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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



Charleston, West Virginia
January 11, 2024

**CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<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 HEALTH AND HUMAN RESOURCES					
Direct programs:					
<u>Program Title</u>					
Community Funded Projects	93.493	N/A	\$ -	\$ 89,588	
Total U.S. Department of Health & Human Resources			<u>-</u>	<u>89,588</u>	
U.S. DEPARTMENT OF HOMELAND SECURITY					
Pass-through Programs From:					
West Virginia Department of Military Affairs and Public Safety					
<u>Program Title</u>					
Homeland Security - RRT	97.067	19-SHS-07	-	31,519	
Homeland Security - K-9	97.067	19-LE-08	-	2,946	
Homeland Security - IRE	97.067	20-LE-15	-	13,199	
Homeland Security - RRT 20	97.067	20-SHS-35	-	2,183	
Homeland Security - C4 Camera Expansion	97.067	20-SHS-35	-	203,633	
Homeland Security - CID Equipment	97.067	21-LE-39	-	25,646	
Homeland Security - Cyber Security	97.067	21-SHS-08	-	24,598	
Homeland Security - Radio Towers	97.067	21-SHS-35	-	2,528	
Homeland Security - Field Force Equipment	97.067	22-LE-36	-	87,557	
Homeland Security - Dive Team	97.067	22-LE-34	-	774	
Total U.S. Department of Homeland Security			<u>-</u>	<u>394,583</u>	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct programs:					
<u>Program Title</u>					
CDBG-Entitlement Grants Cluster:					
Community Development Block Grants/					
Entitlement Grants	14.218	N/A	266,720	3,899,279	1,609,063
Subrecipients of 14.218					
Bob Burdette			8,800		
Covenant House			8,000		
Daymark, Inc			19,000		
Girl Scouts			15,600		
KVC			5,000		
Manna Meal			48,500		
Midian Leadership Project			15,000		
RCCR Smith Street Station			23,000		
Rea of Hope, Inc.			9,000		
WV Health Right			45,000		
WV Women Work			6,830		
YWCA RFAP			10,000		
YWCA Sojourners			10,500		
Capitol Market			9,600		
CKHA			32,890		
Total Subrecipients of 14.218			<u>266,720</u>		
Community Development Block Grants-CV (CARES ACT ALLOCATION - JULY 2020					
Entitlement Grants	14.218	N/A	724	166,649	
Subrecipients of 14.218 - CDBG-CV					
CARE			724		
Total Subrecipients of 14.218 - CDBG-CV			<u>724</u>		
HOME Investment Partnerships Program	14.239	N/A	-	2,273,560	1,928,938
COVID-19: HOME Investment Partnerships Program - CV					
(American Rescue Act Program)	COVID 14.239	N/A	-	30,017	
Total U.S. Department of Housing and Urban Development			<u>267,444</u>	<u>6,369,505</u>	
U.S. DEPARTMENT OF JUSTICE					
JAG Program Cluster:					
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	-	72,478	
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	-	20,814	
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	-	73,013	
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	-	32,832	
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	-	9,522	
BJA Comprehensive Opioid Abuse Site-Based Program	16.838	N/A	-	160,794	
Total JAG Program Cluster			<u>-</u>	<u>369,453</u>	

<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>
Pass-Through Programs From: West Virginia Department of Criminal Justice Services					
<u>Program Title</u>					
Crime Victims Assistance	16.575	19-VA-049	-	12,750	
JAG Prevention Resource Officers	16.579	21-JAG-08	-	10,000	
JAG Prevention Resource Officers	16.579	22-JAG-05	-	33,750	
MDENT Task Force	16.579	21-JAG-09	10,833	15,000	
MDENT Task Force	16.579	22-JAG-06	37,500	50,000	
			<u>48,333</u>	<u>121,500</u>	
Subrecipients of 16.579					
Nitro PD			16,667		
South Charleston PD			16,666		
St. Albans PD			<u>15,000</u>		
Total Subrecipients			<u>48,333</u>		
Project Safe Neighborhoods - NIBIN	16.609	20-PSN-001	-	67,626	
Project Safe Neighborhoods - NIBIN	16.609	21-PSN-001	-	25,841	
Equitable Sharing - Justice	16.922	N/A	-	58,094	
Federal Bureau of Investigations	16.302	N/A	-	35,520	
Customs & Border Protections/Immigration and Customs Enforcement	16.UNKNOWN	N/A	-	4,800	
			<u>-</u>	<u>191,881</u>	
Total U. S. Department of Justice			<u>48,333</u>	<u>682,834</u>	
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-Through From: West Virginia Department of Transportation:					
CPD Highway Safety Program	20.600	F22HS-08	5,354	31,146	
CPD Highway Safety Program	20.600	F23HS-08	25,016	154,425	
Subrecipients of 20.600 F22HS-08					
City of Pennsboro			692		
City of Spencer			255		
City of Vienna			196		
Dunbar PD			792		
Roane CSD			235		
South Charleston PD			1,120		
St. Albans PD			<u>2,064</u>		
Total Subrecipients			<u>5,354</u>		
Subrecipients of 20.600 F23HS-08					
City of Pennsboro			1,536		
City of Spencer			2,240		
City of Vienna			503		
Dunbar PD			1,018		
Ritchie CSD			1,514		
South Charleston PD			12,337		
St. Albans PD			<u>5,868</u>		
Total Subrecipients			<u>25,016</u>		
Total Subrecipients			<u>30,370</u>		
Total U.S. Department of Transportation			<u>30,370</u>	<u>185,571</u>	
U.S. DEPARTMENT OF TREASURY					
Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	<u>3,043,118</u>	<u>10,812,142</u>	
Subrecipients of 21.027					
YWCA			138,617		
The Healing House			130,729		
Pollen8 Inc			104,769		
Hope for Appalachia Inc			10,488		
Manna Meals			174,282		
West Virginia Food & Farm			265,159		
Midian			19,686		
WV Health Right			1,493,884		
Bright Futures			98,021		
WV Symphony Orchestra			200,000		
WV Music Hall of Fame			22,197		
FestivAll			22,785		
Charleston Convention & Business Center			<u>362,501</u>		
Total subrecipients of 21.027			<u>3,043,118</u>		
Pass-Through Programs From: West Virginia Department of Criminal Justice Services					
<u>Program Title</u>					
Equitable Sharing - Treasury	21.016	N/A	-	43,028	
Total U. S. Department of Treasury			<u>3,043,118</u>	<u>10,855,170</u>	
EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY					
Pass-Through From: Laurel County Fiscal Court					
Appalachia High Intensity Drug Trafficking Area - MDENT	95.001	N/A	-	189,961	
Total Executive Office of the President - Office of National Drug Control Policy			-	<u>189,961</u>	
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 3,389,265</u>	<u>\$ 18,767,212</u>	
The accompanying notes are an integral part of this schedule.					

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

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, 2023. 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>\$ 1,609,063</u>
HOME Investment Partnership Program	14.239	<u>\$ 1,928,938</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, 2023. 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, 2023

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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

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
------------------	---

21.027	Coronavirus State and Local Fiscal Recovery Funds
--------	---

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

 \$750,000

Auditee qualified as low-risk auditee?

 yes X no

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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**2023 – 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 2022-001, 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: PPRF- From a sample of census data, which included eight participants, and the review of four pension disbursements, we noted the following:

- One instance in which the census information could not be verified due to missing or unavailable documentation.
- One instance in which the pension benefit could not be recalculated due to missing or unavailable documentation supporting the calculation.

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

- Three instances in which the census information could not be verified due to missing or unavailable documentation.

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

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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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, 2023

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<u>Programs</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2022 – 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 2023-001.</p>	Unknown



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

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January 11, 2024

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, 2023.

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

Audit Period July 1, 2022 to June 30, 2023

The finding from the June 30, 2023 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Finding 2023-001: 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,

A handwritten signature in blue ink, which appears to read "Jennifer Vickers".

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