

CHARLESTON CITY COUNCIL

Regular Meeting

February 21, 2023

at 7:00 PM



THIS MEETING WILL TAKE PLACE IN PERSON AND CAN BE VIEWED LIVE VIA

<https://charlestonwv.civicclerk.com/web/home.aspx>

Council Chambers, Third Floor
City Hall, 501 Virginia St. E.
Charleston, WV

AGENDA

CALL TO ORDER BY THE MAYOR

INVOCATION AND PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC SPEAKERS AND CLAIMS

1. **INTERESTED PUBLIC SPEAKERS MUST REGISTER AT THE CLERK'S TABLE IN PERSON NO EARLIER THAN 15 MINUTES BEFORE THE MEETING STARTS. FIVE (5) SPEAKERS WILL BE PERMITTED (RULE NO. 22 (B)).**
2. Claims 2-21-2023

PROCLAMATIONS

1. 2-21-2023

COMMUNICATIONS

1. 2-21-2023

REPORTS OF STANDING COMMITTEES

ORDINANCE AND RULES

1. Bill No. 7983 - A BILL to amend the Municipal Code by adding a new Article establishing a Health Equity Action Plan; creating a Health Equity Board; setting forth the makeup of the Board; and detailing the requirements of the Health Action Plan. (A Committee Substitute is possible).

FINANCE

1. Resolution No. 768-23 - Authorizing the Mayor or City Manager to enter into insurance contracts for the period March 31, 2023 through March 31, 2024.
2. Resolution No. 769-23 - Authorizing the Mayor or City Manager to purchase 41 sets of bunker gear for the Fire Department from Red Hot Fire Equipment.
3. Resolution No. 770-23 - Authorizing the Mayor to execute the attached Termination of Lease and Settlement Agreement between the City of Charleston and CRA Communications, LLC, successor in interest to Charles Ryan Associates, LLC.
4. Resolution No. 771-23 - That the Mayor or City Manager is authorized to enter into a contract with Silling Architects for pre-design planning services related to a new public safety facility.
5. Resolution No. 772-23 - Authorizing the Mayor to execute the Lease Addendum to the lease between the City of Charleston and Shaner SPE Associates Limited Partnership forgiving the amount of \$84,061.30 in lease payments that were not noticed, invoiced, or paid.
6. Resolution No. 773-23 – Authorizing the purchase of digital copiers.
7. Resolution No. 774-23 - Authorizing the Mayor or City Manager to enter into a contract for Retiree Health Plan Post-65 Coverage.

REPORTS OF OFFICERS

1. 2-21-2023

NEW BILLS

1. 2-21-2023

UNFINISHED BUSINESS AND/OR MISCELLANEOUS BUSINESS

REMARKS BY MEMBERS

ROLL CALL

ADJOURNMENT

THE NEXT REGULAR MEETING OF COUNCIL WILL BE MARCH 6, 2023 AT 7:00 PM.

***Meetings may be recorded and broadcast via internet <https://charlestonwv.civicclerk.com>**

EXECUTIVE DEPARTMENT
CITY OF CHARLESTON
PROCLAMATION

- WHEREAS: One in five deaths is due to heart disease, making it the leading cause of death in the United States in men and women; and
- WHEREAS: Approximately 160,000 people in West Virginia have coronary heart disease – the most common form of heart disease; and
- WHEREAS: Considerable progress has been made to advance our knowledge and treatment of heart disease—including technologies that help diagnose, treat, and prevent heart disease; and
- WHEREAS: We have a better understanding of heart disease risk factors, such as high blood pressure, bad cholesterol, smoking, being overweight, and type 2 diabetes; and
- WHEREAS: It is important we make time every day for self-care, such as managing stress, taking a daily walk, preparing healthier meals, and getting enough sleep help keep blood pressure in the healthy range and reduce the risks of heart disease and stroke; and
- WHERAS: We can work together to help raise importance of a healthy heart and save lives by learning the warning signs.

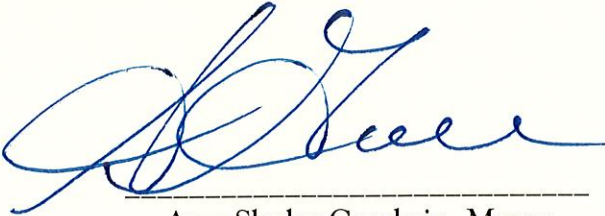
NOW THEREFORE, I, Amy Shuler Goodwin, Mayor of the City of Charleston, do hereby recognize February 2023 as

American Heart Month

In Charleston, West Virginia and urge all citizens to learn the warning signs of heart attack and stroke and how to achieve better heart health.

IN WITNESS WHEREOF, I have set my hand and caused the Seal of the Executive Department to be affixed this 21st day of February 2023.




Amy Shuler Goodwin, Mayor

Bill No. 7983

Introduced in Council:

February 6, 2023

Introduced by:

Caitlin Cook and Jennifer Pharr

Adopted by Council:

Referred to:

Ordinance and Rules

Bill No. 7983 - A BILL to amend the Municipal Code of the City of Charleston, by adding thereto a new Article, designated Article IV of Chapter 58, consisting of Sections 58-61, 58-62, and 58-63, all relating to establishing a Health Equity Action Plan; creating a Health Equity Board; setting forth the makeup of the Board; and detailing the requirements of the Health Action Plan.

Now, therefore, be it ordained by the Council of the City of Charleston:

That the Municipal Code of the City of Charleston, as amended, is amended by adding thereto a new Article, designated article IV of Chapter 58, consisting of sections 58-61, 58-62, and 58-63, all to read as follows:

CHAPTER 58 – HEALTH AND SANITATION.

ARTICLE IV – HEALTH EQUITY ACTION PLAN.

Sec. 58-61. – Establishing a Health Equity Action Plan.

The City Council for the City of Charleston hereby requires the creation of a Health Equity Action Plan for the City of Charleston to serve as a community-driven tool for advancing health equity at the community level.

Sec. 58-62. – Creation of Board.

(a) The Health Equity Board is hereby established. The Board is composed of eleven (11) members as set forth herein. The Board is tasked with creating a Health Equity Action Plan by December 1, 2023, that meets the requirements set forth in Section 58-63 of this Code.

(b) the Health Equity Board is composed of the following members:

(1) The Executive Director of the Kanawha-Charleston Health Department, or his or her designee, who shall serve as the Chair of the Board;

(2) The Executive Director of West Virginia Health Right, or his or her designee;

(3) The Executive Director of the Partnership of African American Churches, or his or her designee;

(4) The Executive Director of Cabin Creek Health Systems, or his or her designee;

- 36 (5) The CEO of CAMC Health Systems, or his or her designee;
37 (6) The CEO of Thomas Health Systems, or his or her designee;
38 (7) The Executive Director of the West Virginia Chapter of the American Heart
39 Association, or his or her designee;
40 (8) The President/CEO of FamilyCare, or his or her designee;
41 (9) The Mayor of the City of Charleston, or his or her designee;
42 (10) One at-large member of the City Council of the City of Charleston, as
43 appointed by the Mayor of the City of Charleston; and
44 (11) One ward representatives of the City Council of the City of Charleston, as
45 appointed by the Mayor of the City of Charleston.
46 (c) Each member of the Board shall serve while on the Board concurrently with
47 the time in which they hold the relevant position set forth in subsection (b). Should any
48 member be removed from their position placing them on the Board, they shall be
49 removed from the Board simultaneously.

50
51 **Sec. 58-63. – Requirements of Health Equity Action Plan.**
52

- 53 (a) The Health Equity Action Plan required by this Article shall:
54 (1) Have a vision and a goal, approved by the Board;
55 (2) Outline strategies and tactics to accomplish health equity goals;
56 (3) Identify supports and resources needed to adopt equitable policies and
57 practices;
58 (4) Create annual deliverables of at least three health issue focus areas and
59 timeline for implementation with progress tracking measures;
60 (5) Create coalition of citywide advocates and organizations for outreach and
61 sustainability;
62 (6) Create City Council Public Health Committee.
63 (b) The timeline for action required by this Article shall be:
64 (1) Organize Board within one month from passage;
65 (2) Draft the Action Plan for Board approval within six months from passage;
66 (3) Implement the approved Action Plan within three months of approval; and
67 (4) Provide an annual review each year and report the annual review out to the
68 City Council by December 31, 2023, and each year thereafter.
69

Bill No. 7983 Committee Substitute

Introduced in Council:

February 6, 2023

Introduced by:

Caitlin Cook and Jennifer Pharr

Adopted by Council:

Referred to:

Ordinance and Rules

Bill No. 7983 Committee Substitute - A BILL to amend the Municipal Code of the City of Charleston, by adding thereto a new Article, designated Article IV of Chapter 58, consisting of Sections 58-61, 58-62, and 58-63, all relating to establishing a Community Health Equity Action Plan; creating a Community Health Equity Advisory Board; setting forth the makeup of the Board; and detailing the requirements of the Community Health Action Plan.

Now, therefore, be it ordained by the Council of the City of Charleston:

That the Municipal Code of the City of Charleston, as amended, is amended by adding thereto a new Article, designated article IV of Chapter 58, consisting of sections 58-61, 58-62, and 58-63, all to read as follows:

CHAPTER 58 – HEALTH AND SANITATION.

ARTICLE IV – COMMUNITY HEALTH EQUITY ACTION PLAN.

Sec. 58-61. – Establishing a Community Health Equity Action Plan.

The City Council for the City of Charleston hereby requires the creation of a Community Health Equity Action Plan for the City of Charleston to serve as a community-driven tool for advancing health equity at the community level.

Sec. 58-62. – Creation of Board.

(a) The Community Health Equity Advisory Board is hereby established. The Board is composed of eleven (11) members as set forth herein. The Board is tasked with creating a Community Health Equity Action Plan by December 1, 2023, that meets the requirements set forth in Section 58-63 of this Code.

(b) the Community Health Equity Advisory Board is composed of the following members:

(1) The Executive Director of the Kanawha-Charleston Health Department, or his or her designee, who shall serve as the Chair of the Board;

(2) The Executive Director of West Virginia Health Right, or his or her designee;

(3) The Executive Director of the Partnership of African American Churches, or his or her designee;

36 (4) A West Virginia licensed mental health professional employed atThe
37 Executive Director of Cabin Creek Health Systems, or his or her designee designated by
38 its CEO;

39 (5) The CEO of CAMC Health Systems, or his or her designee;

40 (6) The CEO of Thomas Health Systems, or his or her designee;

41 (7) The Executive Director of the West Virginia Chapter of the American Heart
42 Association, or his or her designee;

43 (8) The President/CEO of FamilyCare, or his or her designee;

44 (9) The Mayor of the City of Charleston, or his or her designee;

45 (10) One at-large member of the City Council of the City of Charleston, as
46 appointed by the Mayor of the City of Charleston; and

47 (11) One ward representatives of the City Council of the City of Charleston, as
48 appointed by the Mayor of the City of Charleston.

49 (c) Each member of the Board shall serve while on the Board concurrently with
50 the time in which they hold the relevant position set forth in subsection (b). Should any
51 member be removed from their position placing them on the Board, they shall be
52 removed from the Board simultaneously.

53
54 **Sec. 58-63. – Requirements of Community Health Equity Action Plan.**

55
56 (a) The Community Health Equity Action Plan required by this Article shall use
57 data on the leading causes of morbidity and mortality, disease burden inequities, social
58 determinants of health, and community identified health equity priorities in order to:

59 (1) Have a vision and a goal, approved by the Board;

60 (2) Outline strategies and tactics to accomplish health equity goals;

61 (3) Identify supports and resources needed to adopt equitable policies and
62 practices;

63 (4) Create annual deliverables of at least three health issue focus areas and
64 timeline for implementation with progress tracking measures;

65 (5) Create a coalition of citywide advocates and organizations for outreach and
66 sustainability;

67 (6) ~~Create City Council Public Health Committee~~Make any other
68 recommendations to City Council deemed necessary.

69 (b) The timeline for action required by this Article shall be:

70 (1) Organize Board within one month from passage;

71 (2) Draft the Action Plan for Board approval within six months from passage;

72 (3) Implement the approved Action Plan within three months of approval; and

73 (4) Provide an annual review each year and report the annual review out to the
74 City Council by December 31, 2023, and each year thereafter.

Resolution No. 768-23

Introduced in Council:

Adopted by Council:

February 21, 2023

Introduced by:

Referred to:

Joseph Jenkins

Finance

Resolution No. 768-23 - Authorizing the Mayor or City Manager, subject to final review by the City Attorney, to enter into contracts with the West Virginia Counties Group Self Insurance Risk Pool, Inc., DBA West Virginia Communities Risk Pool, at a price of \$1,048,032 for the City's Risk Management and Property, Casualty, and Cyber Insurance coverage and including all Third Party Administrator (TPA) Services for those lines of coverage for the period March 31, 2023 through March 31, 2024, in accordance with the costs referred to as Coverage Option 2 in Exhibit A except for the proposal for Workers' Compensation coverage. Underinsured motorists coverage is specifically rejected. Uninsured motorists coverage with statutory minimum limits of \$25,000/\$50,000/\$25,000 is accepted only.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized, subject to final review by the City Attorney, to enter into contracts with the West Virginia Counties Group Self Insurance Risk Pool, Inc., DBA West Virginia Communities Risk Pool, at a price of \$1,048,032 for the City's Risk Management and Property, Casualty, and Cyber Insurance coverage and including all Third Party Administrator (TPA) Services for those lines of coverage for the period March 31, 2023 through March 31, 2024, in accordance with the costs referred to as Coverage Option 2 in Exhibit A except for the proposal for Workers' Compensation coverage. Underinsured motorists coverage is specifically rejected. Uninsured motorists coverage with statutory minimum limits of \$25,000/\$50,000/\$25,000 is accepted only.



Self Insurance Proposal February 1, 2023

City of Charleston

Package coverages, terms, conditions, and exclusions are only briefly outlined. For complete provisions, please refer to the coverage contract.

For additional information, please contact: Member Services at (844) 986-2705 or info@riskprograms.com



WELCOME TO WVcorp

WVcorp was established in 2007 at the request of West Virginia counties seeking to break from the status quo of the commercial insurance industry and assert more control over their risk management and coverage needs. Today, we are the only self-insurance risk pool for public entities in the state. We provide coverage to more counties and county-related agencies than any other provider, and we attribute our extraordinary success to the strength of our members. As a member, you are so much more than a customer. You are a part of WVcorp itself! Our membership is at the heart of everything we do, and this member-centric focus has driven us to emerge as a leader in developing coverage solutions. We are a one-stop-shop when it comes to safeguarding your peace of mind – capable of addressing all of your risk management needs, including coverage for:

Property	General Liability	Workers' Compensation
Inland Marine	Public Officials Liability	Business Automobile
Equipment Breakdown	Law Enforcement Liability	Cyber Risk
Crime	Environmental Liability	Excess Liability Limits

WELCOME TO WVcorp

YOU'RE CHOOSING OWNERSHIP

At WVcorp, you are an owner of the program and its assets. Unlike traditional insurance providers, we have no outside owners, investors or shareholders expecting dividends or profits to be generated from our programs. Rather than profit-minded executives making decisions, we have a Supervisory Board elected from and by our members. The Board approves all major risk pool decisions, and as a voting member, you have a direct voice in the decisions that matter most to your organization.

In choosing WVcorp, you are choosing a partner that is unlike any traditional insurance provider for one reason: you are truly our primary concern.



YOU'RE CHOOSING PRICE STABILITY

No one likes surprises. The pool was founded to provide an alternative to the commercial insurance marketplace, in part based on the principle of providing price stability. This long-standing ideal has guided our decisions since day one. While the commercial market has seen considerable volatility and rate increases,

and competitors have stripped away coverages to combat rate increases, the pool has enjoyed rate stability for more than a decade, even as we've consistently expanded coverages. It all adds up to giving you peace of mind that rates will remain predictable, aiding in long-term planning and budgeting.

YOU'RE CHOOSING SPECIALIZED PROTECTION

We were created by public entities, service only public entities, and are directed by our Board elected from within our membership. This gives our organization remarkable focus, and it's allowed us to grow our team with experts that know your organization and its unique needs, because serving partners like you is all we do. It also means we're able to keep ahead of regulatory and other changes as or even before

they happen, adjusting coverages or creating new programs as needed.

Our expert Risk Control team works directly with members to provide employee training, safety audits, or consult on relevant risk management topics to help prevent claims from occurring. It's all part of our commitment to address your need for protection holistically.



YOU'RE CHOOSING TRANSPARENCY

We're proud of the products and services we offer, so we feel there's no need to play games or hide behind gimmicks. Although our policy period begins on July 1, renewal quotes are distributed as early as mid-March, giving you ample time to prepare your budget. We empower members to run your own loss reports at the click of a button on our website without having to request that information through an agent. Because we're partners when it comes to protecting your assets, we openly share every bit of information we have for each of your claims. With our online claim viewer, we bring you behind the curtain and give you the same access to financials and notes that our adjusters have themselves.

MEMBERSHIP HIGHLIGHTS

WEBSITE

- Intuitive, user-friendly design
- Claims reporting with instantaneous claim number
- Risk management tools and templates
- Downloadable employee training presentations and webinars
- Customizable loss reports
- Claim viewer giving access to claim summaries, financials, and adjuster notes
- Property and vehicle schedule editing tool
- Certificates of insurance request feature

RISK CONTROL

- Facility safety assessments
- Certified Playground Safety Inspectors (CPSI)
- Risk management policy creation and consultation
- In person and web-based employee training – safety, liability, human resource, cyber security, and more
- Loss analysis
- Safety committee assistance and participation
- Up to 14 hours of approved CE-credits for law enforcement
- Hot topic workshops presented at various conferences across West Virginia



For more than a decade, WVcorp has been a leader in creating innovative, member-centric solutions to the unique challenges faced by West Virginia's public sector entities. As a pool participant, you can take advantage of WVcorp's vast array of membership benefits.

WORKERS' COMPENSATION

- Medical Bill Review provides savings across multiple medical provider networks to ensure cost effective treatment
- First Fill program so employees have no “out of pocket” for prescriptions

CYBER RISK

- Comprehensive cyber risk coverage like no other West Virginia provider
- No deductible
- Optional limits up to \$5,000,000
- Designated breach coach guides legal guidance on cyber incidents
- Live and webinar based cyber security training available

SERVICES

- Property valuations provided at no charge
- Investigations unit available for claim surveillance and analysis
- Tenant User Liability Insurance Program (TULIP) makes it simple to acquire short-term event coverage for facility users
- Contract and lease review to ensure adequate coverage requirements
- Safelite Auto Glass direct billing allows for quick and painless glass replacement; with a deductible waiver with glass repairs

COVERAGE

- Guaranteed replacement cost on property coverage
- No annual aggregate on general liability coverage
- Pollution liability coverage for first party and third party clean up
- Optional increased crime coverage limits available
- Defense coverage for EEOC and HCR complaints included





WVcorp

Contribution Summary Form

Coverage - OPTION 1		Deductible	Contribution
Property: Special Form; Replacement Cost (or stated otherwise); No Coinsurance; Blanket		\$50,000	\$305,623
Inland Marine: Replacement Cost if Scheduled, otherwise Actual Cash Value		\$50,000	\$5,868
Equipment Breakdown		\$5,000	\$33,060
General Liability: \$1,000,000 Combined Single Limit; Occurrence Form; No Annual Aggregate; Non-Audited		\$250,000	\$285,645
Law Enforcement Liability: \$1,000,000 Limit		\$250,000	Included
Public Officials Liability: \$1,000,000 Limit Each Wrongful Act		\$250,000	\$94,782
Automobile: \$1,000,000 Liability for Owned Autos; Coverage Level per Schedule; Automatic Coverage for Additions; Non-Audited		\$50,000- Comp \$50,000-Collision \$250,000- Liability	\$123,477
Crime: Blanket \$1,000,000 Faithful Performance; In/Out Robbery; Counterfeit; Forgery; Computer Fraud; Telephone Toll Fraud \$100,000 sublimit		\$50,000	\$5,000
Excess Liability: Refer to the proposal page for limit information. Underlying limits must be exhausted before excess liability is available for losses.		None	\$162,298
Environmental Liability : \$500,000 Limit		\$250,000	Included
Cyber Risk: \$5,000,000 Limit		\$50,000	\$55,000
Workers' Compensation:		\$250,000	\$452,113
Grand Total Annual Contribution			\$1,522,866
Total Contribution Due			\$1,522,866
STOP LOSS P&C	\$1,200,000		
STOP LOSS WC	\$1,250,000		
STOP LOSS LIMIT P&C	\$1,000,000		
STOP LOSS LIMIT WC	\$1,000,000		
- All TPA Services Included - WC Bill Review \$7.50 Per Bill & 22% of PPO Savings - Nurse Case Management \$90 Per Hour			



WVcorp

Contribution Summary Form

Coverage - OPTION 2		Deductible	Contribution
Property: Special Form; Replacement Cost (or stated otherwise); No Coinsurance; Blanket		\$50,000	\$305,623
Inland Marine: Replacement Cost if Scheduled, otherwise Actual Cash Value		\$50,000	\$5,868
Equipment Breakdown		\$5,000	\$33,060
General Liability: \$1,000,000 Combined Single Limit; Occurrence Form; No Annual Aggregate; Non-Audited		\$300,000	\$267,630
Law Enforcement Liability: \$1,000,000 Limit		\$300,000	Included
Public Officials Liability: \$1,000,000 Limit Each Wrongful Act		\$300,000	\$90,076
Automobile: \$1,000,000 Liability for Owned Autos; Coverage Level per Schedule; Automatic Coverage for Additions; Non-Audited		\$50,000- Comp \$50,000- Collision \$300,000- Liability	\$123,477
Crime: Blanket \$1,000,000 Faithful Performance; In/Out Robbery; Counterfeit; Forgery; Computer Fraud; Telephone Toll Fraud \$100,000 sublimit		\$50,000	\$5,000
Excess Liability: Refer to the proposal page for limit information. Underlying limits must be exhausted before excess liability is available for losses.		None	\$162,298
Environmental Liability : \$500,000 Limit		\$300,000	Included
Cyber Risk: \$5,000,000 Limit		\$50,000	\$55,000
Workers' Compensation:		\$300,000	\$412,623
Grand Total Annual Contribution			\$1,460,655
Total Contribution Due			\$1,460,655
STOP LOSS P&C	\$1,200,000		
STOP LOSS WC	\$1,250,000		
STOP LOSS LIMIT P&C	\$1,000,000		
STOP LOSS LIMIT WC	\$1,000,000		
- All TPA Services Included - WC Bill Review \$7.50 Per Bill & 22% of PPO Savings - Nurse Case Management \$90 Per Hour			

WVcorp Member Agreement assessment provision language located under section 15, paragraphs 3 and 4 is waived in the event this Option (2) is selected.



RESPONSE NEEDED - If electing option(s) below, please indicate on Coverage Intent Form form. Otherwise, coverage will be based upon current coverage as you do not wish to select proposed option(s) below.

**2023 - 2024 Quote Options for
City of Charleston**

OPTION 1 : Reduced Cyber Deductible

Limit	Deductible	Additional Contribution
\$5,000,000	\$25,000	\$15,000

OPTION 2 : Auto Physical Damage Deductible

Deductible	Additional Contribution
\$25,000	\$42,000

OPTION 3 : Auto Physical Damage Deductible

Deductible	Additional Contribution
\$5,000	\$120,000

OPTION 4 : Property Deductible

Deductible	Additional Contribution
\$25,000	\$45,000



Property

- WVCoRP provides members with the most extensive property coverage available.
- Property coverage is Special Form specifically drafted for public entities; all perils are covered except those specifically excluded.

Buildings and Contents

Total Building Values	\$ 449,436,151
Total Contents Values	\$ 10,408,549
Business Income / Extra Expense (\$100,000 Automatic or as scheduled)	\$ 4,000,000

Coverage Includes: (no additional charge)*

- Back-up of Sewers & Drains: \$1,000,000 Limit
- Debris Removal: \$20,000,000 Pool Limit
- Pollutant Clean-up and Removal: \$500,000 Pool Limit
- Newly Acquired Property: \$10,000,000 Limit (up to 120 Days)
When timely reported, covered until renewal at no additional charge if under \$500,000 in value;
additional charge for new values above \$500,000
- Property in Transit: \$5,000,000 Pool Limit
- Utility Services Time Element: \$2,000,000 Pool Limit
- Building Ordinance/Increased Cost of Construction/Demolition: up to \$20,000,000 Pool Limit
- Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence: up to \$10,000,000 Pool Limit
- Flood (if outside the 100 year flood plain): up to \$10,000,000 Pool Limit
- Architect & Engineering fees for plans, specifications, and supervision included upon replacement
- Error in Reporting Provision
- Improvements and Betterments to buildings leased by the member
- Signs, fences, light poles, antenna, masts, and towers; retaining walls are covered within 1,000 feet
of the premises provided their values are included in the schedule

**Does not apply to properties valued at Actual Cash Value (ACV)*

Coverage Available (Additional Charge):

Builders' Risk during building construction (Optional - must be reported)

Perils Covered

- Special Form; specifically drafted for public entities; all perils are covered except those specifically excluded.
- Flood (if outside the 100 year flood plain) and Earthquake are included.

Valuation
• Building & Contents – Replacement Cost, except vacant property at Actual Cash Value or stated otherwise • Business Income - Actual Loss Sustained

Other Terms
• Blanket Limit • No Coinsurance • Vacant Buildings must be reported. <i>If vacant building becomes occupied, please notify WVCoRP to ensure proper coverage is in place.</i>

Deductibles (Per Occurrence)
• \$50,000 Building & Contents • \$50,000 Flood • \$50,000 Earthquake

Definitions
• Replacement Cost (RC): The cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage. • Actual Cash Value (ACV): The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion. • Functional Replacement Cost: The cost of repairing or replacing damaged or stolen property with the same kind or quality; or comparable new property as of the time of loss; or applicable Limit of Coverage. • Vacant: A building that does not contain adequate Covered Property to conduct customary business operations.



Inland Marine

- Inland Marine is property coverage for movable or specialized types of property and equipment.
- Electronic Data Processing (EDP) covers direct physical loss to member-owned computer equipment, phone systems, fax machines, printers, and copiers.

Inland Marine

Total Inland Marine Value (Per Schedule)	\$ 21,000,618
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Computers / Electronic Data Processing (EDP)

Hardware (Per Schedule)	\$ 1,000,000
Software (Per Schedule)	Included

Perils Covered

- Special Form; specifically drafted for public entities; all perils are covered, except those specifically excluded.
- Electronic Data Processing (EDP) includes electrical and mechanical breakdown.

Valuation

- Inland Marine – Replacement Cost if scheduled, otherwise Actual Cash Value except:
- Electronic Data Processing (EDP) - Functional Replacement Cost, if scheduled at 100% replacement values - otherwise Actual Cash Value.

Deductible

\$50,000

Definitions

- **Replacement Cost (RC):** The cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.
- **Functional Replacement Cost:** The cost of repairing or replacing damaged or stolen property with the same kind or quality; or comparable new property as of the time of loss; or applicable Limit of Coverage.

Equipment Breakdown

- Equipment Breakdown is comprehensive coverage for direct damage to covered equipment. Examples of covered equipment include: air conditioning and refrigeration equipment, boilers and pressure vessels (air tanks, hot water tanks, cookers, furnaces), communication systems, and electrical equipment (compressors, fans, system motors).
- Coverage includes the expense of inspections and certification of boilers and air compressors as required by the Department of Labor and Industry

Limits

- \$50,000,000 Limit Per Breakdown; includes Property Damage, Business Income and Extra Expense, and Hazardous Substances
- \$1,000,000 Newly Acquired Property (up to 90 Days)
- \$1,000,000 Demolition (Coverage B)
- \$1,000,000 Increased Cost of Construction (Coverage C)
- \$1,000,000 Service Interruption
- \$250,000 Spoilage Damage
- \$100,000 Electronic Data or Media Damage

Covered Events

Property losses ranging from air conditioning equipment and HVAC systems to electrical equipment, including system motors, compressors, refrigeration equipment, fans, switchboards, coils, pipes and air conditioning vessels.

Deductibles

- 24 Hours Business Income Loss
- \$5,000 Per Occurrence



General Liability

- WVcorp general liability coverage provides the broadest protection for public entities in West Virginia.
- WVcorp coverage provides protection from claims or suits for personal injury or property damage.
- Excess limits available

Basis of Contribution

Net Operating Expense	\$ 64,919,237
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Limits

- \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage - Each Occurrence
- No Annual Aggregate

Additional Coverages

- Failure to Supply (No Sublimit)
- Sidetrack Agreements including Railroads
- Contractual Liability for Covered Contracts
- Personal Injury and Advertising Liability
- Broad Form Property Damage Liability
- Incidental Medical Malpractice
- Limited Worldwide Liability
- Owned Watercraft under 51 feet
- Products/Completed Operations
- Punitive Damages Covered in Most Cases
- Employee Benefits Liability

Deductible

\$300,000 Per Occurrence



Cyber Risk

- WVcorp members are covered for online privacy matters (including identity theft), losses due to network security breaches (including hacking and viruses), copyright infringement, and online slander or libel, among other issues.
- Increased limits available

Limits

- \$5,000,000 Per Occurrence and Aggregate - Per Member

Coverages
Network Security, Privacy, and Data Breach Liability
• Liability for unauthorized access to the computer network, including personal identifying information such as social security numbers, credit card numbers, etc. • Liability for transmission of a computer virus
Multimedia Liability
• Copyright/trademark infringement, invasion of privacy, plagiarism, libel and slander through website or social media
Regulatory Liability
• Liability, including defense costs, resulting from a claim by an official regulatory agency or governmental body as a result of a security breach or privacy breach or breach of privacy regulations • Includes civil and/or administrative penalties or fines imposed by an official regulatory agency or governmental body
Data Breach Incident Response
• Expenses paid to third party service providers arising from a data breach for legal services, notification expenses, fraud monitoring and resolution services, call center services, public relations services, and computer forensic services.
Data Restoration
• Costs to restore, compile or replace data • Reasonable and necessary costs and expenses to determine scope of breach • Costs paid to restore, compile or replace data to a third party as a result of a network security breach or cyber extortion event
Cyber Extortion
• Reimbursement of reasonable costs and expenses resulting from request for money to avoid damage, destruction, corruption or introduction of a computer virus, a malicious code or denial of service
Social Engineering Fraud
• Covers financial loss relating to a social engineering event whereby an employee is instructed to move funds to another bank fraudulently
PCI DSS Fines
• Covers PCI contractual costs and regulatory fines following a security or privacy event
Deductible
• \$50,000 Per Occurrence

Environmental Liability

- WVcorp provides members with liability protection for first and third party environmental liabilities.
- Coverage for third party cleanup involving above ground pollution exposures is included.

Limits

- \$500,000 Each Incident and Aggregate - Per Member
- \$1,000,000 Pool Aggregate

Coverages

- Third Party Clean-up for above ground pollution exposures, such as:
 - Water & Sewer Operations
 - Transfer Stations
 - Spraying of Pesticides and Herbicides
 - Golf Courses
 - Above Ground Storage Tanks

Exclusions *

- Underground Storage Tanks
- Landfills

* WVcorp will place coverage for these excluded exposures through a commercial carrier, if requested.

Deductible

- \$300,000 Per Occurrence



Law Enforcement Liability

- WVcorp Law Enforcement Liability provides protection from allegations arising from law enforcement operations.

Limit

- \$1,000,000 Personal Injury, Property Damage, or Wrongful Act – Per Occurrence

Coverages

Follows Coverage Contract for Liability Coverage

Additional Coverages

- Bodily Injury/Property Damage with respects to Law Enforcement operations
- Personal Injury Liability
- Broad Form Property Damage Liability
- Limited Worldwide Liability
- Owned Watercraft under 51 feet
- Volunteers included as covered persons (volunteer fire & rescue are excluded)
- Contractual Liability for covered contracts

Deductible

- \$300,000 Per Occurrence



Public Officials Liability

- Public Officials Liability provides protection against allegations of wrongful acts, such as sexual harassment and employment practices.
- Defense costs are provided for certain excluded coverages
- Prior Acts Coverage included if prior coverage was written on claims-made basis.

Limits

- \$1,000,000 Each Wrongful Act
- \$1,000,000 Annual Aggregate

Policy Form

Occurrence

Coverages

- Employment Practices
- Sexual Harassment
- Notary Public applicable for all current employees while acting within the course and scope of their notarial duties of the Member
- Defense cost in addition to coverage limits

Additional Provisions

- Claims handled when filed, not only if a lawsuit is filed

\$100,000 Defense Limit provided for the following excluded coverages:

- Employment Wrongful Acts, when no monetary damages requested
- Land Use/Eminent Domain (subject to \$25,000 Deductible)
- Suits for non-monetary relief brought to remove an elected official pursuant to WV Code §6-6-7 (subject to \$25,000 Deductible)

\$50,000 Defense Reimbursement Limit provided for the following excluded coverages:

- Criminal Acts (subject to a \$10,000 Deductible); see contract language for specific terms and conditions

Deductible

- \$300,000 Per Occurrence



Automobile Liability and Physical Damage

- WVcorp coverage includes hired and non-owned vehicles
- Automatic coverage for newly acquired vehicles at no additional charge until renewal.
- Excess limits available.

Basis of Contribution

Number of Vehicles	435
--------------------	-----

Liability

Limits

- \$1,000,000 Hired Auto Bodily Injury & Property Damage Liability
- \$1,000,000 Liability Limit For Owned and Hired Autos - Bodily Injury and Property Damage - Each Occurrence
- \$1,000,000 Non-Owned Auto Liability (excess over any other collectible insurance)
- \$25,000 Per Person/\$50,000 Per Accident/\$25,000 Property Damage Uninsured Motorists / RejectedUnderinsured
- \$1,000,000 Garage Liability/\$100,000 Garagekeepers
No Annual Aggregate

Additional Coverages

- Out of State No Fault Coverage provided at the basic minimum limits required by state law
- Newly acquired vehicles covered until renewal at no additional charge
- Unlimited Physical Damage for all owned vehicles; deductible will apply
- Replacement cost coverage can be provided on any vehicle with a replacement cost value in excess of \$50,000
 - Must be reported at 100% of replacement cost value
 - Additional charge will apply

Physical Damage

Deductibles

- \$50,000 Comprehensive (ACV)
- \$50,000 Collision (ACV)
- \$250 Physical Damage to Hired or Borrowed Autos (up to \$50,000)

Definitions

- **Replacement Cost (RC):** The Fund will pay the lesser of: (a) the cost of repairing damaged property or replacing damaged or stolen property with the same kind or quality; (b) the cost to replace the damaged or stolen property with comparable new property as of the time of loss; or (c) the Limit of Coverage applicable to the lost, damaged or stolen Covered Auto.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.

Please provide values for all vehicles you wish to have this coverage applied to effective 07/01/2022



Crime Coverage

- Crime provides protection from loss of money and securities, as well as, forgery and fraud.
- State-required faithful performance bonds for covered persons are included.
- Coverage is for covered crimes committed by employees, board members, commission members and volunteers.

Limits

- \$1,000,000 Per Occurrence
- \$100,000 Telephone Toll Fraud

Coverage Forms

- Employee Theft
- Employee Dishonesty (Faithful Performance Form)
- Loss Inside and Outside the Premises
- Money Orders and Counterfeit Paper Currency
- Depositors Forgery Coverage
- Computer Fraud
- Funds Transfer Fraud

Public Officials Required Bond

Meets maximum listed Bond value for all public officials as outlined by West VA Code §6-2-10, §6-2-10A, and §6-2-11

Deductible

- \$50,000 Per Occurrence

Excess Liability

- Excess liability provides additional limits over and above the underlying limits for those coverages for which excess limits are purchased.
- Underlying limits must be exhausted before excess liability is available for losses.

Limits

- Excess Automobile Liability
 - \$4,000,000 Limit
 - \$0 Excess Liability Aggregate
- Excess General Liability
 - \$4,000,000 Limit
 - \$0 Excess Liability Aggregate
- Excess Law Enforcement Liability
 - \$4,000,000 Limit
 - \$0 Annual Aggregate
- Excess Public Officials Liability
 - \$4,000,000 Limit
 - \$4,000,000 Annual Aggregate

**Does not include Non-Owned Automobile Liability, Garage Liability, and Uninsured/Underinsured Motorists Coverage*



Workers' Compensation

- WVcorp provides the most affordable and responsive Workers' Compensation coverage available.
- WVcorp provides leading medical bill review and case management services to ensure cost effective treatment and return to work for injured employees.
- Online claim reporting capability through our WVcorp member website.

Coverages

Workers' compensation coverage is provided in accordance with and limited to guidelines established by the Offices of the West Virginia Insurance Commissioner and Employers Liability.

Employers' Liability

Bodily Injury by Accident	\$1,000,000
Bodily Injury by Disease (Per Person)	\$1,000,000
Bodily Injury by Disease (Per Accident)	\$1,000,000

Classification	Group	Code	Payroll	Rate (Per \$100 Payroll)	Contribution
Landscape Gardening & Drivers		0042	\$783,820	\$5.38	\$42,169.52
Street Construction & Drivers		5506	\$2,072,435	\$8.21	\$170,146.91
Firefighters & Drivers		7710	\$10,881,145	\$2.32	\$252,442.56
Police Officers & Drivers		7720	\$11,289,869	\$3.02	\$340,954.04
Auto Service or Repair		8380	\$792,512	\$1.60	\$12,680.19
Clerical		8810	\$7,630,757	\$0.15	\$11,446.14
Attorney - All Employees		8820	\$408,645	\$0.10	\$408.65
Building Operated by Owner		9015	\$473,012	\$2.39	\$11,304.99
Park NOC - All		9102	\$1,225,990	\$1.98	\$24,274.60
Cemetery & Drivers		9220	\$150,554	\$3.57	\$5,374.78
Garbage Collection & Drivers		9403	\$2,012,552	\$6.75	\$135,847.26
Municipal Employees NOC		9410	\$2,696,679	\$2.30	\$62,023.62
Municipal Social Workers		9411	\$277,351	\$1.98	\$5,491.55
Total Payroll:			\$40,695,321		

Manual Contribution	\$1,074,564.80
Experience Modification	1.00
Modified Contribution	\$1,074,564.80
Scheduled Debit/Credit	(\$682,348.65)
Regulatory Surcharge	1.05
Total Estimated Annual Contribution	\$412,623

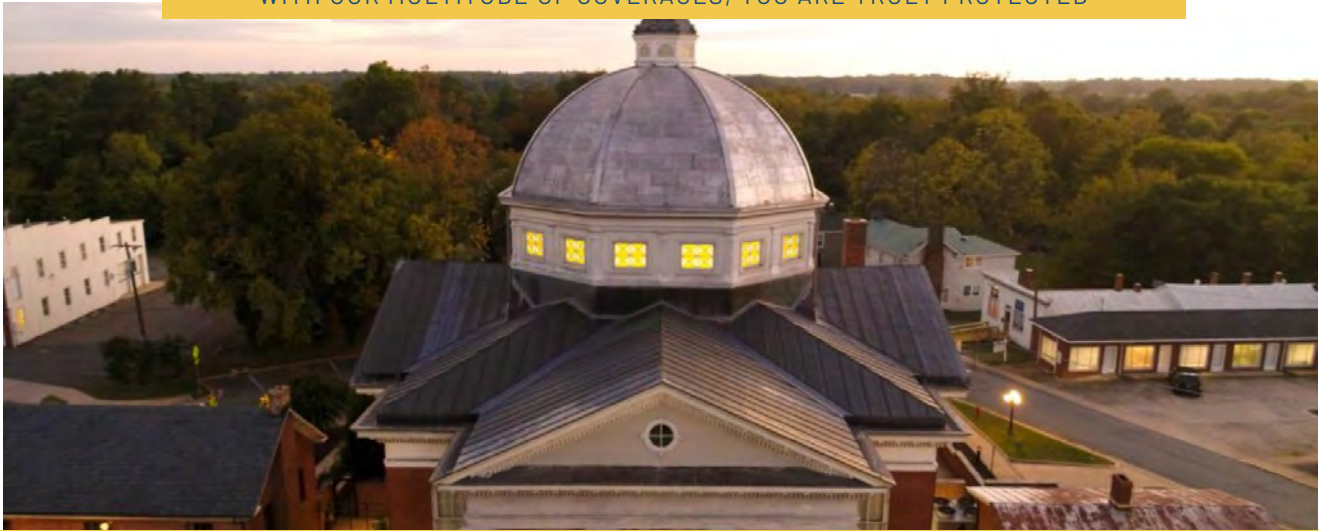
Workers' Compensation Coverage is available only if Property & Casualty coverage is in place through WVcorp.

The classifications and codes shown are established by the National Council on Compensation Insurance (NCCI) and are the same as those used by insurance companies in West Virginia.

Rates have been filed with the State Corporation Commission and are subject to approval.

Workers' Compensation Coverage Contribution is payable in equal quarterly installments.

Subject to Audit and Annual Adjustment



Local Government Coverages

We diligently listen to our members to provide a growing number of coverages in-house, including those below:

- **Property** - Written specifically for West Virginia local governments under a "special form," meaning all perils are covered unless specifically excluded
- **Inland Marine** - Covers trailers, boats, and other movable and specialized property, as well as miscellaneous equipment
- **Boiler & Machinery** - Covers a wide range of equipment such as air conditioning and refrigeration, boilers, and pressure vessels
- **Crime** - Covers crimes committed by employees and volunteers, including losses of money and securities, failure to faithfully perform duties, forgery, and computer fraud
- **Auto** - Covers all vehicles you own, as well as hired and rented vehicles for member business
- **General Liability** - Provides the broadest protection and defense for public entities against allegations of bodily injury or property damage
- **Public Officials Liability** - Provides coverage and defense against allegations of wrongful acts, such as sexual harassment, employment practices, petition for removal, and criminal defense reimbursement
- **Law Enforcement Liability** - Protection and defense from allegations against your officers and their actions
- **Environmental Liability** - Provides members liability protection, including defense, arising from an environmental incident of discharge or release of pollutants
- **Cyber** - Provides coverage due to network security breaches that may include hacking, malware, viruses, and online privacy matters like identity theft
- **Workers' Compensation** - Provides the most affordable and responsive workers' compensation program available
- **Excess/Increased Limits** - All coverages can be customized with increased limits beyond what is standard

WVcorp is right for local government.

You have been entrusted with the power and responsibility to govern your communities, so why shouldn't you have more control over the coverage decisions that matter most when it comes to safeguarding your peace of mind? With WVcorp, you are an owner of the program and its assets, and you have a voice in guiding the direction of the risk pool. WVcorp is governed by a Supervisory Board elected from and by our membership. Why do so many local government entities trust WVcorp with their coverage needs?

- Former local government officials on staff
- Endorsed by WVACo, CCAWV, and WVML
- Only self-insurance risk pool for local government entities in West Virginia
- Only comprehensive cyber liability coverage program available in West Virginia
- Customizable training available at no additional charge

We truly understand you.

WVcorp was founded upon the vision of providing the best coverages possible for local government while maintaining price stability and transparency. The fact that today WVcorp has been so successful is a testament to our unwavering commitment to those founding principles. Because we work exclusively with local government members of all sizes, we are able to tailor our coverages specifically to your unique needs and quickly respond to new coverage challenges that emerge. WVcorp was the first to offer comprehensive programs for cyber liability, environmental liability, and active shooter coverage, among others, and we are constantly analyzing the regulatory environment for new ways to innovate.

We are committed to stability.

While the insurance industry as a whole has experienced considerable volatility and regular rate increases, the pool has enjoyed remarkable rate stability year after year. Not only that, but we bring you our rates without gimmicks or games. Although our policy period begins on July 1 each year, you can expect to receive your renewal quote in mid-March, giving you ample time to prepare your budget accordingly. We empower our members to run their own loss reports at the click of a button on our website without having to request that information through an agent. Because we are on the same team when it comes to your protection, we openly share every bit of information that we have for each of your claims. With our online claim viewer, we bring you behind the curtain and give you the same access to financials and notes that our adjusters have themselves.

For more information about this program, please contact the following:

info@riskprograms.com





Cyber Risk Coverage

Protect your organization from the latest online threats.

WVcorp gives members peace of mind by providing liability coverage for digital breach of information. In the rapidly-evolving landscape of the technology world, new threats are always around the corner. WVcorp's CyberRisk coverage provides protection from the latest threats and liability concerns. We want members to feel safe when accessing the Internet, which is vital for work life as well as using digital information and equipment when conducting public business.

Cyber claim frequency has escalated:

- According to the FBI, instances of Cybercrime have jumped as much as 300% since the beginning of the coronavirus pandemic
- The Bureau's Internet Crime Complaint Center (IC3) says it receives between 3,000 and 4,000 cyber security complaints every day, up from around 1,000 complaints per day
- Attacks against public entities have intensified(SolarWinds)
 - \$1,500,000 Ransomware event
 - \$700,000 Social Engineering event

Our Solution

Our coverage includes:

- Network and Information Security Liability
- Communication and Media Liability
 - For unauthorized access to or breaches of personal identifying information
 - Transmission of a computer virus
 - Copyright and trademark infringement, plagiarism, libel, and slander online
- Regulatory Defense Expenses
 - For any claims by a governmental agency resulting from liability related to network security lapse or breach
- Crisis Management and Security Breach Notification Expenses
 - Coverage for public relations services as a result of a network breach or communication fault
 - Expenses to determine the scope of the breach
 - Costs of notification of all affected parties as required by law

WVcorp is the only local government self-insurance pool that provides:

- Cyber liability coverage with zero deductible
- Cyber Breach Attorney guidance on each claim
- Claims handled by Specialists familiar with Cyber Security trends
- Ransomware/Public Relations event response coverage, no sublimit
- Social Engineering/Fraudulent Instruction event coverage, no sublimit
- No pooled aggregate for purchase of \$1,000,000 limit or greater
- Increased coverage available up to \$10,000,000 limit

For more information about this program, please contact the following:

info@riskprograms.com





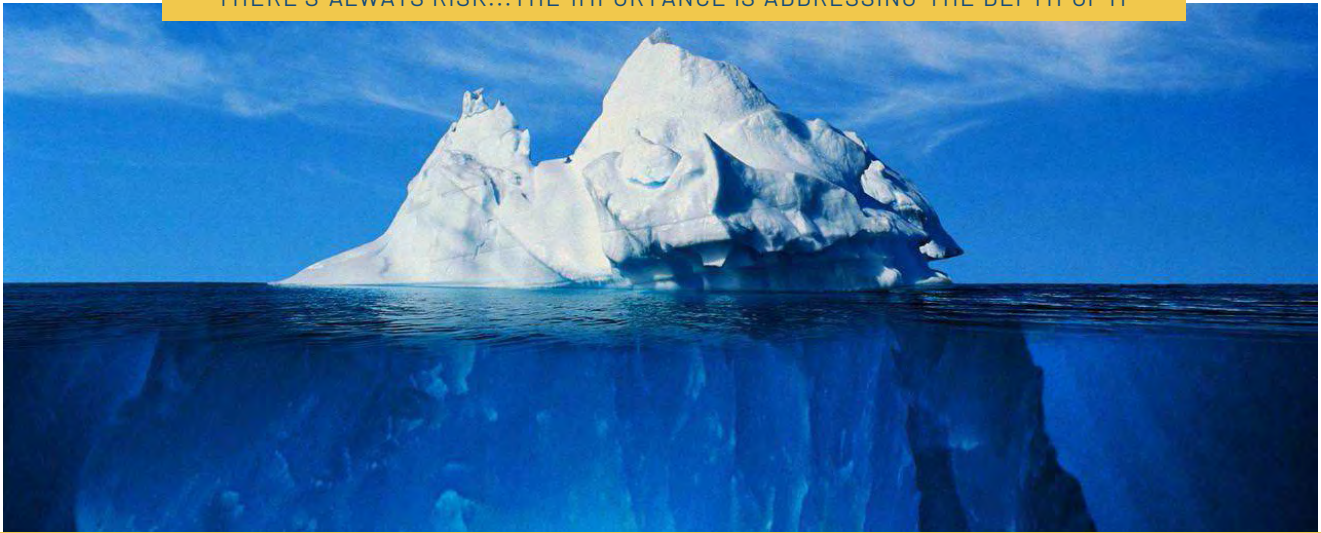
Online Member Portal

Our portal makes it easy to file or review claims and so much more.

We give you access to online tools to help you streamline and simplify your risk management efforts. We believe that interactions with your coverage provider should be easy and transparent. That is why we take you behind the curtain with our secure member portal. When you log in with your unique password, you have the following features available at your fingertips:

- **Homepage** – The home page gives you a quick snapshot of your organization's claims data without going too far into the weeds. You can see a broad overview of the status of current fiscal year claims, current claims by claim type, your financial data over the previous 5 years, and all open claims without ever leaving the home page.
- **Claim reporting tool** – We strive to make reporting claims as simple and convenient as possible. With our claim reporting tool, you can fill out a form online to file a claim, and you'll instantly receive a claim number to help you track your claim through our system.
- **Claim viewer** – You have a right to your claims data. With our claim viewer, we give you access to all the information that we have on each of your losses. You can filter and search for specific claims in order to see the details and financial data associated with each individual claim. We even post our adjuster's notes and correspondences to keep you apprised of any new developments.
- **Report generator** – You have the ability to create, view, and export your own loss runs without ever having to contact us. You can customize your loss reports by selecting which lines of coverage you'd like to see, setting a date range, and choosing to view a summary or detailed report.
- **Site tools** – We offer several online tools that allow you to view your vehicle, equipment, and property schedules, make edits to those schedules, or even request certificates of insurance without ever having to pick up the phone.
- **Risk control resources** – This resource library contains relevant sample policy and procedure templates that can be customized to suit your needs. You will also find training webinars and corresponding presentation slides that can be used to educate your staff.





Risk Control Services

Our team helps identify and minimize the risks you encounter every day.

While WVcorp is proud to offer the most comprehensive coverages available to protect your organization, we know that every claim can still be disruptive and shouldn't be accepted as an inevitable part of operations. In addition to the financial burden, claims can cost you precious time, result in public embarrassment, or even alter the lives of the individuals involved. Fortunately, we're here to help.

Our solution

Our Risk Control team is available to help you mitigate risk before it ever results in an incident. Our extensive experience in the operations of our members enables us to identify and address common exposures shared by all as well as those specific to your unique operations.

Customized to your needs

Our services are custom-tailored to meet the distinct needs of each member. We have an extensive array of member-specific programs, including those for:

- Counties, Cities, Towns, and Villages
- Law Enforcement
- Authorities, including Water & Sewer

Breadth of services

Proactive risk control is the essence of pooling, so WVcorp offers a wide array of services to help members working control their risks. From employee training to policy consultation to physical property walkthroughs, our staff will work with you to help identify exposures that can impact your operations from a safety, liability, and property damage standpoint.

Services offered through our Risk Control department include:

- Organizational Risk Management Consultation – Educating member contacts about coverage, loss history, exposures, and strategies for reducing specific losses
- Loss Analysis
 - Workers' Compensation & Property and Casualty
 - Summary by Year
 - Summary by Claim Type
 - Departmental Summary
 - Open claims analysis
 - Detailed individual claim review
- "Train the trainer" approach to promote internal safety programs
- Safety Committee assistance – Supporting members in developing, operating, and leading safety committees
- Employee training – Customized training sessions at member sites to address risk management needs
 - Topics include:
 - Safety and OSHA related training
 - Human Resources
 - Cyber Liability
 - Fleet Management
 - Law Enforcement specific training
 - In-person, live via video conferencing platform, and pre-recorded webinar formats available
 - Online archive of recorded training webinars
 - Safety Source – Online collection of over 1,000 safety videos available to stream instantaneously
- Periodic pool-wide webinars on relevant risk management issues
- On-site facility safety surveys
 - Comprehensive reviews of facility safety
 - Evaluation of work procedures, including job-safety analysis and ergonomics
 - Playground safety inspections with Certified Playground Safety Inspector (CPSI)
 - Fire and electrical hazard assessment
- Policy Consultation – Assisting members with creation or review of formal, written safety programs, policies, and procedures
- Archive of customizable templates available online

For more information about this program, please contact the following:

info@riskprograms.com





Law Enforcement Training

The selfless nature of our law enforcement personnel makes it necessary that they be trained to look out for their own wellbeing while also looking out for the safety of the citizenry.

No matter how safe we attempt to make their jobs, law enforcement officers have an inherently dangerous profession, and they willingly accept those risks. However, we see an increasing number of preventable incidents that could have been avoided had appropriate training been in place.

Our Solution

WVcorp employs a Public Safety Specialist with a law enforcement background whose focus is solely our members' law enforcement agencies. This specialist, along with other members of WVcorp's Risk Control team, provides law enforcement training on several key areas, including:

- Wellness and physical fitness to ensure optimal performance
- Safety awareness, including pictures, news reports and videos of incidents from our vast claims experience
- Injury and fatality statistical analysis, as well as accident trends based on claims reporting and other data

- Scenario awareness through prior and pending litigation, where law enforcement is either plaintiff or defendant through our claims experience and national stories
- State law changes that affect law enforcement, as well as policy review
- Safety mindset and complacency, traffic-stop safety, arrest safety and safe transport of prisoners
- Hands-on driving training, including driving simulator scenarios
- Mental fitness to prevent and heal from PTSD and mental stress
- Division of Justice and Community Services updates
- Critical Incident Review - video, statements, and reports

Submit training for credit.

Along with these training opportunities, we also offer up to 14 hours of coursework that can be submitted to the state for credit:

- Law Enforcement Defensive Driving – 2 hours
- Law Enforcement Emergency Driving/Pursuit – 4 hours
 - Responsibilities
 - Policy Review
 - Sovereign Immunity
- Driving Simulator – 2 hours
- Law Enforcement Safety Attitudes – 2 hours
 - Safety attitude makes a difference
 - Making safety a core value
 - Recognizing unsafe attitudes
 - Emergency vehicle operations
 - Traffic stops
 - Making arrests
 - Transporting suspects
 - Safety away from work
- Below 100 – 4 hours
 - Wear your seatbelt
 - Wear your vest
 - Watch your speed
 - Complacency skills
 - WIN (What's Important Now)

For more information about this program, please contact the following:

info@riskprograms.com

Resolution No. 769-23

Introduced in Council:

Adopted by Council:

February 21, 2023

Introduced by:

Referred to:

Joseph Jenkins

Finance

1 Resolution No. 769-23 - Authorizing the Mayor or City Manager to purchase 41 sets of bunker
2 gear for the Fire Department from Red Hot Fire Equipment, for a unit cost of \$2,349.00 each
3 and the total amount of \$96,309.00 pursuant to a competitively sourced multi-state contract.
4

5 Be it Resolved by the Council of the City of Charleston, West Virginia:
6

7 That the Mayor or City Manager is authorized to enter into a contract with Red Hot Fire
8 Equipment in the amount of \$96,309.00 for the purchase of 41 sets of bunker gear for the Fire
9 Department pursuant to a competitively sourced multi-state contract.



INSTRUCTIONS: This form must be submitted to the City Manager's Office for any purchase of materials or supplies costing **\$2,500 or more**. A minimum of **3** quotes is required for this form.

CITY OF CHARLESTON
Purchase Request

Date: 2/3/23

To: CITY MANAGER,

I request permission to purchase the following materials and/or supplies: _____

21 sets of turnout gear - new recruits

20 sets of turnout gear - replacements for worn gear

Purchase justification: _____

Turnout gear is required PPE (coats and pants) for new recruits and firefighters.

(purchasing from Red Hot Fire Equipment through Sourcewell contract)

If approved, the total purchase price will be: \$96,309

(Check One)

- ☐ The price is less than the \$25,000 permitted for purchases without advertising for bids and needing approval from City Council. I have not purposefully split the purchase request to keep the purchase under the \$25,000 threshold and have not favored a particular vendor. I have not shared competitive information with any vendor(s).
- ☐ The proposed vendor is a sole source provider for the materials/supplies requested. (Skip to **ITEM A** on page 2.)

I have contacted the following responsible vendors and have attached their written quotes for the requested item(s): (Minimum of 3 Quotes Required)

- | | | |
|----|-------------------------------|-------------------------------|
| 1. | <u>Red Hot Fire Equipment</u> | Price Quote: \$ <u>96,309</u> |
| 2. | _____ | Price Quote: \$ _____ |
| 3. | _____ | Price Quote: \$ _____ |
| 4. | _____ | Price Quote: \$ _____ |
| 5. | _____ | Price Quote: \$ _____ |

The apparent low-bid vendor *meeting specifications* is: Red Hot Fire Equipment

AND

☒ The low-bid vendor is not delinquent on any financial obligations owed to the City of Charleston according to the City Collector's records, and I recommend authorizing the purchase through the low-bid vendor.

OR

☐ I recommend not contracting with the lowest bidder meeting specifications and instead recommend contracting with _____ because:

Additionally, the recommended vendor is not delinquent on any financial obligations owed to the City of Charleston according to the City Collector's records.

ITEM A (For Sole Source Procurements ONLY)

Explain what is unique about this vendor/brand and why your department must purchase this product:

Identify at least 1 independent third party who has verified the vendor is a sole source for the item(s) requested to be purchased, and submit his/her written opinion regarding the vendor's sole source status:

(Name & Phone Number) _____

REQUESTOR'S DECLARATION

I declare that I have fully complied with the letter and intent of the City Code as it pertains to procurement and have exercised reasonable precaution to procure the item(s) requested above at the lowest price, consistent with good service and quality.

I also declare that I have no personal or business relationship with the listed vendor(s) that would be considered a conflict of interest, except as follows:

(List Actual, Potential, or Perceived Conflicts of Interest) _____

Request Submitted By: Lisa Fisher for CFD ^{L.F.} Department: City Manager's Office

Is this purchase being paid with grant funds? ☐ Yes ☒ No

Funds Approval: _____ Date: _____
Authorized Financial Officer

Account Number: 001-706-00-000-3-345 (budgeted)

City Manager Approval: _____ Date: _____

RED HOT FIRE EQUIPMENT

1515 Lower Gragston Creek Rd
Prichard, WV 25555

Quote

Date	Estimate #
2/2/2023	1312

Name / Address
Charleston Fire Department 808 Virginia St. W Charleston, WV 25302

Ship To
Charleston Fire Department 808 Virginia St. W Charleston, WV 25302

P.O. No.	Terms	Rep
	Net 15	SC

Item	Description	Qty	Cost	Total
PSGQ24798-A	Lion TOG Charleston WV Spec	41	2,349.00	96,309.00
			Total	\$96,309.00

Steve Cavender, Regional Sales & Service
304-674-1382

Web Site
www.redhotfireequipment.com

CITY OF CHARLESTON, West Virginia
Purchase Order Request Form
CHARLESTON FIRE DEPARTMENT

Purchase Order #: _____

Date: 02/01/23 Account Number#: _____

Vendor: Red Hot Fire Equipment Vendor# 009384

Contact: Steve Cavendar Phone# 304-674-1382

Address: _____
(Street, City, State, Zip)

Quantity	Description	Unit Price	Total Price
41	LION Turnout Gear (Coats and Pants w/belt)	2,349.00	96,309.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
		TOTAL	96,309.00

Requested By: Chad Jones

Purpose of Request: 21 sets of turnout gear for new recruits and 20 sets of replacement gear
from FY23 budget

Operations Chief:

☐ Denied ☐ Approved _____ Date: _____

Administrative Chief:

☐ Denied ☒ Approved Chad Jones Date: 2/1/2023

Fire Chief:

☐ Denied ☐ Approved _____ Date: _____



Solicitation Number: RFP #032620

CONTRACT

This Contract is between **Sourcewell**, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and **LION First Responder PPE Inc.**, 7200 Poe Ave., Suite 400, Dayton, OH 45414 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to its members. Participation is open to all levels of governmental entity, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and its Members (Members).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires May 7, 2024, unless it is cancelled sooner pursuant to Article 24. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 16 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Member in advance, Equipment or Products must be delivered as operational to the Member's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Vendor warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Vendor's dealers and distributors must agree to assist the Member in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Member.

C. **DEALERS AND DISTRIBUTORS.** Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized Distributors/Dealers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

Regardless of the payment method chosen by the Member, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Member at the time of purchase.

When providing pricing quotes to Members, all pricing quoted must reflect a Member's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Member's requested delivery location.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Members. Members reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Member will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Member.

B. SALES TAX. Each Member is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, Members must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Members.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Contract Administrator. This form is available from the assigned Sourcewell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number
- Clearly specify the requested change
- Provide sufficient detail to justify the requested change
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change)
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

5. MEMBERSHIP, CONTRACT ACCESS, AND MEMBER REQUIREMENTS

A. **MEMBERSHIP.** Membership in Sourcewell is open to public and nonprofit entities across the United States and Canada; such as municipal, state/province, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Members that can legally access the Equipment, Products, or Services under this Contract. A Member's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Member's use of this Contract is at the Member's sole convenience and Members reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell membership requirements and documentation and will encourage potential members to join Sourcewell. Sourcewell reserves the right to add and remove Members to its roster during the term of this Contract.

B. **PUBLIC FACILITIES.** Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Member policies and procedures, and all applicable laws.

6. MEMBER ORDERING AND PURCHASE ORDERS

A. **PURCHASE ORDERS AND PAYMENT.** To access the contracted Equipment, Products, or Services under this Contract, Member must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically a Member will issue a purchase order directly to Vendor. Members may use their own forms for purchase orders, but it should clearly note the applicable Sourcewell contract number. Members will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Member.

B. **ADDITIONAL TERMS AND CONDITIONS.** Additional terms and conditions to a purchase order may be negotiated between a Member and Vendor, such as job or industry-specific requirements, legal requirements (such as affirmative action or immigration status requirements), or specific local policy requirements. Any negotiated additional terms and conditions must never be less favorable to the Member than what is contained in Vendor's Proposal.

C. **PERFORMANCE BOND.** If requested by a Member, Vendor will provide a performance bond that meets the requirements set forth in the Member's purchase order.

D. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Member requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Member and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcwell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

E. **TERMINATION OF PURCHASE ORDERS.** Members may terminate a purchase order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Member fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal or state laws or regulations prohibit the purchase or change the Member's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Member.

F. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Member's purchase order will be determined by the Member making the purchase.

7. CUSTOMER SERVICE

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Vendor will assign an Account Representative to Sourcwell for this Contract and must provide prompt notice to Sourcwell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Member inquiries; and
- Business reviews to Sourcwell and Members, if applicable.

B. **BUSINESS REVIEWS.** Vendor must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to members, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. **CONTRACT SALES ACTIVITY REPORT.** Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcwell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcwell Assigned Entity/Member Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Vendor will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Members. The Vendor will submit a check payable to Sourcwell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Members under this Contract during each calendar quarter. Payments should note the Sourcwell-assigned contract number in the memo and must be mailed to the address above "Attn: Accounts Receivable." Payments must be received no later than forty-five (45) calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcwell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcwell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than thirty (30) days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcwell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcwell in writing.

10. ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

- A. **ASSIGNMENT.** Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.
- B. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.
- C. **WAIVER.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.
- D. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.
- E. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, master-servant, principal-agent, or any other relationship.

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell and its Members, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Vendor or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications.

12. AUDITS

Sourcewell reserves the right to review the books, records, documents, and accounting procedures and practices of the Vendor relevant to this Contract for a minimum of six (6) years from the end of this Contract. This clause extends to Members as it relates to business conducted by that Member under this Contract.

13. GOVERNMENT DATA PRACTICES

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

14. INTELLECTUAL PROPERTY

As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Members against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Members by any person on account of the use of any Equipment or Products by Sourcewell or its Members supplied by Vendor in violation of applicable patent or copyright laws.

15. PUBLICITY, MARKETING, AND ENDORSEMENT

A. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

B. **MARKETING.** Any direct advertising, marketing, or offers with Members must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

C. **ENDORSEMENT.** The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

16. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

17. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

18. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the

remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

19. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have thirty (30) calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Members as a result of such failure to proceed will be borne by the Vendor.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Member order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

20. INSURANCE

A. **REQUIREMENTS.** At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition). At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer).

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance.* During the term of this Contract, Vendor will maintain umbrella coverage over Workers' Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability.*

During the term of this Contract, Vendor will maintain coverage for all claims the Vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Vendor's professional services required under this Contract.

Minimum Limits:

\$2,000,000 per claim or event

\$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance.* During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. **CERTIFICATES OF INSURANCE.** Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. All policies must include there will be no cancellation, suspension, non-renewal, or reduction of coverage without thirty (30) days' prior written notice to the Vendor.

Upon request, Vendor must provide to Sourcewell copies of applicable policies and endorsements, within ten (10) days of a request. Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. **ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE.** Vendor agrees to name Sourcewell and its Members, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other Insurance

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maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

F. **SELF-INSURED RETENTIONS.** Any self-insured retention in excess of \$10,000 is subject to Sourcewell's approval.

21. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Vendor must maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Members.

22. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Member. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

23. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Members that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Members may also require additional requirements based on specific funding specifications. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when

a Member accesses Vendor's Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. § 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction

work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671q) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award

covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. **RECORD RETENTION REQUIREMENTS.** To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of three (3) years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. **ENERGY POLICY AND CONSERVATION ACT COMPLIANCE.** To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

L. **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

24. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon sixty (60) days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Termination of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to termination.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
C0FD2A139C06489...
Jeremy Schwartz

Title: Director of Operations &
Procurement/CPO

Date: 5/5/2020 | 5:00 PM CDT

LION First Responder PPE Inc.

DocuSigned by:
By: Mark T. Smith
587DDC8A46E84B0...
Mark T. Smith

Title: President LION Americas

Date: 5/6/2020 | 9:52 AM CDT

Approved:

DocuSigned by:
By: Chad Coquette
7E42B6F817A84CC...
Chad Coquette

Title: Executive Director/CEO

Date: 5/6/2020 | 9:53 AM CDT

PRODUCTS, SERVICES, SPECIFICATIONS AND PRICES

FIRE FIGHTER PERSONAL PROTECTIVE EQUIPMENT (PPE)	
Product Category	Percentage (%) off List Price* (OR fixed price if % off pricing is not available)
Fire (Firefighter) Turnouts or Turnout Gear	35%
Wildland Fire Fighting Protective Gear Versa Pro/Versa Pro Plus	15%
EMS & General Fire Garments	-
• Technical Rescue TR51	35%
• Urban Search and Rescue	35%
• Emergency Medical Operations Protective Ensembles TR51	35%
• Station Wear	35%
Helmets	35%
CBRN	15%
Gloves	10%
Boots	20%
Accessories Turnout Only	35%
Protective Garment Laundry Machines	-
• Extractors	-
• Decontamination chemicals	-
Maintenance & Cleaning Services	20%
Particulate Blocking Hoods	15%
Med Pro	15%
Core Training Products	3%

RFP 032620 - Firefighting Personal Protective Equipment, Apparel, and Accessories, with Related Cleaning and Maintenance Equipment

Vendor Details

Company Name: LION First Responder PPE
Does your company conduct business under any other name? If yes, please state: LION
Address: 7200 Poe Avenue
Dayton, OH 45414
Contact: Melissa Kirk
Email: mkirk@lionprotects.com
Phone: 937-266-0869
Fax: 937-415-0869
HST#: 47-1845529

Submission Details

Created On: Tuesday February 25, 2020 11:04:25
Submitted On: Thursday March 26, 2020 15:27:16
Submitted By: Melissa Kirk
Email: mkirk@lionprotects.com
Transaction #: ce8d59f7-17bf-4a73-99ce-22a9fa717684
Submitter's IP Address: 72.0.146.98



Revenue Tracking System

Main Menu \ Account/Contractor Status Inquiry

Basic Account Information

Account ID #: 32101
Account Name: RED HOT FIRE EQUIPMENT CO
DBA:
Status: ACTIVE
Date Entered RTS: 08/09/2021
Location Code: OUTSIDE
Phone Number: (304) 486-5438
Contact Name: ROGER MITCHELL

Business and Occupation Active:
Business License Active: No
City Services Fee Active: No
Status Date: 08/09/2021
Date Start: 01/01/1999
SIC: 5999
Cell Number:

Account Physical Address

Attention To:
Address 1: 1515 LOWER GRAGSTON CREEK
Address 2:
City, State: PRICHARD , WV 25555

Account Mailing Address

Address Type: Account Physical Address

Lookup Results :

Trace Number: 64853

Results: **The Account is allowed to have transactions**

[RETURN TO INQUIRE](#)

Logged in User: **Fisher, Lisa**

Thursday, February 02 2023

[Logout](#)

Resolution No. 770-23

Introduced in Council:

Adopted by Council:

February 21, 2023

Introduced by:

Referred to:

Joseph Jenkins

Finance

Resolution No. 770-23 - Authorizing the Mayor to execute the attached Termination of Lease and Settlement Agreement between the City of Charleston and CRA Communications, LLC, successor in interest to Charles Ryan Associates, LLC.

Whereas, Parties entered into a lease agreement dated November 7, 2011, which is attached hereto as Exhibit B, pertaining to the use of office space located in Suite 301 of 601 Morris Street, Charleston, WV; and

Whereas, the term of the lease was for fifteen (15) years, with an expiration date of December 31, 2027, with early termination options contained therein; and

Whereas, the Tenant has made timely payments under the terms of the lease and has requested that the Landlord grant a termination of the lease at an end date of April 30, 2023, in exchange for a one-time payment of \$90,042.47 to buy out the remainder of the term of the lease; and

Whereas, Tenant has agreed to vacate the premises on or before 11:59 p.m. on April 30, 2023, and City has agreed to accept \$90,042.47 as a buy out of the remainder of the term of the Lease.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is authorized to execute the attached Termination of Lease and Settlement Agreement between the City of Charleston and CRA Communications, LLC, successor in interest to Charles Ryan Associates, LLC.



TERMINATION OF LEASE AND SETTLEMENT AGREEMENT

This Termination of Lease and Settlement Agreement (hereinafter the “Agreement”) is entered into this ____ of February, 2023, by **CRA COMMUNICATIONS, LLC**, a West Virginia Limited Liability Company, and successor in interest to CHARLES RYAN ASSOCIATES, LLC, a Delaware Limited Liability Company (hereinafter “Tenant”) and the **CITY OF CHARLESTON, WEST VIRGINIA**, a municipal corporation (hereinafter “Landlord” or “City”).

RECITALS

WHEREAS, Tenant and Landlord entered into a lease agreement dated November 7, 2011, (hereinafter the “Lease”, which is attached hereto as Exhibit A and made a part hereof) pertaining to the use of office space located in Suite 301 of 601 Morris Street, Charleston, WV (hereinafter the “Premises”); and

WHEREAS, the term of the Lease was for fifteen (15) years, with an expiration date of December 31, 2027, with early termination options contained therein; and

WHEREAS, the Tenant has made timely payments under the terms of the Lease and has requested that the Landlord grant a termination of the lease at an end date of April 30, 2023, in exchange for a one-time payment of \$90,042.47 to buy out the remainder of the term of the Lease; and

WHEREAS, Tenant has agreed to vacate the Premises on or before 11:59 p.m. on April 30, 2023, and City has agreed to accept \$90,042.47 as a buy out of the remainder of the term of the Lease.

NOW THEREFORE, in consideration of the above recitals and the mutual benefits contained herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tenant and Landlord hereby agree as follows:

1. FINAL PAYMENTS AND TERMINATION

The Landlord acknowledges that the Tenant is in good standing on the Lease as of the execution date of this Agreement. The Tenant agrees that it will make its regularly scheduled rental payment under the terms of the Lease of \$9,991.17 for the months of March and April 2023. The Landlord acknowledges that after the April 2023 payment is made, the amount remaining due on the Lease is \$559,505.52 and the Landlord agrees to accept payment of \$90,042.47 in exchange for early termination of the Lease and the other terms and conditions of this Agreement. The Tenant agrees to make the final buy out payment of \$90,042.47 on or before April 30, 2023. Subject to the terms and conditions of this Agreement, the Lease is terminated effective at 11:59 p.m. on April 30, 2023.

2. YIELD OF PREMISES

Tenant hereby agrees to vacate and peaceably surrender the Premises on or before 11:59 p.m., April 30, 2023. Tenant agrees that all alterations and improvements shall remain upon and become part of the Premises. Tenant agrees to leave the premises broom-cleaned and in good condition, excepting ordinary wear and tear.

3. SURVIVAL OF CERTAIN LEASE TERMS

The Landlord and Tenant agree that Section 8 of the Lease regarding the indemnification of the Landlord, by the Tenant, for certain costs and expenses related to the Tenants use of the Premises, as specifically set forth in subsections a and b of Section 8 shall survive the termination of the Lease and continue to have full force and effect under the terms of this Agreement. In addition, all remaining terms of the Lease shall continue to govern the relationship between the Landlord and Tenant through April 30, 2023.

4. RELEASE OF LIABILITY

Tenant does hereby release, acquit, and forever discharge Landlord from any and all claims, demands, actions, causes of action, and suits at law or equity arising from or related in any manner to the Lease or the Premises, including, but not limited to, the right of possession or use of the Premises after April 30, 2023, and the right to compensation or damages in any form whatsoever.

Pursuant to the terms of this Agreement and following the final buy out payment, Landlord does hereby release, acquit, and forever discharge Tenant from any and all obligations under the Lease other than those set forth in the terms of this Agreement.

5. KNOWING AND VOLUNTARY AGREEMENT

Landlord and Tenant are relying upon their own judgment and/or the judgment of their own legal counsel or other consultant in entering into this Agreement and have not relied upon or been induced to act by the statements or representations of the other party, including their employees, agents and attorneys, except as to the consideration and covenants herein described. The undersigned affirmatively state that they over the age of eighteen years, are fully competent and authorized to enter into this Agreement, and are otherwise under no incapacity which could affect their legal ability, capacity, authority or competency to enter into this Agreement.

5. GOVERNING LAW, CONSENT TO JURISDICTION AND VENUE

This Agreement shall be deemed to be executed in The City of Charleston, State of West Virginia, and shall be governed by and construed in accordance with the laws of the State of West Virginia. The parties agree that any and all claims arising under this Agreement, or related thereto, shall be exclusively heard and determined either in the United States District Court for the Southern District of West Virginia or in the Circuit Court of Kanawha County, West Virginia.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between Tenant and Landlord and supersedes all prior or contemporaneous communications, whether electronic, oral or written between the parties.

IN WITNESS WHEREOF, The parties have caused this Agreement to be properly executed by persons or officers thereunto duly authorized.

TENANT: CRA COMMUNICATIONS, LLC, a West Virginia Limited Liability Company, and successor in interest to CHARLES RYAN ASSOCIATES, LLC, a Delaware Limited Liability Company

By: Susan Lavenski, CEO/Owner

Date

LANDLORD: CITY OF CHARLESTON

By: Amy Shuler Goodwin, Mayor

Date



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

December 30, 2011

Charles Ryan Associates, LLC
Attn: Dustin Lanning
601 Morris Street, Suite 301
Charleston, WV 25301

Re: Lease Agreement for Space at 601 Morris Street, Suite 301

Dear Mr. Lanning:

Attached is a fully executed copy of the above referenced Lease Agreement between The City of Charleston and Charles Ryan Associates, LLC, approved by City Council on November 7, 2011. The Agreement provides for leasing of approximately 6439 square feet of floor space on the third floor of 601 Morris Street to your firm with the right to use the common areas represented on Exhibit A of said Agreement.

Sincerely,

Janice Westerman
Administrative Assistant
City Manager's Office

Attachment

Resolution No. 041-11 :

Introduced in Council:

November 7, 2011

Introduced by:

Robert Reishman

Adopted by Council:

Referred to:

Resolution No. 041-11 : "Authorizing the City Manager to enter into a Lease Agreement with Charles Ryan Associates, LLC, to demise a premises at 601 Morris Street of approximately 6439 square feet of floor space for a period of fifteen (15) years commencing January 1, 2012, at a base rental rate of \$1,798,410 payable in 180 monthly installments of \$9,991.17, subject to annual utility escalations and providing for early termination after the first five years with proper notice and payment of the remaining unpaid amortized build-out and furnishings allowance of \$184,805.51, or after the first ten years with notice and payment of \$106,126.37."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the City Manager is hereby authorized and directed to enter into a Lease Agreement with Charles Ryan Associates, LLC, to demise a premises at 601 Morris Street of approximately 6439 square feet of floor space for a period of fifteen (15) years commencing January 1, 2012, at a base rental rate of \$1,798,410 payable in 180 monthly installments of \$9,991.17, subject to annual utility escalations and providing for early termination after the first five years with proper notice and payment of the remaining unpaid amortized build-out and furnishings allowance of \$184,805.51, or after the first ten years with notice and payment of \$106,126.37

Contract Scanning Index Input Sheet

Date Prepared: December 30, 2011

Employee preparing the contract index: Jan Westerman

New Contract – Yes / No

* If No please give the index information for the previously scanned contract.

Department - Circle One of the following departments

Accounting, Building, City Attorney, City Clerk, City Collector, City Manager, Civic Center, Emergency Services, Engineering, Fire Department, Human Resources, Human Rights, Information Systems, Mail Room, Mayor's Office, MOECD, Municipal Court, Parking System, Parks & Rec, Police Department, Planning, Public Works (Refuse & Collection), Sanitary Board, Spring Hill Cemetery, Urban Renewal

Company: Charles Ryan Associates, LLC

Project: Leasing of Space at 601 Morris Street, Suite 301 (Approx. 6439 sf, with right to use common areas indicated on Exhibit A of said Agreement)

Start Date: January 1, 2012

Expiration Date: December 31, 2027 (15 year Lease)

Description: Leasing of approximately 6439 sf of floor space at 601 Morris Street, together with the right to use the common areas thereof

Council Action Date: November 7, 2011

Project Amount: \$1,798,410 (Base Rental for 15 year lease term, payable in monthly installments of \$9,991.17 beginning January 1, 2012 through December 31, 2026. In addition to base rental, Tenant shall pay a monthly Utilities Escalation Adjustment beginning January 1, 2015, to be recalculated annually thereafter, and providing for early termination after first five years with proper notice and payment of remaining unpaid amortized build-out and furnishings allowance of \$184,805.51, or after the first ten years with notice and payment of \$106,126.37)

Resolution: 041-11

I.S. Department Use

I.S. Department Employee Initials _____

Received Date: _____

Scanned & Indexed: _____

THIS INDENTURE OF LEASE, Made as of this 7th day of November, 2011, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, whose address is P.O. Box 2749, Charleston, West Virginia 25330, party of the first part, hereinafter referred to as "Landlord", and CHARLES RYAN ASSOCIATES, LLC, a Delaware Limited Liability Company, whose address is 601 Morris Street, Suite 301, Charleston, WV, 25301, party of the second part, hereinafter referred to as "Tenant";

WITNESSETH:

That, for and in consideration of the premises, covenants and agreements herein entered into between the parties, the parties do hereby agree to and with each other as follows:

1. DEMISED PREMISES: The Landlord does hereby rent and lease unto the Tenant, and the Tenant takes and leases from the Landlord, (Suite 301), approximately Six Thousand Four Hundred Thirty-nine (6439) square feet of floor space (the "Premises") on the Third (3rd) floor of 601 Morris Street in Charleston, Kanawha County, West Virginia, together with the right to use the common areas thereof. The Premises are delineated on the drawing attached hereto as "Exhibit A" and hereby incorporated in and made a part hereof.

2. TERM: The term of this lease shall be for a period of fifteen (15) years, commencing on the 1st day of January, 2012, and ending on the 31st day of December, 2027.

3. RENTAL AMOUNT: The Landlord agrees to accept, and the Tenant agrees to pay a Base Rental for the fifteen (15) year lease term in the amount of One Million Seven Hundred Ninety-eight Thousand Four Hundred Ten Dollars (\$1,798,410), payable in One Hundred Eighty (180) monthly installments of Nine Thousand Nine Hundred Ninety-one Dollars and Seventeen Cents (\$9,991.17) beginning January 1, 2012, through December 31, 2026. In addition to the Base Rental, Tenant shall pay a monthly Utilities Escalation Adjustment beginning on January 1, 2015,

which shall be recalculated annually thereafter. The initial Utilities Escalation Adjustment shall be calculated as a pro rata share of any increase in operating expenses assumed by the Landlord and directly related to increased costs of utilities over and above the cost of those expenses to the Landlord for the Base Year of January 1, 2012 to December 31, 2012. That pro rata share shall be determined by dividing the square footage of the Tenant's exclusive space (6439 sq. ft.) by the overall rentable square footage (excluding common area allocations) of the building which is, or would be if rented, subject to the same expenses (i.e., 54,902 sq. ft.), which is 11.72 %, and dividing the gross amount by a divisor of twelve (12) to derive the monthly Rental Escalation. After the initial adjustment, the formula shall be applied in a similar fashion for subsequent years to recalculate and apply the escalation on an annually basis.

The Rental Amount contemplates that the Landlord will build-out the space in a good and workmanlike manner to the satisfaction of the Tenant pursuant to the attached drawings at a cost for materials and labor not to exceed One Hundred Ninety-three Thousand One Hundred Thirty-six Dollars and Sixty-three Cents (\$193,136.63) and to furnish, decorate, or provide other incidentals associated with the Tenant's use of the demised premises at an additional cost not to exceed Fifty Thousand Dollars (\$50,000.00).

4. RENTAL PAYMENTS: Said rentals are to be payable in advance on the first day of each and every month during the term of this lease; said payments to be made at the office of the City Manager, 501 Virginia Street East, Charleston, West Virginia, 25301, or at such other location as the Landlord may designate in writing to the Tenant.

5. EARLY TERMINATION: Tenant may terminate this lease at the expiration of the first five years (December 31, 2016) by giving at least ninety (90) days advance written notice and paying One Hundred Eighty-four Thousand Eight Hundred Five Dollars and Fifty-one Cents (\$184,805.51), which represents the remaining unpaid amortized build-out and furnishings

allowance on the fifteen (15) year lease term, in addition to all monthly rental installments and utility escalations then due and owing through December 31, 2016.

Tenant may terminate this lease at the expiration of the first ten years (December 31, 2021) by giving at least ninety (90) days advance written notice and paying One Hundred Six Thousand One Hundred Twenty-six Dollars and Thirty-seven Cents (\$106,126.37), which represents the remaining unpaid amortized build-out and furnishings allowance on the fifteen (15) year lease term, in addition to all monthly rental installments and utility escalations then due and owing through December 31, 2021.

Tenant shall be responsible for the amounts set forth in this Paragraph 5 only upon early termination of this Lease by Tenant pursuant to this Paragraph 5 or in the event this Lease is terminated by virtue and because of abandonment of the Premises by Tenant or any assignee to subtenant to whose assignment or sublease Landlord shall have consented.

6. GENERAL COVENANTS: The parties hereby covenant and agree as follows:

a. The Tenant shall pay said rentals, Utility Escalation Adjustments, and any other amounts payable hereunder punctually and promptly.

b. Unless the Landlord consents thereto in writing, which consent shall not be unreasonably withheld, the Tenant:

(i) Shall not use or permit the Premises, or any part thereof, to be used for any purpose other than for commercial offices.

(ii) Shall not make any alterations, additions or improvements without the prior written consent of the Landlord, and, unless otherwise agreed to by the Parties, any and all such alterations and improvements shall at the option of the Landlord become and be the property of the Landlord upon the termination of the lease.

(iii) Shall not assign nor mortgage this lease, nor re-let or sublet the Premises, or any part thereof.

(iv) Shall not suffer any act of commission or omission which will increase the rate of fire or general liability insurance of the Premises or of the building of which the demised premises are a part.

7. COMPLIANCE WITH LAWS:

a. The Tenant shall comply with all statutes, ordinances, orders, requirements and regulations, present and future, of any Federal, State, County or Municipal authority, or agency or subdivision thereof having jurisdiction over or affecting the use of the Premises.

b. The Landlord shall at all times and at their own cost keep and maintain the common areas and fixtures in a condition comparable to common areas in first-class commercial office space and in compliance with all statutes, ordinances, orders, requirements and regulations, present and future, of any Federal, State, County or Municipal authority, or agency or subdivision thereof having jurisdiction over or affecting the common areas.

8. INDEMNIFICATION:

a. Tenant shall indemnify, hold harmless and defend Landlord from and against any and all costs, expenses (including reasonable attorney fees), liabilities, losses, damages, suits, actions, fines, penalties, claims or demands of any kind and asserted by or on behalf of any person or governmental authority arising out of or in any way connected with the Lease or the Premises, and Landlord shall not be liable to Tenant on account of, (i) any failure by Tenant to perform any of the agreements, terms, covenants or conditions of this Lease required to be performed by Tenant, (ii) any failure by Tenant to comply with any statutes, ordinances, regulations, requirements or orders, present and future, of any governmental authority, or (iii) any accident, death or personal injury or damage, including fire or water damage, or loss or theft of property, which shall occur in the Premises or as a result of any

negligence or act of Tenant or its employees or agents, except as the same may be caused by the negligence or act of Landlord, its employees or agents. In all cases in which Tenant is required to obtain insurance, Tenant shall be responsible for all deductibles, and its insurance shall provide primary coverage.

b. In addition to and not in lieu of the above provisions, Tenant agrees to defend, indemnify and hold harmless the Landlord and its agents from any claims, liabilities, fines, alleged damages, and/or any types of actions whatsoever, including attorneys' fees, arising out of alleged injury to property or contamination of the environment (including, but not limited to, injury or contamination related to asbestos), whether or not prosecuted by a governmental entity, to the extent such claims arise out of Tenant's business activities on the Premises. Tenant further agrees to defend, indemnify and hold harmless Landlord and its respective agents in connection with any administrative proceeding arising out of alleged damage to person, property, or the environment, including, but not limited to notification that Landlord, or its agents, are potentially responsible parties for any alleged damage to any environmental hazard created by Tenant as a result of its performance under this Lease to the extent such claims arise out of Tenant's business activities on the Premises. For purposes of clarity, Tenant's indemnity obligation hereunder shall not encompass any claims, liabilities, fines, alleged damages, or any type of action whatsoever arising out of alleged injury to property or contamination of the environment (including but not limited to injury or contamination related to asbestos) to the extent such claims arise out of Landlord's build-out of the Premises.

c. Tenant shall maintain general liability insurance during the term of this Lease and any extensions thereof in the amount of \$1,000,000.00 and shall name City as an additional insured for purposes of this Lease and the indemnity provisions herein. Tenant shall be responsible for the payment of all deductibles. Tenant shall also purchase and maintain all such other kinds of insurance

and minimum amounts required to be purchased and maintained by Tenant throughout the term of this Lease. All policies shall provide primary coverage and shall reflect that Tenant is responsible for any and all deductibles. Tenant agrees to provide City with a copy of its insurance policies prior to the commencement of this Lease and any extensions thereof. In the event that Tenant's insurer denies coverage or terminates Tenant's insurance coverage, the City may, at its option, terminate this Lease after reasonable opportunity for Tenant to secure replacement policies.

d. If the Premises or the building of which the demised premises are a part are partially damaged by fire or other casualty, unless caused by the negligence or willful actions of Tenant, the damages shall be repaired by and at the expense of Landlord and the rent, until such repairs shall be made, shall be apportioned from the date of such fire or other casualty according to the part of the Premises which is usable by Tenant. Subject to the terms herein, Landlord agrees to repair such damage within a reasonable period of time, except that Tenant agrees to repair and replace its own furniture, furnishings and equipment at Tenant's expense.

e. If the Premises are totally damaged or are rendered wholly untenable by fire or other casualty, and if Landlord in its sole discretion shall decide not to restore or not to rebuild the same, or if the Building shall be so damaged that Landlord shall decide not to restore or not to rebuild the same, or if the Building shall be so damaged that Landlord shall decide to demolish it, then or in any such events Landlord shall, within thirty (30) days after such fire or other casualty, give Tenant written notice of such decision and thereupon, the term of this Lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord. Upon the termination of this Lease under the conditions hereinbefore provided, Tenant's liability for rent shall cease as of the date of such fire or other casualty. In addition, under any such circumstance Tenant may, within thirty (30) days after such fire or other casualty, elect to terminate this Lease by giving written notice thereof to Landlord, in which event this Lease shall expire as of the

date of such fire or other casualty. No damages shall be owed by Landlord arising from election and/or termination.

9. CONDEMNATION: In the event that the land or building in which the Premises are located, or any part of said land or building be condemned, or the right of entry be granted as a part of the condemnation proceeding, for public use (irrespective of whether or not any portion of the demised premises is condemned), the Landlord, at its option, may terminate this lease upon one hundred twenty (120) days' notice in writing of its election so to do and upon the date set forth in said notice this lease shall cease, terminate and come to an end in the same manner and to the same effect as if such date were fixed herein for the expiration of the term. The Tenant shall have no claim against the Landlord nor be entitled to any portion of the amount which may be awarded as damages or paid as a result of such condemnation; provided, however, that nothing contained herein shall impair the Tenant's right to pursue a claim against the condemning authority for Tenant's relocation expenses. Landlord agrees to promptly advise Tenant of the filing of such proceeding.

10. BREACH: Upon the continuance of any breach or violation by the Tenant of any of the terms, covenants or conditions of this lease, for a period of twenty (20) days after written notice to Tenant from Landlord, unless the breach is one for payment of rent in which case the period is ten (10) days after such written notice, the Landlord may, at its election, terminate this lease and upon such election, this lease and all of the estate of the Tenant in the Premises shall come to an end and the Landlord may thereupon recnter the premises as of its former estate. The Landlord shall not be entitled to elect to terminate this lease unless the Tenant fails, within a period of twenty (20) days after written notice, unless the breach is one for payment of rent in which case the period is ten (10) days after written notice, to begin use of all commercially reasonable efforts to remedy the breach or violation complained of or thereafter fails to diligently and promptly complete the remedying thereof, to the satisfaction of Landlord. Provided, however, that if the breach or

violation complained of shall be the result of an action taken under any statute, ordinance, rule or requirement of any governmental body, then if the Tenant shall institute and prosecute diligently, any bona fide action to establish the invalidity thereof, the period of twenty (20) days shall be suspended until the final determination of such proceedings. Any waiver by the Landlord of any breach shall not be deemed a waiver of any similar or other further breach. The rights and privileges herein reserved shall be in addition to the remedies afforded to the Landlord in the courts of law and equity.

11. ABANDONMENT: If the Premises shall become vacant or abandoned, or if the Tenant or any assignee or subtenant to whose assignment or sublease the Landlord shall have consented, shall be dispossessed or removed from the Premises, or if the term hereof shall terminate prior to the expiration date fixed herein because of any act or omission of the Tenant or such assignee or subtenant, or because of the happening of any contingency or of the abandonment herein provided for, or as a result of any election exercised by the Landlord pursuant to the terms hereof, the Tenant does hereby authorize and empower the Landlord, at its option, to reenter the Premises as agent of the Tenant or for any occupant of the Premises under the Tenant, or for its own account or otherwise, and to re-let the same for any term expiring either prior to the original expiration date hereof or simultaneously therewith, or beyond such date and to repair the same if necessary or desirable for re-letting purposes and to receive and apply the rent so received to the cost of reentry, repair, and re-let and to the payment of the rent and other charges due hereunder. The Tenant shall not be entitled to any surplus accruing from such re-letting.

12. QUIET ENJOYMENT: The Landlord hereby covenants that if the Tenant shall perform all the covenants and agreements herein stipulated to be performed on the Tenant's part, Landlord shall at all times during the term hereof have the obligation to provide peaceful and quiet

enjoyment and possession of the Premises without any manner of let or hindrance from the Landlord, or any persons

13. SURRENDER OF PREMISES: Tenant shall, at expiration or termination of the term, or any renewal term, peaceably surrender the Premises with all the improvements and additions thereto belonging to Landlord, broom-cleaned and in good condition, excepting ordinary wear and tear. All repairs, alterations and additions made either by the Landlord or Tenant to the demised premises except unattached moveable business fixtures, shall, unless otherwise agreed to by the Parties, at the option of the Landlord, be the property of the Landlord and remain upon and be surrendered with the Premises as part thereof at the termination of this lease or any renewal term thereof.

14. SUBORDINATION:

a. This Lease shall be subject, junior and subordinate to that certain Contract of Lease-Purchase dated as of November 1, 2004 (the "Primary Lease"), between the West Virginia Economic Development Authority as lessor (the "Authority") and City as lessee, which expires on November 1, 2024, subject to annual termination as provided for below. The Primary Lease is of record in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 251 at page 191.

b. Under the terms of the Primary Lease, Landlord has the right to terminate the Primary Lease at the end of any fiscal year upon 30 days' prior written notice to the Authority and to WesBanco Bank, Inc, as trustee (the "Trustee") under that certain Indenture, Credit Line Deed of Trust and Security Agreement (the "Indenture"), dated as of November 1, 2004, between the Authority and the Trustee. The Indenture constitutes a deed of trust on the baseball stadium complex known as "West

Virginia Power Park," including the Premises. The Indenture is of record in the aforesaid Clerk's office in Trust Deed Book 3194 at page 567.

c. Notwithstanding the above, and in addition thereto, this lease shall be subject and subordinate at all times to the lien of any mortgages and/or deeds of trust and/or bond issues and/or trust debentures in any amount or amounts whatsoever now or hereafter placed on the land and buildings of which the Premises form a part and/or on the Landlord's interest or estate therein without the necessity of any further instrument or act on the part of the Tenant to effectuate such subordination, provided, however, the Tenant covenants and agrees to execute and deliver upon demand such further instrument or instruments evidencing such subordination of this lease to the lien of any such mortgage or mortgages and/or deeds of trust and/or bond issues and/or deeds of trust and/or bond issues and/or trust debentures as may reasonably be desired, and Tenant's execution of any and all documents necessary and proper to effectuate a subordination shall not be unreasonably withheld by Tenant.

15. UTILITIES AND MAINTENANCE: The Landlord does covenant and agree that during the term of this lease the following will be furnished at the Landlord's expense:

a. The Landlord agrees to furnish, maintain and operate a heating and air-conditioning system during each normal work day adequate to provide a comfortably heated or cooled office work area, Saturdays, Sundays and normal holidays or any addendum attached hereto excepted, but the Landlord agrees to keep the premises comfortably heated or cooled until Six o'clock in the evening (6:00 p.m.) on Saturdays. Upon twenty-four (24) hours written notice from the Tenant to the Landlord with regard to a particular day or time outside of the hours set forth hereinabove, the Landlord agrees to keep the premises comfortably heated or cooled for that particular day or time outside of the hours set forth hereinabove.

b. Electric power and light necessary to operate elevator, building air-conditioning and heating systems and to light building and operate Tenant's equipment. The Tenant shall pay for all

other electricity for equipment that requires more than usual and customary amounts of electricity and will be charged on a metered or pro-rata share basis.

c. Janitor service reasonably necessary to keep the Premises in a neat and tidy condition and to be equivalent to the type of service provided in first-class buildings and to include the following:

DAILY:

Clean rest rooms.

Provide soap and toilet paper in toilet area.

Vacuum carpets and spot mop common area hallways and corridors.

TWICE WEEKLY:

Empty waste paper baskets.

Sweep and dust and mop floors.

Clean fingerprints from door glass.

Dust furniture and equipment.

Vacuum all rugs.

PERIODICALLY:

Clean outer window glass and all interior partition glass.

Clean all tile floors.

Replace light tubes.

d. The Landlord agrees to keep, maintain and repair the outside of the building and all common areas, including the sidewalk, the parking area, lawns and shrubbery, in a neat and tidy condition.

e. All cleaning of carpets within Tenant's exclusive Premise, except vacuuming, shall be done by Tenant at Tenant's expense.

16. ENTRY UPON PREMISES: Tenant shall permit Landlord, Landlord's agents or employees or any other person or persons authorized by the Landlord, to inspect the Premises at any time, and to enter the Premises if Landlord shall so elect for making repairs or additions thereto or for making alterations, additions or routine repairs to the building of which the Premises are a part. Landlord shall exercise due care to minimize any disruption to Tenant's business activities. Unless immediate access to the Premises is needed for emergency repairs, Landlord shall provide Tenant with at least 48 hours notice before entering the Premises to make repairs. Except as specifically provided for in Paragraph 11 hereinabove, no diminution or abatement of rent or other compensation shall be claimed or allowed for reasonable inconveniences, discomfort or interruption of business arising from the making of repairs or improvements to the building, or any part thereof, or to the machinery, fixtures or appurtenances thereto and therein, nor for any space taken to comply with any law, ordinance or order of any governmental authority. The Landlord and Landlord's agents may enter upon the Premises at reasonable hours to examine the same, and may during the last six months of Tenant's occupancy exhibit the same to any person or persons, and during said time may also maintain "For Lease" and "For Sale" notices on the outside walls thereof. Landlord shall, however, exercise reasonable care to minimize any disruption to Tenant's business activities and, to the extent practicable, to provide Tenant notice of such visits occurring during normal working hours.

17. NOTICES: All written notices by the Landlord to the Tenant shall be sent by certified mail to the Tenant at 601 Morris Street, Suite 301, Charleston, WV, 25301, Attn: Dustin Lanning, or at such other location as the Tenant may designate in writing. All notices by the Tenant to the Landlord shall be sent by certified mail to the Landlord in care of the City Manager

at City Hall, 501 Virginia Street East, Charleston, WV, 25301, or at such other location as the Landlord may designate in writing.

18. GOVERNING LAW: The terms, covenants and conditions of the within lease shall be binding upon and inure to the benefit of each of the parties hereto, their successors and assigns. Further, the terms, covenants and conditions of the within lease are to be governed by the laws of the State of West Virginia.

Landlord and Tenant agree that any and all claims arising under this Agreement, or related thereto, shall be heard and determined either in the United States District Court for the Southern District of West Virginia or in the Circuit Court of Kanawha County, West Virginia.

19. ACCEPTANCE OF PREMISES: The taking of possession by Tenant of the leased premises is conclusive evidence that Tenant has examined the Premises and is satisfied with its physical condition and acknowledges receipt of it in good order and repair, except as otherwise specified to Landlord in writing within ten (10) days of taking possession, and the Tenant agrees that no representation as to condition of repair has been made, except as is contained in the lease and he agrees that no promise to decorate, alter, repair, or improve the Premises has been made except as is set forth herein.

20. REPAIRS: The Tenant shall immediately give written notice to Landlord of any repairs that become needed to the Premises. Landlord and its agent shall be permitted at any reasonable hour of the day during the term of this lease to visit and examine the Premises; and workmen may enter at any time, when authorized by the Landlord or the Landlord's agent to make or facilitate repairs in any part of the building whenever same shall become necessary. Provided, however, that unless immediate access to the Premises is needed for emergency repairs, Landlord will provide Tenant with at least 48 hours notice prior to entering the Premises to make repairs. If the said Tenant shall not be personally present to open and permit the entry into the Premises at

any time when for any reason an entry therein shall be necessary hereunder, the Landlord or the Landlord's agent may enter same without rendering the Landlord or such agent liable to any claim or cause of action for damages by reason thereof (if during such entry the Landlord and Landlord's agent shall accord reasonable care to the Tenant's property) and without in any manner affecting the obligations and covenants of this lease. In the event that at any time before the expiration of the term hereby granted the Tenant shall cease to occupy the Premises, and shall remove substantially all of their furniture therefrom, the Landlord shall have the right to enter upon the Premises for the purpose of cleaning, altering or redecorating the same; and the exercise of such right by the Landlord shall in no way affect or modify the obligations and covenants of the Tenant under this lease for the remainder of the term thereof.

21. SIGNS: Tenant shall not display any signage visible from the outside of the Premises without written authorization from Landlord. Tenant may, however, place direction signage near the elevator on the second floor, on the entrance door or sidelight windows to their suite, and will be identified on the common area marquee maintained by the Landlord in the first floor lobby.

22. TAXES AND FEES: Tenant shall pay any and all taxes and fees levied and assessed upon any personal property, fixtures and improvements belonging to Tenant and located upon the Premises.

23. SEVERABILITY: If any provision of this agreement is held to be illegal, invalid or unenforceable under present or future law, such provision shall be fully severable, and further the remainder of this agreement shall be fully enforceable and remain in force and effect. All covenants and representations are binding upon and inure to the benefit of the heirs, executors, administrators, and assigns of Landlord and Tenant. Where the singular or plural member is used herein the same shall be construed to apply to the party or parties whether singular or plural, and

any word used herein indicating gender shall be construed to include all person, firms, or corporations, parties hereto, of whatever gender.

24. ENTIRE AGREEMENT; EFFECTIVE DATE OF LEASE: This Agreement constitutes the entire agreement between the Landlord and the Tenant pertaining to the subject matter contained herein. The Landlord and Tenant agree to execute any and all supplementary documents and to take all supplementary steps to give full force and effect to the basic terms and intent of this lease. Notwithstanding any agreement of this lease to the contrary, this lease is not effective until it is approved by the City Council of Landlord and duly executed by its Mayor.

IN WITNESS WHEREOF, the party of the first part, The City of Charleston, and the party of the second part, Charles Ryan Associates, LLC, have caused these presents to be executed by their duly authorized representatives as of the date first above written:

Landlord:

City of Charleston

By: _____

Danny Jones
Mayor

Tenant:

Charles Ryan Associates, LLC

By: _____

Dustin Lanning
Its: CFO

[illegible]

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P R O P O S A L

DATE: 12/07/11

TERMS: NET 30 DAYS

PROPOSAL FOR:

CITY OF CHARLESTON
CITY CLERK
P.O. BOX 2749
CHARLESTON, WV 25330

BILL TO:

CITY OF CHARLESTON
CITY CLERK
P.O. BOX 2749
CHARLESTON, WV 25330

PROPOSAL # 72649 PROJECT # 31-58
CLIENT: 101190

SALESPERSON: KATHY LEVITAN

For Charles Ryan Associates
601 Morris Square
Charleston WV

#	QTY	PRODUCT #	DESCRIPTION	UNIT	EXTENDED
---	-----	-----------	-------------	------	----------

The following items are per SYSFURN10B
WV State Contract.

1	1		*** Dustin ***		
---	---	--	----------------	--	--

2	2	8621	GLOBAL INDUSTRIES MARCHE-Curved plywood open back side chair with upholstered seat	476.93	953.86
---	---	------	---	--------	--------

~04	GRADE 04
~GCWD/CRES	GLOBALCONTRACT WOOD/CRESCENT
MOMENTUM	Ohs Warmth
TU	F-TUNGSTEN-NEW STYLE SANDTX

List Price: 1,022.00
Discount Off List: 53.33 %

3	1	GCAR36TM	GLOBAL INDUSTRIES BOARDROOM ROUND-4 Leg Base-T-Mold Edge - 36W x 29H	183.75	183.75
---	---	----------	---	--------	--------

~01	GRADE --
~CONF/CNBM	TABLE TOP/TABLE BASE METAL

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

~CONF:AWH AVANT HONEY
AWH/SIL 1-AVANT HONEY/SILVER
ME F-MATCHING EDGE
~ (STD)
~ (STD)
~ (STD)

List Price: 393.75
Discount Off List: 53.33 %

4 1 SCT-20-4116 HAWORTH, INC. 398.83 398.83
VERY SEATING, TASK, FABRIC
SEAT/MESH BACK

(4116) AJ/LUM/BL, STD BASE, SOFT CSTR, PLST
, 3A- TELLURE GRADE A/1
040 CHOCOLATE
, MS- CHR FAB - MESH VERY TASK MESH
0FK COCOA
, TR- SURFACE 3
007 FOG - VERY SEATING
(2) TRIM SURFACE 4
, TR- SURFACE 4
OLE METALLIC SILVER

List Price: 782.00
Discount Off List: 49.00 %

5 2 Z15M2ES GLOBAL INDUSTRIES 226.80 453.60
ZIRA-Storage Shells
- 28" High-W/Two File Drawers - 19.3D
x 15W x

~01 GRADE --
~ZTOP ZIRA TOP
AWH 1-AVANT HONEY
HQ P-BAR SILVER HANDLE
~ (STD)
~ (STD)

List Price: 486.00
Discount Off List: 53.33 %

6 1 Z2472T GLOBAL INDUSTRIES 290.27 290.27
ZIRA-Freestanding
Tables-W/Two Full End Panels - 24D x
72W x 29H

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

~ (STD)
~ (STD)
~ (STD)

List Price: 622.00
Discount Off List: 53.33 %

7 1 Z3672F23 GLOBAL INDUSTRIES 1,048.60 1,048.60
ZIRA-Double Pedestal
Desks-Freestanding File/File Ped on
Left-Box/

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)
~ (STD)
Z1 M-FROSTED GLAZING W/SILVER
~ (STD)
~ (STD)
~ (STD)
Handles - HQ Bar Silver

List Price: 2,247.00
Discount Off List: 53.33 %

8 1 *** File Area ***

9 4 9336P-S42L GLOBAL INDUSTRIES 194.13 776.52
STORAGE
CABINETS-9300 Series-2 Door w/one
fixed and one adjustable

~01 GRADE --
~LAFI/LAFI FILE LAMINATES/FILE LAMINATES
~LAFI:DWT DESIGNER WHITE
DWT/DWT 1-DESIGNER WHITE/DESIGNER WHITE

List Price: 416.00
Discount Off List: 53.33 %

10 1 G6RETOP-SEAWH GLOBAL INDUSTRIES 165.76 165.76
Top Only

AWH AVANT HONEY

List Price: 355.20
Discount Off List: 53.33 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

11 1 T1872 GLOBAL INDUSTRIES 144.20 144.20
LATERAL FILE
TOPS-Laminate - for
placement over metal files or storage cabinet

~01 GRADE --
~LAFW FILE TOP LAMINATES
AWH 1-AVANT HONEY

List Price: 309.00
Discount Off List: 53.33 %

12 2 9336P-2S1 GLOBAL INDUSTRIES 174.07 348.14
STORAGE
CABINETS-9300P Series-Two Door w/1
fixed non-slotted shelf

~01 GRADE --
~LAFW FILE COLORS
DWT 1-DESIGNER WHITE

List Price: 373.00
Discount Off List: 53.33 %

13 1 *** Matt ***

14 2 8621 GLOBAL INDUSTRIES 476.93 953.86
MARCHE-Curved
plywood open back side chair with
upholstered seat

~04 GRADE 11
~GCWD/CRES GLOBALCONTRACT WOOD/CRESCENT
MOMENTUM Ohs Warmth
TU F-TUNGSTEN-NEW STYLE SANDTX

List Price: 1,022.00
Discount Off List: 53.33 %

15 1 GCAR36TM GLOBAL INDUSTRIES 183.75 183.75
BOARDROOM ROUND-4
Leg Base-T-Mold Edge
- 36W x 29H

~01 GRADE --
~CONF/CNBM TABLE TOP/TABLE BASE METAL
~CONF:AWH AVANT HONEY
AWH/SIL 1-AVANT HONEY/SILVER
ME F-MATCHING EDGE
~ (STD)

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

List Price: 393.75
Discount Off List: 53.33 %

16 1 SCT-20-4116 HAWORTH, INC. 398.83 398.83
VERY
SEATING, TASK, FABRIC
SEAT/MESH BACK

(4116) AJ/LUM/BL, STD BASE, SOFT CSTR, PLST
, 3A- TELLURE GRADE A/1
040 CHOCOLATE
, MS- CHR FAB - MESH VERY TASK MESH
0FK COCOA
, TR- SURFACE 3
007 FOG - VERY SEATING
(2) TRIM SURFACE 4
, TR- SURFACE 4
OLE METALLIC SILVER

List Price: 782.00
Discount Off List: 49.00 %

17 2 Z15M2ES GLOBAL INDUSTRIES 226.80 453.60
ZIRA-Storage Shells
- 28" High-W/Two File Drawers - 19.3D x 15W x

~01 GRADE --
~ZTOP ZIRA TOP
AWH 1-AVANT HONEY
HQ P-BAR SILVER HANDLES
~ (STD)
~ (STD)

List Price: 486.00
Discount Off List: 53.33 %

18 1 Z2472T GLOBAL INDUSTRIES 290.27 290.27
ZIRA-Freestanding
Tables-W/Two Full End Panels - 24D x
72W x 29H

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)
~ (STD)

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

List Price: 622.00
Discount Off List: 53.33 %

19 1 Z3672F23 GLOBAL INDUSTRIES 1,048.60 1,048.60
 ZIRA-Double Pedestal
 Desks-Freestanding
 File/File Ped on Left-Box/

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)
~ (STD)
Z1 M-FROSTED GLAZING W/SILVER
~ (STD)
~ (STD)
~ (STD)
Handles - HQ Bar Silver

List Price: 2,247.00
Discount Off List: 53.33 %

20 1 ***** Reception *****

21 1 M1NA-SLF2072 GROUPE LACASSE LLC 532.62 532.62
 1" TFL - OPEN
 LATERAL FILE UNIT 2
 FILE DRAWER

BUC WOOD GRAIN: Bourbon cherry
SNO SOLID: Snow

List Price: 1,145.00
Discount Off List: 53.48 %

22 1 M1NN-GS368443S GROUPE LACASSE LLC 846.61 846.61
 1" TFL - RECEPTION
 DESK W/TRANSACTION
 COUNTERTOP,SMOOTH
 EDGE,43"HX

BUC WOOD GRAIN: Bourbon cherry
SNO SOLID: Snow

List Price: 1,820.00
Discount Off List: 53.48 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

23 1 MNNC-P1524UFL GROUPE LACASSE LLC 344.23 344.23
NMODULAR PEDESTAL

SNO SOLID: Snow
SNO SOLID: Snow

List Price: 740.00
Discount Off List: 53.48 %

24 1 SCT-20-4116 HAWORTH, INC. 398.83 398.83
VERY SEATING, TASK, FABRIC
SEAT/MESH BACK

(4116) AJ/LUM/BL, STD BASE, SOFT CSTR, PLST
, 3A- TELLURE GRADE A/1
040 CHOCOLATE
, MS- CHR FAB - MESH VERY TASK MESH
OFK COCOA
, TR- SURFACE 3
007 FOG - VERY SEATING
(2) TRIM SURFACE 4
, TR- SURFACE 4
OLE METALLIC SILVER

List Price: 782.00
Discount Off List: 49.00 %

25 1 *** Rick ***

26 2 8621 GLOBAL INDUSTRIES 476.93 953.86
MARCHE-Curved
plywood open back
side chair with upholstered seat a

~04 GRADE 04
~GCWD/CRES GLOBAL CONTRACT WOOD/CRESCENT
MOMENTUM Ohs Warmth
TU F-TUNGSTEN-NEW STYLE SANDTX

List Price: 1,022.00
Discount Off List: 53.33 %

27 1 GCAR36TM GLOBAL INDUSTRIES 183.75 183.75
BOARDROOM ROUND-4
Leg Base-T-Mold Edge
- 36W x 29H

~01 GRADE --
~CONF TABLE TOP
AWH 1-AVANT HONEY
ME F-MATCHING EDGE
~ (STD)

List Price: 393.75

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

Discount Off List: 53.33 %

28 1 SCT-20-4116 HAWORTH, INC. 398.83 398.83
VERY SEATING, TASK, FABRIC
SEAT/MESH BACK

(4116) AJ/LUM/BL, STD BASE, SOFT CSTR, PLST
, 3A- TELLURE GRADE A/1
040 CHOCOLATE
, MS- CHR FAB - MESH VERY TASK MESH
0FK COCOA
, TR- SURFACE 3
007 FOG - VERY SEATING
(2) TRIM SURFACE 4
, TR- SURFACE 4
OLE METALLIC SILVER

List Price: 782.00

Discount Off List: 49.00 %

29 1 Z2466R GLOBAL INDUSTRIES 275.80 275.80

ZIRA-Connectable
Tables -
Right-W/Full End
Panel on Right - 24D
x

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)

List Price: 591.00

Discount Off List: 53.33 %

30 1 Z30M2XSL GLOBAL INDUSTRIES 487.67 487.67

ZIRA-Storage Shells
- 28" High-W/2 Box
Drawers on Left/1
File Draw

~01 GRADE --
~ZTOP ZIRA TOP
AWH 1-AVANT HONEY
HQ BAR SILVER HANDLES
~ (STD)

List Price: 1,045.00

Discount Off List: 53.33 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

31 1 Z3672F3L GLOBAL INDUSTRIES 847.47 847.47
 ZIRA-Single Pedestal
 Desks-Freestanding Box/Box/File Ped on
 Left a

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)
~ (STD)
Z1 M-FROSTED GLAZING W/SILVER
~ (STD)
~ (STD)
~ (STD)
HQ HANDLES - BAR SILVER

List Price: 1,816.00
Discount Off List: 53.33 %

32 1 *** Tommy ***

33 2 8621 GLOBAL INDUSTRIES 476.93 953.86
 MARCHE-Curved
 plywood open back
 side chair with upholstered seat a

~04 GRADE 04
~GCWD/CRES GLOBALCONTRACT WOOD/CRESCENT
MOMENTUM Ohs Warmth
TU F-TUNGSTEN-NEW STYLE SANDTX

List Price: 1,022.00
Discount Off List: 53.33 %

34 1 GCAR36TM GLOBAL INDUSTRIES 183.75 183.75
 BOARDROOM ROUND-4
 Leg Base-T-Mold Edge
 - 36W x 29H

~01 GRADE --
~CONF/CNBM TABLE TOP/TABLE BASE METAL
~CONF:AWH AVANT HONEY
AWH/SIL 1-AVANT HONEY/SILVER
ME F-MATCHING EDGE
?? INCOMPLETE OPTIONS

List Price: 393.75
Discount Off List: 53.33 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

35 1 SCT-20-4116 HAWORTH, INC. 398.83 398.83
VERY SEATING, TASK, FABRIC
SEAT/MESH BACK

(4116) AJ/LUM/BL, STD BASE, SOFT CSTR, PLST
, 3A- TELLURE GRADE A/1
040 CHOCOLATE
, MS- CHR FAB - MESH VERY TASK MESH
0FK COCOA
, TR- SURFACE 3
007 FOG - VERY SEATING
(2) TRIM SURFACE 4
, TR- SURFACE 4
OLE METALLIC SILVER

List Price: 782.00
Discount Off List: 49.00 %

36 1 Z2466L GLOBAL INDUSTRIES 275.80 275.80
ZIRA-Connectable
Tables - Left-W/Full
End Panel on Left -
24D x 66

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)

List Price: 591.00
Discount Off List: 53.33 %

37 1 Z30M2XSR GLOBAL INDUSTRIES 487.67 487.67
ZIRA-Storage Shells
- 28" High-W/2 Box
Drawers on Right/1
File Dra

~01 GRADE --
~ZTOP ZIRA TOP
AWH 1-AVANT HONEY
HQ BAR SILVER HANDLES
~ (STD)

List Price: 1,045.00
Discount Off List: 53.33 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

38 1 Z3672F3R GLOBAL INDUSTRIES 847.47 847.47
 ZIRA-Single Pedestal
 Desks-Freestanding
 Box/Box/File Ped on
 Right

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)
~ (STD)
Z1 M-FROSTED GLAZING W/SILVER
~ (STD)
~ (STD)
~ (STD)
HQ HANDLES - BAR SILVER

List Price: 1,816.00
Discount Off List: 53.33 %

39 1 *** Open Work Stations ***

40 10 ZTB8216 GLOBAL INDUSTRIES 262.27 2,622.70
 ZIRA-Tackboards for Hutches-For use on
 Z84S36H Z84S36HN - 82W x 15

~04 GRADE 04
~CRES CRESCENT
705 1-FLAME

List Price: 562.00
Discount Off List: 53.33 %

41 12 SCT-20-4116 HAWORTH, INC. 398.83 4,785.96
 VERY
 SEATING, TASK, FABRIC
 SEAT/MESH BACK

(4116) AJ/LUM/BL, STD BASE, SOFT CSTR, PLST
,3A- TELLURE GRADE A/1
040 CHOCOLATE
,MS- CHR FAB - MESH VERY TASK MESH
0FK COCOA
,TR- SURFACE 3
007 FOG - VERY SEATING
(2) TRIM SURFACE 4
,TR- SURFACE 4
OLE METALLIC SILVER

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

List Price: 782.00
Discount Off List: 49.00 %

42 10	Z16L2BFS	GLOBAL INDUSTRIES	293.53	2,935.30
		ZIRA-Storage Shells		
		- 28" High-W/Two Box		
		and One File Drawer - 23.		

~01	GRADE --
~ZTOP	ZIRA TOP
AWH	1-AVANT HONEY
HQ	P-BAR SILVER HANDLES
~	(STD)

List Price: 629.00
Discount Off List: 53.33 %

43 5	Z244816RL	GLOBAL INDUSTRIES	206.27	1,031.35
		ZIRA>Returns-Space		
		Saver Return (Left)		
		w/no pedestal + 16"		
		Throat		

~01	GRADE --
~ZTOP/ZBSE	ZIRA TOP/ZIRA BASE
~ZTOP:WHT	WHITE
WHT/AWH	1-WHITE/AVANT HONEY
A3	F-1 INCH 3MM EDGE
~	(STD)
~	(STD)
~	(STD)

List Price: 442.00
Discount Off List: 53.33 %

44 5	Z244816RR	GLOBAL INDUSTRIES	206.27	1,031.35
		ZIRA>Returns-Space		
		Saver Return (Right)		
		w/no pedestal + 16"		
		Throat		

~01	GRADE --
~ZTOP/ZBSE	ZIRA TOP/ZIRA BASE
~ZTOP:WHT	WHITE
WHT/AWH	1-WHITE/AVANT HONEY
A3	F-1 INCH 3MM EDGE
~	(STD)
~	(STD)
~	(STD)

List Price: 442.00
Discount Off List: 53.33 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



45 5 Z3672EDRL GLOBAL INDUSTRIES 355.60 1,778.00
 ZIRA-Extended Corner
 Islands-W/Worksurface on Left - Recessed
 Mode

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:WHT WHITE
WHT/AWH 1-WHITE/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)

List Price: 762.00
Discount Off List: 53.33 %

46 5 Z3672EDRR GLOBAL INDUSTRIES 355.60 1,778.00
 ZIRA-Extended Corner
 Islands-W/Worksurface on Right -
 Recessed Mod

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:WHT WHITE
WHT/AWH 1-WHITE/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)

List Price: 762.00
Discount Off List: 53.33 %

47 10 Z84S36H GLOBAL INDUSTRIES 544.60 5,446.00
 ZIRA-Closed
 Hutches-W/Doors and
 One Fixed Shelf +
 Fixed Shelf Divi

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:AWH AVANT HONEY
AWH/AWH 1-AVANT HONEY/AVANT HONEY
A3 F-1 INCH 3MM EDGE
HQ BAR SILVER HANDLES
~ (STD)

List Price: 1,167.00
Discount Off List: 53.33 %

48 2 Z2472T GLOBAL INDUSTRIES 264.60 529.20

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

ZIRA-Freestanding
Tables-W/Two Full
End Panels - 24D x
60W x 29H

~01 GRADE --
~ZTOP/ZBSE ZIRA TOP/ZIRA BASE
~ZTOP:WHT WHITE
WHT/AWH 1-WHITE/AVANT HONEY
A3 F-1 INCH 3MM EDGE
~ (STD)
~ (STD)
~ (STD)

List Price: 567.00
Discount Off List: 53.33 %

49 2	Z16L2BFS	GLOBAL INDUSTRIES	293.53	587.06
		ZIRA-Storage Shells		
		- 28" High-W/Two Box		
		and One File Drawer - 23.		

~01 GRADE --
~ZTOP ZIRA TOP
AWH 1-AVANT HONEY
HQ P-HANDLES BAR SILVER
~ (STD)

List Price: 629.00
Discount Off List: 53.33 %

50 1 ***** Conference Room *****

51 12	2670-4	GLOBAL INDUSTRIES	413.93	4,967.16
		ACCORD-High Back		
		Pneumatic Tilter		
		w/arms - Fabric		

~04 GRADE 04
~LGCY LEGACY (MOR)
L609 1-CHOCOLATE
AL F-(STD) ALUMINUM
C9R C-2.5 DUAL-WHL URETH. - BLK
~ (STD)
~ (STD)
~ (STD)
~ (STD)

List Price: 887.00
Discount Off List: 53.33 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



51 6 SCH-44-0S HAWORTH, INC. 99.00 594.00
SEATING,VERY,HIGH
DENSITY,PLSTC/POLY
SEAT,PLSTC/POLY BACK

(OS) NO ARMS,SLED,NO GANG
,TR- SURFACE 1
0FK COCOA - VERY SEATING
(1) CHROME SURFACE 2
,KR- CHROME
00V CHROME

List Price: 180.00
Discount Off List: 45.00 %

52 1 GCT20WR GLOBAL INDUSTRIES 1,188.13 1,188.13
BOARDROOM
RECTANGULAR-2 Leg
Base-Self Edge - 48D
x 240W x 29H

~01 GRADE --
~CONF/CNBM TABLE TOP/TABLE BASE METAL
~CONF:AWH AVANT HONEY
AWH/SIL 1-AVANT HONEY/SILVER
~ (STD)
~ (STD)
~ (STD)

List Price: 2,546.00
Discount Off List: 53.33 %

*** Break Area ***

53 4 SCW-44-0S HAWORTH, INC. 178.51 714.04
VERY SEATING,WIRE
STOOL,PLASTIC/POLY
SEAT,PLASTIC/POLY BACK

(OS) NO ARMS,SLED,NO GANG
,TR- SURFACE 1
0FK COCOA - VERY SEATING
,KR- CHROME
00V CHROME

List Price: 350.00
Discount Off List: 49.00 %

54 2 R516 CHROMCRAFT 135.00 270.00

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

FURNITURE
Round Top w/ Self
Edge 36" Dia

* Wilsonart 7919-38 Amber Cherry

List Price: 270.00
Discount Off List: 50%

55 2	572 01	CHROMCRAFT FURNITURE Pub Height Base;	173.00	346.00
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* Finish: Chrome

List Price: 346.00
Discount Off List: 50 %

56 1 *** Reception Seating ***

57 2	7875F	GLOBAL INDUSTRIES CITI-Fully upholstered lounge chair. Fixed top stitched cushions.	420.00	840.00
------	-------	--	--------	--------

~07	GRADE 07
~SORA	SORANO (DES)
YS38	1-EARTH
TU	F--TUNGSTEN-NEW STYLE SANDTX
~	(STD)
~	(STD)

List Price: 887.00
Discount Off List: 52.60 %

58 1	7885	GLOBAL INDUSTRIES CITI-Laminate Top End Table - 24D x20W x 20H	230.00	230.00
------	------	---	--------	--------

~01	GRADE --
~CLAM	CITI LAMINATES
AWH	1-AVANT HONEY
TU	F-(STD) TUNGSTEN-NEW STYLE SANDTX

List Price: 483.00
Discount Off List: 52.60 %

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551



CAPITOL
BUSINESS
INTERIORS

SUBTOTAL 48,183.74

TOTAL 48,183.74

ACCEPTED BY:

Donlene Franklin

SALESPERSON:

Kathy Levitan

Garth Murphy

133244-576

711 INDIANA AVENUE
CHARLESTON, WV 25302
304-343-7551

(I) **Authorizing the City Manager to Enter into a Lease Agreement with Charles Ryan Associates, LLC, to Demise Premises at 601 Morris Street**

Edward Talkington moved for Committee approval of Resolution No. 041-11, authorizing the City Manager to enter into a Lease Agreement with Charles Ryan Associates, LLC, to demise a premises at 601 Morris Street of approximately 6439 square feet of floor space for a period of fifteen (15) years commencing January 1, 2012, at a base rental rate of \$1,798,410 payable in 180 monthly installments of \$9,991.17, subject to annual utility escalations and providing for early termination after the first five years with proper notice and payment of the remaining unpaid amortized build-out and furnishings allowance of \$184,805.51, or after the first ten years with notice and payment of \$106,126.37. Motion seconded by Jack Harrison and passed.

Resolution No. 772-23

Introduced in Council:

Adopted by Council:

February 21, 2023

Introduced by:

Referred to:

Joseph Jenkins

Finance

Resolution No. 772-23 - Authorizing the Mayor to execute the attached Lease Addendum to the lease between the City of Charleston and Shaner SPE Associates Limited Partnership forgiving the amount of \$84,061.30 in lease payments that were not noticed, invoiced, or paid.

Whereas, by Lease dated December 18, 1973, assigned and amended multiple times, and most recently by Lease Amendment dated October 21, 2014, the parties amended certain terms of the Lease, including providing for additional five-year terms of the Lease and escalating lease payments based on the consumer price index, all of which are incorporated into the Lease;

Whereas, In March 2020, the COVID-19 pandemic significantly impacted all sectors of the national economy, with hospitality being hit particularly hard. Hotels like the Lessee's suffered considerable losses and low occupancy rates. Parties inadvertently failed to provide specific notice of the monthly payment increase triggered by the previous lease amendment, which led to Lessee paying the unadjusted monthly payment for calendar years 2020, 2021, and 2022. The total rent payment shortfall was \$168,122.61.

Beginning in 2023, Lessee has paid the correct monthly lease payment and will pay the correct payment moving forward. In consideration of the COVID-19 pandemic impact, the Lessee's considerable investment in its hotel, and the lack of clear communication between the parties regarding the automatic increase, the City Council authorizes an abatement of the shortfall as set forth in the Addendum.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is authorized to execute the attached Lease Addendum of the lease between the City of Charleston and Shaner SPE Associates Limited Partnership.

LEASE ADDENDUM

THIS LEASE ADDENDUM (“Addendum”) is made at the City of Charleston, Kanawha County, West Virginia, as of the ____ day of _____ 2023, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, hereinafter referred to as “LESSOR”, and SHANER SPE ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership, hereinafter referred to as “LESSEE”.

RECITALS

By Lease dated December 18, 1973, of record in Kanawha County, West Virginia, lease Book 190, at page 627, as amended by Amended Lease dated December 3, 1974 (the two agreements are collectively the “Lease”), the City of Charleston, West Virginia, leased to Doridon Corporation a parcel of land comprising 34,989.21 square feet located in the City of Charleston, West Virginia.

By Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, Doridon Corporation assigned to Columbia Sussex Corporation all of its rights, title, obligations, and interest as tenant under the Lease.

By Assignment dated December 15, 1999, of record in Kanawha County West Virginia, assignment book 172, at page 282, Columbia Sussex Corporation assigned to Lance Shaner Hotel Limited Partnership all of its rights, title, obligations, and interest as tenant under the Lease.

By Lease Amendment and Consent to Assignment dated December 15, 1999, of record in Kanawha County, West Virginia, lease book 245, at page 961, LESSOR and Lance Shaner Hotel Limited Partnership amended certain terms of the Lease, and the LESSOR consented to the assignment of the Lease.

By Assignment and Assumption of Ground Lease dated as of August 15, 2001, of record in Kanawha County West Virginia, Assignment Book 183, at page 295, Lance Shaner Hotel Limited Partnership assigned all of its rights, title, obligations, and interest in the Lease, as amended, to Shaner Hotel Group Properties Three Limited Partnership.

By Assignment and Assumption of Ground Lease dated as of August 15, 2005, of record in Kanawha County, West Virginia, Assignment Book 207, at page 765, Shaner Hotel Group Properties Three Limited Partnership assigned all of its rights, title, obligations, and interest in the Lease, as amended to LESSEE.

By Lease Amendment dated October 21, 2014, LESSOR and LESSEE amended certain terms of the Lease, including providing for additional five-year terms of the Lease and escalating lease payments based on the consumer price index, all of which are incorporated into the Lease.

In March 2020, the COVID-19 pandemic significantly impacted all sectors of the national economy, with hospitality being hit particularly hard. Hotels like the LESSEE’s suffered considerable losses and low occupancy rates. LESSOR and LESSEE inadvertently failed to

provide specific notice of the monthly payment increase triggered by the previous lease amendment, which led to LESSEE paying the unadjusted monthly payment for calendar years 2020, 2021, and 2022. The total rent payment shortfall was \$168,122.61.

Beginning in 2023, LESSEE has paid the correct monthly lease payment and will pay the correct payment moving forward. In consideration of the COVID-19 pandemic impact, the LESSEE's considerable investment in its hotel, and the lack of clear communication between the parties regarding the automatic increase, the LESSOR and LESSEE agree that an abatement of the shortfall via this Addendum.

W I T N E S S E T H:

That for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The LESSEE shall make a payment of \$84,061.31 to the LESSOR within 30 days of the effective date of this Addendum.
2. The LESSOR shall forgive the amount of \$84,061.30 upon receipt of the payment required in paragraph 1 of this Addendum. The LESSOR shall provide monthly invoices to LESSEE.
3. Except as expressly provided in this Addendum, the Lease shall, in all other respects, remain in full force and effect in accordance with its terms. For the avoidance of doubt, nothing in this Addendum shall change the amounts due each month in the future or the timing or calculation of the increases in payments as contained in the Lease.

THE CITY OF CHARLESTON, WEST
VIRGINIA, a municipal corporation

By _____
Its Mayor

ATTEST:

Clerk

SHANER SPE ASSOCIATES LIMITED
PARTNERSHIP
By: Shaner Special Purpose GP, Inc.

By _____

Its _____

ATTEST:

Title _____

STATE OF WEST VIRGINIA;
COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2023, by Amy Shuler Goodwin, the Mayor of the CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, on behalf of said municipal corporation.

My commission expires _____.

NOTARY PUBLIC

STATE OF _____;

COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2023, by _____, the _____ of SHANER SPE ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership.

My commission expires _____.

NOTARY PUBLIC

THIS AMENDED LEASE, Made at the City of Charleston, Kanawha County, West Virginia, as of the 3rd day of December, 1974, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, hereinafter referred to as "LESSOR", and DORIDON CORPORATION, a West Virginia corporation, hereinafter referred to as "LESSEE";

W I T N E S S E T H:

WHEREAS, the LESSOR and LESSEE had previously entered into a lease agreement, dated December 18, 1973, in which the LESSOR was to lease, for a period of thirty (30) years, the hereinafter described property to the LESSEE so that the LESSEE shall construct a parking garage facility on the said property; and,

WHEREAS, the parties hereto had subsequently entered into a Consent to Assignment of Lease and Clarification of Terms and Conditions of said lease dated April 24, 1974; and,

WHEREAS, the LESSEE has expressed to the LESSOR that due to financial conditions beyond its control, the LESSEE has had to redesign the motel/hotel complex, and that it no longer intends to construct a parking garage facility on the said premises of the LESSOR, and both parties desire and intend, by the lease, to amend the lease dated December 18, 1973, and cancel the Consent Agreement dated April 24, 1974; and,

WHEREAS, the LESSEE now intends to construct a 200 guest unit hotel/motel and other related facilities including a ground parking lot on property adjacent to the property hereinafter described; and,

LEASE 245 926
Recorded In Above Book and Page
12/20/1999 02:37:18 PM
Alma Y. King
County Clerk
Kanawha County, WV
Deed Tax 6.00
Recording Fee 10.00
TOTAL 16.00

DENNIS N. BROGLIO
P.O. BOX 553
CHARLESTON, WV 25322

WHEREAS, to serve the hotel/motel building and other related facilities, 120 parking spaces will be constructed on LESSOR'S property hereinafter described; and,

WHEREAS, the LESSOR hereby agrees to lease said property to the LESSEE upon the terms and conditions hereinafter contained;

NOW, THEREFORE, THIS AMENDED LEASE, WITNESSETH: That, for and in consideration of the mutual covenants and conditions hereinafter contained, the LESSEE agrees to pay for and construct a 120 unit parking lot upon the following described premises:

A certain tract or parcel of land located in Charleston, Kanawha County, West Virginia, containing 34,989.21 square feet and more particularly described as that area enclosed by yellow line on plat or map attached hereto as Exhibit "A".

The LESSOR does hereby demise, lease and let the above described premises unto LESSEE for and during the term of thirty (30) years beginning on the ____ day of _____, 1974, at and upon the terms and subject to the conditions, covenants, and stipulations herein expressed and declared of and concerning the same.

ARTICLE I. RENT

LESSEE shall pay to the LESSOR as rent, under the terms of this lease, the sum of Seventeen Thousand Seven Hundred Eighty-Four Dollars (\$17,784.00) per year, which rental shall be paid in installments as follows: One Thousand Four Hundred Eighty-Two Dollars (\$1,482.00) upon the granting of the Certificate of Occupancy, and One Thousand Four Hundred Eighty-Two Dollars (\$1,482.00) on the first day of each and every month thereafter until the termination of this

lease without delay, deduction or default. All rent shall be paid by a negotiable check at the City Collector's Office, City Hall, or such other place in the City of Charleston, West Virginia, as LESSOR may from time to time designate in writing giving the LESSEE ninety (90) days notice of the change desired. From the date of execution of this lease agreement to the date of issuance of the Certificate of Occupancy, the LESSEE shall pay to the LESSOR the sum of Four Hundred Thirty Dollars (\$430.00) per month.

ARTICLE II.

LESSEE covenants that the public shall have access across the subject parking lot on the leased premises to the Elk River at no charge to the public. LESSEE further covenants that it will not charge any rental for parking on the said parking lot on the leased premises, unless authorized by the LESSOR.

ARTICLE III. PARKING LOT

LESSEE shall construct upon the demised premises a parking lot to serve a hotel/motel building and other related facilities to be constructed by LESSEE on an adjacent tract of land. The parking lot to be constructed on the demised premises shall be constructed in accordance with plans and specifications approved by LESSOR, said approval, however, shall not be unreasonably withheld. Said construction of said parking lot shall be completed and in use upon the granting of the Certificate of Occupancy to the hotel/motel facility within three (3) years of the date of the commencement of construction of the said hotel/motel facility, whichever occurs first. LESSEE shall not be deemed in default with respect to the performance of the terms, covenants and conditions of this lease if the same be due to any strike, unreasonable weather, governmental restrictions, material shortages, Acts of God or other cause beyond control of LESSEE.

ARTICLE IV. REPAIRS AND MAINTENANCE

The LESSEE shall at all times during the term of this lease, at the expense of the LESSEE, keep and maintain said parking lot hereafter constructed on the above described premises, and all appurtenances thereunto belonging in good and substantial repair and in a clean and sanitary condition, reasonable wear and tear excepted, however, and shall comply with and conform to all legally constituted authorities in relation thereto. LESSEE shall be responsible for any defects of the said lot during the term of this lease, and shall save harmless the LESSOR from any claim, damages or injuries resulting from any defect of said lot.

The LESSEE further agrees to pay all insurance, taxes, if any, on all of its property on said lands of the LESSOR.

ARTICLE V. LESSEE TO OBEY LAWS, ETC.

The LESSEE shall promptly and faithfully obey and comply with all lawful requirements, rules, regulations, laws and ordinances of all legally constituted authorities in any manner affecting this lease, the above-described premises, and any improvements hereafter constructed on or about the same or the use thereof, existing of any time during the continuance of this lease (with the right, however, to contest the validity thereof in the manner and under the conditions herein provided with respect to contesting the validity of taxes, assessments and other liens). The LESSEE shall not knowingly permit any unlawful business, occupation or trade to be carried on upon the above-described premises or any use to be made of the same, or any part thereof, contrary to any valid law, regulation or ordinance governing the same.

ARTICLE VI. INSURANCE

At all times during the term of this lease, the LESSEE shall carry primary public liability insurance with limits of \$500,000.00 per person and \$1,000,000.00 per accident, Furthermore, at all times during the terms of this lease, the LESSEE shall carry an umbrella policy of \$10,000,000.00, and further that the LESSOR shall be named as an "additional insured" on LESSEE'S fire and extended coverage policy. LESSEE shall supply copies of said policies to the LESSOR. Furthermore, LESSEE shall indemnify and save harmless the LESSOR from all claims, demands and suits arising from any injury or damage to any person or property arising or occurring on the property that is subject of this lease.

ARTICLE VII. WASTE

The LESSEE will neither commit or permit waste upon the above described premises other than to the extent necessary for the purposes of construction of the said lot or buildings adjacent thereto.

ARTICLE VIII. SURRENDER OF PREMISES AT EXPIRATION

One Hundred Eighty (180) days prior to the expiration of the term of this lease, the parties hereto shall, in good faith, enter into negotiation for a new lease of the demised premises. If the parties hereto are unable to negotiate a new lease or if the parties hereto are prohibited by law from entering into a new lease then at the option of the LESSOR the LESSEE shall remove, at the LESSOR'S expense, the said improvements constructed on the demised premises.

ARTICLE IX. QUIET ENJOYMENT

If the covenants and agreements of this lease devolving upon and to be

performed by the LESSEE shall in all respects be observed and performed, the LESSEE shall have the peaceable possession and quiet enjoyment of said premises throughout said term, without the lawful let, hindrance or molestation of any person whomsoever, but subject to the conditions, restrictions and covenants of this lease.

ARTICLE X. MORTGAGEE'S RIGHTS

If the LESSEE mortgages the leasehold estate herein granted from LESSOR to LESSEE, the LESSOR agrees, notwithstanding any other provisions of this lease which are or may or might appear to be the contrary, that any such mortgagee of the leasehold estate shall have the right to cure any default of the LESSEE existing hereunder, and that the LESSOR will not terminate this lease for any reason whatsoever without giving any mortgagee (who has notified LESSOR of its mortgage) of this leasehold estate ninety (90) days written notice of LESSOR'S intention to so terminate. If the default of the LESSEE is curable by the mortgagee, the LESSOR will terminate this lease only by giving the mortgagee the option, within the ninety (90) days' period, to cure the default and if the default by the LESSEE is not curable by the mortgagee, the LESSOR covenants and agrees to within the ninety (90) days period or within a reasonable time thereafter to make and execute a new lease with the mortgagee for the unexpired term of this lease, the new lease to contain all the same terms, covenants, conditions and options as this original lease, including this term, covenant and condition.

ARTICLE XI. MODIFICATION OF LEASE

The LESSOR covenants and agrees not to change, alter or modify any

term, covenant or condition of this lease without the consent in writing of any mortgagee of the leasehold estate holding a first mortgage lien thereon of whose mortgage LESSOR has notice.

ARTICLE XII. RESTRICTIONS ON ASSIGNMENT

The LESSEE will not, except by way of mortgage of the leasehold estate to secure some actual indebtedness, claim or obligation, assign or transfer this lease unless (1) there be at the time of such assignment or transfer no existing default on the part of the LESSEE in the making of any payment or in the performance and observance of the covenants, agreements, obligations, terms and conditions to be performed and observed by the LESSEE hereunder; (2) the assignee of the lease shall in writing expressly assume all the obligations of the LESSEE hereunder; (3) the LESSEE shall have first delivered to the LESSOR, for inspection by the LESSOR, for a period of ten (10) days, a valid, binding and sufficient instrument of such assignment and assumption, which said instrument, being sufficient and proper in form, and shall be recorded within thirty (30) days from the time of the execution of such assignment, and (4) the LESSEE shall have delivered to the LESSOR a duplicate executed original of said instrument of assignment and assumption, and (5) written approval from LESSOR, which shall not be unreasonably withheld.

After an assignment made in conformity with the provisions hereof, the assignor shall not be further liable under this lease, but shall be free and discharged from any and every obligation hereunder, but thereafter all liability shall rest on the assignee.

ARTICLE XIII. COVENANTS TO BIND HEIRS, ETC.

All the covenants, agreements, stipulations, provisions, conditions and

obligations herein expressed and set forth shall be considered as running with the land and shall extend to, bind and inure to the benefit of, as the case may require, the heirs, executors, administrators, successors and assigns, of the LESSOR, LESSEE, and mortgagees, respectively, as fully as if such words were written whenever reference to LESSOR and LESSEE occurs in this lease.

ARTICLE XIV. NOTICES

All notices which may be proper or necessary for the parties hereto to serve upon each other may be effectually served by mailing same by United States Mail, prepaid and registered to the LESSOR at: Mayor's Office, City Building, Charleston, West Virginia and to the LESSEE at: 2220 Zandale Center, Lexington, Kentucky 40503.

Any new designation of mailing address or if any agent to receive said notices shall be made by the same method.

Any new designation by either party shall be effective if made by either party or by a majority in value of interest of the heirs, successors, or assigns, of either party.

Any notices required to be served or mailed to any mortgagees shall be mailed in the same manner, that is, prepaid and registered.

ARTICLE XV. APPROVALS

Any approvals required of the LESSOR prior or subsequent to the doing of any acts by the LESSEE, shall not unreasonably be withheld by the LESSOR notwithstanding any other terms, covenants, conditions or agreements herein contained.

ARTICLE XVI. SUBLETTING

The LESSEE shall have the right to sublet all or any of the demised premises for any lawful purpose subject to the provisions of Article XII hereof, only with the written consent of the LESSOR.

ARTICLE XVII. ESTOPPEL CERTIFICATE

LESSOR, within fifteen (15) days from and after written demand from LESSEE, shall, under oath, execute a certificate stating that (a) this lease is in full force and effect, and unmodified, that there are no known defenses or offsets to the enforcements of same, and that there are no known defaults on the part of LESSEE hereunder remaining uncured and uncorrected; or (b) the nature and extent of the lease modification, if any, the known defenses or offsets to the enforcements of some of the known defaults on the part of the LESSEE remaining uncured and uncorrected. If, within fifteen (15) days after written demand, the LESSOR has not specified in writing the modifications hereto, the known defenses or offsets to the enforcement of same or the known defaults on the part of the LESSEE remaining uncured and uncorrected, then, and in that event, it shall be conclusively presumed that there are none.

ARTICLE XVIII. CONDITIONS PRECEDENT

This lease shall be null, void and of no effect if the LESSEE shall be unable to obtain any of the following: (a) Financing for the construction of the proposed improvements on demised premises and permanent financing of the leasehold estate under terms acceptable to LESSEE; (b) All permits for the construction of the proposed improvements on the demised premises issued by any government authority; (c) Approval of planning and zoning commission and

any other government agency for the construction of a parking lot on the demised premises; (d) Report of satisfactory soilbearing tests, if any, allowing the construction of the proposed improvements on the demised property; (e) Opinion of counsel certifying that LESSOR is properly authorized and has fulfilled all of the legal requirements to enter into this lease; (f) Opinion of counsel certifying that LESSOR has an absolute, fee simple marketable title in and to the above demised premises.

ARTICLE XIX. RIGHT OF FIRST REFUSAL

During the term of this lease, if the LESSOR receives a bona fide offer to purchase said premises from some responsible third party and decides to accept same after following the procedures of Chapter 8, Article 12, Section 18 of the West Virginia Code, 1931, as amended, the LESSOR shall give to LESSEE the privilege of first refusal to purchase the said premises under the same terms or conditions provided LESSEE has bid on the property at said public auction.

ARTICLE XX. RESERVATION BY LESSOR

LESSOR shall have the right to enter upon the premises at any time, at no cost to LESSOR, upon thirty (30) days notice to lay, repair, install and maintain sewers or pipes.

In case of an emergency the thirty (30) days notice is hereby waived by LESSEE. It being understood that said repairs shall not affect the rental herein, unless said repairs take longer than fifteen (15) days, then adjustments shall be made according to the number of parking spaces affected and the number of days affected.

ARTICLE XXI.

Subject to the provisions of Article XVIII, LESSEE covenants that within thirty-six (36) months from the execution of this lease it will cause to be moved the existing Holiday Inn sign in front of Holiday Inn (Charleston House), 600 Kanawha Boulevard, East, to the site of the hotel/motel contemplated by this lease and the leased adjacent property provided, however, a smaller standard Holiday Inn sign may be constructed at the present site of the sign on Kanawha Boulevard in front of Charleston House if sign is legally proper and that a script sign saying "Holiday Inn" may be placed on each side of Holiday Inn's Charleston House, if said sign is proper; and provided further, that there be no objection by LESSOR to the erection of the moved sign on the leased premises if proper zoning requirements and construction permits are obtained.

ARTICLE XXII. MECHANICS' LIENS

LESSEE agrees that at least ten (10) days before any construction work, labor or materials are done, used or expended by LESSEE or on LESSEE'S behalf by any person, firm or corporation or by any contractor, that LESSEE shall enter into a written "no lien" agreement with the contractor or supplier who is to perform said work or finish said materials. A copy of this agreement shall be furnished LESSOR no later than five (5) days after the execution of the said agreement. Notwithstanding the foregoing, if any mechanics' or other lien shall be filed against the premises purporting to be for labor or material furnished or to be furnished at the request of the LESSEE, then LESSEE shall at its expense cause such lien to be discharged of record by payment, bond or otherwise, within ten (10) days after the filing thereof. If LESSEE shall fail to cause such lien to be discharged of record within such ten-day period, LESSOR

may cause such lien to be discharged by payment, bond or otherwise, without investigation as to the validity thereof or as to any offsets or defenses thereto, and LESSEE shall, upon demand, reimburse LESSOR for all amounts paid and costs incurred including attorneys' fees, in having such lien discharged of record. Any defense the LESSEE had against the lien holder shall not be asserted against the LESSOR if and when it becomes necessary that the LESSOR seek reimbursement from the LESSEE by reason of the LESSOR having to cause such lien to be discharged.

ARTICLE XXIII. DEFAULT

The occurrence of any of the following shall constitute a material default and breach of this lease by LESSEE:

- (a) The vacation or abandonment of the premises by LESSEE;
- (b) A failure by LESSEE to pay the rent reserved herein, or to make any other payment required to be made by LESSEE hereunder, where such failure continues for ten (10) days after written notice thereof from LESSOR to LESSEE;
- (c) A failure by LESSEE to observe and perform any other provisions or covenants of this lease to be observed or performed by LESSEE where such failure continues for thirty (30) days after written notice thereof from LESSOR to LESSEE provided, however, that if the nature of the default is such that the same cannot reasonably be cured within such thirty-day period, LESSEE shall not be deemed to be in default if LESSEE shall within such period commence such cure and thereafter diligently prosecute the same to completion;
- (d) The making by LESSEE of any assignment for the benefit of creditors; the adjudication that LESSEE is bankrupt or insolvent; the filing by or against possession of substantially all of LESSEE'S assets located in the premises or of

LESSEE'S interest in this lease (unless possession is restored to LESSEE within thirty (30) days after such appointment); or the attachment, execution or levy against, or other judicial seizure of, substantially all of LESSEE'S assets located in the premises or of LESSEE'S interest in this lease (unless the same is discharged within thirty (30) days after issuance thereof).

LESSOR shall not be deemed to be in default in the performance of any obligation required to be performed by LESSOR hereunder unless and until it has failed to perform such obligation within sixty (60) days after written notice thereof from LESSEE to LESSOR; provided, however, that if the nature of LESSOR'S obligation is such that more than sixty (60) days are required for its performance, then LESSOR shall not be deemed to be in default if it shall commence such performance within such sixty-day period and thereafter diligently prosecutes the same to completion.

ARTICLE XXIV. REMEDIES

In the event of any material default or breach of this lease by LESSEE as set forth in Article XXIII hereof, LESSOR, at its option, may terminate this lease upon and by giving written notice of termination to LESSEE, or LESSOR, without terminating this lease, may at any time after such material default or breach, without notice or demand additional to that provided in Article XXIII hereof, and without limiting LESSOR in the exercise of any other right or remedy which LESSOR may have by reason of such default or breach (other than the aforesaid right of termination), exercise any one or more of the remedies hereinafter provided in this Article or as otherwise provided by law, all of such remedies (whether provided herein or by law) being cumulative and not exclusive:

(a) LESSOR may enter the premises (with or without process of law and without thereby incurring any liability to LESSEE and without such entry being constituted an eviction of LESSEE or termination of this lease) and take possession of the premises and all personal property of every kind on the premises, and LESSOR may (i) apply against the accelerated rent and the expenses, including attorneys' fees, which LESSOR may have incurred in connection with such repossession, either the value of such personal property or the proceeds, after selling expenses, from the sale of such personal property, whichever LESSOR chooses to do, and (ii) at any time and from time to time relet the premises or any part thereof for the account of LESSEE, for such terms, upon such conditions and at such rental as LESSOR may deem proper. In the event of such reletting, (i) LESSOR shall receive and collect the rent therefrom and shall first apply such rent against such expenses as LESSOR may have incurred in recovering possession of the premises, placing the same in good order and condition, altering or repairing the same for reletting, and such other expenses, commissions and charges, including attorneys' fees, which LESSOR may have paid or incurred in connection with such repossession and reletting, and then shall apply such rent against the accelerated rent, and (ii) LESSOR may execute any lease in connection with such reletting in LESSOR'S name or in LESSEE'S name, as LESSOR may see fit, and the LESSEE of such reletting shall be under no obligation to see to the application by LESSOR of any rent collected by LESSOR, nor shall LESSEE have any right to collect any rent under such reletting. No re-entry by LESSOR shall be deemed to be an acceptance of a surrender by LESSEE of this lease or of the premises.

ARTICLE XXV. WAIVER

Subject to the provisions of Article XVII, the failure or delay on the part of either party to enforce or exercise at any time any of the provisions, rights or remedies in this lease shall in no way be construed to be a waiver thereof, nor in any way to affect the validity of this lease or any part hereof, or the right of the party to thereafter enforce each and every such provision, right or remedy. No waiver of any breach of this lease shall be held to be a waiver of any other or subsequent breach. The receipt by LESSOR of rent at a time when the rent is in default under this lease shall not be construed as a waiver of such default. The receipt by LESSOR of a lesser amount than the rent due shall not be construed to be other than a payment on account of the rent then due, nor shall any statement on LESSEE'S check or any letter accompanying LESSEE'S check be deemed an accord and satisfaction, and LESSOR may accept such payment without prejudice to LESSOR'S agents or employees during the term of this lease. No act or thing done by LESSOR or LESSOR'S agents or employees during the term of this lease shall be deemed an acceptance of a surrender of the premises, and no agreement to accept such a surrender shall be valid unless in writing and signed by LESSOR.

ARTICLE XXVI. GOVERNING LAW

This lease shall be construed, governed and enforced in accordance with the laws of the State of West Virginia and the City of Charleston. Furthermore, LESSEE agrees to comply with all laws, ordinances, rules and regulations which may pertain or apply to the demised premises and the use thereof.

ARTICLE XXVII. SEPARABILITY

If any provisions of this lease shall be held to be invalid, void or

unenforceable, the remaining provisions hereof shall in no way be affected or impaired and such remaining provisions shall remain in full force and effect.

ARTICLE XXVIII. CAPTIONS

Captions, titles or exhibits and riders and the table of contents to this lease are for convenience and reference only, and are in no way to be construed as defining, limiting or modifying the scope of intent of the various provisions of this lease.

ARTICLE XXIX. GENDER

As used in this lease, the word "person" shall mean and include, where appropriate, an individual, corporation, partnership or other entity; the plural shall be substituted for the singular, and the singular for the plural, where appropriate; and words of any gender shall mean to include any other gender.

ARTICLE XXX. EXECUTION

This lease shall become effective when it has been signed by a duly authorized officer or representative of each of the parties and delivered to the other party. This lease is being executed simultaneously in duplicate counterparts, one of which shall be delivered to LESSEE. Each of such fully executed counterparts shall be deemed original and it shall not be necessary in making proof of this lease to produce or account for more than one such counterpart.

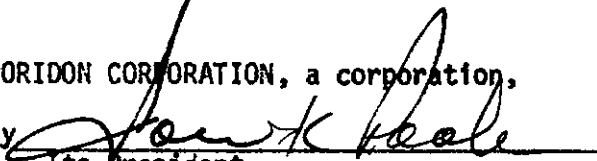
ARTICLE XXXI. ENTIRE AGREEMENT

This lease, including the Exhibits and any Riders hereto, contains all the agreements, conditions, understandings, representations and warranties made

between the parties hereto with respect to the subject matter hereto, and may not be modified orally or in any manner other than by an agreement, in writing, signed by both parties hereto or their respective successors in interest.

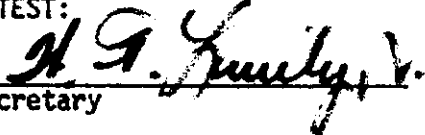
For and in consideration of all of the aforesaid, the LESSOR and LESSEE have hereunto set their hands this the 16th day of DECEMBER, 1974.

DORIDON CORPORATION, a corporation,

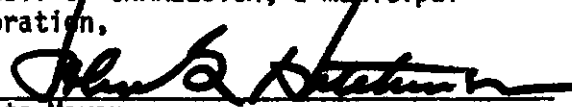
By 
Its President

LESSEE

ATTEST:

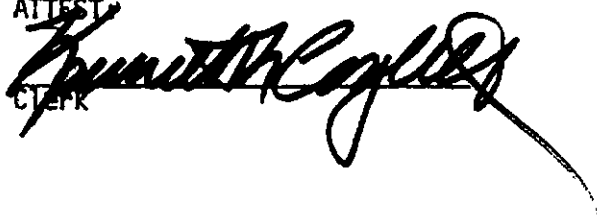

Secretary

THE CITY OF CHARLESTON, a municipal corporation,

By 
Its Mayor

LESSOR

ATTEST:


Clerk

STATE OF KENTUCKY,

COUNTY OF Fayette, to-wit:

The foregoing instrument was acknowledged before me this 16th day of December, 1974, by Don K. Poole, the President of Doridon Corporation, a West Virginia corporation, on behalf of the corporation.

My commission expires MY COMMISSION EXPIRES
JUNE 22, 1978

Jane L. Van Dine
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 20th day of December, 1974, by John G. Hutchinson, the Mayor of the City of Charleston, a municipal corporation, on behalf of the corporation.

My commission expires October 16 1984

Robert R. Hays
Notary Public

This instrument was presented to the Clerk of the County
Commission of Kanawha County, West Virginia, on
and the same is admitted to record.

Teste: Alma J. Jorgensen DEC 20 1974
Kanawha County Commission

LEASE AMENDMENT

THIS LEASE AMENDMENT AND CONSENT TO ASSIGNMENT ("Amendment"), made at the City of Charleston, Kanawha County, West Virginia, as of the 15th day of December, 1999, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, hereinafter referred to as "LESSOR", and LANCE SHANER HOTEL LIMITED PARTNERSHIP, a Delaware limited partnership, hereinafter referred to as "LESSEE".

RECITALS

Deed Tax	0.00
Recording Fee	3.00
TOTAL	3.00

By Lease dated December 18, 1973, of record in Kanawha County, West Virginia, Lease Book 190, at page 627, as amended by Amended Lease dated December 3, 1974 (the two agreements are collectively the "Lease"), the City of Charleston, West Virginia, leased to Doridon Corporation a parcel of land comprising 34,989.21 square feet located in the City of Charleston, West Virginia.

By Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, Doridon Corporation assigned to Columbia Sussex Corporation all of its right, title, obligations and interest as tenant under the Lease.

By Assignment dated December 15, 1999, Columbia Sussex Corporation assigned to Lessee all of its rights, title and interest as tenant under the Lease.

By this Amendment, the parties desire to amend the Lease in certain respects, all as more fully set out hereinafter.

WITNESSETH:

That for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The provisions of the Lease regarding the term of the Lease are hereby amended and restated in their entirety to provide as follows:

The term of the Lease shall continue until midnight on December 31, 2019 and, provided there is no notice of default and that the tenant has fully performed all of its covenants, then such term shall be automatically renewed thereafter for two additional five-year terms, to commence immediately following the expiration of the then current term, unless LESSEE gives

DENNIS N. BROGLIO
P.O. BOX 553
CHARLESTON, WV 25322

written notice to LESSOR not less than 180 days prior to the expiration of the then current term that LESSEE will not renew the Lease.

2. Effective January 1, 2000 and continuing thereafter until modified as provided hereinafter, the rent payable by LESSEE under the Lease shall be Seventy-One Thousand Dollars (\$71,000.00) per year, payable on or before the first day of each and every month of the Lease in installments of Five Thousand Nine Hundred Sixteen Dollars and Sixty-Seven Cents (\$5,916.67). The rent payable during each five-year renewal term, if the term hereof is renewed, shall be adjusted to reflect increases, and not decreases which occur in the Consumer Price Index US City Average, All Items and Major Group Figures for Urban Wage Earners and Clerical Workers (1984 = 100), as compiled and published by the Bureau of Labor Statistics, United States Department of Labor, and said Index for January 1, 2000 shall be taken as the base factor for the purpose of computing adjustments in rent. Adjustments in rent shall be calculated and effective at the commencement of each renewal term for the ensuing five-year period by dividing the Index for the month immediately preceding such renewal term (numerator) by said base factor (denominator) and by multiplying the resulting figure by the monthly rent specified herein. The adjustment for both five year renewal periods shall be made using Eighty-Four Thousand Dollars (\$84,000.00) as the base rental rate prior to adjustment.

3. Lessor hereby CONSENTS to the assignment of the Lease from Columbia Sussex Corporation to Lessee.

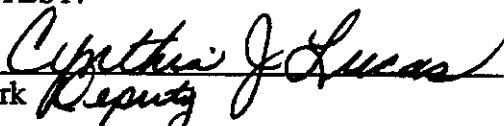
4. The effectiveness of this Lease Amendment and Consent to Assignment is contingent upon the effectiveness and due execution of the Assignment of December 15, 1999, by all parties thereto and delivery of same to Lessee. This Lease Amendment will become effective immediately following the effectiveness of the Assignment.

5. Except as expressly provided in this Amendment, the Lease shall, in all other respects, remain in full force and effect in accordance with its terms.

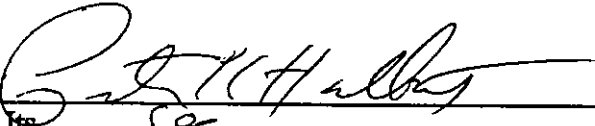
THE CITY OF CHARLESTON, WEST VIRGINIA,
a municipal corporation

By  Its Mayor

ATTEST:


Clerk Deputy

LANCE SHANER HOTEL LIMITED
PARTNERSHIP, a Delaware limited partnership

By 
its Sec.

ATTEST:

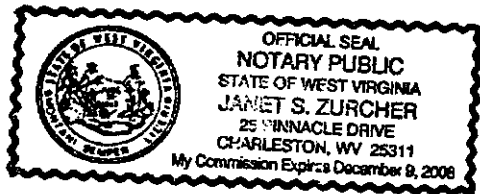

As Secretary

STATE OF WEST VIRGINIA;

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 1st day of Dec, 1999, by Jay Goldman the Mayor of THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, on behalf of said corporation.

My commission expires 12/09/08.



Janet S. Zurcher
NOTARY PUBLIC

STATE OF New York;

COUNTY OF Erie, to-wit:

The foregoing instrument was acknowledged before me this 15th day of December, 1999, by Peter K. Hulburt the Secretary of LANCE SHANER HOTEL LIMITED PARTNERSHIP, a Delaware limited partnership.

My commission expires 6/19/01.

TERRENCE M. GILBRIDE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 06/19/01

[Signature]
NOTARY PUBLIC

This instrument was prepared by Robert D. Fluharty, Jackson & Kelly PLLC, 1600 Laidley Tower, Post Office Box 553, Charleston, West Virginia 25322.

C0337340.2

This instrument was presented to the Clerk of the County Commission of Kanawha County, West Virginia, on DEC 20 1999 and the same is admitted to record.

-4- Tests: Alma J. Dinger
Kanawha County Commission



**CITY OF CHARLESTON
P.O. Box 2749
CHARLESTON, WEST VIRGINIA 25330**

August 17, 2006

Jackson Kelly PLLC
Attn: Michelle M. Elmore
1600 Laidley Tower
P. O. Box 553
Charleston, WV 25322

Re: Assignment Agreement – Ground Lease Holiday Inn Civic Center

Dear Ms. Elmore:

Enclosed are two copies of the above referenced Agreement, approved by City Council on August 15, 2005, and signed by City officials. Once the documents have been signed by the Shaner Groups, please return a fully executed copy for our file. Should you have any questions, contact City Attorney Paul Ellis at 348.8032.

Sincerely,

A handwritten signature in cursive script that reads "Janice Westerman".

Janice Westerman
Administrative Assistant
City Manager's Office

Enclosures (2)

Cc: Paul Ellis, City Attorney

LANDLORD ESTOPPEL CERTIFICATE & AGREEMENT

Re: THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal Corporation, as the landlord ("Landlord") and Shaner Hotel Group Properties Three Limited Partnership, as the tenant ("Tenant") under a certain lease which is described in Schedule A attached hereto (the "Ground Lease") covering certain real property known as the Holiday Inn Civic Center, located at 100 Civic Center Drive, Charleston, West Virginia (the "Premises"). Capitalized terms used herein shall have the meanings set forth in the Ground Lease.

You have advised us that the Tenant's leasehold interest in the premises will be mortgaged by the Tenant in favor of Greenwich Capital Financial Products, Inc. ("GCF"), pursuant to the Indenture (as defined below).

In connection with the Indenture, the Landlord hereby certifies to (i) GCF, its successors and assigns and (ii) GCF's title insurer, Chicago Title Insurance Company (the "Title Company") that:

1. The Ground Lease has not been modified, amended, renewed or extended from the date of its execution to the date hereof, except as indicated in Schedule A attached hereto, is in full force and effect on the date hereof in accordance with its terms and, to the Landlord's actual present knowledge, has not been assigned by Tenant.
2. The term of the Ground Lease commenced on December 18, 1973 and will expire on December 31, 2019 unless renewed or extended in accordance with its terms.
3. There are no rights of renewal or extension under the Ground Lease, except as follows: Two additional five-year terms to be automatically commenced after the expiration of the current term, provided that there is no notice of default and that tenant has fully performed all of its covenants.
4. The basic rent payable under the Ground Lease is \$71,000 per year.
5. The basic rent, additional rent and all other charges, including, without limitation, all real estate taxes and assessments, payable by Tenant, have been paid to the date hereof
6. Tenant has made no prepayment of any basic rent due under the Ground Lease.
7. To the best of Landlord's knowledge, neither Landlord nor Tenant is in default under any of the terms or provisions of the Ground Lease and Landlord knows of no condition or event which, with the giving of notice, the passage of time, or both, would constitute a default by the Tenant in the performance of its obligations under the Ground Lease.
8. To the best of Landlord's knowledge, there are no rights of offset, abatement or reduction of basic rent presently accruing to Tenant by reason of any provision of the Ground Lease or otherwise.

9. Landlord acknowledges receipt of a copy of an unexecuted draft of a certain Leasehold Deed of Trust, Assignment of Leases and Rents and Security Agreement made by Tenant to _____ as trustee for the benefit of GCF, dated as of _____, 2005, covering all of Tenant's right, title and interest in and to the Ground Lease and the leasehold estate created thereby (the "Indenture"), which, for the purposes of this Certificate, we assume will in its final executed form be substantially the same as the form provided to Landlord on the date hereof, together with a certain Notice of Leasehold Indenture, dated as of _____ 2005, identifying GCF as the holder of the Indenture and giving their address.

10. Landlord acknowledges and confirms that the Indenture is permitted under the terms of the Ground Lease and that GCF are parties to whom a copy of all notices of default shall be given by Landlord pursuant to Article XIV of the Ground Lease. Landlord further agrees that no notice given is effective against GCF, its successors and assigns, unless a copy of such notice is timely delivered to GCF.

11. Landlord agrees that there shall be no merger resulting from the acquisition by, or devolution upon, any one entity of the fee and the leasehold estates in the Premises, without the prior written consent of Permitted Mortgagee.

12. Notwithstanding anything to the contrary contained herein or in the Lease, Landlord agrees that any insurance proceeds or condemnation award payable to Tenant, shall be disbursed and applied in accordance with the Indenture and the other loan documents, evidencing the Loan (as such term is defined in the Indenture).

13. This Certificate is given by Landlord pursuant to Article XVII of the Ground Lease and may be relied upon by Tenant, GCF, the Title Company and their respective successors and assigns.

IN WITNESS WHEREOF, Landlord has caused this Estoppel Certificate to be duly executed and delivered on this 16th day of August 2005.

Beverly Page
ATTEST

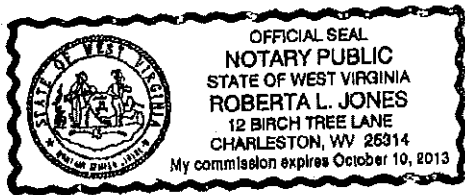
CITY OF CHARLESTON, WEST
VIRGINIA, municipal corporation

James M. Reeshman
City Clerk

By: [Signature]
Its Mayor

STATE OF WEST VIRGINIA)
COUNTY OF Kanawha) ss

On the 16 day of August in the year 2005, before me, the undersigned, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of Charleston (Insert the City or other political subdivision and the state and county or other place the acknowledgment was taken.)



Robert L. Jones
Notary Public

Schedule A

Description of Ground Lease

Lease dated December 18, 1973, of record in Kanawha County, West Virginia, Lease Book 190, at page 627 (the "Original Lease"), and amended by Amended Lease dated December 3, 1974, of record in Kanawha County, West Virginia, Lease Book 245, at page 936 (the "Amended Lease"), the City of Charleston, West Virginia (the "Lessor"), leased to Doridon Corporation land containing 34, 989.21 square feet located in the City of Charleston, West Virginia. (the Original Lease and Amended Lease are hereinafter collectively referred to as the "Lease").

By Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, Doridon Corporation assigned all of its right, title and interest in the Lease to Columbia Sussex Corporation.

By Assignment dated as of December 15, 1999, of record in Kanawha County, West Virginia, Assignment Book 172, at page 282, Columbia Sussex Corporation assigned all of its right, title and interest in the Lease to Lance Shaner Hotel Limited Partnership (the "Assignor").

By Lease Amendment and Consent to Assignment dated as of December 15, 1999, of record in Kanawha County, West Virginia, Lease Book 245 at page 961, the Lessor and Assignor amended certain terms of the Lease, and the Lessor consented to the assignment of the Lease.

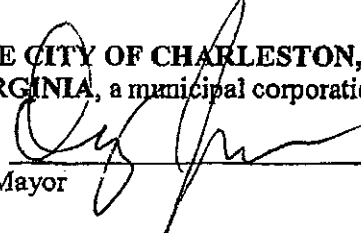
By Assignment and Assumption of Ground Lease dated as of August 15, 2001, of record in Kanawha County, West Virginia Assignment Book 183 at page 295, Assignor assigned all of its right, title and interest in the Lease, as amended, to Tenant.

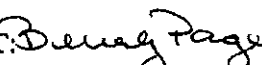
LESSOR'S CONSENT

THE CITY OF CHARLESTON, WEST VIRGINIA, in its capacity as lessor (the "Lessor") under a Lease dated December 18, 1973, of record in Kanawha County, West Virginia, Lease Book 190, at page 627, as amended by Amended Lease dated December 3, 1974, of record in Kanawha County, West Virginia, Lease Book 245 at page 936, between the Lessor and Doridon Corporation, which lease was assigned to Columbia Sussex Corporation by Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, which lease was further assigned to Lance Shaner Hotel Limited Partnership, a Delaware limited partnership, by Assignment dated as of December 15, 1999, of record in Kanawha County, West Virginia, Assignment Book 172, at page 282, which lease was amended by Lease Amendment and Consent to Assignment between the Lessor and the Lance Shaner Hotel Limited Partnership, dated as of December 15, 1999, of record in Kanawha County, West Virginia, Lease Book 245 page 961 and which lease was further assigned to SHANER HOTEL GROUP PROPERTIES THREE LIMITED PARTNERSHIP (the "Assignor") by Assignment dated August 15, 2001, of record in Kanawha County, West Virginia, Assignment Book 183, page 295 (collectively, the "Lease"), does hereby CONSENT to the assignment of the Lease on the terms, covenants and conditions set forth in the Assignment and Assumption of Ground Lease dated _____, 2005 between Assignor and SHANER SPE ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership, as assignee.

IN WITNESS WHEREOF, Lessor has caused this Consent to be executed as of the 16th day of August, 2005.

THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation

By: 
Its Mayor

ATTEST:  Benny Page


Clerk

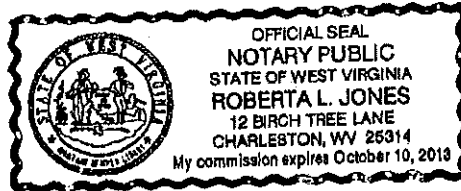
STATE OF WEST VIRGINIA)

COUNTY OF Kanawha)
Ss.:

On the 16 day of August, in the year 2005, before me, the undersigned, a notary public in and for said state, personally appeared Danny Jones, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of Charleston.
(Insert the City or other political subdivision and the state or county or other place the acknowledgment was taken).

Roberta L. Jones
Notary Public

23745/0084 GBDOS 52297v2



WAIVER AND RELEASE

THIS WAIVER AND RELEASE dated as of the ____ day of _____, 2005, is given by **THE CITY OF CHARLESTON, WEST VIRGINIA**, a municipal corporation ("Lessor") to **Shaner Hotel Group Properties Three Limited Partnership**, a Delaware limited partnership having an office at 1965 Waddle Road, State College, Pennsylvania 16803 ("Lessee").

RECITALS:

By Lease dated December 18, 1973, of record in Kanawha County, West Virginia, Lease Book 190, at page 627, and amended by Amended Lease dated December 3, 1974, of record in Kanawha County, West Virginia, Lease Book 245, at page 936, the Lessor leased to Doridon Corporation land containing 34,989.21 square feet located in the City of Charleston, West Virginia (the "Original Lease").

By Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, Doridon Corporation assigned all of its right, title and interest in the Original Lease to Columbia Sussex Corporation.

By Assignment dated as of December 15, 1999, of record in Kanawha County, West Virginia, Assignment Book 172, at page 282, Columbia Sussex Corporation assigned all of its right, title and interest in the Original Lease to Lance Shaner Hotel Limited Partnership.

By Lease Amendment and Consent to Assignment dated as of December 15, 1999, of record in Kanawha County, West Virginia, Lease Book 245 page 961, the Lessor and Lance Shaner Hotel Limited Partnership amended certain terms of the Original Lease, and the Lessor consented to the Assignment of the Original Lease (the Original Lease, as assigned and amended is hereinafter referred to as the "Current Lease").

By Assignment dated August 15, 2001, of record in Kanawha County, West Virginia, Assignment Book 183, at page 295, Lance Shaner Hotel Limited Partnership assigned all of its right, title and interest in the Current Lease to Lessee.

The Current Lease is about to be assigned by Lessee to a related entity, Shaner SPE Associates Partnership (the "Assignee") for purposes of completing a financing transaction.

In connection with the assignment of the Current Lease to Assignee, Lessor has agreed to waive its right to a 10 day inspection of the instrument assigning the Current Lease, pursuant to Article XIV of the Current Lease.

NOW, THEREFORE, in consideration of the foregoing premises, and the covenants and agreements hereinafter contained, it is agreed as follows:

1. Lessor hereby waives and releases any and all rights it may have pursuant to Article XIV the Current Lease to inspect the instrument assigning the Lessee's interest in the Current Lease to the Assignee.
2. Lessor hereby ratifies, confirms and approves in all respects the terms of the Current Lease.
3. This Waiver and Release shall be effective as of its date of execution.

IN WITNESS WHEREOF, Tenant has caused this Release and Waiver to be executed as of the date and year first above written.

THE CITY OF CHARLESTON, WEST
VIRGINIA, a municipal corporation

By: _____
Its Mayor

ATTEST:

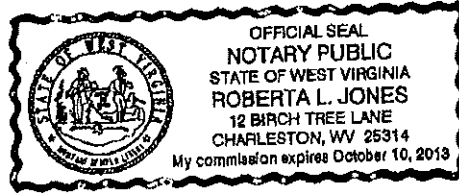
Clerk

STATE OF WEST VIRGINIA)
) Ss.:
COUNTY OF Kanawha)

On the 16 day of August, in the year 2005, before me, the undersigned, a notary public in and for said state, personally appeared Danny Jones, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of Charleston.
(Insert the City or other political subdivision and the state or county or other place the acknowledgment was taken).

Roberta L. Jones
Notary Public

23745/0084 GBD0CS 52306v2



ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE is made and effective as of this ____ day of _____, 2005, by and between SHANER HOTEL GROUP PROPERTIES THREE LIMITED PARTNERSHIP, a Delaware limited partnership ("Assignor"), and SHANER SPE ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership ("Assignee").

RECITALS:

By Lease dated December 18, 1973, of record in Kanawha County, West Virginia, Lease Book 190, at page 627, and amended by Amended Lease dated December 3, 1974, of record in Kanawha County, West Virginia, Lease Book 245, at page 936, the City of Charleston, West Virginia (the "Lessor"), leased to Doridon Corporation land containing 34,989.21 square feet located in the City of Charleston, West Virginia (the "Lease").

By Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, Doridon Corporation assigned all of its right, title and interest in the Lease to Columbia Sussex Corporation.

By Assignment dated as of December 15, 1999, of record in Kanawha County, West Virginia, Assignment Book 172, at page 282, Columbia Sussex Corporation assigned all of its right, title and interest in the Lease to Lance Shaner Hotel Limited Partnership.

By Lease Amendment and Consent to Assignment dated as of December 15, 1999, of record in Kanawha County, West Virginia, Lease Book 245 page 961, the Lessor and Lance Shaner Hotel Limited Partnership amended certain terms of the Lease, and the Lessor consented to the Assignment of the Lease.

By Assignment dated as of August 15, 2001, of record in Kanawha County, West Virginia, Assignment Book 183, at page 295, Lance Shaner Hotel Limited Partnership assigned all of its right, title and interest in the Lease to Assignor.

By Lessor's Consent, Assignor desires to assign to Assignee all of Assignor's estate, rights, title, licenses, privileges and interests in the Lease.

WITNESSETH:

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the premises and covenants hereby contained, Assignor hereby assigns, transfers, conveys and sets over unto Assignee all of Assignor's estate, interest, rights, title and privileges pursuant to the Lease.

For and in consideration of said assignment and transfer, Assignee hereby accepts and agrees to perform all of the covenants, duties and obligations as set forth in said Lease to be kept and performed on the part of the Assignor to the extent of the rights hereby assigned.

IN WITNESS WHEREOF, the parties hereto have duly executed this instrument to be effective, after execution by all of the parties hereto, as of the day and year first above written.

SHANER HOTEL GROUP PROPERTIES
THREE LIMITED PARTNERSHIP

By: Shaner GP Three, Inc., its general partner
By: _____

SHANER SPE ASSOCIATES LIMITED
PARTNERSHIP

By: Shaner Special Purpose GP, Inc., its
general partner
By: _____

STATE OF)
Ss.:
COUNTY OF)

On the ____ day of August, in the year 2001, before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF)
Ss.:
COUNTY OF)

On the ____ day of August, in the year 2001, before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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LEASE AMENDMENT

THIS LEASE AMENDMENT ("Amendment") is made at the City of Charleston, Kanawha County, West Virginia, as of the 21st day of October 2014, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, hereinafter referred to as "LESSOR", and SHANER SPE ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership, hereinafter referred to as "LESSEE".

R E C I T A L S

By Lease dated December 18, 1973, of record in Kanawha County, West Virginia, lease Book 190, at page 627, as amended by Amended Lease dated December 3, 1974 (the two agreements are collectively the "Lease"), the City of Charleston, West Virginia, leased to Doridon Corporation a parcel of land comprising 34,989.21 square feet located in the City of Charleston, West Virginia.

By Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, Doridon Corporation assigned to Columbia Sussex Corporation all of its rights, title, obligations, and interest as tenant under the Lease.

By Assignment dated December 15, 1999, of record in Kanawha County West Virginia, assignment book 172, at page 282, Columbia Sussex Corporation assigned to Lance Shaner Hotel Limited Partnership all of its rights, title, obligations, and interest as tenant under the Lease.

By Lease Amendment and Consent to Assignment dated December 15, 1999, of record in Kanawha County, West Virginia, lease book 245, at page 961, LESSOR and Lance Shaner Hotel Limited Partnership amended certain terms of the Lease, and the LESSOR consented to the assignment of the Lease.

By Assignment and Assumption of Ground Lease dated as of August 15, 2001, of record in Kanawha County West Virginia, Assignment Book 183, at page 295, Lance Shaner Hotel Limited Partnership assigned all of its rights, title, obligations, and interest in the Lease, as amended, to Shaner Hotel Group Properties Three Limited Partnership.

By Assignment and Assumption of Ground Lease dated as of August 15, 2005, of record in Kanawha County, West Virginia, Assignment Book 207, at page 765, Shaner Hotel Group Properties Three Limited Partnership assigned all of its rights, title, obligations, and interest in the Lease, as amended to LESSEE.

W I T N E S S E T H:

That for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The provisions of the Lease regarding the term of the Lease are hereby amended and restated in their entirety to provide as follows:

The term of the Lease shall continue until midnight on December 31, 2019, and, provided there is no notice of default and that the tenant has fully performed all of its covenants, then such terms shall be automatically renewed thereafter for five additional five-year terms, to commence immediately following the expiration of the then current term, unless LESSEE gives written notice to LESSOR not less than 180 days prior to the expiration of the then current term that LESSEE will not renew the Lease.

2. Effective January 1, 2000, and continuing thereafter until modified as provided hereinafter, the rent payable by LESSEE under the Lease shall be Seventy-One Thousand Dollars (\$71,000.00) per year, payable on or before the first day of each and every month of the Lease in installments of Five Thousand Nine Hundred Sixteen Dollars and Sixty-Seven Cents (\$5,916.67). The rent payable during each five-year renewal term, if the term hereof is renewed, shall be adjusted to reflect increases, and not decreases which occur in the Consumer Price Index US City Average, All Items and Major Group Figures for Urban Wage Earners and Clerical Workers (1984 = 100), as compiled and published by the Bureau of Labor Statistics (the "CPI"), United States Department of Labor, and said Index for January 1, 2000, shall be taken as the base factor for the purpose of computing adjustment in rent. Adjustments in rent shall be calculated and effective at the commencement of each renewal term for the ensuing five-year period by dividing the Index for the month immediately preceding such renewal term (numerator) by said base factor (denominator) and by multiplying the resulting figure by the monthly rent specified herein. The adjustment for the first five year renewal period shall be made using Eighty-four Thousand Dollars (\$84,000.00) as the base rental prior to adjustment. The adjustment for the second, third, fourth, and fifth five year renewal periods shall be made using the base rental from the expiring period as the base rental and adjusted by the CPI by the preceding five year period only.
3. Except as expressly provided in this Amendment, the Lease shall, in all other respects, remain in full force and effect in accordance with its terms.

[Signature page follows]

THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation

By

[Signature]
Its Mayor

ATTEST:

[Signature]
Clerk

SHANER SPE ASSOCIATES LIMITED PARTNERSHIP

By: SHANER SPECIAL PURPOSE GP, INC.

By

Its

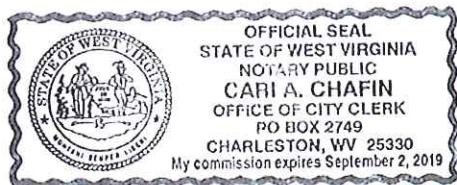
ATTEST:

[Signature]
Title

STATE OF WEST VIRGINIA;
COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 21st day of October, 2014, by Danny Jones the Mayor of the CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation, on behalf of said corporation.

My commission expires September 2, 2019.



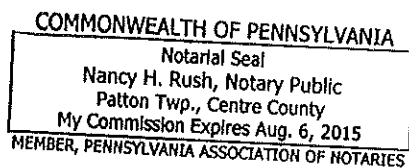
[Signature]
NOTARY PUBLIC

STATE OF Pennsylvania :

COUNTY OF Centre, to-wit:

The foregoing instrument was acknowledged before me this 21st day of October, 2014, by Lance T. Shaner, the Chairman of SHANER SPE ASSOCIATES LIMITED PARTNERSHIP, a Delaware limited partnership.

My commission expires _____.



Nancy H. Rush
NOTARY PUBLIC

ASSIGNMENT

(Ground Lease)

Assign 172 282
Recorded in Above Book & Page
12/26/1999 02:46:19 PM
Alma Y King
County Clerk
Kanawha Co, WV

Deed TX	0.00
Recording Fee	3.00
Total	3.00

THIS ASSIGNMENT, executed in counterpart originals, made and effective as of this 15th day of December, 1999, by and between **COLUMBIA SUSSEX CORPORATION**, a Kentucky corporation ("Assignor"), and **LANCE SHANER HOTEL LIMITED PARTNERSHIP**, a Delaware limited partnership ("Assignee").

RECITALS:

By Lease dated December 18, 1973, of record in Kanawha County, West Virginia, lease Book 190, at page 627, and amended by Amended Lease dated December 3, 1974, the City of Charleston, West Virginia, leased to Doridon Corporation land containing 34,989.21 square feet located in the City of Charleston, West Virginia (the "Lease").

By Confirmatory Assignment dated August 4, 1987, of record in Kanawha County, West Virginia, Assignment Book 115, at page 733, Doridon Corporation assigned all of its right, title and interest in the Lease to Columbia Sussex Corporation.

Assignor desires to assign to Assignee all of Assignor's estate, rights, title, licenses, privileges and interests in the Lease.

WITNESSETH:

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the premises and covenants hereby contained, Assignor hereby assigns, transfers, conveys and sets over unto Assignee all of Assignor's estate, interest, rights, title and privileges pursuant to the Lease.

DENNIS N. BROGLIO
P.O. BOX 553
CHARLESTON, WV 25322

For and in consideration of said assignment and transfer, Assignee hereby accepts and agrees to perform all of the covenants, duties and obligations as set forth in said Lease to be kept and performed on the part of the Assignor to the extent of the rights hereby assigned.

This assignment is made subject to the respective indemnification obligations between Assignor and Assignee created in that certain Agreement of Purchase and Sale, dated September 20, 1999, between Columbia Sussex Corporation and Lance T. Shaner.

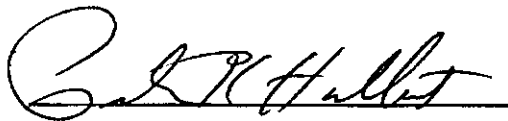
IN WITNESS WHEREOF, the parties hereto have duly executed this instrument to be effective, after execution by all of the parties hereto, as of the day and year first above written.

COLUMBIA SUSSEX CORPORATION,
a Kentucky corporation

By: 

Its: SECRETARY/TREAS.

LANCE SHANER HOTEL LIMITED
PARTNERSHIP, a Delaware limited
partnership

By: 

Its: Sec.

STATE OF ~~WEST VIRGINIA~~, OHIO

COUNTY OF ~~KANAWHA~~ ^{HAMILTON}, to-wit:

The foregoing instrument was acknowledged before me this 14th day of December, 1999, by Theodore R. Mitchell, Secretary/Treasurer of COLUMBIA SUSSEX CORPORATION, a Kentucky corporation, as being the act and deed of said corporation.

My commission expires _____.

Tedd H. Friedman

Notary Public



TEDD H. FRIEDMAN, Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration Date
Section 147.03

New York
STATE OF ~~WEST VIRGINIA~~,

COUNTY OF ~~KANAWHA~~ ^{ERIE}, to-wit:

The foregoing instrument was acknowledged before me this 15th day of December, 1999, by Peter K. Hullburt, Secretary of LANCE SHANER HOTEL LIMITED PARTNERSHIP, a Delaware limited partnership, as being the act and deed of said partnership.

My commission expires 6/15/01.

TERRENCE M. GILBRIDE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 06/19/01

[Signature]
Notary Public

This instrument was prepared by Robert D. Fluharty, Attorney, Jackson & Kelly PLLC, Post Office Box 553, Charleston, West Virginia 25322.

C0338879.1

This instrument was presented to the Clerk of the County Commission of Kanawha County, West Virginia, on DEC 20 1999 and the same is admitted to record.

3

Teste: Alma H. Jung Clerk
Kanawha County Commission

8.25

190-627

BOOK 190 PAGE 627

LEASE

668 w A - LSE

THIS LEASE, made at the City of Charleston, Kanawha County, West Virginia, as of the 18th day of DECEMBER, 1973, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a Municipal Corporation, hereinafter referred to as "Lessor" and DORIDON CORPORATION, a West Virginia corporation, hereinafter referred to as "Lessee".

WITNESSETH:

WHEREAS, the Lessee intends to construct a 400 guest unit hotel-motel and other related facilities including parking on property adjacent to the property hereinafter described, and

WHEREAS, to serve the hotel-motel building and other related facilities, 171 parking spaces will be constructed on Lessor's property hereinafter described; and

WHEREAS, the Lessee will build and pay for the parking facility on the Lessor's property and will then give the same to the Lessor by deed of gift on the date of the Certificate of Occupancy to be issued by the Lessor or other proper governmental authorities; and

WHEREAS, the Lessor, in order to effectuate the deed of gift of the building to be built on the property hereinafter described, hereby agrees to lease said property to the Lessee upon the terms and conditions hereinafter contained:

NOW, THEREFORE, this agreement WITNESSETH: That for and in consideration of the mutual covenants and conditions hereinafter contained, the

Send to : Robert R. Harpold, Jr.
City Attorney
City Hall, Charleston, West Virginia 25301

DEC-20-73 2 37 0 17

ASSIGNED

ink 115

Page

733

Lessee agrees to pay for and construct a 171 unit parking facility upon the following described premises:

A certain tract or parcel of land located in Charleston, Kanawha County, West Virginia, containing 34,989.21 square feet and more particularly described as that area enclosed by yellow line on plat or map attached hereto as Exhibit "A"

and upon issuance of a Certificate of Occupancy by the proper governmental agency or agencies, Lessee shall grant and convey by deed of gift the building constructed on said premises to the Lessor. The Lessor does hereby demise, lease and let the above described premises unto Lessee for and during the term of 30 years beginning on the 18th day of DECEMBER, 1973, at and upon the terms and subject to the conditions, covenants, and stipulations herein expressed and declared of and concerning the same.

ARTICLE I. RENT

After the deed of gift Lessee shall pay to Lessor for the remainder of the term of this lease the sum of One Hundred Four Dollars (\$104.00) per year per parking space constructed on the described premises. In addition Lessee shall pay annually 10% of all gross income from \$50,000 to \$150,000 received by Lessee from public parking in the entire parking area including the parking area constructed on the adjacent premises; 15% of all gross income from \$150,000 to \$200,000 received by Lessee from public parking in the entire parking area including the parking area constructed on the adjacent premises and 20% of all gross income over \$200,000 received by Lessee from public parking in the entire area including

the parking area constructed on the adjacent premises.

In addition to the above, Lessee agrees that it will contribute to gross income from public parking the sum of Twenty-five Cents (\$.25) for the first two hours parking granted free of charge to the customers of any bar or restaurant to be constructed in said hotel-motel, and any other cash receipts received from any such customer for parking after said two hour period shall be considered gross income from public parking and the hereinabove percentages will apply to both items of income set forth in this paragraph.

The term "gross income" shall be defined as the actual cash receipts resulting from the rental of parking spaces only, and shall not include any allocation of receipts from rental to overnight guests of the Holiday Inn nor receipts from the rental of other hotel space.

The rent stated herein shall be paid on the first day of each succeeding month after the improvements to be constructed by the Lessee on the herein demised premises have been completed and are ready for occupancy as evidenced by a Certificate of Occupancy issued by the proper governmental agency. If the Certificate of Occupancy is issued on a date other than the first day of the month, then the rent payable hereunder shall be prorated as of the date of issuance of the Certificate of Occupancy. All rent shall be paid by negotiable check at CITY COLLECTOR'S OFFICE, CITY HALL or such other place in the City of Charleston, West Virginia, as the Lessor may from time to time designate in writing giving the Lessee 90 days notice of the change desired. The Lessor shall, upon written notice to the Lessee and at the convenience of the Lessee, have the right to audit the books of the Lessee insofar as the parking revenues are concerned. In any event, the Lessee shall, at their expense, furnish the Lessor an annual certified audit from an independent certified public accountant on the parking revenues.

From the date of entry by the Lessee, its agents and employees, or by February 15, 1974, whichever occurs first, and during the construction of the said building and until the said building is completed and in use, the Lessee shall pay to the Lessor the sum of Four Hundred Thirty Dollars (\$430.00) per month.

ARTICLE II.

Lessee covenants that during the term of this Lease the rate to be charged the public for parking shall not exceed the sum of \$1.00 per 24 hour period unless express written consent to change said parking fee is obtained from the Lessor.

ARTICLE III.

Lessee covenants that the public shall have access through the lower floor of the parking facility constructed on the leased premises to Elk River but such access shall not interfere with or take precedence over parking on said lower floor.

ARTICLE IV. BUILDING

Lessee shall construct upon the demised premises a parking facility to serve a hotel/motel building and other related facilities to be constructed by Lessee on an adjacent tract of land. The new building to be constructed on the demised premises shall be constructed in accordance with plans and specifications approved by Lessor, said approval, however, shall not be unreasonably withheld. Said construction of said parking building shall commence within two hundred seventy (270) days of execution of this lease, and said parking building shall be completed and in use within three (3) years of the date of the commencement of construction of the said parking garage. Lessee shall not be deemed in default with respect to the

performance of the terms, covenants and conditions of this lease if the same be due to any strike, unreasonable weather, governmental restrictions, material shortages, Acts of God or other cause beyond control of Lessee.

ARTICLE V. REPAIRS AND MAINTENANCE

The Lessee shall at all times during the term of this lease, at the expense of the Lessee, keep and maintain all buildings hereafter constructed on the above described premises, and all appurtenances thereunto belonging in good and substantial repair and in a clean and sanitary condition, reasonable wear and tear excepted, however, and shall comply with and conform to all legally constituted authorities in relation thereto. Lessee shall be responsible for any structural defects of the said building during the term of this lease, and shall save harmless the Lessor from any claim, damages or injuries resulting from any structural defect of said building.

The Lessee further agrees to pay all utilities, insurance, taxes, if any, on all of its property on said lands of the Lessor.

ARTICLE VI. LESSEE TO OBEY LAWS, ETC.

The Lessee shall promptly and faithfully obey and comply with all lawful requirements, rules, regulations, laws and ordinances of all legally constituted authorities in any manner affecting this lease, the above-described premises, and the buildings and improvements hereafter constructed on or about the same or the use thereof, existing at any time during the continuance of this lease (with the right, however, to contest the validity thereof in the manner and under the

conditions herein provided with respect to contesting the validity of taxes, assessments and other liens). The Lessee shall not knowingly permit any unlawful business, occupation or trade to be carried on upon the above-described premises or any use to be made of the same, or any part thereof, contrary to any valid law, regulation or ordinance governing the same.

ARTICLE VII. INSURANCE

At all times during the term of this lease the Lessee shall carry primary public liability insurance with limits of \$500,000.00 per person and \$1,000,000.00 per accident. Furthermore, at all times during the terms of this Lease the Lessee shall carry an umbrella policy of \$10,000,000.00, and further that the Lessor shall be named as an "additional insured" on Lessee's fire and extended coverage policy. Lessee shall supply copies of said policies to the Lessor. Furthermore, Lessee shall indemnify and save harmless the Lessor from all claims, demands and suits arising from any injury or damage to any person or property arising or occurring on the property that is subject of this lease.

ARTICLE VIII. WASTE

The Lessee will neither commit or permit waste upon the above described premises other than to the extent necessary for the removal of any buildings or improvements for the purposes of construction and erecting other buildings and improvements thereon.

ARTICLE IX. SURRENDER OF PREMISES AT EXPIRATION

One Hundred eighty (180) days prior to the expiration of the term of this lease the parties hereto shall, in good faith, enter into negotiation for a new lease of the demised premises. If the parties hereto are unable to negotiate a new lease or if the parties hereto are prohibited by law from entering into a new

lease then at the option of the Lessor the Lessee shall remove, at the Lessor's expense, the said improvements constructed on the demised premises.

ARTICLE X. QUIET ENJOYMENT

If the covenants and agreements of this lease devolving upon and to be performed by the Lessee shall in all respects be observed and performed, the Lessee shall have the peaceable possession and quiet enjoyment of said premises throughout said term, without the lawful let, hindrance or molestation of any person whomsoever, but subject to the conditions, restrictions and covenants of this lease.

ARTICLE XI. MORTGAGEE'S RIGHTS

If the Lessee mortgages the leasehold estate herein granted from Lessor to Lessee, the Lessor agrees, notwithstanding any other provisions of this lease which are or may or might appear to be the contrary, that any such mortgagee of the leasehold estate shall have the right to cure any default of the Lessee existing hereunder, and that the Lessor will not terminate this lease for any reason whatsoever without giving any mortgagee (who has notified Lessor if its mortgage) of this leasehold estate ninety (90) days written notice of Lessor's intention to so terminate. If the default of the Lessee is curable by the mortgagee, the Lessor will terminate this lease only by giving the mortgagee the option, within the ninety (90) day period, to cure the default and if the default by the Lessee is not curable by the mortgagee, the Lessor covenants and agrees to within the ninety (90) days period or within a reasonable time thereafter to make and execute a new lease with the mortgagee for the unexpired term of this lease, the new lease to contain all the

same terms, covenants, conditions and options as this original lease, including this term, covenant and condition.

ARTICLE XII. MODIFICATION OF LEASE

The Lessor covenants and agrees not to change, alter or modify any term, covenant or condition of this lease without the consent in writing of any mortgagee of the leasehold estate holding a first mortgage lien thereon of whose mortgage Lessor has notice.

ARTICLE XIII. ALTERATIONS OF BUILDING

The Lessor covenants and agrees that the Lessee has the right to erect any buildings or to alter and improve same so long as the construction, alterations or improvements are lawful in every respect and the premises are kept free and clear from all liens for labor and materials, however.

ARTICLE XIV. RESTRICTIONS ON ASSIGNMENT

The Lessee will not, except by way or mortgage of the leasehold estate to secure some actual indebtedness, claim or obligation, assign or transfer this lease unless (1) there be at the time of such assignment or transfer no existing default on the part of the Lessee in the making of any payment or in the performance and observance of the covenants, agreements, obligations, terms and conditions to be performed and observed by the Lessee hereunder; (2) the assignee of the lease shall in writing expressly assume all the obligations of the Lessee hereunder; (3) the

Lessee shall have first delivered to the Lessor, for inspection by the Lessor, for a period of ten days, a valid, binding and sufficient instrument of such assignment and assumption, which said instrument, being sufficient and proper in form, shall be recorded within thirty days from the time of the execution of such assignment, and (4) the Lessee shall have delivered to the Lessor a duplicate executed original of said instrument of assignment and assumption, and (5) written approval from Lessor, which shall not be unreasonably withheld.

After an assignment made in conformity with the provisions hereof the assignor shall not be further liable under this lease, but shall be free and discharged from any and every obligation hereunder, but thereafter all liability shall rest on the assignee.

ARTICLE XV. COVENANTS TO BIND HEIRS, ETC.

All the covenants, agreements, stipulations, provisions, conditions and obligations herein expressed and set forth shall be considered as running with the land and shall extend to, bind and inure to the benefit of, as the case may require, the heirs, executors, administrators, successors and assigns, of the Lessor, Lessee, and mortgagees, respectively, as fully as if such words were written whenever reference to Lessor or Lessee occurs in this lease.

ARTICLE XVI. NOTICES

All notices which may be proper or necessary for the parties hereto to serve upon each other may be effectually served by mailing same by United States mail, prepaid and registered to the Lessor at: MAYOR'S OFFICE, CITY BUILDING, CHARLESTON, WEST VIRGINIA and to the Lessee at: 2220 Zandale

Center, Lexington, Kentucky 40503.

Any new designation of mailing address or if any agent to receive said notices shall be made by the same method.

Any new designation by either party shall be effective if made by either party or by a majority in value of interest of the heirs, successors or assigns, of either party.

Any notices required to be served or mailed to any mortgagees shall be mailed in the same manner, that is, prepaid and registered.

ARTICLE XVII. APPROVALS

Any approvals required of the Lessor prior or subsequent to the doing of any acts by the Lessee, shall not unreasonably be withheld by the Lessor notwithstanding any other terms, covenants, conditions or agreements herein contained.

ARTICLE XVIII. SUBLETTING

The Lessee shall have the right to sublet all or any of the demised premises for any lawful purpose subject to the provisions of Article XIV hereof, only with the written consent of the Lessor.

ARTICLE XIX. ESTOPPEL CERTIFICATE

Lessor, within fifteen (15) days from and after written demand from Lessee, shall, under oath, execute a certificate stating that (a) this lease is in full force and effect, and unmodified, that there are no known defenses or offsets to the enforcements of same, and that there are no known defaults on the part of Lessee hereunder remaining uncured and uncorrected; or (b) the nature and extent of the

lease modification, if any, the known defenses or offsets to the enforcements of some of the known defaults on the part of the Lessee remaining uncured and uncorrected. If, within fifteen (15) days after written demand, the Lessor has not specified in writing the modifications hereto, the known defenses or offsets to the enforcement of same or the known defaults on the part of the Lessee remaining uncured and uncorrected, then and in that event, it shall be conclusively presumed that there are none.

ARTICLE XX. CONDITIONS PRECEDENT

This lease shall be null, void and of no effect if after December 1, 1974, the Lessee shall be unable to obtain any of the following: (a) Financing for the construction of the proposed improvements on demised premises and permanent financing of the leasehold estate under terms acceptable to Lessee; (b) All permits for the construction of the proposed improvements on the demised premises issued by any government authority; (c) Approval of planning and zoning commission and any other government agency for the construction of a parking facility on the demised premises; (d) Report of satisfactory soilbearing tests allowing the construction of the proposed improvements on the demised property; (e) Opinion of counsel certifying that Lessor is properly authorized and has fulfilled all of the legal requirements to enter into this lease; (f) Opinion of counsel certifying that Lessor has an absolute, fee simple marketable title in and to the above demised premises.

ARTICLE XXI. RIGHT OF FIRST REFUSAL

During the term of this Lease, if the Lessor receives a bona fide offer to purchase said premises from some responsible third party and decides to accept same

after following the procedures of Chapter 8, Article 12, Section 18 of the West Virginia Code, 1931, as amended, the Lessor shall give to Lessee the privilege of first refusal to purchase the said premises under the same terms or conditions provided Lessee has bid on the property at said public auction.

ARTICLE XXII. RESERVATION BY LESSOR

Lessor shall have the right to enter upon the premises at any time, at no cost to Lessor, upon thirty (30) days notice to lay, repair, install and maintain sewers or pipes.

In case of an emergency the thirty (30) day notice is hereby waived by Lessee. It being understood that said repairs shall not affect the rental herein, unless said repairs take longer than FIFTEEN (15) days, then adjustments shall be made according to the number of parking spaces affected and the number of days affected.

ARTICLE XXIII

Lessee covenants that within 36 months from the execution of this lease it will cause to be moved the existing Holiday Inn sign in front of Holiday Inn (Charleston House), 600 Kanawha Boulevard, East, to the site of the hotel/motel contemplated by this lease and the leased adjacent property provided, however, a smaller standard Holiday Inn sign may be constructed at the present site of the sign on Kanawha Boulevard in front of Charleston House if sign is legally proper and that a script sign saying "Holiday Inn" may be placed on each side of Holiday Inn's Charleston House, if said sign is proper; and provided further, that there be no objection by Lessor to the erection of the moved sign on the leased

premises if proper zoning requirements and construction permits are obtained.

For and in consideration of all of the aforesaid, the Lessor and Lessee have hereunto set their hands this the 18th day of DECEMBER, 19 73.

DORIDON CORPORATION

By [Signature] President Lessee

ATTEST:

DORIDON CORPORATION

By [Signature] Secretary

CITY OF CHARLESTON

By [Signature] Mayor Lessor

ATTEST:

CITY OF CHARLESTON

By [Signature] City Clerk

STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, TO-WIT:

The foregoing instrument was acknowledged before me this 18th day
of December, by Don K. Poole
the President of Doridon Corporation, a West
Virginia corporation, on behalf of the corporation.

My commission expires August 12, 1981.

Henrietta R. Cook
Notary Public in and for the County
and State aforesaid

STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, TO-WIT:

The foregoing instrument was acknowledged before me this 18th day of
December, by John G. Hutchinson, the Mayor of the City
of Charleston, a municipal corporation, on behalf of the corporation.

My commission expires August 12, 1981.

Henrietta R. Cook
Notary Public in and for the County
and State aforesaid

This lease was prepared by:
Robert R. Harpold, Jr.
City Attorney

Resolution No. 305-73

Introduced in Council

December 3, 1973

Introduced by

Committee on Finance and Claims

Adopted by Council

December 3, 1973

Referred to

Resolution No. 305-73 -- (Originating in the Committee on Finance and Claims)
"Authorizing and directing the Mayor of the City of Charleston to sign a lease agreement with the Doridon Corporation for certain City property located on the corner of Quarrier and Reynolds Streets."

WHEREAS, The Doridon Corporation desires to build a motel-hotel and related parking facilities within the City of Charleston; and

WHEREAS, The City of Charleston presently owns property on the corner of Quarrier and Reynolds Streets containing approximately 34,989.21 square feet; and

WHEREAS, There is no present or foreseeable use of the property by the City of Charleston; and

WHEREAS, The City of Charleston desires to lease this said property to the Doridon Corporation and the said Doridon Corporation desires to lease the said property from the City of Charleston for a period of thirty years for a sum set forth in the lease agreement attached hereto, incorporated herein and to be read as a part hereof; and

WHEREAS, The City of Charleston has held a public hearing regarding the said property pursuant to the provisions of chapter eight, article twelve, section eighteen of the West Virginia Code, one thousand nine hundred thirty-one, as amended; therefore, be it

Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor of the City of Charleston is hereby authorized and directed to sign the lease agreement with the Doridon Corporation, a copy of which lease agreement is annexed hereto, incorporated herein and to be read as a part hereof.

Certified to be a true and correct copy of that certain Resolution / Ordinance No. 305-73 duly filed and of record in the office of the City Clerk of the City of Charleston, West Virginia, adopted/~~passed~~ by the Council of the City of Charleston at the meeting held on December 3, 1973.

Given under my hand and the official seal of the City of Charleston, West Virginia, this 18th day of December, 19 73.



[Signature]
City Clerk

This instrument was presented to the Clerk of the County Court of Kanawha County, West Virginia, on and the same is admitted to record.

DEC 20 1973

Teste:

[Signature] Clerk
Kanawha County Court

JACK L. PAULEY
CLERK COUNTY COURT
KANAWHA COUNTY, W. VA.

1973 DEC 20 PM 1:42

RECORDED

HOUBART
IN

BOOK 1706 PAGE 119

THIS DEED, Made this 12th day of September, 1973, by and between the CITY OF CHARLESTON, a municipal corporation, party of the first part, and JAMES F. BROWN, III, and BENJAMIN B. BROWN, JR., as Trustees under the Benjamin B. Brown Family Trust, parties of the second part,

WHEREAS, by ordinance of the City of Charleston, passed on August 4, 1947, that portion of Brown Street lying between Reynolds Street and Elk River was officially closed and abandoned as a public street, and

WHEREAS, the greater portion thereof, hereinbelow described, was by said ordinance thereby added to and became a part of the Reynolds Street Recreation Center, now known as the Charleston Civic Center, and

WHEREAS, said ordinance also granted to the adjacent owner, Benjamin B. Brown, the residue of said vacated Brown Street for the purpose of access to his property, and provided that, upon his consent and agreement to the closing of the street an apt and proper deed would be made, executed and delivered to said Benjamin B. Brown for the portion of said property granted to him, and

WHEREAS, by virtue of a trust agreement dated as of the 30th day of June, 1952, recorded in the office of the Clerk of the County Court of Kanawha County, West Virginia, in Deed Book 1008, page 75, the parties of the second part are the successors in interest to said Benjamin B. Brown, as owners of the property abutting on the southwest side thereof, and do by their joining in the execution of this deed give their consent and agreement as contemplated by said ordinance to the closing

#17420 by James F. Brown III
Box 88 Chas.

of that portion of Brown Street, west of Reynolds Street;

THEREFORE, THIS DEED WITNESSETH: That the party of the first part, in consideration of the premises and pursuant to said ordinance, does hereby GRANT, CONVEY, and QUITCLAIM unto the parties of the second part, without warranty of any kind, all of its right, title and interest in the following parcel of land situate in the City of Charleston, Kanawha County, West Virginia:

↓ TO BENJ. BROWN

Beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of Brown Street, said point being the northwest corner of the said street intersection, and thence running with the west line of Reynolds Street S. $47^{\circ} 00'$ W. 43 feet, more or less, to the southwestern corner of Brown Street and Reynolds Street, said corner being the point that marks the intersection of the west line of Reynolds Street with the south line of Brown Street; thence running with the said south line of Brown Street N- $48^{\circ} 12'$ -W, 479 ft. more or less to a low water mark of Elk River; thence running up Elk River N- $41^{\circ} 48'$ -E, 8 ft. more or less to a point; thence leaving Elk River and running parallel to and 35 ft. from the north line of Brown Street and running with the rear line of the building now owned by Ben Brown and designated as No. "A" Virginia Street East and also the line of the ramp to said building S- $48^{\circ} 12'$ -E, 400 ft. to a point; thence leaving the parallel line and running with a diagonal line in Brown Street S- $72^{\circ} 00'$ -E, 86.7 ft. to the place of beginning;

The parties of the second part, as Trustees, do hereby release, quitclaim and convey, without warranty of any kind, all their right, title and interest to the City of

Charleston, party of the first part, in and to the following parcel of land situate in the City of Charleston, Kanawha County, West Virginia:

✓ TO CITY

Beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of Brown Street, said point being the northwest corner of the said street intersection, and thence running on a diagonal line in Brown Street in a direction toward Virginia Street N-72° 00'-W, 86.7 to a point; thence running parallel to and 35 ft. from the north line of Brown Street, being also the line of the ramp and the rear line of the building now owned by Ben Brown and designated as "A" Virginia Street East, N-48° 12'-W, 400 ft. to low water mark of Elk River; thence running up Elk River N-41° 48'-E, 35 ft. to a point in the north line of Brown Street; thence leaving Elk River and running with the north line of Brown Street S-48° 12'-E, 479 feet to the place of beginning, by virtue of it having been a public street providing access to the property of said second parties between Reynolds Street and Elk River.

It is understood that said ordinance directed the City of Charleston to "make, execute and deliver an apt and proper deed to Benjamin B. Brown", predecessor in title to the parties of the second part, which was not done and that the Mayor of the City of Charleston executes and delivers this deed for the sole and only purpose of putting the City of Charleston in compliance with the terms of said ordinance.

IN WITNESS WHEREOF, The City of Charleston has caused its name to be signed hereto by its Mayor, thereunto duly authorized, and its corporate seal to be

affixed and attested by its Clerk thereunto duly authorized by virtue of that certain ordinance of the City of Charleston adopted August 4, 1947; and JAMES F. BROWN, III, and BENJAMIN B. BROWN, JR., as trustees of the Benjamin B. Brown Family Trust, have signed their names and affixed their seals hereunto this 12th day of September, 1973.

(corporate seal)

Attest Thurmond H. England
City Clerk



CITY OF CHARLESTON

By

John G. Hutchinson
Its Mayor

The Benjamin B. Brown Family Trust

By

James F. Brown III (SEAL)
James F. Brown, III, Trustee

By

Benjamin B. Brown Jr. (SEAL)
Benjamin B. Brown, Jr., Trustee

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, TO-WIT:

I, Henrietta L. Cook, a notary public in and for said county, do certify that John G. Hutchinson, Mayor of the City of Charleston, West Virginia, a municipal corporation, who signed the name of the City of Charleston to the foregoing writing dated the 12th day of September, 1973, has this day, before me, in my said county acknowledged the same to be the act and deed of said corporation.

Given under my hand this 12th day of September, 1973.

My commission expires August 12, 1981.

Henrietta L. Cook
Notary Public in and for said County

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, TO-WIT:

I, Bruce E. Moss, a notary public in and for said county, do certify that JAMES F. BROWN, III, and BENJAMIN B. BROWN, JR., as trustees, who signed the name of THE BENJAMIN B. BROWN FAMILY TRUST to the foregoing writing dated the 12th day of SEPTEMBER, 1973, have this day, before me, in my said county, acknowledged the same to be the act and deed of said THE BENJAMIN B. BROWN FAMILY TRUST.

Given under my hand this 13th day of SEPTEMBER, 1973.

My commission expires the 31st day of JANUARY, 1983.

This Document was prepared by:

City Attorney for
City of Charleston

Bruce E. Moss
Notary Public in and for said County

RECORDED

73 SEP 13 PM 12:09

JACK L. PAULEY
CLERK COUNTY COURT
KANAWHA COUNTY, W.VA.

STAMP TAX
EXEMPTION CLAIMED

"DECLARATION OF CONSIDERATION OF VALUE"

The undersigned do hereby declare that the transfer involved in the document to which this declaration is appended is not subject to the State excise tax upon the privilege of transferring real estate for the reason-s designated as follows:

Consideration Less Than One Hundred Dollars -

Given under my hand this 13th day of September, 1973

James F. Brown, III
(GRANTEES)
Party presenting document for recordation.

Address: 1110 Kanawha Valley Bldg.

CASTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 43028

Form approved by State Tax Commissioner

This instrument was presented to the Clerk of the County Court of Kanawha County, West Virginia, on SEP 13 1973 and the same is admitted to record.

Teste:

Jack L. Pauley Clerk
Kanawha County Court

AN ORDINANCE PROVIDING FOR THE CLOSING OF THAT PORTION OF BROWN STREET LYING BETWEEN REYNOLDS STREET AND ELK RIVER, AND THE ADDITION OF PART THEREOF TO THE REYNOLDS STREET RECREATION CENTER AND THE RESIDUE THEREOF TO BENJAMIN B. BROWN.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHARLESTON, THAT:

That portion of Brown Street lying north of and between Reynolds Street and Elk River, in the City of Charleston, West Virginia, be and the same is hereby closed and abandoned as a public street, and that the portion thereof described as follows: "beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of Brown Street, said point being the northwest corner of the said street intersection, and thence running on a diagonal line in Brown Street in a direction toward Virginia Street N-72°00'-W, 86.7 to a point; thence running parallel to and 35 ft. from the north line of Brown Street, being also the line of the ramp and the rear line of the building now owned by Ben Brown and designated as "A" Virginia Street East, N-48°12'-W, 400 ft. to low water mark of Elk River; thence running up Elk River N-41°48'-E, 35 ft. to a point in the north line of Brown Street; thence leaving Elk River and running with the north line of Brown Street S-48°12'-E, 479 ft. to the place of beginning"; be added to and become a part of the Reynolds Street Recreation Center;

And that the residue thereof, described as follows: "beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of Brown Street, said point being the northwest corner of the said street intersection, and thence running with the west line of Reynolds Street S-47°00'-W, 43 ft. more or less to the southwestern corner of Brown Street and Reynolds Street, said corner being the point that marks the intersection of the west line of Reynolds Street with the south line of Brown Street; thence running with the said south line of Brown Street N-48°12'-W, 479 ft. more or less to low water mark of Elk River; thence running up Elk River N-41°48'-E, 8 ft. more or less to a point; thence leaving Elk River and running parallel to and 35 ft. from the north line of Brown Street and running with the rear line of the building now owned by Ben Brown and designated as No. "A" Virginia Street East and also the line of the ramp to said building S-48°12'-E, 400 ft to a point; thence leaving the parallel line and running with a diagonal line in Brown Street S-72°00'-E, 86.7 ft. to the place of Beginning;" be and same is hereby granted to Benjamin B. Brown, the owner of the property abutting on the southwest side thereof, for the purpose of access to his said property, and in consideration to him for his consent and agreement to the closing of the residue of said street (if and when granted), and that the City do make, execute and deliver an apt and proper deed to said Benjamin B. Brown for such portion of said property; all in accordance with and as shown, set forth and described upon the map thereof, made by H. L. Campbell, City Engineer, and attached hereto as part hereof."

Thereupon, Mr. Spilman moved the adoption of the foregoing ordinance and on motion duly seconded, the following members voted in the affirmative upon a call of the roll: Messrs.: Brown, Campbell, Christy, Coyle, Duff, Field, Gentry, Kidd, Mansour, Payne, Rippetoe, Shanklin, Spilman, Stubblefield, Timlin and Mr. Mayor (R. Carl Andrews) -- 16.
Those voting in the negative were: Messrs.: Asbury, Barth, Singleton -- 3.
Those absent and not voting were: Messrs.: Kizer, McGuire, Powell --- 3.
Those present and declining to vote: Mr. Kelly.--1.

A majority of the members elected to Council having voted in the affirmative the foregoing ordinance was declared adopted (passed) by the Mayor.

The following resolution was then read by the Clerk:

BE IT RESOLVED: That there shall be a prohibition placed on parking on any portion of Spring Hill Drive between the intersection of Spring Hill Drive with Piedmont Road and the gate leading into the Spring Hill Cemetery.

(signed) Barlow Funeral Home,
Scales Funeral Home,
Harden & Harden,
Wilson Funeral Home,
Simpson Funeral Home,
Owen & Barth, and
J. C. Campbell.

The adoption of the foregoing was moved by Mr. Singleton, seconded by Mr. Coyle. Upon discussion, Mr. Brown objected to the residents and property owners being prohibited from parking their cars in front of their places of abode and offered an amendment that parking be allowed between the hours of 5:00 p. m. and 9:00 a. m.. Mr. Barth seconded this amendment, which amendment prevailed, and thereupon, the Chair put the motion as amended to a vote, and same was adopted unanimously.

Mr. Coyle moved that this meeting be adjourned, which motion was duly seconded, and upon a call of the roll those voting in the affirmative were: Messrs.: Asbury, Barth, Brown, Campbell, Christy, Coyle, Duff, Field, Gentry, Kelly, Kidd, Kizer, Mansour, Payne, Rippetoe, Shanklin, Singleton, Spilman, Stubblefield, Timlin and Mr. Mayor (R. Carl Andrews)--- 20.

Those voting in the negative were:-- None.

Those absent and not voting were: Messrs.: Kizer, McGuire and Powell -- 3.

A majority of the members of Council having voting in the affirmative, this meeting was declared adjourned.

J. C. Campbell
City Clerk

R. Carl Andrews
Mayor

MONDAY, AUGUST 4, 1947

REGULAR SESSION

AN ORDINANCE PROVIDING FOR THE CLOSING OF THAT PORTION OF BROWN STREET LYING BETWEEN REYNOLDS STREET AND ELK RIVER, AND THE ADDITION OF PART THEREOF TO THE REYNOLDS STREET RECREATION CENTER AND THE RESIDUE THEREOF TO BENJAMIN B. BROWN.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHARLESTON, THAT:

That portion of Brown Street lying north of and between Reynolds Street and Elk River, in the City of Charleston, West Virginia, be and the same is hereby closed and abandoned as a public street, and that the portion thereof described as follows; "beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of Brown Street, said point being the northwest corner of the said street intersection, and thence running on a diagonal line in Brown Street in a direction toward Virginia Street N-72°00'-W, 86.7 to a point; thence running parallel to and 35 ft. from the north line of Brown Street, being also the line of the ramp and the rear line of the building now owned by Ben Brown and designated as "A" Virginia Street East, N-48°12'-W, 400 ft. to low water mark of Elk River; thence running up Elk River N-41°48'-E, 35 ft. to a point in the north line of Brown Street; thence leaving Elk River and running with the north line of Brown Street S-48°12'-E, 479 ft. to the place of beginning"; be added to and become a part of the Reynolds Street Recreation Center;

And that the residue thereof, described as follows; "beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of Brown Street, said point being the northwest corner of the said street intersection, and thence running with the west line of Reynolds Street S-47°00'-W, 43 ft. more or less to the southwestern corner of Brown Street and Reynolds Street, said corner being the point that marks the intersection of the west line of Reynolds Street with the south line of Brown Street; thence running with the said south line of Brown Street N-48°12'-W, 479 ft. more or less to low water mark of Elk River; thence running up Elk River N-41°48'-E, 8 ft. more or less to a point; thence leaving Elk River and running parallel to and 35 ft. from the north line of Brown Street and running with the rear line of the building now owned by Ben Brown and designated as No. "A" Virginia Street East and also the line of the ramp to said building S-48°12'-E, 400 ft to a point; thence leaving the parallel line and running with a diagonal line in Brown Street S-72°00'-E, 86.7 ft. to the place of Beginning;" be and same is hereby granted to Benjamin B. Brown, the owner of the property abutting on the southwest side thereof, for the purpose of access to his said property, and in consideration to him for his consent and agreement to the closing of the residue of said street (if and when granted), and that the City do make, execute and deliver an apt and proper deed to said Benjamin B. Brown for such portion of said property; all in accordance with and as shown, set forth and described upon the map thereof, made by H. L. Campbell, City Engineer, and attached hereto as part hereof."

Thereupon, Mr. Spilman moved the adoption of the foregoing ordinance and on motion duly seconded, the following members voted in the affirmative upon a call of the roll: Messrs.: Brown, Campbell, Christy, Coyle, Duff, Field, Gentry, Kidd, Mansour, Payne, Rippetoe, Shanklin, Spilman, Stubblefield, Timlin and Mr. Mayor (R. Carl Andrews) -- 16.
Those voting in the negative were: Messrs.: Asbury, Barth, Singleton -- 3.
Those absent and not voting were: Messrs.: Kizer, McGuire, Powell --- 3.
Those present and declining to vote: Mr. Kelly.--1.

A majority of the members elected to Council having voted in the affirmative the foregoing ordinance was declared adopted (passed) by the Mayor.

The following resolution was then read by the Clerk:

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(signed) Barlow Funeral Home,
Scales Funeral Home,
Harden & Harden,
Wilson Funeral Home,
Simpson Funeral Home,
Owen & Barth, and
J. C. Campbell.

The adoption of the foregoing was moved by Mr. Singleton, seconded by Mr. Coyle. Upon discussion, Mr. Brown objected to the residents and property owners being prohibited from parking their cars in front of their places of abode and offered an amendment that parking be allowed between the hours of 5:00 p. m. and 9:00 a. m.. Mr. Barth seconded this amendment, which amendment prevailed, and thereupon, the Chair put the motion as amended to a vote, and same was adopted unanimously.

Mr. Coyle moved that this meeting be adjourned, which motion was duly seconded, and upon a call of the roll those voting in the affirmative were: Messrs.: Asbury, Barth, Brown, Campbell, Christy, Coyle, Duff, Field, Gentry, Kelly, Kidd, ~~Kizer~~, Mansour, Payne, Rippetoe, Shanklin, Singleton, Spilman, Stubblefield, Timlin and Mr. Mayor (R. Carl Andrews)--- 20.

Those voting in the negative were:-- None.
Those absent and not voting were: Messrs.: Kizer, McGuire and Powell -- 3.

A majority of the members of Council having voting in the affirmative, this meeting was declared adjourned.

J. L. Spilman Jr.
City Clerk.

R. Carl Andrews
Mayor.

AX

CLERK

New Query [2]

CONTRACTS - CITY CONTRACTS

New Query [1]

Fields	Values
COUNCIL DATE	05-05-1947
DOCUMENT DESCRIPTION	
DOCUMENT DESCRIPTION II	

MONDAY, AUGUST 4, 1947
REGULAR SESSION 1031.....

AN ORDINANCE PROVIDING FOR THE CLOSING OF THAT PORTION OF BROWN STREET LYING BETWEEN REYNOLDS STREET AND ELK RIVER, AND THE ADDITION OF PART THEREOF TO THE REYNOLDS STREET RECREATION CENTER AND THE RESIDUE THEREOF TO BENJAMIN B. BROWN.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHARLESTON, THAT:

That portion of **Brown Street** lying north of and between Reynolds Street and Elk River, in the City of Charleston, West Virginia, be and the same is hereby closed and abandoned as a public street, and that the portion thereof described as follows; "beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of **Brown Street**, said point being the northwest corner of the said street intersection, and thence running on a diagonal line in **Brown Street** in a direction toward Virginia Street N-72°00'-W, 86.7 to a point; thence running parallel to and 35 ft. from the north line of **Brown Street**, being also the line of the ramp and the rear line of the building now owned by Ben Brown and designated as "a" Virginia Street East, N-48°12'-W, 400 ft. to low water mark of Elk River; thence running up Elk River N-41°48'-E, 35 ft. to a point in the north line of **Brown Street**; thence leaving Elk River and running with the north line of **Brown Street** S-48°12'-E, 479 ft. to the place of beginning"; be added to and become a part of the Reynolds Street Recreation Center;

And that the residue thereof, described as follow/s: "beginning at the point that marks the intersection of the west line of Reynolds Street with the north line of **Brown Street**,--said point being the northwest corner of the said street intersection, and thence running with the west line of Reynolds Street S-47°00'-W, 43 ft. more or less to the southwestern corner of **Brown Street** and Reynolds street, said corner being the point that marks the intersection of the west line of Reynolds Street with the south line of **Brown Street**; thence running with the said south line of Brown Street N-48°12'-W, 479 ft. more or less to low water mark of Elk River; thence running up Elk River N-41°48'-E, 8 ft. more or less to a point; thence leaving Elk River and running parallel to and 35 ft. from the north line of **Brown Street** and running with the rear line of the building now owned by Ben Brown and designated as No. "a" Virginia Street East and also the line of the ramp to said building S-48°12'-E, 400 ft to a point; thence leaving the parallel line and running with a diagonal line in **Brown Street** S-72°00'-E, 86.7 ft. to the place of Beginning," be and same is hereby granted to Benjamin B. Brown, the owner of the property abutting on the south-west side thereof, for the purpose of access to his said property, and in consideration to him for his consent and agreement to the closing of the residue of said street (if and when granted), and that the City" do make, execute and deliver an apt and proper deed to said Benjamin B. Brown for such portion of said property; all in accordance with and as show/n, set forth and described upon the map thereof, made by H. L. Campbell, City Engineer, and attached hereto as part hereof."

Thereupon, Mr. Spilman moved the adoption of the foregoing ordinance and on motion duly seconded, the following members voted in the affirmative upon a call of the roll: Messrs.: Brown, Campbell, Christy, Coyle, Duff, Field, Gentry, Kiddy Mansour, Payne,

Full Text Search Results

Criteria

ITEM 7 OF 60

PAGE # 109

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COUNCIL DATE	DOCUMENT DESCRIPTION
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10-03-1949	
10-17-1949	
11-07-1949	
01-16-1950	

Resolution No. 773-23

Introduced in Council:

Adopted by Council:

February 21, 2023

Introduced by:

Referred to:

Joseph Jenkins

Finance

Resolution No. 773-23 - Authorizing the Mayor or City Manager to enter into a lease agreement with Komax for the leasing of copier for various City departments, at an equipment cost not to exceed \$5,500 per month for 60-months plus the cost of printing per page as set forth on the attached exhibit.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a lease agreement with Komax for the leasing of copier for various City departments, at an equipment cost not to exceed \$5,500 per month for 60-months plus the cost of printing per page as set forth on the attached exhibit.

	PROSOURCE	KOMAX	SUPERIOR
Group 1- Monthly Lease Amount	\$55.9600	\$41.4900	\$55.7600
Group 1- B&W Print Cost Each	\$0.0049	\$0.0050	\$0.0100
Group 2- Monthly Lease Amount	\$74.5400	\$45.0900	\$57.2800
Group 2- Color Print Cost Each	\$0.0400	\$0.0350	\$0.0600
Group 2- B&W Print Cost Each	\$0.0049	\$0.0050	\$0.0070
Group 3- Monthly Lease Amount	\$60.8300	\$51.3100	\$71.0500
Group 3- Color Print Cost Each	No Bid	No Bid	No Bid
Group 3- B&W Print Cost Each	\$0.0049	\$0.0032	\$0.0070
Group 4- Monthly Lease Amount	\$75.3700	\$56.3400	\$105.6000
Group 4- Color Print Cost Each	\$0.0400	\$0.0280	\$0.0400
Group 4- B&W Print Cost Each	\$0.0049	\$0.0045	\$0.0070
Group 5- Monthly Lease Amount	\$147.2900	(1)\$97.05 OR (2) \$67.97 (ALTERNATE)	\$149.1100
Group 5- Color Print Cost Each	\$0.0400	\$0.0280	\$0.0400
Group 5- B&W Print Cost Each	\$0.0049	\$0.004 OR \$0.0045	\$0.0070
Group 6- Monthly Lease Amount	(1) \$1170,(2) \$325.00, (3) 195.00 (4)648.00 ALTERNATIVES	(1) \$1375.76 OR (2) \$901.38 (ALTERNATE)	\$855.0000
Group 6- Color Print Cost Each	(1,3& 4) \$0.035	\$0.0400	\$0.0400
Group 6- B&W Print Cost Each	(1) \$0.032. (2) \$0.0035 (3& 4)\$0.0039	\$0.0090	\$0.0070
Optional Accessories- Stapler up to 100	Included	OPTIONAL PER GROUP-Varies according to Machine Type	OPTIONAL PER GROUP-Varies according to Machine Type
Optional Accessories-Paper Tray, Cost Per Tray	Included	OPTIONAL PER GROUP-Varies according to Machine Type	OPTIONAL PER GROUP-Varies according to Machine Type
KIP 860 Machine (or Equal)	\$596.6300	\$596.2200	\$188.9400
LOCAL VENDOR PREFERENCE	REQUESTED	REQUESTED	REQUESTED

Resolution No. 774-23

Introduced in Council:

Adopted by Council:

February 21, 2023

Introduced by:

Referred to:

Joseph Jenkins

Finance

1 Resolution No. 774-23 - Authorizing the Mayor or City Manager to contract with Hartford for
2 medical and prescription drug coverage for the post-65 Medicare eligible retiree health plan at
3 a set cost per member per month for the plan year starting July 1, 2023.

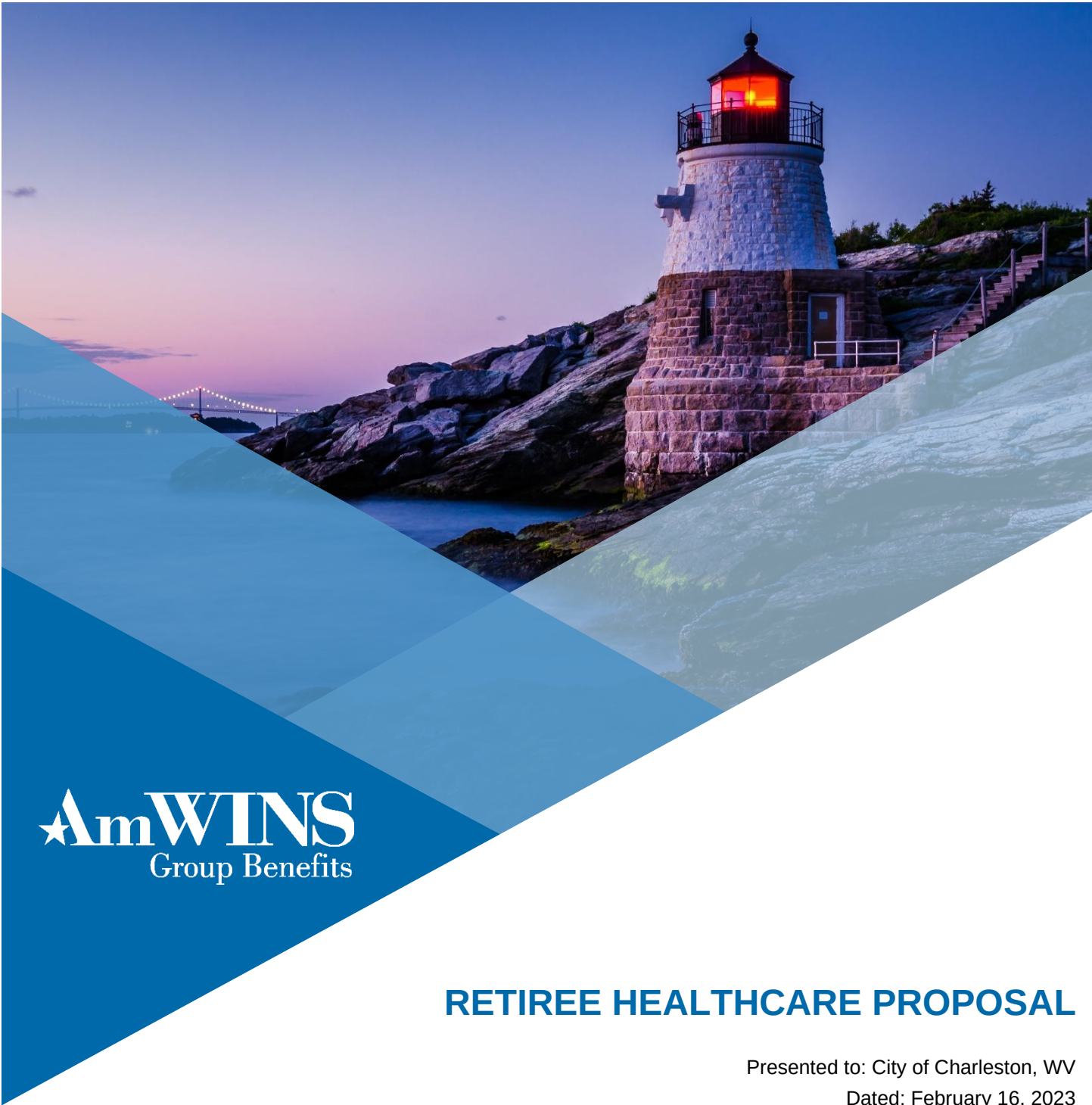
4
5 Be it Resolved by the Council of the City of Charleston, West Virginia:

6
7 That the Mayor or City Manager is authorized to contract with Hartford for medical and
8 prescription drug coverage for the post-65 Medicare eligible retiree health plan at a set cost per
9 member per month for the plan year starting July 1, 2023.

PMPM Rates for period:

All eligible retirees and their dependents age 65+, all who are enrolled in Medicare Parts A and B

Projection period: 07/2023-06/2024		
City Only	Self Funded - Current Plan	Hartford
	In-Network	
<u>rate guarantee</u>		18 months w/ 5% renewal cap for 1/1/25
<u>Medical</u>		
\$300 Ded - Current plan	\$207.29	\$181.00
<u>Prescription Drugs</u>		ESI Rx
<u>rate guarantee</u>		6 months w/3% renewal cap for 1/1/24 and 1/1/25
Deductible	\$50	\$50
Generics	\$5 +20% of balance	\$5 +20% of balance
Preferred Brand	\$20 + 20% of balance	\$20 + 20% of balance
Non-preferred Brand	\$35 + 20% of balance	\$35 + 20% of balance
Specialty Meds	20% / max of \$100	20% / max of \$100
	\$242.76	\$130.50
<u>Medical and Rx</u>		
\$300 Ded - Current plan	\$450.05	\$311.50
<u>Medical and Rx Annual Projected Cost (based on 498 mbrs)</u>		
\$300 Ded - Current plan	\$2,689,493	\$1,873,222
<u>Annual Cost Difference from Current plan</u>		
\$300 Ded		-\$816,271
Total estimated annual cost for Projection Period 07/2023-06/2024		
	Current Plan Design	Hartford
		\$300 deductible Plan
Total annual cost	\$2,689,493	\$1,873,222
Estimated runout paid for termed contract	-	\$171,534
Total annual costs incl runout	\$2,689,493	\$2,044,756
Plus add'l est. THP Administrative Cost for Pre-65 Only Contract (\$7 PEPM incr.)		\$19,824
		\$2,064,580
First Year Cost Difference		-\$624,913
Total estimated annual cost for Projection Period 07/2024-06/2025		
Projected rates based on:	Current Plan Design	Hartford
7% Medical and Rx trend for self-funded / 5% trend for fully insured		\$300 deductible
	\$2,954,329	\$1,935,357
Plus add'l est. THP Administrative Cost for Pre-65 Only Contract (\$7 PEPM incr.)		\$19,824
		\$1,955,181
Second Year Cost Difference		-\$999,148



RETIREE HEALTHCARE PROPOSAL

Presented to: City of Charleston, WV
Dated: February 16, 2023

The information contained within this document is confidential and time sensitive.
It is for use by the intended recipients and should not be disseminated outside the organization.





Thank you for the opportunity to present our Retiree Benefit Program Proposal. As we discussed during our planning meetings with you, the desired goals regarding your current retiree plan are as follows:

- Lower retiree plan cost and liabilities
- Transfer medical and Rx claims risk
- Outsource administrative services
- Allow retirees access to advocacy services and support
- Offer retirees more plan choices

Our retiree proposal provides strategies and solutions to assist you in achieving these goals.

For over 25 years Amwins Group Benefits has invested significant time researching the insurance marketplace, partnering with national carriers and developing solutions that provide unique programs for employers throughout the country. Our retiree program includes comprehensive retiree administration, outstanding customer service, and an entire organization committed to serving your current and future retirees at a lower cost. That is why over 900 employer groups have entrusted their retiree plans to Amwins.

Our success is the result of two plus decades of dedication and evolving experience.

On behalf of the entire Amwins team, we look forward to working with you.

Sincerely,

Jim Ball
Senior Vice President
Amwins Group Benefits, LLC
T: 704.749.2707
E: jim.ball@amwins.com





Amwins Group Benefits, LLC is delighted to have the opportunity to respond to your request for a retiree health administration program that will reduce costs, outsource administration and provide your organization and its retirees with knowledgeable, compassionate customer service.

I am proud to lead an organization that emphasizes quality customer service at every interaction. We call this our **Culture of Care**. By communicating effectively within our organization, we are better able to serve your organization.

Amwins invests heavily in technology to allow for efficient, accurate and effective communication throughout the organization. However, it is our selective hiring process that allows us to create an environment in which employees strive to help each other, using the available technology as well as engaging in face-to-face meetings or daily cube “pop-ins.” It is also the reason we’ve been able to adapt and thrive despite the current “work from home” conditions caused by COVID-19.

With more than 25 years of retiree health insurance experience, a team of employees passionate about providing great customer service, and the technology to communicate information quickly and accurately, I am confident Amwins can be your retiree health insurance administrator.

On behalf of our entire Amwins team, we look forward to working with you to deliver a solution that helps your organization and its retirees for years to come.

Sincerely,

Scott King
President
Amwins Group Benefits, LLC
T: 401.734.4112
E: scott.king@amwins.com



ON YOUR TEAM.

DELIVERING THE SOLUTIONS YOUR ORGANIZATION NEEDS

Our culture and focus on collaboration positions Amwins to successfully facilitate all retiree healthcare administration on behalf of your organization. Our proprietary solution, Retiree Benefit Advantage™ enhances communication between brokers, carriers, clients and any other stakeholders to maximize value for your retiree population. Regardless of the number of retirees you have and the types of challenges you face, we'll evaluate the situation and make recommendations to deliver a program to meet your needs. By implementing a better solution that addresses immediate and long-term organizational needs, we are confident we will also meet your retirees' expectations by providing outstanding coverage and care throughout their retirement.

As an Amwins client, you can be assured our solutions will provide:

Greater value and cost savings over your current plan

Seamless integration and minimal retiree disruption

Comprehensive insurance plans

A Culture of Care across your entire organization



CULTURE OF CARE

★AmWINS
Group Benefits



CULTURE OF CARE

From the first consultation to ongoing customer service, Amwins' Retiree Benefit Advantage™ combines the power of an entire organization of employees passionate about serving our clients and their retirees. This **Culture of Care** has been the core of our DNA since our inception in 1991.

That means...

- Representatives who know how to **work closely with retirees** who have vision or hearing deficiencies
- Representatives who always **pay attention to the “little things”** – like a retiree's upcoming birthday or other family milestones
- Retirees receive **direct phone extensions** for immediate contact with a dedicated Benefit Specialist instead of having to deal with annoying phone menu trees
- Working with a company where its employees constantly support each other to ensure that you and your retirees receive the **best possible service and support**
- Consistently enjoying warm, friendly interactions with knowledgeable professionals who simplify complex Medicare products and **advocate on behalf of retirees** throughout the year



CULTURE OF CARE

Amwins' commitment to service has enabled us to generate an extensive list of long-term, highly satisfied Retiree Benefit Advantage™ clients. But what does this really mean for you – a first time client?

It means **THREE** things:

1

We have thought deeply about our customer service model and have a detailed vision for what we want to provide to your organization.

2

You can count on us understanding your needs. We will ask questions and, most importantly, we will listen to what you have to say.

3

We consistently go above and beyond in everything we do for you. This approach is ingrained in everyone from our executive leaders to our newest hires.

CAN WE HELP? **YES, WE CAN!**



CULTURE OF CARE

Retiree Service

The importance of selecting appropriate health benefits for your physical and financial needs – along with the complexity of Medicare guidelines – can be overwhelming for retirees. Amwins Benefit Specialists are ready to assist retirees and their families with the information necessary to ensure a smooth enrollment experience.

Training

Benefit Specialists receive significant training on Medicare, insurance licensing, CMS licensing, client-specific guidelines and working with individuals who have vision, hearing or diminished mental faculties.

Experience

Our Benefit Specialists average five years of experience. Amwins' team concept groups junior and senior Benefit Specialists for improved knowledge sharing.

Compassion

Our Benefit Specialists understand the importance of clear communications, patience and compassion when talking with retirees. Many assist their Medicare-age family members first-hand. Our virtual hand-holding is central to our **Culture of Care**.

Advocacy

Benefit Specialists are ready to advocate for your retirees. We will communicate with doctors, pharmacies and insurance companies to achieve the best possible outcome, removing the stress and burden from the retiree.



ON YOUR TEAM.

CULTURE OF CARE

Culture is a critical component of what makes Amwins unique. While the team supporting Retiree Benefit Advantage™ is comprised of many individuals with diverse experiences and knowledge bases, our culture is very clearly aligned throughout the organization.

At Amwins, we work “On Your Team” and are committed to collaboration and never settling for the status quo. Our unwavering commitment to expert service consistently surpasses expectations.

97%

Calls answered within 30 seconds

80%

Retiree calls completed in under 8 minutes

5%

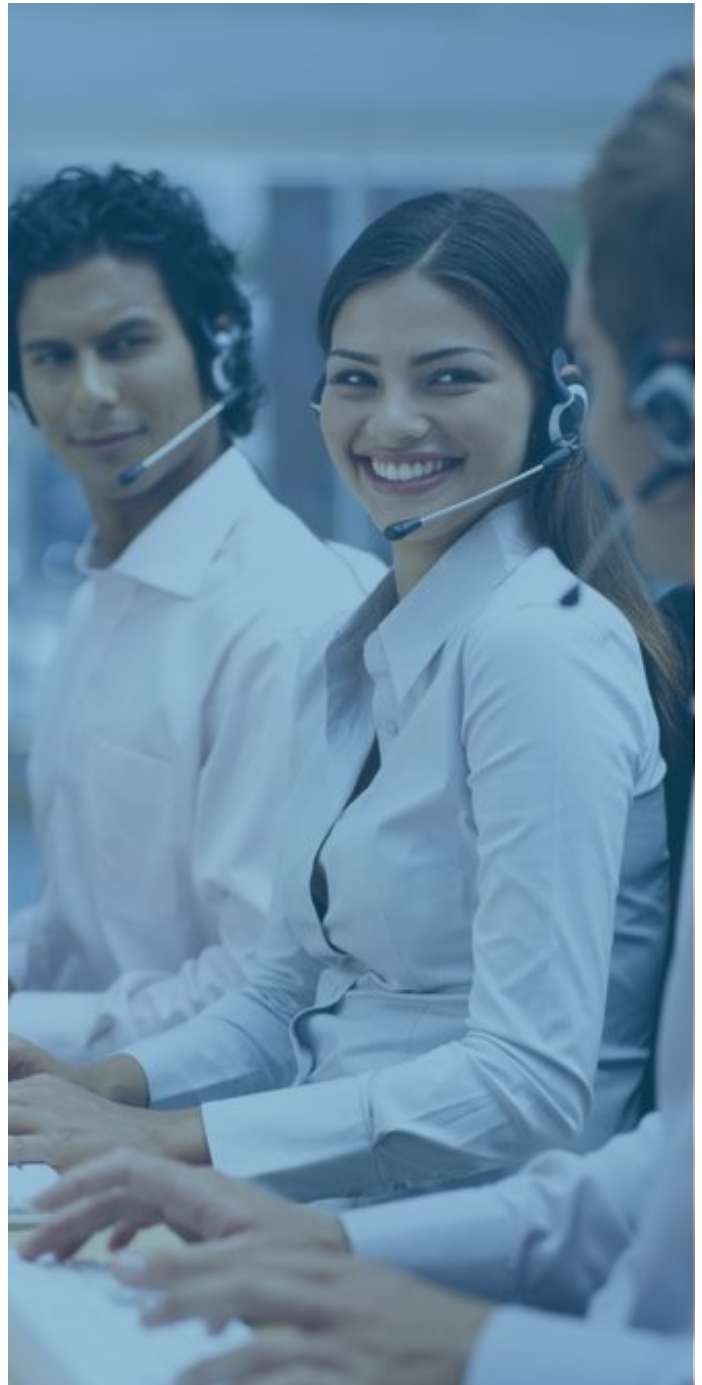
Retiree calls requiring more than 30 minutes

25%

Retiree issues requiring an outbound call by the Benefit Specialists

100%

Representatives are dedicated Medicare Benefit Specialists to assist retirees



ON YOUR TEAM.

TAKING CARE OF OUR CLIENTS

More than 900 organizations in various industries and across the United States trust Amwins Group Benefits to handle their retiree health care administration. A partial client list is shared below.



MEETING OUR CLIENTS' NEEDS

After more than 20 years of providing retiree healthcare solutions and outstanding customer service, we are proud of these achievements attained while assisting Retiree Benefit Advantage™ clients and retirees every day.

#1

Insurance wholesaler in the United States

6,000+

Employees passionate about what they do

250,000+

Retirees served

78

Average age of our retirees

900+

Retiree group clients administered



RETIREE HEALTHCARE SOLUTIONS

★AmWINS
Group Benefits



The Amwins SOLUTION: RETIREE BENEFIT ADVANTAGE™

Amwins Group Benefits is pleased to offer our proprietary Retiree Benefit Advantage™ program to meet the healthcare challenges of your employees as they transition into Medicare and throughout their retirement.

Understanding the importance of providing access to quality healthcare benefits, our program was created to offer a Medicare concierge service to help seniors understand Medicare and cut through the clutter and confusion often associated with their health plan decisions. Retiree Benefit Advantage™ will provide seniors with in-depth consultations, expert advice to evaluate their group healthcare options, a simplified enrollment process and professional services delivered by experienced and dedicated Benefit Specialists.

With this program retirees will have access to experienced Medicare Benefit Specialists who will help them:

- Understand Medicare and how it works with their Group Retiree Healthcare offering
- Understand the new benefits and how they will work with their providers
- Facilitate their enrollment process
- And advocate for them throughout their retirement

Retiree Benefit Advantage™ truly provides retirees outstanding customer service as they navigate through the group healthcare plan offering. Utilizing more than 25 years of industry knowledge and administrative experience, it is our goal to provide accurate, informative and leading-edge consultation to your retirees. We will become an integral member of your team, giving you the ability to provide this extraordinary benefit to your former employees and ensure they have the proper healthcare protection after they retire.

By partnering with Amwins you will be able to provide these valuable benefits while outsourcing your retiree plan administration at no cost to your organization.

All the components of Retiree Benefit Advantage™ outlined in this section will help you understand why offering this valuable program as a new employee health benefit will not only help you attract and retain employees but will give them the tools and resources they will need in the future.



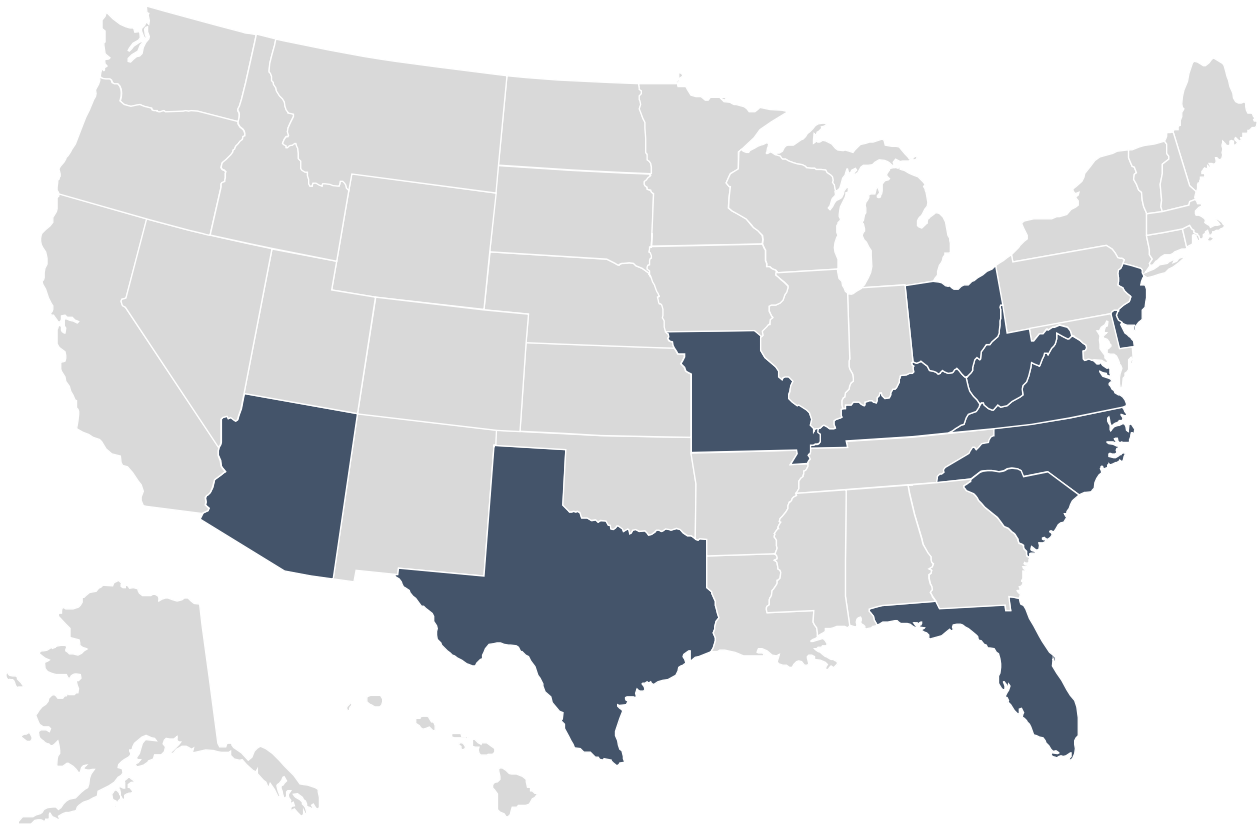
ON YOUR TEAM.

UNDERSTANDING YOUR RETIREE DEMOGRAPHIC

Retirees can vary in age by as much as 40 years or more yet are typically grouped as a single demographic. This age disparity makes it challenging to build a program catered to retirees whose physical, mental and financial health can vary significantly.

Amwins analyzes your retiree data and crafts the optimal health insurance plan, negotiating with leading insurance companies to create custom plans that mirror or exceed your current offering, usually at a lower price. Our program can also include additional plan selections from the individual Medicare marketplace, ensuring every retiree will select a plan that meets their unique needs.

A snapshot of your information is below:



MEDICARE ELIGIBLE RETIREES AND DEPENDENTS:

BREAKDOWN BY AGE:

65-69	70-74	75-79	80-84	85-89	90+
190	157	84	72	25	12

TOTAL RETIREES: 540

MEDICARE ELIGIBLE AVERAGE AGE: 72

GROUP MEDICAL PLAN G \$300 OPTION

Underwritten by: The Hartford Life and Accident Insurance Company

The proposed plan option below provides a summary of the amount retirees would pay for deductibles and annual out-of-pocket expenses if enrolled in any of the following proposed supplemental plans.

\$300 DEDUCTIBLE

Medicare Part A <i>Hospital Services</i>	Original Medicare Pays	Retiree Pays (With Original Medicare)	Retiree Pays
Part A Deductible (First 60 Days)	\$0	\$1,600	\$0
<u>Part A Coinsurance Amounts</u>			
61 through 90 Days	All but \$400/day	\$400/day	\$0
91 through 150 Days (60 Day Lifetime Reserve Period)	All but \$800/day	\$800/day	\$0
Once Lifetime Reserve days are used (or would have ended if used) additional 365 days of confinement per person per lifetime	\$0	\$0	\$0
Beyond the Lifetime Reserve Days	\$0	All Costs	All Costs
<u>Skilled Nursing Facility</u>			
Days 1-20	All approved amounts	\$0	\$0
Days 20-100	All but \$200/day	\$200/day	\$0
Medicare Part B <i>Medical Services</i>	Original Medicare Pays	Retiree Pays (With Original Medicare)	Retiree Pays
Calendar Year Deductible (Part B Services)	\$0	\$0	\$300
Remainder of Medicare Approved Amounts	80%	20%	\$0 after Deductible
Doctor's Office/Out-Patient Care	80%	20%	\$0 after Deductible
Emergency Room	80%	20%	\$0 after Deductible
Part B Excess Charges	\$0	All Costs	\$0 after Deductible
Foreign Travel (Emergency Care Only)			
Deductible Amount	\$0	100%	\$250 then 20% (\$50,000 lifetime max)

The above deductible and coinsurance amounts are for the 2023 calendar year and are subject to change each year. Benefits will not be paid for any expenses which are not determined to be Medicare Eligible Expenses by the Federal Medicare Program or its administrators, except as otherwise specified. For complete details please see the Master Policy. This policy's renewability, cancellability and termination provisions are at the option of the group policy holder except in cases of nonpayment of premium. 272489

GROUP MEDICAL PLAN G \$300 MONTHLY RATE

7/1/23 – 12/31/24 (18-month rate guarantee)

Plan	Hartford Life and Accident Insurance Company
\$300 Part B Deductible	\$181.00

Retirees from FL may have a different plan and rate.

Rates are guaranteed from 7/1/23 – 12/31/24 with a renewal rate cap of 5% effective for plan year 2025.

GROUP MEDICARE PART D PRESCRIPTION DRUG PLAN OPTIONS

Underwritten by Express Scripts Medicare

	30 Day Retail	90 Day Retail/Mail Order
Monthly Rate	\$130.50	
Annual Deductible	\$50.00	
Tier 1: Generic	\$5 plus 20% of balance	\$10 plus 20% of balance
Tier 2: Preferred Brand	\$20 plus 20% of balance	\$40 plus 20% of balance
Tier 3: Non-Preferred Brand	\$35 plus 20% of balance	\$70 plus 20% of balance
Tier 4: Specialty	20% (maximum \$100)	20% (maximum \$200)
Coverage in Gap*:	Full Coverage – same copays as above	
Catastrophic Coverage Level: \$7,400+	Greater of 5% or \$4.15 for generic and multi-source drugs. Greater of 5% or \$10.35 for all other covered drugs with a maximum of the copays listed above.	

Rates are guaranteed from 7/1/23 – 12/31/24 with a renewal rate cap of 3% effective for plan year 2025.

COMBINED MEDICAL AND DRUG RATES

Medical & Rx	Hartford/ESI
Plan G \$300 Deductible	\$311.50

Amounts are inclusive of all services performed by Amwins Group Benefits, insurance premiums and non-insurance costs. Non-insurance costs may include Claims Administration services provided by Amwins Group Benefits, LLC, a division of Amwins Group, Inc.



CONTINGENCIES

This proposal is based on information provided to Amwins Group Benefits by the client, broker and carrier(s). In the event of a discrepancy, policy rules will govern. The following contingencies are noted below:

1. Group Retiree Medical and Prescription Drug Plans are offered on a calendar year basis. Plan design and rates are valid from July 1, 2023 through December 31, 2024 and are subject to change each year. Medicare Supplement Plan design and rates are contingent on specific state regulations.
2. Minimum participation is 90%/two (2) Medicare eligible individuals, age 65 or older.
3. All eligible retirees and their dependents (age 65 and over) must be enrolled in Medicare Parts A & B.
4. Residents of (Hartford standalone) FL will be provided with state-specific medical plans and rates.
5. Retirees choosing the group options will be enrolled in Medicare Part D through the Medicare Part D Prescription Drug Plan.
6. All eligible retirees and spouses will be enrolled within 31 days of the effective date. All future retirees should enroll within 31 days of their 65th birthday or retirement date.
7. Additional retirees could be added to the program, either with employer contributions or on a fully voluntary basis.
8. Amounts shown are inclusive of insurance rates and services performed by Amwins Group Benefits for Eligibility Management, Communications, Enrollment, Marketing, Claims Servicing, Billing & Collection and Customer Service.

IMPLEMENTATION AND ADMINISTRATION

AmWINS
Group Benefits



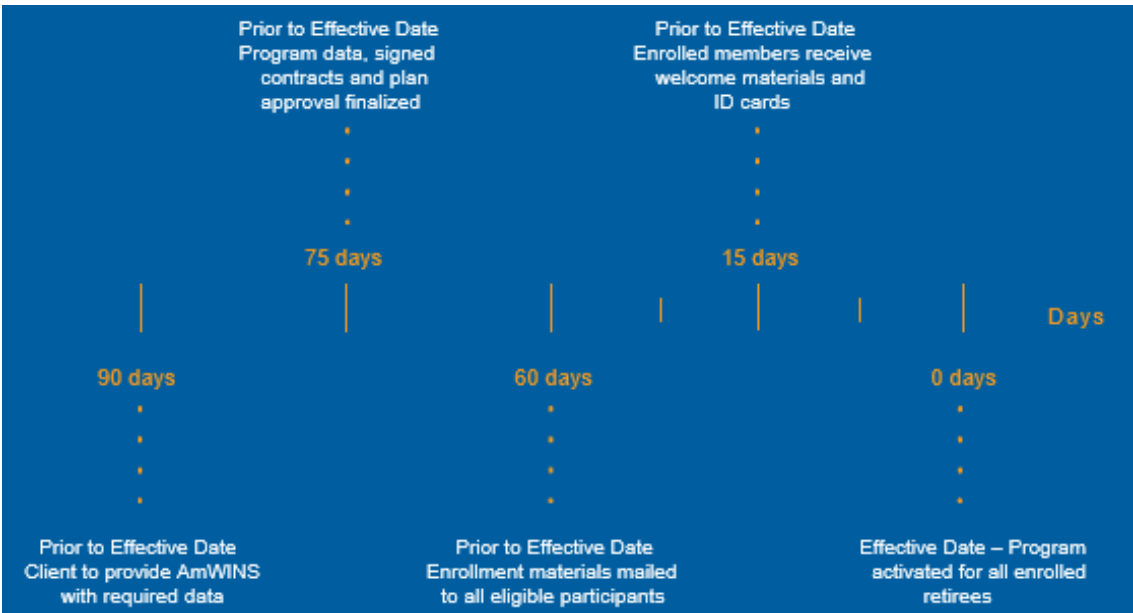
IMPLEMENTATION

Overview

Your organization will be assigned an implementation team, including a relationship manager, implementation coordinator, marketing and communication specialists and policy administration personnel. This group of individuals will work collaboratively to ensure your Retiree Benefit Advantage™ implementation goes smoothly and disruption among retirees is minimized or eliminated.

Once assigned, your relationship manager will be your primary point of contact for all account management needs and can act as a connector across our organization.

Timeline (days prior to effective date)



ELIGIBILITY AND ENROLLMENT

Proper eligibility management is the foundation for a successful Retiree Benefit Advantage™ enrollment. Amwins will work with your Human Resources team to gather and manage eligible retiree data in an effort to reduce your ongoing administrative workload.

Eligible retirees will receive organization-branded communication materials detailing the program offering, enrollment dates and other relevant information.

Our internal policy administration team audits all Retiree Benefit Advantage™ enrollment submissions to ensure they are completed properly. Inaccurate or incomplete submissions will be reviewed by a team member who will reach out to the retiree for resolution.

Once enrollment is completed, retirees will receive program fulfillment materials that will include their ID card(s) prior to the effective date. Your retirees can count on the Amwins team for ongoing advocacy and support throughout the year.

ADMINISTRATIVE SERVICES

Amwins is dedicated to providing the best overall experience and service to each retiree. We carefully select, hire and train employees who have a passion for delivering high-quality customer service, at all levels of the organization. In doing so we create a close-knit community with an unwavering desire to deliver responsive, accurate answers to important questions posted by our clients and their retirees.

To ensure this, our full-service administration will include:

- An account management team featuring dedicated benefit specialists, a relationship manager, implementation coordinator, policy administration personnel and marketing communications professionals.
- Resources tasked with managing every aspect of the implementation plan including all communications. Working together, we will obtain your approval prior to the mailing of any communication materials.
- Scheduled conference calls as needed, to assist in managing the process and addressing any pertinent issues, to ensure timely set up and initial implementation of the program.
- Prompt, efficient and flexible billing and collection systems. Billing options include Monthly Electronic Transfer Funds (EFT), monthly individual direct billing, HRA administration and Employer Group list billing and direct carrier billing, as needed.
- Dedicated Medicare Benefit Specialist to assist each retiree with understanding the program, completing their enrollment and advocating for them throughout the year. Retirees will appreciate the ability to reach a live person each time they call.



ON YOUR TEAM.

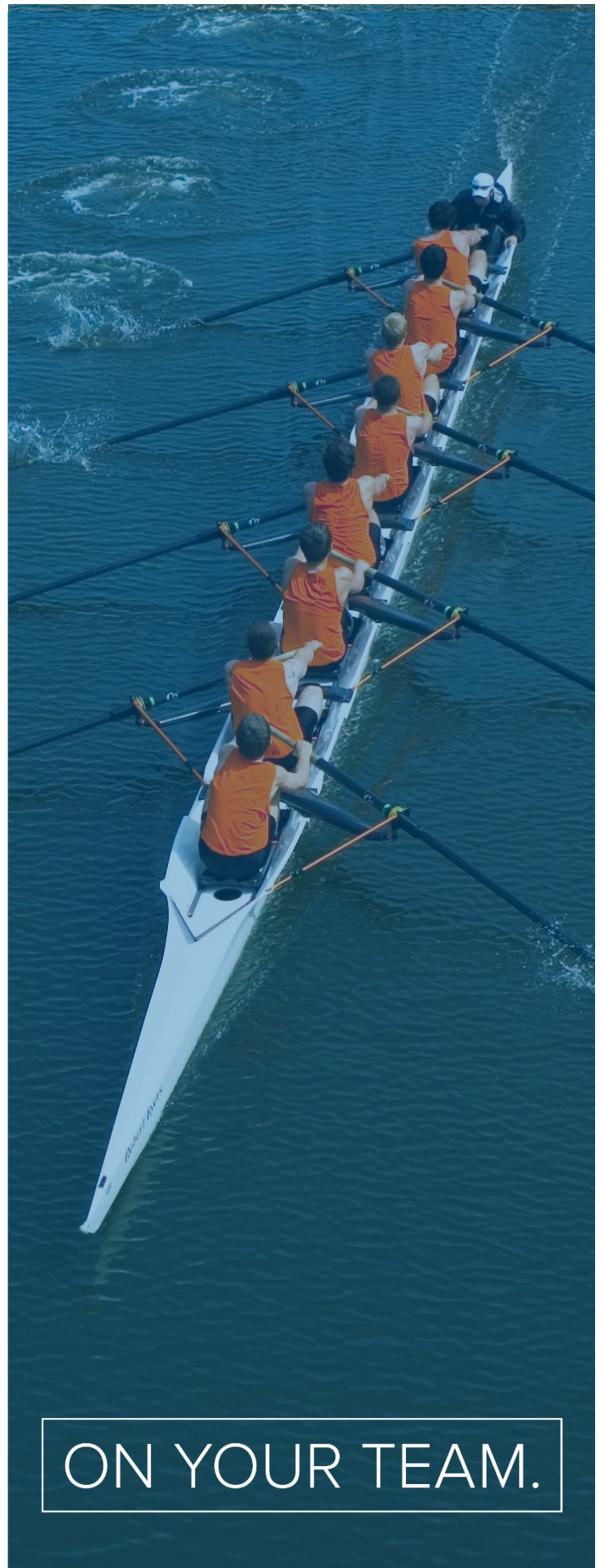
CAN WE DELIVER THE SOLUTIONS YOU NEED?

YES, WE CAN!

Since 1991, Amwins Group Benefits has been creating insurance programs for public, private, municipal and Taft Hartley organizations who want their retirees to receive the very best combination of service and coverage.

At Amwins, we are experts in insurance design, administration and end-to-end program management. Our success is attributed to our belief in and ability to offer customized products complemented by passionate customer service. We hire only those who take pride in delivering memorable customer service experiences, and give them the training, technology and trust to solve challenges as they arise.

Thank you for taking the time to review the solutions we are offering your organization. We are confident our experience, Culture of Care and ability to help you meet your organizational goals. We look forward to meeting your needs and exceeding your expectations when implementing our retiree healthcare solutions.



ON YOUR TEAM.



c/o Amwins Group Benefits, LLC
50 Whitecap Drive
North Kingstown, RI 02852



City of Charleston, WV

2023 Enrollment Guide for Medicare-Eligible Retirees & Their Spouses

Retiree Health Benefits

Your 2023 Retiree Medical and Prescription Drug Benefits

Having quality health insurance is of utmost importance. To provide the best insurance value available, factoring coverage, service and price, the City of Charleston, WV has made a decision to switch carriers and service providers.

The City of Charleston, WV is pleased to offer a new Post-65 Retiree Medical Program effective 7/1/2023. The plan is available to you and your Medicare-eligible spouse. To participate, you must be 65 or older and enrolled in Medicare Parts A & B by 7/1/2023.

The new program is administered by Amwins Group Benefits, a division of Amwins Group Inc. Amwins is known for its high customer service standards and specifically caters to Medicare-eligible retirees.

The retiree medical plan picks up where Medicare leaves off and is underwritten by The Hartford Life and Accident Insurance Company. The retiree medical plan is based on utilizing Medicare directly as your primary coverage, with a supplement to address some of the deductibles and co-insurance within Medicare Parts A and B.

In addition, the program includes prescription drug coverage, utilizing a Medicare Part D plan for prescription drugs. The Medicare Part D prescription drug plan is underwritten by Express Scripts Medicare.

How to Enroll

- Review the information in this booklet.
- Determine your monthly payment on the "Payment Summary" page.
- Complete and sign the Plan Election form.
- Complete the Direct Payment Authorization form and include a voided check, if interested in monthly automatic withdrawals from your bank account.
- Include a check made payable to City of Charleston, WV/Amwins Group Benefits for the first month's payment.
- Return the above items in the postage-paid return envelope.

Your enrollment form and first month's payment must be received by 5/15/2023 in order to activate your benefits.

If you choose NOT to participate, complete the enclosed Waiver of Coverage and return in the postage-paid return envelope.

If you have any questions or need help with enrolling, please contact

Amwins Group Benefits Customer Care Center

Toll-Free at 1-888-883-3757

Monday through Friday, 8:00 AM to 8:00 PM EST

Retiree Medical Insurance Plan Summary of Benefits (Plan G \$300)

Underwritten by: The Hartford Life and Accident Insurance Company

Part B Deductible: **\$300.00**
Lifetime Maximum: **Unlimited**

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD*

Services	Medicare Pays	Plan Pays	You Pay
HOSPITAL CONFINEMENT BENEFIT*			
Semiprivate room and board, general nursing and miscellaneous services and supplies:			
First 60 days	All but \$1,600	\$1,600 (Part A Deductible)	\$0
61 st through 90 th day	All but \$400 per day	\$400 per day	\$0
91 st through 150 th day (While using 60 lifetime reserve days)	All but \$800 per day	\$800 per day	\$0
Once Lifetime Reserve days are used:			
Additional 365 days:	\$0	100% of Medicare Eligible Expenses	\$0
Beyond the Additional 365 days	\$0	\$0	All costs
SKILLED NURSING FACILITY CARE*			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital:			
First 20 days	All approved amounts	\$0	\$0
21 st through 100 th day	All but \$200 a day	Up to \$200 a day	\$0
101 st day and after	\$0	\$0	All costs
BLOOD DEDUCTIBLE – Hospital Confinement and Out-Patient Medical Expense			
When furnished by a hospital or skilled nursing facility during a covered stay.			
First 3 pints	\$0	3 pints	\$0
Additional amounts	100%	\$0	\$0
HOSPICE CARE			
Available as long as your doctor certifies you are terminally ill and you elect to receive these services.	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

Retiree Medical Insurance Plan Summary of Benefits (Plan G \$300)

Underwritten by: The Hartford Life and Accident Insurance Company

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

Services	Medicare Pays	Plan Pays	You Pay
OUT-PATIENT MEDICAL EXPENSES - - In or Out of the Hospital and Out-Patient Hospital Treatment, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment:			
Medicare Part B Deductible: First Medicare-approved amounts**	\$0	\$0	\$300
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	0% after deductible
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	100%	0% after deductible
BLOOD			
First 3 pints	\$0	All costs	\$0
Next Medicare Approved Amounts **	\$0	\$0	0% after deductible
Remainder of Medicare Approved Amounts	80%	20%	0% after deductible
CLINICAL LABORATORY SERVICES			
Blood tests for Diagnostic Services	100%	\$0	0% after deductible

MEDICARE PARTS A & B

Services	Medicare Pays	Plan Pays	You Pay
HOME HEALTH CARE – Medicare Approved Services:			
Medically necessary skilled care services and medical supplies	100%	\$0	0% after deductible
DURABLE MEDICAL EQUIPMENT			
First Medicare Approved Amounts **	\$0	\$0	0% after deductible
Remainder of Medicare Approved Amounts	80%	20%	0% after deductible

Retiree Medical Insurance Plan Summary of Benefits (Plan G \$300)

Underwritten by: The Hartford Life and Accident Insurance Company

OTHER BENEFITS NOT COVERED BY MEDICARE

Services	Medicare Pays	Plan Pays	You Pay
FOREIGN TRAVEL - Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA:			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80% to a lifetime maximum of \$50,000	20% and amounts over the \$50,000 lifetime max

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

**Once you have been billed the first dollars of Medicare-Approved amounts for covered services (which are noted with two asterisks), your Medicare Part B Deductible will have been met for the calendar year.

Benefits are paid only for those expenses which have been approved as eligible by the federal Medicare program.

Benefits will not be paid for any expenses which are not determined to be Medicare Eligible Expenses by the Federal Medicare Program or its administrators, except as otherwise specified.

The summary of program benefits described herein is for illustrative purposes only. In case of differences or errors, the Group Policy governs.

Benefit Overview

Express Scripts Medicare® (PDP)

YOUR 2023 PRESCRIPTION DRUG PLAN BENEFIT

Here is a summary of what you will pay for covered prescription drugs across the different stages of your Medicare Part D benefit. You can fill your covered prescriptions at a network retail pharmacy or through our home delivery service.

Deductible stage	\$50.00		
Initial Coverage stage	You will pay the following until your total yearly drug costs (what you and the plan pay) reach \$4,660:		
	Tier	Retail One-Month (31-day) Supply	Home Delivery Three-Month (90-day) Supply
	Tier 1: Generic	\$5 plus 20% of balance	\$10 plus 20% of balance
	Tier 2: Preferred Brand	\$20 plus 20% of balance	\$40 plus 20% of balance
	Tier 3: Non-Preferred Brand	\$35 plus 20% of balance	\$70 plus 20% of balance
	Tier 4: Specialty	20% (maximum \$100)	20% (maximum \$200)
	If your doctor prescribes less than a full month's supply of certain drugs, you will pay a daily cost-sharing rate based on the actual number of days of the drug that you receive. You may receive up to a 90-day supply of certain maintenance drugs (medications taken on a long-term basis) by mail through the Express Scripts PharmacySM. There is no charge for standard shipping. Not all drugs are available at a 90-day supply, and not all retail pharmacies offer a 90-day supply.		
Coverage Gap stage	After your total yearly drug costs reach \$4,660, you will pay the same copays as listed above, until you qualify for the Catastrophic Coverage stage.		
Non-part D Drugs	Covered; Excluding lifestyle		
Compound	Compound Management Solution applies. Compound Management Solution is in place to mitigate compound drug abuse by means of inclusion and exclusion lists		
Catastrophic Coverage stage	After your yearly out-of-pocket drug costs reach \$7,400, you will pay the greater of 5% coinsurance or: - a \$4.15 copayment for covered generic drugs (including brand drugs treated as generics), with a maximum not to exceed the standard cost-sharing amount during the Initial Coverage stage - an \$10.35 copayment for all other covered drugs, with a maximum not to exceed the standard cost		

IMPORTANT PLAN INFORMATION

Long-Term Care (LTC) Pharmacy

If you reside in an LTC facility, you pay the same as at a network retail pharmacy. LTC pharmacies must dispense brand-name drugs in amounts of 14 days or less at a time. They may also dispense less than a one month's supply of generic drugs at a time. Contact your plan if you have questions about cost-sharing or billing when less than a one-month supply is dispensed.

Out-of-Network Coverage

You must use Express Scripts Medicare network pharmacies to fill your prescriptions. Covered Medicare Part D drugs are available at out-of-network pharmacies only in special circumstances, such as illness while traveling outside of the plan's service area where there is no network pharmacy. You generally have to pay the full cost for drugs received at an out-of-network pharmacy at the time you fill your prescription. You can ask us to reimburse you for our share of the cost. Please contact the plan or the Retiree Customer Service Center for more details.

Additional Information About This Coverage

- The service area for this plan is all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands and American Samoa. You must live in one of these areas to participate in this plan.
- The amount you pay may differ depending on what type of pharmacy you use; for example, retail, home infusion, LTC or home delivery.
- To find a network pharmacy near you, visit our website at **www.Express-Scripts.com**.
- Your plan uses a formulary – a list of covered drugs. The amount you pay depends on the drug's tier and on the coverage stage that you've reached. From time to time, a drug may move to a different tier. If a drug you are taking is going to move to a higher (or more expensive) tier, or if the change limits your ability to fill a prescription, Express Scripts will notify you before the change is made.
- To access your plan's list of covered drugs, visit our website at **www.Express-Scripts.com**.
- The plan may require you to first try one drug to treat your condition before it will cover another drug for that condition.
- Your healthcare provider must get prior authorization from Express Scripts Medicare for certain drugs.
- If the actual cost of a drug is less than the normal cost-sharing amount for that drug, you will pay the actual cost, not the higher cost-sharing amount.
- Each month, you may need to pay a monthly premium amount to continue your participation in this plan. You must continue to pay your Medicare Part B premium, if not otherwise paid for under Medicaid or by another third party, even if your Medicare Part D plan premium is \$0.

Express Scripts Medicare (PDP) is a prescription drug plan with a Medicare contract. Enrollment in Express Scripts Medicare depends on contract renewal.
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MONTHLY PAYMENT SUMMARY

2023 Monthly Rates		
Monthly Rate	Employer Contribution	Monthly Amount You Pay
\$311.50	\$XXX.XX	\$XXX.XX

Rates above are effective from 7/1/2023 to 12/31/2023 and are subject to change each year on January 1st.

Once you have determined your monthly rate, please send a check with your first monthly payment made payable to: **City of Charleston, WV / Amwins Group Benefits, LLC, 50 Whitecap Drive, North Kingstown, RI 02852**

Please return your first monthly payment along with your enrollment forms in the enclosed postage-paid return envelope.

The information in this payment summary is for general information purposes only. Amwins assumes no responsibility for any errors or omissions to the content or accuracy of these materials. Any questions regarding the payment amount should be directed to the Amwins Customer Care Center.

DIRECT PAYMENT AUTHORIZATION FORM

Please read, sign and return with your Enrollment Forms.

Name (Last, First, Middle Initial):		
Phone:		
Street Address:		
City:	State:	Zip:
Type of Account: ☐ Savings ☐ Checking		Select Monthly Withdrawal Date: ☐ 1st ☐ 8th ☐ 15th
<u>Please ensure the following:</u> To deduct from your checking account; ☐ A VOIDED check must accompany this signed authorization. (Starter checks not accepted) To deduct from your savings account; ☐ A Signed letter from your banking institution must accompany this signed authorization.		
John & Sheila Customer 9876 Appleview Lane Everytown, US 98765-4321 1234 15-0000000000000000 PAY TO THE ORDER OF _____ DATE _____ _____ \$ _____ DOLLARS HOMETOWN BANK Downtown, US 98765-4321 For _____ I:250240025 I: 1 234 5678 1234		
Monthly payments are withdrawn on the 1st business day on or after the date you selected above. You will receive a confirmation from Amwins Group Benefits that we have set up your account information to withdraw from your designated bank account. Note: Your monthly deduction will show as Amwins on your bank statement.		
I authorize Amwins to withdraw my payment from my checking or savings account according to my agreed payment schedule. This authorization is to remain in force until Amwins has received written notification from me of its termination in such time and manner as to afford Amwins a reasonable opportunity to act on the request. If my account is erroneously charged, my financial institution will immediately credit the same amount to the account up to 15 days following issuance of the statement or 45 days after posting, whichever occurs first.		
Signature:		Date:

CITY OF CHARLESTON, WV PLAN ELECTION FORM

Please complete, sign and return this Plan Election Form.

Retiree		Spouse (or Surviving Spouse)	
Name:		Name:	
Phone:		Phone:	
Address:		Address:	
City:		City:	
State:	Zip Code:	State:	Zip Code:

Elect or Decline Coverage:	
☐ Please enroll me in the City of Charleston, WV Retiree Medical & Drug Plan for 7/1/23 ☐ Do NOT enroll me in the City of Charleston, WV Retiree Medical & Drug Plan for 7/1/23	
Retiree:	Date:
Spouse (or Surviving Spouse):	Date:
All applicable signatures are required for individuals declining coverage in the Plan.	

Reason for Declining Coverage:

ANSWERS to YOUR QUESTIONS

Q: Who can I call if I have questions?

A: Please contact the Amwins Group Benefits Customer Care Center toll-free at **1-888-883-3757**, Monday through Friday, from 8 a.m. to 8 p.m. ET.

Q: How does the plan work?

A: Medicare has coverage gaps which are the costs that you must pay, like coinsurance, co-payments, and deductibles. This plan helps fill those gaps. You may go to any doctor, specialist, or hospital that accepts Medicare. Medicare pays its share and then your plan pays based on your plan's benefits. You will receive a Medicare Summary Notice in the mail (in most cases each month), including information on the amount paid on your behalf and any additional amount due.

Q: Can my age 65 spouse enroll if I am not yet age 65?

A: Yes. As long as your spouse is eligible to participate in the Program and is age 65 or over. As soon as you become Medicare eligible, you can enroll on the first day of the month in which you reach your 65th birthday.

Q: My spouse is not yet 65. What will happen to coverage for my spouse after I enroll in this plan?

A: Your spouse will continue coverage under the pre-Medicare early retiree plan. Two months prior to your spouse attaining age 65, a Medicare enrollment packet will be mailed. At that time, your spouse should contact Social Security to enroll in Medicare Parts A and B in order to be eligible to enroll in the group Medicare Plan.

Q: Will I have to re-enroll in the Plan next year?

A: No, once you enroll, you remain in the plan until you elect or terminate coverage.

Q: When will I receive my ID Cards?

A: ID cards will be sent once we process your enrollment materials. Medical and Prescription Drug ID cards will arrive in two separate packages just prior to your effective date.

Q: How are my medical claims paid?

A: As long as your physician accepts Medicare you will not have to send in any claim forms. Present your ID card along with your Medicare card to your doctor. Medicare pays the provider of the Medicare portion of your claim and forwards the balance due to the claims administration department.

Q: Do I still need my Medicare ID Card?

A: Yes. You will continue to use your Medicare ID card with this plan in conjunction with your Plan ID card.

Q: Do my prescription drug co-payments count toward my medical plan deductible?

A: No. Any co-payments you make for prescription drugs do not count toward deductibles or out of pocket maximum amounts for your medical plan.

Q: How do I get my prescriptions filled?

A: Simply present your ID card and prescription to a participating pharmacy in the plan network. You will also receive information about mail order prescriptions when you enroll. You can find more information about your prescription coverage by visiting www.Express-Scripts.com or by calling Amwins Group Benefits at **1-888-883-3757**.

Q: Where can I get information on using Mail Order Services?

A: Once you enroll in the plan, you will receive a fulfillment kit in the mail which will include mail order through the Express Scripts Pharmacy. Please be aware that you will need to obtain new prescriptions from your Doctor before ordering prescriptions from this new mail order program. The necessary forms and instructions on how to order prescriptions through the mail order service will be included in your fulfillment packet. Please expect your package and materials to arrive shortly before your plan effective date.

ANSWERS to YOUR QUESTIONS

Q: How can I find out if my drugs are covered on the new plan?

A: Visit **www.Express-Scripts.com**. Some covered drugs may have additional requirements or limits on coverage. You can find out if your drug has any additional requirements or limits by reviewing the formulary. If your drug is not included on the formulary, you should first contact us and ask if your drug is covered. Please contact Amwins Group Benefits Customer Care toll-free at **1-888-883-3757** or visit **www.Express-Scripts.com** for more information about your prescriptions.

Q: How can I lower my drug expenses?

A: Generic medications often cost less than brand-name counterparts. Talk to your doctor to determine if a generic is available. You may also have the option of mail order, where you can receive up to a 90-day supply for one mail order co-payment.

Q: What services are not covered?

A: Services not covered by Medicare are not covered by this plan. Please contact us for the Medicare exclusion list. You may also call 1-800-MEDICARE or visit www.medicare.gov.

Q: Do I have the option to enroll in just medical or prescription drug coverage or do I have to enroll in both plans?

A: The Amwins health benefit plan combines two separate plans into one package which includes both medical and prescription drug coverage. You may not elect the prescription drug coverage without participating in the medical plan, or vice versa. The premium for medical insurance includes the prescription drug benefit.

Q: How do I pay for my coverage?

A: Amwins will invoice you for your portion of the cost. You may pay by automatic bank deduction or by check.

Q: Can I enroll in a separate Medicare Part D plan and the Amwins medical and prescription plan?

A: No. You cannot enroll in two Medicare Part D plans. If you enroll in a separate Medicare Part D plan, you are not eligible to enroll in the Amwins medical plan and prescription drug plan.

Q: How do I obtain a replacement ID card for my plans?

A: Call Amwins Group Benefits at **1-888-883-3757**, Monday through Friday, from 8 a.m. to 8 p.m. EST.

Q: Will I be able to transfer an existing Rx prescription from my current pharmacy to a participating Express Scripts retail pharmacy, or will I need to obtain a new prescription from my doctor?

A: Yes, you should be able to transfer an existing prescription to a new pharmacy. To do this, you will need to go to your new participating retail pharmacy and ask them to transfer your prescription from your previous pharmacy. They will be able to complete the transfer once you provide your name, phone number and the drug that you will be transferring. You can do this process at any time.

City of Charleston, WV
2023 Retiree Benefit Information Meetings
For Plan Participants Age 65 & Over

Come and learn about the new retiree medical and prescription drug benefit plan that will become effective **July 1, 2023**

Dates:

MONTH DAY at TIME and TIME

MONTH DAY at TIME and TIME

Location:

XYZ

ADDRESS1

CITY, STATE ZIP

If you can't join an on-site meeting, please attend one of scheduled
Telephonic Meetings

MONTH DAY at TIME and TIME

MONTH DAY at TIME and TIME



Disclaimer: The benefit information contained in this brochure is subject to change at any time, and the plan sponsor reserves the unlimited right to make benefit plan changes at any time. Any changes to the benefit plans implemented by the plan sponsor will be considered effective, regardless of whether notice has been given, on the date set by the plan sponsor. If you are ever in doubt about your benefits, please contact Amwins Group Benefits at 1-888-883-3757.

**THE HARTFORD GROUP RETIREE INSURANCE PLAN®
CERTIFICATE OF GROUP RETIREE HEALTH INSURANCE**

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY

One Hartford Plaza
Hartford, Connecticut 06155
(A stock insurance company)

The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries.



Policyholder: ABC Policyholder
Policy Number: AGP-123456
Policy Effective Date: January 1, 2016
Policy Anniversary Date: January 1

We have issued The Policy to the Policyholder. Our name, the Policyholder's name and the Policy Number are shown above. The provisions of The Policy, which are important to You, are summarized in this Certificate consisting of this form and any additional forms which have been made a part of this Certificate. This Certificate replaces any other Certificate We may have given to You earlier under The Policy. The Policy alone is the only contract under which payment will be made. Any difference between The Policy and this Certificate will be settled according to the provisions of The Policy on file with Us at Our Home office. The Policy may be inspected at the office of the Policyholder.

Signed for the Company

A handwritten signature in black ink, appearing to read "Terence Shields".

Terence Shields, Secretary

A handwritten signature in black ink, appearing to read "Michael Concannon".

Michael Concannon, Executive Vice President

READ YOUR CERTIFICATE CAREFULLY: You have a 30 day right to examine Your Certificate. If You are not satisfied, You may return it to Us within 30 days from the date You received it. In that event, We will consider it void from Your Coverage Effective Date and any premiums paid will be refunded. Any claims paid under this Certificate during the initial 30 day period will be deducted from the refund.

Notice to buyer: The Policy may not cover all of the costs associated with medical care received during the period of coverage. Please review carefully all of The Policy's limitations contained in this Certificate.

A note on capitalization in this Certificate:

Capitalization of a term, not normally capitalized according to the rules of standard punctuation, indicates a word or phrase that is a defined term in The Policy or refers to a specific provision in The Policy or this Certificate.

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SCHEDULE

ELIGIBLE CLASSES FOR COVERAGE

Class	Description of Eligible Persons:
I	Retirees only who are entitled to Medicare benefits by reason of age (i.e. 65 years of age and over).
II	Retirees, and their Medicare Eligible Dependents, entitled to Medicare by reason of age (i.e. 65 years of age and over).
III	Retirees under age 65 are not eligible for coverage, but they may enroll their Medicare Eligible Dependents entitled to Medicare by reason of age (i.e. 65 years of age and over).
IV	A widow or widower who is entitled to Medicare benefits by reason of age (i.e. 65 years of age and over) whose deceased Spouse was an active Employee/Retiree of the Policyholder.

BENEFIT DEDUCTIBLES, MAXIMUMS AND COINSURANCE	
Calendar Year Policy Deductible:	\$250 Applies to Medicare Part A and Medicare Part B Reduces the Out-of-Pocket Expense Maximum
Calendar Year Additional Plan Benefits Deductible:	Calendar Year Policy Deductible applies Reduces the Out-of-Pocket Expense Maximum
Out-of-Pocket Expense Maximum for Medicare Part A and Medicare Part B:	\$1,500 Applies to Medicare Part A and Medicare Part B
Out-of-Pocket Expense Maximum for Additional Plan Benefits:	Out-of-Pocket Expense Maximum for Medicare Part A and Medicare Part B applies
Out-of-Pocket Expense Maximum applies separately to each Covered Person and each Calendar Year. When the Out-of-Pocket Expense Maximum is met by a Covered Person for a benefit to which it applies, We will pay 100% of covered expenses the Covered Person Incurs on and after that date for that benefit, subject to any benefit maximums.	
Policy Coinsurance:	See the entries in the sections below for the percentages the Covered Person may be required to pay and the percentages which We pay.
Policy Copayment:	See the entries in the sections below for the Policy Copayment.
Lifetime Policy Maximum Benefit:	None
Calendar Year Policy Maximum:	None

MEDICARE PART A BENEFITS			
(Please be sure to read the corresponding benefit provisions in this Certificate for details on the benefits below.)			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
Hospital Confinement Benefit			
1st through 60th Day: Medicare Part A Deductible Coverage:	All but \$1260	50% of the remaining Medicare Part A Deductible.	50% of the remaining Medicare Part A Deductible.
61st through 90th Day: Medicare Part A Coverage:	All but a daily Medicare Coinsurance charge equal to 25% of the Medicare Part A Deductible	100% of the remaining Medicare Part A Coinsurance.	0% of the remaining Medicare Part A Coinsurance.
91st through 150th Day: Medicare Part A Coinsurance Coverage (Lifetime Reserve Period):	All but a daily Coinsurance charge equal to 50% of the Medicare Part A Deductible	100% of the remaining Medicare Part A Coinsurance.	0% of the remaining Medicare Part A Coinsurance.
Extended Hospital Confinement Benefit			
For Days 151 - 365 after the Lifetime Reserve Period:	\$0	100% of the charges Incurred.	0% of the the charges Incurred.
Skilled Nursing Facility Confinement Benefit			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
Days 1 – 20	All Medicare Approved Amounts	\$0	Amounts not paid by Medicare.
21st Through 100th Day – Coverage:	All but (12.5% of Medicare Part A Deductible).	100% of the remaining Medicare Part A Skilled Nursing Facility Confinement Coinsurance.	1) 0% of the remaining Medicare Part A Skilled Nursing Facility Confinement Coinsurance.
Extended Skilled Nursing Facility Confinement Benefit			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
After Day 100	\$0	Up to a Daily Benefit of \$50 .	Expenses Incurred over the Daily Benefit We pay.

MEDICARE PART B BENEFITS			
All Policy Copayments below are per visit unless stated otherwise. (Please be sure to read the corresponding benefit provisions in this Certificate for details on the benefits below.)			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
Physician Services Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Copayment Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the remaining Medicare Part B Coinsurance, if any, after the Covered Person's payment.	Lesser of: 1) \$20 Policy Copayment; or 2) the remaining Medicare Part B Coinsurance.
Specialist Services Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Copayment Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the remaining Medicare Part B Coinsurance, if any, after the Covered Person's payment.	Lesser of: 1) \$30 Policy Copayment ; or 2) the remaining Medicare Part B Coinsurance.
Outpatient Hospital Services and Ambulatory Surgical Care Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Coinsurance Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the Medicare Part B Coinsurance.	0% of the Medicare Part B Coinsurance.
Outpatient Diagnostic and Radiology Services Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Coinsurance Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the Medicare Part B Coinsurance.	0% of the Medicare Part B Coinsurance.
Outpatient Mental Health and Substance Abuse Services Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.

MEDICARE PART B BENEFITS			
All Policy Copayments below are per visit unless stated otherwise. (Please be sure to read the corresponding benefit provisions in this Certificate for details on the benefits below.)			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
Medicare Part B Coinsurance – Policy Coinsurance Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the Medicare Part B Coinsurance.	0% of the Medicare Part B Coinsurance.
Outpatient Rehabilitative and Cardiac Rehabilitative Services Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Coinsurance Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the Medicare Part B Coinsurance.	0% of the Medicare Part B Coinsurance.
Emergency Care Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Copayment Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the remaining Medicare Part B Coinsurance, if any, after the Covered Person's payment.	Lesser of: 1) \$50 Policy Copayment; or 2) the remaining Medicare Part B Coinsurance.
Urgent Care Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Coinsurance Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the Medicare Part B Coinsurance.	0% of the Medicare Part B Coinsurance.
Ambulance Services Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Coinsurance Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the Medicare Part B Coinsurance.	0% of the Medicare Part B Coinsurance.

MEDICARE PART B BENEFITS			
All Policy Copayments below are per visit unless stated otherwise. (Please be sure to read the corresponding benefit provisions in this Certificate for details on the benefits below.)			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
Durable Medical Equipment and Prosthetics Benefit			
Medicare Part B Deductible – Coverage:	All but \$147	0% of the remaining Medicare Part B Deductible.	100% of the remaining Medicare Part B Deductible.
Medicare Part B Coinsurance – Policy Coinsurance Coverage:	Generally 80% of Medicare Approved Amounts.	100% of the Medicare Part B Coinsurance.	0% of the Medicare Part B Coinsurance.
MEDICARE PART B EXCESS EXPENSE BENEFIT			
	\$0	80%	20%

ADDITIONAL PLAN BENEFITS			
(Please be sure to read the corresponding benefit provisions in this Certificate for details on the benefits below.)			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
Foreign Travel Emergency Benefit:	\$0	80% of remaining covered expenses Incurred, after the Covered Person's payment, up to the Lifetime Foreign Travel Emergency Benefit Maximum of \$100,000 .	1) \$0 Foreign Travel Emergency Benefit Deductible. 2) 20% Foreign Travel Emergency Benefit Coinsurance.
Private Duty Nursing Benefit:	\$0	100% of remaining covered expenses Incurred, after the Covered Person's payment, for 45 shifts per Calendar Year up to the Private Duty Nursing Benefit Maximum of \$1,000 per Calendar Year.	\$30 Policy Copayment per shift.
At-Home Recovery Benefit:	\$0	100% of remaining covered expenses Incurred, after the Covered Person's payment, for 5 visits per week up to the At-Home Recovery Benefit Maximum of \$500 per Calendar Year.	\$30 Policy Copayment per visit.
Preventive Care Cancer Screening Benefit:	Generally 100% for most preventive screenings. Some screenings subject to the Medicare Part B Deductible and Coinsurance.	100% of remaining covered expenses Incurred not covered by Medicare.	\$0
Hospice Care Benefit:	Generally 100% of the expenses Incurred, except Coinsurance charges.	100% of remaining covered Coinsurance charges.	\$0
Blood Deductible Benefit:	\$0	100% of covered expenses Incurred.	\$0

ADDITIONAL PLAN BENEFITS (Please be sure to read the corresponding benefit provisions in this Certificate for details on the benefits below.)			
	MEDICARE PAYS	WE PAY	COVERED PERSON PAYS
Hearing Services Benefit:	80% of Medicare Approved Amounts under Medicare Part B.	100% of remaining covered expenses Incurred, after the Covered Person's payment, up to the Hearing Services Benefit Maximum of \$1,000 per Calendar Year.	\$25 Policy Copayment per exam. \$150 Policy Copayment for two hearing aids, including fitting and evaluation.
Vision Services Benefit:	80% of Medicare Approved Amounts under Medicare Part B.	100% of remaining covered expenses Incurred, after the Covered Person's payment, up to the Vision Services Benefit Maximum of \$500 per Calendar Year.	\$25 Policy Copayment per exam . \$150 Policy Copayment per pair of glasses or supply of contact lenses.
Acupuncture Services Benefit:	\$0	100% of remaining covered expenses Incurred, after the Covered Person's payment, up to the Acupuncture Services Benefit Maximum of \$500 per Calendar Year.	\$30 Policy Copayment per visit.
Out-of-Pocket Expense Carryover Benefit:	See benefit provision.		
Annual Physical Exam Benefit:	\$0	100% of remaining covered expenses Incurred, after the Covered Person's payment, up to the Annual Physical Benefit Maximum of \$400 per Calendar Year.	\$20 Policy Copayment per physical.
Chiropractic Services Benefit:	80% of Medicare Approved Amounts under Medicare Part B.	100% of remaining covered expenses Incurred, after the Covered Person's payment, up to the Chiropractic Services Benefit Maximum of \$500 per Calendar Year.	\$30 Policy Copayment per visit.

DISCLOSURES
Disclosure of Fees: We may reduce or adjust premiums, rates, fees and/or other expenses for programs under The Policy
Disclosure of Services: In addition to the insurance coverage, We may offer noninsurance benefits and services to Retirees.

GENERAL DEFINITIONS

Terms used in this Certificate are defined below. Some terms specific to a benefit are defined in the respective benefit provision.

Admission means the period from and including the first day the Covered Person receives medical services as an Inpatient in a Hospital through the date the Covered Person is discharged.

Ambulance Services means ground transportation to transport to a Hospital or Skilled Nursing Facility for Medically Necessary services, when transport in any other vehicle could endanger the health of the passenger.

Ambulatory Surgical Care means surgical services provided to patients at a licensed ambulatory surgical center when:

- 1) the patient does not require Hospital Confinement; and
- 2) the stay in the ambulatory surgical center does not exceed 24 hours.

Benefit Period means the period that starts the day the Covered Person is admitted into a Hospital or Skilled Nursing Facility. The benefit period ends when the Covered Person has not received any Inpatient Hospital care or Skilled Nursing Facility care for 60 consecutive days. If the Covered Person is admitted to a Hospital or a Skilled Nursing Facility after one benefit period has ended, a new benefit period starts. The Covered Person must pay the Medicare inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods. However, Inpatient mental health care in a psychiatric hospital is limited to 190 days in a lifetime.

Calendar Year means a period of 12 consecutive months, starting on January 1 and ending on December 31 of the same year.

Calendar Year Additional Plan Benefits Deductible means the amount of eligible expenses the Covered Person may have to Incur before benefits are payable under one or more Additional Plan Benefits. This amount is shown in the Schedule.

Calendar Year Policy Deductible means the amount of eligible expenses the Covered Person must Incur before any benefits are paid by Us during a Calendar Year. This amount is shown in the Schedule. Expenses Incurred to satisfy the Medicare Part A Deductible and Medicare Part A Coinsurance apply to the calendar year policy deductible. Expenses Incurred to satisfy the Medicare Part B Deductible and Medicare Part B Coinsurance apply to the calendar year policy deductible. Also see the definitions of Medicare Part A Deductible, Medicare Part B Deductible and Calendar Year Additional Plan Benefits Deductible.

Calendar Year Policy Maximum means the most We will pay under The Policy for all benefits for any one Covered Person during any Calendar Year. It is shown in the Schedule.

Cardiac Rehabilitative Services means a customized program of exercise and education, designed to help recover from a heart attack, other forms of heart disease or surgery to treat heart disease.

Certificate means this document, which explains the insurance benefits provided, to whom and how benefits are payable and exclusions and limitations that apply to coverage.

Change in Family Status means one of the following events:

- 1) You get married or enter into a legal relationship recognized as a spouse;
- 2) You and Your Spouse divorce or legally terminate Your relationship;
- 3) Your Spouse dies;
- 4) Your Spouse is no longer employed, which results in a loss of group health insurance; or
- 5) Your Spouse becomes eligible for coverage.

Coinsurance means the percentage the Covered Person may be required to pay of certain expenses after meeting the applicable Deductible. Also see the definitions of Policy Coinsurance, Medicare Part A Coinsurance, Medicare Part B Coinsurance and Skilled Nursing Facility Confinement Coinsurance.

Confined or Confinement means being an Inpatient in:

- 1) a Hospital; or
 - 2) a Skilled Nursing Facility with respect to Skilled Nursing Facility Confinement coverage;
- due to Injury or Sickness.

Contributory Coverage means coverage for which You are required to contribute toward the cost.

Copayment means the amount the Covered Person may be required to pay as his or her share of the cost of medical services, treatments or supplies under insurance coverage. Also see the definition of Policy Copayment.

Covered Person means You and any Dependents insured under this Certificate.

Deductible means the amount the Covered Person must pay for medical services, treatment or supplies before his or her insurance starts to pay under Medicare or other coverages. Also see the definitions of Calendar Year Policy Deductible, Additional Plan Benefits Deductible, Medicare Part A Deductible and Medicare Part B Deductible.

Dependent or Dependents means Your Spouse.

A dependent must be a citizen or legal resident of the United States or one of its territories or protectorates.

Durable Medical Equipment means certain medical equipment that is ordered by the Covered Person's treating Physician for medical reasons. These include, but are not limited to: walkers, wheelchairs, crutches, IV infusion pumps, oxygen equipment, nebulizers, or hospital beds.

Emergency Care means services:

- 1) to treat, evaluate or stabilize an emergency medical condition that requires immediate medical attention to prevent loss of life, loss of a limb, or loss of function of a limb; and
- 2) rendered by a provider qualified to furnish emergency services.

Employer means the Policyholder.

Family Member means the Covered Person's parent, spouse, domestic partner, partner in a civil union, children, siblings, grandparent, aunt, uncle, first cousin, nephew or niece. This includes those relations listed acquired through an adoption, in-laws and step-relatives.

Home Office means Our office at One Hartford Plaza, Hartford, CT 06155.

Hospital means an institution which:

- 1) is approved by Medicare and has agreed to participate in Medicare;
- 2) operates pursuant to law;
- 3) primarily and continuously provides medical care and treatment on an Inpatient basis for sick and injured persons at the patient's expense;
- 4) operates medical, diagnostic and major surgical facilities:
 - a) on its premises; or
 - b) in facilities available to the institution on a prearranged basis;
- 5) operates under the supervision of a staff of Physicians; and
- 6) provides 24-hour nursing service by or under the supervision of registered graduate nurses (R.N.).

Hospital does not mean any institution or part thereof that is used primarily as:

- 1) a nursing home, convalescent home, or Skilled Nursing Facility;
- 2) a place for rest, custodial, educational or rehabilitative care;
- 3) a place for the aged;
- 4) a place for treatment of alcoholism or drug addiction; or
- 5) a military or veterans' hospital, soldiers' home, or hospital contracted for or operated by any national government or government agency for the treatment of members or ex-members of the military.

Incur or Incurred means that, with respect to any expense, the Covered Person receives, or has received, the treatment, service or supply that gives rise to the expense. A Covered Person is considered to incur an expense on the date the treatment, service or supply is received.

Inpatient means a patient in:

- 1) a Hospital;
- 2) a Skilled Nursing Facility; or
- 3) Hospice Care;

being charged room and board.

Injury means bodily injury:

- 1) resulting directly from accident;
- 2) resulting independently of all other causes; and
- 3) occurring while the Covered Person is insured under The Policy.

Loss resulting from:

- 1) Sickness, except a pus-forming infection that occurs through an accidental wound; or
- 2) medical or surgical treatment of a Sickness;

is not considered as resulting from Injury.

Lifetime Policy Maximum Benefit means the most We will pay under The Policy for all benefits for any one Covered Person during his or her lifetime. This amount is shown in the Schedule.

Lifetime Reserve Period means the additional days that Medicare will pay for when the Covered Person is Hospital Confined for more than 90 days. The Covered Person has a total of 60 reserve days that can be used during his or her lifetime.

Medically Necessary means:

- 1) recommended by the treating Physician acting within the scope of his or her license;
- 2) consistent with currently accepted medical practice; and
- 3) generally considered to be appropriate for a given medical condition.

Medicare means Title XVIII of the Social Security Act of 1965, as amended.

Medicare Approved Amount means the amount a Physician or supplier that accepts Medicare Assignment can be paid. It includes what Medicare pays and any Deductible, Coinsurance or Copayment that the Covered Person or his or her insurance pays. It may be less than the actual amount a Physician or other provider of medical services charges.

Medicare Approved Skilled Nursing Facility Confinement means Confinement in a Skilled Nursing Facility that provides skilled, Medically Necessary care:

- 1) at a level that satisfies Medicare standards;
- 2) starting within 30 days of discharge from a Hospital Confinement of at least 3 consecutive days; and
- 3) that is recommended by the treating Physician.

Medicare Assignment means an agreement by a Physician or other provider of medical services to accept Medicare Approved Amounts as full payment for Medicare covered services.

Medicare Part A Coinsurance or **Medicare Part B Coinsurance** mean(s) the percentage of Medicare approved expenses the Covered Person may be required to pay after meeting the Medicare Part A Deductible or the Medicare Part B Deductible, respectively. The percentages and Deductibles are shown in the Schedule. Also see the definitions of Coinsurance and Policy Coinsurance.

Medicare Part A Deductible means the amount the Covered Person is required to pay each Benefit Period under Medicare Part A for the expenses Incurred before Medicare will pay any Medicare Part A benefits. This amount is shown in the Schedule. Also see the definitions of Calendar Year Policy Deductible and Calendar Year Additional Plan Benefits Deductible.

Medicare Part A Skilled Nursing Facility Confinement Coinsurance means the amount the Covered Person is required to pay for a Skilled Nursing Facility Confinement starting with the 21st day of Confinement. This amount is shown in the Schedule. Also see the definitions of Coinsurance and Policy Coinsurance.

Medicare Part B Deductible means the amount the Covered Person is required to pay under Medicare Part B for the expenses Incurred each Calendar Year before Medicare will pay any Medicare Part B benefits. This amount is shown in the Schedule. Also see the definitions of Calendar Year Policy Deductible and Calendar Year Additional Plan Benefits Deductible.

Mental Illness means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A mental illness may be caused by biological factors or result in physical symptoms or manifestations.

Mental illness does not include the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders:

- 1) Intellectual Disability (Intellectual Developmental Disorder);
- 2) Pervasive Developmental Disorders;
- 3) Motor Skills Disorder;
- 4) Substance-Related Disorders;
- 5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
- 6) Narcolepsy and Sleep Disorders related to a General Medical Condition.

Non-Contributory Coverage means coverage for which You are not required to contribute toward the cost.

Out-of-Pocket Expense means the amount the Covered Person pays for expenses covered and Incurred under The Policy's benefit provisions. Out-of-Pocket Expenses do not include:

- 1) expenses that are excluded or limited under The Policy; or
- 2) amounts in excess of the Medicare Approved Amount.

Outpatient means a person who receives medical treatment, services or supplies at a Hospital or licensed ambulatory care facility for which there is no charge for room and board.

Outpatient Diagnostic Services means procedures performed to diagnose Injury or Sickness. These include, but are not limited to:

- 1) radiography;
- 2) ultrasound;
- 3) computed tomography;
- 4) nuclear medicine;
- 5) positron emission tomography; and
- 6) magnetic resonance imaging and laboratory tests.

Outpatient Hospital Services means services received in the Outpatient department of a Hospital for diagnosis or treatment. Services include, but are not limited to, observation services and Outpatient surgery received in:

- 1) an emergency department; or
- 2) Outpatient clinic.

Unless a Physician has written an order to admit the Covered Person as an Inpatient to the Hospital, the Covered Person is an Outpatient and must pay the cost-sharing amounts for Outpatient Hospital services, even if the Covered Person stays in the Hospital overnight.

Outpatient Mental Health Services means services to evaluate and treat mental health conditions that affect mood, thinking and behavior including, but not limited to:

- 1) depression;
- 2) anxiety disorders;
- 3) schizophrenia;
- 4) eating disorders; and
- 5) addictive behaviors.

Outpatient Rehabilitative Services means treatments designed to facilitate the process of recovery from Injury or Sickness to as normal a condition as possible. Treatments must be performed in an Outpatient facility. Services include, but are not limited to:

- 1) physical therapy;
- 2) occupational therapy; and
- 3) speech language therapy.

Outpatient Substance Abuse Services means services that provide a detoxification regimen of medically directed evaluation, care and treatment for psychoactive substance abuse in a medically managed setting. These services must be provided in an Outpatient facility.

Physician means a person who is:

- 1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that We recognize or are required by law to recognize;
- 2) licensed to practice in the jurisdiction where care is being given;
- 3) operating within the scope of his or her license; and

- 4) not the Covered Person or a Family Member.

Physician Services means professional services performed by a Physician including, but not limited to:

- 1) diagnosis;
- 2) therapy;
- 3) surgery;
- 4) consultation; and
- 5) care plan oversight.

Policy Coinsurance means the percentage, shown in the Schedule, that the Covered Person may be required to pay after meeting the Calendar Year Policy Deductible and any Additional Plan Benefits Deductible or Foreign Travel Emergency Benefit Deductible, but before satisfying any applicable Out-of-Pocket Expense Maximum. Also see the definitions of Coinsurance, Medicare Part A Coinsurance and Medicare Part B Coinsurance.

Policy Copayment means the amount, shown in the Schedule; the Covered Person may be required to pay under The Policy as his or her share of the cost of medical services, treatments or supplies.

Primary Insured means the person to whom this Certificate is issued.

Prior Policy means the health insurance carried or sponsored by the Policyholder or by an employer acquired by the Policyholder on the day before the Policy Effective Date. This includes only coverage transferred to Us.

Prosthetics means devices that replace all or part of a body part or function. This includes, but is not limited to:

- 1) colostomy bags and supplies directly related to colostomy care;
- 2) pacemakers;
- 3) braces used for physical support;
- 4) prosthetic shoes;
- 5) artificial limbs;
- 6) breast prostheses (including a surgical brassiere after a mastectomy);
- 7) certain supplies related to prosthetic devices; and
- 8) repair and/or replacement of prosthetic devices.

This does not include dental devices.

Radiology Services means the use of radiography, ultrasound, computed tomography, nuclear medicine, positron emission tomography and magnetic resonance imaging to diagnose and treat Injury or Sickness.

Request means a written request by the Covered Person made on the forms We furnish for making the request.

Retiree means a former employee of the Policyholder who has attained the Policyholder's Normal Retirement Age.

Policyholder's Normal Retirement Age, as used above, means the age determined by the Policyholder in its established guidelines.

Schedule means the schedule of benefits for this Certificate.

Sickness means illness, disease or disorder of the body.

Skilled Nursing Facility means an institution that:

- 1) operates pursuant to law;
- 2) in addition to room and board accommodations, is primarily engaged in providing skilled nursing care under the supervision of a Physician;
- 3) provides continuous 24 hour a day nursing service by or under the supervision of a registered graduate nurse (R.N.); and
- 4) maintains a daily medical record of each patient.

Skilled Nursing Facility does not mean any institution or part thereof that is used mainly as a home or place for:

- 1) the aged, or for rest, custodial or educational care;
- 2) alcoholism and drug addiction;
- 3) the treatment of Mental Illness.

Skilled Nursing Facility Expenses means Medicare Part A eligible expenses for services provided and billed by a Skilled Nursing Facility.

Specialist means a Physician who treats only certain:

- 1) parts of the body;
- 2) health problems, including, but not limited to, heart problems; or
- 3) age groups.

Specialist Services means surgery services and other services furnished by a Specialist including, but not limited to:

- 1) consultation;
- 2) diagnosis;
- 3) treatment; and
- 4) second opinion prior to surgery.

Spouse means any individual who is recognized as Your spouse under applicable state law.

Spouse also includes any individual who is Your partner to:

- 1) a civil union;
- 2) a registered domestic partnership; or
- 3) another relationship allowed by state law.

Spouse will include Your affidavit domestic partner provided You have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for purposes of The Policy. You and Your partner will continue to be considered affidavit domestic partners provided You and Your Partner continue to meet the requirements described in the domestic partner affidavit.

Spouse does not include any person who is insured as a Retiree.

The Policy means the policy which We issued to the Policyholder under the Policy Number shown on the face page, this Certificate and all other riders, amendments and endorsements that make up the contract of insurance.

Urgent Care means non-emergency services to treat Sickness or Injury that requires immediate medical care.

Usual and Customary Charge means the prevailing charge made by most providers of a given service in the geographic area where the service is received. In no event will the Usual and Customary Charge exceed the actual amount charged.

We, Us or Our means Hartford Life and Accident Insurance Company.

You or Your means the Primary Insured.

ELIGIBILITY AND EFFECTIVE DATES

Primary Insured's Eligibility for Coverage: You will become eligible for coverage on the latest of:

- 1) the Policy Effective Date; or
- 2) the date You become a member of an Eligible Class for Coverage.

Dependents' Eligibility for Coverage: Your Dependent(s) will become eligible for coverage on the later of:

- 1) the date You become insured for Retiree coverage; or
- 2) the date You acquire Your first Dependent.

You may not cover Your Dependent if he or she is covered as a Retiree under The Policy. No person can be insured as a Dependent of more than one Retiree under The Policy.

Eligibility Restriction: In no event will a person be eligible for coverage under The Policy if he or she:

- 1) is engaged in active employment or is the Dependent of a person engaged in active employment, and is eligible to be covered by an employer's health plan which is primary payor to Medicare;
- 2) is covered by Medicaid for medical coverage;
- 3) is covered by a Medicare Advantage plan (Medicare Part C);

- 4) has other coverage in force that supplements Medicare or which provides coverage for his or her hospital or medical expense; or
- 5) is not eligible to be covered by Medicare.

Enrollment: For Non-Contributory Coverage, the Policyholder will automatically enroll You and Your Dependents for coverage.

To enroll for Contributory Coverage, You may be requested to:

- 1) complete and sign a group insurance enrollment form, which is satisfactory to Us, for Your and Your Dependents' coverage within 31 days of the date You are eligible for coverage; and
- 2) deliver it to the Policyholder.

If You do not enroll for Your coverage and/or Your Dependents' coverage within 31 days after becoming eligible under The Policy and later choose to enroll, You may only enroll for Your coverage and/or Your Dependents' coverage within 31 days of the date You have a Change in Family Status.

Your Coverage Effective Date: If You attained age 65 while covered under the Prior Policy, Your coverage will start on the date stated in the Prior Policy's provision transferring coverage to another insurer, subject to the Deferred Effective Date and Dependents' Deferred Effective Date provisions. Otherwise, Your coverage will start as stated below.

Non-Contributory Coverage will start on the date You become eligible, subject to the Deferred Effective Date provision.

Contributory Coverage will start on the latest to occur of:

- 1) the date You become eligible, if You enroll on or before that date; or
- 2) the date You enroll, if You do so within 31 days from the date You are eligible;

subject to the Deferred Effective Date provision.

Deferred Effective Date: If on the Policy Effective Date, You are Confined in a Hospital or Skilled Nursing Facility, Your coverage will start on the date You are discharged.

Dependents' Effective Date: Non-Contributory Coverage will start on the date You become eligible for Dependent coverage, subject to the Dependents' Deferred Effective Date provisions.

Contributory Coverage will start, subject to the Dependents' Deferred Effective Date provision, on the latest to occur of:

- 1) the date You become eligible for Dependent coverage, if You have enrolled on or before that date; or
- 2) the date You enroll, if You do so within 31 days from the date You are eligible for Dependent coverage.

Dependents' Deferred Effective Date: If on the Policy Effective Date, Your Dependent is Confined in a Hospital or Skilled Nursing Facility, Your Dependents' coverage will start on the date he or she is discharged.

Changes in Coverage Due to Change in The Policy: Any increase or decrease in coverage because of a change in The Policy by the Policyholder will become effective on the date of the change.

TERMINATION

Termination of Your Coverage: Your coverage will end on the earliest of the following:

- 1) the date The Policy terminates;
- 2) the date You are no longer in a class eligible for coverage, or The Policy no longer covers Your class;
- 3) the date the required premium is due but not paid, subject to the Individual Grace Period Policyholder Grace Period; or
- 4) the date You request We terminate Your coverage;

unless continued under the Continuation Provisions.

In addition, if You are eligible for coverage under The Policy because You are the widow or widower of a retired employee of the Policyholder, Your coverage will end on the first day of the month on or next following the date You remarry or execute a domestic partner affidavit.

Individual Grace Period: You will be allowed an Individual Grace Period of 31 days from the Premium Due Date for payment of each premium due after the initial premium. Your insurance will be continued during the Individual Grace

Period. If the Covered Person has a covered loss during the Individual Grace Period, the Covered Person will be liable to Us for payment of any premium accruing during the period We continued coverage in force under the provision.

The Individual Grace Period will not continue coverage after any date on which coverage would end, as stated in Termination of Your Coverage.

Termination of Your Dependents' Coverage:

Coverage for Your Dependent(s) will end on the earliest of the following:

- 1) the date Your coverage ends;
 - 2) the date the required premium is due but not paid, subject to the Individual Grace Period the Policyholder Grace Period;
 - 3) the date You are no longer eligible for Dependent coverage;
 - 4) the date We or the Policyholder terminate Dependent coverage;
 - 5) the date You request We terminate Dependent coverage; or
 - 6) the date You and Your Spouse are no longer married or legally terminate Your relationship;
- unless continued under the Continuation Provision.

CONTINUATION PROVISIONS

Surviving Dependent Continuation: If You die while insured under The Policy, coverage for Your Dependents that is in force on the date of Your death may be continued, until the earliest of:

- 1) the date the coverage would otherwise have ended under Termination of Your Dependents' Coverage;
- 2) the date Your Spouse remarries, or executes another domestic partner affidavit; or
- 3) the date Your Spouse obtains coverage under another group plan.

We must receive Your Dependents' Request and the required premium to continue the coverage within 31 days of the Premium Due Date next following the date of Your death.

Solely for the purpose of continuing the coverage, Your Spouse will be considered the Primary Insured.

BENEFIT PAYMENTS

We will pay benefits under The Policy only when the following requirements are met:

- 1) the expense Incurred:
 - a) is a Medicare eligible expense, except as may be stated for the Additional Plan Benefits;
 - b) is for Medically Necessary services, treatments or supplies; and
 - c) does not exceed the Usual and Customary Charge;
- 2) if the Covered Person is Confined in a Hospital, the Confinement is a Medicare approved Confinement;
- 3) We have verified that the Covered Person's insurance coverage is in force on the date the expense is Incurred;
- 4) the Covered Person has met any Deductibles under The Policy that apply;
- 5) the Covered Person has paid any Policy Copayment required under a benefit provision;
- 6) the Covered Person has not exhausted any applicable benefit maximum;
- 7) the Covered Person has not exhausted the Lifetime Policy Maximum Benefit; and
- 8) for any Calendar Year, the Covered Person has not exhausted the Calendar Year Policy Maximum.

The Schedule shows the applicable Copayments, Deductibles and maximums.

The Out-of-Pocket Expense Maximums apply as stated in the Schedule. Once satisfied, We pay benefits as stated in the Schedule.

For an expense to be covered under a benefit provision, the expense must be Incurred while the Covered Person is insured for that benefit.

Changes to Medicare: Benefits are adjusted annually or upon the effective date established by Medicare to reflect changes in the Medicare program. These changes may cause increases or decreases in benefit amounts payable under The Policy.

MEDICARE PART A BENEFITS

Hospital Confinement Benefit

When a Covered Person is Confined in a Hospital, We will pay the benefits stated below. The Confinement must be a Medicare approved Confinement. The Covered Person must Incur expenses for the Confinement while insured under this benefit.

1st Through 60th Day of Hospital Confinement; Medicare Part A Deductible Coverage: For the first 60 days of a Medicare approved Hospital Confinement during a Benefit Period, Medicare pays all Inpatient Hospital expenses Incurred, except for the Medicare Part A Deductible.

Under this benefit:

- 1) the Covered Person pays his or her percentage of the remaining Medicare Part A Deductible; and
 - 2) We pay Our percentage of the remaining Medicare Part A Deductible;
- shown in the Schedule.

61st Through 90th Day of Hospital Confinement; Medicare Part A Coinsurance Coverage: From the 61st through 90th day of a Medicare approved Hospital Confinement during a Benefit Period, Medicare pays all Inpatient Hospital expenses Incurred, except a daily Coinsurance charge equal to the percentage of the Medicare Part A Deductible shown in the Schedule.

Under this benefit:

- 1) the Covered Person pays his or her percentage of the remaining Medicare Part A Coinsurance; and
 - 2) We pay Our percentage of the remaining Medicare Part A Coinsurance;
- shown in the Schedule.

91st Through 150th Day of Hospital Confinement; Medicare Part A Deductible Coverage: Regular Medicare Hospital benefits end on the 90th day of Hospital Confinement during a Benefit Period. After the 90th day, Medicare grants a 60 day Lifetime Reserve Period. These 60 additional days can be used only once in a lifetime. Medicare allows a person the choice of using the days or saving them for the future. If he or she uses the days, Medicare pays all Inpatient Hospital expenses Incurred during the Lifetime Reserve Period except a daily Coinsurance charge equal to the percentage of the Medicare Part A Deductible shown in the Schedule.

Under this benefit:

- 1) the Covered Person pays his or her percentage of the remaining Medicare Part A Coinsurance; and
 - 2) We pay Our percentage of the remaining Medicare Part A Coinsurance;
- shown in the Schedule.

Extended Hospital Confinement Benefit

Starting once Medicare's benefits are exhausted for Hospital Confinement during a Benefit Period:

- 1) the Covered Person pays his or her percentage; and
 - 2) We pay Our percentage;
- shown in the Schedule of the charges Incurred for Inpatient Hospital expenses for each additional day of Confinement during that Benefit Period.

This benefit is payable for the number of days of Hospital Confinement per Lifetime, shown in the Schedule, after the Lifetime Reserve Period.

Skilled Nursing Facility Confinement Benefit

When a Covered Person is Confined in a Skilled Nursing Facility, We will pay the benefit stated below. The Confinement must be a Medicare Approved Skilled Nursing Facility Confinement.

1st Through 20th Day of Skilled Nursing Facility Confinement: For the first 20 Days of a Medicare Approved Skilled Nursing Facility Confinement during a Benefit Period, Medicare Part A pays all Skilled Nursing Facility Expenses. The Policy provides no coverage under this benefit for those 20 days.

21st Through 100th Day of Skilled Nursing Facility Confinement Coverage: From the 21st through 100th day of a Medicare Approved Skilled Nursing Facility Confinement during a Benefit Period, Medicare Part A pays all Skilled Nursing Facility Expenses except a daily Coinsurance charge equal to the percentage of the Medicare Part A Deductible shown in the Schedule.

Under this benefit:

- 1) the Covered Person pays his or her percentage of the remaining Medicare Part A Skilled Nursing Facility Coinsurance; and
- 2) We pay Our percentage of the remaining Medicare Part A Skilled Nursing Facility Confinement Coinsurance; shown in the Schedule. We pay the percentage of the remaining Medicare Part A Skilled Nursing Facility Coinsurance charges the Covered Person incurs for those days, shown in the Schedule.

Extended Skilled Nursing Facility Confinement Benefit

After the 100th day of Confinement in a Skilled Nursing Facility during a Benefit Period, Medicare benefits for Skilled Nursing Facility Confinements end.

Under this benefit, We will pay the Daily Benefit for each day of Confinement shown in the Schedule.

Payments under this benefit are limited to those days of Confinement that Medicare approves, or would have approved, had Medicare benefits for the Confinement not been exhausted.

MEDICARE PART B BENEFITS

The coverages for Medicare Part B Benefits are described below. The Medicare Part B Benefits provided under this Certificate are shown in the Schedule of Benefits.

Medicare Part B Deductible Coverage: Under this benefit:

- 1) the Covered Person pays his or her percentage of the remaining Medicare Part B Deductible; and
 - 2) We pay Our percentage of the remaining Medicare Part B Deductible;
- shown in the Schedule.

Medicare Part B Coinsurance – Policy Coinsurance Coverage: During a Calendar Year, after the Medicare Part B Deductible is met, Medicare generally pays the percentage of Medicare Part B eligible expenses shown in the Schedule. The Covered Person is responsible for the balance.

Under this benefit:

- 1) the Covered Person pays his or her percentage; and
 - 2) We pay Our percentage;
- of the Medicare Part B Coinsurance shown in the Schedule.

Medicare Part B Coinsurance – Policy Copayment Coverage: During a Calendar Year, after the Medicare Part B Deductible is met, Medicare generally pays the percentage of Medicare Part B eligible expenses shown in the Schedule. The Covered Person is responsible for the balance.

Under this benefit, the Covered Person pays the lesser of:

- 1) the Policy Copayment; or
 - 2) the remaining Medicare Part B Coinsurance;
- shown in the Schedule.

We pay Our percentage, shown in the Schedule, of the remaining Medicare Part B Coinsurance, if any.

MEDICARE PART B EXCESS EXPENSE BENEFIT

Excess Expense means the difference between:

- 1) the amount billed for the Medicare Part B services plus the Limiting Charge; and
- 2) the Medicare Approved Amount.

Under this benefit, during any Calendar Year the Medicare Part B Deductible is met, the Covered Person will pay his or her percentage and We will pay Our percentage, shown in the Schedule, of the difference between 1) and 2). However, the amount of Our payment will not exceed the amount of any limit determined by state law or the Limiting Charge established by Medicare.

Limiting Charge means the highest amount the Covered Person can be charged for a covered service by Physicians and other health care providers who do not accept Medicare Assignment. The limit is 15% over Medicare's Approved Amount. The limiting charge only applies to certain services and doesn't apply to supplies or equipment.

We will not pay this benefit if:

- 1) the provider of the medical care accepts Medicare Assignment; or
- 2) the service or supply is not covered by Medicare Part B.

ADDITIONAL PLAN BENEFITS

Foreign Travel Emergency Benefit

Under this benefit the Covered Person pays:

- 1) the Foreign Travel Emergency Benefit Deductible; and
- 2) the Foreign Travel Emergency Benefit Coinsurance percentage of the expenses for Foreign Travel Emergency Medical Treatment;

shown in the Schedule. Then We pay the remaining percentage of covered expenses up to the Lifetime Foreign Travel Emergency Benefit Maximum shown in the Schedule. For benefits to be payable, the Covered Person must incur the first expense within 60 days of travel Outside of the United States.

This benefit does not cover Foreign Travel Emergency Medical Treatment if the Covered Person:

- 1) leaves the United States primarily to seek Foreign Travel Emergency Medical Treatment for an Injury or a Sickness;
- 2) has no legal obligation to pay for the treatment; or
- 3) receives the treatment during a Calendar Year in which the Covered Person travels or resides Outside of the United States for 6 consecutive months or longer.

If Medicare approves Foreign Travel Emergency Medical Treatment:

- 1) no benefits are payable under this provision for the treatment; and
- 2) other benefits under The Policy may provide coverage for the treatment.

If Medicare does not approve Foreign Travel Emergency Medical Treatment:

- 1) We will pay benefits for the treatment as stated in this provision; and
- 2) no benefits are payable for the treatment under any other benefit provision.

Foreign Travel Emergency Medical Treatment means any Medically Necessary Confinement, service or supply needed immediately due to Injury or Sickness of sudden and unexpected onset while the Covered Person is Outside of the United States, provided that the medical treatment, if received in the United States, would:

- 1) be considered reimbursable treatment under Medicare;
- 2) be considered in general use and of demonstrated value in the diagnosis and treatment of Injury or Sickness by Physicians within the United States;
- 3) be provided by a Physician; and
- 4) not be considered in a research or experimental stage by Physicians within the United States.

Foreign Travel Emergency Medical Treatment does not include incidental services including, but not limited to:

- 1) airfare;
- 2) travel fees;
- 3) lodging; or

4) meals;
for the Covered Person.

Outside of the United States means outside the territorial limits of:

- 1) the 50 United States and the District of Columbia; and
- 2) Puerto Rico, the Virgin Islands, Guam and American Samoa.

Private Duty Nursing Benefit

Under this benefit the Covered Person pays the Policy Copayment per shift shown in the Schedule. Then, We will pay the expenses Incurred for a Private Duty Nurse for the number of shifts shown in the Schedule.

We will pay a Private Duty Nursing Benefit for each 8 hour shift. In no event will We will pay:

- 1) more than the actual amount charged for the shift;
- 2) more than the Maximum Benefit per shift shown in the Schedule; or
- 3) for more than the Maximum Number of shifts shown in the Schedule.

The private duty nursing service must be provided to the Covered Person while the Covered Person is:

- 1) insured under this benefit; and
- 2) Confined in a Hospital.

The private duty nursing services must be charged directly to the Covered Person by the Private Duty Nurse and not charged by the Hospital.

Private Duty Nurse means a:

- 1) Registered Graduate Nurse (R.N. or A.P.R.N.); or
- 2) Licensed Practical Nurse (L.P.N.);

who is not a Family Member.

We will not pay for more than 3 shifts of private duty nursing services per day. A shift consists of at least 3 consecutive hours of nursing care. Shifts of more than 3 hours but less than 8 hours will be paid on a pro-rata basis.

The Private Duty Nursing Benefit Maximum and the Maximum Number of shifts are shown in the Schedule.

At-Home Recovery Benefit

Under this benefit the Covered Person pays the Policy Copayment shown in the Schedule. We pay the expenses Incurred for the number of At-Home Recovery Visits per week up to the At-Home Recovery Benefit Maximum shown in the Schedule.

For benefits to be payable:

- 1) the treating Physician must certify that the Covered Person:
 - a) requires the services of a Care Provider for At-Home Recovery Visits due to Sickness, Injury or surgery for which a home care plan of treatment was approved by Medicare; and
 - b) the specific type and frequency of At Home Recovery services are necessary because of a condition for which a home health care plan of treatment was approved by Medicare.
- 2) The At-Home Recovery Visits must be:
 - d) provided to the Covered Person while insured under this benefit;
 - e) primarily to provide services which assist in Activities of Daily Living;
 - f) provided on a visiting basis in the Covered Person's Home; and
 - g) provided while the Covered Person is receiving Medicare-approved home health care services, or within 8 weeks after the service date of the last Medicare home health care visit.

We will not pay for:

- 1) At-Home Recovery Visits that are paid for by Medicare or any other government program;
- 2) At-Home Recovery Visits provided by Family Members, unpaid volunteers or providers who are not Care Providers; or
- 3) more than the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment.

Activities of Daily Living means those daily activities necessary for a person to perform in order to function independently, including, but not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered and changing bandages or other dressings.

At-Home Recovery Visit means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive 4 hours in a 24 hour period of services provided by a Care Provider is considered one visit.

Care Provider means:

- 1) a duly qualified or licensed home health aide or homemaker, personal care aide or nurse; and
- 2) provided through a licensed home health care agency; or
- 3) referred by a licensed referral agency or licensed nurses registry.

Home means a place used by the Covered Person as a place of residence. It may be the Covered Person's own dwelling, an apartment, a relative's home, a home for the aged or some other type of institution, provided it is a place that would qualify as a residence for Home Health Care services covered by Medicare. A Hospital or Skilled Nursing Facility is not considered the Covered Person's home.

Preventive Care Cancer Screening Benefit

We will pay the charges Incurred by the Covered Person for any of the following tests when not covered by Medicare:

- 1) one ovarian cancer surveillance test each Calendar Year ordered by a Physician;
- 2) one colon cancer screening each Calendar Year ordered by a Physician; and
- 3) one prostate screening each Calendar Year for the early detection of prostate cancer for men over 50 years of age. The screening may be performed by any qualified medical professional, including an urologist, an internist, a general practitioner, a doctor of osteopathy, a nurse practitioner or a physician assistant. The screening must include at least the following:
 - a) a prostate-specific antigen (PSA) blood test; or
 - b) a digital rectal examination.

Hospice Care Benefit

Hospice Care means Medicare approved medical and support services needed to manage the symptoms and relieve the pain of a terminal illness provided through a Medicare approved Hospice Care program. Hospice Care includes, but is not limited to:

- 1) nursing care, therapies, medical supplies and appliances;
- 2) short-term Inpatient respite care; and
- 3) Physician, home health aide and counseling services.

Under Medicare, a terminally ill person may elect to receive Hospice Care benefits instead of most regular Medicare Part A and Part B benefits. Then, Medicare pays all approved Hospice Care charges except Coinsurance charges for Inpatient respite care, drugs and biologicals.

If the Covered Person elects to receive Hospice Care, We will pay the Medicare Part A and Medicare Part B Coinsurance charges that the Covered Person Incurs.

The Hospice Care must be:

- 1) approved by Medicare; and
- 2) received while insured under this benefit.

If payment under this benefit is due for an expense, no other benefits of The Policy will be provided for that expense.

Blood Deductible Benefit

Medicare does not cover the first 3 pints of blood received each Calendar Year.

We will pay the expenses the Covered Person Incurs for these first 3 pints of blood, or equivalent quantities of packed red blood cells, as defined under federal regulations.

Hearing Services Benefit

Hearing Services means:

- 1) diagnostic hearing and balance evaluations performed by a Physician or certified audiologist;
- 2) routine hearing and balance exams;
- 3) hearing aids; and
- 4) tests for fitting hearing aids.

Medicare does not cover supplemental routine hearing exams and hearing aids. Medicare pays the percentage shown in the Schedule of Medicare Approved Amounts for diagnostic hearing exams provided by a Physician.

Under this benefit, the Covered Person pays the Policy Copayment, shown in the Schedule, for the following Hearing Services:

- 1) one routine hearing and balance exam every 12 months;
- 2) two hearing aids every 3 years; and
- 3) one hearing aid fitting evaluation every 3 years.

Then, We pay the percentage of the remaining covered expenses Incurred for these Hearing Services up to the Hearing Services Benefit Maximum shown in the Schedule.

If only one hearing aid is purchased, the full Policy Copayment shown in the Schedule must be paid. However, if a second hearing aid is purchased within the period stated above in 2), the Covered Person will not be charged an additional Policy Copayment for that hearing aid, including fitting and evaluation.

Vision Services Benefit

Vision Services means:

- 1) diagnosis and treatment of Sicknesses and Injuries of the eye, including, but not limited to, treatment for age-related macular degeneration;
- 2) routine eye exams (eye refractions) for eyeglasses or contact lenses;
- 3) glaucoma screening; and
- 4) prescription eyeglasses or contact lenses.

Medicare does not cover supplemental routine eye exams and glasses. Medicare pays the percentage shown in the Schedule of Medicare Approved Amounts for:

- 1) diagnosis and treatment of Sicknesses and Injuries of the eye;
- 2) one pair of eyeglasses or contact lenses after cataract surgery; and
- 3) annual glaucoma screenings for persons at risk.

Under this benefit, the Covered Person will pay the Policy Copayment, shown in the Schedule, for the following Vision Services:

- 1) one supplemental routine eye exam every 12 months; and
- 2) one pair of glasses every 12 months or 12 month supply of contact lenses;

for the period shown in the Schedule. Then, We pay the percentage of the remaining covered expenses Incurred for these Vision Services up to the Vision Services Benefit Maximum shown in the Schedule.

Acupuncture Services Benefit

Acupuncture Services means services performed by a licensed acupuncturist to treat pain, involving the insertion of needles through skin at strategic points on the body.

Medicare does not cover Acupuncture Services.

The Covered Person pays the Policy Copayment, shown in the Schedule, for Acupuncture Services. Then, We pay the percentage of the covered expenses Incurred for Acupuncture Services up to the Acupuncture Services Benefit Maximum shown in the Schedule.

Out-of-Pocket Expense Carryover Benefit

If:

- 1) the Covered Person becomes covered under The Policy during the last 3 months of a Calendar Year; and
- 2) the Covered Person Incurs Out-of-Pocket Expenses during the last 3 months of that Calendar Year; and

3) those expenses are applied to his or her Out-of-Pocket Expense Maximum during that Calendar Year; then the Covered Person's Out-of-Pocket Expense Maximum for the next Calendar Year will be reduced by the amount of expenses described in item 2).

The Out-of-Pocket Expense Maximum is:

- 1) shown in the Schedule; and
- 2) applies to the Covered Person each Calendar Year.

Only Out-of-Pocket Expenses can be used to satisfy the Out-of-Pocket Expense Maximum.

Annual Physical Exam Benefit

Medicare does not cover annual physical exams.

The Covered Person pays the Policy Copayment shown in the Schedule. Then, We pay the remaining expenses Incurred by the Covered Person for one physical exam performed by a Physician per Calendar Year up to the Annual Physical Benefit Maximum shown in the Schedule. The exam may include one or more of the following:

- 1) review of the Covered Person's medical history;
- 2) check of the Covered Person's memory and mental quickness;
- 3) check of the Covered Person's blood pressure, heart rate, respiration rate and temperature;
- 4) check of the Covered Person's general appearance;
- 5) heart, lung, head and neck, abdominal, neurological, dermatological, hernia and extremities exams;
- 6) exam of a male Covered Person's sexual organs and a prostate exam;
- 7) a breast exam and pelvic exam for female Covered Persons;
- 8) laboratory tests for a complete blood count, chemistry panel, urinalysis and lipid panel;
- 9) discussion of risk factor reductions; and
- 10) other services performed as part of an annual exam which are not covered by Medicare or under another benefit provision of The Policy.

Any additional services provided during the exam are not covered under this benefit.

Chiropractic Services Benefit

Chiropractic Services means:

- 1) services performed by a licensed chiropractor to correct structural alignment and improve the body's physical function by applying controlled sudden force to a spinal joint; or
- 2) manual manipulation of the spine to correct subluxation.

Medicare only covers spinal manipulations.

The Covered Person pays the Policy Copayment for Chiropractic Services shown in the Schedule. Then, We pay the percentage of the expenses Incurred for Chiropractic Services not covered by Medicare up to the Chiropractic Services Benefit Maximum shown in the Schedule.

PRE-EXISTING CONDITIONS LIMITATION

Conditions Prior to Effective Date of Coverage: We will not pay a benefit under The Policy for any expenses Incurred:

- 1) during the first 6 months of the Covered Person's coverage; and
- 2) which are the result of a Pre-existing Condition;

unless the Injury or Sickness starts after the Covered Person has been free of medical care for that condition for 12 consecutive months ending on or after the Covered Person's effective date of coverage.

Conditions Prior to Effective Date of Increase in Coverage: We will not pay an increased benefit under The Policy for any expenses Incurred:

- 1) during the first 6 months following the effective date of a change in the Covered Person's coverage that increases the Covered Person's benefits; and
- 2) which are the result of a Pre-existing Condition;

unless the Injury or Sickness starts after the Covered Person has been free of medical care for that condition for 6 consecutive months ending on or after the Covered Person's effective date of benefit increase.

Change from a Prior Policy: If the Covered Person's coverage under The Policy is transferring uninterrupted from coverage under a Prior Policy, then We will credit, toward satisfaction of this Pre-existing Condition Limitation provision, the period that the Covered Person was continuously covered by that policy immediately before the transfer. Any expenses Incurred which are payable under a provision of that policy will not be payable under The Policy.

Replacement Coverage: If the Covered Person:

- 1) purchased coverage under The Policy to replace coverage under another retiree group or individual health insurance policy; and
- 2) provides proof of coverage under the replaced policy;

then We will credit, toward satisfaction of this Pre-existing Condition Limitation provision, the period that the Covered Person was continuously covered by the replaced policy immediately before the replacement.

However, if benefits under The Policy are greater than those provided by the replaced policy, this Pre-existing Condition Limitation will apply only to the increase in benefits.

Pre-existing Condition means any Injury or Sickness for which medical care is received by the Covered Person:

- 1) within the 6 consecutive months prior to the date the Covered Person's insurance starts; or
- 2) within the 6 consecutive months prior to the effective date of the Covered Person's increase in coverage.

Medical care is received when:

- 1) a Physician is consulted or provides medical advice; or
- 2) Treatment is recommended or prescribed by, or received from, a Physician.

Treatment includes, but is not limited to:

- 1) medical examinations, tests, attendance or observations;
- 2) medical services, supplies or equipment, including their prescription or use; and
- 3) prescribed drugs or medicines, including their prescription or use.

All manifestations, symptoms, or findings which result from:

- 1) the same or related Injury or Sickness; or
- 2) any aggravations of the same or related Injury or Sickness;

are considered to be the same Injury or Sickness for the purpose of determining a Pre-existing Condition.

This Pre-existing Condition Limitation does not apply to any increase in coverage due to a change in Medicare benefits.

GENERAL LIMITATIONS AND EXCLUSIONS

Limitation If Not Enrolled in Medicare Part A and Part B: If the Covered Person has not enrolled in both Medicare Part A and Part B, We will pay the benefits under The Policy as if the Covered Person had enrolled in both parts of Medicare.

Medicare Part A and Medicare Part B Services: The portion of an expense that is more than Medicare considers reasonable is:

- 1) not a Medicare Part A or Medicare Part B eligible expense;
- 2) not covered by Medicare; and
- 3) not covered under The Policy.

Exclusions: The Policy does not cover:

- 1) any expense that is:
 - a) not a Medicare eligible expense;
 - b) beyond the limits imposed by Medicare for the expense;
 - c) excluded by name or specific description by Medicare, except as specifically provided under The Policy;or
- d) Incurred for treatment when received from a provider who does not accept Medicare;
- 2) any expense if the Covered Person has entered into a private contract with a Physician;
- 3) any portion of a covered expense to the extent paid or payable by Medicare;
- 4) treatment not provided in accordance with general accepted professional medical standards;
- 5) any benefits payable under one benefit provision of The Policy to the extent payable under another benefit of The Policy;

- 6) covered expenses Incurred after coverage terminates;
- 7) expenses Incurred before coverage starts;
- 8) any expense that exceeds the Usual and Customary Charge;
- 9) elective or cosmetic surgery;
- 10) telephone-medicine, e-mail-medicine, internet connection-medicine and telemedicine;
- 11) orthognathic surgery;
- 12) surrogate parenting;
- 13) health services and associated expenses for sex transformation operations;
- 14) services and supplies paid for through a legal action or settlement;
- 15) any expense in connection with an Injury or Sickness for which benefits are provided under workers' compensation, occupational disease, employers' liability or similar law;
- 16) any expense in connection with an Injury or Sickness which is due to war or act of war, whether declared or not;
- 17) any expense Incurred for a condition contributed to by, caused by, or resulting from, the Covered Person's commission, or attempted commission, of a felony; or
- 18) unless otherwise covered in The Policy, reports, evaluations, physical examinations, or Hospital Confinement not required for health reasons including, but not limited to, employment, insurance or government licenses, and court ordered, forensic or custodial evaluations.

Certain services that are excluded according to this provision may, at Our discretion, be covered under The Policy, if the services are required as a part of an authorized, monitored care plan.

GENERAL PROVISIONS

Statements: In the absence of fraud, all statements made by a Covered Person will be considered representations and not warranties.

Time Limit on Certain Defenses: After a Covered Person has been insured under The Policy for 2 years during his or her lifetime, no statement made by him or her, except an intentionally fraudulent misstatement, will be used to reduce or deny a claim beginning after the 2 year period. To be used, the statement must:

- 1) be in writing;
- 2) be signed by the Covered Person who made it; and
- 3) a copy must be given to him or her.

If the Covered Person is not of the age of majority, then the statement must be signed by the Primary Insured.

Legal Actions: No legal action may start:

- 1) until 60 days after proof of loss has been given; or
- 2) more than 3 years after the time proof of loss is required to be given.

Misstatement of Age: If the age of any Covered Person has been misstated:

- 1) the premium may be adjusted; and
- 2) the true facts will be used to determine if, and for what amount, coverage should have been in force.

Policy Interpretation: We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Policy. This provision applies where the interpretation of The Policy is governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Insurance Fraud: Insurance fraud occurs when a Covered Person and/or the Policyholder provide Us with false information or file a claim for benefits that contains any false, incomplete or misleading information with the intent to injure, defraud or deceive Us. It is a crime if a Covered Person and/or the Policyholder commit insurance fraud. We will use all means available to Us to detect, investigate, deter and prosecute those who commit insurance fraud. We will pursue all available legal remedies if a Covered Person and/or the Policyholder perpetrate insurance fraud.

Conformity with State Statutes: Any provision of The Policy which, on the provisions effective date, conflicts with any applicable law is amended to meet the minimum requirements of the law.

Time Periods: All periods begin and end at 12:01 A.M., Standard Time at the place where The Policy is delivered.

CLAIM PROVISIONS

Notice of Claim: Written Notice of Claim must be given to Us within 20 days after the start of any loss covered by this Certificate, or as soon as is reasonably possible. Notice given by or on behalf of a Covered Person to Us, or to Our authorized agent, with information sufficient to identify the Covered Person, shall be notice to Us.

Claim Forms: When We receive written Notice of Claim, We will send claim forms. If the claimant does not receive the forms within 15 days after written Notice of Claim is sent, Proof of Loss may be sent to Us without waiting to receive the claim forms.

Proof of Loss: The claimant must send written proof of loss to Us. This proof must be provided within 90 days after the date of the loss. If it is not reasonably possible to give proof in this time, proof must be provided as soon as reasonably possible. Proof of loss may not be given more than one year after the time proof is otherwise required, unless the claimant is legally incapacitated.

Time of Payment of Claims: Benefits payable under this Certificate will be paid within 60 days after Our receipt of due written Proof of Loss.

Payment of Claims: Unless benefit payments are assigned as stated below, all benefits are payable to You. Any payments owed at Your death may be paid to Your estate in a lump sum.

Assignment of Benefit Payments: You may assign the Covered Person's benefit payments to the institution or person rendering service by giving Us a written release. You may not assign any coverage or rights and duties under this Certificate in any other way or to any other person.

Claim Denial: If a claim for benefits is wholly or partly denied, the claimant will be furnished with written notification of the decision. This written notification will:

- 1) give the specific reason(s) for the denial;
- 2) make specific reference to The Policy provisions on which the denial is based;
- 3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
- 4) provide an explanation of the review procedure.

Claim Appeal: On any claim, the claimant or his or her representative may appeal to Us for a full and fair review. To do so he or she must submit a Request within 180 days of receipt of the claim denial. The claimant may:

- 1) request copies of all documents, records, and other information relevant to the claim; and
- 2) submit written comments, documents, records and other information relating to the claim.

We will respond in writing with Our final decision on the claim.

Overpayment Recovery: We have the right to recover any amount that We determine to be an overpayment. In the absence of an assignment, as described in Assignment of Benefit Payments above, You have the obligation to reimburse Us any such amount within 90 days after the date of the overpayment.

If You do not reimburse Us in a timely manner, We have the right to:

- 1) recover such overpayments from:
 - a) You;
 - b) any other person to, or for whom payment, was made; and
 - c) Your estate;
- 2) reduce or offset against any future benefits payable to You or Your survivors until full reimbursement is made;
- 3) refer the unpaid balance to a collection agency; and
- 4) pursue and enforce all legal and equitable rights in court.

ANSWERS to YOUR QUESTIONS

Q: Who can I call if I have questions?

A: Please contact the Amwins Group Benefits Customer Care Center toll-free at **1-888-883-3757**, Monday through Friday, from 8 a.m. to 8 p.m. ET.

Q: How does the plan work?

A: Medicare has coverage gaps which are the costs that you must pay, like coinsurance, co-payments, and deductibles. This plan helps fill those gaps. You may go to any doctor, specialist, or hospital that accepts Medicare. Medicare pays its share and then your plan pays based on your plan's benefits. You will receive a Medicare Summary Notice in the mail (in most cases each month), including information on the amount paid on your behalf and any additional amount due.

Q: Can my age 65 spouse enroll if I am not yet age 65?

A: Yes. As long as your spouse is eligible to participate in the Program and is age 65 or over. As soon as you become Medicare eligible, you can enroll on the first day of the month in which you reach your 65th birthday.

Q: My spouse is not yet 65. What will happen to coverage for my spouse after I enroll in this plan?

A: Your spouse will continue coverage under the pre-Medicare early retiree plan. Two months prior to your spouse attaining age 65, a Medicare enrollment packet will be mailed. At that time, your spouse should contact Social Security to enroll in Medicare Parts A and B in order to be eligible to enroll in the group Medicare Plan.

Q: Will I have to re-enroll in the Plan next year?

A: No, once you enroll, you remain in the plan until you elect or terminate coverage.

Q: When will I receive my ID Cards?

A: ID cards will be sent once we process your enrollment materials. Medical and Prescription Drug ID cards will arrive in two separate packages just prior to your effective date.

Q: How are my medical claims paid?

A: As long as your physician accepts Medicare you will not have to send in any claim forms. Present your ID card along with your Medicare card to your doctor. Medicare pays the provider of the Medicare portion of your claim and forwards the balance due to the claims administration department.

Q: Do I still need my Medicare ID Card?

A: Yes. You will continue to use your Medicare ID card with this plan in conjunction with your Plan ID card.

Q: Do my prescription drug co-payments count toward my medical plan deductible?

A: No. Any co-payments you make for prescription drugs do not count toward deductibles or out of pocket maximum amounts for your medical plan.

Q: How do I get my prescriptions filled?

A: Simply present your ID card and prescription to a participating pharmacy in the plan network. You will also receive information about mail order prescriptions when you enroll. You can find more information about your prescription coverage by visiting www.Express-Scripts.com or by calling Amwins Group Benefits at **1-888-883-3757**.

Q: Where can I get information on using Mail Order Services?

A: Once you enroll in the plan, you will receive a fulfillment kit in the mail which will include mail order through the Express Scripts Pharmacy. Please be aware that you will need to obtain new prescriptions from your Doctor before ordering prescriptions from this new mail order program. The necessary forms and instructions on how to order prescriptions through the mail order service will be included in your fulfillment packet. Please expect your package and materials to arrive shortly before your plan effective date.

ANSWERS to YOUR QUESTIONS

Q: How can I find out if my drugs are covered on the new plan?

A: Visit **www.Express-Scripts.com**. Some covered drugs may have additional requirements or limits on coverage. You can find out if your drug has any additional requirements or limits by reviewing the formulary. If your drug is not included on the formulary, you should first contact us and ask if your drug is covered. Please contact Amwins Group Benefits Customer Care toll-free at **1-888-883-3757** or visit **www.Express-Scripts.com** for more information about your prescriptions.

Q: How can I lower my drug expenses?

A: Generic medications often cost less than brand-name counterparts. Talk to your doctor to determine if a generic is available. You may also have the option of mail order, where you can receive up to a 90-day supply for one mail order co-payment.

Q: What services are not covered?

A: Services not covered by Medicare are not covered by this plan. Please contact us for the Medicare exclusion list. You may also call 1-800-MEDICARE or visit www.medicare.gov.

Q: Do I have the option to enroll in just medical or prescription drug coverage or do I have to enroll in both plans?

A: The Amwins health benefit plan combines two separate plans into one package which includes both medical and prescription drug coverage. You may not elect the prescription drug coverage without participating in the medical plan, or vice versa. The premium for medical insurance includes the prescription drug benefit.

Q: How do I pay for my coverage?

A: Amwins will invoice you for your portion of the cost. You may pay by automatic bank deduction or by check.

Q: Can I enroll in a separate Medicare Part D plan and the Amwins medical and prescription plan?

A: No. You cannot enroll in two Medicare Part D plans. If you enroll in a separate Medicare Part D plan, you are not eligible to enroll in the Amwins medical plan and prescription drug plan.

Q: How do I obtain a replacement ID card for my plans?

A: Call Amwins Group Benefits at **1-888-883-3757**, Monday through Friday, from 8 a.m. to 8 p.m. EST.

Q: Will I be able to transfer an existing Rx prescription from my current pharmacy to a participating Express Scripts retail pharmacy, or will I need to obtain a new prescription from my doctor?

A: Yes, you should be able to transfer an existing prescription to a new pharmacy. To do this, you will need to go to your new participating retail pharmacy and ask them to transfer your prescription from your previous pharmacy. They will be able to complete the transfer once you provide your name, phone number and the drug that you will be transferring. You can do this process at any time.

City of Charleston, WV Members 2023 Program Enhancements



The City of Charleston, WV is improving the way we deliver your Retiree Medicare benefits for 2023.



Dear City of Charleston, WV Member:

The City of Charleston, WV understands the importance of not only providing retiree medical benefits, but also ensuring that the plans are administered efficiently and are easily understood. To meet these objectives, we selected **Amwins Group Benefits** to administer medical benefits for all City of Charleston, WV Retiree Medical Plan participants who are age 65 or older. By partnering with Amwins, we can provide plan options and greater service through one toll-free number for answers to your questions about your medical and prescription drug coverage.

Beginning July 1, 2023, your health care benefits will be administered by Amwins, a leader in innovative health care solutions with over 20 years of experience in administering **retiree health plans**.

While Amwins will handle the day-to-day administration of your retiree health plan, the City of Charleston, WV will continue to sponsor the new supplemental Medicare plans. This change is designed to provide you with a choice of plans and an experienced team of retiree benefits experts to assist and support you. Here's what you'll see:

- **Health plan options**
For 2023, you'll have new plan options for retiree medical and prescription drug.
- **A Dedicated Retiree Customer Care Center:**
If you need help or have a question, you will be able to speak to the dedicated Amwins Customer Care Center for City of Charleston, WV Medicare Members toll-free.
- **No need to change your doctors:**
 - The new medical plans will provide supplemental coverage to Medicare, just as your current plan does today.
 - There are NO network restrictions; you can see any doctor or provider who accepts Medicare.

This change will provide a better solution to our retirees' health care needs. Rest assured that all the details you'll need to know will follow in the coming weeks. In the meantime, please read on for an overview of what to expect.

Sincerely,



Exciting 2023 Program Updates

What improvements you'll see for 2023:

Your new City of Charleston, WV "Group", Medicare supplemental plan options	These new City of Charleston, WV group plans will be fully-insured by The Hartford Life and Accident Insurance Company (medical) and Express Scripts Insurance Company (prescription drugs).
New Retiree Customer Care Center just for you	Amwins trained Medicare specialists will provide plan advice, information, and enrollment support as you need it all throughout the year. They will be your advocates for anything related to Medicare and your health care needs.



What's Next

Now	Simply wait for the complete 2023 Enrollment Guide to be mailed to your home. Please hold your phone calls and inquiries until after you receive the information.
Mid-April, 2023	You will receive the 2023 plan information and enrollment materials from Amwins and you will have access to our new Retiree Customer Care Center operated by Amwins.
May 2023	Enrollment Forms due back to Amwins
June 2023	Medical and Rx ID cards mailed to retirees
July 1, 2023	Coverage under the plan becomes effective.



50 Whitecap Drive
North Kingstown, RI 02852

Address Block

What You Need to Do Now

Simply wait for your complete personalized Enrollment Kit detailing your 2023 options. Kits will arrive via U.S mail in April.



This guide has been designed to help you understand the retirement changes taking effect beginning July 1, 2023 and provides a description of certain benefit programs for which you are eligible today. If there is any discrepancy between the information presented in this guide and the official plan documents, the plan documents will always govern. The City of Charleston, WV reserves the right to make future changes as it deems appropriate. Participation in these plans is not a promise or guarantee of future benefits.

City of Charleston West Virginia

City Treasurer's Report to City Council

Month Ending

January 2023



Respectfully Submitted,

A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines, representing the name Benjamin D. Adams.

Benjamin D. Adams – City Treasurer

<u>Fund / Description</u>	<u>Collections January 2023</u>	<u>Withdrawals January 2023</u>	<u>YTD Balance January 2023</u>	<u>YTD Balance January 2022</u>	<u>FY % Increase / Decrease</u>
001 General Fund	13,453,437.17	8,036,626.61	23,751,240.05	17,758,702.82	33.74
002 Coal Severance Tax	53,118.47	46,644.00	6,479.37	23.73	27,204.55
003 Municipal Stabilization	71,781.20	0.00	19,500,875.55	20,573,489.65	-5.21
007 Business Improvement Dist Fund	17,220.29	6,101.90	25,692.66	0.00	100.00
009 Community Development	341,757.23	351,757.23	268.96	1,317.58	-79.59
014 IT Infrastructure	5,743.91	2,800.00	1,560,001.56	1,042,139.19	49.69
015 Charleston Land Reuse	687.05	936.93	186,176.03	193,734.08	-3.90
017 Project West Invest	2.12	0.00	576.02	564.44	2.05
018 Planning Grant	252.95	0.00	68,719.48	0.00	100.00
019 Tourism & Promotions	2,399.40	0.00	651,849.44	444,776.55	46.56
020 Business Development	3,830.71	56,845.72	1,002,049.65	1,138,554.77	-11.99
021 Community Participation	57.61	500.00	15,459.86	60,147.16	-74.30
024 LGBTQ Working Group	4.73	0.00	1,287.15	484.39	165.73
026 Uniform Pension Reserve Fund	3,397,982.03	535,377.00	34,748,722.22	29,356,495.48	18.37
035 Municipal Beautification	465.71	1,000.00	126,356.93	32,803.10	285.20
036 Special Demolition	87.32	0.00	23,722.60	8,201.11	189.26
037 Sister Cities	103.77	0.00	28,190.09	27,623.59	2.05
038 Solid Waste	445,475.23	1,089,291.09	316,548.93	336,193.33	-5.84
039 Waste Disposal	85,182.80	85,182.80	0.00	0.00	0.00
040 Landfill Closure	32,413.40	0.00	4,106,968.40	3,899,823.25	5.31
041 Police Contributions	419.74	281.60	113,920.61	15,046.86	657.11
042 Police Evidence	2,298.39	1,200.00	623,400.65	774,325.44	-19.49
043 Forfeited Funds	2,976.05	2,021.42	807,266.35	421,464.89	91.54
044 Municipal Court	27,627.75	17,765.00	276,725.58	252,323.66	9.67
045 Homeland Security	20,507.60	20,507.60	95,975.28	109,887.36	-12.66
046 Home-ARP Inv Trust Fund	716.05	715.96	0.35	0.00	100.00
047 Health Insurance Reserves	23,473.94	0.00	6,377,190.35	6,249,062.12	2.05
048 Wayfinding Commission	65.34	0.00	17,752.03	21,259.17	-16.50
049 Live On The Levee	29.71	1,798.00	7,781.76	7,884.13	-1.30
073 American Rescue Plan	105,652.81	1,530,579.81	28,054,807.51	18,411,087.04	52.38
080 Human Rights	0.00	0.00	176,793.29	176,793.29	0.00
081 Home Program	68,701.72	68,374.82	4,480.09	18,048.77	-75.18
085 Firefighters Assistance Grant	0.00	0.00	77.08	77.08	0.00
088 SBA Riverfront Project Donation Account	0.00	0.00	9.18	9.18	0.00
088 SBA Riverfront Project Grant Account	0.00	0.00	10,167.71	10,167.71	0.00
095 Police Grants	65,459.36	16,572.78	444,564.27	221,646.67	100.57
096 Historic Preservation	0.00	0.00	0.00	2,936.62	-100.00
099 Public Arts Grant	0.00	0.00	216,853.42	192,369.42	12.73
100 Sinking Fund	7,596.84	1,650.00	2,062,831.61	2,022,996.79	1.97
200 Infrastructure	577.08	0.00	156,775.70	153,649.23	2.03
214 Civic Center Capital Improvement	129,317.23	0.00	328,693.71	281,540.76	16.75
215 Municipal Auditorium Capital Improvement	14,921.12	0.00	255,660.64	168,916.27	51.35
220 General Maintenance	1,361,474.20	1,348,687.33	4,463,978.09	4,296,830.96	3.89
221 City Service Fee Capital Project	2,435.67	55,496.68	629,466.31	1,467,165.40	-57.10
222 Facilities Maintenance	8,304.55	124,878.54	2,198,414.57	1,571,521.40	39.89
223 Green Initiative Fund	938.25	0.00	254,896.80	0.00	100.00
224 Sidewalk Improvement Fund	938.18	0.00	254,875.88	0.00	100.00
255 Ballpark Maintenance	360.74	0.00	98,002.73	90,880.26	7.84
402 Civic Center Revenue	458,166.75	509,962.35	64,020.00	89,847.42	-28.75
406 Parking System Revenue	224,583.68	94,674.55	5,683,076.54	5,289,322.03	7.44
426 Parking Operation and Maintenance	12,384.00	0.00	3,364,373.00	2,817,596.98	19.41
427 Civic Center TIF Project	1,866.77	0.00	507,146.39	490,187.25	3.46
900 M - DENT	3,060.42	77,723.70	712,225.55	584,219.93	21.91
901 Pending Forfeiture	4,269.25	0.00	1,159,831.36	1,348,046.30	-13.96
Working Cash Advance Fund	0.00	0.00	44,425.00	32,925.00	34.93
Total All Funds	20,461,126.29	14,085,953.42	145,587,644.34	122,465,109.61	18.88

Audited Financial Statements

City of Charleston

Year Ended June 30, 2022

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

OFFICE		NAME		TERM
<u>Elective</u>				
Mayor:		Amy Shuler Goodwin		1/07/2019-1/02/2023
Treasurer:		Victor Grigoraci		1/07/2019-1/02/2023
Municipal Judge:		Anne Charnock		1/07/2019-1/02/2023
<u>Council Members</u>				
At Large	Ben Adams	Ward 8	Robert Sheets	
At Large	Becki Ceperley	Ward 9	Mary Beth Hoover	
At Large	Naomi Bays	Ward 10	Keeley Steele	
At Large	Jennifer Pharr	Ward 11	Shannon Snodgrass	
At Large	Caitlin Cook	Ward 12	Joseph Jenkins	
At Large	Emmett Pepper	Ward 13	Brent Burton	
Ward 1	Pat Jones	Ward 14	Courtney Persinger	
Ward 2	Bobby Haas	Ward 15	Samuel Minardi	
Ward 3	Chuck Overstreet	Ward 16	Bobby Reishman	
Ward 4	Larry Moore	Ward 17	Bruce King	
Ward 5	Jeanine Faegre	Ward 18	Bobby Brown	
Ward 6	Deanna McKinney	Ward 19	Brady Campbell	
Ward 7	Adam Knauff	Ward 20	Chad Robinson	
<u>Appointive</u>				
City Manager:	Jonathan Storage	Chief of Staff:	Matt Sutton	
Finance Director:	Andy Wood	City Collector:	Christina Merbedone-Byrd	
City Clerk:	Miles Cary	City Engineer:	Chris Knox	
Attorney:	Kevin Baker	Economic & Community Development		
City Auditor:	Jennifer Vickers	Director:	Andrew Backus	

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Coal Severance Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Charleston Urban Renewal Authority (CURA) and the Charleston Convention and Visitor's Bureau (CVB), which represents 7 percent, 14 percent, and 7 percent of the assets, net position, and revenues of the discretely presented component units as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the CURA and CVB, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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1411 Virginia Street, East
Suite 100
Charleston, WV 25301

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

Change in Accounting Principle

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 20, the schedules of employer defined benefit plans information on pages 114 through 117, the schedules of other post employment benefit plan information on pages 118 through 119, the schedules of other post-employment benefits PEIA on pages 120 through 122, the schedules of public employees retirement system on pages 123 through 126, and the schedules of municipal police officers and firefighters retirement system on pages 127 through 130 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Charleston, West Virginia
January 27, 2023

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

This section of the City of Charleston's (the City) Annual Comprehensive Financial Report presents Management's Discussion and Analysis of the City's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the City's financial statements, which follow this section.

Financial Highlights

Government-wide

The City of Charleston reported total deficit net position of \$443,486,900 in fiscal year 2022 and a deficit net position of \$503,840,395 in fiscal year 2021.

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

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

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

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

Fund Level

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

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

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

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

Long-term Debt

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 24 through 27 of this report.

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

The City has three types of funds:

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

The basic governmental fund financial statements can be found on pages 29 through 39 of this report.

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

The basic Proprietary Fund financial statements can be found on pages 41 through 45 of this report.

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

The basic Fiduciary Fund financial statements can be found on pages 47 and 48 of this report.

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

Government-Wide Financial Analysis

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

In addition, a portion of the City's net position, \$30,372,840, represents resources that are subject to external restrictions or enabling legislation on how they may be used. The remaining balance for unrestricted net position, a deficit of (\$679,112,389), reflects the City's deficit of remaining assets to remaining liabilities.

CITY OF CHARLESTON'S NET POSITION

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

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

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

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

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

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

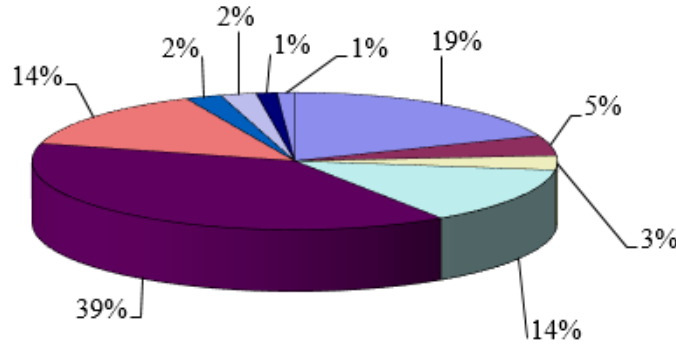
CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

City of Charleston's Changes in Net Position

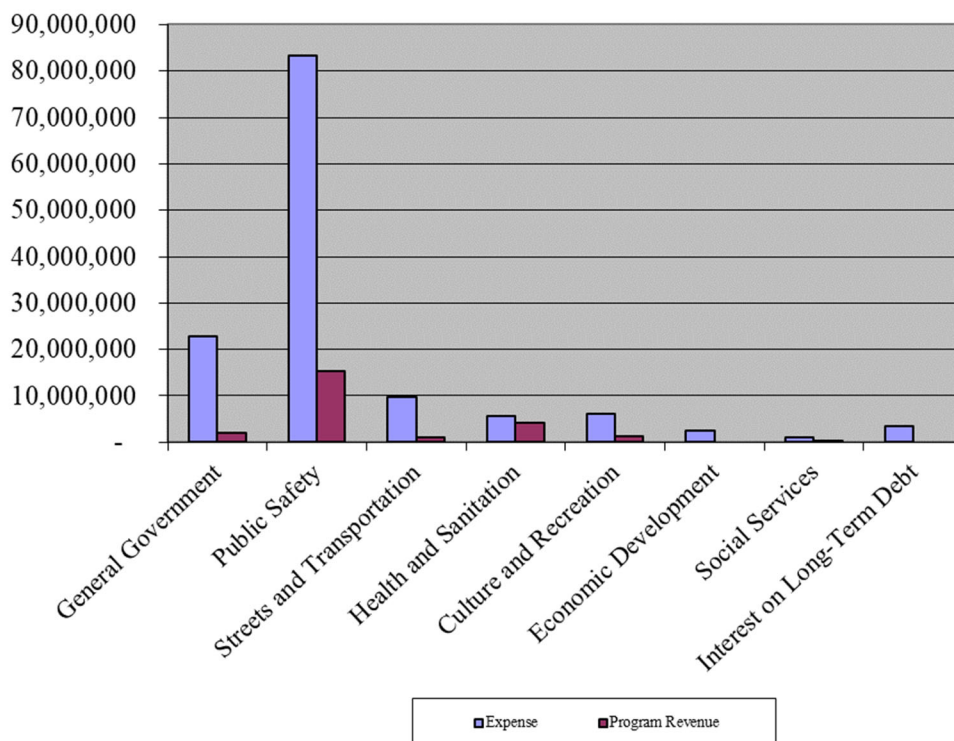
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 24,038,120	\$ 22,468,867	\$ 20,040,620	\$ 5,577,675	\$ 44,078,740	\$ 28,046,542
Operating Grants and Contributions	5,974,325	5,939,292	-	-	5,974,325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

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

Revenue by Source-Governmental Activities

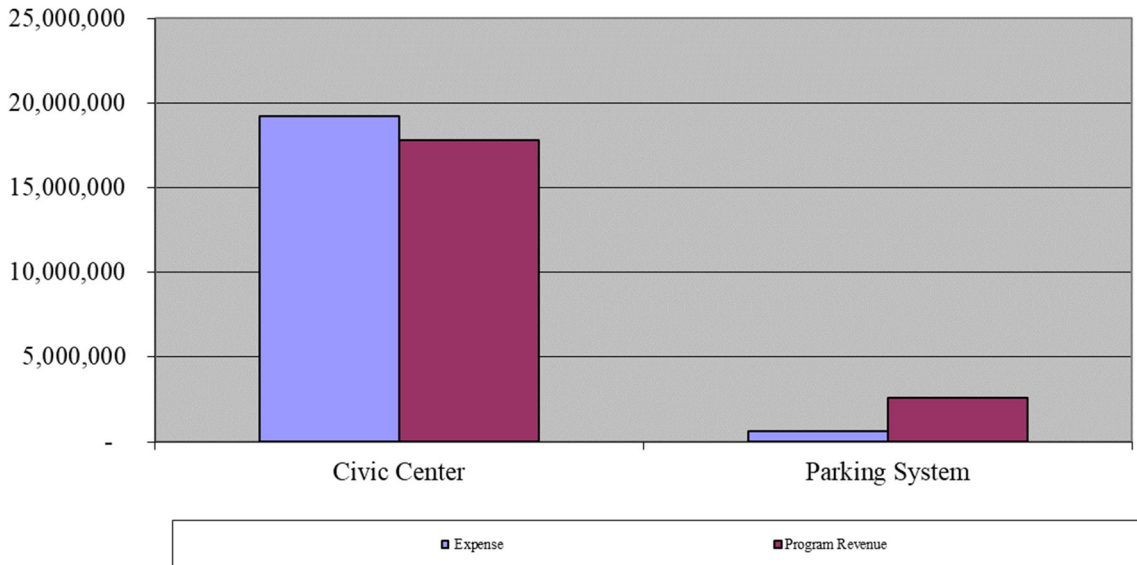


Expenses and Program Revenues-Governmental Activities

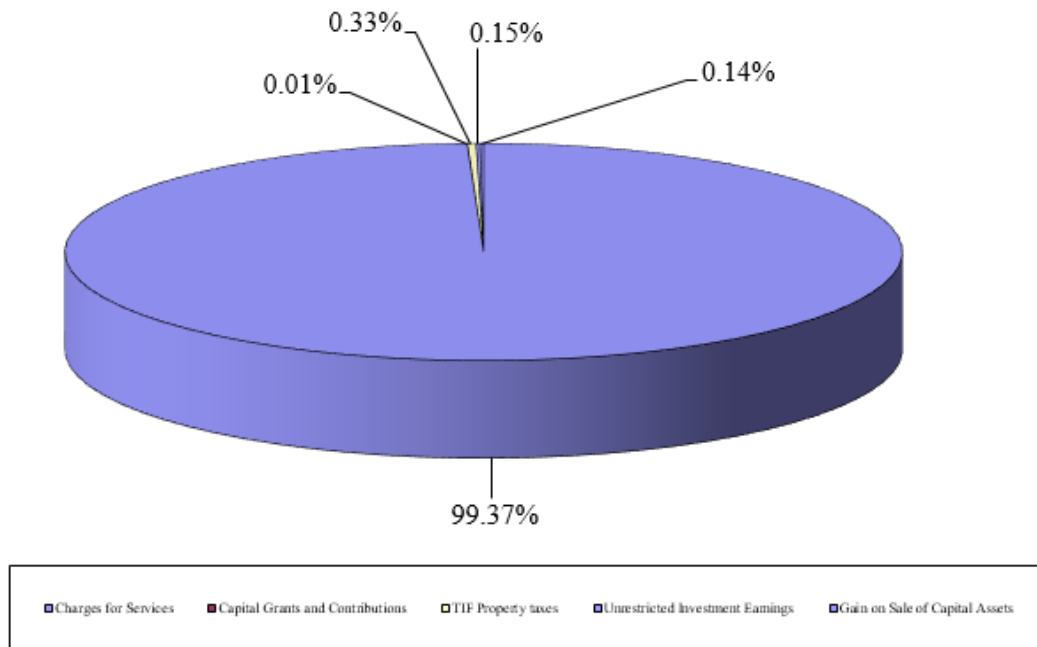


CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

Expenses and Program Revenues-Business-Type Activities



Revenues by Source-Business-Type Activities



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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Charleston's Governmental Funds reported combined ending fund balances of \$121,609,027, an increase \$6,092,601 in comparison with the prior year. Approximately 41 percent of the combined ending fund balances in the amount of \$49,834,354 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable for prepaid items and permanent fund corpus \$1,632,177; restricted by external grants, contributors, and laws \$14,347,957; committed by the government's council \$55,794,539, and assigned by the government's council or administrative officials \$0.

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$49,834,354, while total fund balance was \$95,438,666. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51 percent of total General Fund expenditures, while total fund balance represents 98 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased \$6,129,990 during the current fiscal year. Police and fire pension contributions increased one percent due to the Conservation Method adopted in 2011 and in November 2014 the City of Charleston implemented a half cent sales tax increase dedicated to the pension reserve fund.

The Coal Severance Tax Fund receives coal severance tax distributed from the State of West Virginia collections. These revenues are dedicated to the Civic Center bond debt service. Coal severance tax revenue increased by \$94,123 over the prior year due to an increase in production and coal sales. Community Development and HOME Funds are funded by HUD federal grants for community development. The grant revenues recognized were \$229,517 higher in comparison to fiscal year 2021 due to an increase in funding. The American Rescue Plan 2021 Fund is funded by federal grant money received from the American Rescue Plan Act of 2021. The grant revenues recognized were \$1,810,921 higher in comparison to fiscal year 2021 due to the City incurring eligible expenses and thus recognizing revenue in fiscal year 2022.

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

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

General Fund Budgetary Highlights

The City periodically revises the General Fund budget throughout the year to recognize projects carried over from the previous year, grants and contributions received for various projects and to adjust budgets to reflect actual circumstances. In fiscal year 2022 the City, through budget amendments, increased the budget by \$8,661,523, on the basis of additional revenue from external and internal sources. The City also decreased the budgeted revenues by \$1,685,007, which amounts to a net increase of \$7,745,482. Additionally, the City increased the fiscal year 2022 budget \$11,346,530 to effect the re-budgeting of the fiscal year 2021 ending fund balance.

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

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

Capital Asset and Debt Administration

Capital Assets. The City of Charleston's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$211,136,885 (net of accumulated depreciation). This investment in capital assets includes land, building and system, machinery and equipment, park and other recreational facilities, roads, bridges and other infrastructure.

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

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

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

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

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

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

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

City of Charleston's Outstanding Debt
Revenue Bonds

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

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

Additional information on the City of Charleston's long-term debt can be found in Note III.G. on pages 75 through 78 of this report.

Economic Factors and Next Year's Budget

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate was 4.2 percent for June 2022, which is an increase from 3.1 percent from October 2021. The State of West Virginia and the United States unemployment rates as of June 2022 was 3.6 percent, which is an increase for the State from the October 2021 rate of 2.9 percent but a decrease for the Country from the October rate of 4.3 percent. According to the Charleston Area Alliance website, the Charleston region has a labor force of over 87,000 people. Of these 87,000 people, nearly 20,000 work in an office or administrative support position, and over 9,000 work as executives, managers, or administrators. There are over 9,300 businesses operating in the Charleston Area, employing over 123,000 people, of which 2,700 or more offer professional, scientific, or technical services (charlestonareaalliance.org/economic-development/).

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

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

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

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

The Charleston Convention & Visitors Bureau (CVB) is an accredited Destination Marketing Organization charged with marketing Charleston nationally as a premier destination, thus enriching our community's overall quality of life through economic and social prosperity. In pursuing this mission their primary goal is to add to Charleston's tax base and, in part, improve the overall quality of life for its citizens.

Request for Information

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



FINANCIAL SECTION

CITY OF CHARLESTON, WEST VIRGINIA

THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 24 through 27. A brief description of the City's discretely presented component units follows since these component units are presented only on these government-wide statements.

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General	Coal Severance Tax	Community Development	HOME	American Rescue Plan Act 2021	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ 53,679,113	\$ 6	\$ 25,502	\$ 20,410	\$ 1,087,690	\$ 15,054,019	\$ 69,866,740
Investments	25,030,131	--	--	--	34,461,750	5,534,495	65,026,376
Receivables:							
Taxes	19,273,824	64,488	--	--	--	--	19,338,312
Accounts	4,428,625	--	--	--	--	561,254	4,989,879
Grants	--	--	234,510	35,217	--	76,523	346,250
Special assessments	--	--	--	--	--	21,210	21,210
Loans	--	--	1,540,515	1,834,364	--	344,178	3,719,057
Accrued interest	57	--	--	--	--	5,811	5,868
Lease	1,820,263	--	--	--	--	--	1,820,263
Due from:							
Other funds	3,429,889	--	--	--	--	2,557,635	5,987,524
Component units	10,765	--	--	--	--	15,703	26,468
Prepaid items	88,741	--	--	--	--	--	88,741
Restricted cash	327,563	--	--	--	--	4,486,527	4,814,090
Total assets	108,088,971	64,494	1,800,527	1,889,991	35,549,440	28,657,355	176,050,778
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 108,088,971	\$ 64,494	\$ 1,800,527	\$ 1,889,991	\$ 35,549,440	\$ 28,657,355	\$ 176,050,778
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,876,752	\$ --	\$ 171,028	\$ 762	\$ 491,241	\$ 1,916,048	\$ 4,455,831
Payroll payable	1,429,861	--	--	--	--	--	1,429,861
Live on the Levee Charity Raffle	--	--	--	--	--	50	50
Other accrued expenditures	169,478	--	--	--	--	--	169,478
Reserve for future insurance claims	1,268,132	--	--	--	--	--	1,268,132
Due to:							
Component unit	271,764	--	--	--	--	--	271,764
Other funds	4,623,835	--	88,792	34,980	--	531,422	5,279,029
Other governments	95,055	--	--	--	--	--	95,055
Deferred Revenue	2,851	--	--	--	--	--	2,851
Grant advances	--	--	1,540,515	1,854,249	34,990,437	171,922	38,557,123
Customer prepaid fees	87,332	--	--	--	--	--	87,332
Total liabilities	9,825,060	--	1,800,335	1,889,991	35,481,678	2,619,442	51,616,506
Deferred Inflows:							
Taxes	1,033,110	--	--	--	--	--	1,033,110
Lease Receivable	1,792,135	--	--	--	--	--	1,792,135
Total deferred inflows of resources	2,825,245	--	--	--	--	--	2,825,245
Total liabilities and deferred inflows of resources	12,650,305	--	1,800,335	1,889,991	35,481,678	2,619,442	54,441,751
Fund balances:							
Nonspendable	88,741	--	--	--	--	1,543,436	1,632,177
Restricted	418,509	64,494	192	--	67,762	13,797,000	14,347,957
Committed	45,097,062	--	--	--	--	10,697,477	55,794,539
Unassigned	49,834,354	--	--	--	--	--	49,834,354
Total fund balances	95,438,666	64,494	192	--	67,762	26,037,913	121,609,027
Total liabilities, deferred inflows and fund balances	\$ 108,088,971	\$ 64,494	\$ 1,800,527	\$ 1,889,991	\$ 35,549,440	\$ 28,657,355	\$ 176,050,778

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

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

Total fund balances on the governmental fund's balance sheet	\$	121,609,027
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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.).		106,649,216
--	--	-------------

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

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

Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. This is the amount of deferred taxes (Note III.B.).		1,033,110
---	--	-----------

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

Public Employees Retirement System (PERS):

Deferred outflows:

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

Deferred inflows:

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

Defined Benefit Plans (DBP):

Deferred outflows:

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

Deferred inflows:

Changes in assumptions		(40,484,565)
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The notes to the financial statements are an integral part of this statement.

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

MPFRS

Deferred outflows:

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

Deferred inflows:

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

OPEB

Deferred outflows:

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

Deferred inflows:

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

OPEB - PEIA

Deferred outflows:

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

Deferred inflows:

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note III.G.).

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

Net position of governmental activities	\$	(552,433,150)
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The notes to the financial statements are an integral part of this statement.

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

	General	Coal Severance Tax	Community Development	HOME	American Rescue Plan Act 2021	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem property taxes	\$ 16,814,033	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 16,814,033
Business & occupation tax	48,609,127	--	--	--	--	--	48,609,127
Alcoholic beverages tax	1,038,039	--	--	--	--	--	1,038,039
Utility services tax	2,814,926	--	--	--	--	--	2,814,926
Hotel occupancy tax	2,778,601	--	--	--	--	--	2,778,601
Animal tax	5,638	--	--	--	--	--	5,638
Gas and oil severance tax	90,153	--	--	--	--	--	90,153
Amusement tax	291,491	--	--	--	--	--	291,491
City sales tax	17,852,592	--	--	--	--	--	17,852,592
Coal severance tax	--	190,933	--	--	--	--	190,933
Licenses and permits	1,745,644	--	--	--	--	--	1,745,644
Intergovernmental:							
Federal	307,494	--	2,177,315	525,749	1,810,921	932,344	5,753,823
State	3,751,706	--	--	--	--	441,799	4,193,505
Local	--	--	--	--	--	74,132	74,132
Charges for services	16,275,773	--	--	--	--	4,223,069	20,498,842
Fines and forfeits	--	--	--	--	--	1,213,665	1,213,665
Interest and investment earnings	(770,947)	--	--	--	66,118	217,310	(487,519)
Payments in lieu of taxes	91,627	--	--	--	--	--	91,627
IRP fees	579,969	--	--	--	--	--	579,969
Contributions and donations	321,301	--	--	--	--	540,891	862,192
Miscellaneous	1,343,870	--	26,291	--	--	72,622	1,442,783
Total revenues	113,941,037	190,933	2,203,606	525,749	1,877,039	7,715,832	126,454,196
EXPENDITURES							
Current:							
General government	19,399,401	--	--	--	--	221,899	19,621,300
Public safety	53,690,790	--	--	--	--	1,787,048	55,477,838
Streets and transportation	8,207,317	--	--	--	--	--	8,207,317
Health and sanitation	3,878,991	--	--	--	--	1,094,735	4,973,726
Culture and recreation	5,942,631	--	--	--	--	235,046	6,177,677
Social services	798,481	--	--	--	--	182,006	980,487
Capital projects	4,321,147	--	--	--	--	7,207,542	11,528,689
Economic development	417,131	--	2,203,770	525,749	1,269,083	237,560	4,653,293
Debt service:							
Principal	465,000	--	--	--	--	4,728,000	5,193,000
Interest & fiscal charges	49,894	--	--	--	--	2,297,391	2,347,285
Bond issuance costs	5,050	--	--	--	--	--	5,050
Total expenditures	97,175,833	--	2,203,770	525,749	1,269,083	17,991,227	119,165,662
Excess (deficiency) of revenues over expenditures	16,765,204	190,933	(164)	--	607,956	(10,275,395)	7,288,534

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

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

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

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

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

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

Net change in fund balances - total governmental funds	\$ 6,092,601
Capital outlays are reported as an expenditure in the governmental funds but are considered an asset at the government-wide level. This is the amount of capital assets that were purchased and constructed during the fiscal year (Note III.C.).	11,107,382
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year (Note III.C.).	(7,681,653)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold (Note).	(225,822)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference in deferred taxes from the prior year (Note III.B.).	228,039
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68 (Note V.).	
<i>Public Employee Retirement System (PERS):</i>	
Contributions made after measurement date	1,678,590
Amount of pension expenses recognized at government-wide level - deferred outflows	(1,521,543)
Amount of pension expenses recognized at government-wide level - deferred inflows	(11,084,797)
<i>Defined Benefit Plans (DBP):</i>	
Amount of pension expenses recognized at government-wide level - deferred outflows	5,917,961
Amount of pension expenses recognized at government-wide level - deferred inflows	(25,164,412)
<i>Municipal Police Officer and Firefighter Retirement System (MPFRS):</i>	
Contributions made after measurement date	772,346
Amount of pension expenses recognized at government-wide level - deferred outflows	(352,522)
Amount of pension expenses recognized at government-wide level - deferred inflows	(797,084)
<i>Other Post Employment Benefits (OPEB):</i>	
Amount of OPEB expenses recognized at government-wide level - deferred outflows	(13,015,700)
Amount of OPEB expenses recognized at government-wide level - deferred inflows	(56,636,990)
<i>Other Post Employment Benefits (OPEB) - PEIA:</i>	
Contributions made after measurement date	636,540
Amount of OPEB expenses recognized at government-wide level - deferred outflows	6,717,348
Amount of OPEB expenses recognized at government-wide level - deferred inflows	(6,577,330)

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

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

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note III.G.).

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in compensated absences.

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
For the Fiscal Year Ended June 30, 2022

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
For the Fiscal Year Ended June 30, 2022

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA

FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

The individual Fiduciary Fund descriptions and financial statements begin on page 153.

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Blended Component Unit

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

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

Discretely Presented Component Units

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

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

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

The government reports the following major proprietary funds:

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

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

Additionally, the government reports the following fund types:

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

The Custodial Fund account for assets held by the City of Charleston, West Virginia for others in a custodial capacity. Pending Forfeiture Fund. This fund is custodial in nature and is operated to hold revenues from forfeitures until disbursed to appropriate federal or state entity or returned by court order.

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

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity. In accordance with GAAP, the City reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, is recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The composition of investments and fair values are presented in Note III.A.

State statutes authorize the government to invest in the West Virginia Board of Treasury Investments or the West Virginia Municipal Bond Commission, which is reported at amortized cost, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal national mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with S.E.C. which have fund assets over three hundred million dollars.

State statute limitations concerning the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation, nor can the portfolio have more than nine percent invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

As for the investments of the City's two Municipal Pension Trust Funds (Pension Funds), those investments are governed as to type by West Virginia Code §8-22-22, which state in part that: "(a) The board of trustees may invest a portion or all of the fund assets in any of the pools, funds and securities managed by the West Virginia Investment Management Board or West Virginia Board of Treasury Investments or as otherwise provided in this section. The board of trustees shall keep as an available sum for the purpose of making regular retirement, disability retirement, death benefit, payments and administrative expenses in an estimated amount not to exceed payments for a period of ninety days in short-term investments. The board of trustees, in acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for the benefit of the fund, shall do so in accordance with the provisions of the Uniform Prudent Investor Act codified as article six-c, chapter forty-four of this code. Within the limitations of the Uniform Prudent Investor Act, the board of trustees is authorized in its sole discretion to invest and reinvest any funds received by it and not invested with the West Virginia Investment Management Board or West Virginia Board of Treasury Investments." As of June 30, 2022, the City of Charleston's Police Pension and Relief Fund and Fire Pension and Relief Fund are both currently invested in the West Virginia Investment Management Board.

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

2. Receivables and Payables

Inter-fund Transactions

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

Trade Receivables

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

Property Tax Receivable

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

All current taxes assessed on real and personal property have a levy date of the 3rd Tuesday in April of each year. The due date for the taxes is September 1st for the first half and March 1st for the second half of the year. The lien date in which the county sheriff has a legal right to collect is between October 14th and November 23rd of each year. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If the taxes are not paid on or before the date in which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until the date they are paid. The City receives from the County its portion of property taxes for current and excess levies each month for the preceding month collections.

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents); On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed the statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2022, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>	<u>Tax Increment Financing</u>
Class I	\$ -	12.11 cents	5.03 cents	12.11 cents
Class II	\$ 1,307,675,798	24.22 cents	10.06 cents	24.22 cents
Class IV	\$ 1,919,061,270	48.44 cents	20.12 cents	48.44 cents

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

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

3. Restricted Assets

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

4. Capital Assets and Depreciation

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

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

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

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

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.

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

Employees are allowed accumulate 240 hours at any given time. Uniformed policemen are entitled to carryover 240 hours and firemen cannot carryover any vacation. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government.

6. Long-term Obligations

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

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

7. Fund Balances

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

Non-spendable fund balance	Inventories, prepaid amounts, and endowment corpus represent fund balance amounts that are not in spendable form. The government has \$1,632,177 in non-spendable fund balance at fiscal year-end.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation. The government has \$14,347,957 of restricted fund balance at fiscal year-end.
Committed	The committed category is the portion of fund balance which use is constrained by limitations that have been approved by an order (the highest level of formal action) of the City Council, and that remain binding unless removed in the same manner. By City code all corporate power of the City is vested in and exercised by City Council or under its authority. The approval does not automatically lapse at the end of the fiscal year. The government has \$55,794,539 of committed fund balance at fiscal year-end.
Assigned	The assigned category is the portion of fund balance that has been designated by an authorized official such as a member of council, mayor, city manager, finance director or other department head to place constraints on amounts to reflect the government's intent to be used for specific purposes but are neither restricted nor committed. This authority is allowed by City Code of Ordinances. The government has no assigned fund balance at fiscal year-end.

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

Unassigned

The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance. The government has \$49,834,354 of unassigned fund balance at fiscal year-end.

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

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

8. Stabilization Arrangements

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

9. Newly Issued Accounting Standards

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

The City implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 31, 2021. The requirements of this Statement will enhance the relevance and comparability about capital assets and the cost of borrowing for a reporting period and will simplify accounting for interest cost incurred before the end of a construction period. The adoption of GASB Statement No. 89 did not have a significant impact on the financial statements.

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

The City implemented GASB Statement No. 92, *Omnibus 2020*, which is effective for fiscal years beginning after June 15, 2021. The requirements of this Statement address a variety of items, including specific provisions regarding the following topics: (1) GASB Statement No. 87 Implementation; (2) intra-entity transfers of assets; (3) postemployment benefits; (4) government acquisitions; (5) risk financing and insurance related activities of public entity risk pools; and (6) fair value measurements and derivative instruments. The adoption of GASB Statement No. 92 did not have a significant impact on the financial statements.

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

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

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

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

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

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The government is required to legally adopt an annual budget for its General Fund and Coal Severance Tax Fund, a major special revenue fund. However, there is no such requirement for the Community Development Block Grant, HOME, and American Rescue Plan Act 2021 funds, all major special revenue funds. Annual budgets are adopted on a basis consistent with GAAP for the General Fund and the Coal Severance Tax Fund, except as noted. All annual appropriations lapse at fiscal yearend.

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

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

GENERAL FUND

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

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

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

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

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

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

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

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B. Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances are listed below for the General Fund, a major fund. There were no other major or non-major funds with encumbrances at June 30, 2022.

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash & Cash Equivalents and Investments

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

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

At year end, the government had the following investments:

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

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

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

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

Net investment income and realized gains and losses are declared as dividends on the last day of the month and distributed to the Participants in the Pool on the first day of the following month. Gains and losses (realized and unrealized) are reflected in the net asset value calculated each month. The City has investments in the West Virginia Money Market Pool in the amount of \$38,453,466 and in the West Virginia Short Term Bond Pool of \$24,031,265.

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

Credit Risk

It's the government's policy to limit its investments as stated in the West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a. The specific investments allowed for municipal and pension investments are fully described with all applicable limitations in Note I.D.1. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2022, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Interest Rate Risk

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

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As of June 30, 2022, 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 at amortized cost	\$ 399,899	\$ 399,899	\$ -	\$ -	\$ -
West Virginia Money Market Pool	38,453,466	38,453,466	-	-	-
West Virginia Short-term Bond Pool	24,031,265	24,031,265	-	-	-
US Treasury N/B 2%	99,594	99,594	-	-	-
US Treasury N/B 1.5%	100,006	100,006	-	-	-
Common Stock	276,051	276,051	-	-	-
Mutual Funds	1,580,581	1,580,581	-	-	-
Exchange Traded Products	89,503	89,503	-	-	-
Certificates of Deposit	395,910	299,601	96,309	-	-
	<u>\$ 65,426,275</u>	<u>\$ 65,329,966</u>	<u>\$ 96,309</u>	<u>\$ -</u>	<u>\$ -</u>
Policemen's Pension and Relief					
	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
West Virginia Investment Management Board	<u>\$ 32,298,309</u>	<u>\$ 32,298,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Policemen's Pension and Relief	<u>\$ 32,298,309</u>	<u>\$ 32,298,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Firemen's Pension and Relief					
West Virginia Investment Management Board	<u>\$ 29,137,916</u>	<u>\$ 29,137,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Firemen's Pension and Relief	<u>\$ 29,137,916</u>	<u>\$ 29,137,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments	<u>\$ 61,436,225</u>	<u>\$ 61,436,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of Credit Risk

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

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

Custodial Credit Risk

The City of Charleston's deposits with financial institutions are fully insured or collateralized by securities held in the government's name at June 30, 2022.

Fair Value of Investments

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

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

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

Level 3: Unobservable inputs.

At June 30, 2022 the City had the following recurring fair value measurements.

		Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level - Primary Government	Total	Level 1	Level 2	Level 3
West Virginia Municipal Bond Commission	\$ 399,899	\$ 399,899	\$ -	\$ -
West Virginia Money Market Pool	38,453,466	38,453,466	-	-
West Virginia Short-term Bond Pool	24,031,265	24,031,265	-	-
US Government Securities	199,600	199,600	-	-
Common Stock	276,051	276,051	-	-
Mutual Funds	1,580,581	1,580,581	-	-
Exchange Traded Products	89,503	89,503	-	-
Certificates of Deposit	395,910	-	395,910	-
Total	\$ 65,426,275	\$ 65,030,365	\$ 395,910	\$ -

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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 - Police Pension	Total	Level 1	Level 2	Level 3
West Virginia Investment Management Board	\$ 32,298,309	\$ 32,298,309	\$ -	\$ -
Total	\$ 32,298,309	\$ 32,298,309	\$ -	\$ -

		Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level - Fire Pension	Total	Level 1	Level 2	Level 3
West Virginia Investment Management Board	\$ 29,137,916	\$ 29,137,916	\$ -	\$ -
Total	\$ 29,137,916	\$ 29,137,916	\$ -	\$ -

B. Receivables

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

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

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

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

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C. Capital Assets

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

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

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

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

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

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

Construction in Progress

The government has active construction projects as of June 30, 2022. The projects include equipment for police vehicles, Five Corners architectural study, fiber optics, emergency streambank repairs for Kanawha River and Greenbrier Street, Southside Bridge inspection and rehabilitation, community center remodels, Curb and Sidewalk projects, retaining wall projects, Barlow Drive repairs, a skate park, a dog park, a salt shed, and renovations at Slack Plaza. At year end, the amounts for governmental activities are as follows:

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

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

D. Interfund Receivables, Payables, and Transfers

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

Interfund receivables/payables:

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

Interfund transfers:

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

CITY OF CHARLESTON, WEST VIRGINIA
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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. The City has also transferred money to the Green Initiative Fund and Sidewalk Improvement Fund (capital projects funds) to open these new funds.

E. Financed Purchases

The government has entered into finance purchase agreements for the purpose of financing the acquisition of recreation, office equipment and public safety equipment. These agreements do not qualify for leases under GASB Statement No. 87, *Leases* and therefore are classified as financed purchases. They have been recorded at the present value of the future minimum payments as of the inception date.

On November 17, 2016, the City of Charleston issued \$4,310,000 of Taxable Lease Revenue Refunding and Improvement Bonds (The City of Charleston Stadium Project), Series 2016A. The proceeds of which are to be used to currently refund the Series 2004 Bonds, pay the costs of improvements to the facilities by upgrading and replacing the technology in the scoreboard and pay costs of issuance. Per the implementation of GASB Statement No. 87, *Leases*, in fiscal year 2022, this bond is classified as a financed purchase and not a lease.

The assets acquired through financed purchases are as follows:

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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The future minimum obligations and the net present value of these minimum payments as of June 30, 2022, were as follows:

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

F. Leases

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
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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 end on December 31, 2027. The lessee agreed to pay monthly payments of \$6,698. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

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

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

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

G. Long-term Debt

General Obligation Bonds

The government has issued general obligation bonds to provide for the acquisition and construction of major capital facilities in prior years; however, the City as of June 30, 2022, has no general obligation bonds payable.

Revenue Bonds

The City has issued bonds in prior years where the government pledged designated revenues to pay debt service. The proceeds of these bonds were used to acquire or construct assets. The City has the following revenue bonds outstanding at June 30, 2022:

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Governmental Activities:

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

Revenue Bonds – Business-type Activities

The City of Charleston, WV Civic Center Improvement Bonds, Series 1998 in the amount of \$3,635,000 were issued for the purpose of acquiring, equipping, and making improvements to the Charleston Civic Center secured by revenues pledged from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the outstanding debt in the principal amount of \$480,000 and interest in the amount of \$36,975 until bond maturity in 2023. During the fiscal year 2022, these pledged revenues were used to pay the principal amount of \$220,000 and interest amount of \$35,700 on these bonds, which is 8.61% of the specified revenues.

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

The Charleston Building Commission Civic Center Refunding Lease Revenue Bonds, Series 2009, issued in the amount of \$1,325,000 to current refund the Series 1999 which were issued for the acquisition, construction, and new equipment installed at the Civic Center payable solely from revenues to be derived from lease payments to the Commission. This irrevocable pledge of lease payments is required to be sufficient in amount to pay principal of \$330,000 and interest of \$21,780 until bond maturity in 2024. During the fiscal year 2022, bond payments in the principal amount of \$100,000 and interest amount of \$16,620 were used to pay the debt service on these bonds.

CITY OF CHARLESTON, WEST VIRGINIA
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Revenue bond debt service requirements to maturity are as follows:

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

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 4,780,000	\$ 2,245,852	\$ 610,000	\$ 67,490
2024	4,933,000	2,093,393	635,000	38,675
2025	5,090,000	1,935,808	400,000	8,800
2026	5,253,000	1,772,991	-	-
2027	5,421,000	1,604,646	-	-
2028-2032	27,353,000	5,333,834	-	-
2033-2037	17,235,000	1,070,907	-	-
Totals	<u>\$ 70,065,000</u>	<u>\$ 16,057,431</u>	<u>\$ 1,645,000</u>	<u>\$ 114,965</u>

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

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

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

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

Conduit Debt

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

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

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

I. Fund Balance Detail

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

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

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

J. Benefits Funded by the State of West Virginia

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

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

IV. OTHER INFORMATION

A. Risk Management

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

The City covers its workers' compensation liability by retaining and self-insuring the first \$300,000 of each claim and maintaining layers of excess insurance that indemnifies the City for claims costs exceeding its self-insured retention limits. A Letter of Credit for \$1,000,000 is held as collateral by the Offices of the Insurance Commissioner as security for the City's self-insured retention. No amounts have been drawn upon or are outstanding on the Letter of Credit at June 30, 2022. Claims are adjusted through a third-party administrator contracted by the City.

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

Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments includes an amount for claims that have been incurred but not reported (IBNRs). An excess coverage insurance policy covers individual claims in excess of \$300,000 for liability retention and loss and \$600,000 for workers' compensation retention-all employees. Settlements have not exceeded coverage for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2022	Year Ended 6/30/2021
Unpaid claims, beginning of fiscal year	\$ 3,807,187	\$ 3,847,265
Incurred claims (including IBNRs)	1,565,277	1,864,482
Claims paid	(2,979,406)	(1,904,560)
Unpaid claims, end of fiscal year	\$ <u>2,393,058</u>	\$ <u>3,807,187</u>

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

B. Contingent Liabilities

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

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

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

C. Deferred Compensation Plan

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. The City only hold money from an employee's paycheck and then immediately passes it to a third party company. The City does not administer the plan and does not contribute anything to the plan.

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

D. Joint Venture

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

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E. Donor-Restricted Endowment

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c) (13) of the Internal Revenue Code of 1954. The unspent endowment earnings of \$1,543,436 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

F. Unrestricted Net Position (Deficit)

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

G. Post-Employment Healthcare Plan

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

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

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IV: G.1. Single Employer Plan

Plan Descriptions, Contribution Information, and Funding Policies

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System, the City of Charleston's Policemen's Pension & Relief Fund, and the Firemen's Pension & Relief Fund. The City maintains a single employer self-insured defined benefit health plan including dental and vision administered by The Health Plan, a third-party administrator. As of July 1, 2020, this self-insured plan is only offered to retirees of the City of Charleston. The health plan levels of benefits, employee contributions, and employer contributions were authorized by the City Council and any amendments to the health plan must be approved and authorized by the Council. The health plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the health plan. The health plan does not issue a separate report. The activity of the health plan is reported in the General Fund, Civic Center Revenue Fund, and Parking System Revenue Fund. The following information comes from reports prepared by our consulting actuarial firm, Nyhart.

Under the substantive plan provisions all Medicare retirees are covered under a Medicare Advantage plan that is fully insured and experience rated. At January 1, 2021, premium rates for medical for single are \$188.52 and for retiree and spouse \$292.50.

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

Due to the substantive plan provision change, the health care coverage election rate assumption for retirees who were hired after July 1, 2000 has increased. Since these retirees will no longer pay the full cost of coverage, 90% of active employees with current coverage and no coverage are assumed to elect coverage at the end of the sick leave benefits free period. It is assumed that 100% of inactive employees with current coverage will elect coverage and that there will be no inactive employees with no coverage. Upon death of the retiree or active employee, it is assumed 40% of the surviving spouses will elect coverage.

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

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

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

The City subsidizes retiree health care coverage for lifetime. The City's subsidy depends on the hire date. Retirees receive free coverage if they are eligible for sick leave benefits at retirement. Once the sick leave benefits end, retirees are responsible for the portion of the premium rate not subsidized by the City. Effective as January 1, 2021, the monthly retiree contribution for non-tobacco users is as follows:

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

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

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

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

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

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

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

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

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

Actuarial Methods and Assumptions

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

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

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

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

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

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

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

Measurement Date June 30, 2022

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

Payroll Growth 3.00% general wage inflation per year plus the annual merit scale based on the West Virginia Public Employees' Retirement System actuarial valuation as of June 30, 2021. The rates are as follows: Age 20, Rate 3.50%; Age 30, Rate 1.60%; Age 40, Rate 1.10%; Age 50, Rate 0.85%; Age 60+, Rate 0.35%.

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

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

Mortality General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.

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

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

Disability None.

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

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

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

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

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

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

Total Other Post-Employment Benefits (OPEB) Liability:

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

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

In accordance with GASB No. 75, the discount rate is 2.19% as of July 1, 2021, and 4.09% as of June 30, 2022. Under GASB No. 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

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Sensitivity of the net OPEB liability to the Discount Rate Assumption

Other Post-Employment Benefits Liability:

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

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

Other Post-Employment Benefits Liability:

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

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

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

OPEB expense \$ 6,730,695

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

OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,219,232	\$ (38,515,760)
Changes of assumptions	38,121,909	(73,529,909)
	<u>\$ 39,341,141</u>	<u>\$ (112,045,669)</u>

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

Year Ended June 30:	
2023	\$ (14,785,546)
2024	(14,730,896)
2025	(12,938,628)
2026	(15,793,347)
2027	(14,456,111)
Total	<u>\$ (72,704,528)</u>

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

Plan Descriptions, Contribution Information, and Funding Policies

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

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

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

Benefits provided - The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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

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

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rate related to the measurement date of June 30, 2021, was:

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

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

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

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

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

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

Actuarial Assumptions and Methods - The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.25%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 6.65%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- Mortality post retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.
- Expenses: Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.

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

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

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

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

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

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

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

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

	1% Decrease 5.65%	Current Discount Rate 6.65%	1% Increase 7.65%
Net OPEB asset (liability) \$	<u>(1,010,496)</u>	<u>188,311</u>	<u>1,183,663</u>

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rate - The following presents the City of Charleston's proportionate share of the net OPEB asset as of June 30, 2022 calculated using the healthcare cost trend rate, as well as what the City of Charleston's net OPEB asset would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB asset (liability) \$	<u>1,390,386</u>	<u>188,311</u>	<u>(1,275,955)</u>

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

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

At June 30, 2022, the City of Charleston's proportionate share of the net OPEB asset was \$188,311. Of this amount, the City of Charleston recognized \$188,311 as its proportionate share on the statement of net position.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to OPEB for the fiscal year ended June 30, 2021. Employer contributions are recognized when due. At the June 30, 2021 measurement date, the City of Charleston's proportion was 0.633302780%, an increase of 0.627390968% from its proportion of 0.005911812% calculated as of June 30, 2020.

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

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

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

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The City of Charleston will recognize the \$636,540 of contributions made after the measurement date of the net OPEB asset but before the end of the City's reporting period as an increase of the net OPEB asset in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Payables to the OPEB Plan - The City of Charleston's did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2022.

V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

On July 1, 2014, the government implemented GASB Statement No. 68, Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The City of Charleston, West Virginia participates in single employer plans for the City of Charleston's Policemen's Pension & Relief Fund and the Firemen's Pension & Relief Fund and cost sharing multi-employer plans under the West Virginia Public Employees Retirement System (PERS) and the West Virginia Municipal Police Officers and Firefighters Retirement System (MPFRS). The aggregate total of items reported on the statement of net position and statement of activities related to participation in the City's single employer and the statewide multi-employer cost-sharing plan as of June 30, 2022 are as follows:

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

V:A.1. Single Employer Plans

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

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

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The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for full-time police employees hired prior to June 1, 2011. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021, and GASB Statement No. 67 Plan Reporting and Accounting Schedules and GASB No. 68 Accounting and Financial Reporting for Pensions at measurement date of June 30, 2022.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for full-time fire employees hired prior to June 1, 2011. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021, and GASB Statement No. 67 Plan Reporting and Accounting Schedules GASB No. 68 Accounting and Financial Reporting for Pensions at measurement date of June 30, 2022.

The City of Charleston includes the financial statements of the Policemen's Pension and Relief fund and the Firemen's Pension and Relief fund with the financial statements of the City. The statements of both funds can be found on pages 153-154. The Pension funds do not have separate financial statements.

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

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

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

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

The oversight board has established minimum requirements for training to be completed by each member of the board of trustees of a Municipal Policemen's or Firemen's Pension and Relief fund. The requirements include, but not limited to, training in ethics, fiduciary duty and investment responsibilities. As of July 1, 2021, memberships of the plans are as follows:

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

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

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

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

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

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

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

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

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

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

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

Employer contributions for the Policemen's Pension and Relief Fund are expected to increase from \$6,716,750 for the plan year ending June 30, 2023, to a high of \$9,213,145 for the plan year ending June 30, 2033. Employer contributions for the Firemen's Pension and Relief Fund are expected to increase from \$8,088,370 for the plan year ending June 30, 2023, to a high of \$111,240,234 for the plan year ending June 30, 2035. For the Policemen's Pension Fund, the funded ratio is projected to increase from 20.02% in 2023 to 36.28% in 2033, and ultimately to 100% in 2046. For the Firemen's Pension Fund, the funded ratio is projected to increase from 15.61% in 2022 to 37.95% in 2035, an ultimately to 100% in 2046. This policy defers contributions and produces virtually no significant growth in the funded ratio until the last 10 years of the projection period. This policy is not consistent with generally accepted actuarial principles.

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

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

Actuarial Methods and Assumptions

	<u>PPRF</u>	<u>FPRF</u>
Determination of contribution requirement	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may elect to finance benefit obligations using the Conservation Method as defined in West Virginia State Code §8-22-20 (f)(1) and effected by the passage of Senate Bill No. 544.	
Plan Members	8% of covered payroll and 9.5% if hired after January 1, 2010	
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Benefit Terms	In accordance with WV State Code the annual benefit equals 60% of average annual compensation, not less than \$6,000, plus an additional percentage of average annual compensation for service over 20 years equal to 2% for each year of service between 20 and 25 and 1% for each year of service between 25 and 30 years. Employees serving in the military are eligible for an additional 1% of average annual compensation for each year of military service up to four years. The maximum benefit is limited to 75% of average annual compensation. Benefits continue for life.	
Post-Retirement Benefit Increases	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees), multiplied by the sum of the allowable amount (first \$15,000 of initial benefits paid) and the accumulated supplemental pensions paid in prior years.	
Eligibility for Distribution	Members are eligible at the earlier of age 50 with 20 years of credited service or age 65.	
Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes
Valuation Date	7/1/2021 and projected to the measurement date of June 30, 2022.	7/1/2021 and projected to the measurement date of June 30, 2022.
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method/Period	40-Year Closed Level-Percentage-of-Pay 15-28.5 years remaining as of July 1, 2020	40-Year Closed Level-Percentage-of-Pay 15-28.5 years remaining as of July 1, 2020
The sponsor finances benefits using the Conservation policy as defined by State statute. This policy does not directly amortize the unfunded actuarial liability. The policy is projected to fully finance the closed group actuarial liability by 2046 for both plans.		

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Actuarial Asset Valuation Method	Fair Value	Fair Value		
Investment Rate of Return	5.25% per year before 2047	4.75% per year before 2047		
Projected Salary Increases	Service Based Increase			
	<u>Years of Service</u>	<u>Increase</u>	<u>Years of Service</u>	<u>Increase</u>
	0	20.0%	0	20.0%
	1	9.0%	1	9.0%
	2	6.5%	2	6.5%
	3	6.0%	3	6.0%
	4-28	5.0%	4-28	5.0%
	29-33	4.0%	29-33	4.0%
	34+	3.5%	34+	3.5%
Post-Retirement COLA	2.50% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.	2.50% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.		
Wage Inflation	2.50%	2.50%		
Increase in State Insurance Premium Tax Allocation	2.50% on and after year 1	2.50% on and after year 1		
Retirement	Age Rates		Age Rates	
	50: 60%		50: 55%	
	51-52: 40%		51-52: 35%	
	53-54: 40%		53-54: 25%	
	55-56: 50%		55-56: 25%	
	57-59: 40%		57-59: 25%	
	60: 100%		60: 100%	
Percent Married	70%	70%		
Spouse Age	Females 3 years younger than males			

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

The City of Charleston’s Policemen’s Pension and Relief Fund Board of Trustees has established an Investment Policy Statement for the purpose of providing general guidelines for the prudent investment management of its fund’s assets. The Board has elected to delegate the investment management duties for the fund to one or more professional investment manager(s) who shall be guided by and adhere to the overall investment policy guidelines as permitted by the West Virginia Code Section §8-22-22(a), as amended by H.B. 2832, H.B. 2638, and S.B. 4007. The pension has elected to be administered by the Conservation Method, as outlined in Senate Bill 544.

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

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

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

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

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

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

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

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

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For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 5.25% for Policemen's Pension and 4.75% for Firemen's Pension has been blended with the 3.69% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2022. It was assumed by the City's actuaries that benefits are discounted at the municipal bond rate if paid from the pay-as-you go Benefit Account, or at the long-term expected rate of return if paid from the Accumulation Account.

The present values of benefits to be provided through the pension plans to current active and inactive plan members for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund are \$179,618,956 and \$211,712,810, respectively.

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

Policemen's Pension and Relief Fund:

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

Firemen's Pension and Relief Fund:

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

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

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

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

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

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

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

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

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

Policemen's Pension and Relief Fund

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

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

**Year Ended
June 30:**

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

Firemen's Pension and Relief Fund

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

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

**Year Ended
June 30:**

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

V.B. Cost Sharing Multi-Employer Plans

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

Public Employees Retirement System (PERS)

The City of Charleston, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of general City employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

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

Public Employees' Retirement System (PERS)

Eligibility to participate:	All City full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefit provisions:	State Statute
Plan member's contributions rate:	4.50% for employees hired before July 1, 2015 and 6.00% for employees hired after July 1, 2015.
City's contribution rate:	10%
Period required to vest:	Five Years
Benefits and eligibility for distribution:	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion:	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

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

V.B.2. Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the government reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021, using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2021:

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

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

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

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

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Public Employees Retirement System (PERS)

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

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

Fiscal Year Ended June 30,	Amortization
2023	\$ (1,942,685)
2024	(1,514,902)
2025	(2,432,352)
2026	(3,495,478)
Total	\$ (9,385,417)

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

Municipal Police Officers and Firefighters Retirement System (MPFRS)

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

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

Municipal Police and Firefighters Retirement System (MPFRS)

Eligibility to participate:	All full-time police and firefighters employed by the City after June 1, 2011
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Authority establishing contribution

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

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

V.C.2. Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the government reported the following asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021, using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension asset was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2021:

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

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

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

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

Municipal Police Officers and Firefighters Retirement System - Police

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

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Municipal Police Officers and Firefighters Retirement System - Fire

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
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V.D. Actuarial Assumptions

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

Public Employee Retirement System

Actuarial Assumptions

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

Mortality Rates:

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

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

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

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

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

The economic assumptions used in the June 30, 2021 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. All other assumptions used in the June 30, 2021 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Municipal Police Officers and Firefighters Retirement System

Actuarial Assumptions

Inflation Rate	2.75%
Salary Increases	By age from 4.75% at age 30 declining to 3.25% at age 65
Investment Rate of Return	7.25%

Mortality Rates:

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

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

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

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

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

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

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

Investment	Long-term Expected Real Rate of Return	Target Asset Allocation All Plans	Weighted Average Expected Real Rate of Return
Primary Government:			
Domestic Equity	5.5%	27.5%	1.51%
International Equity	7.0%	27.5%	1.93%
Fixed Income	2.2%	15.0%	0.33%
Real Estate	6.6%	10.0%	0.66%
Private Equity	8.5%	10.0%	0.85%
Hedge Funds	4.0%	10.0%	0.40%
Total		100.00%	5.68%
Inflation (CPI)			2.10%
			7.78%

Discount Rate

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

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

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

Pension Plan's Fiduciary Net Position

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

REQUIRED SUPPLEMENTARY INFORMATION

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

Policemen's Pension and Relief Fund (PPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 3,656,866	\$ 4,151,322	\$ 4,155,408	\$ 4,337,479	\$ 3,766,725	\$ 4,344,855	\$ 3,313,221	\$ 3,292,778	\$ 3,209,021
Interest	6,504,578	7,508,938	7,662,910	7,761,028	7,612,050	7,255,244	7,209,972	7,332,999	7,461,048
Changes in benefit terms	--	--	--	--	--	--	--	--	--
Differences between expected and actual experience	9,982,382	(3,724,015)	973,413	3,780,602	(4,059,168)	(3,481,866)	(2,127,001)	(1,897,115)	--
Changes in assumptions	(39,510,571)	(8,117,188)	12,802,534	21,109,488	(1,852,553)	(14,823,343)	26,684,740	8,006,116	6,439,110
Benefits payments, including refunds of member contributions	(8,078,902)	(7,753,101)	(7,354,698)	(7,158,883)	(7,068,435)	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Net change in total pension liability	(27,445,647)	(7,934,044)	18,239,567	29,829,714	(1,601,381)	(13,713,359)	28,021,255	9,699,317	10,421,047
Total pension liability-beginning	219,422,813	227,356,857	209,117,290	179,287,576	180,888,957	194,602,316	166,581,061	156,881,744	146,460,696
Total pension liability-ending (a)	\$ 191,977,166	\$ 219,422,813	\$ 227,356,857	\$ 209,117,290	\$ 179,287,576	\$ 180,888,957	\$ 194,602,316	\$ 166,581,061	\$ 156,881,743
Plan fiduciary net position									
Contributions-employer	\$ 8,267,191	\$ 8,396,467	\$ 7,954,830	\$ 7,514,119	\$ 7,380,065	\$ 7,498,088	\$ 6,858,876	\$ 6,530,016	\$ 6,448,555
Contributions-members	469,508	483,946	473,005	510,010	525,513	574,939	556,799	592,173	648,924
Net investment income	(1,671,294)	6,293,489	339,084	1,342,285	1,540,163	1,864,923	695,811	766,556	1,415,864
Benefit payments, including refunds of member contributions	(8,078,902)	(7,753,101)	(7,354,698)	(7,158,883)	(7,068,435)	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Administrative expenses	(16,855)	(11,654)	(12,086)	(7,349)	(11,765)	(10,119)	(13,087)	(12,349)	(22,264)
Other	--	--	--	(4,334)	196	--	--	--	--
Net change in plan fiduciary net position	(1,030,352)	7,409,147	1,400,135	2,195,848	2,365,737	2,919,582	1,038,722	840,935	1,802,947
Plan fiduciary net position - beginning	33,412,868	26,003,721	24,603,586	22,407,738	20,042,001	17,122,419	16,083,697	15,242,762	13,439,815
Plan fiduciary net position-ending (b)	\$ 32,382,516	\$ 33,412,868	\$ 26,003,721	\$ 24,603,586	\$ 22,407,738	\$ 20,042,001	\$ 17,122,419	\$ 16,083,697	\$ 15,242,762
Net pension liability - ending (a) - (b)	\$ 159,594,650	\$ 186,009,945	\$ 201,353,136	\$ 184,513,704	\$ 156,879,838	\$ 160,846,956	\$ 177,479,897	\$ 150,497,364	\$ 141,638,981
Plan fiduciary net position as a percentage of the total pension liability	16.87%	15.23%	11.44%	11.77%	12.50%	11.08%	8.80%	9.66%	9.72%
Covered payroll	\$ 5,717,369	\$ 5,656,443	\$ 6,434,785	\$ 6,815,851	\$ 6,805,977	\$ 6,876,181	\$ 7,194,432	\$ 7,849,996	\$ 8,257,284
Net pension liability as a percentage of covered payroll	2791.40%	3288.46%	3129.14%	2707.13%	2305.03%	2339.19%	2466.91%	1917.16%	1715.32%

Notes to PPRF'S Schedule:

For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 5.25% for Policemen's Pension has been blended with the 3.69% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2022. It was assumed by the City's actuaries that benefits are discounted at the municipal bond rate if paid from the pay-as-you go Benefit Account, or at the long-term expected rate of return if paid from the Accumulation Account.

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

The wage inflation assumption used to project compensation was 2.50%

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

General inflation, post retirement COLA and the increase in State Insurance Premium Tax Allocation was 2.50%.

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

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

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

Firemen's Pension and Relief Fund (FPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 4,736,556	\$ 4,560,637	\$ 4,064,952	\$ 4,191,779	\$ 3,812,937	\$ 4,558,952	\$ 3,402,390	\$ 3,160,914	\$ 3,139,576
Interest	6,929,019	7,813,248	7,955,978	8,242,853	8,083,617	7,563,985	7,426,782	7,516,367	7,715,345
Changes in benefit terms	--	--	--	--	--	--	--	--	--
Differences between expected and actual experience	6,259,273	6,075,355	2,442,355	230,664	(1,328,621)	(352,450)	(1,147,647)	(3,217,247)	--
Changes in assumptions	(41,458,561)	(3,809,595)	13,305,537	21,564,458	(1,797,321)	(15,608,155)	27,065,406	8,277,173	6,693,190
Benefits payments, including refunds of member contributions	(8,997,474)	(8,624,086)	(7,948,122)	(7,600,235)	(7,425,842)	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Net change in total pension liability	(32,531,187)	6,015,559	19,820,700	26,629,519	1,344,770	(11,076,071)	29,671,026	8,877,423	10,604,353
Total pension liability-beginning	244,257,175	238,241,616	218,420,916	191,791,397	190,446,627	201,522,698	171,851,672	162,974,249	152,369,897
Total pension liability-ending (a)	\$ 211,725,988	\$ 244,257,175	\$ 238,241,616	\$ 218,420,916	\$ 191,791,397	\$ 190,446,627	\$ 201,522,698	\$ 171,851,672	\$ 162,974,250
Plan fiduciary net position									
Contributions-employer	\$ 9,635,418	\$ 9,226,520	\$ 8,442,090	\$ 8,035,292	\$ 7,843,092	\$ 7,685,081	\$ 6,906,802	\$ 6,561,849	\$ 6,735,846
Contributions-members	473,067	530,627	603,480	509,721	525,870	574,505	580,188	592,996	603,333
Net investment income	(3,249,866)	5,853,656	321,619	1,232,322	1,409,712	1,717,125	695,679	622,444	1,317,995
Benefit payments, including refunds of member contributions	(8,997,474)	(8,624,086)	(7,948,122)	(7,600,235)	(7,425,842)	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Administrative expenses	(7,572)	(9,949)	(5,817)	(301)	(6,890)	(7,603)	(9,741)	(5,864)	(8,132)
Other	--	--	--	(5,400)	203	--	--	--	--
Net change in plan fiduciary net position	(2,146,427)	6,976,768	1,413,250	2,171,399	2,346,145	2,730,705	1,097,023	911,641	1,705,284
Plan fiduciary net position - beginning	30,623,784	23,647,016	22,233,766	20,062,367	17,716,222	14,985,517	13,888,494	12,976,853	11,271,569
Plan fiduciary net position-ending (b)	\$ 28,477,357	\$ 30,623,784	\$ 23,647,016	\$ 22,233,766	\$ 20,062,367	\$ 17,716,222	\$ 14,985,517	\$ 13,888,494	\$ 12,976,853
Net pension liability - ending (a) - (b)	\$ 183,248,631	\$ 213,633,391	\$ 214,594,600	\$ 196,187,150	\$ 171,729,030	\$ 172,730,405	\$ 186,537,181	\$ 157,963,178	\$ 149,997,397
Plan fiduciary net position as a percentage of the total pension liability	13.45%	12.54%	9.93%	10.18%	10.46%	9.30%	7.44%	8.08%	7.96%
Covered payroll	\$ 6,197,423	\$ 6,246,122	\$ 6,147,535	\$ 6,419,737	\$ 6,725,992	\$ 7,038,745	\$ 7,273,171	\$ 7,364,910	\$ 7,872,875
Net pension liability as a percentage of covered payroll	2956.85%	3420.26%	3490.74%	3056.00%	2553.21%	2453.99%	2564.73%	2144.81%	1905.24%

Notes to FPRF'S Schedule:

For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 4.75% for Firemen's Pension has been blended with the 3.69% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2022. It was assumed by the City's actuaries that benefits are discounted at the municipal bond rate if paid from the pay-as-you go Benefit Account, or at the long-term expected rate of return if paid from the Accumulation Account.

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

The wage inflation assumption used to project compensation was 2.50%

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

General inflation, post retirement COLA and the increase in State Insurance Premium Tax Allocation was 2.50%.

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

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

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

Policemen's Pension and Relief Fund (PPRF)

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

Firemen's Pension and Relief Fund (PFRF)

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

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

III. SCHEDULES OF CONTRIBUTIONS MULTIYEAR

Policemen's Pension and Relief Fund (PPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 10,069,011	\$ 12,493,271	\$ 12,292,781	\$ 11,932,575	\$ 10,273,775	\$ 10,113,252	\$ 9,998,469	\$ 8,371,076	\$ 8,290,897
Employer contribution (b)	6,400,307	6,488,704	6,040,294	5,764,885	5,642,434	5,799,404	5,226,466	4,977,472	4,919,728
State contribution (c)	1,866,884	1,907,763	1,914,536	1,749,234	1,698,684	1,698,684	1,632,410	1,552,544	1,528,827
Contribution deficiency (excess)	\$ 1,801,820	\$ 4,096,804	\$ 4,337,951	\$ 4,418,456	\$ 2,932,657	\$ 2,615,164	\$ 3,139,593	\$ 1,841,060	\$ 1,842,342
Covered payroll (f)	5,717,369	5,656,443	6,434,785	6,815,851	6,805,977	6,876,181	7,194,432	7,849,996	8,257,284
Actual contribution as a percent of covered payroll [(b)+(c)]/f	145%	148%	124%	110%	108%	109%	95%	83%	78%

Firemen's Pension and Relief Fund (PFRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 12,874,793	\$ 13,106,480	\$ 12,798,513	\$ 12,736,724	\$ 10,930,487	\$ 10,712,117	\$ 10,373,813	\$ 8,533,617	\$ 8,544,824
Employer contribution (b)	7,773,934	7,263,224	6,489,575	6,253,683	6,107,953	5,974,752	5,300,143	5,004,065	5,191,340
State contribution (c)	1,861,484	1,963,296	1,952,515	1,781,609	1,735,139	1,710,329	1,606,659	1,557,784	1,544,506
Contribution deficiency (excess)	\$ 3,239,375	\$ 3,879,960	\$ 4,356,423	\$ 4,701,432	\$ 3,087,395	\$ 3,027,036	\$ 3,467,011	\$ 1,971,768	\$ 1,808,978
Covered payroll (f)	6,197,423	6,246,122	6,147,535	6,419,737	6,725,992	7,038,745	7,273,171	7,364,910	7,872,875
Actual contribution as a percent of covered payroll [(b)+(c)]/f	155%	148%	137%	125%	117%	109%	95%	89%	86%

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

NOTES TO SCHEDULES

Significant Actuarial Assumptions

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

	Policemen's Pension & Relief Fund <u>6/30/2022</u>	Firemen's Pension & Relief Fund <u>6/30/2022</u>
Valuation Date	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay	Level Percentage-of-Pay
Amortization Method	40 Years Closed (Level Percentage)	40 Years Closed (Level Percentage)
Amortization Period	Fair Value	Fair Value
Actuarial Asset Valuation Method		
Actuarial Assumptions:		
Investment Rate of Return	5.250%	4.750%
Projected Salary Increases	20% 0 years, 9% 1 year, 6.5% 2 years, 6.0% 3 years, 5.0% 4 -28 years, 4.0% 29-33 years, 3.5 % 34+ years	20% 0 years, 9% 1 year, 6.5% 2 years , 6.0% 3 years, 5.0% 4 -28 years, 4.0% 29-33 years, 3.5% 34+ years
Post Retirement Benefit Increases	None	None
Inflation	2.50%	2.50%
Cost of Living Adjustments	2.50% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years	2.50% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years
Mortality	Mortality rates for both plans were based on the following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.	
Other Information:	Disclose any other important changes here not included in the above table.	

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

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

Other Post Employment Benefits (OPEB)

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

Notes to OPEB Plan Schedule:

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

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

Changes in assumptions. The discount rate as of the Measurement Date was updated based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current full valuation uses a discount rate of 4.09% as of June 30, 2022. This changes caused a significant decrease in liabilities for the City of Charleston. The discount rate will be updated annually to reflect current market conditions.

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

The wage inflation assumption used to project compensation was 3.00% per year plus the annual merit scale based on the West Virginia Public Employees' Retirement System actuarial valuation as of June 30, 2021. The scale is as follows: Age 20, Rate 3.50%; Age 30, Rate 1.60%, Age 40, Rate 1.10%; Age 50 Rate 0.85%; Age 60+ Rate 0.35%.

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

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

NOTES TO SCHEDULES

Significant Actuarial Assumptions

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

	Other Postemployment Benefits
	<u>6/30/2022</u>
Valuation Date	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay
Amortization Method	30 Years Closed (Level Percentage)
Amortization Period	Market Value
Actuarial Asset Valuation Method	
Actuarial Assumptions:	
Discount Rate	2.19% as of July 1, 2021 and 4.09% as of June 30, 2022
Projected Salary Increases	3.00% general wage inflation plus the annual merit scale as follows (based on the West Virginia Public Employees' Retirement System): Age 20, Rate 3.50%; Age 30, Rate 1.60%; Age 40, Rate 1.10%; Age 50, Rate .85%; Age 60+, Rate .35%
Inflation	3.00%
Mortality	The mortality assumption has been updated from Scale MP-2019 to Scale MP-2021, using the following tables: General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021; Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021; and Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

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

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

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

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

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

West Virginia Retiree Health Benefit Trust Fund
Last 10 Fiscal Years

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

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

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

Actuarial Changes OPEB Plan

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

	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
<u>2021</u>	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Below-Median Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
<u>2020</u>	2.25%	Dependent upon pension system. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024 decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
<u>2019</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
<u>2018</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
<u>2017</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

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

Public Employees Retirement System
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	1.034896%	1.071272%	1.261201%	1.364436%	1.419052%	1.327175%	1.285736%	1.301165%	1.266242%
Government's proportionate share of the net pension liability (asset)	\$ (9,085,725)	\$ 5,663,504	\$ 2,711,746	\$ 3,523,684	\$ 6,125,266	\$ 12,198,303	\$ 7,179,766	\$ 4,802,144	\$ 11,543,445
Government's covered payroll	\$ 16,653,509	\$ 16,836,136	\$ 19,596,039	\$ 19,519,308	\$ 20,073,697	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-54.56%	33.64%	13.84%	18.05%	30.51%	66.02%	40.20%	26.55%	65.94%
Plan fiduciary net position as a percentage of the total pension liability	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

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

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,678,590	\$ 1,654,581	\$ 1,669,122	\$ 1,855,299	\$ 2,043,729	\$ 2,238,435	\$ 2,513,283	\$ 2,456,565	\$ 2,526,476	\$ 2,372,689
Contributions in relation to the contractually required contribution	<u>(1,678,590)</u>	<u>(1,654,581)</u>	<u>(1,669,122)</u>	<u>(1,855,299)</u>	<u>(2,043,729)</u>	<u>(2,238,435)</u>	<u>(2,513,283)</u>	<u>(2,456,565)</u>	<u>(2,526,476)</u>	<u>(2,372,689)</u>
Contribution deficiency (excess)	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Government's covered payroll	\$ 17,054,535	\$ 16,653,509	\$ 16,836,136	\$ 19,596,039	\$ 19,519,308	\$ 20,073,697	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391
Contributions as a percentage of covered payroll.	9.84%	9.94%	9.91%	9.47%	10.47%	11.15%	13.60%	13.75%	13.97%	13.55%

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

Actuarial Changes Pension Plan

An experience study for economic assumptions, which was based on the years 2015 through 2020, and an experience study for all other assumptions, which was based on the years 2013 through 2018, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2021 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2021</u>	2.75% - 5.55%	3.60% - 6.75%	2.75%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Disabled Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%
<u>2020</u>	3.1% - 5.3%	3.35% - 6.5%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%
<u>2019</u>	3.1% - 5.3%	3.35% - 6.0%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018; Disabled females-118% of Pub-2010 General / Disabled Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.00-35.88%	0.005-0.540%

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

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2018</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational; Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational; Retired healthy females-101% of RP-2000 Healthy Annuitant, Scale AA fully generational; Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational; Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2.00-35.88%	0.007-0.675%
<u>2017</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational; Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational; Retired healthy females-101% of RP-2000 Healthy Annuitant, Scale AA fully generational; Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational; Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2.00-35.88%	0.007-0.675%
<u>2016</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational; Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational; Retired healthy females-101 % of RP-2000 Healthy Annuitant, Scale AA fully generational; Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational; Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2.00-35.88%	0.007-0.675%
<u>2015</u>	3.00% - 4.6%	3.35% - 6.0%	1.90%	Healthy males - 110% of RP-2000 Non-Annuitant, Scale AA; Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA; Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA; Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA	1.75-35.1%	2.00-35.88%	0-0.675%
<u>2014</u>	4.25% - 6.0%	4.25% - 6.0%	2.20%	Healthy males - 1983 GAM; Healthy females-1971; disabled males - 1971 GAM; Disabled females - Revenue ruling 96-7	1.00-26.00%	2.00-31.2%	0-0.8%

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

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

	Police Officers Retirement System								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	16.993804%	17.171259%	21.118055%	24.313262%	26.194802%	26.159244%	25.359714%	21.403699%	19.176794%
Government's proportionate share of the net pension liability (asset)	\$ (1,854,704)	\$ (1,073,890)	\$ (968,262)	\$ (899,107)	\$ (735,550)	\$ (369,892)	\$ (244,721)	\$ (145,331)	\$ (50,819)
Government's covered payroll	\$ 4,291,833	\$ 3,500,625	\$ 3,195,584	\$ 2,540,250	\$ 2,068,865	\$ 1,434,311	\$ 959,612	\$ 392,330	\$ 185,248
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-43.21%	-30.68%	-30.30%	-35.39%	-35.55%	-25.79%	-25.50%	-37.04%	-27.43%
Plan fiduciary net position as a percentage of the total pension liability	182.78%	172.43%	168.31%	184.45%	203.46%	174.30%	189.27%	230.08%	200.40%

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

	Firefighters Retirement System								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	14.604973%	16.752855%	15.744140%	15.997212%	17.051321%	15.823930%	13.222939%	16.780704%	5.739737%
Government's proportionate share of the net pension liability (asset)	\$ (1,593,987)	\$ (1,047,724)	\$ (721,869)	\$ (591,577)	\$ (478,801)	\$ (223,751)	\$ (127,601)	\$ (113,941)	\$ (15,210)
Government's covered payroll	\$ 3,671,189	\$ 3,393,434	\$ 2,382,403	\$ 1,671,389	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-43.42%	-30.88%	-30.30%	-35.39%	-35.55%	-25.79%	-25.50%	-37.04%	-27.43%
Plan fiduciary net position as a percentage of the total pension liability	182.78%	172.43%	168.31%	184.45%	203.46%	174.30%	189.27%	230.08%	200.40%

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

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

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

Police Officers Retirement System

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

Firefighters Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 364,813	\$ 311,973	\$ 288,424	\$ 225,168	\$ 173,967	\$ 144,771	\$ 102,014	\$ 55,174	\$ 46,744	\$ 8,544
Contributions in relation to the contractually required contribution	<u>(364,813)</u>	<u>(311,973)</u>	<u>(288,424)</u>	<u>(225,168)</u>	<u>(173,967)</u>	<u>(144,771)</u>	<u>(102,014)</u>	<u>(55,174)</u>	<u>(46,744)</u>	<u>(8,544)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered payroll	\$ 4,333,657	\$ 3,671,189	\$ 3,393,434	\$ 1,671,389	\$ 1,346,713	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446
Plan fiduciary net position as a percentage of the total pension liability	8.42%	8.50%	8.50%	13.47%	12.92%	10.75%	11.76%	11.03%	15.20%	15.41%

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

Actuarial Changes Pension Plan

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

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2021</u>	n/a	3.25% - 4.75%	2.75%	Active-100% of Pub-2010 Safety Employee Table, Amount-weighted, projected generationally with Scale MP-2020; Healthy Male Retirees - 98% of Pub-2010 Safety Retiree Male Table, Amount-weighted, projected generationally with Scale MP-2020; Healthy Female Retirees - 99% of Pub-2010 Safety Retiree Female Table, Amount-weighted, projected generationally with Scale MP-2020; Disabled Males - 124% of Pub-2010 Safety Disabled Male Table, Amount weighted, projected generationally with Scale MP-2020; Disabled Females - 100% of Pub-2010 Safety Disabled Female Table, Amount-weighted, projected generationally with Scale MP-2020	n/a	3.00-21.00%	0.03-0.40%
<u>2020</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%
<u>2019</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%
<u>2018</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%

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

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2017</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%
<u>2016</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males- - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00-14.00%	0.05-0.60%
<u>2015</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males- - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00-14.00%	0.05-0.60%
<u>2014</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males- - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00-14.00%	0.05-0.60%

SUPPLEMENTARY INFORMATION

CITY OF CHARLESTON, WEST VIRGINIA GOVERNMENTAL FUND TYPES - NONMAJOR

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2022

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Ad valorem property taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental:					
Federal	932,344	--	--	--	932,344
State	317,195	124,604	--	--	441,799
Local	74,132	--	--	--	74,132
Charges for services	4,130,467	92,602	--	--	4,223,069
Fines and forfeits	1,213,665	--	--	--	1,213,665
Interest earnings	492,315	24,484	1,923	(301,412)	217,310
Contributions and donations	263,456	52,726	--	224,709	540,891
Miscellaneous	68,647	3,975	--	--	72,622
Total revenues	7,492,221	298,391	1,923	(76,703)	7,715,832
EXPENDITURES					
Current:					
General government	221,899	--	--	--	221,899
Public safety	1,787,048	--	--	--	1,787,048
Streets and transportation	--	--	--	--	--
Health and sanitation	1,094,735	--	--	--	1,094,735
Culture and recreation	235,046	--	--	--	235,046
Social services	--	--	--	182,006	182,006
Capital projects	--	7,207,542	--	--	7,207,542
Economic development	237,560	--	--	--	237,560
Debt service:					
Principal	--	--	4,728,000	--	4,728,000
Interest	--	--	2,297,391	--	2,297,391
Total expenditures	3,576,288	7,207,542	7,025,391	182,006	17,991,227
Excess (deficiency) of revenues over expenditures	3,915,933	(6,909,151)	(7,023,468)	(258,709)	(10,275,395)
OTHER FINANCING SOURCES (USES)					
Transfers in	183,639	6,868,898	7,018,047	26,963	14,097,547
Transfers (out)	(3,580,422)	(380,280)	--	--	(3,960,702)
Total other financing sources (uses)	(3,396,783)	6,488,618	7,018,047	26,963	10,136,845
Net change in fund balance	519,150	(420,533)	(5,421)	(231,746)	(138,550)
Fund balances - beginning	7,554,186	10,423,336	5,295,474	2,903,467	26,176,463
Fund balances - ending	\$ 8,073,336	\$ 10,002,803	\$ 5,290,053	\$ 2,671,721	\$ 26,037,913

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS

Nonmajor Funds

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA

CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

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

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

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

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

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

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

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

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

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

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

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

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Green Initiatives	Sidewalk Improvement Project	Total Nonmajor Capital Projects Funds
REVENUES										
Intergovernmental:										
Federal	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State	--	--	--	--	124,604	--	--	--	--	124,604
Charges for services	--	--	--	--	--	--	92,602	--	--	92,602
Interest and investment earnings	227	7,911	518	4,397	10,016	382	557	248	228	24,484
Contributions and donations	--	--	--	6,646	46,080	--	--	--	--	52,726
Miscellaneous	--	--	--	--	3,975	--	--	--	--	3,975
Total revenues	<u>227</u>	<u>7,911</u>	<u>518</u>	<u>11,043</u>	<u>184,675</u>	<u>382</u>	<u>93,159</u>	<u>248</u>	<u>228</u>	<u>298,391</u>
EXPENDITURES										
Current:										
Capital projects	<u>21,340</u>	<u>3,673,293</u>	<u>--</u>	<u>329,610</u>	<u>3,183,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,207,542</u>
Total expenditures	<u>21,340</u>	<u>3,673,293</u>	<u>--</u>	<u>329,610</u>	<u>3,183,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,207,542</u>
Excess (deficiency) of revenues over expenditures	(21,113)	(3,665,382)	518	(318,567)	(2,998,624)	382	93,159	248	228	(6,909,151)
OTHER FINANCING SOURCES (USES)										
Transfers in	25,000	3,000,000	198,898	610,000	2,535,000	--	--	250,000	250,000	6,868,898
Transfers (out)	<u>--</u>	<u>--</u>	<u>(367,641)</u>	<u>--</u>	<u>(12,639)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(380,280)</u>
Total other financing sources (uses)	<u>25,000</u>	<u>3,000,000</u>	<u>(168,743)</u>	<u>610,000</u>	<u>2,522,361</u>	<u>--</u>	<u>--</u>	<u>250,000</u>	<u>250,000</u>	<u>6,488,618</u>
Net change in fund balance	3,887	(665,382)	(168,225)	291,433	(476,263)	382	93,159	250,248	250,228	(420,533)
Fund balances - beginning	<u>92,328</u>	<u>3,478,326</u>	<u>421,052</u>	<u>1,668,968</u>	<u>4,440,437</u>	<u>153,558</u>	<u>168,667</u>	<u>--</u>	<u>--</u>	<u>10,423,336</u>
Fund balances - ending	<u>\$ 96,215</u>	<u>\$ 2,812,944</u>	<u>\$ 252,827</u>	<u>\$ 1,960,401</u>	<u>\$ 3,964,174</u>	<u>\$ 153,940</u>	<u>\$ 261,826</u>	<u>\$ 250,248</u>	<u>\$ 250,228</u>	<u>\$ 10,002,803</u>

CITY OF CHARLESTON, WEST VIRGINIA

DEBT SERVICE FUND

Nonmajor Fund

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA PERMANENT FUND

Nonmajor Fund

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA

FIDUCIARY FUND FINANCIAL STATEMENTS

Pension Trust Funds

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF STATE GRANT AWARDS
YEAR ENDED JUNE 30, 2022

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 27, 2023, which states reliance on other auditors for the discretely presented component units. Our report includes a reference to other auditors who audited the financial statements of the Charleston Urban Renewal Authority (CURA), and Charleston Convention and Visitors Bureau (CVB), as described in our report on the City's financial statements. This report does not include results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes an emphasis of a matter for the adoption of GASB Statement No. 87, *Leases*. Our opinion was not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001 to be a material weakness.

Report on Compliance and Other Matters

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

City of Charleston, West Virginia's Response to Findings

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

Purpose of this Report

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



Charleston, West Virginia
January 27, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Charleston, West Virginia's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The City's basic financial statements include the operations of the Charleston Urban Renewal Authority, and Charleston Convention and Visitor's Bureau, which is not included in the City's schedule of expenditures of federal awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of these component units because the component units were audited by other auditors, who did not perform an audit on compliance with the Uniform Guidance.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Charleston, West Virginia
January 27, 2023

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

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Thru Agency Number</u>	<u>Subrecipient Amounts</u>	<u>Total Current Year Expenditures</u>	<u>Outstanding Loan Amounts</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct programs:					
CDBG-Entitlement Grants Cluster:					
Community Development Block Grants -					
Entitlement Grants	14.218	N/A	\$ 186,894	\$ 4,067,693	\$ 2,054,020
Subrecipients of 14.218					
Bob Burdette			10,254		
Covenant House			6,628		
Daymark, Inc.			18,000		
KVFH			12,000		
Manna Meal			17,000		
Midian Leadership Project			13,236		
Rea of Hope, Inc.			7,500		
RCCR			23,000		
Step by Step			3,158		
Food Shack			5,804		
WV Health Right			45,000		
WV Women Work			6,300		
Women's Health			11,250		
YWCA - SOJ			7,764		
Total Subrecipients of 14.218			<u>186,894</u>		
COVID-19: Community Development Block Grants-CV (CARES ACT ALLOCATION - JULY 2020) Entitlement Grants	COVID 14.218	N/A	268,257	<u>327,360</u>	-
Subrecipients of 14.218 - CDBG-CV					
CARE			22,435		
Keep Your Faith			1,505		
STEP BY STEP			11,122		
United Way			15,648		
YWCA - RFAP			1,886		
Manna Meal			127,000		
Salvation Army			2,394		
United Way			14,959		
Health Right			54,541		
YWCA- RFAP			4,767		
YWCA - SOJ			12,000		
Total Subrecipients of 14.218 - CDBG-CV			<u>268,257</u>		
HOME Investment Partnerships Program	14.239	N/A	N/A	<u>2,355,228</u>	1,834,364
COVID-19: HOME Investment Partnerships Program -CV (American Rescue Plan Program)	COVID 14.239	N/A	N/A	<u>5,668</u>	-
Total U.S. Department of Housing and Urban Development				<u>6,755,949</u>	
U.S. DEPARTMENT OF HOMELAND SECURITY					
Pass-through Programs From:					
West Virginia Department of Military Affairs and Public Safety					
Homeland Security - RRT	97.067	19-SHS-07	N/A	75,350	
Homeland Security - K-9	97.067	19-LE-08	N/A	3,206	
Homeland Security - IRE	97.067	20-LE-15	N/A	9,570	
Homeland Security - STBK CPD	97.067	21-LE-26	N/A	9,998	
Homeland Security - RRT 2020	97.067	20-SHS-35	N/A	<u>32,553</u>	
				<u>130,677</u>	
West Virginia Department of Emergency Management					
Emergency Management Performance Grants	97.042	WV Emergency	N/A	<u>68,000</u>	
Total U.S. Department of Homeland Security				<u>198,677</u>	

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

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Thru Agency Number</u>	<u>Subrecipient Amounts</u>	<u>Total Current Year Expenditures</u>	<u>Outstanding Loan Amounts</u>
U.S. DEPARTMENT OF JUSTICE					
JAG Program Cluster:					
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0034	N/A	31,022	
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0762	N/A	15,392	
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA21GG01990JAGX	N/A	51,554	
Comprehensive Opioid Abuse Site-Based Program	16.838	2019-AR-BX-K030	N/A	126,519	
BJA FY20 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0719	N/A	239,468	
Total JAG Program Cluster				463,955	
Pass-Through Programs From:					
West Virginia Department of Criminal Justice Services					
<u>Program Title</u>					
Crime Victims Assistance	16.575	18-VA-058	N/A	10,553	
Crime Victims Assistance	16.575	19-VA-049	N/A	25,500	
JAG Prevention Resource Officers	16.579	20-JAG-08	N/A	20,000	
MDENT Task Force	16.579	20-JAG-07	26,250	35,000	
				91,053	
Subrecipients of 16.579					
St. Albans PD			8,750		
South Charleston PD			8,750		
Nitro PD			8,750		
Total Subrecipients of 16.579			26,250		
Project Safe Neighborhoods - NIBIN	16.609	18-PSN-002	N/A	11,856	
Equitable Sharing - Treasury	21.016	N/A	N/A	25,672	
Equitable Sharing - Justice	16.922	N/A	N/A	3,900	
Federal Bureau of Investigations	16.302	N/A	N/A	6,530	
US Marshals	16.000	N/A	N/A	2,016	
Organized Crime Drug Enforcement Task Forces	16.UNKNOWN	MA-WVS-0135	N/A	11,060	
Customs & Border Protections/Immigration and Customs Enforcement	16.UNKNOWN	WV-S VOTF	N/A	9,460	
Coronavirus Local Fiscal Recovery Fund	21.027	N/A	1,269,084	1,810,921	
Subrecipients of 21.027					
Charleston Regatta, Inc.			500,000		
YWCA			2,859		
Manna Meals			165,976		
Bright Futures			111,866		
Partnership of African American Churches			440,000		
Charleston Convention & Business Bureau			48,383		
Total Subrecipients of 21.027			1,269,084		
				1,881,415	
Total U. S. Department of Justice				2,436,423	
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-Through From:					
West Virginia Department of Transportation:					
CPD Highway Safety Program	20.600	F21HS-08	10,730	57,596	
CPD Highway Safety Program	20.600	F22HS-08	16,515	121,722	
Subrecipients of 20.600 F21HS-08					
City of Parkersburg			724		
City of Spencer			1,199		
City of Vienna			1,175		
Roane CSD			423		
South Charleston PD			5,102		
St. Albans PD			1,968		
Town of Clendenin			139		
Total Subrecipients of 20.600 F21HS-08			10,730		
Subrecipients of 20.600 F22HS-08					
City of Pennsboro			754		
City of Spencer			594		
City of Vienna			1,175		
Roane CSD			211		
South Charleston PD			6,293		
St. Albans PD			5,554		
Dunbar PD			1,838		
Town of Clendenin			96		
Total Subrecipients of 20.600 F22HS-08			16,515		
Total U.S. Department of Transportation				179,318	
EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY					
Pass-Through From:					
Laurel County Fiscal Court					
Appalachia High Intensity Drug Trafficking Area - MDENT	95.001	N/A		131,161	
Total Executive Office of the President - Office of National Drug Control Policy				131,161	
TOTAL FEDERAL AWARDS EXPENDITURES				\$ 9,701,528	
The accompanying notes are an integral part of this schedule.					

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2- INDIRECT COST RATE

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

NOTE 3 - LOANS OUTSTANDING

The City had the following loan balances outstanding at June 30, 2022. Loans outstanding at the beginning of the year and loans made during the year are included as federal expenditures presented in this schedule.

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Outstanding Amount</u>
Community Development Block Grants/Entitlement Grants	14.218	<u>\$ 2,054,020</u>
HOME Investment Partnership Program	14.239	<u>\$ 1,834,364</u>

NOTE 4 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

 X yes no

Significant deficiency(ies) identified?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 yes X none reported

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

Unmodified Opinion

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

 yes X no

Identification of major federal programs:

Federal Assistance Listing

Number(s)

Name of Federal Program or Cluster

14.239

Home Investment Partnerships Program

21.027

Coronavirus State and Local Fiscal Recovery Funds

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

 \$750,000

Auditee qualified as low-risk auditee?

 yes X no

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

SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

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

2022 – 001	FILE MAINTENANCE AND DOCUMENTATION OF PENSION RECORDS – POLICEMEN’S PENSION AND RELIEF FUND (PPRF) & FIREMEN’S PENSION AND RELIEF FUND (FPRF) (Repeat of Prior Year Finding 2021-001; 2020 – 001)
Criteria:	The records supporting the underlying estimate of pension benefits for all participants both current and retired should be maintained in a manner that provides the appropriate documentation to support benefit calculations and payments.
Condition:	During our audit procedures over the PPRF and FPRF, we noted that certain underlying documents could not be located or contained discrepancies in the support of various pension criteria. A similar finding was noted in the prior year audit.
Context:	PPRF- From a sample of census data, which included four participants, and the review of four pension disbursements, we noted the following: • 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 five participants, and the review of five pension disbursements, we noted the following: • Two instances in which the pension benefit could not be recalculated due to missing or unavailable documentation supporting the calculation.
Effect:	Without the appropriate and accurate supporting documentation, the plans may not be able to provide evidence of compliance with plan provisions including the basis for pension disbursement. In addition, errors may also result in a misstatement of census data used by actuaries and disclosure of pension liabilities.
Cause:	The City’s established procedures to ensure that pension files and all underlying supporting documentation and calculations are accurate did not sufficiently identify certain errors in the calculations.
Identification as a repeat finding, if applicable:	Yes
Recommendation:	The City should continue to establish enhanced procedures to ensure all pension and personnel documentation are current, accurate, and maintained by the City.
Management’s Response:	<i>We agree with the findings and will take the necessary corrective actions as noted in the corrective action plan attached.</i>

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

SECTION III

FEDERAL AWARD FINDINGS
AND QUESTIONED COSTS SECTION

None.

CITY OF CHARLESTON, WEST VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

<u>Programs</u>	<u>Findings/Noncompliance</u>	<u>Questioned Costs</u>
2021 – 001	DOCUMENTATION AND CALCULATION – POLICEMEN’S PENSION AND RELIEF FUND (PPRF) 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. Condition: During the audit procedures over PPRF, we noted that certain calculations contained discrepancies in support of various pension criteria. Recommendation: The City should continue to establish enhanced procedures to ensure all pension and personnel documentation are current, accurate, and maintained by the City. Status: Unresolved, see repeat finding 2022-001.	Unknown



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

January 27, 2023

To Whom It May Concern:

The Management of the City of Charleston respectfully submits the following corrective action plan for the year ended June 30, 2022.

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

Audit Period July 1, 2021 to June 30, 2022

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

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

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

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

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

Sincerely,

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

City of Charleston, West Virginia

Report to the Governing Body

January 27, 2023



**Suttle &
Stalnaker**

Certified
Public
Accountants

A Professional Limited Liability Company

January 27, 2023

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

We are pleased to present this report related to our audit of the financial statements of the City of Charleston, West Virginia (the City) for the year ended June 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting processes.

This report is intended solely for the information and use of the Mayor, City Council, and Federal and State oversight agencies and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the City.

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Required Communications

Professional standards require the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditor's Responsibility Under Professional Standards	We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston (the City) for the year ended June 30, 2022. We did not audit the financial statements of the Charleston Urban Renewal Authority (CURA) and the Charleston Convention and Visitor's Bureau (CVB), which represent 7 percent of the assets, 14 percent of the net position, and 7 percent of the revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the CURA and CVB, is based solely on the reports of the other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, <i>Government Auditing Standards</i>, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 20, 2022.
Qualitative Aspects of Accounting Practices	Adoption of, or Change in, Accounting Policies Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I.D to the financial statements. During 2022, the City implemented GASB Statement No. 87, <i>Leases</i>, which resulted in the recognition of a lease receivable and deferred inflows of resources related to leases and additional disclosures. The City also implemented GASB Statement No. 89, <i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>, GASB Statement No. 91, <i>Conduit Debt Obligations</i>, GASB Statement No. 92, <i>Omnibus 2020</i>, GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i>, GASB Statement No. 97, <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32</i>, and GASB Statement No. 99, <i>Omnibus 2022</i>, none of which had a material impact on the financial statements. The application of existing policies was not changed during the year ended June 30, 2022.

Area	Comments
	We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are summarized in the attached <i>Summary of Accounting Estimates</i>. Financial Statement Disclosures The financial statement disclosures are neutral, consistent, and clear.
Difficulties Encountered in Performing the Audit	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Corrected and Uncorrected Misstatements	Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. See the attached <i>Summary of Recorded Audit Adjustments</i> and <i>Summary of Uncorrected Misstatements</i> .
Disagreements with Management	For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.
Management Representations	We have requested certain representations from management that are included in the management representation letter dated January 27, 2023.

Area	Comments
Management Consultations with Other Independent Accountants	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Other Audit Findings or Issues	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Significant Deficiencies and/or Material Weaknesses	See attached Communication Regarding Material Weaknesses.
Certain Written Communications Between Management and Our Firm	Copies of certain written communications between our firm and the management of the City are attached as exhibits.
Other Matters	We applied certain limited procedures to the management’s discussion and analysis, schedules of employer defined benefit plans information, schedules of other post-employment benefit plan information, the schedules of public employees’ retirement system, the schedules of municipal police officers and firefighters’ retirement system, and the schedules of other post-employment benefits-PEIA, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Area	Comments
	We were engaged to report on the combining and individual nonmajor fund financial statements, schedule of state grant awards, and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

City of Charleston
Summary of Accounting Estimates
Year Ended June 30, 2022

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Accounting estimates are an integral part of the preparation of financial statements prepared by management and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's June 30, 2022 financial statements:

Area	Accounting Policy	Estimation Process	Comments
Depreciation of capital assets	Straight – line method	Based on cost or estimated cost, or if contributed, at fair value of the asset. Depreciation is calculated using the straight-line method over the estimated useful life.	We concur with this process.
Valuation of receivables	Net realizable value	Review of net amounts of anticipated collections, established grants, contracts, and historical collection information.	We concur with this process.
Compensated absences	Estimated	Classified as current since all accruals will be paid within the subsequent fiscal year. There is no liability for unpaid as there is no policy to pay any amounts upon separation of service.	We concur with this process.
Net other post-employment benefits (OPEB) asset/liability	Estimated	Based upon the third-party actuarial determination.	We concur with this process.
Net pension asset/liability	Estimated	Based upon the third-party actuarial determination.	We concur with this process.
Lease receivable and deferred inflows of resources-leases	Present Value	Based on the present value of lease payments expected to be received during the lease term with consideration for any payments received at or before commencement.	We concur with this process.

City of Charleston
Summary of Recorded Audit Adjustments
Year Ended June 30, 2022

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During the course of an audit, we accumulate adjustments that are determined by management to be material to the financial statements and to the related financial statement disclosures, or management otherwise determines are appropriate to make. Following is a summary of the adjustments made to the original trial balance we received.

Fund Financial Statement Entries

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Adjusting JE # 4			
To adjust B&O/CSF revenue and receivables to actual at year-end.			
001-109-7	ACCOUNTS RECEIVABLE-B&O TAXES	117,350.00	-
001-341-01-0000	USER SERVICE FEE	117,350.00	-
001-111-4	ACCOUNTS RECEIVABLE - YEAR END ACCRUALS	-	117,350.00
001-305-01-0000	CURRENT YEAR	-	117,350.00
Total		234,700.00	234,700.00
Adjusting JE # 5			
To post entries related to GASB 87 implementation in the Parking fund.			
406-111-6	LEASE RECEIVABLE	1,534,937.00	-
406-248-2	DEFERRED INFLOW - LEASE	-	1,512,670.00
406-345-01-0000	LEASE RECEIVABLE REVENUES	-	22,627.00
Total		1,534,937.00	1,534,937.00
Adjusting JE # 7			
To post entries related to GASB 87 implementation in the General fund.			
001-111-6	LEASE RECEIVABLE	1,820,263.00	-
001-248-0	DEFERRED INFLOWS - LEASE RECEIVABLE	-	1,792,135.00
001-345-04-0000	LEASE RECEIVABLE AMORTIZATION	-	28,128.00
Total		1,820,263.00	1,820,263.00

Government-Wide Financial Statement Entries

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
None			

City of Charleston
Summary of Uncorrected Misstatements
Year Ended June 30, 2022

10

During the course of an audit, we accumulate uncorrected misstatements that are determined by management to be immaterial, both individually and in the aggregate, to the financial statements and to the related financial statement disclosures. Following is a summary of those differences.

Fund Financial Statement Entries

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Proposed JE # 3			
To allow for B&O and hotel/motel payment plans related to prior year receivables.			
001-299-0	FUND BALANCE	414,389.00	-
S&S	Allowance for Doubtful Accounts	-	414,389.00
Total		414,389.00	414,389.00
Proposed JE # 8			
To adjust accounts receivable fuel taxes to actual.			
001-754-00-000-3-343	GAS, OIL & TIRES	81,612.00	-
001-111-9	ACCOUNTS RECEIVABLE-FUEL TAXES	-	81,612.00
Total		81,612.00	81,612.00

Government-Wide Financial Statement Entries

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
Proposed JE # 9			
To record allocation of OPEB expense (offset) related to the special funding situation.			
GW-2	Payments on Behalf	172,391.00	-
GW-1	OPEB Expense	-	172,391.00
Total		172,391.00	172,391.00
Proposed JE # 10			
To record the asset retirement obligation related to the underground gas tanks.			
GW4	Net Position	175,000.00	-
GW5	Asset Retirement Obligation	-	175,000.00
Total		175,000.00	175,000.00

**COMMUNICATION REGARDING
MATERIAL WEAKNESSES**

January 27, 2023

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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia (the City) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a material weakness.

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 following deficiency in internal control to be a material weakness:

Pension Benefit Calculation – Policemen's Pension and Relief Fund (PPRF) and Firemen's Pension and Relief Fund (FPRF)

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

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

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

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

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.

The City should continue to establish enhanced procedures to ensure all pension benefit calculations are current, accurate, and maintained by the City.

During our audit, we became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses and other matters that are opportunities for strengthening internal controls and operating efficiency.

Segregation of Duties

During testing, it was noted that the journal entry approval process lacked appropriate segregation of duties. Testing revealed that journal entries are being prepared and reviewed/approved by the same person. Additionally, in some instances, there was no approval shown within the Eden system.

We recommend that all journal entries be reviewed and approved by a supervisor or manager, independent of the employee preparing and/or posting the journal entry.

Other Postemployment Benefit Obligation (OPEB) – Census Data

The census data plays a key role in calculating the OPEB liability. During our procedures we noted there was no formal process for consistency in using census data for calculations from year to year. The lack of a formal reconciliation process could result in employees being improperly included or excluded in the calculation of the liability.

We recommend that management develop reconciliation procedures to ensure that the census data is complete and accurate, and progresses from the prior year to current year. Furthermore, policies should be enhanced to include maintenance of adequate documentation supporting the status of plan participants.

Internal Control Documentation

Documentation that internal controls, such as a review or approval, are occurring is a critical part of an entity's internal control system. The documentation of such controls is also generally a key source of information when evaluating the controls. The extent of this documentation may vary and there are numerous factors, such as size, nature, or complexity that may affect it. This is of particular importance when considering grant funded programs, as all federal programs are required to have internal controls in place surrounding the program's compliance requirements.

While there do appear to be adequate processes in place; we recommend that the City take steps to ensure that all review and approval processes are evidenced appropriately.

Funding - Policemen's Pension and Relief Fund (PPRF) and Firemen's Pension and Relief Fund (FPRF)

The Plans are valued using the Conservation funding policy as described in WV Code 8-22-20. The actuarial reports noted that the Conservation policy does not meet the requirements for a reasonable funding method under standard actuarial principles. The report further notes the "Estimated number of years this "Payment Towards Unfunded Liability" would take to eliminate the unfunded liability" would be "Never". "Never" means the current year's payment toward the unfunded liability does not cover the interest on the unfunded liability and the unfunded liability will be expected to increase in future years.

The report does note that the City has taken steps to address the unfunded liability in recent years. We recommend that management continue to evaluate the current funding policies to ensure the unfunded liability is funded in the future.

Mayor's Contributions

Each year during the budgeting process amounts are budgeted for Mayor's Contributions. There are two parts of the contributions, Mayor's Economic Incentives and Mayor's Discretionary Contributions. No formal policy or budgetary directives outside of the general restrictions on City spending or interpretation of the line titles exist. The economic incentives portion is used to support larger economic effects, for example, an event that would draw people into the area. The discretionary portion is used to support fundraising requests or assist with unforeseen circumstances at the Mayor's request. The requests are vetted to ensure the purpose and recipient are appropriate.

Our inquiries revealed that from time to time the Mayor's Discretionary Funds have been spent to pay for funeral expenses, flower arrangements and the like. West Virginia Ethics Commission Advisory Opinion No. 2010-19 states that "...the use of public funds to purchase flowers or other expressions of sympathy, including monetary donations, is prohibited under the Ethics Act". We recommend that the City cease use of these funds for funeral costs or related items and consider establishing a formal policy outlining use of the Mayor's discretionary contributions. If the City desires to continue to use funds for these or similar purposes, we recommend that they seek an alternative opinion from the West Virginia Ethics Commission.

Overtime Documentation

Due to the nature of work of certain departments of the City, coupled with staffing issues, overtime pay is not uncommon. Employees' regular hours and status regarding the right to receive overtime pay is documented in the payroll files. The basis for paying overtime hours worked is the hours the employee records in the time system, which is then approved at the departmental level, by someone who has knowledge of the authenticity of the hours worked before being sent to the Human Resources Department for processing. During our procedures we noted certain employees who appeared to be paid excessive overtime amounts. No additional documentation outside of the time cards were available to support the overtime.

While we recognize that the internal control process is being followed, we recommend that clear documentation of the reason or purpose for excessive overtime is maintained to allow for increased transparency and accountability.

HOME and CDBG Occupancy Requirements

To ensure that HOME and CDBG investments yield affordable housing over the long term, the programs impose rent and occupancy requirements over the length of an affordability period. For homebuyer and rental projects, the length of the affordability period depends on the amount of assistance to the project or buyer, and the nature of the activity funded. Throughout the affordability period, income-eligible households must occupy the assisted housing. The City should be confirming that the homeowner is still occupying the home. Per inquiries with management, the City did not send out these confirmations in the current year. Additionally, during our audit, several confirmations sent for the HOME and CDBG loan programs were returned with undeliverable addresses indicating that the homes may not be occupied.

We recommend that the City ensure ongoing compliance with the HOME and CDBG loan programs by monitoring properties during the affordability period to ensure that they are occupied by income-eligible households.

Temporary Staffing

City policies indicate that temporary employees can be used at the discretion of department heads for periods usually more than 30 days but not to exceed 6 months. The City has a contract with United Talent Staffing Services to provide for temporary staffing. An amendment to this contract included a blanket authorization for hours worked which allows for approved hours on timesheets or reports other than the United Talent forms. It was alleged that there was inadequate documentation surrounding two temporary employees and that their timeframes of employment exceeded the City's policies. We were notified by the West Virginia State Auditor's Office that an investigation was being performed regarding this and other allegations.

We recommend that the City review their policies and agreements surrounding the use of temporary employees to ensure they are up to date, consistently followed, and provide for appropriate document retention and transparency. Furthermore we recommend that the City take any corrective action as determined necessary in the State Auditor's final report.

* * * * *

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Mayor and members of the City Council and is not intended to be and should not be used by anyone other than these specified parties.



Charleston, West Virginia
January 27, 2023

Certain Written Communications Between Management and Our Firm

Engagement Letter

Management Representation Letter

ENGAGEMENT LETTER

July 20, 2022

Mr. Jonathan Storage, City Manager
City of Charleston
501 Virginia Street East, Room 202
Charleston, West Virginia 25301

We are pleased to confirm our understanding of the services we are to provide the City of Charleston (the City) for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit 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, including the disclosures, which collectively comprise the basic financial statements, of the City as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Employer Defined Benefit Pension Plans:
 - a) Schedules of Changes in the Net Pension Liability and Related Ratios
 - b) Schedules of Investment Returns
 - c) Schedules of Contributions Multiyear
 - d) Notes to Schedules

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- 3) Other Post-Employment Benefits (OPEB):
 - a) Schedules of Changes in Net OPEB Liability
 - b) Notes to Schedules
- 4) Public Employees Retirement System:
 - a) Schedule of the Government's Proportionate Share of the Net Pension Liability
 - b) Schedule of Government Contributions
 - c) Notes to Schedules
- 5) Municipal Police Officers and Firefighters Retirement System:
 - a) Schedule of the Government's Proportionate Share of the Net Pension Liability
 - b) Schedule of Government Contributions
 - c) Notes to Schedules
- 6) Other Post-Employment Benefits (OPEB) PEIA:
 - a) Schedule of Proportionate Share of the Net OPEB Liability
 - b) Schedule of Contributions
 - c) Notes to Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Combining Balance Sheet – Nonmajor Governmental Funds
- 2) Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds
- 3) Combining Balance Sheet – Nonmajor Special Revenue Funds
- 4) Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds
- 5) Combining Balance Sheet – Nonmajor Capital Projects Funds
- 6) Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds
- 7) Combining Balance Sheet – Nonmajor Debt Service Fund
- 8) Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Debt Service Fund
- 9) Combining Balance Sheet – Nonmajor Permanent Fund
- 10) Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Permanent Fund
- 11) Combining Statement of Fiduciary Net Position – Pension Trust Funds
- 12) Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds
- 13) Combining Statement of Fiduciary Net Position – Custodial Funds
- 14) Combining Statement of Changes in Fiduciary Net Position – Custodial Funds
- 15) Schedule of State Grant Awards
- 16) Schedule of Expenditures of Federal Awards

We understand that you also plan to issue an Annual Comprehensive Financial Report (ACFR) and the audited financial statements will be included as part of the ACFR, which will also include an introductory section and various statistical tables. We will read the additional information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

We have advised you of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We have offered to perform, as a separate engagement, extended procedures specifically designed to detect fraud and you have declined to engage us to do that at this time.

As this engagement is not designed to be a fraud audit, management understands and accepts the inherent limitations of the audit services described in this agreement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Controls

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

If requested, we will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on the first day of fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report or reference to Suttle & Stalnaker, PLLC will not be included in any such offering document without our prior permission or consent. Any agreement to provide permission or consent will be a separate engagement.

With regard to an exempt offering document with which Suttle & Stalnaker, PLLC is not involved, you agree to clearly indicate in the exempt offering document that Suttle & Stalnaker, PLLC is not involved with the contents of such offering document.

Suttle & Stalnaker, PLLC utilizes Citrix's ShareFile system to exchange files with clients. ShareFile access is restricted and unique User IDs will be provided to the City's employees upon written request. It is the City's responsibility to promptly notify Suttle & Stalnaker, PLLC when an employee no longer requires access or is terminated.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations and schedules we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Suttle & Stalnaker, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to cognizant or oversight agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Suttle & Stalnaker, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Chris Lambert is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in August 2022 and issue our reports no later than December 15, 2022.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

We generally base our fees on the time required at our regular rates for the services and personnel assigned plus out of pocket costs and relevant computer charges. Our charges also include other appropriate factors, including the difficulty of the assignment, the degree of skill required, time limitations imposed on us by others, the experience and ability of the personnel assigned, and the value of the services to the client. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission. Assuming adequate records, internal controls, and assistance of your personnel, we estimate that our fee for the above services will be \$78,000 for the audit of the financial statements of the City and services related to the issuance of the ACFR.

Out of pocket costs will be added to the above fees. We will attempt to minimize our fees consistent with quality work. The extent to which we can do this will depend on your personnel offering us clerical and other assistance to prepare schedules, perform analyses, and provide source documents. This fee estimate will be subject to adjustments based on unanticipated changes in the scope of our work and/or the incomplete or untimely receipt by us of the information on the client participation list. All other provisions of this letter will survive any fee adjustment.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules of Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of the City Council of the City of Charleston. We will make reference to the component auditor's reports on the Charleston Urban Renewal Authority and Charleston Convention & Visitors Bureau. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, related we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issues reports, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Closing

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2020 peer review report accompanies this letter.

By signing this engagement letter, you authorize us to use the name of your entity in future proposals, as well as to provide contact information for requested references.

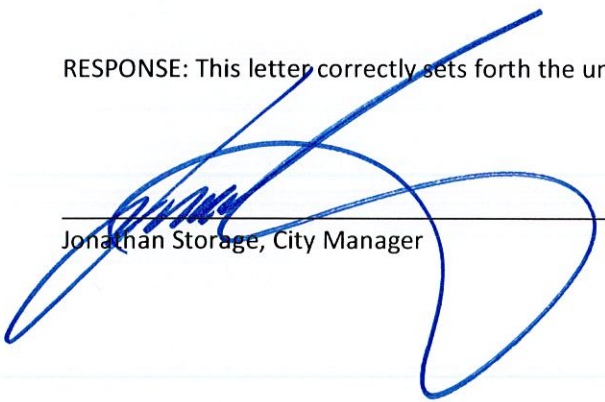
We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Suttle & Stalnaker, PLLC

RESPONSE: This letter correctly sets forth the understanding of City of Charleston.



Jonathan Storage, City Manager



**Kelley Galloway
Smith Goolsby, PSC**
Certified Public Accountants and Advisors

1200 Corporate Court • P.O. Box 990 • Ashland, Kentucky 41105
• Phone (606) 329-1811 (606) 329-1171 • Fax (606) 329-8756 (606) 325-0590
• Web www.ksgcpa.com Member of **Altimetrik** GLOBAL.

Report on the Firm's System of Quality Control

To the Members of Suttle & Stalnaker, PLLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Suttle and Stalnaker, PLLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As part of our review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Suttle & Stalnaker, PLLC has received a peer review rating of *pass*.

Kelley Galloway Smith Goolsby, PSC

Ashland, Kentucky
December 14, 2020

Pikeville, KY

Cincinnati, OH

MANAGEMENT REPRESENTATION LETTER



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

January 27, 2023

Suttle & Stalnaker, PLLC
1411 Virginia Street East, Suite 100
Charleston, West Virginia 25301

This representation letter is provided in connection with your audit of the financial statements of the City of Charleston, West Virginia (the City), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 27, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 20, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. We are in agreement with the adjusting journal entries you have proposed and they have been reflected in the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.
- 11) Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.
- 12) The methods and significant assumptions used to determine fair values of financial instruments are as follows:

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. Exchange traded products, common stock, corporate bonds, U.S. Treasury Bonds are valued using prices quoted in active markets.

The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

- 13) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
- 14) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

15) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- e) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if any.

16) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

17) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

18) We have no knowledge of any fraud or suspected fraud that affects the City and involves—

- a) Management,
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

19) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

20) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

21) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

22) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

Government—specific

- 23) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 24) We have taken timely and appropriate steps to remedy identified and suspected fraud, or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us, if any.
- 25) We have a process to track the status of audit findings and recommendations.
- 26) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 27) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 28) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 29) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 30) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 31) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
- 32) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 33) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 34) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.
- 35) The City has satisfactory title to all owned assets. There are liens on the titles of vehicles purchased through lease/purchase financing agreements that have existing outstanding balances.

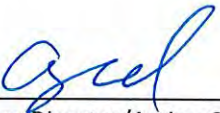
- 36) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 37) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 38) The financial statements include all fiduciary activities required by GASB No. 84, as amended.
- 39) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 40) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 41) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 42) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 43) Provisions for uncollectible receivables have been properly identified and recorded.
- 44) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 45) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 46) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 47) Special and extraordinary items are appropriately classified and reported.
- 48) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 49) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 50) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 51) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

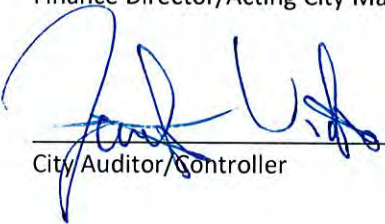
- 52) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 53) With respect to the combining statements, individual fund statements, and schedule of state grant awards (supplementary information).
- a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 54) With respect to federal award programs—
- a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w) We have charged costs to federal awards in accordance with applicable cost principles.
- x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

- 55) During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
- 56) We have implemented GASBS No. 87, *Leases*, during the audit period and have disclosed all material items required by this GASB.



Finance Director/Acting City Manager

City Auditor/Controller

ANNUAL COMPREHENSIVE FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022





**ANNUAL COMPREHENSIVE FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Mayor: Amy Shuler Goodwin

Acting City Manager/Finance Director: Andy Wood

Prepared by the
City of Charleston Accounting Department





CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

To the Honorable Members of the City of Charleston
Citizens of Charleston, West Virginia

I am pleased to provide you with the City of Charleston's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022. The firm of Suttle & Stalnaker, PLLC, has audited the basic financial statements contained in this report.

The ACFR demonstrates the City of Charleston's commitment to financial accountability and national standards. This document provides the City Council and the citizens of Charleston with the City's financial data. The report can be accessed at www.cityofcharleston.gov/government/city-departments/accounting.

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

Sincerely,

Amy Shuler Goodwin
Mayor

ACKNOWLEDGMENTS

Report prepared by:

City of Charleston City Auditor's Office
501 Virginia Street, East, Room 202
Charleston, WV 25301

Financial Reporting Team:

Jennifer Vickers, CPA, CICA, City Auditor/Controller
Priscilla McClanahan, Assistant City Auditor/Controller
Allie Gessel, Accountant
Sandy Starcher, Accounting Technician

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



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FOR THE YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION



CITY OF CHARLESTON
PO BOX 2749
CHARLESTON, WEST VIRGINIA 25330

February 15, 2023

The Honorable Amy Shuler Goodwin, Mayor
The Honorable Members of Council for the City of Charleston, West Virginia
Citizens of the City of Charleston, West Virginia

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Charleston, West Virginia for the fiscal year ended June 30, 2022. State law requires that the State Auditor conduct an audit examination of every local government's financial affairs by performing the audit himself or appointing a certified public accountant. This ACFR has been prepared in conformity with generally accepted accounting principles (GAAP) and audited in conformance with generally accepted auditing standards by Suttle & Stalnaker, under contract with the City of Charleston and the State Auditor.

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

Suttle & Stalnaker has issued an unmodified ("clean") opinion on the City of Charleston's financial statements for the fiscal year ended June 30, 2022. The Independent Auditor's Report is located at the front of the financial section of this report.

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

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

Profile of the Government

The City of Charleston is the capital and largest city of West Virginia. It is the county seat of Kanawha County. Charleston is located at the intersection of Interstates 79, 77, 64 and at the confluence of the Elk and Kanawha Rivers. It is the transportation, retail, cultural, and telecommunications hub of the State and offers one-day shipping proximity to over 60 percent of the United States population and 30 percent of the Canadian population. According to the 2020 census, Charleston has an estimated population of 46,536 and a total area of 31.52 square miles. The Charleston metropolitan area has a population of 254,145.

The City of Charleston is a municipal corporation. The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and twenty-six other members. The mayor appoints, with confirmation by council, the government's manager. The mayor and six council members are elected at large, and the remaining twenty council members are elected by ward. The mayor and council serve four-year terms. For cost savings purposes, the current term will be three and a half years to coincide the city election with the congressional election.

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

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

Economic Conditions and Outlook

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate was 4.2 percent for June 2022, which is an increase from 3.1 percent from October 2021. The State of West Virginia and the United States unemployment rates as of June 2022 was 3.6 percent, which is an increase for the State from the October 2021 rate of 2.9 percent but a decrease for the Country from the October rate of 4.3 percent. According to the Charleston Area Alliance website, the Charleston region has a labor force of over 87,000 people. Of these 87,000 people, nearly 20,000 work in an office or administrative support position, and over 9,000 work as executives, managers, or administrators. There are over 9,300 businesses operating in the Charleston Area, employing over 123,000 people, of which 2,700 or more offer professional, scientific, or technical services (charlestonareaalliance.org/economic-development/).

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

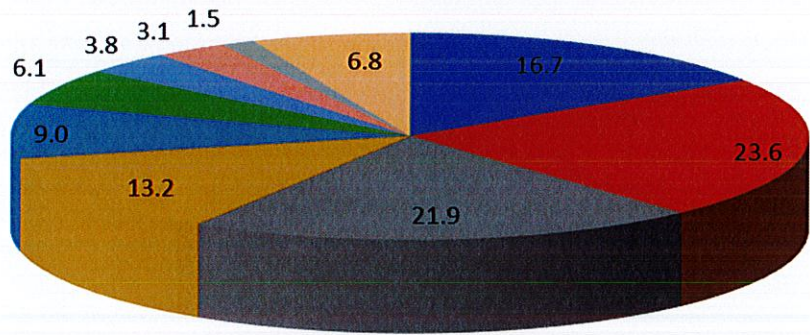
In September 2021, the Charleston City Council created the City Center Business Improvement District. This district will be represented by a seven-member board which is comprised of commercial business owners located in the district. Fees will be assessed to the property owners that are located within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

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

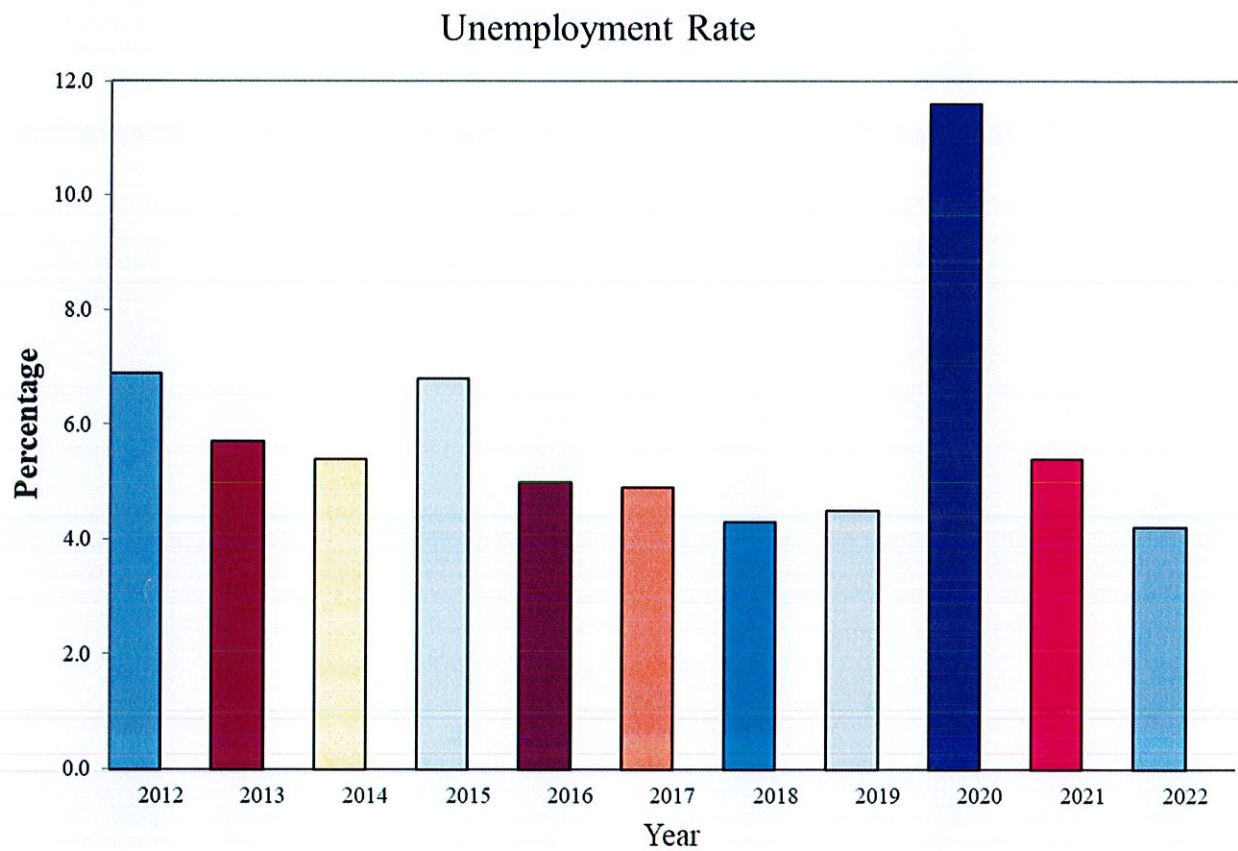
The City of Charleston, along with the Kanawha County Commission and other elected officials of the State of West Virginia, announced in August 2022 plans to establish the Capital Sports Center, which will have the capacity to host major regional and national events. The proposed Center will feature 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.

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



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



US Bureau of Labor Statistics - Data extracted on: January 11, 2023

Long-term Financial Planning and Relevant Financial Policies

The City Council and administration have developed their vision for the City of Charleston to be the Cultural, Recreational, and Business Capital of the Appalachian Mountains. The City of Charleston, West Virginia strives to be the most efficient and effective at balancing and meeting the needs and expectations of its core constituents. The mayor and city council have identified the core constituents to be residents, businesses, governmental organizations, non-governmental organizations and their employees, visitors, and other departmental units, boards, commissions, and employees.

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

A major piece of becoming the Cultural, Recreational, and Business Capital of the Appalachian Mountains is having a robust and modern convention center and event space. To accomplish this goal, in October 2013 the City instituted a 0.5% municipal sales tax approved by the state's Municipal Home Rule Board. The sales tax was dedicated to renovations at the Charleston Coliseum and Convention Center and in 2015 the City sold \$97,250,000 in bonds for an extensive expansion and renovation project of the Charleston Coliseum and Convention Center in 2015. These bonds were partially refunding during the 2021 fiscal year. While the coronavirus pandemic has had a significant effect on the Center's business, the Board recently hired OVG Facilities, LLC, to perform all day-to-day management activities for both the Coliseum and Convention Center and Municipal Auditorium. OVG is a national booking and management firm with experience in facilities of this type. The future is bright for the Coliseum and as the pandemic subsides over the next several months and events resume, the Coliseum and Convention Center will be well positioned to resume its place as an economic driver of the area.

In 2013, the City of Charleston officially created its first Tax Incremental Financing (TIF) district in an L-shaped area surrounding the Coliseum and Convention Center to support improvements and increased capacity to more readily attract and service convention business. The government began receiving property tax revenues from the TIF District in July 2013. Revenues totaled \$232,171 in fiscal year 2021. TIF revenue provides a dedicated source of funding for future improvements at the Center to keep it modern and relevant.

In July 2015, the City increased the municipal sales and use tax by an additional 0.5% to the state maximum of 1% total. The revenue from this additional 0.5% is committed to police and fire pension benefits for those members that retired after July 1, 2011. It is projected this sales tax should provide enough reserves to pay projected pension benefits for this population through 2046.

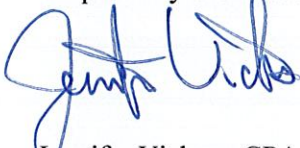
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Charleston for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the sixteenth year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jennifer Vickers", is written over the typed name.

Jennifer Vickers, CPA, CICA
City Auditor (Controller)



Government Finance Officers Association

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

Presented to

**City of Charleston
West Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

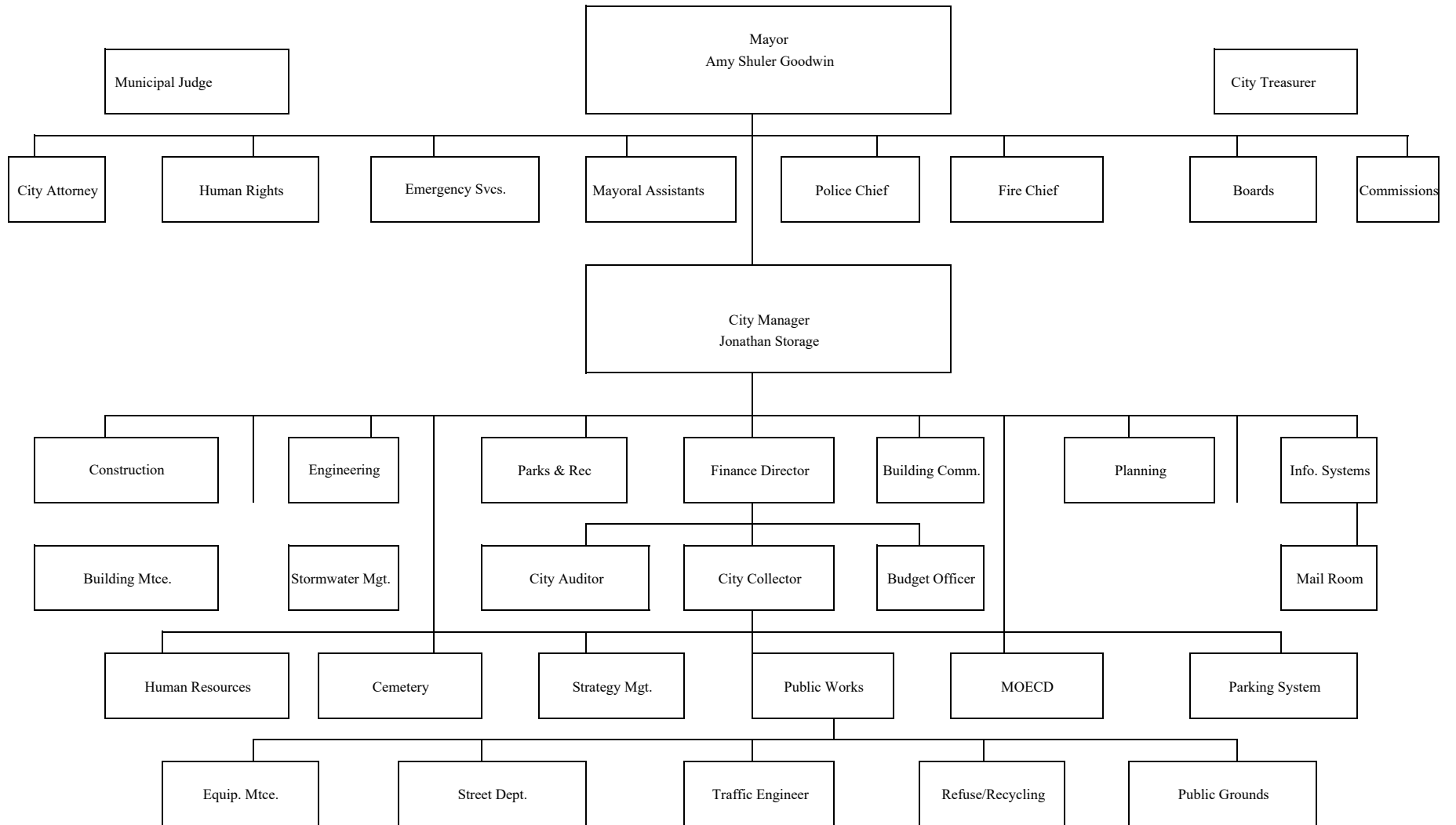
June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF CHARLESTON

Organizational Chart



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

OFFICE		NAME		TERM
<u>Elective</u>				
Mayor:		Amy Shuler Goodwin		1/07/2019-1/02/2023
Treasurer:		Victor Grigoraci		1/07/2019-1/02/2023
Municipal Judge:		Anne Charnock		1/07/2019-1/02/2023
<u>Council Members</u>				
At Large	Ben Adams	Ward 8	Robert Sheets	
At Large	Becki Ceperley	Ward 9	Mary Beth Hoover	
At Large	Naomi Bays	Ward 10	Keeley Steele	
At Large	Jennifer Pharr	Ward 11	Shannon Snodgrass	
At Large	Caitlin Cook	Ward 12	Joseph Jenkins	
At Large	Emmett Pepper	Ward 13	Brent Burton	
Ward 1	Pat Jones	Ward 14	Courtney Persinger	
Ward 2	Bobby Haas	Ward 15	Samuel Minardi	
Ward 3	Chuck Overstreet	Ward 16	Bobby Reishman	
Ward 4	Larry Moore	Ward 17	Bruce King	
Ward 5	Jeanine Faegre	Ward 18	Bobby Brown	
Ward 6	Deanna McKinney	Ward 19	Brady Campbell	
Ward 7	Adam Knauff	Ward 20	Chad Robinson	
<u>Appointive</u>				
City Manager:	Jonathan Storage	Chief of Staff:	Matt Sutton	
Finance Director:	Andy Wood	City Collector:	Christina Merbedone-Byrd	
City Clerk:	Miles Cary	City Engineer:	Chris Knox	
Attorney:	Kevin Baker	Economic & Community Development		
City Auditor:	Jennifer Vickers	Director:	Andrew Backus	



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Coal Severance Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Charleston Urban Renewal Authority (CURA) and the Charleston Convention and Visitor's Bureau (CVB), which represents 7 percent, 14 percent, and 7 percent of the assets, net position, and revenues of the discretely presented component units as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the CURA and CVB, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

Change in Accounting Principle

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 27, the schedules of employer defined benefit plans information on pages 123 through 126, the schedules of other post employment benefit plan information on pages 127 through 128, the schedules of other post-employment benefits PEIA on pages 129 through 131, the schedules of public employees retirement system on pages 132 through 135, and the schedules of municipal police officers and firefighters retirement system on pages 136 through 139 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in cursive script that reads "Snittle & Stalnaker, PLLC".

Charleston, West Virginia
January 27, 2023

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

This section of the City of Charleston's (the City) Annual Comprehensive Financial Report presents Management's Discussion and Analysis of the City's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the City's financial statements, which follow this section.

Financial Highlights

Government-wide

The City of Charleston reported total deficit net position of \$443,486,900 in fiscal year 2022 and a deficit net position of \$503,840,395 in fiscal year 2021.

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

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

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

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

Fund Level

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

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

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

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

Long-term Debt

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 30 through 33 of this report.

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

The City has three types of funds:

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

The basic governmental fund financial statements can be found on pages 36 through 48 of this report.

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

The basic Proprietary Fund financial statements can be found on pages 50 through 54 of this report.

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

The basic Fiduciary Fund financial statements can be found on pages 56 and 57 of this report.

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

Government-Wide Financial Analysis

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

In addition, a portion of the City's net position, \$30,372,840, represents resources that are subject to external restrictions or enabling legislation on how they may be used. The remaining balance for unrestricted net position, a deficit of (\$679,112,389), reflects the City's deficit of remaining assets to remaining liabilities.

CITY OF CHARLESTON'S NET POSITION

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

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

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

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

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

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

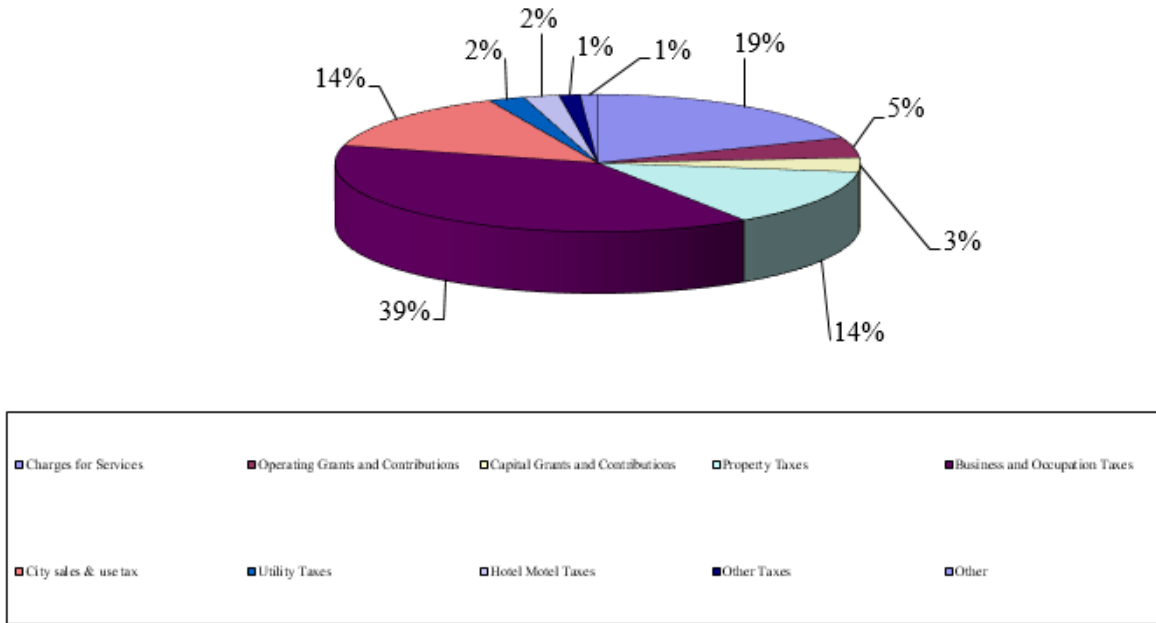
CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

City of Charleston's Changes in Net Position

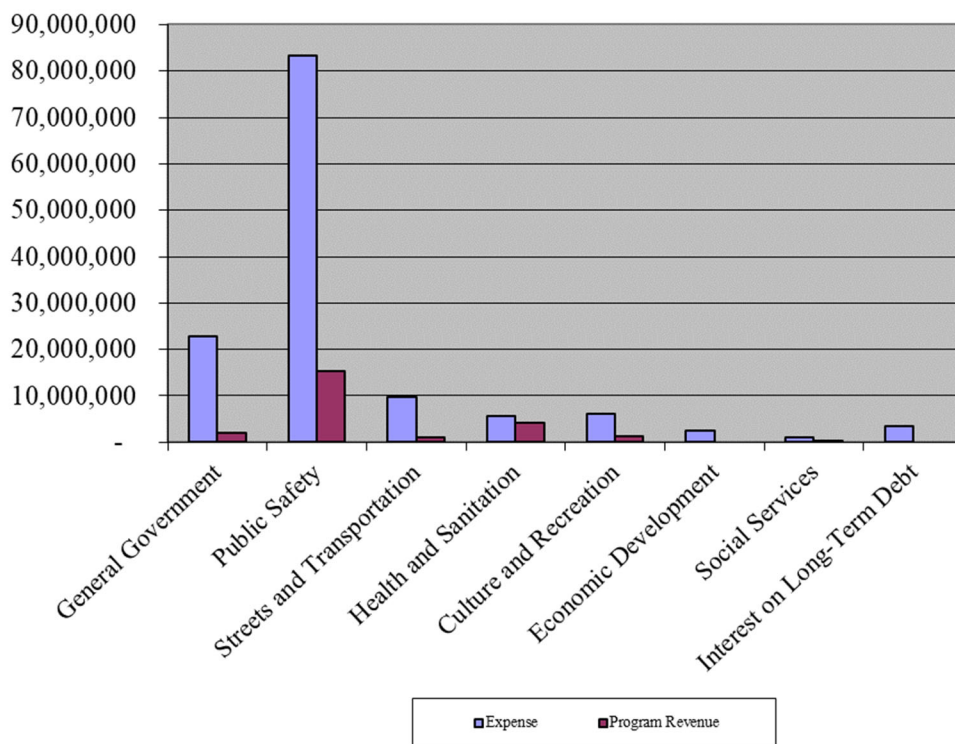
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 24,038,120	\$ 22,468,867	\$ 20,040,620	\$ 5,577,675	\$ 44,078,740	\$ 28,046,542
Operating Grants and Contributions	5,974,325	5,939,292	-	-	5,974,325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

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

Revenue by Source-Governmental Activities

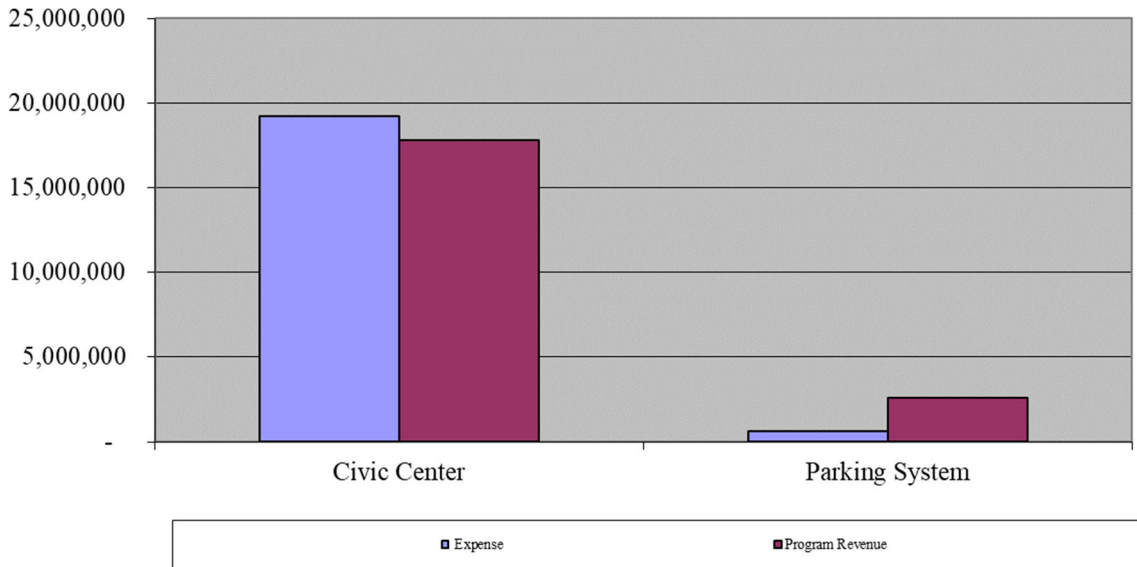


Expenses and Program Revenues-Governmental Activities

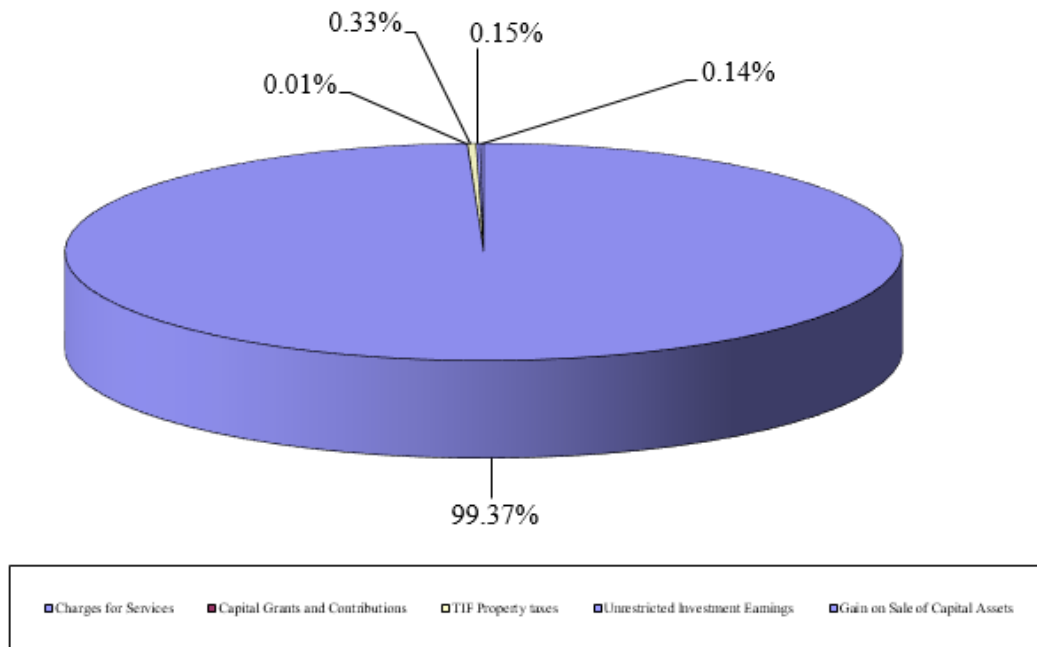


CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022

Expenses and Program Revenues-Business-Type Activities



Revenues by Source-Business-Type Activities



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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Charleston's Governmental Funds reported combined ending fund balances of \$121,609,027, an increase \$6,092,601 in comparison with the prior year. Approximately 41 percent of the combined ending fund balances in the amount of \$49,834,354 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable for prepaid items and permanent fund corpus \$1,632,177; restricted by external grants, contributors, and laws \$14,347,957; committed by the government's council \$55,794,539, and assigned by the government's council or administrative officials \$0.

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$49,834,354, while total fund balance was \$95,438,666. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51 percent of total General Fund expenditures, while total fund balance represents 98 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased \$6,129,990 during the current fiscal year. Police and fire pension contributions increased one percent due to the Conservation Method adopted in 2011 and in November 2014 the City of Charleston implemented a half cent sales tax increase dedicated to the pension reserve fund.

The Coal Severance Tax Fund receives coal severance tax distributed from the State of West Virginia collections. These revenues are dedicated to the Civic Center bond debt service. Coal severance tax revenue increased by \$94,123 over the prior year due to an increase in production and coal sales. Community Development and HOME Funds are funded by HUD federal grants for community development. The grant revenues recognized were \$229,517 higher in comparison to fiscal year 2021 due to an increase in funding. The American Rescue Plan 2021 Fund is funded by federal grant money received from the American Rescue Plan Act of 2021. The grant revenues recognized were \$1,810,921 higher in comparison to fiscal year 2021 due to the City incurring eligible expenses and thus recognizing revenue in fiscal year 2022.

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

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

General Fund Budgetary Highlights

The City periodically revises the General Fund budget throughout the year to recognize projects carried over from the previous year, grants and contributions received for various projects and to adjust budgets to reflect actual circumstances. In fiscal year 2022 the City, through budget amendments, increased the budget by \$8,661,523, on the basis of additional revenue from external and internal sources. The City also decreased the budgeted revenues by \$1,685,007, which amounts to a net increase of \$7,745,482. Additionally, the City increased the fiscal year 2022 budget \$11,346,530 to effect the re-budgeting of the fiscal year 2021 ending fund balance.

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

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

Capital Asset and Debt Administration

Capital Assets. The City of Charleston's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounted to \$211,136,885 (net of accumulated depreciation). This investment in capital assets includes land, building and system, machinery and equipment, park and other recreational facilities, roads, bridges and other infrastructure.

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

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

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

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

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

Additional information on the City of Charleston's capital assets can be found in Note III.C. on pages 78 through 80 of this report.

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

City of Charleston's Outstanding Debt
Revenue Bonds

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

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

Additional information on the City of Charleston's long-term debt can be found in Note III.G. on pages 75 through 78 of this report.

Economic Factors and Next Year's Budget

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate was 4.2 percent for June 2022, which is an increase from 3.1 percent from October 2021. The State of West Virginia and the United States unemployment rates as of June 2022 was 3.6 percent, which is an increase for the State from the October 2021 rate of 2.9 percent but a decrease for the Country from the October rate of 4.3 percent. According to the Charleston Area Alliance website, the Charleston region has a labor force of over 87,000 people. Of these 87,000 people, nearly 20,000 work in an office or administrative support position, and over 9,000 work as executives, managers, or administrators. There are over 9,300 businesses operating in the Charleston Area, employing over 123,000 people, of which 2,700 or more offer professional, scientific, or technical services (charlestonareaalliance.org/economic-development/).

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

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

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

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

The Charleston Convention & Visitors Bureau (CVB) is an accredited Destination Marketing Organization charged with marketing Charleston nationally as a premier destination, thus enriching our community's overall quality of life through economic and social prosperity. In pursuing this mission their primary goal is to add to Charleston's tax base and, in part, improve the overall quality of life for its citizens.

Request for Information

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



CITY OF CHARLESTON, WEST VIRGINIA

THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 30 through 33. A brief description of the City's discretely presented component units follows since these component units are presented only on these government-wide statements.

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

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

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



CITY OF CHARLESTON, WEST VIRGINIA

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

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

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

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

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

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

Nonmajor governmental funds are presented in aggregate and then by fund type beginning on page 143.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General	Coal Severance Tax	Community Development	HOME	American Rescue Plan Act 2021	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS							
Assets:							
Current:							
Cash and cash equivalents	\$ 53,679,113	\$ 6	\$ 25,502	\$ 20,410	\$ 1,087,690	\$ 15,054,019	\$ 69,866,740
Investments	25,030,131	--	--	--	34,461,750	5,534,495	65,026,376
Receivables:							
Taxes	19,273,824	64,488	--	--	--	--	19,338,312
Accounts	4,428,625	--	--	--	--	561,254	4,989,879
Grants	--	--	234,510	35,217	--	76,523	346,250
Special assessments	--	--	--	--	--	21,210	21,210
Loans	--	--	1,540,515	1,834,364	--	344,178	3,719,057
Accrued interest	57	--	--	--	--	5,811	5,868
Lease	1,820,263	--	--	--	--	--	1,820,263
Due from:							
Other funds	3,429,889	--	--	--	--	2,557,635	5,987,524
Component units	10,765	--	--	--	--	15,703	26,468
Prepaid items	88,741	--	--	--	--	--	88,741
Restricted cash	327,563	--	--	--	--	4,486,527	4,814,090
Total assets	108,088,971	64,494	1,800,527	1,889,991	35,549,440	28,657,355	176,050,778
Deferred Outflows:							
Total deferred outflows of resources	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 108,088,971	\$ 64,494	\$ 1,800,527	\$ 1,889,991	\$ 35,549,440	\$ 28,657,355	\$ 176,050,778
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,876,752	\$ --	\$ 171,028	\$ 762	\$ 491,241	\$ 1,916,048	\$ 4,455,831
Payroll payable	1,429,861	--	--	--	--	--	1,429,861
Live on the Levee Charity Raffle	--	--	--	--	--	50	50
Other accrued expenditures	169,478	--	--	--	--	--	169,478
Reserve for future insurance claims	1,268,132	--	--	--	--	--	1,268,132
Due to:							
Component unit	271,764	--	--	--	--	--	271,764
Other funds	4,623,835	--	88,792	34,980	--	531,422	5,279,029
Other governments	95,055	--	--	--	--	--	95,055
Deferred Revenue	2,851	--	--	--	--	--	2,851
Grant advances	--	--	1,540,515	1,854,249	34,990,437	171,922	38,557,123
Customer prepaid fees	87,332	--	--	--	--	--	87,332
Total liabilities	9,825,060	--	1,800,335	1,889,991	35,481,678	2,619,442	51,616,506
Deferred Inflows:							
Taxes	1,033,110	--	--	--	--	--	1,033,110
Lease Receivable	1,792,135	--	--	--	--	--	1,792,135
Total deferred inflows of resources	2,825,245	--	--	--	--	--	2,825,245
Total liabilities and deferred inflows of resources	12,650,305	--	1,800,335	1,889,991	35,481,678	2,619,442	54,441,751
Fund balances:							
Nonspendable	88,741	--	--	--	--	1,543,436	1,632,177
Restricted	418,509	64,494	192	--	67,762	13,797,000	14,347,957
Committed	45,097,062	--	--	--	--	10,697,477	55,794,539
Unassigned	49,834,354	--	--	--	--	--	49,834,354
Total fund balances	95,438,666	64,494	192	--	67,762	26,037,913	121,609,027
Total liabilities, deferred inflows and fund balances	\$ 108,088,971	\$ 64,494	\$ 1,800,527	\$ 1,889,991	\$ 35,549,440	\$ 28,657,355	\$ 176,050,778

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

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

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

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

Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds (Note III.C.).		106,649,216
--	--	-------------

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

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

Certain revenues are not available to fund current year expenditures and therefore are deferred in the funds. This is the amount of deferred taxes (Note III.B.).		1,033,110
---	--	-----------

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

Public Employees Retirement System (PERS):

Deferred outflows:

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

Deferred inflows:

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

Defined Benefit Plans (DBP):

Deferred outflows:

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

Deferred inflows:

Changes in assumptions		(40,484,565)
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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, 2022

MPFRS

Deferred outflows:

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

Deferred inflows:

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

OPEB

Deferred outflows:

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

Deferred inflows:

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

OPEB - PEIA

Deferred outflows:

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

Deferred inflows:

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note III.G.).

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

Net position of governmental activities	\$	(552,433,150)
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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, 2022

	General	Coal Severance Tax	Community Development	HOME	American Rescue Plan Act 2021	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes:							
Ad valorem property taxes	\$ 16,814,033	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 16,814,033
Business & occupation tax	48,609,127	--	--	--	--	--	48,609,127
Alcoholic beverages tax	1,038,039	--	--	--	--	--	1,038,039
Utility services tax	2,814,926	--	--	--	--	--	2,814,926
Hotel occupancy tax	2,778,601	--	--	--	--	--	2,778,601
Animal tax	5,638	--	--	--	--	--	5,638
Gas and oil severance tax	90,153	--	--	--	--	--	90,153
Amusement tax	291,491	--	--	--	--	--	291,491
City sales tax	17,852,592	--	--	--	--	--	17,852,592
Coal severance tax	--	190,933	--	--	--	--	190,933
Licenses and permits	1,745,644	--	--	--	--	--	1,745,644
Intergovernmental:							
Federal	307,494	--	2,177,315	525,749	1,810,921	932,344	5,753,823
State	3,751,706	--	--	--	--	441,799	4,193,505
Local	--	--	--	--	--	74,132	74,132
Charges for services	16,275,773	--	--	--	--	4,223,069	20,498,842
Fines and forfeits	--	--	--	--	--	1,213,665	1,213,665
Interest and investment earnings	(770,947)	--	--	--	66,118	217,310	(487,519)
Payments in lieu of taxes	91,627	--	--	--	--	--	91,627
IRP fees	579,969	--	--	--	--	--	579,969
Contributions and donations	321,301	--	--	--	--	540,891	862,192
Miscellaneous	1,343,870	--	26,291	--	--	72,622	1,442,783
Total revenues	113,941,037	190,933	2,203,606	525,749	1,877,039	7,715,832	126,454,196
EXPENDITURES							
Current:							
General government	19,399,401	--	--	--	--	221,899	19,621,300
Public safety	53,690,790	--	--	--	--	1,787,048	55,477,838
Streets and transportation	8,207,317	--	--	--	--	--	8,207,317
Health and sanitation	3,878,991	--	--	--	--	1,094,735	4,973,726
Culture and recreation	5,942,631	--	--	--	--	235,046	6,177,677
Social services	798,481	--	--	--	--	182,006	980,487
Capital projects	4,321,147	--	--	--	--	7,207,542	11,528,689
Economic development	417,131	--	2,203,770	525,749	1,269,083	237,560	4,653,293
Debt service:							
Principal	465,000	--	--	--	--	4,728,000	5,193,000
Interest & fiscal charges	49,894	--	--	--	--	2,297,391	2,347,285
Bond issuance costs	5,050	--	--	--	--	--	5,050
Total expenditures	97,175,833	--	2,203,770	525,749	1,269,083	17,991,227	119,165,662
Excess (deficiency) of revenues over expenditures	16,765,204	190,933	(164)	--	607,956	(10,275,395)	7,288,534

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

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

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

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

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

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

Net change in fund balances - total governmental funds	\$ 6,092,601
Capital outlays are reported as an expenditure in the governmental funds but are considered an asset at the government-wide level. This is the amount of capital assets that were purchased and constructed during the fiscal year (Note III.C.).	11,107,382
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year (Note III.C.).	(7,681,653)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold (Note).	(225,822)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference in deferred taxes from the prior year (Note III.B.).	228,039
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68 (Note V.).	
<i>Public Employee Retirement System (PERS):</i>	
Contributions made after measurement date	1,678,590
Amount of pension expenses recognized at government-wide level - deferred outflows	(1,521,543)
Amount of pension expenses recognized at government-wide level - deferred inflows	(11,084,797)
<i>Defined Benefit Plans (DBP):</i>	
Amount of pension expenses recognized at government-wide level - deferred outflows	5,917,961
Amount of pension expenses recognized at government-wide level - deferred inflows	(25,164,412)
<i>Municipal Police Officer and Firefighter Retirement System (MPFRS):</i>	
Contributions made after measurement date	772,346
Amount of pension expenses recognized at government-wide level - deferred outflows	(352,522)
Amount of pension expenses recognized at government-wide level - deferred inflows	(797,084)
<i>Other Post Employment Benefits (OPEB):</i>	
Amount of OPEB expenses recognized at government-wide level - deferred outflows	(13,015,700)
Amount of OPEB expenses recognized at government-wide level - deferred inflows	(56,636,990)
<i>Other Post Employment Benefits (OPEB) - PEIA:</i>	
Contributions made after measurement date	636,540
Amount of OPEB expenses recognized at government-wide level - deferred outflows	6,717,348
Amount of OPEB expenses recognized at government-wide level - deferred inflows	(6,577,330)

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

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

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note III.G.).

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in compensated absences.

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
For the Fiscal Year Ended June 30, 2022

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
For the Fiscal Year Ended June 30, 2022

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
For the Fiscal Year Ended June 30, 2022

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

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



CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS- PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

CITY OF CHARLESTON, WEST VIRGINIA

FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

The individual Fiduciary Fund descriptions and financial statements begin on page 168.

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2022

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Blended Component Unit

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

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

Discretely Presented Component Units

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial sources of the general government, except those required or elected to be accounted for in another fund.

The Coal Severance Tax Fund, a special revenue fund, accounts for revenues and expenditures from a severance tax placed on coal that is distributed to West Virginia counties.

The Community Development Fund, a special revenue fund, accounts for federal grants received from the U.S. Department of Housing and Urban Development for the purpose of developing "viable urban communities", which are achieved by providing decent housing, a suitable living environment, and expanded economic opportunities principally for low-and moderate-income people.

The HOME Fund, a special revenue fund, accounts for federal grants received from the U.S. Department of Housing and Urban Development to provide certain mortgage loans to first-time homebuyers that meet income and credit guidelines.

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The American Rescue Plan Act Fund, a special revenue fund, was established to account for federal grant money received from the American Rescue Plan Act of 2021.

The government reports the following major proprietary funds:

The Civic Center is a large multi-purpose meeting, convention and entertainment facility. The Civic Center/Auditorium Board was created in 1953, to supervise, operate, and maintain the Civic Center and the Municipal Auditorium. The Board is appointed by the Mayor with approval of City Council. This fund accounts for the receipts and expenses of the operations of these facilities.

The Parking System Fund consists of parking buildings, parking lots, and metered spaces. The City has delegated a special committee of the Council, designated as the Parking Facilities Committee composed of the Mayor and members of the finance committee of council, to promulgate rules and regulations governing the usage of all the parking facilities. This fund accounts for all receipts and expenses of operating the parking system.

Additionally, the government reports the following fund types:

The Pension Trust Funds account for the activities of the Public Safety Employees Retirement Systems, which accumulates resources for pension benefit payments to qualified public safety employees. These funds are accounted for in essentially the same manner as the proprietary funds, using the accrual basis of accounting.

The Custodial Fund account for assets held by the City of Charleston, West Virginia for others in a custodial capacity. Pending Forfeiture Fund. This fund is custodial in nature and is operated to hold revenues from forfeitures until disbursed to appropriate federal or state entity or returned by court order.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Civic Center and Parking System (enterprise funds) and the Sanitary Board, Urban Renewal Authority, and Convention and Visitor's Bureau (discretely presented component units) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The City of Charleston, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of less than three months from the date of acquisition.

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For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity. In accordance with GAAP, the City reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, is recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The composition of investments and fair values are presented in Note III.A.

State statutes authorize the government to invest in the West Virginia Board of Treasury Investments or the West Virginia Municipal Bond Commission, which is reported at amortized cost, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal national mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with S.E.C. which have fund assets over three hundred million dollars.

State statute limitations concerning the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation, nor can the portfolio have more than nine percent invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

As for the investments of the City's two Municipal Pension Trust Funds (Pension Funds), those investments are governed as to type by West Virginia Code §8-22-22, which state in part that: "(a) The board of trustees may invest a portion or all of the fund assets in any of the pools, funds and securities managed by the West Virginia Investment Management Board or West Virginia Board of Treasury Investments or as otherwise provided in this section. The board of trustees shall keep as an available sum for the purpose of making regular retirement, disability retirement, death benefit, payments and administrative expenses in an estimated amount not to exceed payments for a period of ninety days in short-term investments. The board of trustees, in acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for the benefit of the fund, shall do so in accordance with the provisions of the Uniform Prudent Investor Act codified as article six-c, chapter forty-four of this code. Within the limitations of the Uniform Prudent Investor Act, the board of trustees is authorized in its sole discretion to invest and reinvest any funds received by it and not invested with the West Virginia Investment Management Board or West Virginia Board of Treasury Investments." As of June 30, 2022, the City of Charleston's Police Pension and Relief Fund and Fire Pension and Relief Fund are both currently invested in the West Virginia Investment Management Board.

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2. Receivables and Payables

Inter-fund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "inter-fund receivables or payables" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Trade Receivables

All trade receivables are shown at their net realizable value, which includes reductions for estimated portions that are expected to be uncollectible.

Property Tax Receivable

The property tax receivable is equal to 75 percent of the property taxes outstanding at June 30, 2022.

All current taxes assessed on real and personal property have a levy date of the 3rd Tuesday in April of each year. The due date for the taxes is September 1st for the first half and March 1st for the second half of the year. The lien date in which the county sheriff has a legal right to collect is between October 14th and November 23rd of each year. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If the taxes are not paid on or before the date in which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until the date they are paid. The City receives from the County its portion of property taxes for current and excess levies each month for the preceding month collections.

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents); On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed the statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2022, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>	<u>Tax Increment Financing</u>
Class I	\$ -	12.11 cents	5.03 cents	12.11 cents
Class II	\$ 1,307,675,798	24.22 cents	10.06 cents	24.22 cents
Class IV	\$ 1,919,061,270	48.44 cents	20.12 cents	48.44 cents

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The City of Charleston, West Virginia held an election on May 8, 2018. The City was authorized to lay an excess levy to provide approximately \$4,930,900 annually for four fiscal years beginning July 1, 2019 (FYE June 30, 2020) through July 1, 2022 (FYE June 30, 2023) for the purpose of subsidizing the payment of current governmental expenses.

3. Restricted Assets

Certain assets of the Civic Center and Parking System enterprise fund revenue bonds as well as certain proceeds set aside for their repayment are classified as restricted assets because their use is limited by applicable bond covenants. Certain assets of the Solid Waste Fund, a special revenue fund, are restricted for solid waste landfill closure expenditures. The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months and amounts collected from the Tax Incremental Financing District for the Civic Center and Convention Renovation Project. The "restricted cash" account is used to report resources set aside to pay for potential solid waste capital expenditures. The "reserve for bond retirement" account is used to segregate resources accumulated for debt service payments. The "customer deposit" account is used to report the segregation of returnable cash deposits from customers of the utility upon initial receipt of the service.

4. Capital Assets and Depreciation

Capital assets, including property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds during the same period.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

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.

CITY OF CHARLESTON, WEST VIRGINIA
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Employees are allowed accumulate 240 hours at any given time. Uniformed policemen are entitled to carryover 240 hours and firemen cannot carryover any vacation. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Gain or loss upon refunding of debt is reported as deferred inflows or deferred outflows and amortized over the term of the related debt. Bond issuance costs, except prepaid insurance, are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund Balances

In the governmental fund financial statements, fund balance is reported in the following classifications:

Non-spendable fund balance	Inventories, prepaid amounts, and endowment corpus represent fund balance amounts that are not in spendable form. The government has \$1,632,177 in non-spendable fund balance at fiscal year-end.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation. The government has \$14,347,957 of restricted fund balance at fiscal year-end.
Committed	The committed category is the portion of fund balance which use is constrained by limitations that have been approved by an order (the highest level of formal action) of the City Council, and that remain binding unless removed in the same manner. By City code all corporate power of the City is vested in and exercised by City Council or under its authority. The approval does not automatically lapse at the end of the fiscal year. The government has \$55,794,539 of committed fund balance at fiscal year-end.
Assigned	The assigned category is the portion of fund balance that has been designated by an authorized official such as a member of council, mayor, city manager, finance director or other department head to place constraints on amounts to reflect the government's intent to be used for specific purposes but are neither restricted nor committed. This authority is allowed by City Code of Ordinances. The government has no assigned fund balance at fiscal year-end.

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Unassigned

The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance. The government has \$49,834,354 of unassigned fund balance at fiscal year-end.

The City Council is the government's highest level of decision-making authority. City of Charleston, WV Code of Ordinances provides that all the corporate power of the City shall be vested in and exercised by City Council or under its authority. The Council would take formal action by resolution approved by majority vote to establish, modify or rescind a fund balance commitment. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the Municipality.

The government does not have a formal minimum fund balance policy except for reference to anticipated fund balance or deficit in the annual budget as described in City Code VI. Division 2 Sec. 2-406 and setting aside stabilization amounts as provided in Resolution No. 875-01 on November 1, 2005.

8. Stabilization Arrangements

The government has created a stabilization arrangement in accordance with West Virginia Code §7-21-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for the purpose covering a general fund shortfall or other purpose the municipality considers appropriate. The stabilization balance at fiscal year-end was \$19,145,241.

9. Newly Issued Accounting Standards

The City implemented GASB Statement No. 87, *Leases*, which is effective for fiscal years beginning after June 15, 2021. This Statement requires lessors to report leases under a single model. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources for each lease. This Statement also requires additional notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The adoption of GASB Statement No. 87 resulted in the recognition of current and noncurrent lease receivable and deferred inflows of resources related to leases. See additional information in Note III. F.

The City implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 31, 2021. The requirements of this Statement will enhance the relevance and comparability about capital assets and the cost of borrowing for a reporting period and will simplify accounting for interest cost incurred before the end of a construction period. The adoption of GASB Statement No. 89 did not have a significant impact on the financial statements.

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The City implemented GASB Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2021. The requirements of this Statement eliminate the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity or inconsistency. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The adoption of GASB Statement No. 91 did not have a significant impact on the financial statements.

The City implemented GASB Statement No. 92, *Omnibus 2020*, which is effective for fiscal years beginning after June 15, 2021. The requirements of this Statement address a variety of items, including specific provisions regarding the following topics: (1) GASB Statement No. 87 Implementation; (2) intra-entity transfers of assets; (3) postemployment benefits; (4) government acquisitions; (5) risk financing and insurance related activities of public entity risk pools; and (6) fair value measurements and derivative instruments. The adoption of GASB Statement No. 92 did not have a significant impact on the financial statements.

The City implemented the remainder of GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The removal of LIBOR as an appropriate benchmark interest rate was effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. This Statement removed LIBOR as an appropriate benchmark to coincide with its cessation at the end of calendar year 2021. The new guidance also addresses accounting and financial reporting implications that result from a change or replacement of any interbank offered rate (IBOR) in both hedging derivative instruments and leases. The standard also identifies appropriate benchmark interest rates for hedging derivatives. The adoption of GASB Statement No. 93 did not have a significant impact on the financial statements.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions, but are outside of the scope of Lease or Service Concession Arrangement Guidance. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will require governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The City has not yet determined the effect that the adoption of GASB Statement No. 94 may have on its financial statements.

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GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which is effective for fiscal years beginning after June 15, 2022. The requirements of this Statement establish a definition for SBITA, which is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Generally, this Statement will require a government to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The Statement also establishes guidance for the treatment of costs related to SBITA activities other than subscription payments. Those activities are: Preliminary Project Stage, Initial Implementation Stage, and Operation and Additional Implementation Stage. This Statement also requires a government to disclose essential information about the arrangement such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability. The City has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

The City implemented GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, parts of which were effective immediately, while other provisions are effective for reporting periods beginning after June 15, 2021. The provisions that were immediately effective required that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan that the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform and limits the applicability of the financial burden criterion in GASB Statement No. 84 to defined benefit pension plans and defined OPEB plans administered through trusts. This Statement also requires that an IRC Section 457 Plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that arrangements under IRC Section 457 should be assessed as a potential fiduciary activity under GASB Statement No. 84. As part of the supersession of GASB Statement No. 32, this Statement also requires that investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances. The portion of GASB Statement No. 97 that was effective immediately did not have a significant impact on the financial statements. The adoption of the remaining portions of GASB Statement No. 97 did not have a significant impact on the financial statements.

The City implemented GASB Statement No. 99, *Omnibus 2022*, with varying effective dates based upon each provision ranging from being effective immediately to fiscal years beginning after June 15, 2023. The requirements of this Statement address a variety of items, including specific provisions regarding the following topics: (1) guidance and terminology updates on reporting derivative instruments that do not meet the definition of either an investment derivative or hedging derivative, but are within the scope of GASB Statement No. 53; (2) clarification of provisions of GASB Statement Nos. 87, 94, and 96; (3) extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate; (4) accounting for Supplemental Nutrition Assistance Program (SNAP) benefits; (5) non-monetary transactions; (6) clarification related to the focus of government-wide financial statements under GASB Statement No. 34; and (7) terminology updates related to GASB Statement No. 63. The provisions effective immediately did not have a significant impact on the financial statements.

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GASB has issued Statement No. 100, *Accounting Changes and Error Corrections- an Amendment of GASB Statement No. 62*, which is effective for fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. Those changes include things like: certain changes in accounting principles, certain changes in estimates that result from a justified or preferable change in measurement or new methodology. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods; changes to or within the reporting entity be reported by adjusting beginning balances of the current period; and changes in accounting estimates be reported prospectively by recognizing the change in the current period. If the change in accounting principle is the result of a new pronouncement the requirements only apply absent specific transition guidance in the pronouncement. Under this standard it is also necessary to display the total adjustment to beginning net position, fund balance, or fund net position on the face of the financial statements, by reporting unit. This statement also specifies both qualitative and quantitative disclosure requirements. Lastly, this statement provides guidance for if and how these changes should be reflected in required supplementary information and supplementary information. The City has not yet determined the effect that the adoption of GASB Statement No. 100 may have on its financial statements.

GASB has issued Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. This statement modifies the criteria requiring a liability for compensated absences to be recognized. Under this statement a liability must be recognized for leave that has not been used, or leave that has been used but not yet paid in cash or settled through noncash means. Furthermore, the liability for leave that has not been used is recognized if the leave is attributed to services already rendered, that accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. If the leave is considered more likely than not to be settled through conversion to a defined benefit post-employment benefit it should not be included in the liability for compensated absences. This statement also specifies certain types of benefits where the liability is not recognized until leave commences or where the liability is not recognized until the leave is used. The statement also provides guidance for measuring the liability and modifies the disclosure requirements allowing for disclosure of only the net change in the liability, and no longer requiring disclosure of which governmental funds have been used to liquidate the liabilities. The City has not yet determined the effect that the adoption of GASB Statement No. 101 may have on its financial statements.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The government is required to legally adopt an annual budget for its General Fund and Coal Severance Tax Fund, a major special revenue fund. However, there is no such requirement for the Community Development Block Grant, HOME, and American Rescue Plan Act 2021 funds, all major special revenue funds. Annual budgets are adopted on a basis consistent with GAAP for the General Fund and the Coal Severance Tax Fund, except as noted. All annual appropriations lapse at fiscal yearend.

The governing body of the City is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the City and to prepare the levy estimate (budget) for the fiscal year commencing July 1. The budget is then forthwith submitted to the State Auditor for approval. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and formally lay the levy.

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The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then submission to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts. The governing body made the following material supplementary budgetary appropriations throughout the year:

GENERAL FUND

Amount	Description
\$ 3,978,019	General Government Expenditure Increase
59,635	Public Safety Expenditure Increase
691,590	Streets and Transportation Increase
453,300	Health and Sanitation Increase
84,860	Culture and Recreation Increase
35,250	Social Services Increase
1,490,082	Capital Projects Expenditure Increase

Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances (e.g. purchase orders, contracts) are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

The government's budget basis differs from GAAP in the general fund due to: (1) implementation of GASB 54 for GAAP purposes, (2) the allocation of amounts received from the State of West Virginia for pension allocation (see note III.J.) (3) Cost allocation of the pay as you go portion related to other post-employment benefits (4) separate reporting of capital outlay for budgetary purposes and (5) the reflection of business and occupation taxes on the cash basis for budgetary purposes.

Of these differences, only GASB 54 implementation and the method of recording business and occupation taxes have an effect on the fund balance per GAAP basis and budgetary basis as follows:

	Net Change in Fund Balance	Fund Balance
Budgetary Basis		
Basis of Accounting Difference	\$ 6,129,990	\$ 95,438,666
GAAP Basis	(2,195,327)	(80,157,473)
	<u>\$ 3,934,663</u>	<u>\$ 15,281,193</u>

Intergovernmental revenues - state and public safety expenditures both decreased by \$3,728,368 per budget basis for the pension allocation from the State of West Virginia.

The remaining differences in the functional categories per budget and GAAP are attributed to the method in which capital outlay and the pay as you go portion of other post-employment benefits are allocated in the budget.

CITY OF CHARLESTON, WEST VIRGINIA
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B. Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances are listed below for the General Fund, a major fund. There were no other major or non-major funds with encumbrances at June 30, 2022.

<u>Encumbrance Description</u>	<u>General Fund</u>
Contributions to Other Entities	\$ 74,309
Court Costs & Damages	367,041
Comprehensive Plan	29,087
Stormwater Project	4,373
Culture & Recreation	4,500
Police Department	17,613
Fire Department	653,972
	<u>\$ 1,150,895</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash & Cash Equivalents and Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

At year end, the government had the following investments:

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Primary Government	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
West Virginia Municipal Bond Commission, at amortized cost	\$ 399,899	Not Rated	Not Rated
WV Money Market Pool	38,453,466	Not Rated	Not Rated
WV Short-term Bond Pool	24,031,265	Not Rated	Not Rated
	<u>62,884,630</u>		
US Treasury N/B 2%	99,594	Not Rated	Not Rated
US Treasury N/B 1.5%	100,006	Not Rated	A2
	<u>199,600</u>		
Common Stock	276,051	Not Rated	Not Rated
Mutual Funds	1,580,581	Not Rated	Not Rated
Certificates of Deposit	395,910	Not Rated	Not Rated
Exchange Traded Products	89,503	Not Rated	Not Rated
Total Unrated Securities	<u>2,342,045</u>	Not Rated	Not Rated
Total Primary Government	<u>\$ 65,426,275</u>		

Pension & Relief Funds	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Policemen's Pension & Relief			
West Virginia Investment Management Board	\$ <u>32,298,309</u>	Not Rated	Not Rated
Firemen's Pension & Relief			
West Virginia Investment Management Board	\$ <u>29,137,916</u>	Not Rated	Not Rated
Total Pension & Relief Funds	<u>\$ 61,436,225</u>		

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The City's investment in the West Virginia Board of Treasury Investments includes funds held at the West Virginia Municipal Bond Commission (Commission) for the Civic Center revenue bond issuances. The West Virginia Legislature created this Commission to act as the fiscal agent/trustee for the bond issuances of the State and its political subdivisions. The oversight of the Commission is the State Treasurer's Office, the State Auditor's Office, and other financial professionals not associated with government. Since 1932, the Legislature has made a blanket appropriation annually to cover possible deficiencies that could arise in State and general obligation sinking fund accounts. Standard & Poor has recognized this annual Legislative appropriation and the Commission's management as a Credit Enhancement Program and has awarded all West Virginia general obligations administered by the Commission a minimum rating of AA-. The City's fair value position in the pool is the same as the value of the pool shares.

The City has invested in The West Virginia Short Term Bond Pool which was created to invest restricted moneys of the State which have a longer-term investment horizon. The goal of the Pool is to earn an incremental return over the West Virginia Money Market Pool with an objective of Asset growth rather than current income. The Pool is structured as a mutual fund and is limited to monthly withdrawals and deposits by Participants. The risk factor on this Pool is higher than the West Virginia Money Market Pool.

Net investment income and realized gains and losses are declared as dividends on the last day of the month and distributed to the Participants in the Pool on the first day of the following month. Gains and losses (realized and unrealized) are reflected in the net asset value calculated each month. The City has investments in the West Virginia Money Market Pool in the amount of \$38,453,466 and in the West Virginia Short Term Bond Pool of \$24,031,265.

The City's Pension and Relief funds have invested in The West Virginia Investment Management Board, which was created and established to act "*in all respects for the benefit of the state's public employees and ultimately the citizens of the state and the West Virginia Investment Management Board may act as trustee of the irrevocable trusts created by this article and to manage and invest other state funds. W.Va. Code §12-6-1(f).*" The City has investments in the West Virginia Investment Management Board in the amount of \$32,298,309 for the Policemen's Pension and \$29,137,916 for the Firemen's Pension.

Credit Risk

It's the government's policy to limit its investments as stated in the West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a. The specific investments allowed for municipal and pension investments are fully described with all applicable limitations in Note I.D.1. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2022, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Interest Rate Risk

The City of Charleston has adopted the provisions of West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a (for policemen and firemen's pension plans) as its investment policy, the specific provisions of which are more fully described in Note I.D.1. The government does not have a policy for interest rate risk in addition to the governing West Virginia statutes.

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As of June 30, 2022, 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 at amortized cost	\$ 399,899	\$ 399,899	\$ -	\$ -	\$ -
West Virginia Money Market Pool	38,453,466	38,453,466	-	-	-
West Virginia Short-term Bond Pool	24,031,265	24,031,265	-	-	-
US Treasury N/B 2%	99,594	99,594	-	-	-
US Treasury N/B 1.5%	100,006	100,006	-	-	-
Common Stock	276,051	276,051	-	-	-
Mutual Funds	1,580,581	1,580,581	-	-	-
Exchange Traded Products	89,503	89,503	-	-	-
Certificates of Deposit	395,910	299,601	96,309	-	-
	<u>\$ 65,426,275</u>	<u>\$ 65,329,966</u>	<u>\$ 96,309</u>	<u>\$ -</u>	<u>\$ -</u>
Policemen's Pension and Relief					
	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
West Virginia Investment Management Board	<u>\$ 32,298,309</u>	<u>\$ 32,298,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Policemen's Pension and Relief	<u>\$ 32,298,309</u>	<u>\$ 32,298,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Firemen's Pension and Relief					
West Virginia Investment Management Board	<u>\$ 29,137,916</u>	<u>\$ 29,137,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Firemen's Pension and Relief	<u>\$ 29,137,916</u>	<u>\$ 29,137,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments	<u>\$ 61,436,225</u>	<u>\$ 61,436,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of Credit Risk

The government has adopted the provisions contained in West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a as its investment policy which does not allow for an investment in any one issuer that is in excess of nine percent of the government's total investment or ten percent of the pension fund total investment. Other limitations on investments are more fully described in Note I.D.I. The government does not have a policy for concentration of credit risk in addition to governing West Virginia statutes.

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Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. Spring Hill Cemetery had four mutual fund investments in Vanguard High Yield Dividend, Vanguard Growth Index Fund, Baird Aggregate Bond Fund, and PIMCO Investment Grad Corp bond Inst, that were eleven percent, eight percent, thirteen percent, and nine percent respectively, of the total portfolio at June 30, 2022.

Custodial Credit Risk

The City of Charleston's deposits with financial institutions are fully insured or collateralized by securities held in the government's name at June 30, 2022.

Fair Value of Investments

The City of Charleston measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2022 the City had the following recurring fair value measurements.

		Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level - Primary Government	Total	Level 1	Level 2	Level 3
West Virginia Municipal Bond Commission	\$ 399,899	\$ 399,899	\$ -	\$ -
West Virginia Money Market Pool	38,453,466	38,453,466	-	-
West Virginia Short-term Bond Pool	24,031,265	24,031,265	-	-
US Government Securities	199,600	199,600	-	-
Common Stock	276,051	276,051	-	-
Mutual Funds	1,580,581	1,580,581	-	-
Exchange Traded Products	89,503	89,503	-	-
Certificates of Deposit	395,910	-	395,910	-
Total	\$ 65,426,275	\$ 65,030,365	\$ 395,910	\$ -

CITY OF CHARLESTON, WEST VIRGINIA
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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 - Police Pension	Total	Level 1	Level 2	Level 3
West Virginia Investment Management Board	\$ 32,298,309	\$ 32,298,309	\$ -	\$ -
Total	\$ 32,298,309	\$ 32,298,309	\$ -	\$ -

		Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level - Fire Pension	Total	Level 1	Level 2	Level 3
West Virginia Investment Management Board	\$ 29,137,916	\$ 29,137,916	\$ -	\$ -
Total	\$ 29,137,916	\$ 29,137,916	\$ -	\$ -

B. Receivables

Governmental funds and business-type activities report unavailable revenue as deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and business-type activities report advance payments in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in the governmental funds and business-type activities were as follows:

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	General	Coal Severance	Community Development	HOME
Receivables:				
Accounts	\$ 4,509,756	\$ -	\$ -	\$ -
Accrued interest	57	-	-	-
Taxes	19,273,824	64,488	-	-
Special assessments	-	-	-	-
Loans	-	-	2,054,020	1,834,364
Grants	-	-	234,510	35,217
Lease	1,820,263	-	-	-
Gross receivables	25,603,900	64,488	2,288,530	1,869,581
Less: allowance for uncollectible	(81,131)	-	(513,505)	-
Net total receivables	\$ 25,522,769	\$ 64,488	\$ 1,775,025	\$ 1,869,581

	Civic Center	Parking System	Nonmajor Funds and Fiduciary Funds	Total
Receivables:				
Accounts	\$ 678,624	155,750	\$ 561,254	\$ 5,905,384
Accrued interest	-	-	5,811	5,868
Taxes	-	-	-	19,338,312
Special assessments	-	-	21,210	21,210
Loans	-	-	344,178	4,232,562
Grants	-	-	76,523	346,250
Lease	-	1,534,937	-	3,355,200
Gross receivables	678,624	1,690,687	1,008,976	33,204,786
Less: allowance for uncollectible	-	(22,000)	-	(616,636)
Net total receivables	\$ 678,624	\$ 1,668,687	\$ 1,008,976	\$ 32,588,150

	Deferred Inflows	Unearned
Property Taxes	\$ 1,033,110	\$ -
Lease Receivable	1,792,135	-
Prepaid License Fees, Advance Office Rental, and Prepaid Cemetary Burial Fees (General Fund)	-	87,332
Grant drawdowns prior to meeting all elibility requirements	-	38,559,974
Total	\$ 2,825,245	\$ 38,647,306

CITY OF CHARLESTON, WEST VIRGINIA
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C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,380,911	\$ 61,400	\$ (225,822)	\$ 9,216,489
Construction in progress	6,268,362	3,680,747	(1,179,210)	8,769,899
Total capital assets not being depreciated	15,649,273	3,742,147	(1,405,032)	17,986,388
Capital assets being depreciated:				
Buildings and improvements	54,166,952	80,260	-	54,247,212
Structures and improvements	30,492,883	384,856	-	30,877,739
Machinery and equipment	21,064,330	1,782,243	(77,110)	22,769,463
Vehicles	24,516,503	1,007,418	(1,099,463)	24,424,458
Furniture	340,010	-	-	340,010
Infrastructure	113,870,651	5,289,668	-	119,160,319
Total capital assets being depreciated	244,451,329	8,544,445	(1,176,573)	251,819,201
Less accumulated depreciation:				
Buildings and improvements	(29,993,155)	(1,203,530)	-	(31,196,685)
Structures and improvements	(16,322,981)	(974,155)	-	(17,297,136)
Machinery and equipment	(18,392,625)	(1,070,638)	77,110	(19,386,153)
Vehicles	(18,602,384)	(2,292,182)	1,099,463	(19,795,103)
Furniture	(340,010)	-	-	(340,010)
Infrastructure	(73,000,138)	(2,141,148)	-	(75,141,286)
Total accumulated depreciation	(156,651,293)	(7,681,653)	1,176,573	(163,156,373)
Total capital assets being depreciated, net	87,800,036	862,792	-	88,662,828
Governmental activities capital assets, net	\$ 103,449,309	\$ 4,604,939	\$ (1,405,032)	\$ 106,649,216

CITY OF CHARLESTON, WEST VIRGINIA
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	Beginning Balance	Increases	Decreases	Contributions Out	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 4,366,447	\$ -	\$ -	\$ -	\$ 4,366,447
Construction in progress	-	22,979	-	-	22,979
Total capital assets not being depreciated	4,366,447	22,979	-	-	4,389,426
Capital assets being depreciated:					
Buildings and improvements	151,012,538	277,090	-	-	151,289,628
Machinery and equipment	3,256,858	405,052	-	-	3,661,910
Vehicles	183,718	110,790	(29,984)	-	264,524
Total capital assets being depreciated	154,453,114	792,932	(29,984)	-	155,216,062
Less accumulated depreciation:					
Buildings and improvements	(47,204,865)	(4,909,983)	-	-	(52,114,848)
Machinery and equipment	(2,567,136)	(279,207)	-	-	(2,846,343)
Vehicles	(165,177)	(21,435)	29,984	-	(156,628)
Total accumulated depreciation	(49,937,178)	(5,210,625)	29,984	-	(55,117,819)
Total capital assets being depreciated, net	104,515,936	(4,417,693)	-	-	100,098,243
Business-type activities capital assets, net	\$ 108,882,383	\$ (4,394,714)	\$ -	\$ -	\$ 104,487,669

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 2,556,629
Public Safety	2,232,607
Highways and streets, including depreciation of general infrastructure assets	1,288,044
Health and Sanitation	487,289
Culture & Recreation	994,406
Social Services	122,678
Total depreciation expense - governmental activities	\$ 7,681,653
Business-type activities:	
Civic Center	\$ 4,745,370
Parking	465,255
Total depreciation expense - business type activities	\$ 5,210,625

CITY OF CHARLESTON, WEST VIRGINIA
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Construction in Progress

The government has active construction projects as of June 30, 2022. The projects include equipment for police vehicles, Five Corners architectural study, fiber optics, emergency streambank repairs for Kanawha River and Greenbrier Street, Southside Bridge inspection and rehabilitation, community center remodels, Curb and Sidewalk projects, retaining wall projects, Barlow Drive repairs, a skate park, a dog park, a salt shed, and renovations at Slack Plaza. At year end, the amounts for governmental activities are as follows:

Project	Spent-to-Date	Funded
South Side Bridge Inspection & Rehabilitation	\$ 2,606,080	General Fund
Emergency Streambank - Kan. River & Greenbrier Street	1,617,690	General Fund
Five Corners Architectural Survey	16,182	MOECD
Five Corners Traffic Study	63,308	General Fund
Concrete Curb & Sidewalk Summer 2020	761,866	General Fund
Salt Shed	4,800	General Fund
Slack Plaza Renovation	2,721,187	General Fund
Charleston Fire Department Rehabilitation	18,125	General Fund
Software	90,000	General Fund
Parks & Recreation HVAC	105,280	General Fund
Beatrice Street Park	228,819	General Fund
Martin Luther King, Jr. Center Remodel	62,501	General Fund / MOECD
YWCA Fire Suppression System Replacement	39,000	General Fund
Charleston Fire Office Remodel	281,633	General Fund
Cato Park Recreation Projects	153,428	General Fund
Civic Center Grab & Go Project	22,979	Civic Center Capital Improvements Fund
	<u>\$ 8,792,878</u>	

CITY OF CHARLESTON, WEST VIRGINIA
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D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Interfund receivables/payables:

Payable Fund	Purpose	Amount
Civic Center	Reimbursements Insurance/Fuel	\$ 176,613
Parking	Reimbursements Insurance/Fuel	30,530
CDBG	Reimbursement Salary & Utilities	88,792
Home	Reimbursement Salary & Utilities	34,980
Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	531,422
General	Endowment, Loans, and Reimbursements	1,795,005
Custodial Fund	Settled Cases & Reimbursements	503,852
Total		<u>\$ 3,161,194</u>

Interfund transfers:

	Transfers In				
	General Fund	Springhill Cemetery	Nonmajor Governmental	Civic Center	Total Transfers Out
Transfers out:					
General fund	\$ 18,778,463	\$ 26,963	\$ 13,859,047	\$ 1,472,421	\$ 34,136,894
Coal severance tax	-	-	-	155,726	155,726
American Rescue Plan	541,838	-	-	-	541,838
Nonmajor govern- mental funds	3,580,422	-	12,639	367,641	3,960,702
Parking	-	-	-	-	-
Civic Center	46,796	-	198,898	21,370	267,064
Total Transfers In	<u>\$ 22,947,519</u>	<u>\$ 26,963</u>	<u>\$ 14,070,584</u>	<u>\$ 2,017,158</u>	<u>\$ 39,062,224</u>

CITY OF CHARLESTON, WEST VIRGINIA
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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. The City has also transferred money to the Green Initiative Fund and Sidewalk Improvement Fund (capital projects funds) to open these new funds.

E. Financed Purchases

The government has entered into finance purchase agreements for the purpose of financing the acquisition of recreation, office equipment and public safety equipment. These agreements do not qualify for leases under GASB Statement No. 87, *Leases* and therefore are classified as financed purchases. They have been recorded at the present value of the future minimum payments as of the inception date.

On November 17, 2016, the City of Charleston issued \$4,310,000 of Taxable Lease Revenue Refunding and Improvement Bonds (The City of Charleston Stadium Project), Series 2016A. The proceeds of which are to be used to currently refund the Series 2004 Bonds, pay the costs of improvements to the facilities by upgrading and replacing the technology in the scoreboard and pay costs of issuance. Per the implementation of GASB Statement No. 87, *Leases*, in fiscal year 2022, this bond is classified as a financed purchase and not a lease.

The assets acquired through financed purchases are as follows:

Asset	Governmental Activities	Parking System
Appalachian Power Park	\$ 21,438,651	\$ -
Machinery, equipment and vehicles	18,617,020	196,998
Less: accumulated depreciation	(23,263,458)	(196,998)
Total	\$ 16,792,213	\$ -

CITY OF CHARLESTON, WEST VIRGINIA
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The future minimum obligations and the net present value of these minimum payments as of June 30, 2022, were as follows:

Year Ending <u>June 30</u>	Governmental <u>Activities</u>
2023	\$ 1,961,729
2024	1,319,252
2025	912,891
2026	186,505
2027	81,200
2028-2032	<u>-</u>
Total minimum payments	4,461,577
Less: amount representing interest	<u>(152,640)</u>
Present value of minimum payments	<u>\$ 4,308,937</u>

F. Leases

The City implemented GASB Statement No. 87, *Leases* in fiscal year 2022, which was issued to better meet the needs of the financial statement users by improving accounting and financial reporting for leases by governments. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation had no impact on beginning net position for fiscal year 2022 since the lease receivable equaled the deferred inflows of resources at implementation. The City recognized \$3,844,753 as a lease receivable and deferred inflow as of July 1, 2021. The City identified the following leases that are applicable:

The City of Charleston, WV (lessor) entered into a lease agreement with Charles Ryan Associates, LLC (lessee) on November 7, 2011. The lease is for a term of fifteen years that will end on December 31, 2027. The lessee agreed to pay monthly installments of \$9,991. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV (lessor) entered into a lease agreement with Yoga Power, LLC (lessee) on February 1, 2022. The lease is for a term of five years that will end on January 31, 2027. The lessee agreed to pay monthly installments of \$7,500. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV (lessor) entered into a lease agreement with Charleston Regatta, Inc. (lessee) on May 3, 2022. The lease is for a term of two years that will end on April 30, 2024. The lessee agreed to pay monthly installments of \$1,389. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV (lessor) entered into a lease agreement with Charleston Professional Baseball Company, LLC. (lessee) on May 17, 2021. The lease is for a term of five years that will end on May 16, 2026. The lessee agreed to pay quarterly installments of \$60,000. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

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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 end on December 31, 2027. The lessee agreed to pay monthly payments of \$6,698. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City of Charleston, WV Parking Fund (lessor) entered into a lease agreement with Shaner Hotel (lessee) on December 18, 1973. The lease is for a term of 71 years that will end on December 31, 2044. The lessee agreed to pay monthly payments of \$5,917. The interest rate for this lease was not implicit, so the federal prime rate on July 1, 2021, of 3.25% was used.

The City's total lease receivable at June 30, 2022 was \$3,355,200. For the year ended June 30, 2022, the City recognized lease revenue of \$539,248 and lease interest revenue of \$114,492. The leases are summarized as follows for governmental and business type activities:

<u>Lessee</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Governmental activities:			
Charles Ryan	\$ 502,653	\$ 109,951	\$ 17,817
Yoga Power	383,803	82,428	13,582
Charleston Regatta	29,709	2,694	164
Charleston Professional Baseball Company, LLC	904,098	222,483	31,682
Total governmental activities	<u>\$ 1,820,263</u>	<u>\$ 417,556</u>	<u>\$ 63,245</u>
<u>Lessee</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Business-type activities:			
Cinema VII, Inc.	\$ 399,765	\$ 72,653	\$ 13,950
Shaner Hotel	1,135,172	49,039	37,297
Total business-type activities	<u>\$ 1,534,937</u>	<u>\$ 121,692</u>	<u>\$ 51,247</u>

G. Long-term Debt

General Obligation Bonds

The government has issued general obligation bonds to provide for the acquisition and construction of major capital facilities in prior years; however, the City as of June 30, 2022, has no general obligation bonds payable.

Revenue Bonds

The City has issued bonds in prior years where the government pledged designated revenues to pay debt service. The proceeds of these bonds were used to acquire or construct assets. The City has the following revenue bonds outstanding at June 30, 2022:

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2022

Governmental Activities:

The Coliseum and Convention Center Project Series 2021A, Series 2021B, and Series 2021B-1 were issued in the amount of \$42,760,000 to partially refund the 2015 Civic Center Project Bonds. There was a remainder of \$32,033,000 of the Civic Center Project Series 2015 that was not refunded. These bonds were issued to renovate the existing Civic Center. The City of Charleston implemented a Sales Tax Ordinance requiring that the Municipal Sales Tax Revenues each quarter be utilized to satisfy the debt service requirements and any prior debt service requirements deficit each fiscal year on, and to replenish any required reserves in accordance with the bond documents for, any bonds issued by, or other obligations incurred by, the City, from time to time, including any refunding bonds, to finance improvements to the Charleston Convention and Civic Center. These revenues are required to be sufficient to pay the principal amount of \$4,728,000 and interest amount of \$2,297,391.

Revenue Bonds – Business-type Activities

The City of Charleston, WV Civic Center Improvement Bonds, Series 1998 in the amount of \$3,635,000 were issued for the purpose of acquiring, equipping, and making improvements to the Charleston Civic Center secured by revenues pledged from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the outstanding debt in the principal amount of \$480,000 and interest in the amount of \$36,975 until bond maturity in 2023. During the fiscal year 2022, these pledged revenues were used to pay the principal amount of \$220,000 and interest amount of \$35,700 on these bonds, which is 8.61% of the specified revenues.

The Civic Center Refunding Improvement Bonds, Series 2009, in the amount of \$3,275,000 were issued to current refund the Series 1999 which were issued to construct additions, betterments, and improvements to the Civic Center secured by pledged revenues from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the principal amount of \$835,000 and interest amount of \$56,210 until bond maturity in 2024. During the fiscal year 2022, these pledged revenues were used to pay the principal amount of \$250,000 and interest amount of \$41,990 on these bonds, which is 9.83% of the specified revenues.

The Charleston Building Commission Civic Center Refunding Lease Revenue Bonds, Series 2009, issued in the amount of \$1,325,000 to current refund the Series 1999 which were issued for the acquisition, construction, and new equipment installed at the Civic Center payable solely from revenues to be derived from lease payments to the Commission. This irrevocable pledge of lease payments is required to be sufficient in amount to pay principal of \$330,000 and interest of \$21,780 until bond maturity in 2024. During the fiscal year 2022, bond payments in the principal amount of \$100,000 and interest amount of \$16,620 were used to pay the debt service on these bonds.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

Revenue bond debt service requirements to maturity are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2022
Governmental activities:					
Civic Center Project Series 2015 (Unrefunded)	2036	4.00%	\$ 54,083,000	\$ (24,222,000)	\$ 29,861,000
Coliseum and Covention Center Project Series 2021A	2031	2.16%	8,270,000	(830,000)	7,440,000
Coliseum and Covention Center Project Series 2021B-1	2031	2.30%	3,379,000	(337,000)	3,042,000
Coliseum and Covention Center Project Series 2021B-2	2036	2.95%	31,605,000	(1,883,000)	29,722,000
Total governmental activities			<u>\$ 97,337,000</u>	<u>\$ (27,272,000)</u>	<u>\$ 70,065,000</u>
Business-type activities:					
Civic Center Improvement Series 1998	2023	4.60-5.10%	\$ 3,635,000	\$ (3,155,000)	\$ 480,000
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	(2,440,000)	835,000
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	(995,000)	330,000
Less: Bond discount			(1,061,733)	1,038,380	(23,353)
Total revenue bonds			<u>\$ 7,173,267</u>	<u>\$ (5,551,620)</u>	<u>\$ 1,621,647</u>

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 4,780,000	\$ 2,245,852	\$ 610,000	\$ 67,490
2024	4,933,000	2,093,393	635,000	38,675
2025	5,090,000	1,935,808	400,000	8,800
2026	5,253,000	1,772,991	-	-
2027	5,421,000	1,604,646	-	-
2028-2032	27,353,000	5,333,834	-	-
2033-2037	17,235,000	1,070,907	-	-
Totals	<u>\$ 70,065,000</u>	<u>\$ 16,057,431</u>	<u>\$ 1,645,000</u>	<u>\$ 114,965</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Changes in Long-term Liabilities

Governmental Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 74,793,000	\$ -	\$ (4,728,000)	\$ 70,065,000	\$ 4,780,000
Total bonds payable	74,793,000	-	(4,728,000)	70,065,000	4,780,000
Financed Purchases Payable	6,836,499	-	(2,527,562)	4,308,937	1,876,706
Total OPEB liability	332,597,058	-	(66,123,932)	266,473,126	-
Net OPEB liability (PEIA)	27,833	-	(27,833)	-	-
Net pension liability - Police & Fire	399,643,336	-	(56,800,055)	342,843,281	-
Net pension liability (PERS)	5,663,504	-	(5,663,504)	-	-
Compensated absences	1,357,449	1,836,218	(1,888,986)	1,304,681	521,872
Claims and judgments	3,807,187	-	(1,414,129)	2,393,058	957,223
Governmental activities					
Long-term liabilities	<u>\$ 824,725,866</u>	<u>\$ 1,836,218</u>	<u>\$ (139,174,001)</u>	<u>\$ 687,388,083</u>	<u>\$ 8,135,801</u>

Business-type Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable	\$ 2,215,000	\$ -	\$ (570,000)	\$ 1,645,000	\$ 610,000
Less: deferred amounts:					
Bond discount	(34,281)	-	10,928	(23,353)	-
Total bonds payable	2,180,719	-	(559,072)	1,621,647	610,000
Total OPEB liability	10,985,448	-	(6,710,872)	4,274,576	-
Compensated absences	75,899	73,505	(73,864)	75,540	30,216
Business-type activities					
Long-term liabilities	<u>\$ 13,242,066</u>	<u>\$ 73,505</u>	<u>\$ (7,343,808)</u>	<u>\$ 5,971,763</u>	<u>\$ 640,216</u>

For the governmental activities, the General Fund has been used to liquidate other long-term liabilities.

Conduit Debt

On June 17, 2009, the Charleston Building Commission, a blended component unit of the City, issued the Charleston Building Commission University Facilities Revenue Bonds (The University of Charleston, Inc.) Series 2009 in the principal amount of \$22,000,000 for the purpose of financing the costs of designing, acquiring, constructing and equipping an approximately 150-bed student housing facility upon the University of Charleston campus and designing, acquiring and constructing an approximately 525-space motor vehicle parking facility upon the University of Charleston campus. This debt was issued for the express purpose of providing financing to a specific third party that is not a part of the City of Charleston financial reporting entity. This obligation bears the name of the Charleston Building Commission; however, the Commission is not responsible for the payment of the original debt but rather the debt is secured by payments to be paid by the nongovernmental entity.

CITY OF CHARLESTON, WEST VIRGINIA
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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	\$ -	\$ 116,667
Cash - contractual agreement	967,107	-
Debt service	3,846,983	-
WV Board of Treasury money market pool -	38,453,466	-
WV Board of Treasury short term bond pool	24,031,265	-
Endowment fund - investments	2,541,645	-
West Virginia Municipal Bond Commission	-	399,899
TIF District account	-	495,285
Revenue bond operations and maintenance account	-	3,330,682
Ticket & Promotions account	-	3,359,146
Total restricted assets and investments	\$ <u>69,840,466</u>	\$ <u>7,701,679</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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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	\$ 88,741	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 88,741
Perpetual Care Cemetery	--	--	--	--	--	1,543,436	1,543,436
Restricted:							
Police protection	--	--	--	--	--	2,272,198	2,272,198
Public Safety	--	--	--	--	--	119,091	119,091
COVID-19 Relief	--	--	--	--	67,762	--	67,762
Human Rights	--	--	--	--	--	15,602	15,602
Ball Park	--	--	--	--	--	96,215	96,215
Perpetual Care Cemetery	--	--	--	--	--	1,128,285	1,128,285
Equipment lease purchases	90,946	--	--	--	--	--	90,946
Debt service	327,563	64,494	--	--	--	5,290,053	5,682,110
Economic Development	--	--	192	--	--	552,955	553,147
Municipal Court	--	--	--	--	--	134,070	134,070
Public Arts	--	--	--	--	--	216,853	216,853
Landfill Closure	--	--	--	--	--	3,971,678	3,971,678
Committed:							
Highway beautification	--	--	--	--	--	132,996	132,996
Civic Center debt & pension reserve	36,712,181	--	--	--	--	--	36,712,181
Public Safety	17,438	--	--	--	--	--	17,438
Low-Income Housing Projects	--	--	--	--	--	--	--
Sanitation	--	--	--	--	--	567,679	567,679
Bridges, highways & infrastructure	--	--	--	--	--	3,217,112	3,217,112
Civic Center capital improvements	--	--	--	--	--	252,827	252,827
Municipal Auditorium capital improv	--	--	--	--	--	261,826	261,826
City facilities capital improvements	--	--	--	--	--	5,924,575	5,924,575
Employee Insurance	6,260,891	--	--	--	--	--	6,260,891
Culture and Recreation	--	--	--	--	--	32,753	32,753
Community development	2,106,552	--	--	--	--	307,709	2,414,261
Unassigned	49,834,354	--	--	--	--	--	49,834,354
Total fund balances	\$ 95,438,666	\$ 64,494	\$ 192	\$ --	\$ 67,762	\$ 26,037,913	\$ 121,609,027

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

J. Benefits Funded by the State of West Virginia

For the year ended June 30, 2022, the State of West Virginia contributed estimated payments on behalf of the government's public safety employees in accordance with West Virginia State Code §33-3-14d. These contributions are funded by State collections of insurance premium tax and are shown in the General Fund (Employer) Statement of Revenues, Expenditures, and Changes in Fund Balance as Intergovernmental-State revenues and as Public Safety Expenditures for the contribution to the Police and Fire Pension Funds in accordance with GAAP. The State contributions were deposited directly into the Policemen's and Firemen's Pension Funds as follows:

Plan	Amount
Policemen's Pension and Relief Fund	\$ 1,866,884
Firemen's Pension and Relief Fund	1,861,484
Total	\$ <u>3,728,368</u>

IV. OTHER INFORMATION

A. Risk Management

The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with Commercial Insurance Services for umbrella (general liability) insurance for these various risks.

The City covers its workers' compensation liability by retaining and self-insuring the first \$300,000 of each claim and maintaining layers of excess insurance that indemnifies the City for claims costs exceeding its self-insured retention limits. A Letter of Credit for \$1,000,000 is held as collateral by the Offices of the Insurance Commissioner as security for the City's self-insured retention. No amounts have been drawn upon or are outstanding on the Letter of Credit at June 30, 2022. Claims are adjusted through a third-party administrator contracted by the City.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments includes an amount for claims that have been incurred but not reported (IBNRs). An excess coverage insurance policy covers individual claims in excess of \$300,000 for liability retention and loss and \$600,000 for workers' compensation retention-all employees. Settlements have not exceeded coverage for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2022	Year Ended 6/30/2021
Unpaid claims, beginning of fiscal year	\$ 3,807,187	\$ 3,847,265
Incurred claims (including IBNRs)	1,565,277	1,864,482
Claims paid	(2,979,406)	(1,904,560)
Unpaid claims, end of fiscal year	\$ <u>2,393,058</u>	\$ <u>3,807,187</u>

CITY OF CHARLESTON, WEST VIRGINIA
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The government is the owner and permit holder for the City of Charleston's landfill. In accordance with the provisions of an Operating Agreement between the government and contractor dated February 15, 1994, the government maintains a contingency fund for the closure/post closure costs for the landfill in the event of default by contractor.

B. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material effect on the financial condition of the government.

C. Deferred Compensation Plan

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. The City only hold money from an employee's paycheck and then immediately passes it to a third party company. The City does not administer the plan and does not contribute anything to the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held for the exclusive benefit of the participants and their beneficiaries.

D. Joint Venture

The Kanawha-Charleston Board of Health is a multi-government arrangement which qualifies as a joint venture. An annual contract is signed between the Board, Kanawha County and the City of Charleston. The Kanawha-Charleston Board of Health is a separate and specific activity which is jointly controlled by the County and City due to their shared responsibility for appointment of the five-member Board. In addition, there is an ongoing financial responsibility for the participating governments pursuant to Article 2, Chapter 16, and Paragraph 14 of the Code of West Virginia which states in part "the appointing authorities for local boards of health shall provide financial support for the operation of the local health department." It further authorizes the county or municipality to appropriate and spend money from the general funds for public health purposes and to pay the expenses of the operation of the local board of health services and facilities. There is no ongoing financial interest for the participating governments. Complete financial statements for the Kanawha-Charleston Board of Health can be obtained at the entity's administrative offices.

CITY OF CHARLESTON, WEST VIRGINIA
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E. Donor-Restricted Endowment

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c) (13) of the Internal Revenue Code of 1954. The unspent endowment earnings of \$1,543,436 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

F. Unrestricted Net Position (Deficit)

Total unrestricted net position before OPEB liability, net pension liability, and related deferred outflows and inflows	\$ 38,712,049
Less: Total OPEB liability	(270,747,702)
Less: Net pension liability - Police and Fire	(342,843,281)
Less: Deferred inflows of resources - OPEB	(112,045,669)
Add: Deferred outflows of resources - OPEB	39,341,141
Less: Deferred inflows of resources - net pension liability - Police & Fire	(40,484,565)
Add: Deferred outflows of resources - net pension liability - Police & Fire	8,955,638
Total unrestricted deficit	<u>\$ (679,112,389)</u>

G. Post-Employment Healthcare Plan

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement Systems, the City of Charleston's Policemen's Pension & Relief Fund, and the Firemen's Pension & Relief Fund. The aggregate total of items reported on the statement of net position and statement of activities related to participation in the City's single employer and the statewide multi-employer cost-sharing plan as of June 30, 2022 are as follows:

	City Plan	State Plan	Total
OPEB asset	\$ -	\$ 188,311	\$ 188,311
OPEB liability	(270,747,702)	-	(270,747,702)
Deferred outflow of resources	39,341,141	8,518,298	47,859,439
Deferred inflow of resources	(112,045,669)	(6,669,189)	(118,714,858)
OPEB expense (offset)	6,730,695	(356,162)	6,374,533
Contributions	7,614,380	636,540	8,250,920

CITY OF CHARLESTON, WEST VIRGINIA
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IV: G.1. Single Employer Plan

Plan Descriptions, Contribution Information, and Funding Policies

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System, the City of Charleston's Policemen's Pension & Relief Fund, and the Firemen's Pension & Relief Fund. The City maintains a single employer self-insured defined benefit health plan including dental and vision administered by The Health Plan, a third-party administrator. As of July 1, 2020, this self-insured plan is only offered to retirees of the City of Charleston. The health plan levels of benefits, employee contributions, and employer contributions were authorized by the City Council and any amendments to the health plan must be approved and authorized by the Council. The health plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the health plan. The health plan does not issue a separate report. The activity of the health plan is reported in the General Fund, Civic Center Revenue Fund, and Parking System Revenue Fund. The following information comes from reports prepared by our consulting actuarial firm, Nyhart.

Under the substantive plan provisions all Medicare retirees are covered under a Medicare Advantage plan that is fully insured and experience rated. At January 1, 2021, premium rates for medical for single are \$188.52 and for retiree and spouse \$292.50.

Due to State law WV 8-12-8; retirees must not pay more for health care coverage than active employees. As a result, all members who were hired after July 1, 1984 will all pay the same contributions at retirement. In the prior valuation, all employees hired after July 1, 2000 contribute a) the COBRA rate less b) a 2.0% credit for every year of service (limited to 50%).

Due to the substantive plan provision change, the health care coverage election rate assumption for retirees who were hired after July 1, 2000 has increased. Since these retirees will no longer pay the full cost of coverage, 90% of active employees with current coverage and no coverage are assumed to elect coverage at the end of the sick leave benefits free period. It is assumed that 100% of inactive employees with current coverage will elect coverage and that there will be no inactive employees with no coverage. Upon death of the retiree or active employee, it is assumed 40% of the surviving spouses will elect coverage.

Non-uniform employees are eligible to receive retiree health care coverage at the earlier of age 55 with 25 years of service; or age 60 with 5 years of service.

Police and fire uniform employees are eligible to receive retiree health care coverage at the earlier of age 50 with 20 years of service or age 65.

Upon the death of the retiree or active employee, the surviving spouse may continue coverage by paying the full COBRA rate.

The City subsidizes retiree health care coverage for lifetime. The City's subsidy depends on the hire date. Retirees receive free coverage if they are eligible for sick leave benefits at retirement. Once the sick leave benefits end, retirees are responsible for the portion of the premium rate not subsidized by the City. Effective as January 1, 2021, the monthly retiree contribution for non-tobacco users is as follows:

CITY OF CHARLESTON, WEST VIRGINIA
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Date of Hire	Under 65		Over 65	
	Single	Retiree & Spouse	Single	Retiree & Spouse
Before July 1, 1984				
Non-uniform employees are eligible to receive retiree health care coverage at the earlier of age 55 with 25 years of service; or age 60 with 5 years of service.	\$ 189	\$ 293	\$ 92	\$ 96
Uniform	\$ 162	\$ 239	\$ 92	\$ 96
July 1, 1984 to present	\$ 189	\$ 293	\$ 92	\$ 96

The City does not have a practice of increasing the retiree contributions. For GASB 75 purposes, it was assumed that these rates will increase by 4.0% annually.

Active general employees hired before January 1, 2015, and police and fire employees hired before January 1, 2013, can roll over an unlimited number of unused sick leave annually, which upon retirement can be converted to free health care coverage at two days of unused sick leave for one month of single coverage or three days for one month family coverage. Active general employees hired on or after January 1, 2015, and police and fire employees hired on or after January 1, 2013, can convert up to six months of unused sick time for single coverage and up to four and a half months for family coverage.

The City's health plan is self-insured for all retiree participants (pre-Medicare and post-Medicare retirees). Active participants are now covered under the P.E.I.A. insurance.

The monthly COBRA rates effective on January 1, 2021 are \$1,475.82 for medical and prescription drugs for single and \$2,272.92 for employee and spouse.

The number of participants as of June 30, 2022, the effective date of the OPEB GASB 74/75 actuarial valuation, was 548 active employees and 621 retired employees.

Employees who retire under the WV Public Employees Retirement System (PEIA) have the option of maintaining the City's OPEB plan or electing PEIA insurance.

The City's current funding policy for post-employment health care benefits is on a pay-as-you-go basis.

The government does not provide post-retirement health benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the City. However, employees who elect COBRA are covered under the City's self-insured health plan as are all active employees and those retired employees who maintain City health plan coverage.

Actuarial Methods and Assumptions

In the June 30, 2022 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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An eligibility cut-off date of July 1, 2020 has been implemented, and only employees hired by June 30, 2020 are eligible for retiree health care benefits. In subsequent valuations, any employees hired after July 1, 2020 will be excluded and will not generate a liability. The measurement date of this valuation is June 30, 2022, and therefore the only employees included in this valuation are those eligible for retiree health care benefits hired prior to the cutoff date.

Per the Detailed Actuary's Notes from the Nyhart report, the following assumptions in the June 30, 2022 report have been updated:

The discount rate has been updated from 2.19% as of July 1, 2021 to 4.09% as of June 30, 2022 based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating on AA/Aa for higher (or equivalent quality on another rating scale). This change caused a significant decrease in liabilities for the City. The discount rate will be updated annually to reflect the market conditions as of the measurement date.

The mortality assumption has been updated to use mortality improvement Scale MP-2021 from Scale MP-2019. The base mortality tables remain unchanged. The impact of this change is a slight decrease in liabilities for the City.

Health care trend rates have been updated to an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50% for pre-65 benefits and an initial rate of 6.50% decreasing by 0.25% annually to an ultimate rate of 4.50% for post-65 benefits. The impact of this change is an increase in liabilities for the City.

Census Data Census data was provided by the City in September 2022 and no material modifications were made to the census data.

Measurement Date June 30, 2022

Discount Rate 2.19% as of July 1, 2021 and 4.09% as of June 30, 2022

Payroll Growth 3.00% general wage inflation per year plus the annual merit scale based on the West Virginia Public Employees' Retirement System actuarial valuation as of June 30, 2021. The rates are as follows: Age 20, Rate 3.50%; Age 30, Rate 1.60%; Age 40, Rate 1.10%; Age 50, Rate 0.85%; Age 60+, Rate 0.35%.

Cost Method Entry Age Normal Level % of Salary Method where: Service cost for each individual participant, payable for the date of employment to date of retirement, is sufficient to pay for the participant's benefits at retirement; and Annual Service Cost is constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Employer Funding Policy Pay-as-you-go cash basis.

Mortality General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Disability None.

CITY OF CHARLESTON, WEST VIRGINIA
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Sick Leave Benefits Percentage of employees eligible for the sick leave benefits at retirement is assumed to be: 1) 90% for police officers 2) 60% for general employees and firefighters. All employees eligible for the sick leave benefit are assumed to have five years of free coverage.

For general employees hired after January 1, 2015, and police and fire employees hired after January 1, 2013, it is assumed that none of them gets the sick leave benefits at retirement due to the short duration of the sick leave that can be converted to health coverage upon retirement.

Conversion to free health care at retirement is based on two days sick leave (16 hours) for one month of single coverage or three days sick leave (24 hours) for one-month family coverage.

Health Care Trend Rates: FYE 2023 7.50%; FYE 2024 7.0%; FYE 2025 6.50%; FYE 2026 6.00%; FYE 2027 5.50%; FYE 2028 5%; 2029+ 4.50%.

Retiree Contributions Retiree contributions are assumed to increase 4% annually.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Total Other Post-Employment Benefits (OPEB) Liability:

The components of net OPEB liability at June 30, 2022, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total OPEB liability	\$ 226,473,126	\$ 4,274,576
Plan fiduciary net position	-	-
Plan net OPEB liability	<u>\$ 226,473,126</u>	<u>\$ 4,274,576</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
Discount Rate	4.09%	4.09%

In accordance with GASB No. 75, the discount rate is 2.19% as of July 1, 2021, and 4.09% as of June 30, 2022. Under GASB No. 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

CITY OF CHARLESTON, WEST VIRGINIA
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Sensitivity of the net OPEB liability to the Discount Rate Assumption

Other Post-Employment Benefits Liability:

1% Decrease 3.09%	Discount Rate Assumption 4.09%	1% Increase 5.09%
\$ 313,338,856	\$ 270,747,702	\$ 236,566,075

Sensitivity of the net OPEB liability to the Health Care Trend Assumption

Other Post-Employment Benefits Liability:

1% Decrease 3.5%	Healthcare Trend Rate 4.5%	1% Increase 5.5%
\$ 234,532,383	\$ 270,747,702	\$ 316,281,380

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2021	\$ 343,582,506	\$ --	\$ 343,582,506
Changes for the year:			
Service cost	13,773,081	--	13,773,081
Interest	7,743,161	--	7,743,161
Changes of benefit terms	--	--	--
Differences between expected & actual experience	(29,430)	--	(29,430)
Changes of assumptions or other inputs	(86,707,236)	--	(86,707,236)
Contributions - employer	--	7,614,380	(7,614,380)
Contributions - employee	--	--	--
Net investment income	--	--	--
Benefit payments, including refunds of employee contributions	(7,614,380)	(7,614,380)	--
Administrative expense	--	--	--
Other changes	--	--	--
Net changes	(72,834,804)	--	(72,834,804)
Balances at June 30, 2022	\$ 270,747,702	\$ --	\$ 270,747,702

For the year ended June 30, 2022, the government recognized the following expenses.

OPEB expense \$ 6,730,695

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The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,219,232	\$ (38,515,760)
Changes of assumptions	38,121,909	(73,529,909)
	<u>\$ 39,341,141</u>	<u>\$ (112,045,669)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2023	\$ (14,785,546)
2024	(14,730,896)
2025	(12,938,628)
2026	(15,793,347)
2027	(14,456,111)
Total	<u>\$ (72,704,528)</u>

IV: G.2. Cost Sharing Multi-Employer Plan

Plan Descriptions, Contribution Information, and Funding Policies

Plan Description - The West Virginia Other Postemployment Benefit (OPEB) Plan (the Plan) is a cost-sharing, multiple employer, defined benefit other postemployment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code. Financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with the approval of the PEIA Finance Board. The plan provides medical and prescription drug insurance, as well as life insurance, benefits to certain retirees of State agencies, colleges and universities, county boards of education, and other government entities who receive pension benefits under the PERS, STRS, TDCRS, TIAA-CREF, Plan G, Troopers Plan A, or Troopers Plan B pension systems, as administered by the West Virginia Consolidated Public Retirement Board (CPRB). The plan is closed to new entrants.

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Plan fiduciary net position - The Plan's fiduciary net position has been determined on the same basis used by the Plan. The RHBT is accounted for as a fiduciary fund, and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP for fiduciary funds as prescribed or permitted by the GASB. The primary sources of revenue are plan members and employer contributions. Members' contributions are recognized in the period in which the contributions are due. Employer contributions and related receivables to the trust are recognized pursuant to a formal commitment from the employer or statutory or contractual requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable.

RHBT is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual Financial Report. RHBT issues publicly available financial statements and required supplementary information for the OPEB plan. Details regarding this plan and a copy of the RHBT financial report may be obtained by contacting PEIA at 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, or by calling (888) 680-7342.

Benefits provided - The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

The medical and prescription drug insurance is provided through two options:

- Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses
- External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses

Contributions - Employer contributions from the RHBT billing system represent what the employer was billed during the respective year for its portion of the pay-as-you-go (paygo) premiums, retiree leave conversion billings, and other matters, including billing adjustments.

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rate related to the measurement date of June 30, 2021, was:

	<u>2021</u>
Paygo premium	\$160

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired after July 1, 1997, or hired before June 30, 2010 pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retirees leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988, may convert accrued sick or annual leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988, to June 30, 2001 may convert accrued sick or annual leave days into 50% of the required retiree healthcare contribution.

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The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

The City of Charleston's contributions to the OPEB plan for the year ended June 30, 2022, was \$636,540. The City switched to PEIA for all active employees hired after July 1, 2020.

Actuarial Assumptions and Methods - The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Inflation rate: 2.25%.
- Salary increase: Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.
- Investment rate of return: 6.65%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over a 20-year closed period beginning June 30, 2017.
- Wage inflation: 2.75%.
- Retirement age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2020 actuarial valuation.
- Aging factors: Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
- Mortality post retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females.
- Mortality pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.
- Expenses: Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

There were no assumption changes from the actuarial valuation as of June 30, 2020, measured at June 30, 2020 and rolled forward to a measurement date of June 30, 2021.

Long-term expected rates of return - The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board (WV-IMB) and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments (WV-BTI).

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions, and forecast returns were provided by the Plan's investment advisors, including WV-IMB. The projected return for the Money Market Pool held with the WV-BTI was estimated based on WV-IMB assumed inflation of 2.0% plus a 25-basis point spread.

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The target allocation and estimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below for June 30, 2021:

Asset Class	Target Allocation	Long-term Expected Real Return
Global equity	55.0%	4.8%
Core plus fixed income	15.0%	2.1%
Core real estate	10.0%	4.1%
Hedge fund	10.0%	2.4%
Private equity	10.0%	6.8%

Discount rate - The discount rate used to measure the total OPEB asset was 6.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made in accordance with the prefunding and investment policies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Sensitivity of the net OPEB asset to changes in the discount rate - The following presents the City of Charleston's proportionate share of the net OPEB asset as of June 30, 2022 calculated using the discount rate of 6.65%, as well as what the City of Charleston's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (5.65%) or one percentage point higher (7.65%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.65%	6.65%	7.65%
Net OPEB asset (liability) \$	<u>(1,010,496)</u>	\$ <u>188,311</u>	\$ <u>1,183,663</u>

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rate - The following presents the City of Charleston's proportionate share of the net OPEB asset as of June 30, 2022 calculated using the healthcare cost trend rate, as well as what the City of Charleston's net OPEB asset would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB asset (liability) \$	<u>1,390,386</u>	\$ <u>188,311</u>	\$ <u>(1,275,955)</u>

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OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The June 30, 2022 net OPEB asset was measured as of June 30, 2021, and the total OPEB asset was determined by an actuarial valuation as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

At June 30, 2022, the City of Charleston's proportionate share of the net OPEB asset was \$188,311. Of this amount, the City of Charleston recognized \$188,311 as its proportionate share on the statement of net position.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to OPEB for the fiscal year ended June 30, 2021. Employer contributions are recognized when due. At the June 30, 2021 measurement date, the City of Charleston's proportion was 0.633302780%, an increase of 0.627390968% from its proportion of 0.005911812% calculated as of June 30, 2020.

For the year ended June 30, 2022, the City of Charleston recognized OPEB expense of (\$356,162). Of this amount, (\$356,162) was recognized as the City of Charleston's proportionate share of OPEB expense.

At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual non-investment experience	\$ -	\$ 1,297,180
Changes in assumptions	-	3,984,743
Reallocation of Opt-Out Employer Change in proportionate share	-	7,433
Changes in proportion and difference between employer contributions contributions and proportionate share of contributions	7,881,758	80,248
Net difference between projected and actual investment earnings	-	1,299,585
Contributions after the measurement date	636,540	-
Total	<u>\$ 8,518,298</u>	<u>\$ 6,669,189</u>

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The City of Charleston will recognize the \$636,540 of contributions made after the measurement date of the net OPEB asset but before the end of the City's reporting period as an increase of the net OPEB asset in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended		
June 30,		Amortization
2023	\$	497,696
2024		508,406
2025		531,823
2026		(325,356)
Total	\$	<u>1,212,569</u>

Payables to the OPEB Plan - The City of Charleston's did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2022.

V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

On July 1, 2014, the government implemented GASB Statement No. 68, Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The City of Charleston, West Virginia participates in single employer plans for the City of Charleston's Policemen's Pension & Relief Fund and the Firemen's Pension & Relief Fund and cost sharing multi-employer plans under the West Virginia Public Employees Retirement System (PERS) and the West Virginia Municipal Police Officers and Firefighters Retirement System (MPFRS). The aggregate total of items reported on the statement of net position and statement of activities related to participation in the City's single employer and the statewide multi-employer cost-sharing plan as of June 30, 2022 are as follows:

	City Plan	State Plan - PERS	State Plan - MPFRS	Total
Pension asset	\$ -	\$ 9,085,725	\$ 3,448,691	\$ 12,534,416
Pension liability	(342,843,281)	-	-	(342,843,281)
Deferred outflow of resources	8,955,638	4,444,205	1,757,549	15,157,392
Deferred inflow of resources	(40,484,565)	(12,151,032)	(1,032,621)	(53,668,218)
Pension expense (offset)	(19,650,995)	(2,142,889)	(177,471)	(21,971,355)
Contributions	10,108,485	1,678,590	772,346	12,559,421

V:A.1. Single Employer Plans

Plan Descriptions, Contribution Information, Funding Policies, and Net Pension Liability

The City of Charleston, West Virginia participates in two single employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

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The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for full-time police employees hired prior to June 1, 2011. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021, and GASB Statement No. 67 Plan Reporting and Accounting Schedules and GASB No. 68 Accounting and Financial Reporting for Pensions at measurement date of June 30, 2022.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for full-time fire employees hired prior to June 1, 2011. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021, and GASB Statement No. 67 Plan Reporting and Accounting Schedules GASB No. 68 Accounting and Financial Reporting for Pensions at measurement date of June 30, 2022.

The City of Charleston includes the financial statements of the Policemen's Pension and Relief fund and the Firemen's Pension and Relief fund with the financial statements of the City. The statements of both funds can be found on pages 167-169. The Pension funds do not have separate financial statements.

The State contracts an actuary to perform actuarial valuations annually per West Virginia State Code §8-22-20. For additional information relating to basis of accounting and reported investment values, see Notes I.C., I.D.1. And IV.A.

The Firemen's Pension and Relief Fund (FPRF) and the Policemen's Pension and Relief Fund (PPRF) recognizes benefits and refunds when due and payable in accordance with the terms of the plans.

Management of the pension plans is vested in the boards for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund, which consists of the mayor of the City of Charleston and four members of the paid police department and paid fire department, respectively. The members serve on staggered four-year terms. There is an annual election to elect a member to succeed, for a term of four years, the retiring member for each fund. The presiding officer of the board of trustees for each fund is the mayor of the City of Charleston and the secretary is appointed by the board.

In accordance with WV Code Chapter §8-22-18a, the West Virginia Municipal Pensions Oversight Board assists municipal board of trustees in performing their duties, assuring the funds' compliance with applicable laws, providing for actuarial studies, distributing the premium tax revenues to the funds and taking other actions reasonably necessary to provide for the security and fiscal integrity of the pension funds.

The oversight board has established minimum requirements for training to be completed by each member of the board of trustees of a Municipal Policemen's or Firemen's Pension and Relief fund. The requirements include, but not limited to, training in ethics, fiduciary duty and investment responsibilities. As of July 1, 2021, memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	80	80	160
Vested Terminated Benefits	7	2	9
Former Members Due Refunds	1	1	2
Retirees and Beneficiaries Currently			-
Receiving Benefits	226	254	480
Total	<u>314</u>	<u>337</u>	<u>651</u>

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These plans are defined benefit plans. The following is a summary of funding policies, contribution methods and benefit provisions.

As of June 1, 2011, the City of Charleston has elected to fund benefit obligations using the Conservation Method as defined in West Virginia Code §3-22-20 (f)(1) and effected by the passage of Senate Bill No. 544.

The key features of the Conservation Method, effective for plan years beginning after April 1, 2011, are summarized below:

The current local Plan is closed to new employees as of the adoption of the Conservation funding policy.

New employees are covered in the newly established multiple employer statewide plan-Municipal Police Officers and Firefighters Retirement System ("MPFRS").

Benefits and expenses in the closed local Plan are financed by contributions made to two asset accounts:

The first asset account (Benefit Payment Account) is used to finance benefits and expenses for the fiscal year on a pay-as-you-go basis. Sources to pay current year benefits and expenses include minimum employee contributions of 6.5% of pay, a portion of the premium tax allocation not assigned to the accumulation account as defined below, and employer contributions.

The second account (Accumulation Account) cannot be used to pay benefits and expenses until assets exceed actuarial liabilities. Contributions to the accumulation account include employee contributions of 1.5% of pay and a percentage of premium tax allocation. The percentage of premium tax allocation is based on the amounts needed to produce 100% funding of liabilities in 35 years when considering assets from both the benefit payment account and the accumulation account. This account also includes the Fund's assets prior to the adoption of the Conservation Method.

The employer contributions will be made from the City's General Fund and will be used directly to pay benefits not covered by member contributions or the premium tax allocation. The Plan's assets will accumulate in the closed Pension and Relief Fund and no benefits or expenses will be paid from this trust until the funded ratio exceeds 100%.

Under the funding methodology for the Conservation Method of financing, the fund's market value of assets is projected to be greater than zero for all plan years prior to the end of the 15-year projection period. Accordingly, this contribution methodology satisfies the minimum standard for actuarial soundness.

Employer contributions for the Policemen's Pension and Relief Fund are expected to increase from \$6,716,750 for the plan year ending June 30, 2023, to a high of \$9,213,145 for the plan year ending June 30, 2033. Employer contributions for the Firemen's Pension and Relief Fund are expected to increase from \$8,088,370 for the plan year ending June 30, 2023, to a high of \$111,240,234 for the plan year ending June 30, 2035. For the Policemen's Pension Fund, the funded ratio is projected to increase from 20.02% in 2023 to 36.28% in 2033, and ultimately to 100% in 2046. For the Firemen's Pension Fund, the funded ratio is projected to increase from 15.61% in 2022 to 37.95% in 2035, an ultimately to 100% in 2046. This policy defers contributions and produces virtually no significant growth in the funded ratio until the last 10 years of the projection period. This policy is not consistent with generally accepted actuarial principles.

GASB 67 establishes standards of financial reporting for defined benefit plans and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability).

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GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense / expenditures. For defined benefit plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service (www.GASB.org).

Actuarial Methods and Assumptions

	<u>PPRF</u>	<u>FPRF</u>
Determination of contribution requirement	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may elect to finance benefit obligations using the Conservation Method as defined in West Virginia State Code §8-22-20 (f)(1) and effected by the passage of Senate Bill No. 544.	
Plan Members	8% of covered payroll and 9.5% if hired after January 1, 2010	
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Benefit Terms	In accordance with WV State Code the annual benefit equals 60% of average annual compensation, not less than \$6,000, plus an additional percentage of average annual compensation for service over 20 years equal to 2% for each year of service between 20 and 25 and 1% for each year of service between 25 and 30 years. Employees serving in the military are eligible for an additional 1% of average annual compensation for each year of military service up to four years. The maximum benefit is limited to 75% of average annual compensation. Benefits continue for life.	
Post-Retirement Benefit Increases	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees), multiplied by the sum of the allowable amount (first \$15,000 of initial benefits paid) and the accumulated supplemental pensions paid in prior years.	
Eligibility for Distribution	Members are eligible at the earlier of age 50 with 20 years of credited service or age 65.	
Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes
Valuation Date	7/1/2021 and projected to the measurement date of June 30, 2022.	7/1/2021 and projected to the measurement date of June 30, 2022.
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method/Period	40-Year Closed Level-Percentage-of-Pay 15-28.5 years remaining as of July 1, 2020	40-Year Closed Level-Percentage-of-Pay 15-28.5 years remaining as of July 1, 2020
The sponsor finances benefits using the Conservation policy as defined by State statute. This policy does not directly amortize the unfunded actuarial liability. The policy is projected to fully finance the closed group actuarial liability by 2046 for both plans.		

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Actuarial Asset Valuation Method	Fair Value	Fair Value		
Investment Rate of Return	5.25% per year before 2047	4.75% per year before 2047		
Projected Salary Increases	Service Based Increase			
	<u>Years of Service</u>	<u>Increase</u>	<u>Years of Service</u>	<u>Increase</u>
	0	20.0%	0	20.0%
	1	9.0%	1	9.0%
	2	6.5%	2	6.5%
	3	6.0%	3	6.0%
	4-28	5.0%	4-28	5.0%
	29-33	4.0%	29-33	4.0%
	34+	3.5%	34+	3.5%
Post-Retirement COLA	2.50% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.	2.50% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.		
Wage Inflation	2.50%	2.50%		
Increase in State Insurance Premium Tax Allocation	2.50% on and after year 1	2.50% on and after year 1		
Retirement	Age Rates		Age Rates	
	50: 60%		50: 55%	
	51-52: 40%		51-52: 35%	
	53-54: 40%		53-54: 25%	
	55-56: 50%		55-56: 25%	
	57-59: 40%		57-59: 25%	
	60: 100%		60: 100%	
Percent Married	70%	70%		
Spouse Age	Females 3 years younger than males			

Mortality rates for both plans were based on the following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.

The City of Charleston’s Policemen’s Pension and Relief Fund Board of Trustees has established an Investment Policy Statement for the purpose of providing general guidelines for the prudent investment management of its fund’s assets. The Board has elected to delegate the investment management duties for the fund to one or more professional investment manager(s) who shall be guided by and adhere to the overall investment policy guidelines as permitted by the West Virginia Code Section §8-22-22(a), as amended by H.B. 2832, H.B. 2638, and S.B. 4007. The pension has elected to be administered by the Conservation Method, as outlined in Senate Bill 544.

Unless more frequently necessitated by unusual changes in the economic and investment cycles or by material changes in the fund’s basic underlying investment objectives, the board will annually review their investment policy and obtain an independent performance evaluation of the fund as required by WV State Code.

CITY OF CHARLESTON, WEST VIRGINIA
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The Pension Board has set a general asset allocation guideline for the investment of the fund's total combined assets as follows: Equities 25%- 75%; Fixed Income 25%-70%; and Cash and Cash Equivalents 2%-25%.

The City of Charleston's Firemen's Pension and Relief Fund Board of Trustees has established an investment policy of diversification of investments in accordance with West Virginia Code §8-22-22. The board has elected to delegate the investment management duties for the fund to one professional investment manager who shall be guided by and adhere to the overall investment requirements in West Virginia Code §8-22-22 and §8-22-22a.

In accordance with the Code the maximum equity allocation shall be 60%. The cash allocation should not exceed estimated payments for a period of ninety days. The asset allocation guideline for the investment of the fund's total combined assets shall be as follows: Cash 0%-10%; Bonds 35%-70%; Stocks 25%-60%. The cash allocation shall include balances held in the bank checking account. In regard to the equity allocation, the manager is required to inform the Trustees of any upward changes in the allocation that result from additional purchases rather than changes in the market value.

Rate of Return: The money-weighted rate of return on pension plan investments, net of pension plan expense, for fiscal year ended June 30, 2022 was 6.60% for the Policemen's Pension and Relief Fund. For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, was 7.70% for the Firemen's Pension and Relief Fund. These amounts only represent January 2022 through June 2022 for the Policemen's Pension and Relief Fund and February 2022 through June 2022 for the Firemen's Pension and Relief Fund due to the switch to the West Virginia Investment Management Board. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability: The components of net pension liability for the Policemen's and Firemen's Pension and Relief Fund at June 30, 2022, were as follows:

	<u>PPRF</u>	<u>FPRF</u>
Total pension liability	\$ 191,977,166	\$ 211,725,988
Plan fiduciary net position	<u>(32,382,516)</u>	<u>(28,477,357)</u>
Plan net pension liability	<u>\$ 159,594,650</u>	<u>\$ 183,248,631</u>
Plan fiduciary net position as a percentage of total pension liability	16.87%	13.45%
Discount Rate	4.31%	4.13%

In accordance with GASB No. 67 & GASB No. 68 a single discount rate of 4.31% for the Policemen's Pension and 4.13% for the Firemen's Pension was used to measure the total pension liability as of June 30, 2022. These single discount rates were based on the expected rate of return on pension plan investments of 5.25% for the Policemen's Pension and 4.75% for the Firemen's Pension, and the municipal bond rate of 3.69%. The projection of cash flows used to determine these single discount rates assumed that the Plan sponsor would make the statutory required contribution as defined by the funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments, on behalf of current plan members, after plan year 2046. Therefore, the single discount rate of 4.31% for the Policemen's Pension and 4.13% for the Firemen's Pension was applied to all periods of projected benefit payments to determine the total pension liability.

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For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 5.25% for Policemen's Pension and 4.75% for Firemen's Pension has been blended with the 3.69% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2022. It was assumed by the City's actuaries that benefits are discounted at the municipal bond rate if paid from the pay-as-you go Benefit Account, or at the long-term expected rate of return if paid from the Accumulation Account.

The present values of benefits to be provided through the pension plans to current active and inactive plan members for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund are \$179,618,956 and \$211,712,810, respectively.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

Policemen's Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
3.31%	4.31%	5.31%
\$ 189,150,959	\$ 159,594,650	\$ 135,977,461

Firemen's Pension and Relief Fund:

1% Decrease	Discount Rate Assumption	1% Increase
3.13%	4.13%	5.13%
\$ 215,724,965	\$ 183,248,631	\$ 157,237,482

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Changes in the Net Pension Liability - Policemen's Pension and Relief Fund

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary Net	Pension
	Liability (a)	Position (b)	Liability (a-b)
Balances at June 30, 2021	\$ 219,422,813	\$ 33,412,868	\$ 186,009,945
Changes for the year:			
Service cost	3,656,866	--	3,656,866
Interest	6,504,578	--	6,504,578
Changes of benefit terms	--	--	--
Differences between expected & actual experience	9,982,382	--	9,982,382
Changes of assumptions or other inputs	(39,510,571)	--	(39,510,571)
Contributions - employer	--	8,267,191	(8,267,191)
Contributions - employee	--	469,508	(469,508)
Net investment income	--	(1,671,294)	1,671,294
Benefit payments, including refunds of employee contributions	(8,078,902)	(8,078,902)	--
Administrative expense	--	(16,855)	16,855
Other changes	--	--	--
Net changes	(27,445,647)	(1,030,352)	(26,415,295)
Balances at June 30, 2022	\$ 191,977,166	\$ 32,382,516	\$ 159,594,650

CITY OF CHARLESTON, WEST VIRGINIA
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Changes in the Net Pension Liability - Firemen's Pension and Relief Fund

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at June 30, 2021			
Changes for the year:	\$ 244,257,175	\$ 30,623,784	\$ 213,633,391
Service cost	4,736,556	--	4,736,556
Interest	6,929,019	--	6,929,019
Changes of benefit terms	--	--	--
Differences between expected & actual experience	6,259,273	--	6,259,273
Changes of assumptions or other inputs	(41,458,561)	--	(41,458,561)
Contributions - employer	--	9,635,418	(9,635,418)
Contributions - employee	--	473,067	(473,067)
Net investment income	--	(3,249,866)	3,249,866
Benefit payments, including refunds of employee contributions	(8,997,474)	(8,997,474)	--
Administrative expense	--	(7,572)	7,572
Other changes	--	--	--
Net changes	(32,531,187)	(2,146,427)	(30,384,760)
Balances at June 30, 2022	\$ 211,725,988	\$ 28,477,357	\$ 183,248,631

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the government recognized the following pension expenses.

	PPRF	FPRF
Pension expense	<u><u>\$(12,978,002)</u></u>	<u><u>\$(6,672,993)</u></u>

CITY OF CHARLESTON, WEST VIRGINIA
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The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Policemen's Pension and Relief Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,991,191	\$ - -
Changes of assumptions	- -	19,755,285
Net difference between projected and actual earnings on pension plan investments	<u>186,196</u>	<u>- -</u>
	<u>\$ 5,177,387</u>	<u>\$ 19,755,285</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended
June 30:**

2023	\$ (15,033,570)
2024	(206,527)
2025	(364,917)
2026	<u>654,724</u>
Total	<u>\$ (14,950,290)</u>

Firemen's Pension and Relief Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,129,636	\$ - -
Changes of assumptions	- -	20,729,280
Net difference between projected and actual earnings pension plan investments	<u>1,021,007</u>	<u>- -</u>
	<u>\$ 4,150,643</u>	<u>\$ 20,729,280</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended
June 30:**

2023	\$	(17,558,518)
2024		102,804
2025		(37,889)
2026		914,966
Total	\$	<u>(16,578,637)</u>

V.B. Cost Sharing Multi-Employer Plans

V.B.1 Plan Descriptions, Contribution Information and Funding Policies

Public Employees Retirement System (PERS)

The City of Charleston, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of general City employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees' Retirement System (PERS)

Eligibility to participate:	All City full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefit provisions:	State Statute
Plan member's contributions rate:	4.50% for employees hired before July 1, 2015 and 6.00% for employees hired after July 1, 2015.
City's contribution rate:	10%
Period required to vest:	Five Years
Benefits and eligibility for distribution:	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion:	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

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PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, 4101 MacCorkle Avenue. S.E., Charleston, West Virginia 25304.

V.B.2. Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the government reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021, using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2021:

	<u>PERS</u>
Amount for proportionate share of net pension asset	\$ 9,085,725
Percentage for proportionate share of net pension liability	1.034896%
Increase/(decrease) % from prior proportion measured	
actual earnings on pension plan investments	-0.036376%

For the year ended June 30, 2022, the government recognized the following pension expense.

	<u>PERS</u>
Government-wide pension expense	<u>\$ (2,142,889)</u>

The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF CHARLESTON, WEST VIRGINIA
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Public Employees Retirement System (PERS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ - -	\$ 11,637,333
Difference between expected and actual experience	1,036,914	34,441
Changes in assumptions	1,728,701	73,643
Changes in proportion and differences between government contributions and proportionate share of contributions	- -	405,615
Government contributions subsequent to the measurement date	1,678,590	- -
	<u>\$ 4,444,205</u>	<u>\$ 12,151,032</u>

The amount reported as deferred outflows of resources resulting from government contributions subsequent to the measurement date but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30,	Amortization
2023	\$ (1,942,685)
2024	(1,514,902)
2025	(2,432,352)
2026	(3,495,478)
Total	\$ (9,385,417)

V.C.1 Plan Descriptions, Contribution Information and Funding Policies

Municipal Police Officers and Firefighters Retirement System (MPFRS)

The City of Charleston, West Virginia, participates in a cost-sharing multiple-employer statewide defined benefit pension plan on behalf of police and firefighters employed by the City after June 1, 2011. The system is administered by the State of West Virginia and funded by contributions from participants and employers as necessary.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Municipal Police and Firefighters Retirement System (MPFRS)

Eligibility to participate:	All full-time police and firefighters employed by the City after June 1, 2011
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CITY OF CHARLESTON, WEST VIRGINIA
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Authority establishing contribution

Obligations and benefit provisions:	State Statute
Plan member's contribution rate:	8.5%
City's contribution rate:	8.5%
Period required to vest:	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.
Benefits and eligibility for distribution:	A member who has attained age 50 when age and contributory service equals 70 (excluding military service) or has attained age 60 and completion of 10 years contributory service (excluding military service). The final average salary is the average of the highest annual compensation received by the member during covered employment for any 5 consecutive plan years (Jan. 1-Dec. 31) within the last 10 years of service. The accrued benefit on behalf of any member is calculated as follows: Final Average Salary x Years of Credited Service x Benefit Percentage 2.6% x FAS x Years of Service for years 1-20 2.0 % x FAS x Years of Service for years 21-25 1.0% x FAS x Years of Service for years 26-30
Provisions for:	
Cost of Living	Yes
Death Benefits	Yes

MPFRS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Consolidated Retirement Board, 4101 MacCorkle Avenue. S.E., Charleston, West Virginia 25304.

V.C.2. Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At fiscal year-end, the government reported the following asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021, using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension asset was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, the government reported the following proportions and increase/decrease from its proportion measured as of June 30, 2021:

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	<u>MPFRS - Police</u>	<u>MPFRS - Fire</u>
Amount for proportionate share of net pension asset	\$ 1,854,704	\$ 1,593,987
Percentage for proportionate share of net pension asset	16.993804%	14.604973%
Increase/(decrease) % from prior proportion measured actual earnings on pension plan investments	-0.177455%	-2.147882%

For the year ended June 30, 2022, the government recognized the following pension expense.

	<u>MPFRS - Police</u>	<u>MPFRS - Fire</u>
Government-wide pension expense	<u>\$ (75,021)</u>	<u>\$ (102,450)</u>

The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Municipal Police Officers and Firefighters Retirement System - Police

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ - -	\$ 464,101
Difference between expected and actual experience	122,525	42,993
Changes in assumptions	202,738	11,046
Changes in proportion and differences between government contributions and proportionate share of contributions	230,448	12,274
Government contributions subsequent to the measurement	<u>407,533</u>	<u>- -</u>
	<u>\$ 963,244</u>	<u>\$ 530,414</u>

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2022

Municipal Police Officers and Firefighters Retirement System - Fire

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ --	\$ 398,862
Difference between expected and actual experience	105,302	36,951
Changes in assumptions	174,237	9,493
Changes in proportion and differences between government contributions and proportionate share of contributions	149,953	56,901
Government contributions subsequent to the measurement date	<u>364,813</u>	<u> --</u>
	<u>\$ 794,305</u>	<u>\$ 502,207</u>

The amount reported as deferred outflows of resources resulting from government contributions subsequent to the measurement date but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended</u>	<u>Police</u>	<u>Fire</u>
June 30, 2023	\$ (8,508)	\$ (44,827)
June 30, 2024	1,810	(35,918)
June 30, 2025	(11,910)	(41,734)
June 30, 2026	(64,359)	(79,121)
June 30, 2027	45,092	46,455
June 30, 2028	39,732	51,843
June 30, 2029	<u>23,440</u>	<u>30,587</u>
Total	<u>\$ 25,297</u>	<u>\$ (72,715)</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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V.D. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2020, and rolled forward to June 30, 2021 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Public Employee Retirement System

Actuarial Assumptions

Inflation Rate	2.75%
Salary Increases	2.75% - 6.75%, average, including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense

Mortality Rates:

Active – 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018

Retired healthy males – 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018

Retired healthy females – 122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018

Disabled males – 118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018

Disabled females – 117% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018

The economic assumptions used in the June 30, 2021 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020. All other assumptions used in the June 30, 2021 PERS valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Municipal Police Officers and Firefighters Retirement System

Actuarial Assumptions

Inflation Rate	2.75%
Salary Increases	By age from 4.75% at age 30 declining to 3.25% at age 65
Investment Rate of Return	7.25%

Mortality Rates:

Active—100% of Pub-2010 Safety Employee Table, Amount-weighted, projected generationally with Scale MP-2020

Healthy Male Retirees—98% of Pub-2010 Safety Retiree Male Table, Amount-weighted, projected generationally with Scale MP-2020

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Healthy Female Retirees – 99% of Pub-2010 Safety Retiree Female Table, Amount-weighted, projected generationally with Scale MP-2020

Disabled Males – 124% of Pub-2010 Safety Disabled Male Table, Amount-weighted, projected generationally with Scale MP-2020.

Disabled Females – 100% of Pub-2010 Safety Disabled Female Table, Amount-weighted, projected generationally with Scale MP-2020.

All assumptions used in the June 30, 2021 MPFRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which estimates of expected real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Rates summarized in the following table include the inflation component and were used for the following defined benefit plan:

Investment	Long-term Expected Real Rate of Return	Target Asset Allocation All Plans	Weighted Average Expected Real Rate of Return
Primary Government:			
Domestic Equity	5.5%	27.5%	1.51%
International Equity	7.0%	27.5%	1.93%
Fixed Income	2.2%	15.0%	0.33%
Real Estate	6.6%	10.0%	0.66%
Private Equity	8.5%	10.0%	0.85%
Hedge Funds	4.0%	10.0%	0.40%
Total		100.00%	5.68%
Inflation (CPI)			2.10%
			<u>7.78%</u>

Discount Rate

The discount rate used to measure the total pension asset was 7.25% for all defined benefit plans. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension asset of each plan.

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The following chart represents the sensitivity of the net pension liability/asset to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net position asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Government's proportionate share of PERS's net pension asset (liability)	\$	(103,821)	\$ 9,085,725	\$ 16,842,146
Government's proportionate share of MPFRS Police net pension asset	\$	1,249,215	\$ 1,854,704	\$ 2,310,308
Government's proportionate share of MPFRS Fire net pension asset	\$	1,073,612	\$ 1,593,987	\$ 1,985,546

Pension Plan's Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidate Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, West Virginia 25304.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
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I. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Policemen's Pension and Relief Fund (PPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 3,656,866	\$ 4,151,322	\$ 4,155,408	\$ 4,337,479	\$ 3,766,725	\$ 4,344,855	\$ 3,313,221	\$ 3,292,778	\$ 3,209,021
Interest	6,504,578	7,508,938	7,662,910	7,761,028	7,612,050	7,255,244	7,209,972	7,332,999	7,461,048
Changes in benefit terms	--	--	--	--	--	--	--	--	--
Differences between expected and actual experience	9,982,382	(3,724,015)	973,413	3,780,602	(4,059,168)	(3,481,866)	(2,127,001)	(1,897,115)	--
Changes in assumptions	(39,510,571)	(8,117,188)	12,802,534	21,109,488	(1,852,553)	(14,823,343)	26,684,740	8,006,116	6,439,110
Benefits payments, including refunds of member contributions	(8,078,902)	(7,753,101)	(7,354,698)	(7,158,883)	(7,068,435)	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Net change in total pension liability	(27,445,647)	(7,934,044)	18,239,567	29,829,714	(1,601,381)	(13,713,359)	28,021,255	9,699,317	10,421,047
Total pension liability-beginning	219,422,813	227,356,857	209,117,290	179,287,576	180,888,957	194,602,316	166,581,061	156,881,744	146,460,696
Total pension liability-ending (a)	\$ 191,977,166	\$ 219,422,813	\$ 227,356,857	\$ 209,117,290	\$ 179,287,576	\$ 180,888,957	\$ 194,602,316	\$ 166,581,061	\$ 156,881,743
Plan fiduciary net position									
Contributions-employer	\$ 8,267,191	\$ 8,396,467	\$ 7,954,830	\$ 7,514,119	\$ 7,380,065	\$ 7,498,088	\$ 6,858,876	\$ 6,530,016	\$ 6,448,555
Contributions-members	469,508	483,946	473,005	510,010	525,513	574,939	556,799	592,173	648,924
Net investment income	(1,671,294)	6,293,489	339,084	1,342,285	1,540,163	1,864,923	695,811	766,556	1,415,864
Benefit payments, including refunds of member contributions	(8,078,902)	(7,753,101)	(7,354,698)	(7,158,883)	(7,068,435)	(7,008,249)	(7,059,677)	(7,035,461)	(6,688,132)
Administrative expenses	(16,855)	(11,654)	(12,086)	(7,349)	(11,765)	(10,119)	(13,087)	(12,349)	(22,264)
Other	--	--	--	(4,334)	196	--	--	--	--
Net change in plan fiduciary net position	(1,030,352)	7,409,147	1,400,135	2,195,848	2,365,737	2,919,582	1,038,722	840,935	1,802,947
Plan fiduciary net position - beginning	33,412,868	26,003,721	24,603,586	22,407,738	20,042,001	17,122,419	16,083,697	15,242,762	13,439,815
Plan fiduciary net position-ending (b)	\$ 32,382,516	\$ 33,412,868	\$ 26,003,721	\$ 24,603,586	\$ 22,407,738	\$ 20,042,001	\$ 17,122,419	\$ 16,083,697	\$ 15,242,762
Net pension liability - ending (a) - (b)	\$ 159,594,650	\$ 186,009,945	\$ 201,353,136	\$ 184,513,704	\$ 156,879,838	\$ 160,846,956	\$ 177,479,897	\$ 150,497,364	\$ 141,638,981
Plan fiduciary net position as a percentage of the total pension liability	16.87%	15.23%	11.44%	11.77%	12.50%	11.08%	8.80%	9.66%	9.72%
Covered payroll	\$ 5,717,369	\$ 5,656,443	\$ 6,434,785	\$ 6,815,851	\$ 6,805,977	\$ 6,876,181	\$ 7,194,432	\$ 7,849,996	\$ 8,257,284
Net pension liability as a percentage of covered payroll	2791.40%	3288.46%	3129.14%	2707.13%	2305.03%	2339.19%	2466.91%	1917.16%	1715.32%

Notes to PPRF'S Schedule:

For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 5.25% for Policemen's Pension has been blended with the 3.69% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2022. It was assumed by the City's actuaries that benefits are discounted at the municipal bond rate if paid from the pay-as-you go Benefit Account, or at the long-term expected rate of return if paid from the Accumulation Account.

Mortality rates for both plans were based on the following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.

The wage inflation assumption used to project compensation was 2.50%

The service based compensation increased assumption was updated based on observed experience.

General inflation, post retirement COLA and the increase in State Insurance Premium Tax Allocation was 2.50%.

Turnover, retirement rates and disability assumptions were updated based on observed experience.

Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

I. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (Continued)

Firemen's Pension and Relief Fund (FPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 4,736,556	\$ 4,560,637	\$ 4,064,952	\$ 4,191,779	\$ 3,812,937	\$ 4,558,952	\$ 3,402,390	\$ 3,160,914	\$ 3,139,576
Interest	6,929,019	7,813,248	7,955,978	8,242,853	8,083,617	7,563,985	7,426,782	7,516,367	7,715,345
Changes in benefit terms	--	--	--	--	--	--	--	--	--
Differences between expected and actual experience	6,259,273	6,075,355	2,442,355	230,664	(1,328,621)	(352,450)	(1,147,647)	(3,217,247)	--
Changes in assumptions	(41,458,561)	(3,809,595)	13,305,537	21,564,458	(1,797,321)	(15,608,155)	27,065,406	8,277,173	6,693,190
Benefits payments, including refunds of member contributions	(8,997,474)	(8,624,086)	(7,948,122)	(7,600,235)	(7,425,842)	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Net change in total pension liability	(32,531,187)	6,015,559	19,820,700	26,629,519	1,344,770	(11,076,071)	29,671,026	8,877,423	10,604,353
Total pension liability-beginning	244,257,175	238,241,616	218,420,916	191,791,397	190,446,627	201,522,698	171,851,672	162,974,249	152,369,897
Total pension liability-ending (a)	\$ 211,725,988	\$ 244,257,175	\$ 238,241,616	\$ 218,420,916	\$ 191,791,397	\$ 190,446,627	\$ 201,522,698	\$ 171,851,672	\$ 162,974,250
Plan fiduciary net position									
Contributions-employer	\$ 9,635,418	\$ 9,226,520	\$ 8,442,090	\$ 8,035,292	\$ 7,843,092	\$ 7,685,081	\$ 6,906,802	\$ 6,561,849	\$ 6,735,846
Contributions-members	473,067	530,627	603,480	509,721	525,870	574,505	580,188	592,996	603,333
Net investment income	(3,249,866)	5,853,656	321,619	1,232,322	1,409,712	1,717,125	695,679	622,444	1,317,995
Benefit payments, including refunds of member contributions	(8,997,474)	(8,624,086)	(7,948,122)	(7,600,235)	(7,425,842)	(7,238,403)	(7,075,905)	(6,859,784)	(6,943,758)
Administrative expenses	(7,572)	(9,949)	(5,817)	(301)	(6,890)	(7,603)	(9,741)	(5,864)	(8,132)
Other	--	--	--	(5,400)	203	--	--	--	--
Net change in plan fiduciary net position	(2,146,427)	6,976,768	1,413,250	2,171,399	2,346,145	2,730,705	1,097,023	911,641	1,705,284
Plan fiduciary net position - beginning	30,623,784	23,647,016	22,233,766	20,062,367	17,716,222	14,985,517	13,888,494	12,976,853	11,271,569
Plan fiduciary net position-ending (b)	\$ 28,477,357	\$ 30,623,784	\$ 23,647,016	\$ 22,233,766	\$ 20,062,367	\$ 17,716,222	\$ 14,985,517	\$ 13,888,494	\$ 12,976,853
Net pension liability - ending (a) - (b)	\$ 183,248,631	\$ 213,633,391	\$ 214,594,600	\$ 196,187,150	\$ 171,729,030	\$ 172,730,405	\$ 186,537,181	\$ 157,963,178	\$ 149,997,397
Plan fiduciary net position as a percentage of the total pension liability	13.45%	12.54%	9.93%	10.18%	10.46%	9.30%	7.44%	8.08%	7.96%
Covered payroll	\$ 6,197,423	\$ 6,246,122	\$ 6,147,535	\$ 6,419,737	\$ 6,725,992	\$ 7,038,745	\$ 7,273,171	\$ 7,364,910	\$ 7,872,875
Net pension liability as a percentage of covered payroll	2956.85%	3420.26%	3490.74%	3056.00%	2553.21%	2453.99%	2564.73%	2144.81%	1905.24%

Notes to FPRF'S Schedule:

For purposes of developing the single equivalent discount rate, a long-term expected rate of investment return of 4.75% for Firemen's Pension has been blended with the 3.69% yield corresponding to the 20-year maturity on a municipal general obligation AA bond yield curve published on Fidelity's Fixed Income Market Data webpage as of June 30, 2022. It was assumed by the City's actuaries that benefits are discounted at the municipal bond rate if paid from the pay-as-you go Benefit Account, or at the long-term expected rate of return if paid from the Accumulation Account.

Mortality rates for both plans were based on the following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.

The wage inflation assumption used to project compensation was 2.50%

The service based compensation increased assumption was updated based on observed experience.

General inflation, post retirement COLA and the increase in State Insurance Premium Tax Allocation was 2.50%.

Turnover, retirement rates and disability assumptions were updated based on observed experience.

Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

II. SCHEDULES OF INVESTMENT RETURNS

Policemen's Pension and Relief Fund (PPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-6.60%	24.42%	1.80%	6.33%	8.08%	11.14%	4.75%	6.50%	10.65%

Firemen's Pension and Relief Fund (PFRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-7.70%	24.24%	1.82%	6.26%	8.07%	11.25%	5.15%	5.04%	11.17%

Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

III. SCHEDULES OF CONTRIBUTIONS MULTIYEAR

Policemen's Pension and Relief Fund (PPRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 10,069,011	\$ 12,493,271	\$ 12,292,781	\$ 11,932,575	\$ 10,273,775	\$ 10,113,252	\$ 9,998,469	\$ 8,371,076	\$ 8,290,897
Employer contribution (b)	6,400,307	6,488,704	6,040,294	5,764,885	5,642,434	5,799,404	5,226,466	4,977,472	4,919,728
State contribution (c)	1,866,884	1,907,763	1,914,536	1,749,234	1,698,684	1,698,684	1,632,410	1,552,544	1,528,827
Contribution deficiency (excess)	\$ 1,801,820	\$ 4,096,804	\$ 4,337,951	\$ 4,418,456	\$ 2,932,657	\$ 2,615,164	\$ 3,139,593	\$ 1,841,060	\$ 1,842,342
Covered payroll (f)	5,717,369	5,656,443	6,434,785	6,815,851	6,805,977	6,876,181	7,194,432	7,849,996	8,257,284
Actual contribution as a percent of covered payroll [(b)+(c)]/f	145%	148%	124%	110%	108%	109%	95%	83%	78%

Firemen's Pension and Relief Fund (PFRF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 12,874,793	\$ 13,106,480	\$ 12,798,513	\$ 12,736,724	\$ 10,930,487	\$ 10,712,117	\$ 10,373,813	\$ 8,533,617	\$ 8,544,824
Employer contribution (b)	7,773,934	7,263,224	6,489,575	6,253,683	6,107,953	5,974,752	5,300,143	5,004,065	5,191,340
State contribution (c)	1,861,484	1,963,296	1,952,515	1,781,609	1,735,139	1,710,329	1,606,659	1,557,784	1,544,506
Contribution deficiency (excess)	\$ 3,239,375	\$ 3,879,960	\$ 4,356,423	\$ 4,701,432	\$ 3,087,395	\$ 3,027,036	\$ 3,467,011	\$ 1,971,768	\$ 1,808,978
Covered payroll (f)	6,197,423	6,246,122	6,147,535	6,419,737	6,725,992	7,038,745	7,273,171	7,364,910	7,872,875
Actual contribution as a percent of covered payroll [(b)+(c)]/f	155%	148%	137%	125%	117%	109%	95%	89%	86%

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

NOTES TO SCHEDULES

Significant Actuarial Assumptions

The actuarial assumptions and other information used to determine the annual required contributions are as follows

	Policemen's Pension & Relief Fund <u>6/30/2022</u>	Firemen's Pension & Relief Fund <u>6/30/2022</u>
Valuation Date	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay	Level Percentage-of-Pay
Amortization Method	40 Years Closed (Level Percentage)	40 Years Closed (Level Percentage)
Amortization Period	Fair Value	Fair Value
Actuarial Asset Valuation Method		
Actuarial Assumptions:		
Investment Rate of Return	5.250%	4.750%
Projected Salary Increases	20% 0 years, 9% 1 year, 6.5% 2 years, 6.0% 3 years, 5.0% 4 -28 years, 4.0% 29-33 years, 3.5 % 34+ years	20% 0 years, 9% 1 year, 6.5% 2 years , 6.0% 3 years, 5.0% 4 -28 years, 4.0% 29-33 years, 3.5% 34+ years
Post Retirement Benefit Increases	None	None
Inflation	2.50%	2.50%
Cost of Living Adjustments	2.50% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years	2.50% on first \$15,000 of annual benefit and on the accumulated supplemental pension amounts for prior years
Mortality	Mortality rates for both plans were based on the following: Pre-Retirement – SOA PubS-2010(B) Employee Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Post Retirement – SOA PubS-2010(B) Healthy Retiree Mortality Table with the 2010 base rates projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019. Disabled – SOA PubS-2010 Disabled Retiree Mortality Table with the 2010 base rates set forward five years and projected generationally from 2010 using the SOA Mortality Improvement Scale MP-2019.	
Other Information:	Disclose any other important changes here not included in the above table.	

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

I. SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Other Post Employment Benefits (OPEB)

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 13,773,081	\$ 12,762,083	\$ 12,250,898	\$ 11,717,752	\$ 11,106,811
Interest	7,743,161	9,227,829	11,051,420	11,973,708	10,565,286
Changes of benefit terms	--	--	--	--	--
Changes in assumptions	(86,707,236)	26,560,939	28,897,982	17,896,868	(7,643,289)
Differences between expected and actual experience	(29,430)	(34,584,375)	(11,769,659)	(28,650,473)	7,315,402
Benefits payments	(7,614,380)	(9,006,369)	(8,749,770)	(7,284,299)	(8,067,334)
Net change in total OPEB liability	(72,834,804)	4,960,107	31,680,871	5,653,556	13,276,876
Total pension liability-beginning (restated for Fiscal Year 2017)	343,582,506	338,622,399	306,941,528	301,287,972	288,011,096
Total pension liability-ending (a)	<u>\$ 270,747,702</u>	<u>\$ 343,582,506</u>	<u>\$ 338,622,399</u>	<u>\$ 306,941,528</u>	<u>\$ 301,287,972</u>
Plan fiduciary net position					
Contributions-employer	\$ 7,614,380	\$ 9,006,369	\$ 8,749,770	\$ 7,284,299	\$ 8,067,334
Contributions-active employees	--	--	--	--	--
Net investment income	--	--	--	--	--
Benefit payments	(7,614,380)	(9,006,369)	(8,749,770)	(7,284,299)	(8,067,334)
Administrative expenses	--	--	--	--	--
Net change in plan fiduciary net position	--	--	--	--	--
Plan fiduciary net position - beginning	--	--	--	--	--
Plan fiduciary net position-ending (b)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 270,747,702</u>	<u>\$ 343,582,506</u>	<u>\$ 338,622,399</u>	<u>\$ 306,941,528</u>	<u>\$ 301,287,972</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 26,522,877	\$ 30,237,582	\$ 29,356,876	\$ 29,931,917	\$ 33,255,922
Net OPEB liability as a percentage of covered-employee payroll	1020.81%	1136.28%	1153.47%	1025.47%	905.97%

Notes to OPEB Plan Schedule:

This plan is not accounted for as a trust fund, as an irrevocable trust has not been established and therefore no assets have been accumulated to pay the related benefits.

An eligibility cut-off date of July 1, 2020 has been implemented, and only employees hired by June 30, 2020 are eligible for retiree health care benefits. In subsequent valuations, any employees hired after July 1, 2020 will be excluded and will not generate a liability. The measurement date of this valuation is June 30, 2022, and therefore the only employees included in this valuation are those eligible for retiree health care benefits hired prior to the cutoff date.

Changes in assumptions. The discount rate as of the Measurement Date was updated based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current full valuation uses a discount rate of 4.09% as of June 30, 2022. This changes caused a significant decrease in liabilities for the City of Charleston. The discount rate will be updated annually to reflect current market conditions.

The mortality assumption has been updated to use mortality improvement Scale MP-2021 from Scale MP-2019. The base mortality tables remain unchanged. The impact of this change is a slight decrease in liabilities for the City of Charleston.

The wage inflation assumption used to project compensation was 3.00% per year plus the annual merit scale based on the West Virginia Public Employees' Retirement System actuarial valuation as of June 30, 2021. The scale is as follows: Age 20, Rate 3.50%; Age 30, Rate 1.60%, Age 40, Rate 1.10%; Age 50 Rate 0.85%; Age 60+ Rate 0.35%.

Only five years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

NOTES TO SCHEDULES

Significant Actuarial Assumptions

The actuarial assumptions and other information used to determine the annual required contributions are as follows

	Other Postemployment Benefits
	<u>6/30/2022</u>
Valuation Date	Entry Age Normal
Actuarial Cost Method	Level Percentage-of-Pay
Amortization Method	30 Years Closed (Level Percentage)
Amortization Period	Market Value
Actuarial Asset Valuation Method	
Actuarial Assumptions:	
Discount Rate	2.19% as of July 1, 2021 and 4.09% as of June 30, 2022
Projected Salary Increases	3.00% general wage inflation plus the annual merit scale as follows (based on the West Virginia Public Employees' Retirement System): Age 20, Rate 3.50%; Age 30, Rate 1.60%; Age 40, Rate 1.10%; Age 50, Rate .85%; Age 60+, Rate .35%
Inflation	3.00%
Mortality	The mortality assumption has been updated from Scale MP-2019 to Scale MP-2021, using the following tables: General Retirees: SOA PUB-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021; Police and Fire Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021; and Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2022

West Virginia Retiree Health Benefit Trust Fund
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Government's proportion of the net pension liability (asset) (percentage)	0.633302780%	0.006301472%	0.005911812%	0.00596038%
Government's proportionate share of the net pension liability (asset)	\$ (188,311)	\$ 27,833	\$ 98,085	\$ 127,876
Government's covered-employee payroll	\$ 10,406,997	\$ 107,908	\$ 113,816	\$ 122,226
Government's proportionate share of the net other-post employment liability (asset) as a percentage of its covered-employee payroll	-1.81%	25.79%	86.18%	104.62%
Plan fiduciary net position as a percentage of the total other post-employment liability	101.81%	73.49%	39.69%	30.98%

* - The amounts presented for each fiscal year were determined as of June 30, 2021.
Only four years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2022

West Virginia Retiree Health Benefit Trust Fund
Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 636,540	\$ 1,154,880	\$ 12,180	\$ 12,180	\$ 12,180
Contributions in relation to the contractually required contribution	<u>(636,540)</u>	<u>(1,154,880)</u>	<u>(12,180)</u>	<u>(12,180)</u>	<u>(12,180)</u>
Contribution deficiency (excess)	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>	<u><u>**</u></u>
Government's covered-employee payroll	\$ 12,099,805	\$ 10,406,997	\$ 107,908	\$ 113,816	\$ 122,226
Contributions as a percentage of covered-employee payroll.	5.26%	11.10%	11.29%	10.70%	9.97%

**Only five years are presented due to the availability of the information in the application of the reporting requirements prospectively.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2022

Actuarial Changes OPEB Plan

The actuarial assumptions used in the total OPEB liability calculation can change from year to year. Please see table below which summarizes the actuarial assumptions used for the respective measurement dates.

	Inflation Rate	Salary Increases	Wage Inflation Rate	Investment Rate of Return & Discount Rate	Mortality	Retirement Age	Aging Factors	Expenses	Healthcare Cost Trend Rates
<u>2021</u>	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Below-Median Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females; Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
<u>2020</u>	2.25%	Dependent upon pension system. Ranging from 2.75% to 5.18%, including inflation	2.75%	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females Pre-Retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024 decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
<u>2019</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020, 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.
<u>2018</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
<u>2017</u>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	4.00%	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis Pre-Retirement: RP– 2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis	Experience-based table of rates that are specific to the type of eligibility condition.	2013 SOA study "Health Care Costs - From Birth to Death"	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of annual expense.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2022

Public Employees Retirement System
Last 10 Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	1.034896%	1.071272%	1.261201%	1.364436%	1.419052%	1.327175%	1.285736%	1.301165%	1.266242%
Government's proportionate share of the net pension liability (asset)	\$ (9,085,725)	\$ 5,663,504	\$ 2,711,746	\$ 3,523,684	\$ 6,125,266	\$ 12,198,303	\$ 7,179,766	\$ 4,802,144	\$ 11,543,445
Government's covered payroll	\$ 16,653,509	\$ 16,836,136	\$ 19,596,039	\$ 19,519,308	\$ 20,073,697	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-54.56%	33.64%	13.84%	18.05%	30.51%	66.02%	40.20%	26.55%	65.94%
Plan fiduciary net position as a percentage of the total pension liability	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

* - The amounts presented for each fiscal year were determined as of June 30, 2021.

Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2022**

**Public Employees Retirement System
Last 10 Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,678,590	\$ 1,654,581	\$ 1,669,122	\$ 1,855,299	\$ 2,043,729	\$ 2,238,435	\$ 2,513,283	\$ 2,456,565	\$ 2,526,476	\$ 2,372,689
Contributions in relation to the contractually required contribution	<u>(1,678,590)</u>	<u>(1,654,581)</u>	<u>(1,669,122)</u>	<u>(1,855,299)</u>	<u>(2,043,729)</u>	<u>(2,238,435)</u>	<u>(2,513,283)</u>	<u>(2,456,565)</u>	<u>(2,526,476)</u>	<u>(2,372,689)</u>
Contribution deficiency (excess)	<u> ** </u>	<u> ** </u>	<u> ** </u>	<u> ** </u>	<u> ** </u>	<u> ** </u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Government's covered payroll	\$ 17,054,535	\$ 16,653,509	\$ 16,836,136	\$ 19,596,039	\$ 19,519,308	\$ 20,073,697	\$ 18,475,776	\$ 17,860,017	\$ 18,084,241	\$ 17,506,391
Contributions as a percentage of covered payroll.	9.84%	9.94%	9.91%	9.47%	10.47%	11.15%	13.60%	13.75%	13.97%	13.55%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (PERS)
YEAR ENDED JUNE 30, 2022

Actuarial Changes Pension Plan

An experience study for economic assumptions, which was based on the years 2015 through 2020, and an experience study for all other assumptions, which was based on the years 2013 through 2018, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2021 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2021</u>	2.75% - 5.55%	3.60% - 6.75%	2.75%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Disabled Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%
<u>2020</u>	3.1% - 5.3%	3.35% - 6.5%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected with scale MP-2018; Disabled females-117% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.50-35.88%	0.005-0.540%
<u>2019</u>	3.1% - 5.3%	3.35% - 6.0%	3.00%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018; Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018; Disabled females-118% of Pub-2010 General / Disabled Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018	2.28-45.63%	2.00-35.88%	0.005-0.540%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (PERS)
YEAR ENDED JUNE 30, 2022

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2018</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational; Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational; Retired healthy females-101% of RP-2000 Healthy Annuitant, Scale AA fully generational; Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational; Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2.00-35.88%	0.007-0.675%
<u>2017</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational; Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational; Retired healthy females-101% of RP-2000 Healthy Annuitant, Scale AA fully generational; Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational; Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2.00-35.88%	0.007-0.675%
<u>2016</u>	3.00% - 4.6%	3.35% - 6.0%	3.00%	Active-100% of RP-2000 Non-Annuitant, Scale AA fully generational; Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational; Retired healthy females-101 % of RP-2000 Healthy Annuitant, Scale AA fully generational; Disabled Males-96% of RP2000 Disabled Annuitant, Scale AA fully generational; Disabled Females-107% of RP-2000 Disabled Annuitant, Scale AA fully generational	1.75-35.10%	2.00-35.88%	0.007-0.675%
<u>2015</u>	3.00% - 4.6%	3.35% - 6.0%	1.90%	Healthy males - 110% of RP-2000 Non-Annuitant, Scale AA; Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA; Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA; Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA	1.75-35.1%	2.00-35.88%	0-0.675%
<u>2014</u>	4.25% - 6.0%	4.25% - 6.0%	2.20%	Healthy males - 1983 GAM; Healthy females-1971; disabled males - 1971 GAM; Disabled females - Revenue ruling 96-7	1.00-26.00%	2.00-31.2%	0-0.8%

CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULES OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Fiscal Year Ended June 30, 2022

Municipal Police Officers and Firefighters Retirement System
Last 10 Fiscal Years*

	Police Officers Retirement System								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	16.993804%	17.171259%	21.118055%	24.313262%	26.194802%	26.159244%	25.359714%	21.403699%	19.176794%
Government's proportionate share of the net pension liability (asset)	\$ (1,854,704)	\$ (1,073,890)	\$ (968,262)	\$ (899,107)	\$ (735,550)	\$ (369,892)	\$ (244,721)	\$ (145,331)	\$ (50,819)
Government's covered payroll	\$ 4,291,833	\$ 3,500,625	\$ 3,195,584	\$ 2,540,250	\$ 2,068,865	\$ 1,434,311	\$ 959,612	\$ 392,330	\$ 185,248
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-43.21%	-30.68%	-30.30%	-35.39%	-35.55%	-25.79%	-25.50%	-37.04%	-27.43%
Plan fiduciary net position as a percentage of the total pension liability	182.78%	172.43%	168.31%	184.45%	203.46%	174.30%	189.27%	230.08%	200.40%

* - The amounts presented for each fiscal year were determined as of June 30, 2021.
Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

	Firefighters Retirement System								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Government's proportion of the net pension liability (asset) (percentage)	14.604973%	16.752855%	15.744140%	15.997212%	17.051321%	15.823930%	13.222939%	16.780704%	5.739737%
Government's proportionate share of the net pension liability (asset)	\$ (1,593,987)	\$ (1,047,724)	\$ (721,869)	\$ (591,577)	\$ (478,801)	\$ (223,751)	\$ (127,601)	\$ (113,941)	\$ (15,210)
Government's covered payroll	\$ 3,671,189	\$ 3,393,434	\$ 2,382,403	\$ 1,671,389	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446
Government's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-43.42%	-30.88%	-30.30%	-35.39%	-35.55%	-25.79%	-25.50%	-37.04%	-27.43%
Plan fiduciary net position as a percentage of the total pension liability	182.78%	172.43%	168.31%	184.45%	203.46%	174.30%	189.27%	230.08%	200.40%

* - The amounts presented for each fiscal year were determined as of June 30, 2021.
Only nine years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**CITY OF CHARLESTON, WEST VIRGINIA
SCHEDULE OF GOVERNMENT CONTRIBUTIONS
For the Fiscal Year Ended June 30, 2022**

**Municipal Police Officers and Firefighters Retirement System
Last 10 Fiscal Years**

Police Officers Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 407,533	\$ 362,999	\$ 295,323	\$ 302,026	\$ 264,399	\$ 222,403	\$ 168,547	\$ 105,816	\$ 59,623	\$ 28,547
Contributions in relation to the contractually required contribution	<u>(407,533)</u>	<u>(362,999)</u>	<u>(295,323)</u>	<u>(302,026)</u>	<u>(264,399)</u>	<u>(222,403)</u>	<u>(168,547)</u>	<u>(105,816)</u>	<u>(59,623)</u>	<u>(28,547)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered payroll	\$ 4,854,809	\$ 4,291,833	\$ 3,500,625	\$ 2,540,250	\$ 2,068,865	\$ 2,068,865	\$ 1,434,311	\$ 959,612	\$ 392,330	\$ 185,248
Plan fiduciary net position as a percentage of the total pension liability	8.39%	8.46%	8.44%	11.89%	12.78%	10.75%	11.75%	11.03%	15.20%	15.41%

Firefighters Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 364,813	\$ 311,973	\$ 288,424	\$ 225,168	\$ 173,967	\$ 144,771	\$ 102,014	\$ 55,174	\$ 46,744	\$ 8,544
Contributions in relation to the contractually required contribution	<u>(364,813)</u>	<u>(311,973)</u>	<u>(288,424)</u>	<u>(225,168)</u>	<u>(173,967)</u>	<u>(144,771)</u>	<u>(102,014)</u>	<u>(55,174)</u>	<u>(46,744)</u>	<u>(8,544)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Government's covered payroll	\$ 4,333,657	\$ 3,671,189	\$ 3,393,434	\$ 1,671,389	\$ 1,346,713	\$ 1,346,713	\$ 867,626	\$ 500,356	\$ 307,590	\$ 55,446
Plan fiduciary net position as a percentage of the total pension liability	8.42%	8.50%	8.50%	13.47%	12.92%	10.75%	11.76%	11.03%	15.20%	15.41%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (MPFRS)
YEAR ENDED JUNE 30, 2022

Actuarial Changes Pension Plan

An experience study, which was based on the years 2015 through 2020, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2021 to reflect the most recent experience study:

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2021</u>	n/a	3.25% - 4.75%	2.75%	Active-100% of Pub-2010 Safety Employee Table, Amount-weighted, projected generationally with Scale MP-2020; Healthy Male Retirees - 98% of Pub-2010 Safety Retiree Male Table, Amount-weighted, projected generationally with Scale MP-2020; Healthy Female Retirees - 99% of Pub-2010 Safety Retiree Female Table, Amount-weighted, projected generationally with Scale MP-2020; Disabled Males - 124% of Pub-2010 Safety Disabled Male Table, Amount weighted, projected generationally with Scale MP-2020; Disabled Females - 100% of Pub-2010 Safety Disabled Female Table, Amount-weighted, projected generationally with Scale MP-2020	n/a	3.00-21.00%	0.03-0.40%
<u>2020</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%
<u>2019</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%
<u>2018</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION (MPFRS)
YEAR ENDED JUNE 30, 2022

	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation rate		State	Nonstate	Disability Rates
<u>2017</u>	n/a	3.25% - 4.75%	3.00%	Active-100% of RP-2014 Total Employee Mortality Table, Scale MP-2016 fully generational; Retired healthy males-103% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Retired healthy females-100% of RP-2014 Healthy Annuitant Mortality tables, rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled males-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational; Disabled females-100% of RP-2014 Disabled Retiree Mortality tables; rolled back to 2006, Projected with Scale MP-2016 fully generational	n/a	3.00-28.00%	0.04-0.60%
<u>2016</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males- - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00-14.00%	0.05-0.60%
<u>2015</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males- - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00-14.00%	0.05-0.60%
<u>2014</u>	n/a	3.25% - 4.75%	3.00%	Active - RP-2000 Non-Annuitant tables, Projected to 2020 scale BB; Retired healthy males - RP-2000 Non-Annuitant tables, Projected to 2025 scale BB Retired healthy males- - RP-2000 Non-Annuitant tables, Projected to 2025, scale BB set forward 1 year	n/a	3.00-14.00%	0.05-0.60%



SUPPLEMENTARY INFORMATION

CITY OF CHARLESTON, WEST VIRGINIA GOVERNMENTAL FUND TYPES - NONMAJOR

Special Revenue Funds are used to account for the receipt and use of specific revenues that are legally restricted by ordinance or grant agreements for specific purposes.

Debt Service Funds are used to account for the accumulation of resources and payment of general long-term debt principal and interest from governmental resources.

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs, for the benefit of the City or its citizens.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS					
Assets:					
Current:					
Cash and cash equivalents	\$ 3,699,189	\$ 11,219,945	\$ 21,014	\$ 113,871	\$ 15,054,019
Investments	2,992,850	--	--	2,541,645	5,534,495
Receivables:					
Accounts	560,423	--	--	831	561,254
Grants	76,523	--	--	--	76,523
Special assessments	21,210	--	--	--	21,210
Loans	344,178	--	--	--	344,178
Accrued interest	--	--	--	5,811	5,811
Due from:					
Other funds	658,850	139,603	1,749,619	9,563	2,557,635
Component units	15,703	--	--	--	15,703
Restricted cash	967,107	--	3,519,420	--	4,486,527
Total assets	9,336,033	11,359,548	5,290,053	2,671,721	28,657,355
Deferred Outflows:					
	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 9,336,033	\$ 11,359,548	\$ 5,290,053	\$ 2,671,721	\$ 28,657,355
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 561,803	\$ 1,354,245	\$ --	\$ --	\$ 1,916,048
Live on the Levee Charity	50	--	--	--	50
Due to:					
Other funds	528,922	2,500	--	--	531,422
Grant advances	171,922	--	--	--	171,922
Total liabilities	1,262,697	1,356,745	--	--	2,619,442
Deferred Inflows:					
	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--
Total liabilities and deferred inflows of resources	1,262,697	1,356,745	--	--	2,619,442
Fund balances:					
Reserved for:					
Nonspendable	--	--	--	1,543,436	1,543,436
Restricted	7,282,447	96,215	5,290,053	1,128,285	13,797,000
Committed	790,889	9,906,588	--	--	10,697,477
Total fund balances	8,073,336	10,002,803	5,290,053	2,671,721	26,037,913
Total liabilities, deferred inflows and fund balances	\$ 9,336,033	\$ 11,359,548	\$ 5,290,053	\$ 2,671,721	\$ 28,657,355

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2022

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Ad valorem property taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental:					
Federal	932,344	--	--	--	932,344
State	317,195	124,604	--	--	441,799
Local	74,132	--	--	--	74,132
Charges for services	4,130,467	92,602	--	--	4,223,069
Fines and forfeits	1,213,665	--	--	--	1,213,665
Interest earnings	492,315	24,484	1,923	(301,412)	217,310
Contributions and donations	263,456	52,726	--	224,709	540,891
Miscellaneous	68,647	3,975	--	--	72,622
Total revenues	7,492,221	298,391	1,923	(76,703)	7,715,832
EXPENDITURES					
Current:					
General government	221,899	--	--	--	221,899
Public safety	1,787,048	--	--	--	1,787,048
Streets and transportation	--	--	--	--	--
Health and sanitation	1,094,735	--	--	--	1,094,735
Culture and recreation	235,046	--	--	--	235,046
Social services	--	--	--	182,006	182,006
Capital projects	--	7,207,542	--	--	7,207,542
Economic development	237,560	--	--	--	237,560
Debt service:					
Principal	--	--	4,728,000	--	4,728,000
Interest	--	--	2,297,391	--	2,297,391
Total expenditures	3,576,288	7,207,542	7,025,391	182,006	17,991,227
Excess (deficiency) of revenues over expenditures	3,915,933	(6,909,151)	(7,023,468)	(258,709)	(10,275,395)
OTHER FINANCING SOURCES (USES)					
Transfers in	183,639	6,868,898	7,018,047	26,963	14,097,547
Transfers (out)	(3,580,422)	(380,280)	--	--	(3,960,702)
Total other financing sources (uses)	(3,396,783)	6,488,618	7,018,047	26,963	10,136,845
Net change in fund balance	519,150	(420,533)	(5,421)	(231,746)	(138,550)
Fund balances - beginning	7,554,186	10,423,336	5,295,474	2,903,467	26,176,463
Fund balances - ending	\$ 8,073,336	\$ 10,002,803	\$ 5,290,053	\$ 2,671,721	\$ 26,037,913



CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS

Nonmajor Funds

Asset Forfeiture and Reimbursement Fund This fund is used to account for monies seized by the Charleston Police department or Drug Unit and have been ordered released or forfeited by a court of law.

Byrne Justice Assistance Grant Fund This fund was established to account for grants received from the U.S. Department of Justice passed through from the West Virginia Department of Criminal Justice Services to encourage arrest policies and enforcement of protection orders.

Homeland Security Assistance to Firefighters Grant Fund This fund was established to account for federal grants received from the U.S. Department of Homeland Security passed through the state Secretary of Military Affairs and Public Safety to purchase face pieces, fit tests, and other authorized equipment purchases for the Charleston Fire Department.

Homeland Security Grant Fund This fund was established to account for federal grants received from the U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) to account for purchase of First Response Equipment for the City's public safety activities.

Human Rights Fund This fund is a cooperative agreement with HUD for the Fair Housing Assistance Program (FHAP) within the City.

Municipal Beautification Fund This fund was established to account for revenues received from fee charges for clean up of properties within the City and for donations received to be used for beautification of the City.

Municipal Court Fund This fund accounts for monies received for fines and forfeitures.

Police & Fire Donations Fund This fund was established to receive private contributions to be utilized for police and fire operations.

Police Grants Fund This fund was established to account for federal grants received from the U.S. Department of Justice to encourage arrest policies and enforcement of protection orders.

Public Arts Grant Fund This fund was established to account for grant monies from the National Endowment for the Arts and private contributions to support a series of cultural planning activities to strengthen the role of public art in Charleston, WV.

Rental Rehabilitation Fund This fund was established to account for loan payments collected from housing rehabilitation clients to MOECD. The rehab program no longer exists, however, this fund still accounts for payments received from loans originating several years ago.

Solid Waste Fund This fund accounts for the revenues collected from refuse fees and royalties from the contracted landfill operations. This fund also reserves monies for contingency post fund closure landfill cost.

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

Special Demolition Fund This fund accounts for monies to be used for demolition of buildings as necessary within the City.

Supportive Housing Fund This fund accounts for Supporting Housing Grants received to pay salaries for supportive service coordinators and other direct expenses for five shelters.

U.S. Small Business Administration Fund This fund accounts for federal grants received from the U.S. Small Business Administration under a grant/cooperative agreement and private contributions for the City of Charleston, WV Riverfront Park (Haddad Park).

Project West Invest This fund is designed to promote and provide incentives for Charleston police officers to live in Charleston's West Side to create a catalyst for positive change.

Historic Preservation This fund was established to account for grants received to restore, rehabilitate, or repair historic properties throughout the City of Charleston.

Slack Plaza This fund was established to account for grant revenues, transfers, and gifts received designated to be expended for construction, renovations, and other improvements to the Slack Plaza area from Capitol Street to Court Street.

Business Improvement District This fund was established to account for revenues generated by the City Center Business Improvement District.

Live on the Levee This fund was established to account for all Live on the Levee Series revenues and expenditures that runs from May to September each year.

Home Ownership Zone Property This fund provides forgivable loans of up to \$20,000 to homeowners occupying houses within the Home-ownership Zone of the West Side Community Renewal Plan to make improvements to their homes.

Charleston Land Reuse Agency This fund was established to promote the productive use of property by identifying available properties suitable for public space, conservation, housing, and commercial use; and pursuing the acquisition, management, inventory, and disposition of those properties, according to the authority granted by state law and city code.

LGBTQ Working Group Fund This fund was established to account for revenues received from various sources to be dedicated to furthering the LGBTQ Working Group's mission to recognize that all voices and perspectives must be considered to make lasting, equitable change and remains committed to maintaining a welcoming, safe, and inclusive environment.

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

Planning Grants This fund was established to account for revenues received from various granting agencies for consultation services, architectural design services, implementation of blight analysis GIS mapping software, and other resources to coordinate program design and effective and strategic code enforcement efforts.

Metro Drug Enforcement Task Force Fund This fund accounts for revenues from forfeitures and donations are held until dispersed to various other City or State Agencies.

Police Asset & Liability Fund This fund is operated by the Charleston Police Department for confiscated property that will normally be refunded upon court order.

HOME ARP Fund This fund accounts for federal grants received from the U.S. Housing and Urban Development under the American Rescue Plan to provide forgivable, deferred mortgage loans to first-time homebuyers that meet income and credit guidelines.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Homeland Security Assistance	Homeland Security Grant	Human Rights	Municipal Beautification	Municipal Court	Police & Fire Donation	Police Grants	Public Arts Grant	Rental Rehabilitation	Solid Waste
ASSETS AND DEFERRED OUTFLOWS												
Assets:												
Current:												
Cash and cash equivalents	\$ 555,150	\$ 443	\$ 77	\$ 23,670	\$ 176,794	\$ 132,996	\$ 285,366	\$ 119,911	\$ 273,554	\$ 216,853	\$ --	\$ 265,292
Investments	--	--	--	--	--	--	--	--	--	--	--	2,992,850
Receivables:												
Accounts	92,532	--	--	--	--	--	36,728	--	--	--	--	390,803
Grants	--	11,440	--	11,398	--	--	--	--	53,054	--	--	--
Special assessments	--	--	--	--	--	--	--	--	--	--	--	--
Loans	--	--	--	--	--	--	--	--	--	--	--	--
Due from:												
Other funds	134,723	--	--	9,074	--	--	--	--	13,449	--	--	--
Component units	--	--	--	--	--	--	--	--	--	--	--	15,703
Restricted cash	--	--	--	--	--	--	--	--	--	--	--	967,107
Total assets	782,405	11,883	77	44,142	176,794	132,996	322,094	119,911	340,057	216,853	--	4,631,755
Deferred Outflows:												
	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 782,405	\$ 11,883	\$ 77	\$ 44,142	\$ 176,794	\$ 132,996	\$ 322,094	\$ 119,911	\$ 340,057	\$ 216,853	\$ --	\$ 4,631,755
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable	\$ 5,000	\$ 11,647	\$ --	\$ 9,074	\$ --	\$ --	\$ 111,125	\$ 820	\$ 26,100	\$ --	\$ --	\$ 92,398
Live on the Levee Charity Raffle	--	--	--	--	--	--	--	--	--	--	--	--
Due to:												
Other funds	--	--	--	35,068	--	--	76,899	--	266,714	--	--	--
Grant advances	--	236	77	--	161,192	--	--	--	10,417	--	--	--
Total liabilities	5,000	11,883	77	44,142	161,192	--	188,024	820	303,231	--	--	92,398
Deferred Inflows:												
	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	5,000	11,883	77	44,142	161,192	--	188,024	820	303,231	--	--	92,398
Fund balances:												
Restricted	777,405	--	--	--	15,602	--	134,070	119,091	36,826	216,853	--	3,971,678
Committed	--	--	--	--	--	132,996	--	--	--	--	--	567,679
Total fund balances	777,405	--	--	--	15,602	132,996	134,070	119,091	36,826	216,853	--	4,539,357
Total liabilities, deferred inflows and fund balances	\$ 782,405	\$ 11,883	\$ 77	\$ 44,142	\$ 176,794	\$ 132,996	\$ 322,094	\$ 119,911	\$ 340,057	\$ 216,853	\$ --	\$ 4,631,755

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2022

	Special Demolition	Supportive Housing	U.S. Small Business Administration	Project West Invest	Historic Preservation	Slack Plaza	Business Improvement District	Live on the Levee	Home Ownership Zone Property	Charleston Land Reuse Agency	Planning Grants	LGBT+ Working Group	Metro Drug Enforcement Task Force	Police Asset & Liability	HOME ARP	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS																
Assets:																
Current:																
Cash and cash equivalents	\$ 16,749	\$ --	\$ 10,177	\$ 566	\$ --	\$ --	\$ 49,627	\$ 48,183	\$ --	\$ 201,051	\$ --	\$ 1,264	\$ 601,955	\$ 719,511	\$ --	\$ 3,699,189
Investments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2,992,850
Receivables:				--												
Accounts	--	--	--	--	--	--	--	--	--	--	30,900	--	9,460	--	--	560,423
Grants	--	--	--	--	--	--	--	--	--	--	--	--	--	--	631	76,523
Special assessments	--	--	--	--	--	--	21,210	--	--	--	--	--	--	--	--	21,210
Loans	--	--	--	212,915	--	--	--	--	131,263	--	--	--	--	--	--	344,178
Due from:																
Other funds	--	--	--	--	--	--	--	--	--	--	13,300	--	488,304	--	--	658,850
Component units	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	15,703
Restricted cash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	967,107
Total assets	<u>16,749</u>	<u>--</u>	<u>10,177</u>	<u>213,481</u>	<u>--</u>	<u>--</u>	<u>70,837</u>	<u>48,183</u>	<u>131,263</u>	<u>201,051</u>	<u>44,200</u>	<u>1,264</u>	<u>\$ 1,099,719</u>	<u>\$ 719,511</u>	<u>\$ 631</u>	<u>9,336,033</u>
Deferred Outflows:																
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 16,749</u>	<u>\$ --</u>	<u>\$ 10,177</u>	<u>\$ 213,481</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 70,837</u>	<u>\$ 48,183</u>	<u>\$ 131,263</u>	<u>\$ 201,051</u>	<u>\$ 44,200</u>	<u>\$ 1,264</u>	<u>\$ 1,099,719</u>	<u>\$ 719,511</u>	<u>\$ 631</u>	<u>\$ 9,336,033</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES																
Liabilities:																
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 30,125	\$ 16,644	\$ --	\$ 3,017	\$ 13,300	\$ --	\$ 140,475	\$ 101,447	\$ 631	\$ 561,803
Live on the Levee Charity Raffle	--	--	--	--	--	--	--	50	--	--	--	--	--	--	--	50
Due to:																
Other funds	--	--	--	--	--	--	--	--	--	--	30,900	--	119,341	--	--	528,922
Grant advances	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	171,922
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>30,125</u>	<u>16,694</u>	<u>--</u>	<u>3,017</u>	<u>44,200</u>	<u>--</u>	<u>259,816</u>	<u>101,447</u>	<u>631</u>	<u>1,262,697</u>
Deferred Inflows:																
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>30,125</u>	<u>16,694</u>	<u>--</u>	<u>3,017</u>	<u>44,200</u>	<u>--</u>	<u>259,816</u>	<u>101,447</u>	<u>631</u>	<u>1,262,697</u>
Fund balances:																
Restricted	--	--	10,177	213,481	--	--	--	--	131,263	198,034	--	--	839,903	618,064	--	7,282,447
Committed	16,749	--	--	--	--	--	40,712	31,489	--	--	--	1,264	--	--	--	790,889
Total fund balances	<u>16,749</u>	<u>--</u>	<u>10,177</u>	<u>213,481</u>	<u>--</u>	<u>--</u>	<u>40,712</u>	<u>31,489</u>	<u>131,263</u>	<u>198,034</u>	<u>--</u>	<u>1,264</u>	<u>839,903</u>	<u>618,064</u>	<u>--</u>	<u>8,073,336</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 16,749</u>	<u>\$ --</u>	<u>\$ 10,177</u>	<u>\$ 213,481</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 70,837</u>	<u>\$ 48,183</u>	<u>\$ 131,263</u>	<u>\$ 201,051</u>	<u>\$ 44,200</u>	<u>\$ 1,264</u>	<u>\$ 1,099,719</u>	<u>\$ 719,511</u>	<u>\$ 631</u>	<u>\$ 9,336,033</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Fiscal Year Ended June 30, 2022

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Homeland Security Assistance	Homeland Security Grant	Human Rights	Municipal Beautification	Municipal Court	Police & Fire Donation	Police Grants
REVENUES									
Intergovernmental:									
Federal	\$ 170,444	\$ 337,436	\$ --	\$ 125,210	\$ --	\$ --	\$ --	\$ --	\$ 273,586
State	277,954	--	--	--	--	--	--	--	8,641
Local	--	--	--	--	--	--	--	--	24,132
Charges for services	--	--	--	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	521,848	--	--
Interest and investment earnings	1,247	--	--	--	--	212	--	106	--
Contributions and donations	--	--	--	--	--	--	--	104,767	--
Miscellaneous	888	--	--	--	--	--	--	--	--
Total revenues	450,533	337,436	--	125,210	--	212	521,848	104,873	306,359
EXPENDITURES									
Current:									
General government	--	--	--	--	--	--	221,899	--	--
Public safety	101,634	337,436	--	125,210	--	--	--	820	306,359
Health and sanitation	--	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	--	--	--	--
Total expenditures	101,634	337,436	--	125,210	--	--	221,899	820	306,359
Excess (deficiency) of revenues over expenditures	348,899	--	--	--	--	212	299,949	104,053	--
OTHER FINANCING SOURCES (USES)									
Transfers in	--	--	--	--	--	100,000	--	--	--
Transfers (out)	--	--	--	--	--	--	(297,422)	--	--
Total other financing sources (uses)	--	--	--	--	--	100,000	(297,422)	--	--
Net change in fund balance	348,899	--	--	--	--	100,212	2,527	104,053	--
Fund balances - beginning	428,506	--	--	--	15,602	32,784	131,543	15,038	36,826
Fund balances - ending	\$ 777,405	\$ --	\$ --	\$ --	\$ 15,602	\$ 132,996	\$ 134,070	\$ 119,091	\$ 36,826

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2022

	Public Arts Grant	Rental Rehabilitation	Solid Waste	Special Demolition	Supportive Housing	U.S. Small Business Administration	Project West Invest	Historic Preservation	Slack Plaza	Business Improvement District
REVENUES										
Intergovernmental:										
Federal	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State	--	--	--	--	--	--	--	--	--	--
Local	--	--	--	--	--	--	--	--	--	--
Charges for services	--	--	4,059,715	--	--	--	--	--	--	70,752
Fines and forfeits	--	--	--	--	--	--	--	--	--	--
Interest and investment earnings	--	--	486,749	29	--	--	1	--	--	85
Contributions and donations	--	--	--	--	--	--	--	1,400	--	--
Miscellaneous	--	--	--	28,364	--	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>4,546,464</u>	<u>28,393</u>	<u>--</u>	<u>--</u>	<u>1</u>	<u>1,400</u>	<u>--</u>	<u>70,837</u>
Total revenues	--	--	4,546,464	28,393	--	--	1	1,400	--	70,837
EXPENDITURES										
Current:										
General government	--	--	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--	--	--
Health and sanitation	--	--	1,094,735	--	--	--	--	--	--	--
Culture and recreation	22,061	--	--	--	--	--	--	8,417	12,639	--
Economic development	--	29,312	--	--	--	--	35,000	--	--	30,125
	<u>22,061</u>	<u>29,312</u>	<u>1,094,735</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>35,000</u>	<u>8,417</u>	<u>12,639</u>	<u>30,125</u>
Excess (deficiency) of revenues over expenditures	(22,061)	(29,312)	3,451,729	28,393	--	--	(34,999)	(7,017)	(12,639)	40,712
OTHER FINANCING SOURCES (USES)										
Transfers in	30,000	--	--	--	--	--	--	--	12,639	--
Transfers (out)	--	--	(3,250,000)	(33,000)	--	--	--	--	--	--
	<u>30,000</u>	<u>--</u>	<u>(3,250,000)</u>	<u>(33,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,639</u>	<u>--</u>
Total other financing sources (uses)	30,000	--	(3,250,000)	(33,000)	--	--	--	--	12,639	--
Net change in fund balance	7,939	(29,312)	201,729	(4,607)	--	--	(34,999)	(7,017)	--	40,712
Fund balances - beginning	208,914	29,312	4,337,628	21,356	--	10,177	248,480	7,017	--	--
Fund balances - ending	<u>\$ 216,853</u>	<u>\$ --</u>	<u>\$ 4,539,357</u>	<u>\$ 16,749</u>	<u>\$ --</u>	<u>\$ 10,177</u>	<u>\$ 213,481</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 40,712</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 For the Fiscal Year Ended June 30, 2022

	Live on the Levee	Home Ownership Zone Property	Charleston Land Reuse Agency	Planning Grants	LGBT+ Working Group	Metro Drug Enforcement Task Force	Police Asset & Liability	HOME ARP	Total Nonmajor Special Revenue Funds
REVENUES									
Intergovernmental:									
Federal	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 20,000	\$ --	\$ 5,668	\$ 932,344
State	--	--	--	30,600	--	--	--	--	317,195
Local	--	--	--	--	--	50,000	--	--	74,132
Charges for services	--	--	--	--	--	--	--	--	4,130,467
Fines and forfeits	--	--	--	--	--	691,817	--	--	1,213,665
Interest and investment earnings	48	--	514	--	2	1,430	1,892	--	492,315
Contributions and donations	156,511	--	--	--	778	--	--	--	263,456
Miscellaneous	50	--	39,345	--	--	--	--	--	68,647
Total revenues	156,609	--	39,859	30,600	780	763,247	1,892	5,668	7,492,221
EXPENDITURES									
Current:									
General government	--	--	--	--	--	--	--	--	221,899
Public safety	--	--	--	--	--	577,465	338,124	--	1,787,048
Health and sanitation	--	--	--	--	--	--	--	--	1,094,735
Culture and recreation	191,929	--	--	--	--	--	--	--	235,046
Economic development	--	17,139	89,716	30,600	--	--	--	5,668	237,560
Total expenditures	191,929	17,139	89,716	30,600	--	577,465	338,124	5,668	3,576,288
Excess (deficiency) of revenues over expenditures	(35,320)	(17,139)	(49,857)	--	780	185,782	(336,232)	--	3,915,933
OTHER FINANCING SOURCES (USES)									
Transfers in	41,000	--	--	--	--	--	--	--	183,639
Transfers (out)	--	--	--	--	--	--	--	--	(3,580,422)
Total other financing sources (uses)	41,000	--	--	--	--	--	--	--	(3,396,783)
Net change in fund balance	5,680	(17,139)	(49,857)	--	780	185,782	(336,232)	--	519,150
Fund balances - beginning	25,809	148,402	247,891	--	484	654,121	954,296	--	7,554,186
Fund balances - ending	\$ 31,489	\$ 131,263	\$ 198,034	\$ --	\$ 1,264	\$ 839,903	\$ 618,064	\$ --	\$ 8,073,336



CITY OF CHARLESTON, WEST VIRGINIA

CAPITAL PROJECTS FUNDS

Nonmajor Funds

Ball Park Maintenance Fund This fund is used to account for contributions by the General Fund of \$25,000 annually for maintenance and improvements of the ball park in accordance with a contract between the City and the Charleston Professional Baseball Company.

City Service Fee Project Fund This fund receives transfers from the General Fund of the city service fee revenues, that are dedicated for street maintenance and infrastructure throughout the City, in order to better provide public accountability for the monies.

Civic Center Capital Improvements Fund This City Council established fund is operated to receive transfers of all capital improvement fees collected at the Civic Center events. These revenue sources are maintained for capital improvements to the Civic Center.

Facilities Maintenance Fund This fund was established to account for various facility renovation projects separately and is funded by transfers from the General Fund.

General Maintenance Fund This City Council established fund is operated to receive transfers from the General Fund to separately account for funds expended for capital improvements.

Infrastructure Fund This City Council established fund is used to maintain revenue sources for capital improvements to infrastructure.

Municipal Auditorium Capital Improvements Fund This City Council established fund is operated to receive capital improvement fees collected at the Municipal Auditorium events to account for funds expended for capital improvements to the Municipal Auditorium.

Green Initiatives Fund This City Council established fund is to account for capital improvements associated with implementing projects to improve energy efficiency and reduce the environmental impacts of the City's facilities and fleet.

Sidewalk Improvement Program Fund This City Council established fund is to account for capital improvements for sidewalk infrastructure improvements, maintenance, repairs, and replacement.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2022

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Green Initiatives	Sidewalk Improvement Project	Total Nonmajor Capital Projects Funds
ASSETS AND DEFERRED OUTFLOWS										
Assets:										
Current:										
Cash and cash equivalents	\$ 96,215	\$ 4,032,972	\$ 133,652	\$ 2,034,297	\$ 4,024,495	\$ 153,940	\$ 243,898	\$ 250,248	\$ 250,228	\$ 11,219,945
Due from:										
Other funds	--	--	121,675	--	--	--	17,928	--	--	139,603
Total assets	96,215	4,032,972	255,327	2,034,297	4,024,495	153,940	261,826	250,248	250,228	11,359,548
Deferred Outflows:										
	--	--	--	--	--	--	--	--	--	--
Total deferred outflows of resources	--	--	--	--	--	--	--	--	--	--
Total assets and deferred outflows of resources	\$ 96,215	\$ 4,032,972	\$ 255,327	\$ 2,034,297	\$ 4,024,495	\$ 153,940	\$ 261,826	\$ 250,248	\$ 250,228	\$ 11,359,548
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ --	\$ 1,220,028	\$ --	\$ 73,896	\$ 60,321	\$ --	\$ --	\$ --	\$ --	\$ 1,354,245
Due to:										
Other funds	--	--	2,500	--	--	--	--	--	--	2,500
Total liabilities	--	1,220,028	2,500	73,896	60,321	--	--	--	--	1,356,745
Deferred Inflows:										
	--	--	--	--	--	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--	--	--	--	--	--
Total liabilities and deferred inflows of resources	--	1,220,028	2,500	73,896	60,321	--	--	--	--	1,356,745
FUND BALANCES										
Reserved for:										
Restricted	96,215	--	--	--	--	--	--	--	--	96,215
Committed	--	2,812,944	252,827	1,960,401	3,964,174	153,940	261,826	250,248	250,228	9,906,588
Total fund balances	96,215	2,812,944	252,827	1,960,401	3,964,174	153,940	261,826	250,248	250,228	10,002,803
Total liabilities, deferred inflows and fund balances	\$ 96,215	\$ 4,032,972	\$ 255,327	\$ 2,034,297	\$ 4,024,495	\$ 153,940	\$ 261,826	\$ 250,248	\$ 250,228	\$ 11,359,548

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2022

	Ball Park Maintenance	City Service Fee Project	Civic Center Capital Improvements	Facilities Maintenance Fund	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Green Initiatives	Sidewalk Improvement Project	Total Nonmajor Capital Projects Funds
REVENUES										
Intergovernmental:										
Federal	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
State	--	--	--	--	124,604	--	--	--	--	124,604
Charges for services	--	--	--	--	--	--	92,602	--	--	92,602
Interest and investment earnings	227	7,911	518	4,397	10,016	382	557	248	228	24,484
Contributions and donations	--	--	--	6,646	46,080	--	--	--	--	52,726
Miscellaneous	--	--	--	--	3,975	--	--	--	--	3,975
Total revenues	<u>227</u>	<u>7,911</u>	<u>518</u>	<u>11,043</u>	<u>184,675</u>	<u>382</u>	<u>93,159</u>	<u>248</u>	<u>228</u>	<u>298,391</u>
EXPENDITURES										
Current:										
Capital projects	<u>21,340</u>	<u>3,673,293</u>	<u>--</u>	<u>329,610</u>	<u>3,183,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,207,542</u>
Total expenditures	<u>21,340</u>	<u>3,673,293</u>	<u>--</u>	<u>329,610</u>	<u>3,183,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,207,542</u>
Excess (deficiency) of revenues over expenditures	(21,113)	(3,665,382)	518	(318,567)	(2,998,624)	382	93,159	248	228	(6,909,151)
OTHER FINANCING SOURCES (USES)										
Transfers in	25,000	3,000,000	198,898	610,000	2,535,000	--	--	250,000	250,000	6,868,898
Transfers (out)	<u>--</u>	<u>--</u>	<u>(367,641)</u>	<u>--</u>	<u>(12,639)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(380,280)</u>
Total other financing sources (uses)	<u>25,000</u>	<u>3,000,000</u>	<u>(168,743)</u>	<u>610,000</u>	<u>2,522,361</u>	<u>--</u>	<u>--</u>	<u>250,000</u>	<u>250,000</u>	<u>6,488,618</u>
Net change in fund balance	3,887	(665,382)	(168,225)	291,433	(476,263)	382	93,159	250,248	250,228	(420,533)
Fund balances - beginning	<u>92,328</u>	<u>3,478,326</u>	<u>421,052</u>	<u>1,668,968</u>	<u>4,440,437</u>	<u>153,558</u>	<u>168,667</u>	<u>--</u>	<u>--</u>	<u>10,423,336</u>
Fund balances - ending	<u>\$ 96,215</u>	<u>\$ 2,812,944</u>	<u>\$ 252,827</u>	<u>\$ 1,960,401</u>	<u>\$ 3,964,174</u>	<u>\$ 153,940</u>	<u>\$ 261,826</u>	<u>\$ 250,248</u>	<u>\$ 250,228</u>	<u>\$ 10,002,803</u>



CITY OF CHARLESTON, WEST VIRGINIA

DEBT SERVICE FUND

Nonmajor Fund

Civic Center Project Debt Service Fund This fund is used to account for the accumulation of resources and payment of long-term debt principal and interest related to the Civic Center Project from governmental resources and for governmental revenue bonds debt principal and interest from specified revenues.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR DEBT SERVICE FUND
June 30, 2022

	Civic Center Project Debt Service Fund
	<u>Fund</u>
ASSETS AND DEFERRED OUTFLOWS	
Assets	
Current:	
Cash and cash equivalents	\$ 21,014
Due from:	
Other funds	1,749,619
Restricted cash	<u>3,519,420</u>
Total assets	<u>5,290,053</u>
Deferred Outflows:	
	<u>- -</u>
Total deferred outflows of resources	<u>- -</u>
Total assets and deferred outflows of resources	<u>\$ 5,290,053</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Total liabilities	\$ <u>- -</u>
Deferred Inflows:	
	<u>- -</u>
Total deferred inflows of resources	<u>- -</u>
Total liabilities and deferred inflows of resources	<u>- -</u>
FUND BALANCES	
Reserved for:	
Restricted	<u>5,290,053</u>
Total fund balances	<u>5,290,053</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,290,053</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2022

	Civic Center Project Debt Service Fund
	<u> </u>
REVENUES	
Interest and investment earnings	\$ <u>1,923</u>
 Total revenues	 <u>1,923</u>
EXPENDITURES	
Debt service:	
Principal	4,728,000
Interest	<u>2,297,391</u>
 Total expenditures	 <u>7,025,391</u>
 Excess (deficiency) of revenues over expenditures	 (7,023,468)
OTHER FINANCING SOURCES (USES)	
Transfers in	7,018,047
Transfers (out)	<u>- -</u>
 Total other financing sources (uses)	 <u>7,018,047</u>
 Net change in fund balance	 (5,421)
 Fund balances - beginning	 <u>5,295,474</u>
 Fund balances - ending	 <u>\$ 5,290,053</u>



CITY OF CHARLESTON, WEST VIRGINIA PERMANENT FUND

Nonmajor Fund

Spring Hill Cemetery Fund This fund was created in 1973 by City Council to manage funds received for the perpetual care of Spring Hill Cemetery. The corpus is maintained in trust and the earnings thereon are to be expended for the general care and maintenance of the cemetery.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUND
June 30, 2022

	Spring Hill Cemetery
ASSETS AND DEFERRED OUTFLOWS	
Assets:	
Current:	
Cash and cash equivalents	\$ 113,871
Investments	2,541,645
Receivables:	
Accounts	831
Accrued interest	5,811
Due from:	
Other funds	9,563
	<u>2,671,721</u>
Total assets	<u>2,671,721</u>
Deferred Outflows:	
	<u>--</u>
Total deferred outflows of resources	<u>--</u>
Total assets and deferred outflows of resources	<u>\$ 2,671,721</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities	
	\$ <u>--</u>
Total liabilities	<u>--</u>
Deferred Inflows:	
	<u>--</u>
Total deferred inflows of resources	<u>--</u>
Total liabilities and deferred inflows of resources	<u>--</u>
FUND BALANCES	
Reserved for:	
Nonspendable	1,543,436
Restricted	1,128,285
	<u>2,671,721</u>
Total fund balances	<u>2,671,721</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,671,721</u>

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 NONMAJOR PERMANENT FUND
 For the Fiscal Year Ended June 30, 2022

	<u>Spring Hill Cemetery</u>
REVENUES	
Interest and investment earnings	\$ (301,412)
Contributions & Donations	<u>224,709</u>
Total revenues	<u>(76,703)</u>
EXPENDITURES	
Current:	
Social services	<u>182,006</u>
Total expenditures	<u>182,006</u>
Excess (deficiency) of revenues over expenditures	(258,709)
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>26,963</u>
Total other financing sources (uses)	<u>26,963</u>
Net change in fund balance	(231,746)
Fund balances - beginning	<u>2,903,467</u>
Fund balances - ending	<u><u>\$ 2,671,721</u></u>



CITY OF CHARLESTON, WEST VIRGINIA

FIDUCIARY FUND FINANCIAL STATEMENTS

Pension Trust Funds

Policemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time police employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code using the Conservation Method. This plan is closed to new employees effective June 1, 2011 and new employees are covered in a multiple employer statewide plan. The State will contract an actuary annually to obtain an actuarial valuation to determine solvency of this local plan.

Firemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time police employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code using the Conservation Method. This plan is closed to new employees effective June 1, 2011 and new employees are covered in a multiple employer statewide plan. The State will contract an actuary annually to obtain an actuarial valuation to determine solvency of this local plan.

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 June 30, 2022

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ASSETS			
Non-pooled cash	\$ 35,805	\$ 48,417	\$ 84,222
Total cash	<u>35,805</u>	<u>48,417</u>	<u>84,222</u>
Investments, at fair value:			
WV Investment Management Board	<u>32,298,309</u>	<u>29,137,916</u>	<u>61,436,225</u>
Total investments	<u>32,298,309</u>	<u>29,137,916</u>	<u>61,436,225</u>
Receivables:			
Accounts receivable	<u>--</u>	<u>1,371</u>	<u>1,371</u>
Total receivables	<u>--</u>	<u>1,371</u>	<u>1,371</u>
Total assets	<u>32,334,114</u>	<u>29,187,704</u>	<u>61,521,818</u>
DEFERRED OUTFLOWS			
	<u>--</u>	<u>--</u>	<u>--</u>
Total deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
LIABILITIES			
Accounts payable	75	--	75
Benefits payable	<u>--</u>	<u>754,128</u>	<u>754,128</u>
Total liabilities	<u>75</u>	<u>754,128</u>	<u>754,203</u>
DEFERRED INFLOWS			
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
NET POSITION			
Net position held in trust for pension benefits	<u>\$ 32,334,039</u>	<u>\$ 28,433,576</u>	<u>\$ 60,767,615</u>

(1) A schedule of funding progress for each plan is presented in the Required Supplementary Information section of this report.

CITY OF CHARLESTON, WEST VIRGINIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 For the Fiscal Year Ended June 30, 2021

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ADDITIONS			
Contributions:			
Employer	\$ 4,179,018	\$ 4,690,000	\$ 8,869,018
Plan members	469,508	471,696	941,204
Insurance premium surtax	1,866,884	1,861,484	3,728,368
Additional transfers in	2,221,289	3,083,934	5,305,223
Total contributions	8,736,699	10,107,114	18,843,813
Investment income:			
Net increase (decrease) in fair value of investments	(1,933,058)	(3,509,108)	(5,442,166)
Interest and dividends	291,777	289,034	580,811
Less: investment expense	(78,490)	(73,573)	(152,063)
Net investment income	(1,719,771)	(3,293,647)	(5,013,418)
Total additions	7,016,928	6,813,467	13,830,395
DEDUCTIONS			
Benefits	8,058,261	8,911,213	16,969,474
Administrative expenses	16,855	7,572	24,427
Refunds of contributions	20,641	84,890	105,531
Total deductions	8,095,757	9,003,675	17,099,432
Change in net position	(1,078,829)	(2,190,208)	(3,269,037)
Net position held in trust for pension benefits:			
Beginning of year	33,412,868	30,623,784	64,036,652
End of year	\$ 32,334,039	\$ 28,433,576	\$ 60,767,615

(1) A schedule of funding progress for each plan is presented in the Required Supplementary Information section of this report.



STATISTICAL SECTION

CITY OF CHARLESTON, WEST VIRGINIA

STATISTICAL SECTION

This part of the City of Charleston's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property, business and occupation taxes and other tax revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's audited financial statements for the relevant year.

CITY OF CHARLESTON, WEST VIRGINIA

Table 1
Net Position by Component -
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 83,960,629	\$ 87,087,352	\$ 84,322,842	\$ 91,753,906	\$ 50,490,892	\$ 96,827,114	\$ 91,462,101	\$ 94,906,656	\$ 96,612,810	\$ 102,340,279
Restricted	6,470,883	6,149,457	7,789,769	96,997,958	60,228,652	22,207,490	16,503,241	17,078,450	17,406,861	23,450,980
Unrestricted	(72,369,899)	(71,367,528)	(280,654,508)	(389,735,566)	(321,047,171)	(582,408,450)	(690,134,250)	(718,828,628)	(724,493,594)	(678,224,409)
Total governmental activities net position	\$ 18,061,613	\$ 21,869,281	\$ (188,541,897)	\$ (200,983,702)	\$ (210,327,627)	\$ (463,373,846)	\$ (582,168,908)	\$ (606,843,522)	\$ (610,473,923)	\$ (552,433,150)
Business-type activities										
Net investment in capital assets	\$ 12,406,337	\$ 12,922,295	\$ 13,140,432	\$ 13,684,752	\$ 13,292,985	\$ 12,970,569	\$ 115,097,482	\$ 111,615,904	\$ 106,767,191	\$ 102,912,370
Restricted	2,017,873	1,928,494	2,383,212	2,567,120	3,741,591	4,351,703	3,418,432	3,129,597	5,932,433	6,921,860
Unrestricted	2,028,805	2,346,951	2,344,505	1,102,109	1,122,096	(5,231,426)	(5,596,200)	(6,102,234)	(6,066,096)	(887,980)
Total business-type activities	\$ 16,453,015	\$ 17,197,740	\$ 17,868,149	\$ 17,353,981	\$ 18,156,672	\$ 12,090,846	\$ 112,919,714	\$ 108,643,267	\$ 106,633,528	\$ 108,946,250
Primary government										
Net investment in capital assets	\$ 94,186,234	\$ 96,366,966	\$ 97,463,274	\$ 105,438,658	\$ 63,783,877	\$ 109,797,683	\$ 206,559,583	\$ 206,522,560	\$ 203,380,001	\$ 205,252,649
Restricted	24,472,907	8,077,951	8,077,951	99,565,078	63,970,423	26,559,193	19,921,673	20,208,047	23,339,294	30,372,840
Unrestricted	(80,642,497)	(69,020,577)	(278,310,003)	(388,633,457)	(319,925,075)	(587,639,876)	(695,730,450)	(724,930,862)	(730,559,690)	(679,112,389)
Total primary government net position	\$ 38,016,644	\$ 35,424,340	\$ (172,768,778)	\$ (183,629,721)	\$ (192,170,775)	\$ (451,283,000)	\$ (469,249,194)	\$ (498,200,255)	\$ (503,840,395)	\$ (443,486,900)

Table 2
Changes in Net Position - Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	\$ 17,435,160	\$ 18,195,010	\$ 18,995,563	\$ 21,301,175	\$ 22,041,544	\$ 24,034,075	\$ 21,807,049	\$ 22,515,628	\$ 22,834,351	\$ 17,248,218
Public safety	49,882,789	48,445,018	68,307,214	79,048,069	70,697,561	65,804,965	74,448,613	99,040,087	83,211,852	20,736,398
Streets and transportation	10,622,107	11,628,169	9,245,547	9,281,976	8,445,513	10,133,769	5,902,128	9,674,366	9,759,321	8,931,214
Health and sanitation	5,583,625	5,978,855	5,505,915	5,924,840	5,092,395	6,085,579	4,844,691	5,411,967	5,528,272	5,031,107
Culture and recreation	7,516,254	7,456,492	7,277,495	7,985,791	8,839,623	8,351,128	16,818,960	7,101,781	6,116,472	7,047,352
Social services	511,436	860,187	829,925	887,105	807,524	1,083,639	879,177	870,085	1,136,778	1,064,641
Economic development	2,726,995	2,909,258	2,010,564	2,135,877	3,356,073	5,290,822	1,686,922	1,677,478	2,489,781	4,196,186
Capital Projects	-	-	1,263,916	1,211,863	-	-	-	-	-	-
Interest on long-term debt	559,472	491,682	384,551	3,142,060	4,032,697	3,670,576	3,518,479	3,355,147	3,460,099	2,343,412
Total governmental activities	94,837,838	95,964,671	113,820,690	130,918,756	123,312,930	124,454,553	129,906,019	149,646,539	134,536,926	66,598,528
Business-type activities										
Civic center	4,921,903	4,885,275	4,631,750	5,308,177	4,867,709	4,476,526	6,617,072	8,801,801	10,003,929	19,207,069
Parking system	2,860,448	2,912,491	2,907,045	3,356,641	2,948,302	2,666,379	2,918,913	2,503,788	2,367,986	631,307
Total business-type activities	7,782,351	7,797,766	7,538,795	8,664,818	7,816,011	7,142,905	9,535,985	11,305,589	12,371,915	19,838,376
Total primary government	\$ 102,620,189	\$ 103,762,437	\$ 121,359,485	\$ 139,583,574	\$ 131,128,941	\$ 131,597,458	\$ 139,442,004	\$ 160,952,128	\$ 146,908,841	\$ 86,436,904
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 2,883,260	\$ 3,545,715	\$ 1,914,583	\$ 1,856,810	\$ 1,633,343	\$ 1,641,745	\$ 1,589,355	\$ 1,410,214	\$ 1,512,017	\$ 1,925,291
Public safety	10,278,179	9,704,654	12,239,320	12,605,975	13,214,233	13,618,447	14,926,337	15,472,788	15,023,240	15,416,531
Culture and recreation	993,673	530,410	943,363	1,013,627	1,202,284	1,227,688	1,214,138	1,113,381	347,461	1,257,893
Streets and transportation	1,650,000	2,206,804	848,200	1,612,144	1,039,218	1,382,155	1,683,459	1,215,362	1,319,437	1,109,609
Health and sanitation	4,139,576	4,089,254	4,046,579	4,242,651	4,007,136	4,091,590	4,112,542	4,113,316	4,122,037	4,095,523
Social services	181,974	157,490	186,639	142,534	150,567	156,486	151,927	130,703	144,675	233,273
Operating grants and contributions	8,704,482	8,298,558	4,826,242	4,680,788	5,064,871	4,889,017	5,005,310	5,202,517	5,939,292	5,974,325
Capital grants and contributions	2,296,876	1,807,358	1,468,326	1,971,246	4,070,239	3,980,681	1,426,141	13,671,290	13,836,641	4,288,148
Total governmental activities program revenues	\$ 31,128,020	\$ 30,340,243	\$ 26,473,252	\$ 28,125,775	\$ 30,381,891	\$ 30,987,809	\$ 30,109,209	\$ 42,329,571	\$ 42,244,800	\$ 34,300,593

CITY OF CHARLESTON, WEST VIRGINIA

Table 2 (Continued)
Changes in Net Position - Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services										
Rentals and parking fees	\$ 3,728,044	\$ 3,749,201	\$ 3,759,896	\$ 4,169,633	\$ 3,859,869	\$ 2,949,287	\$ 3,353,396	\$ 2,959,366	\$ 4,717,634	\$ 16,704,515
Catering services	559,926	683,220	742,331	580,788	492,401	132,818	297,028	317,747	(274,569)	956,751
Parking violations	439,100	461,128	501,697	354,405	454,752	351,184	371,859	251,423	225,461	410,106
Parking meters	497,171	459,114	471,893	456,997	474,086	483,502	801,706	606,207	498,622	601,600
Other	1,315,385	1,413,194	1,104,518	801,453	1,107,546	1,138,507	1,220,534	839,349	410,527	1,367,648
Capital grants and contributions	42,470	18,272	93,553	21,870	15,103	24,507	135,024	83,935	508,498	2,846
Total business-type activities program revenues	6,582,096	6,784,129	6,673,888	6,385,146	6,403,757	5,079,805	6,179,547	5,058,027	6,086,173	20,043,466
Net (expense) revenue										
Governmental activities	(63,709,818)	(65,624,428)	(87,347,438)	(102,792,981)	(92,931,039)	(93,466,744)	(99,796,810)	(107,316,968)	(92,292,126)	(32,297,935)
Business-type activities	(1,200,255)	(1,013,637)	(864,907)	(2,279,672)	(1,412,254)	(2,063,100)	(3,356,438)	(6,247,562)	(6,285,742)	205,090
Total primary government net (expense) revenue	\$ (64,910,073)	\$ (66,638,065)	\$ (88,212,345)	\$ (105,072,653)	\$ (94,343,293)	\$ (95,529,844)	\$ (103,153,248)	\$ (113,564,530)	\$ (98,577,868)	\$ (32,092,845)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 12,564,591	\$ 13,011,895	\$ 13,320,252	\$ 13,773,096	\$ 14,544,695	\$ 14,899,309	\$ 15,373,413	\$ 15,974,408	\$ 16,870,208	\$ 17,042,072
Business and occupation taxes	41,355,598	46,402,641	43,575,524	43,535,853	45,996,988	44,553,692	43,082,465	42,132,390	45,065,926	48,609,127
City Sales & Use taxes	-	4,507,057	7,400,475	14,240,163	15,034,244	14,702,552	15,547,188	14,934,639	16,354,605	17,852,592
Utility taxes	2,907,752	2,848,995	2,937,831	2,508,107	2,708,004	2,783,809	2,573,491	2,544,982	2,711,349	2,814,926
Hotel occupancy taxes	3,039,553	2,787,461	2,937,375	2,917,816	3,166,489	3,242,726	2,932,414	2,286,736	1,873,649	2,778,601
Other taxes	1,209,480	1,147,957	1,395,817	1,291,958	1,374,634	1,212,482	1,453,293	1,359,102	1,253,324	1,616,254
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	72,877	94,984	195,353	343,036	554,501	945,663	1,868,277	1,431,755	1,095,696	(487,519)
Gain (Loss) on sale of capital assets	246,638	177,517	198,735	450,522	138,646	231,259	160,853	(37,646)	317,370	142,070
Miscellaneous	-	-	490,181	1,607,876	902,034	858,584	639,629	2,573,186	3,746,276	1,720,679
Reimbursement	-	-	1,218,226	1,089,070	1,060,928	1,009,697	917,674	1,110,779	-	-
Transfers	(1,364,488)	(1,546,411)	(1,252,156)	(1,361,717)	(1,894,049)	(1,943,832)	(103,578,373)	(1,667,977)	(2,461,693)	(1,750,094)
Total governmental activities	\$ 60,032,001	\$ 69,432,096	\$ 72,417,613	\$ 80,395,780	\$ 83,587,114	\$ 82,495,941	\$ (19,029,676)	\$ 82,642,354	\$ 86,826,710	\$ 90,338,708

CITY OF CHARLESTON, WEST VIRGINIA
Table 2 (Continued)
Changes in Net Position - Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities										
Property taxes-TIF District	\$ -	\$ 222,379	\$ 262,505	\$ 346,176	\$ 293,485	\$ 263,926	\$ 428,446	\$ 194,980	\$ 232,171	\$ 67,312
Investment earnings	11,553	11,809	13,949	15,929	21,676	76,798	172,914	107,748	7,965	31,120
Miscellaneous	15	(22,237)	6,706	41,682	5,735	-	5,573	409	-	259,106
Transfers	1,364,488	1,546,411	1,252,156	1,361,717	1,894,049	1,943,832	103,578,373	1,667,977	2,461,693	1,750,094
Total business-type activities	1,376,056	1,758,362	1,535,316	1,765,504	2,214,945	2,284,556	104,185,306	1,971,114	2,701,829	2,107,632
Total primary government	61,408,057	71,190,458	73,952,929	82,161,284	85,802,059	84,780,497	85,155,630	84,613,468	89,528,539	92,446,340
Change in net position										
Governmental activities	(3,677,817)	3,807,668	(14,929,825)	(22,397,201)	(9,343,925)	(10,970,803)	(118,826,486)	(24,674,614)	(5,465,416)	58,040,773
Business-type activities	175,801	744,725	670,409	(514,168)	802,691	221,456	100,828,868	(4,276,448)	(3,583,913)	2,312,722
Total primary government	\$ (3,502,016)	\$ 4,552,393	\$ (14,259,416)	\$ (22,911,369)	\$ (8,541,234)	\$ (10,749,347)	\$ (17,997,618)	\$ (28,951,062)	\$ (9,049,329)	\$ 60,353,495

CITY OF CHARLESTON, WEST VIRGINIA

Table 3

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable:										
Prepays	\$ 534,963	\$ 590,403	\$ 599,879	\$ 585,364	\$ 577,358	\$ 547,986	\$ 560,756	\$ 1,045,727	\$ 836,611	\$ 88,741
Restricted for:										
Debt service	235,836	245,844	260,847	270,851	419,583	369,667	407,324	359,397	319,439	327,563
Capital projects	1,045,534	383,464	1,801,415	1,310,266	925,489	1,867,862	2,907,927	2,279,232	1,002,136	90,946
Committed for:										
Public safety	13,348	11,029	-	5,481,327	10,287,425	12,282	-	32,217	25,775	17,438
OPEB	9,067,704	9,101,263	10,571,491	9,666,044	5,970,363	6,025,453	6,157,613	6,239,149	6,245,382	6,260,891
Civic Center & Pensions	-	-	-	7,025,170	7,261,426	21,984,113	24,121,594	27,830,093	32,258,085	36,712,181
Community development	55,778	4,242,439	9,133,138	32,061	52,198	72,757	73,627	1,381,331	1,936,189	2,106,552
Assigned for:										
General government	3,763,986	4,407,616	3,784,676	3,145,421	3,750,851	1,145,238	-	-	-	-
Public safety	69,416	73,628	2,450	624,441	106,964	237,900	-	-	-	-
Community development	-	-	-	-	-	7	-	-	-	-
Culture & recreation	-	48,352	1,903,418	2,015,917	876,148	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Unassigned	20,028,109	21,590,940	24,513,819	18,858,461	22,699,962	20,512,984	25,304,143	34,929,232	46,685,059	49,834,354
Total General Fund	\$ 34,814,674	\$ 40,694,978	\$ 52,571,133	\$ 49,015,323	\$ 52,927,767	\$ 52,776,249	\$ 59,532,984	\$ 74,096,378	\$ 89,308,676	\$ 95,438,666
All other governmental funds										
Nonspendable:										
Perpetual care	\$ 1,195,015	\$ 1,286,351	\$ 1,225,195	\$ 1,202,793	\$ 1,305,064	\$ 1,291,254	\$ 1,398,681	\$ 1,212,009	\$ 1,220,019	\$ 1,543,436
Restricted for:										
General government	117,439	116,934	44,006	44,075	44,478	44,893	55,708	10,177	1,644	67,762
Debt service	59,732	63,749	49,925	5,509,873	5,537,384	5,576,653	5,668,202	5,689,576	5,324,761	5,354,547
Community development	2,669,670	2,797,983	2,971,778	3,376,311	3,437,545	3,508,683	3,651,866	4,268,731	4,489,650	4,524,825
Perpetual care	835,864	945,224	1,026,359	1,035,141	1,056,833	1,157,466	1,172,262	1,379,248	1,683,448	1,128,285
Public safety	184,379	196,227	248,234	174,259	796,763	489,477	460,635	545,927	2,205,292	2,525,359
Culture & Recreation	127,415	113,681	121,820	98,964	91,711	241,454	204,221	276,224	308,259	313,068
Social services	-	-	15,657	-	15,601	15,602	15,602	15,602	15,602	15,602
Capital projects	-	-	24,533	81,710,209	46,020,681	6,989,518	57	-	-	-
Committed for:										
General government	24,593	50,383	30,948	-	31,169	-	-	-	-	-
Public safety	43,019	22,887	22,511	18,032	8,980	7,950	11,378	11,443	15,038	-
Community development	170,143	150,143	282,047	151,557	152,090	165,229	150,143	47,643	50,668	307,709
Streets & transportation	31,275	31,266	145,778	1,231,323	3,021,817	4,611,042	2,867,766	2,376,634	3,664,668	3,350,108
Health & Sanitation	376,241	351,089	386,223	510,152	445,117	416,655	661,467	554,775	503,284	567,679
Culture & Recreation	346,817	433,501	339,953	80,725	92,758	86,743	35,692	4,902	26,293	32,753
Debt service	-	-	-	-	-	-	-	-	-	-
Capital projects	3,046,007	5,125,807	5,324,603	9,205,146	7,790,662	6,777,068	4,455,628	6,003,551	6,699,124	6,439,228
Unassigned	-	(46,316)	(69,967)	1,503	6,851	-	-	-	-	-
Total all other governmental funds	\$ 9,227,609	\$ 11,638,909	\$ 12,189,603	\$ 104,350,063	\$ 69,855,504	\$ 31,379,687	\$ 20,809,308	\$ 22,396,442	\$ 26,207,750	\$ 26,170,361

CITY OF CHARLESTON, WEST VIRGINIA
Table 4
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 60,951,422	\$ 70,823,001	\$ 71,595,722	\$ 78,170,310	\$ 82,648,922	\$ 81,331,851	\$ 80,910,757	\$ 79,273,621	\$ 84,100,465	\$ 90,485,533
Licenses and permits	1,980,033	2,314,548	1,951,906	1,785,106	2,101,210	1,573,618	1,533,394	1,355,564	1,460,519	1,745,644
Fines and forfeitures	682,139	607,189	597,295	822,135	415,455	388,268	471,385	470,050	679,591	1,213,665
Charges for services	17,378,425	17,083,347	17,605,092	18,172,250	18,730,115	19,342,380	20,656,276	21,030,087	19,518,649	20,498,842
Intergovernmental	9,043,036	8,438,015	6,553,675	6,777,791	8,880,884	8,579,350	6,284,999	18,075,145	20,009,705	10,021,460
Investment earnings	227,115	333,819	195,353	343,036	549,384	945,663	1,868,277	1,431,755	1,095,696	(487,519)
Other revenues	2,290,775	2,380,245	2,216,847	3,858,393	2,853,474	2,976,042	3,162,758	3,464,435	2,861,723	2,976,571
Total revenues	92,552,945	101,980,164	100,715,890	109,929,021	116,179,444	115,137,172	114,887,846	125,100,657	129,726,348	126,454,196
Expenditures										
General government	17,300,093	17,895,004	16,865,727	18,463,262	18,475,861	20,512,233	18,915,315	18,016,010	18,933,078	19,621,300
Public safety	45,244,968	43,177,644	41,064,211	44,496,338	49,212,795	50,256,844	49,974,149	52,727,161	54,923,642	55,477,838
Streets & transportation	9,885,764	9,695,257	8,604,396	8,659,689	8,043,992	9,046,170	8,221,521	7,166,742	7,478,349	8,207,317
Health & sanitation	5,743,792	5,935,792	5,242,341	5,541,497	5,389,924	5,663,160	5,254,785	4,448,557	4,794,215	4,973,726
Culture & recreation	6,606,428	6,371,573	6,230,982	6,374,973	8,560,967	6,988,108	15,684,733	5,750,381	4,884,030	6,177,677
Economic development	4,122,299	3,904,672	2,501,317	2,498,592	3,756,170	5,746,305	2,097,377	2,060,652	2,895,095	4,653,293
Social services	1,153,456	771,640	752,103	812,046	781,169	931,297	777,680	692,739	936,094	980,487
Capital outlay	1,903,430	5,468,283	7,367,534	26,747,478	46,146,996	47,815,185	9,752,370	11,554,342	10,394,584	11,528,689
Debt service:										
Principal	753,081	630,000	660,000	3,381,000	7,869,000	4,693,000	4,751,000	6,070,027	4,785,000	5,193,000
Issuance Costs	-	-	-	542,430	99,333	1,750	1,750	1,750	261,836	5,050
Interest	441,233	408,921	381,025	3,135,359	3,942,042	3,657,268	3,487,439	3,311,857	3,212,014	2,347,285
Total expenditures	93,154,544	94,258,786	89,669,636	120,652,664	152,278,249	155,311,320	118,918,119	111,800,218	113,497,937	119,165,662
Excess of revenues over (under) expenditures	(601,599)	7,721,378	11,046,254	(10,723,643)	(36,098,805)	(40,174,148)	(4,030,273)	13,300,439	16,228,411	7,288,534
Other financing sources (uses)										
Proceeds from borrowing	2,264,500	1,482,000	2,494,500	100,206,000	7,180,900	2,820,500	2,992,000	2,458,500	43,756,500	-
Other financing sources - debt service - principal	-	-	-	-	-	-	-	-	(42,675,000)	-
Transfers in	7,112,640	11,199,977	7,197,960	33,229,618	33,180,332	28,339,920	31,203,017	32,132,062	48,000,579	37,045,066
Transfers out	(8,443,345)	(12,320,360)	(8,520,478)	(34,601,335)	(35,089,381)	(30,293,752)	(34,273,372)	(33,800,039)	(50,462,272)	(38,795,160)
Other	692,501	208,609	208,613	486,286	245,003	680,146	294,984	2,029,566	1,302,826	554,161
Total other financing sources (uses)	1,626,296	570,226	1,380,595	99,320,569	5,516,854	1,546,814	216,629	2,820,089	(77,367)	(1,195,933)
Special Item										
Settlement	-	-	-	-	-	-	-	-	1,067,547	-
Net change in fund balance	\$ 1,024,697	\$ 8,291,604	\$ 12,426,849	\$ 88,596,926	\$ (30,581,951)	\$ (38,627,334)	\$ (3,813,644)	\$ 16,120,528	\$ 17,218,591	\$ 6,092,601
Debt service as a percentage of noncapital expenditures	1%	1%	1%	7%	11%	8%	8%	9%	8%	7%

Some capital outlays are included in the activity or function. The capital outlay listed above is for capital project funds only.

CITY OF CHARLESTON, WEST VIRGINIA
Table 5
Expenditures By Function - Governmental Fund Types -
For the Last Ten Fiscal Years

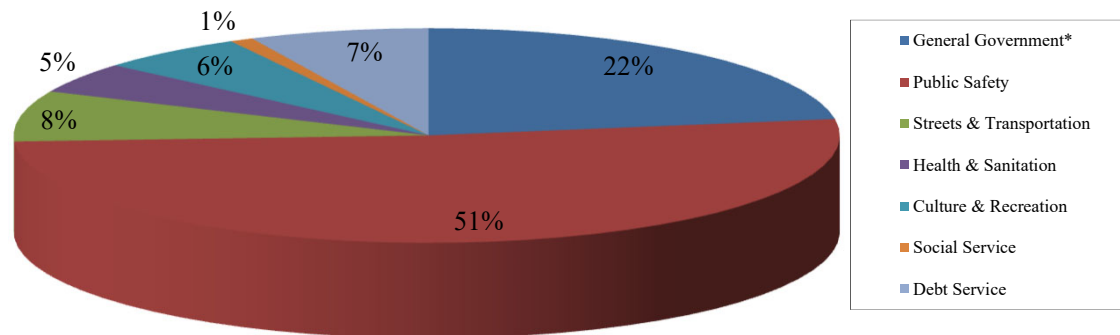
Fiscal Years	General Government*	Public Safety	Streets & Transportation	Health & Sanitation	Culture & Recreation	Social Service	Debt Service	Total
2013 \$	21,422,392 \$	45,244,968 \$	9,885,764 \$	5,743,792 \$	6,606,428 \$	1,153,456 \$	1,194,314 \$	91,251,114
2014 \$	21,799,676 \$	43,177,644 \$	9,695,257 \$	5,935,792 \$	6,371,573 \$	771,640 \$	1,038,921 \$	88,790,503
2015 \$	19,367,044 \$	41,064,211 \$	8,604,396 \$	5,242,341 \$	6,230,982 \$	752,103 \$	1,041,025 \$	82,302,102
2016 \$	20,961,854 \$	44,496,338 \$	8,659,689 \$	5,541,497 \$	6,374,973 \$	812,046 \$	7,058,789 \$	93,905,186
2017 \$	22,232,031 \$	49,212,795 \$	8,043,992 \$	5,389,924 \$	8,560,967 \$	781,169 \$	11,910,375 \$	106,131,253
2018 \$	26,258,538 \$	50,256,844 \$	9,046,170 \$	5,663,160 \$	6,988,108 \$	931,297 \$	8,352,018 \$	107,496,135
2019 \$	18,915,315 \$	49,974,149 \$	8,221,521 \$	5,254,785 \$	15,684,013 \$	777,680 \$	8,240,189 \$	107,067,652
2020 \$	20,076,662 \$	52,727,161 \$	7,166,742 \$	4,448,557 \$	5,750,381 \$	692,739 \$	9,383,634 \$	100,245,876
2021 \$	21,828,173 \$	54,923,642 \$	7,478,349 \$	4,794,215 \$	4,884,030 \$	936,094 \$	8,258,850 \$	103,103,353
2022 \$	24,274,593 \$	55,477,838 \$	8,207,317 \$	4,973,726 \$	6,177,677 \$	980,487 \$	7,545,335 \$	107,636,973

Includes General Fund, Special Revenue Funds, Permanent Fund, and Debt Service Fund

*Includes expenditures for economic development

Excludes Capital Projects

Expenditures by Function - Governmental Fund Types for the Current Year

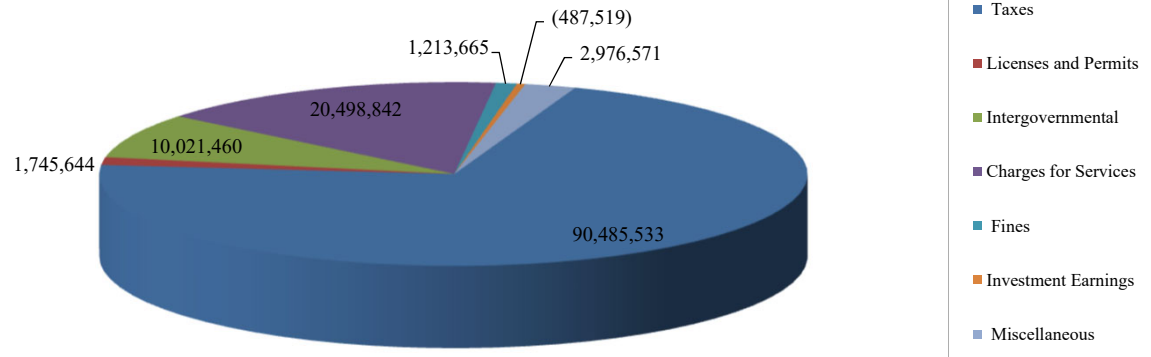


CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Revenues By Source - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Years	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines	Investment Earnings	Miscellaneous	Total
2013	\$ 60,951,422	\$ 1,980,033	\$ 9,043,036	\$ 17,349,859	\$ 682,139	\$ 218,932	\$ 2,218,519	\$ 92,443,940
2014	\$ 70,823,001	\$ 2,314,548	\$ 8,438,015	\$ 17,076,699	\$ 607,189	\$ 325,760	\$ 2,340,102	\$ 101,925,314
2015	\$ 71,595,722	\$ 1,951,906	\$ 6,553,675	\$ 17,586,425	\$ 597,295	\$ 175,700	\$ 1,856,011	\$ 100,316,734
2016	\$ 78,170,310	\$ 1,785,106	\$ 6,777,791	\$ 18,172,250	\$ 822,135	\$ 343,036	\$ 3,858,393	\$ 109,929,021
2017	\$ 82,648,922	\$ 2,101,210	\$ 8,880,884	\$ 18,730,115	\$ 415,455	\$ 549,384	\$ 2,853,474	\$ 116,179,444
2018	\$ 81,331,851	\$ 1,573,618	\$ 8,579,350	\$ 19,325,296	\$ 388,268	\$ 862,355	\$ 2,866,596	\$ 114,927,334
2019	\$ 80,910,757	\$ 1,533,394	\$ 6,284,999	\$ 20,656,276	\$ 471,385	\$ 1,868,277	\$ 3,162,758	\$ 114,887,846
2020	\$ 79,273,621	\$ 1,355,564	\$ 18,075,145	\$ 21,030,087	\$ 470,050	\$ 1,431,755	\$ 3,464,435	\$ 125,100,657
2021	\$ 84,100,465	\$ 1,460,519	\$ 20,009,705	\$ 19,518,649	\$ 679,591	\$ 1,095,696	\$ 2,861,723	\$ 129,726,348
2022	\$ 90,485,533	\$ 1,745,644	\$ 10,021,460	\$ 20,498,842	\$ 1,213,665	\$ (487,519)	\$ 2,976,571	\$ 126,454,196

Includes General Fund, Special Revenue Funds, Permanent Fund, and Debt Service Fund
Excludes Capital Projects

Revenues by Source - Governmental Fund Type for the Current Year



CITY OF CHARLESTON, WEST VIRGINIA
Table 7
Detailed Revenues From Taxes - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Years	Property Tax	Business & Occupation Tax	City Sales & Use Tax	Utility Tax	Consumer Sales Tax Liquor	Hotel Occupancy Tax	Amusement Tax	Miscellaneous Taxes	Total
2013 \$	12,439,039 \$	41,355,598 \$	- \$	2,907,752 \$	977,270 \$	3,039,553 \$	176,634 \$	55,576 \$	60,951,422
2014 \$	13,128,890 \$	46,402,641 \$	4,507,057 \$	2,848,995 \$	855,825 \$	2,787,461 \$	191,837 \$	100,295 \$	70,823,001
2015 \$	13,348,700 \$	43,575,524 \$	7,400,475 \$	2,937,831 \$	921,639 \$	2,937,375 \$	185,084 \$	289,094 \$	71,595,722
2016 \$	13,676,413 \$	43,535,853 \$	14,240,163 \$	2,508,107 \$	922,499 \$	2,917,816 \$	172,886 \$	196,573 \$	78,170,310
2017 \$	14,363,448 \$	45,996,988 \$	15,034,244 \$	2,708,004 \$	942,479 \$	3,166,489 \$	228,370 \$	203,785 \$	82,643,807
2018 \$	14,836,590 \$	44,553,692 \$	14,702,552 \$	2,783,809 \$	902,586 \$	3,242,726 \$	166,343 \$	143,553 \$	81,331,851
2019 \$	15,321,906 \$	43,082,465 \$	15,547,188 \$	2,573,491 \$	1,085,930 \$	2,932,414 \$	94,134 \$	273,229 \$	80,910,757
2020 \$	16,015,772 \$	42,132,390 \$	14,934,639 \$	2,544,982 \$	992,716 \$	2,286,736 \$	107,881 \$	258,505 \$	79,273,621
2021 \$	16,841,612 \$	45,065,926 \$	16,354,605 \$	2,711,349 \$	1,034,916 \$	1,873,649 \$	34,325 \$	184,083 \$	84,100,465
2022 \$	16,814,033 \$	48,609,127 \$	17,852,592 \$	2,814,926 \$	1,038,039 \$	2,778,601 \$	291,491 \$	286,724 \$	90,485,533

CITY OF CHARLESTON, WEST VIRGINIA
Table 8
Property Tax Levies and Collections - General Fund -
For the Last Ten Fiscal Years

Fiscal Years	Total Tax Levy	Current Tax Collections	Percent Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2013 \$	12,855,184 \$	11,902,083	92.59%	536,956 \$	12,439,039	96.76%	571,126	4.44%
2014 \$	13,520,304 \$	12,546,273	92.80%	582,617 \$	13,128,890	97.10%	454,131	3.36%
2015 \$	13,925,782 \$	11,675,684	83.84%	552,063 \$	12,227,747	87.81%	425,683	3.06%
2016 \$	14,328,627 \$	12,020,502	83.89%	476,761 \$	12,497,263	87.22%	522,366	3.65%
2017 \$	14,757,622 \$	12,598,820	85.37%	499,600 \$	13,098,420	88.76%	703,613	4.77%
2018 \$	15,398,625 \$	12,644,881	82.12%	698,932 \$	13,343,813	86.66%	766,332	4.98%
2019 \$	15,908,041 \$	13,050,308	82.04%	627,586 \$	13,677,894	85.98%	817,839	5.14%
2020 \$	16,673,968 \$	13,424,077	80.51%	748,108 \$	14,172,185	85.00%	776,475	4.66%
2021 \$	17,395,292 \$	13,949,658	80.19%	781,830 \$	14,731,488	84.69%	805,071	4.63%
2022 \$	17,639,797 \$	14,013,853	79.44%	805,378 \$	14,819,231	84.01%	1,033,110	5.86%

CITY OF CHARLESTON, WEST VIRGINIA
Table 9
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class -

For the Last Ten Fiscal Years

		Fiscal Year 2022			
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	11	0.21%	\$ 18,588	0.04%
2 Manufacturing	0.30%	-	0.00%	-	0.00%
3 Retailers	1.00%	998	19.21%	8,350,469	18.65%
4 Wholesalers	0.15%	426	8.20%	1,713,660	3.83%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	2,400,948	5.36%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,148,320	2.56%
7 Natural Gas Companies	3.00%	1	0.02%	624,403	1.39%
8 Water Companies	4.00%	2	0.04%	1,013,964	2.26%
9 All Other Public Utilities	2.00%	8	0.15%	70,097	0.16%
10 Contracting	2.00%	532	10.24%	5,374,138	12.00%
11 Amusement	1.00%	26	0.50%	1,270,872	2.84%
12 Service & All Other Businesses	1.00%	1,875	36.09%	18,655,042	41.66%
13 Rents and Royalties	1.00%	1,254	24.14%	2,233,456	4.99%
14 Banking and Other Financial Institutions	1.00%	59	1.14%	1,903,062	4.25%
Totals		5,195	100.00%	\$ 44,777,019	100.00%

		Fiscal Year 2021			
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	10	0.19%	\$ 30,098	0.07%
2 Manufacturing	0.30%	-	0.00%	-	0.00%
3 Retailers	0.50%	997	18.98%	7,839,448	18.33%
4 Wholesalers	0.15%	418	7.96%	1,342,758	3.14%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	2,221,776	5.19%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	2	0.04%	1,068,605	2.50%
7 Natural Gas Companies	3.00%	2	0.04%	571,186	1.34%
8 Water Companies	4.00%	2	0.04%	950,853	2.22%
9 All Other Public Utilities	2.00%	8	0.15%	34,833	0.08%
10 Contracting	2.00%	533	10.14%	5,343,043	12.49%
11 Amusement	0.50%	22	0.42%	918,277	2.15%
12 Service & All Other Businesses	1.00%	1,878	35.74%	18,152,046	42.44%
13 Rents and Royalties	1.00%	1,319	25.10%	2,177,509	5.09%
14 Banking and Other Financial Institutions	1.00%	61	1.16%	2,121,161	4.96%
Totals		5,254	100.00%	\$ 42,771,593	100.00%

CITY OF CHARLESTON, WEST VIRGINIA
Table 9 (Continued)
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class

		Fiscal Year 2020			
Class		Rate per \$1.00	Number of	Percentage of	Tax
		Gross Revenue	Filers	Total	Liability
1	Production of Natural Resources	1.00%	10	0.18%	\$ 18,392
2	Manufacturing	0.30%	-	0.00%	-
3	Retailers	0.50%	1,034	18.95%	7,370,326
4	Wholesalers	0.15%	435	7.97%	1,270,584
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	3	0.05%	2,095,359
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,052,702
7	Natural Gas Companies	3.00%	3	0.05%	525,819
8	Water Companies	4.00%	3	0.05%	925,486
9	All Other Public Utilities	2.00%	9	0.16%	58,139
10	Contracting	2.00%	595	10.91%	4,653,372
11	Amusement	0.50%	30	0.55%	477,640
12	Service & All Other Businesses	1.00%	1,918	35.15%	16,981,501
13	Rents and Royalties	1.00%	1,350	24.74%	2,144,815
14	Banking and Other Financial Institutions	1.00%	65	1.19%	2,523,741
Totals			5,456	100.00%	\$ 40,097,876

		Fiscal Year 2019			
Class		Rate per \$1.00	Number of	Percentage of	Tax
		Gross Revenue	Filers	Total	Liability
1	Production of Natural Resources	1.00%	8	0.16%	\$ 20,482
2	Manufacturing	0.30%	-	0.00%	-
3	Retailers	0.50%	995	20.21%	7,581,198
4	Wholesalers	0.15%	401	8.14%	1,341,262
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	2,039,768
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,102,312
7	Natural Gas Companies	2.00%	1	0.02%	551,820
8	Water Companies	4.00%	1	0.02%	823,054
9	All Other Public Utilities	2.00%	5	0.10%	63,686
10	Contracting	2.00%	541	10.99%	4,449,784
11	Amusement	0.50%	27	0.55%	389,128
12	Service & All Other Businesses	1.00%	1,845	37.47%	17,299,092
13	Rents and Royalties	1.00%	1,047	21.26%	2,453,771
14	Banking and Other Financial Institutions	1.00%	51	1.04%	2,411,549
Totals			4,924	100.00%	\$ 40,526,906

CITY OF CHARLESTON, WEST VIRGINIA
Table 9 (Continued)
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class

Fiscal Year 2018					
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	11	0.22%	\$ 104,605	0.26%
2 Manufacturing	0.30%	1	0.02%	7	0.00%
3 Retailers	0.50%	1,006	20.37%	7,319,186	17.91%
4 Wholesalers	0.15%	394	7.98%	1,481,550	3.63%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	2,157,043	5.28%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,148,575	2.81%
7 Natural Gas Companies	2.00%	1	0.02%	597,812	1.46%
8 Water Companies	4.00%	1	0.02%	808,231	1.98%
9 All Other Public Utilities	2.00%	9	0.18%	70,165	0.17%
10 Contracting	2.00%	538	10.89%	4,938,262	12.08%
11 Amusement	0.50%	27	0.55%	496,325	1.21%
12 Service & All Other Businesses	1.00%	1,833	37.11%	17,105,745	41.86%
13 Rents and Royalties	1.00%	1,059	21.44%	2,550,043	6.24%
14 Banking and Other Financial Institutions	1.00%	56	1.13%	2,087,730	5.11%
Totals		4,939	100.00%	\$ 40,865,279	100.00%

Fiscal Year 2017					
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	10	0.21%	\$ 36,538	0.09%
2 Manufacturing	0.00%	-	0.00%	-	0.00%
3 Retailers	0.50%	1,011	20.84%	7,629,686	18.60%
4 Wholesalers	0.15%	373	7.69%	1,392,464	3.39%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	2,126,576	5.18%
6 Electric Power Companies (All Other Sales and Demand Charges)	0.03%	1	0.02%	1,172,142	2.86%
7 Natural Gas Companies	0.03%	1	0.02%	245,574	0.60%
8 Water Companies	4.00%	1	0.02%	823,066	2.01%
9 All Other Public Utilities	2.00%	7	0.14%	43,204	0.11%
10 Contracting	2.00%	595	12.26%	5,602,188	13.66%
11 Amusement	0.50%	22	0.45%	453,630	1.11%
12 Service & All Other Businesses	1.00%	1,829	37.70%	17,102,583	41.70%
13 Rents and Royalties	1.00%	950	19.58%	2,545,297	6.21%
14 Banking and Other Financial Institutions	1.00%	51	1.05%	1,842,681	4.49%
Totals		4,852	100.00%	\$ 41,015,630	100.00%

CITY OF CHARLESTON, WEST VIRGINIA
Table 9 (Continued)
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class

		Fiscal Year 2016				
	Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1	Production of Natural Resources	1.00%	8	0.17%	\$ 27,096	0.07%
2	Manufacturing	0.00%	-	0.00%	-	0.00%
3	Retailers	0.50%	978	20.29%	7,572,212	18.23%
4	Wholesalers	0.15%	386	8.01%	1,337,740	3.22%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,977,322	4.76%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,140,973	2.75%
7	Natural Gas Companies	3.00%	1	0.02%	525,030	1.26%
8	Water Companies	4.00%	1	0.02%	773,708	1.86%
9	All Other Public Utilities	2.00%	8	0.17%	104,496	0.25%
10	Contracting	2.00%	549	11.39%	5,729,306	13.79%
11	Amusement	0.50%	22	0.46%	344,021	0.83%
12	Service & All Other Businesses	0.10%	1,848	38.35%	17,424,576	41.96%
13	Rents and Royalties	0.10%	962	19.96%	2,645,642	6.37%
14	Banking and Other Financial Institutions	0.10%	54	1.12%	1,930,419	4.65%
	Totals		4,819	100.00%	\$ 41,532,541	100.00%

		Fiscal Year 2015				
	Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1	Production of Natural Resources	1.00%	8	0.14%	\$ 18,776	0.05%
2	Manufacturing	0.30%	1	0.02%	32	0.00%
3	Retailers	0.50%	1,059	18.54%	8,018,668	19.44%
4	Wholesalers	0.15%	430	7.53%	1,424,071	3.45%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	1,433,267	3.48%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,518,637	3.68%
7	Natural Gas Companies	3.00%	2	0.04%	749,896	1.82%
8	Water Companies	4.00%	2	0.04%	723,330	1.75%
9	All Other Public Utilities	2.00%	6	0.11%	15,933	0.04%
10	Contracting	2.00%	544	9.52%	4,881,720	11.84%
11	Amusement	0.50%	32	0.56%	403,113	0.98%
12	Service & All Other Businesses	1.00%	2,031	35.53%	17,487,274	42.39%
13	Rents and Royalties	1.00%	1,532	26.82%	2,589,707	6.28%
14	Banking and Other Financial Institutions	1.00%	63	1.10%	1,979,139	4.80%
	Totals		5,713	100.00%	\$ 41,243,563	100.00%

CITY OF CHARLESTON, WEST VIRGINIA
Table 9 (Continued)
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class

Fiscal Year 2014					
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	9	0.19%	\$ 23,727	0.06%
2 Manufacturing	3.00%	35	0.73%	184,147	0.44%
3 Retailers	0.50%	969	20.19%	7,682,364	18.49%
4 Wholesalers	0.15%	388	8.09%	1,504,936	3.62%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,899,680	4.57%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,115,156	2.68%
7 Natural Gas Companies	3.00%	1	0.02%	640,263	1.54%
8 Water Companies	4.00%	1	0.02%	666,563	1.60%
9 All Other Public Utilities	2.00%	6	0.13%	5,324	0.01%
10 Contracting	2.00%	547	11.40%	6,145,407	14.79%
11 Amusement	0.50%	24	0.50%	473,516	1.14%
12 Service & All Other Businesses	1.00%	1,800	37.50%	16,845,733	40.57%
13 Rents and Royalties	1.00%	955	19.90%	2,372,929	5.71%
14 Banking and Other Financial Institutions	1.00%	62	1.29%	1,984,452	4.78%
Totals		4,799	100.00%	\$ 41,544,197	100.00%

Fiscal Year 2013					
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	7	0.12%	\$ 7,543	0.02%
2 Manufacturing	3.00%	43	0.74%	306,438	0.78%
3 Retailers	0.50%	1,075	18.41%	7,695,611	19.64%
4 Wholesalers	0.15%	437	7.48%	1,395,630	3.56%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,933,103	4.93%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,140,254	2.91%
7 Natural Gas Companies	3.00%	3	0.05%	483,340	1.23%
8 Water Companies	4.00%	1	0.02%	749,718	1.91%
9 All Other Public Utilities	2.00%	6	0.10%	21,430	0.05%
10 Contracting	2.00%	545	9.33%	4,641,987	11.85%
11 Amusement	0.50%	34	0.58%	387,842	0.99%
12 Service & All Other Businesses	1.00%	1,980	33.91%	15,861,239	40.50%
13 Rents and Royalties	1.00%	1,637	28.04%	2,476,009	6.32%
14 Banking and Other Financial Institutions	1.00%	69	1.18%	2,079,652	5.31%
Totals		5,839	100.00%	\$ 39,179,796	100.00%

CITY OF CHARLESTON, WEST VIRGINIA
Table 10
Ratio of Outstanding General Obligation Bonds to
Assessed Value, Estimated Actual Taxable Value and Net Debt Per Capita -
For the Last Ten Fiscal Years

Fiscal Years	Assessed Value	Estimated Actual Taxable Value of Property	Gross Bonded Debt	Debt Service Fund	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2013	\$ 3,087,614,182	\$ 1,852,568,509	\$ -	\$ -	\$ -	0.00%	0.00%	-
2014	\$ 3,191,495,380	\$ 1,914,897,228	\$ -	\$ -	\$ -	0.00%	0.00%	-
2015	\$ 3,208,195,965	\$ 1,924,917,579	\$ -	\$ -	\$ -	0.00%	0.00%	-
2016	\$ 3,246,792,017	\$ 1,948,075,210	\$ -	\$ -	\$ -	0.00%	0.00%	-
2017	\$ 3,231,869,829	\$ 1,939,121,897	\$ -	\$ -	\$ -	0.00%	0.00%	-
2018	\$ 3,243,460,913	\$ 1,946,076,548	\$ -	\$ -	\$ -	0.00%	0.00%	-
2019	\$ 3,234,270,404	\$ 1,940,562,242	\$ -	\$ -	\$ -	0.00%	0.00%	-
2020	\$ 3,268,247,498	\$ 1,960,948,499	\$ -	\$ -	\$ -	0.00%	0.00%	-
2021	\$ 3,300,563,018	\$ 1,980,337,811	\$ -	\$ -	\$ -	0.00%	0.00%	-
2022	\$ 3,226,737,068	\$ 1,936,042,241	\$ -	\$ -	\$ -	0.00%	0.00%	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Assessed value does not include exempt property. The Kanawha County Assessor estimates actual taxable value of property at sixty percent. Population data can be found in the Table of Demographic Statistics. The City currently has no general obligation bond debt outstanding.

CITY OF CHARLESTON, WEST VIRGINIA

**Table 11
Ratio of Outstanding Debt by Type -
For the Last Ten Fiscal Years**

	Governmental Activities				Business-type Activities					
Fiscal Years	General Obligation Bonds	Revenue Bonds	Capital Leases/ Financed Purchases*	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita		
2013	\$ -	\$ 2,715,290	\$ 10,147,127	\$ 9,330,223	\$ -	\$ 22,192,640	13.33%	432		
2014	\$ -	\$ 2,512,131	\$ 9,055,434	\$ 7,779,085	\$ -	\$ 19,346,650	12.21%	376		
2015	\$ -	\$ 2,298,973	\$ 9,069,295	\$ 6,172,947	\$ -	\$ 17,541,215	10.97%	341		
2016	\$ -	\$ 96,644,815	\$ 9,464,294	\$ 4,671,075	\$ -	\$ 110,780,184	8.89%	2,155		
2017	\$ -	\$ 92,742,657	\$ 10,316,103	\$ 4,217,004	\$ -	\$ 107,275,764	2.02%	2,087		
2018	\$ -	\$ 88,681,498	\$ 10,078,938	\$ 3,737,932	\$ -	\$ 102,498,368	2.11%	1,994		
2019	\$ -	\$ 84,477,341	\$ 9,894,687	\$ 3,238,861	\$ -	\$ 97,610,889	2.29%	1,899		
2020	\$ -	\$ 78,986,000	\$ 9,004,647	\$ 2,719,790	\$ -	\$ 90,710,437	2.57%	1,765		
2021	\$ -	\$ 74,793,000	\$ 6,836,499	\$ 2,180,719	\$ -	\$ 83,810,218	2.83%	1,715		
2022	\$ -	\$ 70,065,000	\$ 4,308,937	\$ 1,621,647	\$ -	\$ 75,995,584	3.32%	1,583		

* The prior capital leases were determined to be financed purchases due to the implementation of GASB 87 in FY 2022.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The City has no overlapping debt.

CITY OF CHARLESTON, WEST VIRGINIA

**Table 12
Revenue Bond Coverage - Civic Center Revenue Bonds -
For the Last Ten Fiscal Years**

Fiscal Years	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	General Fund & Coal Severance Transfers
				Principal	Interest	Total		
2013	\$ 2,936,164	\$ 4,616,987	\$ (1,680,823)	\$ 390,000	\$ 276,207	\$ 666,207	-252.30%	\$ 1,373,459
2014	\$ 3,254,330	\$ 4,593,226	\$ (1,338,896)	\$ 410,000	\$ 259,250	\$ 669,250	-200.06%	\$ 1,203,704
2015	\$ 3,232,637	\$ 4,622,336	\$ (1,389,699)	\$ 425,000	\$ 245,227	\$ 670,227	-207.35%	\$ 1,294,339
2016	\$ 2,964,411	\$ 5,054,297	\$ (2,089,886)	\$ 445,000	\$ 228,620	\$ 673,620	-310.25%	\$ 1,399,714
2017	\$ 2,962,180	\$ 4,633,583	\$ (1,671,403)	\$ 465,000	\$ 207,956	\$ 672,956	-248.37%	\$ 1,406,497
2018	\$ 2,283,811	\$ 4,263,827	\$ (1,980,016)	\$ 490,000	\$ 212,699	\$ 702,699	-281.77%	\$ 1,660,362
2019	\$ 3,108,184	\$ 6,426,522	\$ (3,318,338)	\$ 510,000	\$ 190,550	\$ 700,550	-473.68%	\$ 1,455,430
2020	\$ 2,340,427	\$ 8,634,741	\$ (6,294,314)	\$ 530,000	\$ 167,060	\$ 697,060	-902.98%	\$ 1,149,585
2021	\$ 3,285,748	\$ 9,863,311	\$ (6,577,563)	\$ 550,000	\$ 119,510	\$ 669,510	-982.44%	\$ 2,237,474
2022	\$ 17,465,820	\$ 19,089,097	\$ (1,623,277)	\$ 570,000	\$ 92,782	\$ 662,782	-244.92%	\$ 1,396,113

The General Fund and Coal Severance Fund transfer specific revenue pledged for the Civic Center Debt Service. The General Fund also transfers funds for operational subsidy.

CITY OF CHARLESTON, WEST VIRGINIA
Table 13
Revenue Bond Coverage - Parking System Revenue Bonds -
For the Last Ten Fiscal Years

Fiscal Years	Gross Revenues		Operating Expenses		Net Revenue Available for Debt Service	Debt Service Requirements			
						Principal	Interest	Total	Coverage
2013	\$	3,657,500	\$	2,590,134	\$ 1,067,366	\$ 925,000	\$ 195,316	\$ 1,120,316	95.27%
2014	\$	3,537,324	\$	2,694,571	\$ 842,753	\$ 1,175,000	\$ 152,810	\$ 1,327,810	63.47%
2015	\$	3,610,203	\$	2,739,890	\$ 870,313	\$ 1,215,000	\$ 104,214	\$ 1,319,214	65.97%
2016	\$	3,398,865	\$	3,259,416	\$ 139,449	\$ 1,085,000	\$ 48,825	\$ 1,133,825	12.30%
2017	\$	3,426,474	\$	2,948,302	\$ 478,172	\$ -	\$ -	\$ -	N/A
2018	\$	2,771,487	\$	2,666,379	\$ 105,108	\$ -	\$ -	\$ -	N/A
2019	\$	2,936,339	\$	2,918,913	\$ 17,426	\$ -	\$ -	\$ -	N/A
2020	\$	2,633,665	\$	2,503,788	\$ 129,877	\$ -	\$ -	\$ -	N/A
2021	\$	2,291,927	\$	2,367,986	\$ (76,059)	\$ -	\$ -	\$ -	N/A
2022	\$	2,574,800	\$	631,307	\$ 1,943,493	\$ -	\$ -	\$ -	N/A

CITY OF CHARLESTON, WEST VIRGINIA
Table 14
Demographic Statistics -
Last Ten Fiscal Years

Fiscal Years	Population	Personal Income	Per Capita Income	Unemployment Rate
2013	51,400	\$ 2,022,473	\$ 41,228	5.7
2014	51,400	\$ 2,175,248	\$ 42,329	5.4
2015	51,400	\$ 2,161,370	\$ 42,046	6.8
2016	51,400	\$ 2,161,370	\$ 42,046	6.0
2017	51,400	\$ 2,161,884	\$ 42,063	4.6
2018	51,400	\$ 2,161,884	\$ 42,063	5.1
2019	51,400	\$ 2,233,844	\$ 43,457	4.7
2020	51,400	\$ 2,327,209	\$ 45,276	11.6
2021	48,864	\$ 2,375,768	\$ 48,864	5.4
2022	48,018	\$ 2,523,234	\$ 51,638	4.2

Bureau of Economic Analysis (www.bea.gov) and Bureau of Labor Statistics, and United State Census- based on most current census results, and the Department of Numbers
Per Capita Income is based on an average annual growth rate of PCPI of 1.3% to 3.5% as information is updated as becomes available.

CITY OF CHARLESTON, WEST VIRGINIA

**Table 15
Legal Debt Margin Information -
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 3,226,737,068
Debt limit (5% of assessed value)	<u>161,336,853</u>
Debt applicable to limit:	
General obligation bonds	-
Less: amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 161,336,853</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 154,574,769	\$ 159,574,769	\$ 160,409,798	\$ 162,339,601	\$ 161,593,491	\$ 162,173,046	\$ 161,713,520	\$ 163,412,375	\$ 165,028,151	\$ 161,336,853
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 154,574,769</u>	<u>\$ 159,574,769</u>	<u>\$ 160,409,798</u>	<u>\$ 162,339,601</u>	<u>\$ 161,593,491</u>	<u>\$ 162,173,046</u>	<u>\$ 161,713,520</u>	<u>\$ 163,412,375</u>	<u>\$ 165,028,151</u>	<u>\$ 161,336,853</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: Under State finance law, WV State Code §13-1-3, the City's outstanding debt should not exceed 5 percent of total assessed property value.
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation debt.

CITY OF CHARLESTON, WEST VIRGINIA

Table 16
Employment/Unemployment and Change -
Last Ten Fiscal Years

Fiscal Years	Employment		Unemployment	
	Total	% Change Year Ago	Rate	Unit Change Year Ago
2013	130,500	0.1	5.7	-1.2
2014	131,100	0.5	5.4	-0.3
2015	94,400	28	6.8	1.4
2016	94,700	0.32	6	-0.8
2017	93,800	-0.96	4.6	-1.4
2018	91,800	-2.13	5.1	0.5
2019	90,700	-1.20	4.7	-0.4
2020	82,200	-9.37	11.6	6.9
2021	89,700	9.12	5.4	-6.2
2022	94,400	5.24	4.2	-1.2

U.S. Bureau of Labor Statistics

CITY OF CHARLESTON, WEST VIRGINIA

Table 17
Kanawha County
Ten Largest Employers in Kanawha County and Rank -
June 30, 2022 and 2013

2022		2013	
Rank	Company Name	Rank	Company Name
1	Charleston Area Medical Center	1	Charleston Area Medical Center
2	Kanawha County Board of Education	2	Kanawha County Board of Education
3	WV Department of Health & Human Resources	3	Thomas Health Systems
4	Thomas Health Systems	4	West Virginia Department of Highways
5	West Virginia Department of Highways	5	Wal-Mart Associates, Inc.
6	Wal-Mart Associates, Inc.	6	The Kroger Company
7	U.S. Postal Service	7	City of Charleston
8	The Kroger Company	8	WV Department of Health & Human Resources
9	City of Charleston	9	U.S. Postal Service
10	WV Department of Administration	10	TRG Customer Solutions, Inc.

Information found at charlestonareaalliance.org/workforce.

The total number of employees is unavailable. The information for FY 2022 was unavailable.

CITY OF CHARLESTON, WEST VIRGINIA

Table 18

**Operating Indicators by Function/Program -
Last Ten Fiscal Years**

Function/Program	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical arrest	8,106	7,781	5,287	5,482	4,797	5,064	6,002	4,301	4,104	5,117
Citations written	15,115	15,845	6,868	8,243	5,368	5,692	5,886	4,724	5,028	10,884
Offenses charged	10,232	10,010	8,474	7,059	8,435	6,626	5,178	5,692	2,625	Unknown
Fire										
Emergency medical responses	13,325	12,843	13,311	13,887	14,453	13,667	14,117	13,340	13,654	13,310
Fire responses	11,327	10,392	15,604	16,518	9,277	9,360	8,981	8,958	9,272	10,372
Inspections	1,526	849	1,146	1,765	1,223	1,235	1,124	870	514	613
Refuse collection										
Refuse collected (tons annually)	26,541	26,894	26,315	24,282	25,648	24,526	24,709	25,828	27,899	26,295
Recyclables collected (tons annually)	985	956	918	839	840	778	2,468	594	283	714
Yard waste collected (tons annually)	1,580	1,725	1,456	1,398	1,314	992	1,265	2,494	3,049	2,707
Sludge (tons annually)	Unavailable	Unavailable	Unavailable	4651	4,307	4,226	4,793	4,088	3,993	4,613
Other public works										
Streets resurfaced (Miles)	7.11	6.80	14.96	11.62	9.90	10.53	16.90	13.50	16.4	19.54
Parking systems										
Parking violations	45,975	42,607	38,362	37,155	36,458	29,709	25,077	17,727	17,861	20,445
Civic center										
Number of events (annual average)	2,000	2,000	1,150	2,397	1,717	605	606	540	288	622
Municipal auditorium										
events (number of days annual average)	115-120	115-120	80	56	77	41	50	16	27	58

Sources: Various City of Charleston departments

CITY OF CHARLESTON, WEST VIRGINIA
Table 19
Capital Asset Statistics by Function / Program -
Last Ten Fiscal Years

Function/Program	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	4	4	4	4	4	4	4	4	4	4
Patrol units	88	88	88	88	88	88	88	88	88	88
Fire stations	8	8	8	8	8	8	8	8	8	8
Refuse collection										
Collection trucks	30	30	30	30	30	32	32	32	32	32
Other public works										
Street (miles)	325	325	325	325	325	325	325	325	325	325
Traffic signals	148	148	148	148	148	148	148	148	148	148
Parks and recreation										
Community centers	3	3	3	3	3	3	3	3	3	3
Neighborhood centers	3	3	3	1	1	1	1	1	1	1
Parks	6	6	6	6	6	6	6	6	6	6
Parks acreage	115	115	115	115	115	115	115	115	115	115
Swimming pools	5	5	5	4	4	4	4	4	4	4
Tennis courts	16	16	16	16	16	16	16	16	16	16
Parking system										
Number of parking garages	6	6	6	6	6	4	4	4	4	4
Number of parking meters	1,035	1,035	1,035	1,155	1,155	1,155	1,535	1,535	1,535	1,535
Civic center										
Types of facilities	6	6	6	6	6	8	8	8	8	8

Sources: Various City of Charleston Departments

CITY OF CHARLESTON, WEST VIRGINIA
Table 20
Full-Time Equivalent City Government Employees By Function / Program
Last Ten Fiscal Years

Function/Program	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Management	41	42	42	43	45	44	36	24	22	25
Accounting & Finance	23	23	23	23	24	25	24	21	20	19
Planning	20	21	21	20	21	20	20	19	20	21
Building	24	25	25	29	29	28	25	28	29	29
Engineering	10	10	10	11	11	11	11	9	9	8
Other	95	132	132	132	68	98	84	67	68	64
Police										
Officers	153	155	159	171	162	172	158	155	157	160
Civilians	26	26	24	21	26	24	21	24	24	21
Fire										
Officers	153	152	159	151	155	163	162	151	144	166
Civilians	2	2	2	2	2	2	2	2	2	2
Other public safety	2	2	2	2	2	2	1	0	0	0
Refuse collection	65	64	64	67	66	64	63	58	64	65
Public works	131	126	126	126	98	99	98	88	88	91
Parks and recreation	93	95	95	98	115	105	101	27	30	26
Social services	7	7	8	8	21	21	18	6	8	7
Civic center	24	25	23	23	22	23	18	24	62	17
Parking system	26	30	23	23	22	26	29	17	20	19
Total	895	937	938	950	889	927	871	720	767	740

Sources: City of Charleston Payroll

