

COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2013





**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Mayor: Danny Jones
City Manager: David Molgaard
Finance Director: Joseph Estep
City Auditor (Controller): Brenda J. Lemon, CPA, CGMA

Prepared by the
Charleston Accounting/Financial Department





CITY OF CHARLESTON
OFFICE OF THE MAYOR

To the Honorable Members of City Council and the Citizens of Charleston, West Virginia.

I am pleased to provide you with the City of Charleston's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013. The firm of Gibbons & Kawash, A.C. has audited the basic financial statements contained in this report.

The CAFR demonstrates the City of Charleston's commitment to financial accountability and national standards. This document provides the City Council and the citizens of Charleston with the City's financial data. The report can be accessed at www.cityofcharleston.org/government/city-departments/accounting.

This report was compiled with the help of individuals throughout City government. Each department provided clear, concise information to ensure the highest level of financial accountability.

Sincerely,

Danny Jones
Mayor

ACKNOWLEDGMENTS

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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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INTRODUCTORY SECTION



City of Charleston
PO Box 2749
Charleston WV 25330

January 30, 2014

The Honorable Danny Jones, Mayor
The Honorable Members of Council for the City of Charleston, West Virginia
Citizens of the City of Charleston, West Virginia

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Charleston, West Virginia for the fiscal year ended June 30, 2013. State law requires that the State Auditor conduct an audit examination of every local government's financial affairs by performing the audit himself or appointing a certified public accountant. This CAFR has been prepared in conformity with generally accepted accounting principles (GAAP) and audited in conformance with generally accepted auditing standards by Gibbons & Kawash, A.C., under contract with the City of Charleston and the State Auditor.

The CAFR consists of management's representations concerning the finances of the City of Charleston. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. The City's accounting system supports an adequate internal control structure. This structure helps to safeguard the City's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure provides reasonable, but not absolute, assurance that the City's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits requires estimates and judgments by management. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Gibbons & Kawash, A.C., have issued an unmodified ("clean") opinion on the City of Charleston's financial statements for the fiscal year ended June 30, 2013. 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 OMB Circular A-133. These reports are available in the City of Charleston's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

Profile of the Government

The City of Charleston is the capital and largest city of West Virginia. It is the county seat of Kanawha County. Charleston is located at the intersection of Interstates 79, 77, 64 and at the confluence of the Elk and Kanawha Rivers. It is the transportation, retail, cultural, and telecommunications hub of the State and offers one-day shipping proximity to over 60 percent of the United States population and 30 percent of the Canadian population. According to the 2010 census, Charleston has a population of 51,400 and a total area of 32.7 square miles. The Charleston metropolitan area has a population of 304,214.

The City of Charleston is a municipal corporation. The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and twenty-seven 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-one council members are elected by ward. The mayor and council serve four year terms.

The City of Charleston provides a full range of services including police and fire protection; parks and recreational programming; parking garages; street and bridge repair, maintenance, and lighting; public record maintenance; building inspection; garbage disposal and recycling; business licensing; zoning regulation; code enforcement; and grant programs for community development. Sanitation services, sewage collection, and disposal services are provided through a legally separate entity, the City of Charleston Sanitary Board, which is included as a discretely presented component unit in the City of Charleston's financial statements. The City is also financially accountable for three other legally separate entities, the Charleston Urban Renewal Authority, the City of Charleston Convention and Visitor's Bureau, and the City of Charleston Building Commission, two of which are reported separately within the City of Charleston's financial statements and the latter is blended with the City's financial statements. Additional information on all four of these legally separate entities can be found in the notes to the financial statements (See Note I.A.).

The Council is required to adopt a final budget by March 28th for fiscal year beginning July 1. This annual budget serves as the foundation for the City of Charleston's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). All budget amendments require council approval; however, the legal level of budgetary control is maintained at the department level and requires approval by Council as well as the West Virginia State Auditor's Office. All appropriations, except funds which are re-appropriated, expire at the fiscal year-end.

Economic Conditions and Outlook

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate of 5.7 percent at June 30th reflected a decrease from the prior year and it was lower than the State and United States unemployment rate of 6.0 and 7.6 percent, respectively. Since June the unemployment rate has decreased to 5.6 percent.

According to the West Virginia University's College of Business and Economics between mid-2012 and mid-2013, West Virginia added about 3000 new jobs and its unemployment rate and growth in GDP and per capita income all outpaced the national averages. The report stated that the state's biggest economic improvements in the last decade have been its growth in exports which increased from about 5 percent of the state's total economic output in 2000 to 16 percent last year.

The City of Charleston has remained stable and continues to thrive with new development. According to a recent new survey of downtown office space by a commercial real estate broker, the city's five "Class A" office buildings are 96.6 percent full, which is the highest since 2008 before the recession. The survey states that with this effective full occupancy of the "Class A" office space, the expectation is for further expansion into the "Class B" office spaces and new office construction. MVB Bank recently began construction of a new \$6 million, 30,000 square foot office building downtown with LEED certified space. As a part of the national green building initiative, these buildings are designed to reduce waste, greenhouse gas emissions, conserve energy and water, and provide a safer, healthier environment for occupants. This will be the company's first office in Southern West Virginia.

The Charleston Town Center has completed \$7 million of interior renovations and celebrated its 30th anniversary. Renovations of the exterior of the mall are currently in progress at a cost of \$500,000. Other renovations to the Marriott and the Holiday Inn Express have been completed. Renovations of the former Charleston House Hotel on Kanawha Boulevard for \$18 million are in process with expected completion in November, 2013. Upon completion of the renovations, the hotel will become a Four Points Sheraton. The owner plans on building eight condos on the 11th and 12th floors with views of the river on one side and the city on the other. These condos will be sold for private occupancy. Construction of the new Marriott Courtyard at the confluence of the Kanawha and Elk Rivers is in progress. This is a \$10 million project and is expected to be completed in 2014.

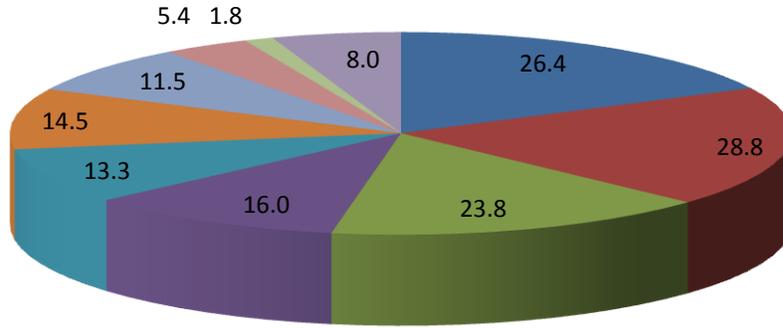
These multimillion dollar projects are located within the City's recently created Tax Incremental Financing (TIF) district which is in an L-shaped area surrounding the Civic Center to support improvements and increased capacity that will allow the Civic Center to more readily attract and service convention business. This project is expected to cost \$40 to \$60 million.

Construction of the new Edgewood-area elementary school has begun which is a \$22 million project with scheduled completion in 2014.

Another project has been approved for renovation of the Kyle Furniture Building on the East End into about 15 condominiums spread out between two conjoined buildings. Parking Garages and a small parking lot will be built adjacent to the building with a fence similar to the one around Appalachian Power Park. The first floor of the building is dedicated for commercial space.

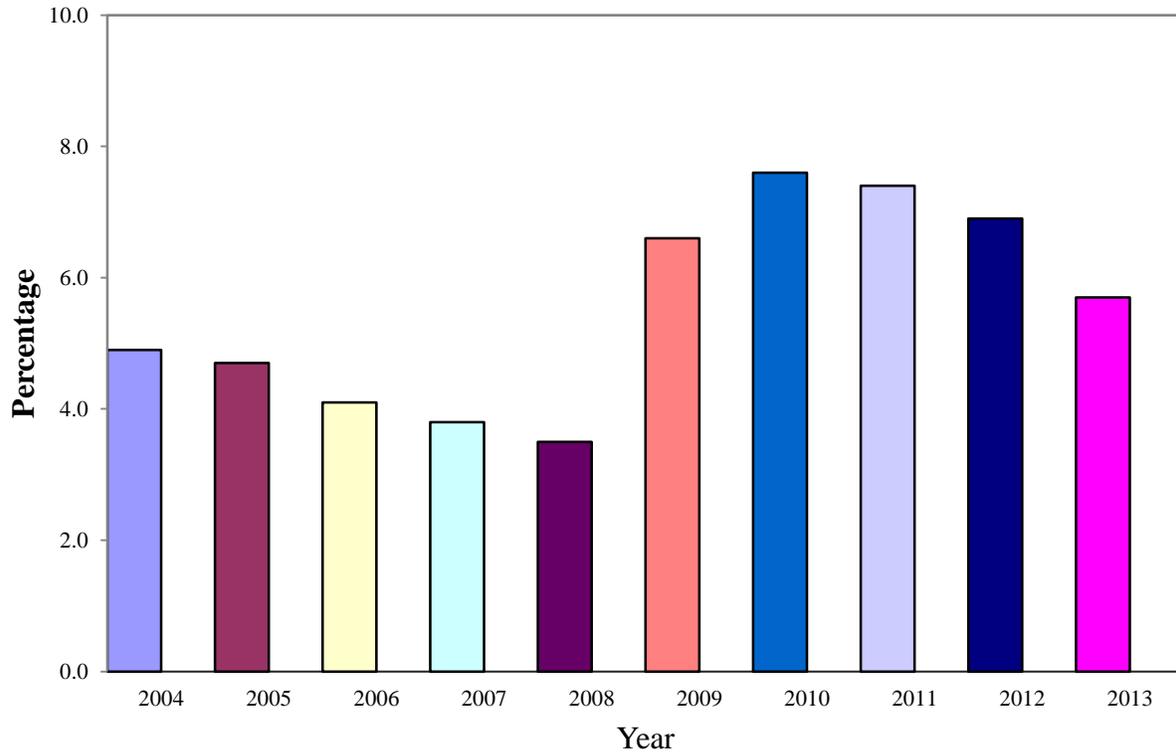
Gold Coast Partners recently announced plans to build a new Hilton Garden Inn hotel in the Kanawha City area of Charleston and to convert two existing hotels into the La Quinta Inns and Suites brand with expected completion by 2015.

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

Unemployment Rate



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. By 2015, no municipal government will be more efficient or effective at balancing and meeting the needs and expectations of its core constituents than the City of Charleston, West Virginia. The mayor and city council have identified the core constituents to be residents, businesses, governmental organizations, non-governmental organizations and their employees, visitors, and other departmental units, boards, commissions, and employees.

From a process perspective, the City aims to perfect and perpetuate strong and sustainable neighborhoods; conduct efficient and collaborative government; produce and facilitate events and recreational opportunities; develop and maintain sound and adequate infrastructure; and foster and support business development and attraction.

The City Council has approved the new downtown redevelopment and comprehensive plans which are titled "Imagine Charleston: Your Dream, Our Future". The comprehensive plan is a roadmap for where the City wants to go and how to get there. The plan identifies and analyzes the city's physical elements to create a set of goals, policies, and recommendations to direct decisions on future land use, traffic,

beautification enhancements, and quality-of-life issues, like parks development. This plan is required by law and replaces an outdated 1996 version.

As stated in the Comprehensive Plan many accomplishments have been achieved in Charleston during the last 5 to 10 years some of which include the following: (1) Complete renovation/transformation of the public housing at Orchard Manor, Washington Manor, Littlepage Terrace and Renaissance Circle; (2) University of Charleston expansion which included three dorms, pharmacy school building, business school downtown, parking garage, and Triana Field; (3) East and West Side Main Street programs created; (4) Downtown outdoor dining ordinance; (5) Appalachian Power Park; (6) Riverbank stabilization project from Patrick Street Bridge to Magic Island; (7) Highland Hospital expansion; (8) Lighting of the South Side Bridge, Kanawha Boulevard Bridge and Washington Street Bridge; (9) Public Art: four murals on the East End, pier murals, bike racks in downtown, and a public art inventory and maintenance plan; (10) Historic Districts were added to the National Register: Downtown, Elk City, Luna Park; (11) Riverfront beautification: Canopy at Haddad, Overlook at Court Street, Schoenbaum Stage; (12) Special Events: FestivAll, Rod Run and Doo Wop, Live on the Levee; (13) Streetscape improvements: Washington Street East, Washington Street West, Florida Street, Kanawha Boulevard at Haddad Park.

Last year the City of Charleston officially created its first Tax Incremental Financing (TIF) district in an L-shaped area surrounding the Civic Center to support improvements and increased capacity that will allow the Civic Center to more readily attract and service convention business. The government began receiving property tax revenues from the TIF District in July 2013 and it is anticipated TIF bonds will be issued during 2014.

Through Home Rule the government has approved a half-cent-per-dollar tax on retail sales in the City. Simultaneously, an elimination of business and occupation tax for manufacturing within the City was approved at a cost of approximately \$350,000. The sales tax will raise approximately \$6.2 million in extra revenues which can be used to fund bonds to renovate and expand the Civic Center and other economic development projects. The sales tax was effective on October 1, 2013. The State will collect the sales tax on behalf of the City and remit the tax less a fee to the City on a quarterly basis.

For the benefit of the public the government has approved and entered into an agreement with the Kanawha County Assessor's Office to share the county's GIS (geographic information system) data in order for the City to develop and maintain a GIS database covering all tax map parcels within the City limits.

The government has approved a reprioritization of \$2.2 million of city and federal funds to be used on the multi-use bicycle/pedestrian facilities along Kanawha Boulevard which is referenced in the comprehensive plan for the city adopted by Council in November 2013 and is included in the Updated Rails to Trails-Kanawha Trestle and Rail Trail Master Plan. A contract has been approved for designs of a two-lane bike path along Kanawha Boulevard. The bike lanes are planned from Patrick Street to Magic Island and will involve some minor redesigning of the Boulevard. The bike lanes are part of a long-term project to create bike trails throughout the city.

The City Council has passed an ordinance that would tie city elections to county and state contests beginning in 2018. The primary purpose is to avoid the cost of having a City primary and general election on its own cycle which can cost \$100,000 or greater per election.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Charleston for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the seventh year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The CAFR is an example of the Mayor's unwavering belief in, and commitment to, the City's financial accountability. Acknowledgment is given to the Mayor and the governing council for their commitment to sound budgeting and to meeting the financial obligations of the City. This report would not be possible without the support of all City of Charleston departments. The City's continued success directly depends upon their cooperation and support.

Respectfully submitted,

A handwritten signature in cursive script that reads "Brenda J. Lemon".

Brenda J. Lemon, CPA
City Auditor (Controller)



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Charleston
West Virginia**

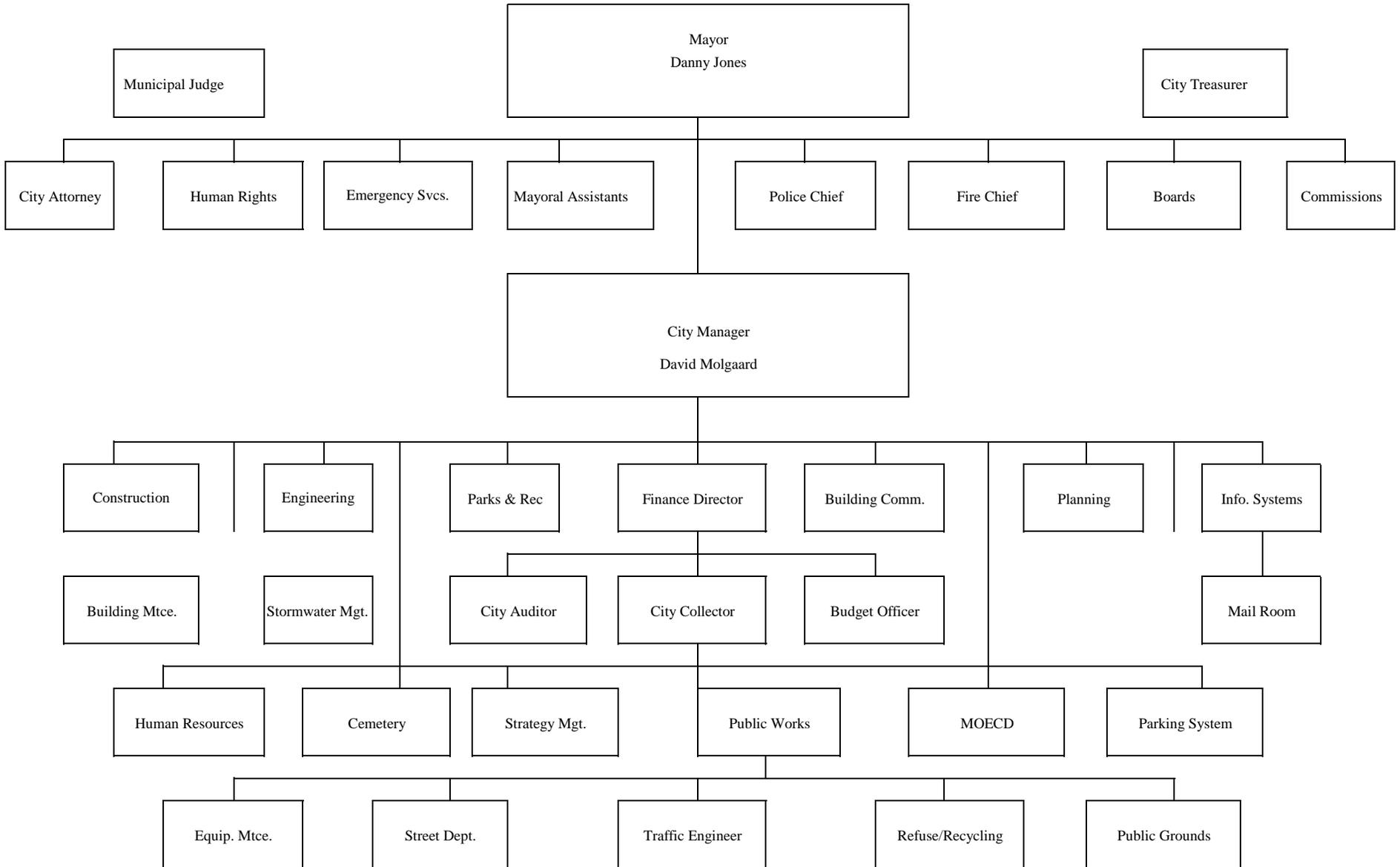
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF CHARLESTON

Organizational Chart



**CITY OF CHARLESTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2013**

OFFICE	NAME	TERM
<u>Elective</u>		
Mayor:	Danny Jones	06/21/11 - 06/21/15
Treasurer:	Victor Grigoraci	06/21/11 - 06/21/15
Municipal Judge:	Anne Charnock	06/21/11 - 06/21/15

Council Members

At Large	J. Thomas Lane	Ward 9	Cubert Smith
At Large	Andy Richardson	Ward 10	Robert Sheets
At Large	Jerry L. Ware	Ward 11	Mary Beth Hoover
At Large	Chris Dodrill	Ward 12	Shannon Snodgrass
At Large	Kasey Russell	Ward 13	Susie Salisbury
At Large	Mary Jean Davis	Ward 14	Jack E. Harrison
Ward 1	Bobby Haas	Ward 15	Courtney Persinger
Ward 2	William Kirk	Ward 16	Samuel Minardi
Ward 3	Joe Deneault	Ward 17	Bobby Reishman
Ward 4	Rev. James Ealy	Ward 18	John Miller, Jr.
Ward 5	Mike Nichols	Ward 19	Rick Burka
Ward 6	Edward Talkington	Ward 20	Brent Burton
Ward 7	Mike Stajduhar	Ward 21	Michael Clowser
Ward 8	Bob White		

Appointive

City Manager:	David Molgaard	Mayor Assistants:	Rod Blackstone Beverly Page
Finance Director:	Joseph Estep		
City Clerk:	James Reishman	City Collector:	Tonya Cotton
Attorney:	Paul Ellis	City Engineer:	Chris Knox
		Economic & Community Development	
City Auditor:	Brenda J. Lemon, CPA	Director:	Brian King



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the budgetary comparison for the general and coal severance fund statements of revenues, expenditures, and changes in fund balance - budget and actual of the City as of and for the year ended June 30, 2013, as displayed in the City's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Charleston Sanitary Board, the Charleston Urban Renewal Authority, and the Charleston Convention and Visitor's Bureau which represent 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Charleston Sanitary Board, the Charleston Urban Renewal Authority, and the Charleston Convention and Visitor's Bureau, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as well as the respective budgetary comparison for the general and coal severance fund statements of revenues, expenditures, and changes in fund balance - budget and actual of the City of Charleston, West Virginia, as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 24 and the schedules of funding progress and employer contributions on pages 92 through 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, and the procedures performed above, the combining and individual non major 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 as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Charleston, West Virginia
January 30, 2014

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013

This section of the City of Charleston's Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the City's financial performance during the fiscal year ended June 30, 2013. 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 net position of \$34,727,960 in fiscal year 2013 and \$38,016,644 in fiscal year 2012.

The City of Charleston implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* on July 1, 2012. GASB Statement No. 65 requires expensing of bond issuance costs in the year incurred which resulted in a restatement of beginning total net position from the previously reported \$38,080,828 to \$38,016,644, a net decrease of \$64,184. The details of the prior period adjustment are more fully described in the notes to the financial statements.

Of the net position in fiscal year 2013, a deficit balance of \$87,884,384 was reported as total unrestricted net position, which includes \$89,913,189 deficit balance in governmental activities and a \$2,028,805 balance in business-type activities.

Total net position decreased by \$3,288,684 as a result of this year's operations. Net position for governmental activities decreased 15 percent; however, net position of business-type activities increased by one percent.

The City's governmental activities reported total expenses of \$94,624,506, total revenues of \$92,524,509, and transfers out of \$1,364,488 for a net decrease of \$3,464,485.

Business-type activities reported total expenses of \$7,782,351, program revenues of \$6,582,096, general revenues of \$11,568, and transfers in of \$1,364,488 for a net increase of \$175,801.

Total Primary Government revenues were \$99,118,173, while total costs for all programs were \$102,406,857.

Fund Level

Governmental funds reported a combined fund balance of \$44,255,614, an increase \$1,238,029 (2 percent) from the prior year.

The General Fund reported an unassigned fund balance of \$20,028,109, non-spendable fund balance of \$534,963, restricted fund balance of \$1,281,370, committed fund balance of \$9,136,830, and assigned fund balance of \$3,833,402, compared to \$20,543,173, \$538,965, \$1,141,861, \$8,614,201, and \$3,392,534, respectively, in the prior year.

Total governmental funds reported non-spendable fund balance of \$1,729,978, restricted of \$5,489,200, committed of \$13,174,925, and assigned fund balance of \$3,833,402, compared to \$1,571,079, \$5,265,842, \$12,244,956, and \$3,392,534, respectively, in the prior year. The total unassigned fund balance for the governmental funds was \$20,028,109, compared to unassigned fund balance of \$20,543,173 in prior year.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

Long-term Debt

Total bonds and obligations under long-term leases at year end were \$22,192,640, a net decrease of \$2,260,257 (9 percent) over the prior year.

Overview of the Financial Statements

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

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

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

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

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

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

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 are indicators of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads must be considered.

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

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

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

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 26 through 29 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 31 through 38 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 40 through 44 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 46 and 47 of this report.

Government-Wide Financial Analysis

The City's combined net position (governmental and business-type activities) totaled \$34,727,960 at the end of 2013 and \$38,016,644 (restated) at the end of 2012. The largest portion of the City's net position, \$96,366,966, reflects investment in capital assets such as land, buildings, equipment, and infrastructure, less any related debt to acquire those assets that is

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

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, \$26,245,378, 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 \$87,884,384, reflects the City's deficit of remaining assets to remaining liabilities.

CITY OF CHARLESTON'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 54,995,807	\$ 53,610,692	\$ 3,838,028	\$ 5,409,071	\$ 58,833,835	\$ 59,019,763
Capital assets	94,980,253	94,349,639	22,532,714	21,927,835	117,512,967	116,277,474
Total assets	149,976,060	147,960,331	26,370,742	27,336,906	176,346,802	175,297,237
Deferred Outflows of Resources	\$ 50,223	\$ 54,821	\$ 340,698	\$ 406,958	\$ 390,921	\$ 461,779
Long-term liabilities outstanding	114,923,556	109,371,486	8,149,780	9,538,221	123,073,336	118,909,707
Other liabilities	16,827,782	16,904,236	2,108,645	1,928,429	18,936,427	18,832,665
Total liabilities	131,751,338	126,275,722	10,258,425	11,466,650	142,009,763	137,742,372
Net Position:						
Net Investment in capital assets	83,960,629	82,454,592	12,406,337	11,731,642	96,366,966	94,186,234
Restricted	24,227,505	22,474,411	2,017,873	1,998,496	26,245,378	24,472,907
Unrestricted	(89,913,189)	(83,189,573)	2,028,805	2,547,076	(87,884,384)	(80,642,497)
Total net position-restated	\$ 18,274,945	\$ 21,739,430	\$ 16,453,015	\$ 16,277,214	\$ 34,727,960	\$ 38,016,644

Governmental Activities. Governmental activities decreased the City of Charleston's net position by \$3,464,485 thereby accounting for the total decrease in net position. This is primarily attributable to long-term obligations for public safety pensions and other post-employment benefits which increased \$5,218,504 (5 percent) and \$1,805,414 (20 percent), respectively. There were changes made to the OPEB substantive plan provisions on July 1, 2011. The Medicare retirees were moved to a Medicare Advantage plan that is fully-insured and experience-rated. This change reduced the actuarial accrued liability in the short-term; however, for 2013 the liability increased 21 percent over prior year and the Net OPEB Obligation increased 20 percent over prior year since the OPEB is funded on a pay-as-you-go basis. Changes were made to the public safety pension plans at the latter part of fiscal year 2011 which had a significant impact on this liability since the funding method was changed to a pay-as-you-go and a lower discount rate of five percent versus seven percent in prior 2011 valuations. The actuarial accrued liability and the unfunded actuarial accrued liability each increased four percent over prior year and the net pension obligation increased five percent over prior year.

Revenues increased \$2,689,146 (2 percent) over prior year. This is primarily attributable to a \$1,531,541 (2 percent) increase in tax revenues. The City's principal tax revenue for business and occupation tax increased one percent over prior year. Property tax revenue received from the County increased \$608,834 (5 percent) over prior year. Assessed property values increased approximately five percent over prior year and the City received \$100,823 from the Tax Loss Restoration Fund which was not received in prior year. Charges for services revenue increased \$247,567 (1 percent) and

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

grants and contribution revenue increased \$806,384 (7 percent) over prior year. During the 2013 fiscal year the City received three significant Homeland Security Grants for storm damage within the City in June and October of 2012 in the amount of \$423,365, the remainder of a FEMA grant for a flood wall at a local hospital in the amount of \$301,839, and Port Security grants in the amount of \$159,317 for Police and Fire departments. However, HUD grants decreased \$123,392 (3 percent) due to continued reduction in allocations and Department of Justice grants decreased \$492,763 (54 percent) over prior year. Changes began with these grants in the Congressional allocations during 2007-2008 and allocations have changed from law enforcement and drug task forces to drug treatment, rehabilitation, and job training. The City has not applied for grants in the new allocation areas yet except for the Drug Marketing Intervention Program in a joint initiative with the United States Attorney's Office.

Government-wide governmental expenses increased two percent in the amount of \$2,423,644 over prior year. General government expense decreased one percent from prior year. Liability claims cost decreased \$556,864 (11 percent) due to risk management programs of the government. Medical claims expense increased \$822,038 (9 percent) overall which accounts for a part of each function's increase. Public Safety expense increased \$2,200,032 (4 percent) for the most part due to retiree claims cost and OPEB increase of \$406,802 (16 percent) and pension expense increase of \$248,682 (5 percent). Health and Sanitation and Culture and Recreation expense increased four percent and five percent, respectively, due, for the most part, to increased OPEB retiree expense of 13 percent each. Interest expense decreased ten percent due to lower interest rates for capital leases. The government has experienced continued savings on bond interest since the 2009 and 2010 bond refundings.

Business-type Activities. Total net position of the City's business-type activities increased \$175,801 (1 percent) over prior year. Total operating revenues decreased seven percent from prior year. The Civic Center experienced a decrease of nine percent in charges to customers with less concert events during the fiscal year due to fluctuations in the touring industry. In addition, coal companies and governmental entities that typically utilize the facility for meeting and banquet type functions saw major cutbacks; consequently, the facility experienced less room rental and related ancillary charges. The catering portion of the operation experienced a great year in 2012 year; however, for 2013 those revenues were 45 percent less. The Parking System experienced a four percent decrease in operating revenues from the prior year. Parking violation revenue decreased 25 percent from prior year due to problems obtaining violator names and addresses to send out notice letters. Parking building rentals are comparable to prior year because the buildings are at full rental capacity with waiting lists. Full capacity has been achieved with a new apartment building and two colleges downtown. The operating expenses for the Civic Center and Parking System increased six percent and two percent, respectively. The Civic Center expenses increased over prior year, for the most part, due to maintenance and repair equipment expense which increased 82 percent with unexpected repairs to the chiller, boiler, and air duct ventilation project, higher medical insurance cost with an increase of 15 percent, and OPEB with a 20 percent increase. The Parking System increase is primarily attributable to an increase in medical costs of eight percent and OPEB costs of 19 percent. The Civic Center total net position decreased \$674,852 (14 percent) and Parking System net position increased \$850,653 (7 percent). The Parking System has increasingly become financially stable over the past several years.

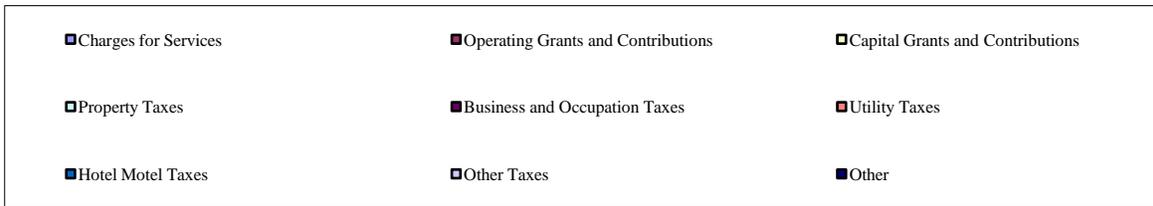
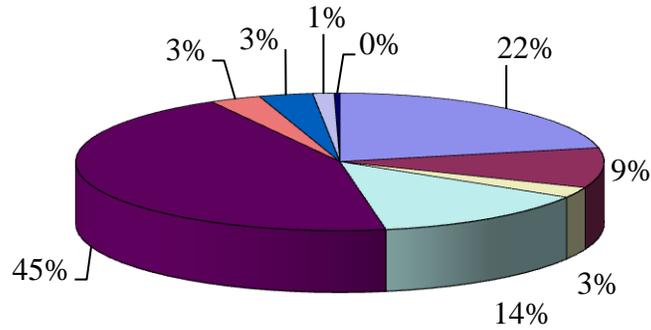
CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

City of Charleston's Changes in Net Position

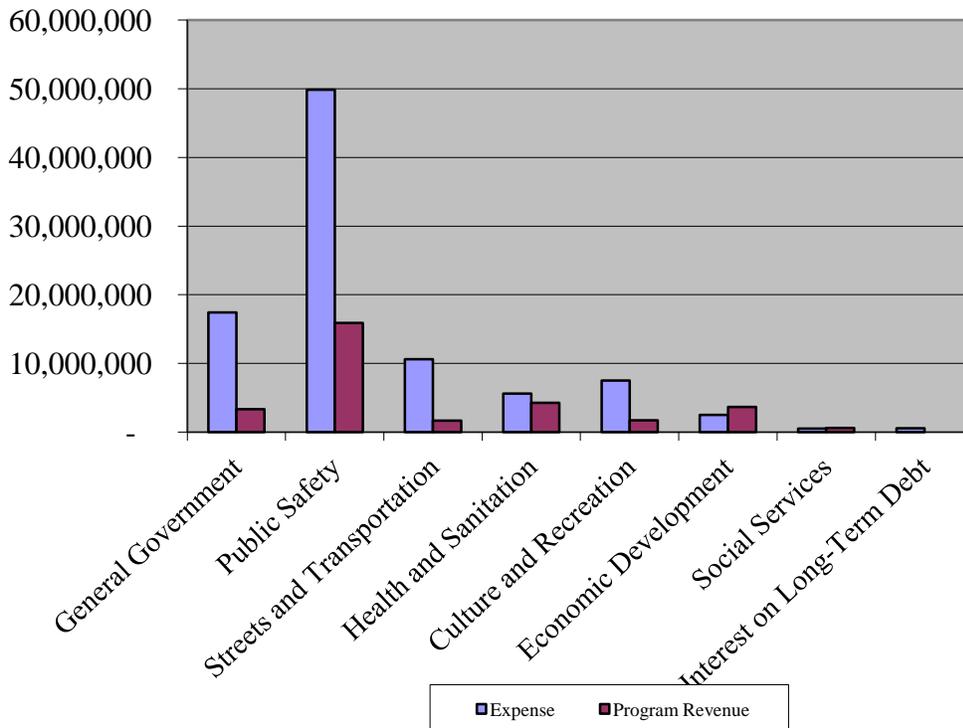
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 20,126,662	\$ 19,879,095	\$ 6,539,626	\$ 7,035,051	\$ 26,666,288	\$ 26,914,146
Operating Grants and Contributions	8,704,482	8,803,239	-	1,000	8,704,482	8,804,239
Capital Grants and Contributions	2,296,876	1,391,735	42,470	151,000	2,339,346	1,542,735
General Revenues:						
Property Taxes	12,564,591	11,955,757	-	-	12,564,591	11,955,757
Business and Occupation Taxes	41,355,598	40,750,458	-	-	41,355,598	40,750,458
Other Taxes	7,156,785	6,839,219	-	-	7,156,785	6,839,219
Other	319,515	215,860	11,568	12,119	331,083	227,979
Total Revenues	<u>92,524,509</u>	<u>89,835,363</u>	<u>6,593,664</u>	<u>7,199,170</u>	<u>99,118,173</u>	<u>97,034,533</u>
Expenses:						
General Government	\$ 17,435,160	\$ 17,731,874	\$ -	\$ -	\$ 17,435,160	\$ 17,731,874
Public Safety	49,882,789	47,682,757	-	-	49,882,789	47,682,757
Highways & Streets	10,622,107	10,566,066	-	-	10,622,107	10,566,066
Health & Sanitation	5,583,625	5,340,104	-	-	5,583,625	5,340,104
Economic Development	2,513,663	2,730,673	-	-	2,513,663	2,730,673
Culture & Recreation	7,516,254	7,156,105	-	-	7,516,254	7,156,105
Social Services	511,436	371,124	-	-	511,436	371,124
Interest on Long-Term Debt	559,472	614,859	-	-	559,472	614,859
Civic Center	-	-	4,921,903	4,656,686	4,921,903	4,656,686
Parking System	-	-	2,860,448	2,848,001	2,860,448	2,848,001
Total Expenses	<u>94,624,506</u>	<u>92,193,562</u>	<u>7,782,351</u>	<u>7,504,687</u>	<u>102,406,857</u>	<u>99,698,249</u>
Increase in Net Position						
Before Transfers	(2,099,997)	(2,358,199)	(1,188,687)	(305,517)	(3,288,684)	(2,663,716)
Transfers	(1,364,488)	(1,457,582)	1,364,488	1,457,582	-	-
Increase in Net Position	<u>(3,464,485)</u>	<u>(3,815,781)</u>	<u>175,801</u>	<u>1,152,065</u>	<u>(3,288,684)</u>	<u>(2,663,716)</u>
Net Position- beginning-restated	21,739,430	25,555,211	16,277,214	15,125,149	38,016,644	40,680,360
Net Position- ending	<u>\$ 18,274,945</u>	<u>\$ 21,739,430</u>	<u>\$ 16,453,015</u>	<u>\$ 16,277,214</u>	<u>\$ 34,727,960</u>	<u>\$ 38,016,644</u>

CITY OF CHARLESTON, WEST VIRGINIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
 For the Fiscal Year Ended June 30, 2013
 (Continued)

Revenue by Source-Governmental Activities

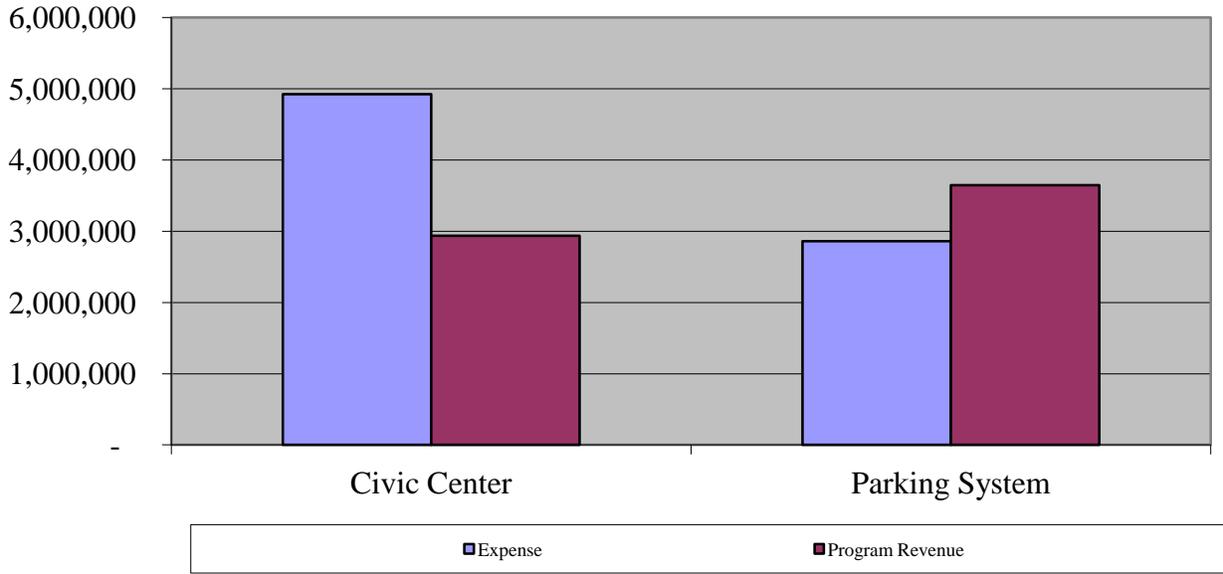


Expenses and Program Revenues-Governmental Activities

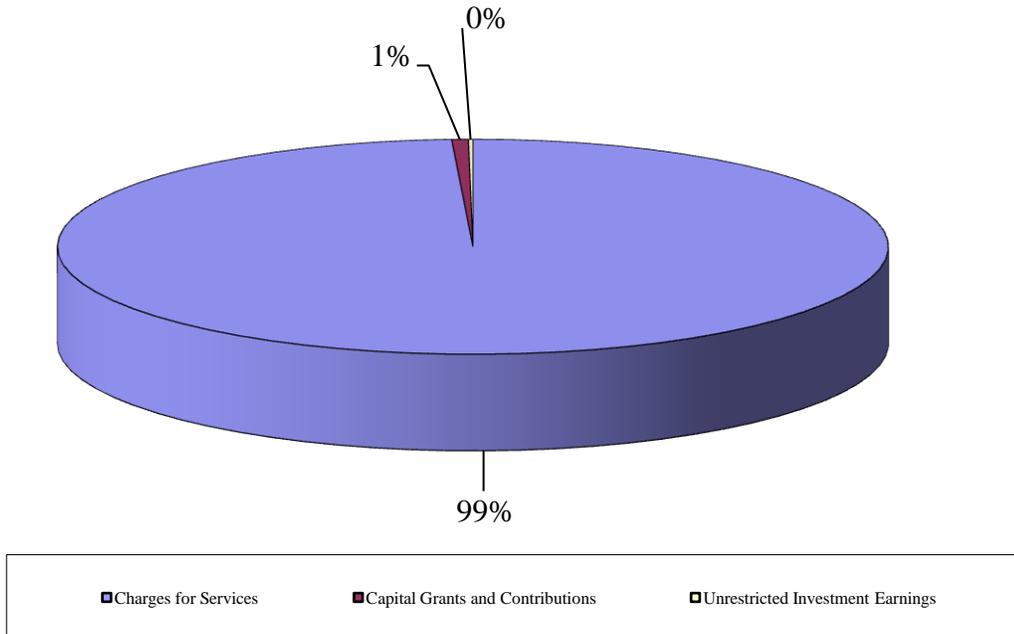


CITY OF CHARLESTON, WEST VIRGINIA
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
 For the Fiscal Year Ended June 30, 2013
 (Continued)

Expenses and Program Revenues-Business-Type Activities



Revenues by Source-Business-Type Activities



CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

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 \$44,255,614, an increase of \$1,238,029 (2 percent) in comparison with the prior year. Most of this increase occurred in three funds: General Fund (47 percent), City Service Fee Project Fund (42 percent), and Springhill Cemetery Trust (9 percent). The General Fund transfers part of the city service fee collected to the capital project fund and the increase is due to timing on when paving and infrastructure projects are completed. The Springhill Trust experienced better earnings on investments for 2013 versus 2012. Approximately 45 percent of the combined ending fund balances in the amount of \$20,028,109 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 \$1,729,978; restricted by external grants, contributors, and laws \$5,489,200; committed by the government's council \$13,174,925; and assigned by the government's council or administrative officials \$3,833,402.

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 \$20,028,109, while total fund balance reached \$34,814,674. 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 23 percent of total General Fund expenditures, while total fund balance represents 41 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased \$583,940 during the current fiscal year. This is primarily attributable to tax revenue increase of \$1,300,794 (2 percent) with total revenue increase of \$2,043,800 (2 percent). Expenditures increased \$3,277,993 (4 percent) primarily due to increased medical cost (9 percent), police and fire pension contributions due to the Conservation Method adopted (8 percent), maintenance and repair equipment cost increase due to the June and October 2012 city-wide storm damage cleanups (18 percent), and professional services cost (14 percent) for consulting services for the City Comprehensive Plan, Storm Water Project, and GIS mapping.

The Coal Severance Tax Fund receives coal severance tax distributed from the State of West Virginia collections. These revenues are dedicated to the Civic Center bond debt service. Coal severance tax revenue decreased \$46,982 (17 percent) over the prior year. According to the State coal sales decreased by more than 15 percent, causing production to drop about 20 million tons from 2012. The Community Development and HOME Funds are funded totally by HUD federal grants for community development. The grant revenues recognized were \$334,879 (12 percent) greater in comparison to prior year due to normal grant programs plus projects from prior years that were completed in the 2013 fiscal year.

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

General Fund Budgetary Highlights

The City periodically revises the 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. Revenues and transfers in and expenditures and transfers out between the original budget and the final amended budget reflected an

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

increase of \$2,054,057 (2 percent) and \$8,430,533 (10 percent), respectively. The most significant can be briefly summarized as follows:

Legal expenses were increased \$1,008,430 to provide a reserve for court costs and damages for general liability claims. The City has adopted the policy of carrying forward any remaining budgeted funds at year-end to have the additional reserve in place to provide for any unforeseen circumstances.

Engineering remaining budgeted funds for storm water projects in the amount of \$979,212 were carried forward for continuance of the projects that were not completed by the 2012 fiscal year-end.

The Mayor's contributions to various entities were increased approximately \$322,087.

Engineering Storm water professional services were increased \$979,212 to carry forward amounts for the storm water project not completed by the 2012 fiscal year-end. In addition, professional services for the GIS mapping project in the amount of \$190,000 were carried forward since the project was not completed by the 2012 fiscal year-end.

Capital projects costs were increased approximately \$516,393 to carry forward remaining lease funding for vehicle and equipment purchases.

City Manager professional services remaining budgeted funds in the amount of \$700,000 were carried forward for various contracted services that were not completed by the 2012 fiscal year-end.

Amendments were made to provide for a 3% across-the-board wage increase beginning October 1, 2012 to all regular full-time employees in the amount of \$772,882, to provide supplemental contributions to the police and fire pension funds in the amount of \$401,526, and to transfer funds to the Municipal Stabilization Fund in the amount of \$108,721.

Other amendments were made to recognize grant revenues received from Homeland Security in the amount of \$423,365 to cover costs associated with the June 2012 storm, to recognize insurance proceeds received in the amount of \$314,206 to repair the Springhill Cemetery mausoleum roof damaged by the 2012 storm, and to increase amounts provided for health care costs in the amount of \$651,882.

All amendments were budgeted from available fund balance and increases in various charges for services, grants, insurance proceeds, and contributions. For the fiscal year 2013 General Fund revenues were above budgetary estimates by five percent and expenditures were less than budgetary estimates by four percent.

The City's General Fund balance of \$34,814,674 differs from the General Fund's budgetary fund balance of \$6,203,896 reported in the budgetary financial statement principally because budgetary fund balance excludes accrual of business and occupation taxes. The total business and occupation tax accrual in the amount of \$10,741,650 has not been re-appropriated for budgetary purposes, only actual cash collections are budgeted each fiscal year. In addition, a significant difference of \$17,869,128 is included in the General Fund due to GASB 54 implementation which dictates inclusion of several special revenue funds; however, these funds are not included for budgetary purposes.

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, 2013, amounted to \$116,376,115 (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.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

Several projects were completed during the fiscal year, including Springhill Cemetery new office building for \$196,075, Haddad Riverfront Park Boat Dock Project and lighting in the amount of \$757,410, Back Flow preventers at various locations in the amount of \$158,361, and various retaining walls, curb & sidewalk projects, and paving in the amount of \$1,377,110.

Projects for the Long Term Storm Water Comprehensive Plan, Court Street Pump Station, and Pumper Mounted Fire Truck were remaining in construction in progress as of the end of the fiscal year in the amount of \$1,429,345.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 8,938,359	\$ 8,872,359	\$ 4,366,447	\$ 4,366,447	\$ 13,304,806	\$ 13,238,806
Construction in Progress	1,429,345	1,214,325	-	707,216	1,429,345	1,921,541
Buildings & Improvements	29,002,418	28,570,579	16,371,014	16,064,923	45,373,432	44,635,502
Other Improvements	11,065,594	10,974,346	363,714	390,226	11,429,308	11,364,572
Machinery & Equipment	8,901,240	8,873,028	294,687	399,023	9,195,927	9,272,051
Infrastructure	35,643,297	35,845,002	-	-	35,643,297	35,845,002
Total	\$ 94,980,253	\$ 94,349,639	\$ 21,395,862	\$ 21,927,835	\$ 116,376,115	\$ 116,277,474

Additional information on the City of Charleston's capital assets can be found in Note IV.C. on pages 67 through 69 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	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	\$ 2,715,290	\$ 3,008,554	\$ 9,330,223	\$ 10,141,186	\$ 12,045,513	\$ 13,149,740
Total	\$ 2,715,290	\$ 3,008,554	\$ 9,330,223	\$ 10,141,186	\$ 12,045,513	\$ 13,149,740

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 \$154,380,709.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Fiscal Year Ended June 30, 2013
(Continued)

Additional information on the City of Charleston's long-term debt can be found in Note IV.G. on pages 72 through 76 of this report.

Economic Factors and Next Year's Budget

Many factors are considered each year by the City Council in its efforts to establish an operating budget, to evaluate its personnel needs, and to develop fees that are fair, reasonable, and adequately recover costs. Some of the major factors considered in this process are the local economy, labor force, unemployment rate, and inflation rates.

The unemployment rate was lower than the prior year during June at 5.7 percent. The average for the past twelve months was 6.5 percent. The last twelve months reflected increases in the labor market for construction and mining 2.1 percent; financial activities 1.3 percent; education and health services .8 percent; leisure and hospitality 2.3 percent; and government 4.0 percent. Trade, transportation, and utilities, information, professional and business services, and other services reflected a decrease of -1.5 percent, -5.3 percent, -1.2 percent and -0.9 percent, respectively. Manufacturing remained the same.

The occupancy rate of the government's central business district has remained at 85 to 90 percent for the past several years. According to a recent real estate broker survey the city's five "Class A" office towers have a current occupancy rate of 96.6 percent. These office towers represent the best space available in Charleston.

Inflationary trends in the region compare favorably to national indices.

In March 2013, the City of Charleston approved a balanced budget for the fiscal year 2014, with General Fund appropriations of \$87,300,000. The budget anticipates a \$2.7 million increase in Business & Occupation Taxes, \$596,963 in property taxes and \$950,000 in Hotel Occupancy Taxes. The budget includes an expected three percent increase in expenditures with an additional \$2.2 million for health care costs and a reduction in capital outlay costs of \$1.2 million. The overall increase to the budget was \$3.14 million.

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, WV 25330.



CITY OF CHARLESTON, WEST VIRGINIA THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 26 through 29. 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, 2013

	Primary Government			Component Units		
	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>	Sanitary <u>Board</u>	Urban Renewal <u>Authority</u>	Convention & Visitor's <u>Bureau</u>
ASSETS						
Current assets:						
Cash & cash equivalents	\$ 25,064,459	\$ 2,384,462	\$ 27,448,921	\$ 10,738,359	\$ 6,373,654	\$ 756,065
Investments	2,858,299	--	2,858,299	--	--	--
Receivables:						
Accounts	4,388,066	346,877	4,734,943	1,870,834	--	106,239
Accrued interest	11,895	--	11,895	--	124	--
Taxes	12,899,971	--	12,899,971	--	--	--
Rents	--	--	--	--	7,665	--
Other	--	--	--	1,440	173,960	126,245
Loans	6,216,379	--	6,216,379	--	--	--
Grants	1,148,480	--	1,148,480	--	--	--
Internal balances	46,338	(46,338)	--	--	--	--
Due from:						
Component units	23,454	--	23,454	--	--	--
Fiduciary funds	13,001	--	13,001	--	--	--
Primary government	--	--	--	62,803	--	133,515
Inventory, at cost	--	--	--	757,738	--	--
Construction project deposit	--	--	--	--	26,239	--
Inventories	--	--	--	--	--	--
Prepaid insurance and lease	534,964	121,549	656,513	202,545	344	2,033
Other assets	--	--	--	18,356	--	--
Restricted assets:						
Regular account	--	303,671	303,671	1,777,510	--	--
Reserve account	--	--	--	13,264,017	--	--
Renewal and replacement	--	--	--	6,382,999	--	--
Reserve for bond retirement	--	577,350	577,350	--	--	--
Restricted cash	1,790,501	--	1,790,501	--	--	--
Reserve for health care	--	--	--	1,496,398	--	--
Customer deposits	--	150,457	150,457	--	--	--
Total current assets	54,995,807	3,838,028	58,833,835	36,572,999	6,581,986	1,124,097
Noncurrent assets						
Restricted:						
Revenue bond covenant accounts	--	1,136,852	1,136,852	--	--	--
Notes receivable	--	--	--	--	2,317,049	--
Capital assets not being depreciated:						
Land	8,938,359	4,366,447	13,304,806	1,619,166	6,846,842	--
Construction in progress	1,429,345	--	1,429,345	29,195,765	--	--
Capital assets being depreciated:						
Buildings and improvements	70,076,349	67,606,638	137,682,987	34,020,256	68,803	45,775
Vehicles	18,953,413	--	18,953,413	--	--	--
Infrastructure	91,642,045	--	91,642,045	--	--	--
Transmission and distribution	--	--	--	106,930,038	--	--

**CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION (CONTINUED)**

June 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
Machinery & equipment	\$ 17,048,671	\$ 2,254,165	\$ 19,302,836	\$ 9,178,420	\$ --	\$ 211,389
Leasehold improvements	--	--	--	--	--	146,545
Less: accumulated depreciation	<u>(113,107,929)</u>	<u>(52,831,388)</u>	<u>(165,939,317)</u>	<u>(62,537,926)</u>	<u>(40,403)</u>	<u>(343,340)</u>
Total capital assets	<u>94,980,253</u>	<u>21,395,862</u>	<u>116,376,115</u>	<u>118,405,719</u>	<u>6,875,242</u>	<u>60,369</u>
Total noncurrent assets	<u>94,980,253</u>	<u>22,532,714</u>	<u>117,512,967</u>	<u>118,405,719</u>	<u>9,192,291</u>	<u>60,369</u>
Total assets	<u>\$ 149,976,060</u>	<u>\$ 26,370,742</u>	<u>\$ 176,346,802</u>	<u>\$ 154,978,718</u>	<u>\$ 15,774,277</u>	<u>\$ 1,184,466</u>

DEFERRED OUTFLOWS

OF RESOURCES:

Loss on refunding
of debt

	\$ <u>50,223</u>	\$ <u>340,698</u>	\$ <u>390,921</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>--</u>
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LIABILITIES

Current liabilities:

Current liabilities payable
from current assets:

Accounts payable	\$ 1,585,751	\$ 153,518	\$ 1,739,269	\$ 2,187,149	\$ 116,403	\$ 87,304
Payroll payable	1,363,390	67,609	1,430,999	125,454	2,786	--
Other accrued expenses	45,414	19,921	65,335	55,541	5,000	740
Solicitation bonds payable	25,910	--	25,910	--	--	--
Compensated absences payable	--	90,161	90,161	170,985	--	1,515
Benefits payable	149,758	18,231	167,989	--	--	--
Reserve for future insurance claims	739,225	49,156	788,381	--	--	--
Due to:						
Component units	168,775	27,543	196,318			
Primary government	--	--	--	23,454	--	--
Current liabilities payable from restricted assets:						
Accrued bond interest payable	9,224	62,084	71,308	572,918	--	--
Accrued capital lease interest payable	70,477	--	70,477	--	--	--
Customer deposits	--	35,422	35,422	--	--	--
Other current liabilities:						
Federal funding	6,030,073	--	6,030,073	--	--	--
Customer prepaid fees	60,771	--	60,771	--	132,724	--
Due within one year	<u>6,579,014</u>	<u>1,585,000</u>	<u>8,164,014</u>	<u>3,277,079</u>	<u>43,654</u>	<u>--</u>

Total current liabilities 16,827,782 2,108,645 18,936,427 6,412,580 300,567 89,559

Noncurrent liabilities:

Due in more than one year	<u>114,923,556</u>	<u>8,149,780</u>	<u>123,073,336</u>	<u>81,804,397</u>	<u>--</u>	<u>--</u>
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Total noncurrent liabilities 114,923,556 8,149,780 123,073,336 81,804,397 -- --

Total liabilities \$ 131,751,338 \$ 10,258,425 \$ 142,009,763 \$ 88,216,977 \$ 300,567 \$ 89,559

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
NET POSITION						
Net investment in capital assets	\$ 83,960,629	\$ 12,406,337	\$ 96,366,966	\$ 33,752,081	\$ 6,875,242	\$ 60,369
Restricted for:						
General government	12,214,365	--	12,214,365			
Debt service	295,568	2,017,873	2,313,441	21,424,526	--	--
Capital projects	2,872,676	--	2,872,676	--	--	--
Community development projects	542,984	--	542,984	--	--	--
Public safety and streets	3,204,351	--	3,204,351	--	--	--
Health and Sanitation	2,973,693	--	2,973,693			
Culture and recreation	92,989	--	92,989			
Perpetual care:						
Expendable	835,864	--	835,864	--	--	--
Nonexpendable	1,195,015	--	1,195,015	--	--	--
Unrestricted (deficit)	<u>(89,913,189)</u>	<u>2,028,805</u>	<u>(87,884,384)</u>	<u>11,585,134</u>	<u>8,598,468</u>	<u>1,034,538</u>
Total net position	<u>\$ 18,274,945</u>	<u>\$ 16,453,015</u>	<u>\$ 34,727,960</u>	<u>\$ 66,761,741</u>	<u>\$ 15,473,710</u>	<u>\$ 1,094,907</u>

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, 2013

Net (Expense) Revenues and
Changes in Net Assets

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Assets							
	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	\$ 17,435,160	\$ 2,883,260	\$ 325,494	\$ 126,949	\$ (14,099,457)	\$ --	\$ (14,099,457)	\$ --	\$ --	\$ --	\$ --	\$ --
Public safety	49,882,789	10,278,179	5,396,450	216,206	(33,991,954)	--	(33,991,954)	--	--	--	--	--
Streets and transportation	10,622,107	1,650,000	--	33,569	(8,938,538)	--	(8,938,538)	--	--	--	--	--
Health and sanitation	5,583,625	4,139,576	87,488	36,036	(1,320,525)	--	(1,320,525)	--	--	--	--	--
Culture and recreation	7,516,254	993,673	692,404	3,538	(5,826,639)	--	(5,826,639)	--	--	--	--	--
Interest on long-term debt	559,472	--	--	--	(559,472)	--	(559,472)	--	--	--	--	--
Social services	511,436	181,974	119,854	314,206	104,598	--	104,598	--	--	--	--	--
Economic development	2,513,663	--	2,082,792	1,566,372	1,135,501	--	1,135,501	--	--	--	--	--
Total governmental activities	\$ 94,624,506	\$ 20,126,662	\$ 8,704,482	\$ 2,296,876	\$ (63,496,486)	\$ --	\$ (63,496,486)	\$ --	\$ --	\$ --	\$ --	\$ --
Business-type activities:												
Civic Center	4,921,903	2,905,443	--	29,950	--	(1,986,510)	(1,986,510)	--	--	--	--	--
Parking System	2,860,448	3,634,183	--	12,520	--	786,255	786,255	--	--	--	--	--
Total business-type activities	7,782,351	6,539,626	--	42,470	--	(1,200,255)	(1,200,255)	--	--	--	--	--
Total primary government	\$ 102,406,857	\$ 26,666,288	\$ 8,704,482	\$ 2,339,346	\$ (63,496,486)	\$ (1,200,255)	\$ (64,696,741)	\$ --	\$ --	\$ --	\$ --	\$ --
Component units:												
Sanitary Board	\$ 16,851,347	\$ 22,924,988	\$ 2,648,415	\$ 18,050				\$ 8,740,106	\$ --	\$ --	\$ --	\$ --
Urban Renewal Authority	978,835	661,480	17,821	--				--	(299,534)	--	--	--
Convention & Visitor's Bureau	2,037,283	88,567	1,572,145	--				--	--	--	(376,571)	--
Total component units	\$ 19,867,465	\$ 23,675,035	\$ 4,238,381	\$ 18,050				\$ 8,740,106	\$ (299,534)	\$ --	\$ (376,571)	\$ --
General revenues:												
Ad valorem property taxes					\$ 12,564,591	\$ --	\$ 12,564,591	\$ --	\$ --	\$ --	\$ --	\$ --
Business & occupation tax					41,355,598	--	41,355,598	--	--	--	--	--
Alcoholic beverages tax					977,270	--	977,270	--	--	--	--	--
Utility services tax					2,907,752	--	2,907,752	--	--	--	--	--
Hotel occupancy tax					3,039,553	--	3,039,553	--	--	--	--	--
Amusement tax					176,634	--	176,634	--	--	--	--	--
Other taxes					55,576	--	55,576	--	--	--	--	--
Unrestricted investment earnings					72,877	11,553	84,430	28,744	143,854	--	1,733	--
Gain on sale of capital assets					246,638	15	246,653	--	--	--	--	--
Miscellaneous					--	--	--	130,111	--	--	--	--
Transfers					(1,364,488)	1,364,488	--	--	--	--	--	--
Total general revenues and transfers					60,032,001	1,376,056	61,408,057	158,855	143,854	--	1,733	--
Change in net position					(3,464,485)	175,801	(3,288,684)	8,898,961	(155,680)	--	(374,838)	--
Net position - beginning-Restated					21,739,430	16,277,214	38,016,644	57,862,780	15,629,390	--	1,469,745	--
Net position - ending					\$ 18,274,945	\$ 16,453,015	\$ 34,727,960	\$ 66,761,741	\$ 15,473,710	\$ --	\$ 1,094,907	\$ --

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.

Nonmajor governmental funds are presented in aggregate and then by fund type beginning on page 95.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 20,534,419	\$ 32	\$ 8,094	\$ 61,455	\$ 4,460,459	\$ 25,064,459
Investments	--	--	--	--	2,858,299	2,858,299
Receivables:						
Taxes	12,840,278	59,693	--	--	--	12,899,971
Accounts	3,944,888	--	--	--	443,178	4,388,066
Grants	263,448	--	309,226	11,272	564,534	1,148,480
Loans	--	--	1,667,587	4,286,775	262,017	6,216,379
Accrued interest	9,885	--	--	--	2,010	11,895
Due from:						
Other funds	636,296	--	--	--	104,935	741,231
Component units	12,293	--	--	--	11,161	23,454
Prepaid insurance and lockbox	534,964	--	--	--	--	534,964
Restricted cash	235,836	--	--	--	1,554,665	1,790,501
Total assets	\$ 39,012,307	\$ 59,725	\$ 1,984,907	\$ 4,359,502	\$ 10,261,258	\$ 55,677,699
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 981,633	\$ --	\$ 219,916	\$ 343	\$ 383,859	\$ 1,585,751
Payroll payable	1,363,390	--	--	--	--	1,363,390
Other accrued expenditures	45,414	--	--	--	--	45,414
Solicitation bonds payable	25,910	--	--	--	--	25,910
Benefits payable	149,758	--	--	--	--	149,758
Reserve for future insurance claims	739,225	--	--	--	--	739,225
Due to:						
Other funds	91,631	--	89,310	18,081	482,870	681,892
Component unit	168,775	--	--	--	--	168,775
Other liabilities:						
Customer prepaid fees	60,771	--	--	--	--	60,771
Federal funding	--	--	1,524,289	4,341,078	164,706	6,030,073
Total liabilities	\$ 3,626,507	\$ --	\$ 1,833,515	\$ 4,359,502	\$ 1,031,435	\$ 10,850,959
Deferred Inflows of Resources:						
Unavailable revenue-taxes	\$ 571,126	\$ --	\$ --	\$ --	\$ --	\$ 571,126
Fund balances:						
Nonspendable	534,963	--	--	--	1,195,015	1,729,978
Restricted	1,281,370	59,725	151,392	--	3,996,713	5,489,200
Committed	9,136,830	--	--	--	4,038,095	13,174,925
Assigned	3,833,402	--	--	--	--	3,833,402
Unassigned	20,028,109	--	--	--	--	20,028,109
Total fund balances	34,814,674	59,725	151,392	--	9,229,823	44,255,614
Total liabilities, deferred inflows, and fund balances	\$ 39,012,307	\$ 59,725	\$ 1,984,907	\$ 4,359,502	\$ 10,261,258	\$ 55,677,699

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, 2013

Total fund balances on the governmental fund's balance sheet	\$ 44,255,614
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 IV.C.)	94,980,253
Deferred outflows from loss on refunding bonds which is amortized over the life of the bonds is not reported in the funds.	50,223
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds. (Note IV.B.)	571,126
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note II.A).	<u>(121,582,271)</u>
Net position of governmental activities	<u>\$ 18,274,945</u>

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



CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2013

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem						
property taxes	\$ 12,439,039	\$ --	\$ --	\$ --	\$ --	\$ 12,439,039
Business & occupation tax	41,355,598	--	--	--	--	41,355,598
Alcoholic beverages tax	977,270	--	--	--	--	977,270
Utility services tax	2,907,752	--	--	--	--	2,907,752
Hotel occupancy tax	3,039,553	--	--	--	--	3,039,553
Animal tax	7,250	--	--	--	--	7,250
Gas and oil severance tax	48,326	--	--	--	--	48,326
Amusement tax	176,634	--	--	--	--	176,634
Licenses and permits	1,980,033	--	--	--	--	1,980,033
Intergovernmental:						
Federal	522,262	--	2,202,043	779,780	1,834,301	5,338,386
State	3,428,324	225,354	--	--	50,972	3,704,650
Charges for services	13,278,128	--	--	--	4,100,297	17,378,425
Fines and forfeits	--	--	--	--	682,139	682,139
Interest and investment earnings	77,527	46	2,197	--	147,345	227,115
Reimbursements	1,248,773	--	--	--	69,256	1,318,029
Payments in lieu of taxes	99,235	--	--	--	--	99,235
Contributions and donations	454,687	--	--	--	47,034	501,721
Miscellaneous	369,316	--	--	--	2,474	371,790
Total revenues	\$ 82,409,707	\$ 225,400	\$ 2,204,240	\$ 779,780	\$ 6,933,818	\$ 92,552,945
EXPENDITURES						
Current:						
General government	\$ 17,130,818	\$ --	\$ --	\$ --	\$ 169,275	\$ 17,300,093
Public safety	43,514,319	--	--	--	1,730,649	45,244,968
Streets and transportation	9,882,000	--	--	--	3,764	9,885,764
Health and sanitation	4,578,996	--	--	--	1,164,796	5,743,792
Culture and recreation	6,580,228	--	--	--	26,200	6,606,428
Social services	1,125,426	--	--	--	28,030	1,153,456
Economic development	--	--	2,242,190	779,780	886,997	3,908,967
Debt service:						
Principal	553,081	--	--	--	200,000	753,081
Interest	319,178	--	--	--	122,055	441,233
Capital outlay:						
General government	--	--	--	--	--	--
Highways and streets	--	--	--	--	1,903,430	1,903,430
Culture and recreation	--	--	--	--	--	--
Total expenditures	\$ 83,684,046	\$ --	\$ 2,242,190	\$ 779,780	\$ 6,235,196	\$ 92,941,212
Excess (deficiency) of revenues over (under) expenditures	\$ (1,274,339)	\$ 225,400	\$ (37,950)	\$ --	\$ 698,622	\$ (388,267)
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 3,250,967	--	--	--	3,861,673	7,112,640
Transfers (out)	(4,338,588)	(235,464)	--	--	(3,869,293)	(8,443,345)
Proceeds from the sale of assets	265,183	--	11,101	--	--	276,284
Insurance proceeds	416,217	--	--	--	--	416,217
Capital leases	2,264,500	--	--	--	--	2,264,500
Total other financing sources (uses)	1,858,279	(235,464)	11,101	--	(7,620)	1,626,296
Net change in fund balances	583,940	(10,064)	(26,849)	--	691,002	1,238,029
Fund balances - beginning	34,230,734	69,789	178,241	--	8,538,821	43,017,585
Fund balances - ending	<u>\$ 34,814,674</u>	<u>\$ 59,725</u>	<u>\$ 151,392</u>	<u>\$ --</u>	<u>\$ 9,229,823</u>	<u>\$ 44,255,614</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, 2013

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

Net change in fund balances - total governmental funds	\$	1,238,029
<p>Governmental funds report capital outlays as expenditures. However, 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 by which capital outlays exceeded depreciation expense in the current period (Note II.B).</p>		
		660,261
<p>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 assets differs from the change in fund balance by the cost of the capital assets sold.</p>		
		(29,646)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (Change in Deferred Inflows-Taxes).</p>		
		125,553
<p>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 premiums, discounts, and deferred outflows/inflows 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 II.B).</p>		
		995,008
<p>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 (Note II.B).</p>		
		<u>(6,453,690)</u>
Change in net position of governmental activities	\$	<u><u>(3,464,485)</u></u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 12,456,037	\$ 12,456,037	\$ 12,439,039	\$ (1,997)	\$ 12,437,042	\$ (18,995)
Business & occupation	41,200,000	40,435,201	41,355,598	(88,654)	41,266,944	831,743
Utility	3,150,000	3,150,000	2,907,752	--	2,907,752	(242,248)
Hotel motel	2,700,000	2,958,000	3,039,553	--	3,039,553	81,553
Alcoholic beverages	825,000	945,000	977,270	--	977,270	32,270
Amusement	175,000	175,000	176,634	--	176,634	1,634
Animal	6,000	6,000	7,250	--	7,250	1,250
Gas & oil severance	45,000	45,000	48,326	--	48,326	3,326
Licenses and permits	1,468,000	1,920,002	1,980,033	--	1,980,033	60,031
Charges for services	13,000,700	13,583,698	13,278,128	--	13,278,128	(305,570)
Intergovernmental:						
Federal	80,000	503,365	522,262	--	522,262	18,897
State	--	--	3,428,324	(3,387,288)	41,036	41,036
Interest and						
investment earnings	15,000	15,000	77,527	(54,647)	22,880	7,880
Reimbursements	1,040,000	1,053,637	1,248,773	--	1,248,773	195,136
Payments in lieu of taxes	50,000	50,000	99,235	--	99,235	49,235
Contributions						
and donations	300,000	506,400	454,687	--	454,687	(51,713)
Miscellaneous	356,000	379,000	369,316	--	369,316	(9,684)
Total revenues	\$ 76,866,737	\$ 78,181,340	\$ 82,409,707	\$ (3,532,586)	\$ 78,877,121	\$ 695,781
EXPENDITURES						
General government:						
Mayor's office	\$ 521,551	\$ 848,437	\$ 503,755	\$ (33,816)	\$ 469,939	\$ 378,498
City council	203,597	203,597	186,177	--	186,177	17,420
City manager	3,391,412	4,150,517	2,914,422	(16,908)	2,897,514	1,253,003
City treasurer	155,216	165,343	196,455	(33,816)	162,639	2,704
City collector	997,568	904,761	956,994	(67,633)	889,361	15,400
City clerk	169,159	174,570	168,756	--	168,756	5,814
Municipal court	445,785	452,746	467,180	(33,816)	433,364	19,382
Legal	1,117,971	2,134,906	1,215,049	--	1,215,049	919,857
Accounting	475,016	482,515	482,958	(16,908)	466,050	16,465
Engineering	1,341,307	2,335,617	1,035,462	(33,816)	1,001,646	1,333,971
MOECD	572,654	585,866	600,760	(16,908)	583,852	2,014
Human resources	681,342	700,606	670,947	--	670,947	29,659
Contributions to Main Street						
Program	80,000	80,000	80,000	--	80,000	--
Regional Intergovernmental						
Council	20,000	20,000	19,790	--	19,790	210
Mail room	283,751	279,123	308,515	(50,725)	257,790	21,333
Building commission	958,341	1,013,776	947,165	(16,908)	930,257	83,519
Planning	584,527	723,636	713,931	(33,816)	680,115	43,521

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, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Information systems	\$ 1,093,596	\$ 1,295,266	\$ 1,172,103	\$ (16,908)	\$ 1,155,195	\$ 140,071
Building maintenance	2,089,948	2,451,082	812,147	1,657,000	2,469,147	(18,065)
Internal audit	356,917	225,586	191,522	--	191,522	34,064
Morris Square	262,076	272,913	247,553	--	247,553	25,360
Employee health clinic	465,000	630,000	616,755	--	616,755	13,245
Public works	337,877	342,065	335,106	(16,908)	318,198	23,867
Public grounds	1,502,311	1,521,026	1,555,110	(67,633)	1,487,477	33,549
Contingency	90,507	80,470	--	--	--	80,470
Total general government	18,197,429	22,074,424	16,398,612	1,200,481	17,599,093	4,475,331
Public safety:						
Police	18,090,706	19,006,547	20,059,861	(1,705,292)	18,354,569	651,978
Fire	16,366,977	18,023,791	19,184,046	(1,800,353)	17,383,693	640,098
Traffic engineering	1,166,804	1,203,549	1,305,991	(50,725)	1,255,266	(51,717)
C-K emergency services	221,126	224,717	218,716	--	218,716	6,001
Total public safety	35,845,613	38,458,604	40,768,614	(3,556,370)	37,212,244	1,246,360
Streets and transportation:						
Streets and transportation	4,536,625	4,573,447	4,592,277	(371,980)	4,220,297	353,150
Equipment maintenance	3,248,847	3,692,819	3,829,654	(169,082)	3,660,572	32,247
Total streets and transportation	7,785,472	8,266,266	8,421,931	(541,062)	7,880,869	385,397
Health and sanitation:						
Refuse collection & recycling	3,773,824	3,591,206	3,750,395	(236,714)	3,513,681	77,525
Kanawha-Charleston health	100,000	100,000	100,000	--	100,000	--
CARES	48,000	48,000	48,000	--	48,000	--
Total health and sanitation	3,921,824	3,739,206	3,898,395	(236,714)	3,661,681	77,525
Culture and recreation:						
Parks and recreation	2,803,477	2,710,505	2,964,646	(202,898)	2,761,748	(51,243)
Convention and visitor's bureau	1,350,000	1,500,000	1,483,912	--	1,483,912	16,088
Cultural/fairs/festivals	259,500	365,397	330,801	--	330,801	34,596
Festival Fund for the Arts	89,500	89,500	87,000	--	87,000	2,500
Municipal auditorium	252,003	254,551	234,342	--	234,342	20,209
Charleston Area Alliance	100,000	100,000	100,000	--	100,000	--
Library	879,263	891,104	891,104	--	891,104	--
Appalachian Power Park	360,000	360,000	341,655	--	341,655	18,345
Total culture and recreation	6,093,743	6,271,057	6,433,460	(202,898)	6,230,562	40,495
Social services:						
Spring hill cemetery	696,984	706,341	699,187	(50,724)	648,463	57,878
Human rights	--	--	--	--	--	--
Total social services	696,984	706,341	699,187	(50,724)	648,463	57,878

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, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Capital projects:						
General government	\$ 1,251,421	\$ 1,403,595	\$ 732,206	\$ --	\$ 732,206	\$ 671,389
Public safety	2,582,648	2,999,701	2,745,705	--	2,745,705	253,996
Streets and transportation	1,398,746	1,631,659	1,460,069	--	1,460,069	171,590
Health and sanitation	611,029	611,029	680,601	--	680,601	(69,572)
Culture and recreation	101,351	143,454	146,768	--	146,768	(3,314)
Social services	87,660	424,366	426,239	--	426,239	(1,873)
Total capital projects	<u>6,032,855</u>	<u>7,213,804</u>	<u>6,191,588</u>	<u>--</u>	<u>6,191,588</u>	<u>1,022,216</u>
Debt service:						
Principal	547,340	553,081	553,081	--	553,081	--
Interest	323,718	317,977	317,978	--	317,978	(1)
Bond Service Charges	1,200	1,200	1,200	--	1,200	--
Total debt service	<u>872,258</u>	<u>872,258</u>	<u>872,259</u>	<u>--</u>	<u>872,259</u>	<u>(1)</u>
Total expenditures	\$ <u>79,446,178</u>	\$ <u>87,601,960</u>	\$ <u>83,684,046</u>	\$ <u>(3,387,287)</u>	\$ <u>80,296,759</u>	\$ <u>7,305,201</u>
Excess of revenues over (under) expenditures	<u>(2,579,441)</u>	<u>(9,420,620)</u>	<u>(1,274,339)</u>	<u>(145,299)</u>	<u>(1,419,638)</u>	<u>8,000,982</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 4,843,963	\$ 5,535,845	\$ 3,250,967	\$ --	\$ 3,250,967	\$ (2,284,878)
Transfers out	(4,709,022)	(4,983,772)	(4,338,588)	(611,221)	(4,949,809)	33,963
Capital lease proceeds	2,264,500	1,864,866	2,264,500	--	2,264,500	399,634
Insurance proceeds	30,000	372,206	416,217	--	416,217	44,011
Sale of capital assets	150,000	255,000	265,183	--	265,183	10,183
Total other financing sources (uses)	<u>2,579,441</u>	<u>3,044,145</u>	<u>1,858,279</u>	<u>(611,221)</u>	<u>1,247,058</u>	<u>(1,797,087)</u>
Net change in fund balance	--	(6,376,475)	583,940	(756,520)	(172,580)	6,203,895
Fund balance-beginning	--	6,376,476	34,230,734	(27,854,258)	6,376,476	--
Fund balance-ending	\$ <u>--</u>	\$ <u>1</u>	\$ <u>34,814,674</u>	\$ <u>(28,610,778)</u>	\$ <u>6,203,896</u>	\$ <u>6,203,895</u>

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



CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - COAL SEVERANCE TAX FUND
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
State	\$ 275,000	\$ 275,000	\$ 225,355	\$ (49,645)
Interest and investment earnings	<u>100</u>	<u>100</u>	<u>45</u>	<u>(55)</u>
Total revenues	<u>275,100</u>	<u>275,100</u>	<u>225,400</u>	<u>(49,700)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>275,100</u>	<u>275,100</u>	<u>225,400</u>	<u>(49,700)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(354,045)</u>	<u>(344,889)</u>	<u>(235,464)</u>	<u>109,425</u>
Total other financing sources (uses)	<u>(354,045)</u>	<u>(344,889)</u>	<u>(235,464)</u>	<u>109,425</u>
Net change in fund balance	(78,945)	(69,789)	(10,064)	59,725
Fund balance - beginning	<u>78,945</u>	<u>69,789</u>	<u>69,789</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 59,725</u>	<u>\$ 59,725</u>

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

CITY OF CHARLESTON, WEST VIRGINIA PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

Civic Center Fund This Enterprise Fund accounts for the operations of the Civic Center multi-purpose meeting, convention, and entertainment facility.

Parking System Fund This Enterprise Fund accounts for the operations of the City parking buildings, parking lots, and metered spaces.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2013

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 116,189	\$ 2,268,273	\$ 2,384,462
Receivables:			
Accounts	167,684	179,193	346,877
Due from:			
Other funds	--	387	387
Prepaid insurance and lockbox	52,223	69,326	121,549
Restricted:			
Regular account	--	303,671	303,671
Revenue bond covenant accounts	304,875	272,475	577,350
Customer deposits	150,457	--	150,457
	791,428	3,093,325	3,884,753
Total current assets			
Noncurrent assets:			
Restricted:			
Revenue bond covenant accounts	--	1,136,852	1,136,852
Capital assets not being depreciated:			
Land	300,000	4,066,447	4,366,447
Capital assets being depreciated:			
Buildings and improvements	36,726,885	30,879,753	67,606,638
Machinery and equipment	1,217,653	1,036,512	2,254,165
Less: accumulated depreciation	(28,701,752)	(24,129,636)	(52,831,388)
Total capital assets (net of accumulated depreciation)	9,542,786	11,853,076	21,395,862
	9,542,786	12,989,928	22,532,714
Total noncurrent assets			
	\$ 10,334,214	\$ 16,083,253	\$ 26,417,467
Total assets			
Deferred Outflows of Resources:			
Loss on Refunding of Debt	\$ 218,958	\$ 121,740	\$ 340,698

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)
June 30, 2013

	<u>Civic</u> <u>Center</u>	<u>Parking</u> <u>System</u>	<u>Totals</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 149,502	\$ 4,016	\$ 153,518
Benefits payable	31,669	35,717	67,386
Payroll payable	36,594	31,015	67,609
Other accrued expenses	12,685	7,236	19,921
Compensated absences payable	55,306	34,855	90,161
Customer deposits payable	35,422	-	35,422
Due to:			
Governmental	21,712	25,014	46,726
Component unit	27,381	162	27,543
Accrued interest payable	49,559	12,525	62,084
Revenue bonds payable-current	<u>410,000</u>	<u>1,175,000</u>	<u>1,585,000</u>
 Total current liabilities	 <u>829,830</u>	 <u>1,325,540</u>	 <u>2,155,370</u>
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discount)	5,508,288	2,236,935	7,745,223
Other postemployment benefits	<u>235,989</u>	<u>168,568</u>	<u>404,557</u>
 Total noncurrent liabilities	 <u>5,744,277</u>	 <u>2,405,503</u>	 <u>8,149,780</u>
 Total liabilities	 <u>\$ 6,574,107</u>	 <u>\$ 3,731,043</u>	 <u>\$ 10,305,150</u>
NET POSITION			
Net investment in capital assets	\$ 3,843,456	\$ 8,562,881	\$ 12,406,337
Restricted for debt service	304,875	1,712,998	2,017,873
Unrestricted	<u>(169,266)</u>	<u>2,198,071</u>	<u>2,028,805</u>
 Total net position	 <u>\$ 3,979,065</u>	 <u>\$ 12,473,950</u>	 <u>\$ 16,453,015</u>

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, 2013

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
Operating revenues:			
Sales and services to customers	\$ 1,833,912	\$ 3,629,435	\$ 5,463,347
Rental fees	1,071,531	--	1,071,531
Miscellaneous	--	4,748	4,748
	<u>2,905,443</u>	<u>3,634,183</u>	<u>6,539,626</u>
Operating expenses:			
Administrative and general	--	1,938,206	1,938,206
Recreational	3,655,482	--	3,655,482
Depreciation	961,505	651,928	1,613,433
	<u>4,616,987</u>	<u>2,590,134</u>	<u>7,207,121</u>
Total operating revenues	<u>2,905,443</u>	<u>3,634,183</u>	<u>6,539,626</u>
Total operating expenses	<u>4,616,987</u>	<u>2,590,134</u>	<u>7,207,121</u>
Operating income (loss)	<u>(1,711,544)</u>	<u>1,044,049</u>	<u>(667,495)</u>
Nonoperating revenues (expenses):			
Investment earnings	756	10,797	11,553
Gain on sale of capital assets	15	--	15
Interest and fiscal charges	(304,916)	(270,314)	(575,230)
	<u>(304,145)</u>	<u>(259,517)</u>	<u>(563,662)</u>
Total nonoperating revenues (expenses)	<u>(304,145)</u>	<u>(259,517)</u>	<u>(563,662)</u>
Income (loss) before contributions and transfers	<u>(2,015,689)</u>	<u>784,532</u>	<u>(1,231,157)</u>
Capital contributions	29,950	46,305	76,255
Transfers in	1,404,188	19,816	1,424,004
Transfers (out)	(93,301)	--	(93,301)
	<u>(93,301)</u>	<u>--</u>	<u>(93,301)</u>
Change in net position	<u>(674,852)</u>	<u>850,653</u>	<u>175,801</u>
Total net position- beginning-restated	<u>4,653,917</u>	<u>11,623,297</u>	<u>16,277,214</u>
Total net position - ending	<u>\$ 3,979,065</u>	<u>\$ 12,473,950</u>	<u>\$ 16,453,015</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, 2013

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,863,615	\$ 3,582,106	\$ 6,445,721
Payments to suppliers	(2,059,067)	(791,808)	(2,850,875)
Payments to employees	(1,406,536)	(1,204,443)	(2,610,979)
Net cash provided (used) by operating activities	(601,988)	1,585,855	983,867
Cash flows from noncapital financing activities:			
Transfers in from other funds	697,331	19,816	717,147
Cash flows from capital and related financing activities:			
Transfers from other funds for capital debt	676,128	--	676,128
Transfers from other funds for capital projects	30,729	--	30,729
Transfers to other funds for capital project reserve	(93,301)	--	(93,301)
Capital contributions	22,718	12,520	35,238
Proceeds from sale of capital assets	15	--	15
Acquisition and construction of capital assets	(168,491)	(879,184)	(1,047,675)
Principal paid on capital debt	(390,000)	(925,000)	(1,315,000)
Interest and fees paid on capital debt	(277,707)	(195,366)	(473,073)
Net cash provided (used) by capital and related financing activities	(199,909)	(1,987,030)	(2,186,939)
Cash flows from investing activities:			
Interest and dividends received	756	10,797	11,553
Net increase (decrease) in cash and cash equivalents	(103,810)	(370,562)	(474,372)
Cash and cash equivalents, July 1, 2012 (including \$293,423 and \$1,705,073 in restricted)	524,874	4,351,833	4,876,707
Cash and cash equivalents, June 30, 2013 (including \$304,875 and \$1,712,998 in restricted)	\$ 421,064	\$ 3,981,271	\$ 4,402,335

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
For the Fiscal Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,711,544)	\$ 1,044,049	\$ (667,495)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	961,505	651,928	1,613,433
Decrease (increase) in accounts receivable	(24,197)	(52,898)	(77,095)
Decrease (increase) in due from other funds	--	(185)	(185)
Decrease (increase) in restricted deposits	(16,810)	--	(16,810)
Decrease (increase) in prepaid insurance	(19)	14,434	14,415
Increase (decrease) in accounts payable	95,678	(146,969)	(51,291)
Increase (decrease) in payroll payable	6,136	1,452	7,588
Increase (decrease) in other accrued expenses	364	(10,772)	(10,408)
Increase (decrease) in due to other funds	20,912	(3,684)	17,228
Increase (decrease) in OPEB	65,987	88,500	154,487
	<u>\$ (601,988)</u>	<u>\$ 1,585,855</u>	<u>\$ 983,867</u>
Net cash provided by operations			
Noncash investing, capital & financing activities:			
Contribution of capital asset from governmental fund	\$ --	\$ 33,785	\$ 33,785
	<u>\$ --</u>	<u>\$ 33,785</u>	<u>\$ 33,785</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.

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 fire department 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.

Agency Funds These funds are accounted for using the accrual basis of accounting and are used to account for assets that the City of Charleston, West Virginia holds for others in an agency capacity.

The individual Agency Fund descriptions and financial statements begin on page 119.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
June 30, 2013

	Pension Trust Funds		Total Pension Trust Funds	Agency Funds
	Policemen's Pension and Relief	Firemen's Pension and Relief		
ASSETS				
Non-pooled cash	\$ 1,109,208	1,192,576	\$ 2,301,784	\$ 1,967,592
Total cash	1,109,208	1,192,576	2,301,784	1,967,592
Investments, at fair value:				
Federal government securities	2,210,403	3,432,030	5,642,433	--
Certificates of deposit	--	200,544	200,544	
Managed bond funds	3,207,727	--	3,207,727	--
Managed stock funds	6,578,640	6,771,735	13,350,375	--
Total investments	11,996,770	10,404,309	22,401,079	--
Receivables:				
Interest	42,537	1,176	43,713	--
Accounts receivable	--	--	--	15,822
Total receivables	42,537	1,176	43,713	15,822
 Total assets	 \$ 13,148,515	\$ 11,598,061	\$ 24,746,576	\$ 1,983,414
LIABILITIES				
Accounts payable	--	75	75	1,970,413
Due to other funds	--	--	--	13,001
Benefits payable	--	552,050	552,050	--
Total liabilities	--	552,125	552,125	1,983,414
NET POSITION				
Net position restricted for pension benefits	\$ 13,148,515	\$ 11,045,936	\$ 24,194,451	\$ --

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2013

	Pension Trust Funds		Totals
	Policemen's Pension and Relief	Firemen's Pension and Relief	
ADDITIONS			
Contributions:			
Employer	\$ 4,597,313	\$ 4,935,630	\$ 9,532,943
Plan members	697,135	644,474	1,341,609
State of West Virginia insurance premium surtax allocations	1,654,567	1,732,720	3,387,287
Total contributions	6,949,015	7,312,824	14,261,839
Investment earnings:			
Net increase (decrease) in fair value of investments	646,345	958,969	1,605,314
Interest and dividends	279,733	172,859	452,592
Less: investment expense	(190,277)	(47,611)	(237,888)
Net investment income	735,801	1,084,217	1,820,018
Total additions	7,684,816	8,397,041	16,081,857
DEDUCTIONS			
Benefits	6,303,363	6,565,775	12,869,138
Administrative expenses	9,197	11,404	20,601
Refunds of contributions	4,787	88,270	93,057
Total deductions	6,317,347	6,665,449	12,982,796
Net increase in net position	1,367,469	1,731,592	3,099,061
Net position restricted for pension benefits:			
Beginning of year	11,781,046	9,314,344	21,095,390
End of year	\$ 13,148,515	\$ 11,045,936	\$ 24,194,451

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, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Charleston, West Virginia, 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-seven member council. The accompanying financial statements present the government and its component units as required by generally accepted accounting principles.

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 the accounting principles generally accepted in the United States. 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 of council. The Board is fiscally dependent upon the City since the government's council must approve rates for user charges and authorize bond issuances.

The City of Charleston Urban Renewal Authority serves the City of Charleston, West Virginia, and is governed by a board comprised of members appointed by the City Council. A financial benefit/burden relationship exists since the government is legally entitled to 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 has 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, 2013

On July 1, 2012, the government implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. 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. Net Position replaces what was previously reported as net assets.

On July 1, 2012, the government early implemented GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The effect of the implementation of this standard required a restatement of beginning net position at July 1, 2012 for governmental activities, business-type activities, and the total primary government in the government-wide statements and proprietary fund statements of net position due to bond issuance costs that are required to be expensed in accordance with GASB 65 as more fully described in detail in note IV K, Prior Period Adjustments.

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 a liability is 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 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.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 forgivable, deferred mortgage loans to first-time homebuyers that meet income and credit guidelines.

The government reports the following major proprietary funds:

The Civic Center Fund 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 this facility.

The Parking System Fund consists of parking buildings, parking lots, and metered spaces. The City has delegated a special committee of the Council, designated as the Parking Facilities Committee composed of the Mayor and members of the finance committee of council, to promulgate rules and regulations governing the usage of all the parking facilities. This fund accounts for all receipts and expenses of operating the parking system.

Additionally, the government reports the following fund types:

The Pension Trust Funds account for the activities of the Public Safety Employees Retirement Systems, which accumulates resources for pension benefit payments to qualified public safety employees. These funds are accounted for in essentially the same manner as the proprietary funds, using the accrual basis of accounting.

The Agency Funds account for assets held by the City of Charleston, West Virginia for others in a custodial capacity. The two Civic Center Agency Funds account for revenues from event ticket sales, subsequently dispersed to promoters, and for revenues received for the Cooking Show, the Wedding Show and for a series of reunions the Civic Center is producing which are subsequently paid to the Civic Center once the events are over. The police agency funds account for forfeited funds and confiscated property subsequently dispersed upon court order to the appropriate party. Agency funds are accounted for using the accrual basis of accounting and do not present results of operations or have a measurement focus.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. However, if applicable, inter-fund services provided and used are not eliminated in the process of consolidation.

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The City of Charleston, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of less than three months from the date of acquisition. For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with generally accepted accounting principles, 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 IV.A.

State statutes authorize the government to invest in the West Virginia Board of Treasury Investments or the West Virginia Municipal Bond Commission 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 the 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.

Municipal Pension Funds are governed as to type of investments by West Virginia Code §8-22-22. Pension funds are permitted to invest in all of the above mentioned types of investments with the exceptions of: (1) Direct and general obligations of the State and (2) Pooled mortgage trusts. Additionally, pension funds are permitted to invest funds in the following categories of investments: (1) Repurchase agreements and (2) Common stock, securities convertible into common stocks, or warrants and rights to purchase such securities. Pension funds have different rules concerning the purchase of marketable debt securities.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

The following restrictions apply only to pension portfolios and are separate and distinct from the limitations mentioned above: (1) fixed income securities which are issued by one issuer (with the exception of the United States government) are not to exceed ten percent of the total pension fund assets; and (2) at no time can the equity portion of the portfolio exceed sixty percent of the total portfolio.

2. Receivables and Payables

Inter-fund Transactions

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

Trade Receivables

All trade receivables are shown at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Property Tax Receivable

The property tax receivable is equal to 75 percent of the property taxes outstanding at June 30, 2013.

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 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

The rates levied by the City per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2013, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>	<u>Bond Purposes</u>
Class I	\$ -	8.06 cents	5.03 cents	0.00 cents
Class II	\$ 1,264,921,102	16.12 cents	10.06 cents	0.00 cents
Class IV	\$ 1,822,693,080	32.24 cents	20.12 cents	0.00 cents

The City of Charleston, West Virginia held a special election on March 8, 2011. The City was authorized to lay an excess levy to provide approximately \$4,616,199 annually for four fiscal years which began fiscal year ended June 30, 2012, through June 30, 2015, 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. 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 estimated fair market 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:

CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2013

Assets	Years
Buildings and improvements	40
Structures and improvements	40
Infrastructure	40-50
Machinery and equipment	05-10
Vehicles	03-05
Furniture	05

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. All compensated absences are classified as current in the financial statements at June 30, 2013 since all accruals will be paid for employee vacation usage within the subsequent fiscal year. Vacation is accrued on a calendar year basis on January 1 and earned as the employee provides services throughout the year. At calendar year-end only ten days of remaining vacation can be carried forward to the next calendar year in accordance with the government's policy as approved by the government's council. Vacation is used on a first accrued basis. Consequently, at June 30th of any fiscal year any accrued compensated absences will be used within the subsequent fiscal year. 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 \$1,729,978 in non-spendable fund balance at fiscal year end.
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CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 \$5,489,200 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 council or under its authority. The approval does not automatically lapse at the end of the fiscal year. The government has \$13,174,925 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 \$3,833,402 of assigned fund balance at fiscal year end.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance. The government has \$20,028,109 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 council or under its authority. The Council would take formal action by resolution approved by majority vote to establish, modify or rescind a fund balance commitment. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the Municipality.

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

8. Stabilization Arrangements

The government has created a stabilization arrangement in accordance with West Virginia Code § 7-21-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for the purpose covering a general fund shortfall or other purpose the municipality considers appropriate. The stabilization balance at fiscal year-end was \$4,650,773.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation of fund balance total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$121,582,271 difference are as follows:

Bonds payable:		\$ (2,790,000)
Less: bond discount (to be amortized as interest expense)		74,710
Accrued interest payable		(79,701)
Capital leases payable		(10,147,127)
Claims and judgments		(4,282,224)
Compensated absences		(1,352,229)
Net OPEB obligation		(10,598,145)
Net pension obligation		<u>(92,407,555)</u>
Net adjustment to decrease fund balance- total governmental funds to arrive at net position-governmental activities		<u>\$ (121,582,271)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlays exceeded depreciation expense for the current period." The details of the \$660,261 difference are as follows:

Capital outlays		\$ 7,846,165
Depreciation expense		<u>(7,185,904)</u>
Net adjustment to increase net change in fund balance-total governmental funds to arrive at changes in net position of governmental activities		<u>\$ 660,261</u>

Another element of that reconciliation states that, "The issuance of any long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2013

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, other than issuance costs, are deferred and amortized in the statement of activities." The details of this \$995,008 difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ (2,264,500)
Principal repayments:	
Revenue bonds and capital leases	3,258,672
Amortization of deferred outflows	(11,440)
Decrease of accrued interest expense	<u>12,276</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 995,008</u>

Another element of that reconciliation states that, "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." The details of this \$6,453,690 difference are as follows:

Compensated absences	\$ 13,364
Claims and judgments	556,864
Net OPEB Obligation	(1,805,414)
Net pension obligation	<u>(5,218,504)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (6,453,690)</u>

Another element of reconciliation is the difference of \$33,785 in the amount of transfers between the fund level and the government-wide level. This difference is due to transfers that consisted of nonfinancial resources (capital assets) transferred from governmental funds to a proprietary fund. The governmental funds did not record the transfer because only financial resources are accounted for in a governmental fund; however, the proprietary fund recorded the transaction not as a transfer but as capital contribution revenue in the lower portion of its operating statement. Even though the transfers are not presented in the governmental funds it must be presented as transfers in the governmental activities column in the statement of activities. Consequently, the amount of transfers from the fund level to the government-wide level increased in the amount of \$33,785.

CITY OF CHARLESTON, WEST VIRGINIA
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III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The government is required to legally adopt an annual budget for its General Fund and Coal Severance Tax Fund, a major special revenue fund. However, there is no such requirement for the Community Development Block Grant and HOME funds, major special revenue funds. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Fund, except as noted. All annual appropriations lapse at fiscal year end.

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

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

Amount	Description
\$ 3,876,995	General Government Expenditure Increase
\$ 2,612,991	Public Safety Expenditure Increase
\$ 1,180,949	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 generally accepted accounting principles 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 IV.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	\$ (172,580)	\$ 6,203,896
Basis of Accounting Difference	756,520	28,610,778
GAAP Basis	\$ 583,940	\$ 34,814,674

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Intergovernmental revenues - state and public safety expenditures both decreased by \$3,387,287 per budget basis for the pension allocation from the State of West Virginia.

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

B. Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances are listed below for major funds and nonmajor funds in the aggregate.

Professional Services	\$	1,046,109
Court Costs & Damages		944,734
Contributions To Other Entities		363,868
Storm Water Project		1,229,977
Comprehensive Plan		22,871
GIS County Parcel Project		94,786
Capital Outlays		<u>130,557</u>
	\$	<u>3,832,902</u>

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had the following investments:

Primary Government	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
West Virginia Municipal Bond Commission	\$ 1,890,267	Not Rated	Not Rated
WVBTI Short Term Bond Pool	1,032,802	Not Rated	Not Rated
Repurchase Agreements-FNMA	1,931,019	Not Rated	Not Rated
U.S. Government Agency Securities	<u>96,242</u>	Not Rated	Not Rated
	4,950,330		
Corporate Bonds-National Rural Utilities Bond	50,309	A	Not Rated
Corporate Bonds-Barclays	52,422	A+	Not Rated
Corporate Bonds-Cisco Systems	27,916	A+	Not Rated
Corporate Bonds-General Electric	<u>84,686</u>	AA+	Not Rated
Total Rated Securities	215,333		
Total Unrated Securities	<u>1,513,922</u>		
Total Primary Government	<u>\$ 6,679,585</u>		

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	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Policemen's Pension and Relief			
U.S. Government Agency Securities	\$ 2,210,403	AA+	AAA
Corporate Bonds-Bank of Nova Scotia	41,594	A+	AA2
Corporate Bonds-PNC Funding	41,730	A-	A3
Corporate Bonds-Wells Fargo Co.	41,995	A+	A2
Corporate Bonds-AT&T Inc.	46,370	A-	A3
Corporate Bonds-Hewlett-Packard Co.	45,544	BBB+	BAA1
Corporate Bonds-American Express Co.	41,490	A-	A2
Corporate Bonds-Fifth Third Bankcorp	47,505	BBB	BAA1
Corporate Bonds-Kraft Foods Inc.	48,103	BBB-	BAA2
Corporate Bonds-Directv Hldg/Fin Inc.	47,273	BBB	BAA2
Corporate Bonds-BB&T Corporation	47,166	A-	A2
Corporate Bonds-Capital One Financial Co.	62,318	BBB	BAA1
Corporate Bonds-BP Capital Markets PLC	46,082	A	A2
Corporate Bonds-Time Warner Inc.	51,368	BBB	BAA2
Corporate Bonds-US Bancorp	51,288	A+	A1
Corporate Bonds-Federated Retail Holding	22,719	BBB	BAA3
Corporate Bonds-Vale Overseas Limited	39,107	A-	BAA2
Corporate Bonds-Kinder Morgan Energy Partners	61,944	BBB	BAA2
Corporate Bonds-Duke Energy Corp.	58,898	BBB	BAA2
Corporate Bonds-Merrill Lynch & Co.	67,750	A-	BAA2
Corporate Bonds-Suntrust Banks	63,074	BBB	BAA1
Corporate Bonds-Simon Property Group Inc.	25,082	A	A3
Corporate Bonds-Exelon Generation Co.	62,875	BBB	BAA2
Corporate Bonds-Oneok Partners LP	59,006	BBB	BAA2
Corporate Bonds-Prudential Financial Inc.	63,158	A	BAA2
Corporate Bonds-Bear Stearns Co. Inc.	59,537	A	A2
Corporate Bonds-Petrobras Intl Fin Co.	37,793	BBB	A3
Corporate Bonds-Healthcare Reit Inc.	58,910	BBB	BAA2
Corporate Bonds-Yum! Brands Inc.	57,824	BBB	BAA3
Corporate Bonds-Goldman Sachs Group Inc.	56,342	A-	A3
Corporate Bonds-Metlife Inc.	60,565	A-	A3
Corporate Bonds-Boston Properties LP	57,767	A-	BAA2
Corporate Bonds-General Mills Inc.	46,466	BBB+	A3
Corporate Bonds-CBS Corp.	57,993	BBB	BAA2
Corporate Bonds-TD Ameritrade Hldg. Corp.	58,123	A	A3
Corporate Bonds-Blackrock Inc.	62,383	A+	A1
Corporate Bonds-General Electric Cap Corp.	52,931	AA+	A1
Corporate Bonds-Verizon Wireless	54,411	A-	A2
Corporate Bonds-Caterpillar Finl.	55,911	A	A2
Corporate Bonds-Safeway Inc.	56,944	BBB	BAA3
Corporate Bonds-Anheuser-Busch Inbev Wor	56,986	A	A3
Corporate Bonds-Conagra Foods Inc.	55,377	BBB-	BAA2
Corporate Bonds-Southern Company	60,878	A-	BAA1
Corporate Bonds-Directv Holdings LLC/Directv Financing Co. Inc.	56,270	BBB	BAA2
Corporate Bonds-Time Warner Cable Inc.	63,905	BBB	BAA2
Corporate Bonds-CVS Caremark Corp	53,994	BBB+	BAA2
Corporate Bonds-Wachovia Corp	64,701	A+	A2
Corporate Bonds-Rio Tinto Fin USA PLC	47,078	A-	A3
Corporate Bonds-Shell International Fin.	53,802	AA	AA1

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	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Policemen's Pension and Relief			
Corporate Bonds-Bear Stearns Co. Inc.	54,212	A	A2
Corporate Bonds-Bank of Nova Scotia	51,455	A+	AA2
Corporate Bonds-Bank of America Corp.	57,148	A-	BAA2
Corporate Bonds-Metlife Inc.	65,316	A-	A3
Corporate Bonds-General Electric Cap Corp.	58,224	AA+	A1
Corporate Bonds-HCP Inc.	62,915	BBB+	BAA1
Corporate Bonds-Simon Property Group Inc.	58,530	A	A3
Corporate Bonds-Toyota Motor Credit Corp.	54,603	AA-	AA3
Corporate Bonds-Goldman Sachs Group Inc.	57,357	A-	A3
Corporate Bonds-Noble Holding International Limited	53,281	BBB+	BAA2
Corporate Bonds-Oneok Partners LP	50,563	BBB	BAA2
Corporate Bonds-Apple Inc.	53,793	AA+	AA1
Total Rated Securities	5,418,130		
Total Unrated Securities	6,578,640		
Total Policemen's Pension and Relief	\$ 11,996,770		
Firemen's Pension and Relief			
U.S. Government Agency Securities-Goldman Sachs Grp Inc Mtn Be.	\$ 302,039	A-	A3
U.S. Government Agency Securities-Bank America Corp Fr	98,615	A-	BAA2
U.S. Government Agency Securities-Federal National Mortgage Assn Note	496,255	AA+	Aaa
U.S. Government Agency Securities-Federal Home Loan Banks	2,161,690	AA+	Aaa
U.S. Government Agency Securities-Federal National Mortgage Assn	84,000	A	Not Rated
U.S. Government Agency Securities-Barclays Bank Plc Mtn	97,097	A+	A2
U.S. Government Agency Securities-JP Morgan Chase	192,334	A	A2
Certificate of Deposit-Godman Sachs Bank USA NY	98,983	Not Rated	Not Rated
Certificate of Deposit-Wells Fargo Bank N A CA	101,561	Not Rated	Not Rated
Total Rated Securities	3,632,574		
Total Unrated Securities	6,771,735		
Total Firemen's Pension and Relief	\$ 10,404,309		

The City's investment in the West Virginia Board of Treasury Investments includes funds held at the West Virginia Municipal Bond Commission (Commission) for the Parking System and Civic Center revenue bond issuances. The West Virginia Legislature created this Commission to act as the fiscal agent/trustee for the bond issuances of the State and its political subdivisions. The oversight of the Commission is the State Treasurer's Office, the State Auditor's Office, and other financial professionals not associated with government. Since 1932, the Legislature has made a blanket appropriation annually to cover possible deficiencies that could arise in State and general obligation sinking fund accounts. Standard & Poor has recognized this annual Legislative appropriation and the Commission's management as a Credit Enhancement Program, and has awarded all West Virginia general obligations administered by the Commission a minimum rating of AA-. The City's fair value position in the pool is the same as the value of the pool shares.

The City has invested in The West Virginia Short Term Bond Pool which was created to invest restricted moneys of the State which have a longer term investment horizon. The goal of the Pool is to earn an incremental return over the West Virginia Money Market Pool with an objective of Asset growth rather than current income. The Pool is structured as a mutual fund and is limited to monthly withdrawals and deposits by Participants. The risk factor on this Pool is higher than the West Virginia Money Market Pool.

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Net investment income and realized gains and losses are declared as dividends on the last day of the month and distributed to the Participants in the Pool on the first day of the following month. Gains and losses (realized and unrealized) are reflected in the net asset value calculated each month. The City's equity in the West Virginia Short Term Bond Pool at June 30, 2013 was \$1,032,802.

Credit Risk

It's the government's policy to limit its investments as stated in the West Virginia State 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, 2013, 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.

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Primary Government:					
West Virginia Municipal Bond Commission	\$ 1,890,267	\$ 1,890,267	\$ -	\$ -	\$ -
WVBTI Short Term Bond Pool	1,032,802	1,032,802	-	-	-
Repurchase Agreements	1,931,019	1,931,019	-	-	-
U.S. Government Agency Securities	96,242	-	-	96,242	-
Corporate Bonds-National Rural Utilities	50,309	-	50,309	-	-
Corporate Bonds-Barclays	52,422	-	52,422	-	-
Corporate Bonds-Cisco Systems	27,916	-	27,916	-	-
Corporate Bonds-General Electric	84,686	-	84,686	-	-
Total	<u>\$ 5,165,663</u>	<u>\$ 4,854,088</u>	<u>\$ 215,333</u>	<u>\$ 96,242</u>	<u>\$ -</u>

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Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Policemen's Pension and Relief:					
US Government Agency Securities	\$ 2,210,403	\$ -	\$ 1,780,366	\$ 430,037	\$ -
Corporate Bonds-Bank of Nova Scotia	93,049	-	93,049	-	-
Corporate Bonds-PNC Funding	41,730	-	41,730	-	-
Corporate Bonds-Wells Fargo & Company	41,995	-	41,995	-	-
Corporate Bonds-AT&T Inc.	46,370	-	46,370	-	-
Corporate Bonds-Hewlett-Packard Co.	45,544	-	45,544	-	-
Corporate Bonds-American Express Co.	41,490	-	41,490	-	-
Corporate Bonds-Fifth Third Bankcorp	47,505	-	47,505	-	-
Corporate Bonds-Kraft Foods Inc.	48,103	-	48,103	-	-
Corporate Bonds-Directv Hldg./Fin Inc.	103,543	-	103,543	-	-
Corporate Bonds-BB&T Corporation	47,166	-	47,166	-	-
Corporate Bonds-Capital One Financial Co.	62,318	-	62,318	-	-
Corporate Bonds-BP Capital Markets PLC	46,082	-	46,082	-	-
Corporate Bonds-Time Warner Inc.	115,273	-	115,273	-	-
Corporate Bonds-US Bancorp	51,288	-	51,288	-	-
Corporate Bonds-Federated Retail Holding	22,719	-	22,719	-	-
Corporate Bonds-Vale Overseas Limited	39,107	-	39,107	-	-
Corporate Bonds-Kinder Morgan Energy Partners	61,944	-	61,944	-	-
Corporate Bonds-Duke Energy	58,898	-	58,898	-	-
Corporate Bonds-Merrill Lynch & Co.	67,750	-	67,750	-	-
Corporate Bonds-Suntrust Banks	63,074	-	63,074	-	-
Corporate Bonds-Simon Property Group Inc.	83,613	-	25,083	58,530	-
Corporate Bonds-Exelon Generation Co.	62,875	-	62,875	-	-
Corporate Bonds-Oneok Partners LP	109,569	-	59,006	50,563	-
Corporate Bonds-Prudential Financial Inc.	63,158	-	63,158	-	-
Corporate Bonds-Bear Stearns Co. Inc.	113,749	-	113,749	-	-
Corporate Bonds-Petrobras Intl Fin Co.	37,793	-	37,793	-	-
Corporate Bonds-Healthcare Reit Inc.	58,910	-	58,910	-	-
Corporate Bonds-Yum! Brands Inc.	57,824	-	57,824	-	-
Corporate Bonds-Goldman Sachs Group Inc.	113,698	-	56,342	57,356	-
Corporate Bonds-Metlife Inc.	125,882	-	-	125,882	-
Corporate Bonds-Boston Properties LP	57,766	-	-	57,766	-
Corporate Bonds-General Mills Inc.	46,466	-	-	46,466	-
Corporate Bonds-CBS Corp	57,993	-	-	57,993	-
Corporate Bonds-TD Ameritrade Hldg. Corp.	58,123	-	-	58,123	-
Corporate Bonds-Blackrock Inc.	62,383	-	-	62,383	-
Corporate Bonds-General Elec Cap Corp	111,155	-	-	111,155	-
Corporate Bonds-Verizon Wireless	54,411	54,411	-	-	-
Corporate Bonds-Caterpillar Finl.	55,911	55,911	-	-	-
Corporate Bonds-Safeway	56,944	56,944	-	-	-
Corporate Bonds-Anheuser-Busch Inbev Wor	56,986	-	56,986	-	-
Corporate Bonds-Conagra Foods Inc.	55,377	-	55,377	-	-
Corporate Bonds-Southern Company	60,878	-	60,878	-	-
Corporate Bonds-CVS Caremark	53,994	-	53,994	-	-
Corporate Bonds-Wachovia Corp	64,701	-	64,701	-	-
Corporate Bonds-Rit Tinto Fin USA PLC	47,078	-	47,078	-	-
Corporate Bonds-Shell International Fin	53,802	-	53,802	-	-

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Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Corporate Bonds-Bank of America Corp	57,148	-	57,148	-	-
Corporate Bonds-HCP Inc.	62,915	-	-	62,915	-
Corporate Bonds-Toyota Motor Credit Corp.	54,603	-	-	54,603	-
Corporate Bonds-Noble Holding International Limited	53,281	-	-	53,281	-
Corporate Bonds-Apple Inc.	53,793	-	-	53,793	-
Total	<u>\$ 5,418,130</u>	<u>\$ 167,266</u>	<u>\$ 3,910,018</u>	<u>\$ 1,340,846</u>	<u>\$ -</u>
Firemen's Pension & Relief:					
U.S. Government Agency Securities-Goldman Sachs	\$ 302,039	\$ -	\$ 105,831	\$ 196,208	\$ -
U.S. Government Agency Securities-Fed Nat Mtg Assoc	580,255	-	496,255	84,000	-
U.S. Government Agency Securities-Bank America Corp.	98,615	-	98,615	-	-
U.S. Government Agency Securities-Federal Home Loan	2,161,690	-	488,785	1,672,905	-
U.S. Government Agency Securities-Barclays Bank	97,097	-	-	-	97,097
U.S. Government Agency Securities-JP Morgan Chase	192,334	-	-	-	192,334
Certificate of Deposit-Goldman Sachs Bk USA NY	98,983	-	98,983	-	-
Certificate of Deposit-Wells Fargo Bk N A CA	101,561	-	-	-	101,561
Total	<u>\$ 3,632,574</u>	<u>\$ -</u>	<u>\$ 1,288,469</u>	<u>\$ 1,953,113</u>	<u>\$ 390,992</u>
Totals for interest rate risk	<u>\$ 14,216,367</u>	<u>\$ 5,021,354</u>	<u>\$ 5,413,820</u>	<u>\$ 3,390,201</u>	<u>\$ 390,992</u>

Concentration of Credit Risk

The government has adopted the provisions contained in West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a as its investment policy which does not allow for an investment in any one issuer that is in excess of nine percent of the government's total investment or ten percent of the pension fund total investment. Other limitations on investments are more fully described in Note I.D.I. The government does not have a policy for concentration of credit risk in addition to governing West Virginia statutes.

Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. The Firemen's Pension Fund had two mutual fund investments in ISHARES TR Russell 2000 Value Index Fund and ISHARES RUSSELL MIDCAP Value Index that were six percent and six percent, respectively, of the total portfolio; and Spring Hill Cemetery had five mutual fund investments in Riverpark/Wedgewood Large Cap, Vanguard High Yield Dividend, Doubleline Total Return Bond, Federated Strategic Income Fund, and Harbor International Fund that were 6 percent, 6 percent, 18 percent, 18 percent, and 5 percent, respectively, of the total portfolio at June 30, 2013.

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, 2013.

CITY OF CHARLESTON, WEST VIRGINIA
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B. Receivables

	<u>General</u>	<u>Coal Severance</u>	<u>Community Development</u>	<u>HOME</u>
Receivables:				
Accounts	\$ 4,602,601	\$ -	\$ -	\$ -
Accrued interest	9,885	-	-	-
Taxes	13,431,752	59,693	-	-
Loans	-	-	2,223,450	4,286,775
Grants	<u>263,447</u>	<u>-</u>	<u>309,226</u>	<u>11,272</u>
Gross receivables	18,307,685	59,693	2,532,676	4,298,047
Less: allowance for uncollectible	<u>(1,249,186)</u>	<u>-</u>	<u>(555,863)</u>	<u>-</u>
Net total receivables	<u>\$ 17,058,499</u>	<u>\$ 59,693</u>	<u>\$ 1,976,813</u>	<u>\$ 4,298,047</u>
	<u>Civic Center</u>	<u>Parking System</u>	<u>Nonmajor Funds and Fiduciary Funds</u>	<u>Total</u>
Receivables:				
Accounts	\$ 167,684	\$ 195,193	\$ 3,571,920	\$ 8,537,398
Accrued interest	-	-	2,010	11,895
Taxes	-	-	-	13,491,445
Loans	-	-	312,065	6,822,290
Grants	<u>-</u>	<u>-</u>	<u>564,534</u>	<u>1,148,479</u>
Gross receivables	167,684	195,193	4,450,529	30,011,507
Less: allowance for uncollectible	<u>-</u>	<u>(16,000)</u>	<u>(3,162,968)</u>	<u>(4,984,017)</u>
Net total receivables	<u>\$ 167,684</u>	<u>\$ 179,193</u>	<u>\$ 1,287,561</u>	<u>\$ 25,027,490</u>

Governmental funds report unavailable revenue as deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report advance payments in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in the governmental funds were as follows:

	<u>Deferred Inflows</u>	<u>Unearned</u>
Property Taxes	\$ 571,126	\$ -
Prepaid License Fees and Cemetery Fees (general fund)	-	60,771
Grant draw downs prior to meeting all eligibility requirements	<u>-</u>	<u>6,030,073</u>
Total	<u>\$ 571,126</u>	<u>\$ 6,090,844</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Primary Government			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,872,359	\$ 66,000	\$ -	\$ 8,938,359
Construction in progress	<u>1,214,325</u>	<u>3,757,397</u>	<u>(3,542,377)</u>	<u>1,429,345</u>
Total capital assets not being depreciated	<u>10,086,684</u>	<u>3,823,397</u>	<u>(3,542,377)</u>	<u>10,367,704</u>
Capital assets being depreciated:				
Buildings and improvements	48,132,578	1,607,091	(803)	49,738,866
Structures and improvements	19,548,398	789,085	-	20,337,483
Machinery and equipment	16,039,357	1,553,525	(913,786)	16,679,096
Vehicles	18,487,756	1,791,506	(1,325,849)	18,953,413
Furniture	375,270	-	(5,695)	369,575
Infrastructure	<u>89,818,108</u>	<u>1,823,937</u>	<u>-</u>	<u>91,642,045</u>
Total capital assets being depreciated	<u>192,401,467</u>	<u>7,565,144</u>	<u>(2,246,133)</u>	<u>197,720,478</u>
Less accumulated depreciation:				
Buildings and improvements	(19,561,999)	(1,175,252)	803	(20,736,448)
Structures and improvements	(8,574,053)	(697,836)	-	(9,271,889)
Machinery and equipment	(12,558,923)	(1,285,987)	907,036	(12,937,874)
Vehicles	(13,136,152)	(1,982,955)	1,302,953	(13,816,154)
Furniture	(334,279)	(18,233)	5,695	(346,817)
Infrastructure	<u>(53,973,106)</u>	<u>(2,025,641)</u>	<u>-</u>	<u>(55,998,747)</u>
Total accumulated depreciation	<u>(108,138,512)</u>	<u>(7,185,904)</u>	<u>2,216,487</u>	<u>(113,107,929)</u>
Total capital assets being depreciated, net	<u>84,262,955</u>	<u>379,240</u>	<u>(29,646)</u>	<u>84,612,549</u>
Governmental activities capital assets, net	<u>\$ 94,349,639</u>	<u>\$ 4,202,637</u>	<u>\$ (3,572,023)</u>	<u>\$ 94,980,253</u>

CITY OF CHARLESTON, WEST VIRGINIA
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,366,447	\$ -	\$ -	\$ 4,366,447
Construction in progress	<u>707,216</u>	<u>1,012,576</u>	<u>(1,719,792)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>5,073,663</u>	<u>1,012,576</u>	<u>(1,719,792)</u>	<u>4,366,447</u>
Capital assets being depreciated:				
Buildings and improvements	65,087,980	1,735,081	-	66,823,061
Structures and improvement	783,577	-	-	783,577
Machinery and equipment	2,039,475	37,246	(8,967)	2,067,754
Vehicles	<u>170,063</u>	<u>16,348</u>	<u>-</u>	<u>186,411</u>
Total capital assets being depreciated	<u>68,081,095</u>	<u>1,788,675</u>	<u>(8,967)</u>	<u>69,860,803</u>
Less accumulated depreciation:				
Buildings and improvements	(49,023,056)	(1,428,991)	-	(50,452,047)
Structures and improvements	(393,350)	(26,513)	-	(419,863)
Machinery and equipment	(1,656,953)	(147,129)	8,967	(1,795,115)
Vehicles	<u>(153,564)</u>	<u>(10,799)</u>	<u>-</u>	<u>(164,363)</u>
Total accumulated depreciation	<u>(51,226,923)</u>	<u>(1,613,432)</u>	<u>8,967</u>	<u>(52,831,388)</u>
Total capital assets being depreciated, net	<u>16,854,172</u>	<u>175,243</u>	<u>-</u>	<u>17,029,415</u>
Business-type activities capital assets, net	<u>\$ 21,927,835</u>	<u>\$ 1,187,819</u>	<u>\$ (1,719,792)</u>	<u>\$ 21,395,862</u>

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

Governmental activities:	
General government	\$ 2,693,669
Public safety	2,007,511
Highways and streets, including depreciation of general infrastructure assets	790,757
Health and sanitation	594,449
Culture and recreation	1,047,935
Social services	<u>51,583</u>
Total depreciation expense-governmental activities	<u>\$ 7,185,904</u>
Business-type activities:	
Civic Center	\$ 961,505
Parking System	<u>651,928</u>
Total depreciation expense-business-type activities	<u>\$ 1,613,433</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Construction in Progress

The government has active construction projects as of June 30, 2013. The projects include street, retaining walls, and bridge repairs, City Hall renovations and additions, recreation facilities renovations and green space. At year end, the amounts for governmental activities spent-to-date are as follows:

Project	Spent-to-Date	Funded
Pierce Pumper Mounted Fire Truck	\$ 496,916	General Fund
Storm Water Project	511,253	General Fund
Morris Building Remodel Wellness Center	9,410	General Fund
City Hall Renovations & Additions	10,201	General Fund
Farnsworth Drive Bridge Rehabilitation Project	42,318	General Fund
East End Community Park Project Phase 1	200,000	General Fund
Court Street Pump Station	159,247	General Fund
Total	<u>\$ 1,429,345</u>	

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund	Purpose	Amount
General	Civic Center	Reimbursements Insurance/Fuel	\$ 21,712
	Parking System	Reimbursement Insurance/Fuel	25,014
	CDBG	Reimbursement Salary, Utilities &	89,310
	HOME	Reimbursement Salary & Utilities	18,081
			-
	Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	481,556
			-
Parking System	General Fund	Reimbursement	387
Nonmajor Governmental Funds	Nonmajor Governmental Fund	Transfers	1,313
Nonmajor Governmental Funds	General Fund	Loans	91,244
	Total		<u>\$ 728,617</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Interfund transfers:

	Transfers In				Total Transfers Out
	General Fund	Nonmajor Governmental	Civic Center	Parking System	
Transfers out:					
General fund	\$ -	\$ 3,180,777	\$ 1,137,995	\$ 19,816	\$ 4,338,588
Coal severance tax	-	-	235,464	-	235,464
Nonmajor govern- mental funds	3,250,967	587,595	30,729	-	3,869,291
Civic Center	-	93,301	-	-	93,301
Total Transfers In	<u>\$ 3,250,967</u>	<u>\$ 3,861,673</u>	<u>\$ 1,404,188</u>	<u>\$ 19,816</u>	<u>\$ 8,536,644</u>

Interfund transfers provide appropriations to subsidize the funds to support the programs and activities of the government.

E. Leases

Capital Leases

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

On November 1, 2004, the City of Charleston entered into a Contract of Lease-Purchase with the West Virginia Economic Development Authority in the amount of \$8,000,000 with an average interest rate of 5.29 percent to be used to acquire, construct, renovate, equip and complete a baseball stadium complex, including renovations of an existing building for leasing to prospective tenants.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Civic Center	Parking System
Appalachian Power Park	\$ 21,438,651	\$ -	\$ -
Machinery, equipment and vehicles	13,372,944	28,677	196,998
Less: accumulated depreciation	<u>(16,646,355)</u>	<u>(28,677)</u>	<u>(196,998)</u>
Total	<u>\$ 18,165,240</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CHARLESTON, WEST VIRGINIA
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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30	Governmental Activities
2014	\$ 2,750,326
2015	2,120,324
2016	1,541,276
2017	1,258,037
2018	892,054
2019-2023	2,637,648
2024-2025	956,730
Total minimum lease payments	12,156,395
Less: amount representing interest	(2,009,268)
Present value of minimum lease payments	\$ 10,147,127

F. Long Term Operating Leases

The City is the owner of a ball park stadium and has entered into a stadium license, lease, and service agreement with a class Single "A" baseball club. The lease is for a period of twenty years. This parcel of land known as the "Morris Square Block" also contains an office building which the City leases under operating leases with commercial tenants with various renewable terms. The ball park and Morris Square office building are recorded at a cost of \$21,438,651 plus land and renovations at a cost of \$7,411,807 for a total of \$28,850,458 with accumulated depreciation of \$4,623,742 at June 30, 2013. Rents totaled \$816,601 for the fiscal year 2013. The rents are generally based upon square footage and are payable in monthly, quarterly, or annual installments in accordance with the respective lease agreements.

Minimum future rentals to be received on non-cancelable leases have remaining terms in excess of one year as of June 30, 2013 for each of the next five years and thereafter and in the aggregate are as follows:

June 30,	Amount
2014	\$ 682,963
2015	632,963
2016	531,254
2017	531,254
2018	531,254
2019-2023	1,849,470
2024-2028	974,470
Total	\$ 5,733,628

CITY OF CHARLESTON, WEST VIRGINIA
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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, 2013 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, 2013:

Governmental Activities:

The Charleston Building Commission, a blended component unit of the City, issued the Public Safety Center Refunding Lease-Revenue Bonds Series 2009 in the amount of \$1,180,000 to current refund the 1999 Series which was used to acquire, construct, and equip a new public safety center. The bonds are secured by a first lien on the rental payments to be paid to the Commission pursuant to the Contract of Lease - Purchase between the Commission and the City. The irrevocable pledge of lease payments are required to be in sufficient amount to pay principal in the amount of \$945,000 and interest in the amount of \$256,060 on the bonds when due until bond maturity in 2024. During the fiscal year 2013 lease payments in the principal amount of \$70,000 and interest in the amount of \$41,255 were used to pay the debt service on these bonds.

The Charleston Building Commission, a blended component unit of the City, issued the Charleston Building Commission Lease-Revenue Refunding Bonds (Center for Arts and Sciences of West Virginia Project), Series 2010 in the amount of \$2,280,000 to current refund the 1999 Series which was used to acquire and equip the Center. These bonds are a limited special obligation of the Commission payable solely from the revenues and receipts derived from leasing the equipment. The irrevocable pledge of lease payments are required to be in sufficient amount to pay principal in the amount of \$1,845,000 and interest in the amount of \$484,257 on the bonds when due until bond maturity in 2024. During the fiscal year 2013 lease payments in the principal amount of \$130,000 and interest in the amount of \$77,761 were used to pay the debt service on the bonds.

The Building Commission, a blended component unit of the City, issued \$1,300,000 of the City of Charleston Building Commission (West Virginia), Facilities Revenue Bonds, Series 2002 (City of Charleston Fire Station) to construct and equip a new fire station on certain real property adjoining the Orchard Manor housing complex. The bonds were secured by the fire station and were paid off during the fiscal year 2013. During the fiscal year 2013 lease payments in the principal amount of \$153,081 and interest in the amount of \$4,473 were used to pay the debt service on these bonds.

Revenue Bonds – Business-type Activities

The City of Charleston Parking System issued \$11,365,000 in revenue bonds to current-refund \$11,950,000 of 1993, 1994 A&B, and 1995 A Series Bonds. The bonds were refunded, defeased, paid and discharged in accordance with the bond ordinance and the liability removed from the Parking System Statement of Net Assets. The 2005 A and B Refunding bonds are secured solely by the net revenues of the Parking System as described in the ordinance-gross revenues less operating expense. Remaining revenue pledged is equal to the outstanding principal amount of \$3,475,000 and interest in the amount of \$303,920 until bond maturity in 2016. During the fiscal year 2013, Parking

CITY OF CHARLESTON, WEST VIRGINIA
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System net revenues in the principal amount of \$925,000 and interest in the amount of \$192,800 were used to pay the debt service which was 30% of net revenues.

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 \$2,125,000 and interest in the amount of \$703,800 until bond maturity in 2023. During the fiscal year 2013 these pledged revenues in the principal amount of \$140,000 and interest amount of \$115,515 were used to pay the debt service on these bonds which is 7% of the specified revenues.

The Civic Center Refunding Improvement Bonds, Series 2009, in the amount of \$3,275,000 were issued to current refund the Series 1999 which were issued to construct additions, betterments, and improvements to the Civic Center secured by pledged revenues from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the principal amount of \$2,800,000 and interest amount of \$767,325 until bond maturity in 2024. During the fiscal year 2013 these pledged revenues were used to pay the principal amount of \$180,000 and interest amount of \$119,300 on these bonds which is 9% 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 \$1,115,000 and interest of \$304,170 until bond maturity in 2024. During the fiscal year 2013 lease payments in the principal amount of \$70,000 and interest amount of \$46,400 were used to pay the debt service on these bonds.

Revenue bonds outstanding, net of unamortized discounts of \$259,487 (Public Safety Center \$22,280; Center for the Arts & Sciences \$52,430; Parking System \$63,065 and Civic Center of \$121,712) at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2013
Governmental activities:					
Public Safety Center Refunding Series 2009	2024	3.00-4.40%	\$ 1,180,000	\$ 257,280	\$ 922,720
Center for the Arts & Sciences Refunding Series 2010	2024	3.10-4.375%	2,280,000	487,430	1,792,570
Fire Station Series 2002B	2013	3.81%	1,300,000	1,300,000	-
Total governmental activities			<u>\$ 4,760,000</u>	<u>\$ 2,044,710</u>	<u>\$ 2,715,290</u>
Business-type activities:					
Parking System Refunding Series 2005A	2016	2.50-4.50%	\$ 8,710,000	\$ 5,298,065	\$ 3,411,935
Parking System Refunding Series 2005B	2013	3.00-4.40%	2,655,000	2,655,000	-
Civic Center Improvement Series 1998	2023	4.60-5.10%	3,635,000	1,543,929	2,091,071
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	537,494	2,737,506
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	235,288	1,089,711
Total revenue bonds			<u>\$ 19,600,000</u>	<u>\$ 10,269,776</u>	<u>\$ 9,330,223</u>

CITY OF CHARLESTON, WEST VIRGINIA
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Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 203,159	\$ 112,536	\$ 1,551,139	\$ 415,885
2015	213,159	105,011	1,606,139	348,435
2016	218,158	97,130	1,501,872	277,445
2017	228,158	88,693	454,071	209,505
2018	233,158	79,874	479,071	188,580
2019-2023	1,320,792	243,703	2,715,356	591,890
2024	298,706	13,370	1,022,575	47,475
Totals	<u>\$ 2,715,290</u>	<u>\$ 740,317</u>	<u>\$ 9,330,223</u>	<u>\$ 2,079,215</u>

Changes in Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 3,144,927	\$ -	\$ (354,927)	\$ 2,790,000	\$ 216,842
Less deferred amounts:					
Bond discount-Restated	(81,552)	-	6,842	(74,710)	(6,842)
Total bonds payable	<u>3,063,375</u>	<u>-</u>	<u>(348,085)</u>	<u>2,715,290</u>	<u>210,000</u>
Capital leases	10,786,372	2,264,500	(2,903,745)	10,147,127	2,378,708
Net OPEB obligation	8,792,731	6,332,662	(4,527,248)	10,598,145	-
Net pension obligation	87,189,051	5,218,504	-	92,407,555	-
Claims and judgments	4,839,088	1,478,899	(2,035,763)	4,282,224	2,638,077
Compensated absences	<u>1,365,593</u>	<u>1,352,229</u>	<u>(1,365,593)</u>	<u>1,352,229</u>	<u>1,352,229</u>
Governmental activities					
Long-term liabilities	<u>\$ 116,036,210</u>	<u>\$ 16,646,794</u>	<u>\$ (11,180,434)</u>	<u>\$ 121,502,570</u>	<u>\$ 6,579,014</u>

CITY OF CHARLESTON, WEST VIRGINIA
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	Business-type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$ 10,830,000	\$ -	\$ (1,315,000)	\$ 9,515,000	\$ 1,585,000
Less: deferred amounts:					
Bond discount-Restated	(226,850)	-	42,074	(184,777)	(33,861)
Total bonds payable	<u>10,603,150</u>	<u>-</u>	<u>(1,272,926)</u>	<u>9,330,223</u>	<u>1,551,139</u>
Net OPEB obligation	250,070	214,487	(60,000)	404,557	-
Compensated absences	<u>85,116</u>	<u>90,161</u>	<u>(85,116)</u>	<u>90,161</u>	<u>90,161</u>
Business-type activities					
Long-term liabilities	<u>\$ 10,938,336</u>	<u>\$ 304,648</u>	<u>\$ (1,418,042)</u>	<u>\$ 9,824,941</u>	<u>\$ 1,641,300</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.

The City of Charleston, in accordance with Bill No. 7370 approved by Council on December 15, 2008, has issued its Multifamily Housing Revenue Bonds (Littlepage Terrace Apartment Project), Series 2008A, and Multi-Family Housing Revenue Bond (Washington Manor Apartment Project), Series 2008B in the aggregate amount of \$11,495,000, variable rate yield, final maturity April 1, 2048 for the express purpose of providing capital financing for a specific third party that is not a part of the City of Charleston financial reporting entity. This obligation bears the name of the City of Charleston, however, the City is not responsible for the payment of the original debt but rather the debt is secured only by the cash payments agreed to be paid by the nongovernmental entity under the terms of the mortgage.

These bonds are a portion of the Mixed-Finance Proposal submitted by Charleston Replacement Housing #3 (Project) on April 22, 2009 to the Department of Housing and Urban Development (HUD). The submission, together with supplemental document submissions, satisfied the requirements in 24 CFR 941, subparts F, and was approved by HUD. Charleston Replacement Housing #3 will construct 96 affordable housing units, including 51 public housing units and 45 project-based Section 8 units which shall be rented to income-eligible residents. One-hundred percent of the units will qualify for federal low-income housing tax credits as provided for in Section 42 of the IRS Code of 1986.

The development costs totaling approximately \$18,311,767 will be funded by several sources, one of which is the proceeds from the multifamily housing revenue bonds, of which a portion were purchased by Chase Bank (the "Series CB Bonds") and a portion were purchased by the Authority using the proceeds of a Fannie Mae Modernization

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Express Loan (the "Series FM Bonds") made available as a result of CFFP financing. The proceeds of the Series CB Bonds were used to make a construction loan of \$5,789,779, which, at conversion, will be reduced to a \$1,295,000 permanent loan (the "First Priority Loan"). Proceeds of the Series FM Bonds will be used by the Authority to make a loan in the amount of \$5,397,820 (the "Second Priority Loan") to the Partnership which will carry a 6.75% interest rate until conversion then a 1.25% interest rate during the forty year term.

At June 30, 2013 the Multifamily Housing Revenue Bonds Series 2008 FM and the Multifamily Housing Revenue Bonds Series 2008 CB had been paid off.

The City of Charleston, in accordance with Ordinance No. 7446 dated December 6, 2010, on June 30, 2011 issued \$8,000,000 in aggregate principal amount of its Multifamily Housing Revenue Bonds (Charleston Replacement #5 Project) 2011 Series A, to provide funds to acquire, construct and equip commercial projects in Kanawha County, WV, consisting of demolition of existing multifamily rental housing projects (Washington Manor Apartments), approving the loan of said bond proceeds, and other necessary actions in connection with the issuance and sale of such bonds. New buildings will be constructed consisting of forty-four one-bedroom units and thirty two-bedroom units on the former Washington Manor Apartments site. This obligation bears the name of the City of Charleston; however, the City is not responsible for the payment of the original debt but rather the debt is secured by payments to be paid by a nongovernmental entity. At June 30, 2013 the outstanding balance on these bonds was \$7,443,097.

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	\$ -	\$ 150,457
Cash - contractual agreement	1,554,658	-
Capital lease debt service	235,836	-
WV Board of Treasury Short Term Bond Pool-Investment	1,032,802	-
Endowment Fund-Investments	1,825,497	
Revenue bond operations and maintenance account	-	303,671
Revenue bond debt service account	7	577,350
Revenue bond reserve account	-	1,136,852
Total restricted assets and investments	\$ 4,648,800	\$ 2,168,330

CITY OF CHARLESTON, WEST VIRGINIA
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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	Nonmajor Funds	Total
Nonspendable:						
Prepays-Insurance	\$ 534,963	\$ --	\$ --	\$ --	\$ --	\$ 534,963
Perpetual Care Cemetery	--	--	--	--	1,195,015	1,195,015
Restricted:						
Police protection	--	--	--	--	184,379	184,379
Public trusts lands	--	--	--	--	47,171	47,171
Human Rights	--	--	--	--	15,657	15,657
Ball Park	--	--	--	--	32,381	32,381
Perpetual Care Cemetery	--	--	--	--	835,864	835,864
Equipment lease purchases	1,045,534	--	--	--	--	1,045,534
Debt service	235,836	59,725	--	--	7	295,568
Low-Income Housing Projects	--	-	151,392	--	118,500	269,892
Municipal Court	--	-	--	--	117,439	117,439
Public Arts	--	-	--	--	28,080	28,080
Recreational Trails & Facilities	--	-	--	--	19,783	19,783
Landfill Closure	--	--	--	--	2,597,452	2,597,452
Committed:						
Highway beautification	--	--	--	--	31,275	31,275
Police fines training	13,348	--	--	--	--	13,348
Police Protection	--	--	--	--	43,019	43,019
Low-Income Housing Projects	--	--	--	--	170,143	170,143
Sanitation	--	--	--	--	376,241	376,241
Bridges, highways & infrastructure	--	--	--	--	2,862,914	2,862,914
Civic Center capital improvements	--	--	--	--	203,450	203,450
Municipal Auditorium capital improvements	--	--	--	--	130,622	130,622
City facilities capital improvements	--	--	--	--	183,093	183,093
Structure demolition	--	--	--	--	24,593	24,593
Recreational soccer fields	--	--	--	--	12,745	12,745
OPEB	9,067,704	--	--	--	--	9,067,704
Community development-signage	55,778	--	--	--	--	55,778
Assigned:						
Professional government services	1,027,750	--	--	--	--	1,027,750
Mayor's contributions to other entities	363,868	--	--	--	--	363,868
Legal liability claims	944,734	--	--	--	--	944,734
Storm Water Project	1,229,977	--	--	--	--	1,229,977
Comprehensive Plan for the City	22,871	--	--	--	--	22,871
GIS County Parcel Project	94,786	--	--	--	--	94,786
Police & Fire equipment	50,557	--	--	--	--	50,557

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	<u>General Fund</u>	<u>Coal Severance</u>	<u>Community Development</u>	<u>HOME</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Never Again Campaign	18,859	--	--	--	--	18,859
Engineering equipment	80,000	--	--	--	--	80,000
Unassigned	<u>20,028,109</u>	--	--	--	--	<u>20,028,109</u>
Total fund balances	<u>\$ 34,814,674</u>	<u>\$ 59,725</u>	<u>\$ 151,392</u>	<u>\$ -</u>	<u>\$ 9,229,823</u>	<u>\$ 44,255,614</u>

J. Benefits Funded by the State of West Virginia

For the year ended June 30, 2013, the State of West Virginia contributed estimated payments on behalf of the government's public safety employees in accordance with West Virginia State Code §33-3-14d. These contributions are funded by State collections of insurance premium tax and are shown in the General Fund (Employer) Statement of Revenues, Expenditures, and Changes in Fund Balance as Intergovernmental-State revenues and as Public Safety Expenditures for the contribution to the Police and Fire Pension Funds in accordance with GAAP. The State contributions were deposited directly into the Policemen's and Firemen's Pension Funds as follows:

<u>Plan</u>	<u>Amount</u>
Policemen's Pension and Relief Fund	\$ 1,654,567
Firemen's Pension and Relief Fund	<u>1,732,720</u>
Total	<u>\$ 3,387,287</u>

K. Prior Period Adjustments

Beginning net position for the Civic Center Revenue Fund was restated at July 1, 2012 due to the implementation of GASB 65 which requires that debt issuance costs incurred to issue bonds, except for the portion related to prepaid insurance costs, be expensed in the period incurred. Unamortized issuance costs at July 1, 2012 in the amount of \$102,262 incurred with the issuance of bonds in the 1998 and 2009 fiscal years must be expensed in accordance with GASB 65. In addition, beginning net position was restated to report revenues on the accrual basis as required by GAAP in the amount of \$126,647. Due to the nature of the business, consistency of events, and timing of revenue receipts, revenues were reported on the cash basis. Net position was restated from the previously reported \$4,629,532 to \$4,653,917. The net effect of the restatement was an increase in the Civic Center net position in the amount of \$24,385.

Beginning net position for the Parking System Revenue Fund was restated at July 1, 2012 due to the implementation of GASB 65 which requires that debt issuance costs incurred to issue bonds, except for the portion related to prepaid insurance costs, be expensed in the period incurred. Unamortized issuance costs at July 1, 2012 in the amount of \$30,386 incurred with the issuance of bonds in the 2005 fiscal year must be expensed in accordance with GASB 65; consequently, net position was restated from the previously reported \$11,653,683 to \$11,623,297. The net effect of the restatement was a decrease in the Parking System net position in the amount of \$30,386.

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Beginning net position for the governmental activities was restated at July 1, 2012 due to the implementation of GASB 65 which requires that debt issuance costs incurred to issue bonds, except for the portion related to prepaid insurance costs, be expensed in the period incurred. Unamortized issuance costs at July 1, 2012 in the amount of \$58,183 incurred with the issuance of bonds in fiscal years 2002, 2009, and 2010 must be expensed in accordance with GASB 65; consequently, net position was restated from the previously reported \$21,797,613 to \$21,739,430. The net effect of the restatement was a decrease in governmental activities net position in the amount of \$58,183. Beginning net position for the business-type activities was restated at July 1, 2012 due to the implementation of GASB 65 and revenue accruals from the previously reported \$16,283,215 to \$16,277,214. The net effect of the restatement was a decrease in business-type activities net position in the amount of \$6,001. The net effect of the restatement on total government-wide net position was a decrease in net position in the amount of \$64,184.

V. OTHER INFORMATION

A. Risk Management

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

The City covers its workers' compensation liability by retaining and self-insuring the first \$300,000 of each claim and maintaining layers of excess insurance that indemnifies the City for claims costs exceeding its self-insured retention limits. A Letter of Credit for \$750,000 is held as collateral by the Offices of the Insurance Commissioner as security for the City's self-insured retention. No amounts have been drawn upon or are outstanding on the Letter of Credit at June 30, 2013. Claims are adjusted through a third-party administrator contracted by the City.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments include an amount for claims that have been incurred but not reported (IBNRs). An excess coverage insurance policy covers individual claims in excess of \$300,000 for liability retention and loss and \$500,000 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:

	<u>Year Ended</u> <u>6/30/2013</u>	<u>Year Ended</u> <u>6/30/2012</u>
Unpaid claims, beginning of fiscal year	\$ 4,839,088	\$ 5,039,087
Incurred claims (including IBNRs)	1,478,899	1,941,891
Claims paid	<u>(2,035,763)</u>	<u>(2,141,890)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,282,224</u>	<u>\$ 4,839,088</u>

The government is the owner and permit holder for the City of Charleston's landfill. In accordance with the provisions of an Operating Agreement between the government and contractor dated February 15, 1994, the government maintains a contingency fund for the closure/post closure costs for the landfill in the event of default by contractor. The City renews an annual Letter of Credit in favor of the Department of Environmental Protection for the landfill in the amount of \$328,000 and no amounts have been drawn upon or are outstanding at June 30, 2013.

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B. Contingent Liabilities

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

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

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

C. Deferred Compensation Plan

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

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

D. Joint Venture

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

E. Donor-Restricted Endowment

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c) (13) of the Internal Revenue Code of 1954. The unspent endowment earnings of \$835,864 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net position as restricted for perpetual care-expendable.

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F. Post-Employment Healthcare Plan

V: F.1. Plan Descriptions, Contribution Information, and Funding Policies

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System, the City of Charleston's Policemen's Pension & Relief Fund, and the Firemen's Pension & Relief Fund. The City maintains a single employer self-insured defined benefit health plan including dental and vision administered by HealthSmart Benefit Solutions, Inc., a third-party administrator. The plan levels of benefits, employee contributions, and employer contributions were authorized by the City Council and any amendments to the plan must be approved and authorized by the Council. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the General Fund, Civic Center Revenue Fund, and Parking System Revenue Fund.

Under the substantive plan provisions all Medicare retirees are covered under a Medicare Advantage plan that is fully-insured and experience-rated. Premium rates for medical for single increased from \$97.09 at 1/1/2012 to \$100.97 at 1/1/2013. For retiree and spouse medical increased from \$120.28 to \$125.09.

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

Due to the substantive plan provision change, the health care coverage election rate assumption for retirees who were hired after July 1, 2000 has increased. Since these retirees will no longer pay the full cost of coverage, 90% are assumed to elect coverage at the end of the sick leave benefits free-period as compared to 70% in the prior valuation.

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, 2013 the monthly retiree contribution for non-tobacco users is as follows:

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

The City does not have a practice of increasing the retiree contributions.

Active employees can roll over 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.

The same benefit options are available to retirees as active employees. The City's pre-Medicare health plan is self-insured. The post-Medicare health plan is fully-insured and experience-rated. There is no prescription drug coverage for post-Medicare retirees.

The monthly COBRA rates effective on January 1, 2013 are \$494.16 for medical and prescription drugs for single under 65 and \$1,087.15 for employee and spouse. Over 65 the single rate for medical only is \$100.97 and \$201.95 for employee and spouse.

The number of participants as of July 1, 2012, the effective date of the biennial OPEB valuation, was 570 active employees and 475 retired employees.

Employees who retire under the WV Public Employees Retirement System have the option of maintaining the City's OPEB plan or electing P.E.I.A insurance. To date only a few retirees have chosen the P.E.I.A. insurance coverage.

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.

V: F.2 Annual Other Post-Employment Benefit (OPEB) Cost

The City's annual OPEB cost is calculated on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB 45. ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded liabilities over a period of 30 years. As of July 1, 2012, the most recent actuarial valuation date, the Plan was not funded. The following tables illustrate the components of the City's annual OPEB cost for the year, the amount actually contributed to the

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Plan, changes in the net OPEB obligation, funding progress, and the covered payroll and the ratio of the UAAL to the covered payroll.

The City's annual other post-employment benefit cost is as follows:

	OPEB		
	Governmental Activities	Business-type Activities	Total
Annual required contribution	\$ 6,245,368	\$ 212,004	\$ 6,457,372
Interest on net OPEB obligation	439,635	12,505	452,140
Adjustment to annual required contribution	(352,341)	(10,022)	(362,363)
Annual OPEB cost	6,332,662	214,487	6,547,149
Contributions made	(4,527,248)	(60,000)	(4,587,248)
Increase (decrease) in net OPEB obligation	1,805,414	154,487	1,959,901
Net OPEB obligation at beginning of the year	8,792,731	250,070	9,042,801
Net OPEB obligation at the end of the year	\$ 10,598,145	\$ 404,557	\$ 11,002,702

V.F.3. Trend Information

Fiscal Year	Other Post-Employment Benefits (OPEB)		
	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2013	\$ 6,547,149	70.1%	\$ 11,002,702
2012	\$ 5,392,340	76.1%	\$ 9,042,801
2011	\$ 5,377,388	52.8%	\$ 7,755,311
2010	\$ 5,850,812	48.7%	\$ 5,214,821
2009	\$ 5,263,104	58.1%	\$ 2,204,947

V.F.4. Funding Progress

SCHEDULE OF FUNDING PROGRESS:

OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % Covered Payroll (b-a)/c
7/1/12	--	\$ 73,958,600	\$ 73,958,600	0.0%	\$ 30,674,221	241.1%
7/1/11	--	\$ 60,679,215	\$ 60,679,215	0.0%	\$ 29,494,443	205.7%
7/1/10	--	\$ 75,615,299	\$ 75,615,299	0.0%	\$ 31,448,512	240.4%
7/1/09	--	\$ 79,643,383	\$ 79,643,383	0.0%	\$ 31,068,215	256.4%
7/1/08	--	\$ 70,539,275	\$ 70,539,275	0.0%	\$ 29,873,284	236.1%

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare trend rate. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress and schedule of employer contributions, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits and employer contributions as a percentage of the ARC. However, because the City maintains no plan assets, information relative to plan assets required disclosures is not applicable.

V: F.5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The unfunded actuarial accrued liability is being amortized over 30 years on a level percentage of pay based on an open group.

In the July 1, 2012 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

Census Data Census was collected as of July 2012 for the 2012/13 disclosures. Census data has been reviewed for accuracy and reasonableness. No material modifications were made to the census data provided.

Measurement Date June 30, 2012; the actuarial present values were rolled-back to July 1, 2011 on a no loss/gain basis.

Discount Rate 5.0% unfunded.

Payroll Growth 4.0% per year.

Cost Method Projected Unit Credit.

Amortization Level percentage of pay over thirty years based on an open group.

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

Mortality RP-2000 Combined Mortality Table fully generational projected using Scale AA.

Disability None.

Sick Leave Benefits Percentage of employees eligible for the sick leave benefits at retirement is assumed to be: 1) 90% for police officers 2) 60% for general employees and firefighters. Previously active employees could roll over an unlimited amount of unused sick leave annually and covert the balance to free health care at retirement. In current year's valuation, Firefighters can convert the greater of (a) any remaining unused sick leave accrued prior to January 1, 2012 or (b) up to 144 hours of unused sick leave accrued on/after January 1, 2012 to free health care at retirement.

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Based on the current remaining sick leave balances, we have assumed three years of coverage for Firefighters. This is a reduction from the five years of free coverage at retirement for Firefighters assumed in prior year's valuation. No changes were made to the assumed number of years of free coverage for the other groups, which remain at five years.

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

Health Care Trend Rates: FYE 2013 8.5%; FYE 2014 8.0%; FYE 2015 7.5%; FYE 2016 7.0%; FYE 2017 6.5%; FYE 2018 6.0%; FYE 2019 5.5%; FYE 2020+ 5.0%.

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

VI. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

VI:A.1. Plan Descriptions, Contribution Information, and Funding Policies

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

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2012.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2012.

Actuarial valuations are required to be performed once every three years per State Statute. The State will contract an actuary to perform annual valuations of the PPRF and FPRF's boards. 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.

Memberships of the plans are as follows:

<u>Group</u>	<u>PPRF</u>	<u>FPRF</u>	<u>Totals</u>
Active Employees	156	172	328
Vested Terminated Benefits	--	2	2
Retirees and Beneficiaries Currently Receiving Benefits	217	218	435
Total	<u>373</u>	<u>392</u>	<u>765</u>

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

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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.

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 \$4,827,915 for the plan year ending June 30, 2014, to a high of \$10,791,508 for the plan year ending June 30, 2034. Employer contributions for the Firemen's Pension and Relief Fund are expected to increase from \$5,024,513 for the plan year ending June 30, 2014, to a high of \$10,720,507 for the plan year ending June 30, 2034.

For the Policemen's Pension Fund the funded ratio is projected to increase from 8.2% in 2012 to 27% in 2032, and ultimately to 100% in 2046. For the Firemen's Pension Fund the funded ratio is projected to increase from 6.2% in 2012 to 25% in 2032, 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.

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	<u>PPRF</u>	<u>FPRF</u>
Determination of contribution requirements	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	8% of covered payroll
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
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

Annual Required Contributions and Significant Actuarial Assumptions

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

	<u>Policemen's Pension & Relief Fund</u>	<u>Firemen's Pension & Relief Fund</u>
Valuation Date	7/1/2012	7/1/2012
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method/Period	30-Year Closed Level-Percentage-of-Pay	30-Year Closed Level-Percentage-of-Pay
Actuarial Asset Valuation Method	Market Value	Market Value

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	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund																				
Actuarial Assumptions:																						
Investment Rate of Return	5.00%	5.00%																				
Projected Salary Increases	Service Based Increase	Service Based Increase																				
	<table style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Years of Service</th> <th style="text-align: center; border-bottom: 1px solid black;">Increase</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">9.0%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">4.5%</td> </tr> <tr> <td style="text-align: center;">3-4</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">after 4 years</td> <td style="text-align: center;">1.0%</td> </tr> </tbody> </table>	Years of Service	Increase	1	9.0%	2	4.5%	3-4	2.0%	after 4 years	1.0%	<table style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Years of Service</th> <th style="text-align: center; border-bottom: 1px solid black;">Increase</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">9.0%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">4.5%</td> </tr> <tr> <td style="text-align: center;">3-4</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">after 4 years</td> <td style="text-align: center;">1.0%</td> </tr> </tbody> </table>	Years of Service	Increase	1	9.0%	2	4.5%	3-4	2.0%	after 4 years	1.0%
Years of Service	Increase																					
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2	4.5%																					
3-4	2.0%																					
after 4 years	1.0%																					
Years of Service	Increase																					
1	9.0%																					
2	4.5%																					
3-4	2.0%																					
after 4 years	1.0%																					
Post-Retirement COLA	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.																				
Wage Inflation	4.00%	4.00%																				

VI.A.2. Annual Pension Cost, Net Pension Obligation and Reserves

Current year annual pension costs for the PPRF and FPRF are shown in the trend information provided in VI.A.4. The annual required contributions were not made by the PPRF or FPRF. The net pension obligation is listed in VI.A.3.

Benefits, Refund, and Administrative Costs

Benefits and refunds of the defined benefit pension plans are recognized when due and payable in accordance with the terms of the plans. Administrative costs are financed with revenues from contributions and investment earnings.

Reserves

There are no assets legally reserved for purposes other than the payment of plan member benefits for either plan.

VI:A.3 Annual Pension Cost and Net Pension Obligation (NPO)

The City's annual pension cost and net pension obligation for the Policemen's and Firemen's Pension and Relief funds are as follows:

	PPRF	FPRF
Annual required contribution	\$ 8,265,968	\$ 8,644,534
Interest on net pension obligation	2,319,653	2,039,800
Adjustment to annual required contribution	(1,879,765)	(1,652,982)
Annual pension cost	8,705,856	9,031,352
Contributions made	(6,051,117)	(6,467,587)
Increase in net pension obligation	2,654,739	2,563,765
Net pension obligation at beginning of the year	46,393,054	40,795,997
Net pension obligation at the end of the year	\$ 49,047,793	\$ 43,359,762

CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2013

VI.A.4. Trend Information

Policemen's Pension and Relief Fund (PPRF)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 8,705,856	69%	\$ 49,047,793
2012	\$ 8,244,932	71%	\$ 46,393,054
2011	\$ 7,958,095	49%	\$ 44,071,958
2010	\$ 7,962,320	26%	\$ 40,073,957
2009	\$ 7,856,875	25%	\$ 34,202,060
2008	\$ 7,414,233	24%	\$ 28,280,762
2007	\$ 4,438,134	37%	\$ 22,658,730
2006	\$ 3,830,559	40%	\$ 19,880,042
2005	\$ 4,046,054	36%	\$ 17,600,365
2004	\$ 3,995,277	34%	\$ 15,003,734
2003	\$ 3,490,259	36%	\$ 12,363,057

Firemen's Pension and Relief Fund (FPRF)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 9,031,352	70%	\$ 43,359,762
2012	\$ 8,876,739	70%	\$ 40,795,997
2011	\$ 8,741,641	61%	\$ 38,147,270
2010	\$ 8,423,774	39%	\$ 34,825,073
2009	\$ 8,087,129	38%	\$ 29,699,365
2008	\$ 8,421,080	34%	\$ 24,666,001
2007	\$ 7,516,226	35%	\$ 19,072,481
2006	\$ 4,157,681	59%	\$ 14,174,365
2005	\$ 4,115,289	56%	\$ 12,463,517
2004	\$ 4,075,783	52%	\$ 10,634,988
2003	\$ 4,028,690	50%	\$ 8,696,363

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

VI.A.5. Funding Progress

SCHEDULE OF FUNDING PROGRESS:

Policemen's Pension and Relief Fund (PPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/12	\$ 11,781,046	\$ 144,339,466	\$ 132,558,420	8.00%	\$ 9,149,170	1449%

Firemen's Pension and Relief Fund (FPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/12	\$ 9,314,344	\$ 151,065,177	\$ 141,750,833	6.00%	\$ 8,867,736	1599%

The schedule of funding progress included in the required supplementary information immediately following the notes indicates the actuarial value of the plan assets is (increasing 3% for the PPRF and increasing 40% for the FPRF) over time relative to the actuarial accrued liability (is increasing 1.19% for the PPRF and increasing 1.11% for the FPRF) over time relative to the actuarial accrued liability.

Separate audited financial statements for the defined pension plans for public safety employees are not available.

The Governmental Accounting Standards Board (GASB) issued final standards on accounting and financial reporting for both pension plans and for employers that offer pension benefits to their employees.

GASB Statement No. 67, Financial Reporting for Pension Plans, which is effective for fiscal year 2014, will replace GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and GASB Statement No. 50, Pension Disclosures, for pension trusts and equivalent arrangements.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which is effective for fiscal year 2015, will replace GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and GASB Statement No. 50 for employers that offer pension benefits through a pension trust or equivalent arrangements.

The effect of the implementation of these two standards on the City of Charleston Pension Fund and pension benefit reporting cannot be determined at this time.

CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2013

VI.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%
City's contribution rate:	14.00%
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

VI.B.2. Trend Information

Public Employees Retirement System (PERS)

Fiscal Year	Annual Pension Cost	Percentage Contributed
2013	\$ 2,383,536	100%
2012	2,399,128	100%
2011	2,046,007	100%
2010	1,799,608	100%
2009	1,675,990	100%
2008	1,600,134	100%
2007	1,522,933	100%
2006	1,408,585	100%
2005	1,367,748	100%
2004	1,113,501	100%

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

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2013**

SOLE EMPLOYER DEFINED BENEFIT PLANS

I. SCHEDULES OF FUNDING PROGRESS

Policemen's Pension and Relief Fund (PPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % Covered Payroll (b-a)/c
7/1/97	\$ 11,329,860	\$ 65,658,421	\$ 54,328,561	17.26%	\$ 6,430,212	845%
7/1/99	\$ 13,183,185	\$ 68,856,200	\$ 55,673,015	19.15%	\$ 6,545,780	851%
7/1/01	\$ 14,436,077	\$ 76,015,300	\$ 61,579,223	18.99%	\$ 6,606,800	932%
7/1/03	\$ 13,955,874	\$ 86,255,000	\$ 72,299,126	16.18%	\$ 6,916,700	1045%
7/1/05	\$ 14,028,062	\$ 90,598,400	\$ 76,570,338	15.00%	\$ 7,901,100	969%
7/1/07	\$ 15,582,123	\$ 95,751,500	\$ 80,169,377	16.27%	\$ 8,666,547	925%
7/1/09	\$ 10,887,968	\$ 94,965,409	\$ 84,077,441	11.47%	\$ 8,933,610	941%
7/1/10	\$ 10,911,700	\$ 131,022,282	\$ 120,110,582	8.33%	\$ 9,241,583	1300%
7/1/11	\$ 11,449,507	\$ 136,082,840	\$ 124,633,333	8.41%	\$ 8,873,921	1404%
7/1/12	\$ 11,781,046	\$ 144,339,466	\$ 132,558,420	8.16%	\$ 9,149,170	1449%

Firemen's Pension and Relief Fund (FPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % Covered Payroll (b-a)/c
7/1/98	\$ 6,613,424	\$ 71,358,728	\$ 64,745,304	9.27%	\$ 7,063,357	917%
7/1/00	\$ 6,492,763	\$ 68,627,600	\$ 62,134,837	9.46%	\$ 7,140,380	870%
7/1/02	\$ 6,281,501	\$ 79,213,700	\$ 72,932,199	7.93%	\$ 7,674,090	950%
7/1/04	\$ 6,427,687	\$ 87,142,700	\$ 80,715,013	7.38%	\$ 7,818,820	1032%
7/1/06	\$ 7,121,731	\$ 97,573,128	\$ 90,451,397	7.30%	\$ 8,589,398	1053%
7/1/08	\$ 7,838,077	\$ 96,724,077	\$ 88,886,000	8.10%	\$ 8,959,494	992%
7/1/09	\$ 6,539,893	\$ 115,716,105	\$ 109,176,212	5.65%	\$ 9,047,021	1207%
7/1/10	\$ 7,247,179	\$ 145,743,999	\$ 138,496,820	4.97%	\$ 9,441,334	1467%
7/1/11	\$ 8,463,553	\$ 146,192,167	\$ 137,728,614	5.79%	\$ 9,214,083	1495%
7/1/12	\$ 9,314,344	\$ 151,065,177	\$ 141,750,833	6.17%	\$ 8,867,736	1599%

II. SCHEDULES OF EMPLOYER CONTRIBUTIONS

Policemen's Pension and Relief Fund (PPRF)

Year Ended June 30	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed
2006	\$ 3,478,988	\$ 1,550,883	45%
2007	\$ 4,041,025	\$ 1,659,445	41%
2008	\$ 7,240,761	\$ 1,792,201	25%
2009	\$ 7,664,881	\$ 1,935,577	25%
2010	\$ 7,822,761	\$ 2,090,423	27%
2011	\$ 7,483,711	\$ 2,257,657	30%
2012	\$ 7,773,369	\$ 4,321,014	55%
2013	\$ 8,265,968	\$ 4,396,550	53%

**CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
For the Fiscal Year Ended June 30, 2013**

Firemen's Pension and Relief Fund (FPRF)

Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Actual Employer <u>Contribution</u>	Percentage <u>Contributed</u>
2006	\$ 3,868,733	\$ 2,446,833	63%
2007	\$ 7,876,536	\$ 2,618,111	33%
2008	\$ 8,275,064	\$ 2,827,560	34%
2009	\$ 7,919,675	\$ 3,053,765	39%
2010	\$ 8,302,588	\$ 3,296,066	40%
2011	\$ 8,329,444	\$ 3,561,911	42%
2012	\$ 8,468,569	\$ 4,505,745	50%
2013	\$ 8,644,534	\$ 4,734,867	54%

OTHER POST EMPLOYMENT BENEFITS (OPEB)

I. SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b)-(a)</u>	Funded Ratio <u>(a)/(b)</u>	Covered Payroll <u>(c)</u>	UAAL as a % Covered Payroll <u>(b-a)/c</u>
7/1/12	\$ --	\$ 73,958,600	\$ 73,958,600	0.00%	\$ 30,674,221	241.1%
7/1/11	\$ --	\$ 60,679,215	\$ 60,679,215	0.00%	\$ 29,494,443	205.7%
7/1/10	\$ --	\$ 75,615,299	\$ 75,615,299	0.00%	\$ 31,448,512	240.4%
7/1/09	\$ --	\$ 79,643,383	\$ 79,643,383	0.00%	\$ 31,068,215	256.4%
7/1/08	\$ --	\$ 70,539,275	\$ 70,539,275	0.00%	\$ 29,873,284	236.1%

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Employer <u>Contributions</u>	Percentage <u>Contributed</u>
2013	\$ 6,457,372	\$ 4,587,248	71.0%
2012	\$ 5,315,345	\$ 4,104,850	77.2%
2011	\$ 5,325,615	\$ 2,836,898	53.3%
2010	\$ 5,828,921	\$ 2,840,938	48.7%
2009	\$ 5,263,104	\$ 3,058,157	58.1%

Note to Required Supplementary Information-Other Post Employment Benefits:

The Policemen's Pension and Firemen's Pension Actuarial Valuations are as of July 1, 2012. The City of Charleston elected to adopt the Conservation Method as defined in WV Code 8-22-20 (f)(1), and effected by the passage of Senate Bill No. 544. Prior to June 1, 2011 the city was funding the plans under the Alternative Method allowed by State Code. The notes to the financial statements more fully describe the changes to the pension funds' actuarial information.

The OPEB Actuarial Valuation is as of July 1, 2011 with Interim Report as of July 1, 2012.

See Independent Auditor's Report.

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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 761,184	\$ 3,496,945	\$ --	\$ 202,330	\$ 4,460,459
Investments	1,032,802	--	--	1,825,497	2,858,299
Receivables:					
Accounts	443,178	--	--	--	443,178
Grants	564,534	--	--	--	564,534
Loans	262,017	--	--	--	262,017
Accrued interest	58	--	--	1,952	2,010
Due from:					
Other funds	103,835	--	--	1,100	104,935
Component units	11,161	--	--	--	11,161
Restricted cash	<u>1,554,658</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>1,554,665</u>
 Total assets	 <u>\$ 4,733,427</u>	 <u>\$ 3,496,945</u>	 <u>\$ 7</u>	 <u>\$ 2,030,879</u>	 <u>\$ 10,261,258</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 313,432	\$ 70,427	\$ --	\$ --	\$ 383,859
Due to:					
Other funds	481,557	1,313	--	--	482,870
Unearned revenue:					
Grants	<u>164,706</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>164,706</u>
 Total liabilities	 <u>959,695</u>	 <u>71,740</u>	 <u>--</u>	 <u>--</u>	 <u>1,031,435</u>
Fund balances:					
Nonspendable	--	--	--	1,195,015	1,195,015
Restricted	3,128,461	32,381	7	835,864	3,996,713
Committed	<u>645,271</u>	<u>3,392,824</u>	<u>--</u>	<u>--</u>	<u>4,038,095</u>
 Total fund balances	 <u>3,773,732</u>	 <u>3,425,205</u>	 <u>7</u>	 <u>2,030,879</u>	 <u>9,229,823</u>
 Total liabilities and fund balances	 <u>\$ 4,733,427</u>	 <u>\$ 3,496,945</u>	 <u>\$ 7</u>	 <u>\$ 2,030,879</u>	 <u>\$ 10,261,258</u>

See Independent Auditor's Report

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, 2013

	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Permanent</u>	Total
	<u>Revenue</u>	<u>Projects</u>	<u>Service</u>		Nonmajor
					Governmental
					<u>Funds</u>
REVENUES					
Intergovernmental:					
Federal	\$ 1,834,301	\$ --	\$ --	\$ --	\$ 1,834,301
State	50,972	--	--	--	50,972
Charges for services	4,071,731	28,566	--	--	4,100,297
Fines and forfeits	682,139	--	--	--	682,139
Interest and investment earnings	16,269	8,183	3,039	119,854	147,345
Reimbursements	--	69,256	--	--	69,256
Contributions and donations	44,034	3,000	--	--	47,034
Miscellaneous	2,474	--	--	--	2,474
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	6,701,920	109,005	3,039	119,854	6,933,818
EXPENDITURES					
Current:					
General government	169,275	--	--	--	169,275
Public safety	1,730,649	--	--	--	1,730,649
Streets and transportation	3,764	--	--	--	3,764
Health and sanitation	1,164,796	--	--	--	1,164,796
Culture and recreation	26,200	--	--	--	26,200
Social services	--	--	--	28,030	28,030
Economic development	886,997	--	--	--	886,997
Debt service:					
Principal	--	--	200,000	--	200,000
Interest	--	--	122,055	--	122,055
Capital outlay:					
Highways and streets	--	1,903,430	--	--	1,903,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,981,681	1,903,430	322,055	28,030	6,235,196
Excess (deficiency) of revenues					
over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,720,239	(1,794,425)	(319,016)	91,824	698,622

CONTINUED

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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	Total Nonmajor Governmental <u>Funds</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 587,595	\$ 2,933,301	\$ 319,016	\$ 21,761	\$ 3,861,673
Transfers (out)	<u>(3,247,351)</u>	<u>(621,942)</u>	<u> --</u>	<u> --</u>	<u>(3,869,293)</u>
Total other financing sources (uses)	<u>(2,659,756)</u>	<u>2,311,359</u>	<u>319,016</u>	<u>21,761</u>	<u>(7,620)</u>
Net change in fund balances	60,483	516,934	--	113,585	691,002
Fund balances beginning	<u>3,713,249</u>	<u>2,908,271</u>	<u>7</u>	<u>1,917,294</u>	<u>8,538,821</u>
Fund balances ending	<u>\$ 3,773,732</u>	<u>\$ 3,425,205</u>	<u>\$ 7</u>	<u>\$ 2,030,879</u>	<u>\$ 9,229,823</u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS

Nonmajor Funds

Asset Forfeiture and Reimbursement Fund This fund is used to account for monies seized by the Charleston Police department or Drug Unit and have been ordered released or forfeited by a court of law.

Byrne Justice Assistance Grant Fund This fund was established to account for grants received from the U.S. Department of Justice passed through from the West Virginia Department of Criminal Justice Services to encourage arrest policies and enforcement of protection orders.

Charleston Land Trust Commission Fund This fund was established to account for donations or other funding to acquire, maintain, improve, and preserve public trust lands.

COPS Meth Grant Fund This fund was established to account for grants received from the Department of Justice for meth enforcement overtime, purchase meth lab investigation supplies (haz-mat suits, evidence collection tubes, etc.) and materials and supplies such as computers, first aid kits and travel training.

DOT Federal Grant Fund This fund was established to account for federal grant revenues from the Department of Transportation for capital improvements.

FEMA-WV Flood Mitigation Fund This fund was established to account for federal grants received from the U.S. Federal Emergency Management Agency passed through the WV Office of Emergency Services for City flood disaster relief improvements and repairs.

Historic Preservation Fund This fund was established to account for federal grants received from the U.S. Department of the interior, National Park Service, to be granted by the State Historic Preservation Office to organizations participating in activities authorized in the National Historic Preservation Act of 1966.

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 Maritime Underwater Surveillance and First Response Equipment, chemical/product detection defender monitor system, and other authorized purchases for the City's public safety activities.

Homeless Prevention & Rapid Re-Housing Fund This fund was established to account for grant funds received from the American Recovery and Investment Act of 2009. The program intent is to focus on housing stabilization, provide temporary financial assistance and/or services to help persons gain housing stability, to serve persons who are homeless or would be homeless if not for this assistance and to serve persons who can remain stably housed after this temporary assistance ends. All of these funds, except for three percent administrative costs, have been allocated to the Kanawha Valley Collective (KVC) to carry out the activities described above.

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

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

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

Municipal Beautification Fund This fund was established to account for revenues received from fee charges for clean up of properties within the City and for donations received to be used for beautification of the City.

Municipal Court Fund This fund accounts for monies received for fines and forfeitures.

Police & Fire Donations Fund This fund was established to receive private contributions to be utilized for police and fire operations.

Police Grants Fund This fund was established to account for federal grants received from the U.S. Department of Justice to encourage arrest policies and enforcement of protection orders.

Public Arts Grant Fund This fund was established to account for grant monies from the National Endowment for the Arts and private contributions to support a series of cultural planning activities to strengthen the role of public art in Charleston, WV.

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

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

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

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

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

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



CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2013

	<u>Asset Forfeiture and Reimbursement</u>	<u>Byrne Justice Assistance Grant</u>	<u>Charleston Land Trust Commission</u>	<u>Cops Meth Grant</u>	<u>DOT Federal Grant</u>
ASSETS					
Cash and cash equivalents	\$ 136,018	\$ 3,515	\$ 47,171	\$ --	\$ --
Investments	--	--	-	--	--
Receivables:					
Accounts	--	--	--	--	--
Grants	--	--	--	--	6,034
Loans	--	--	--	--	--
Interest	--	--	--	--	--
Due from:					
Other funds	12,378	--	--	--	--
Component units	--	--	--	--	--
Restricted cash	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 148,396</u>	<u>\$ 3,515</u>	<u>\$ 47,171</u>	<u>\$ --</u>	<u>\$ 6,034</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 842	\$ --	\$ --	\$ --	\$ --
Due to:					
Other funds	--	--	--	--	6,034
Other liabilities:					
Federal funding	--	3,515	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>842</u>	<u>3,515</u>	<u>--</u>	<u>--</u>	<u>6,034</u>
Fund balances:					
Restricted	147,554	--	47,171	--	--
Committed	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>147,554</u>	<u>--</u>	<u>47,171</u>	<u>--</u>	<u>--</u>
Total liabilities and fund balances	<u>\$ 148,396</u>	<u>\$ 3,515</u>	<u>\$ 47,171</u>	<u>\$ --</u>	<u>\$ 6,034</u>

CONTINUED

<u>FEMA-WV Flood Mitigation</u>	<u>Historic Preservation</u>	<u>Homeland Security Assistance</u>	<u>Homeland Security Grant</u>	<u>Homeless Prevention & Rapid Re-Housing</u>	<u>Human Rights</u>	<u>Metro Loan</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 176,848	\$ 6,568
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	15,618	34,448	159,717	--	--	--
--	--	--	--	--	--	111,874
--	--	--	--	--	--	58
--	--	13,822	36,775	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>\$ --</u>	<u>\$ 15,618</u>	<u>\$ 48,270</u>	<u>\$ 196,492</u>	<u>\$ --</u>	<u>\$ 176,848</u>	<u>\$ 118,500</u>
\$ --	\$ --	\$ 13,822	\$ 159,411	\$ --	\$ --	\$ --
--	15,618	34,448	37,081	--	--	--
--	--	--	--	--	161,191	--
<u>--</u>	<u>15,618</u>	<u>48,270</u>	<u>196,492</u>	<u>--</u>	<u>161,191</u>	<u>--</u>
--	--	--	--	--	15,657	118,500
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,657</u>	<u>118,500</u>
<u>\$ --</u>	<u>\$ 15,618</u>	<u>\$ 48,270</u>	<u>\$ 196,492</u>	<u>\$ --</u>	<u>\$ 176,848</u>	<u>\$ 118,500</u>

CONTINUED

<u>Municipal Beautification</u>	<u>Municipal Court</u>	<u>Police & Fire Donations</u>	<u>Police Grants</u>	<u>Public Arts Grant</u>	<u>Rail Trail Project</u>	<u>Rental Rehabilitation</u>
\$ 31,275	\$ 174,010	\$ 43,019	\$ 24,909	\$ 28,080	\$ --	\$ 20,000
--	--	--	--	--	--	--
--	64,896	--	--	--	2,733	--
--	--	--	193,557	--	14,415	--
--	--	--	--	--	--	150,143
--	--	--	--	--	--	--
--	--	--	28,547	--	11,000	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>31,275</u>	<u>238,906</u>	<u>43,019</u>	<u>247,013</u>	<u>28,080</u>	<u>28,148</u>	<u>170,143</u>
\$ --	\$ 28,860	\$ --	\$ 37,492	\$ --	\$ 11,000	\$ --
--	92,607	--	172,696	--	14,415	--
--	--	--	--	--	--	--
--	121,467	--	210,188	--	25,415	--
--	117,439	--	36,825	28,080	2,733	--
<u>31,275</u>	<u>--</u>	<u>43,019</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>170,143</u>
<u>31,275</u>	<u>117,439</u>	<u>43,019</u>	<u>36,825</u>	<u>28,080</u>	<u>2,733</u>	<u>170,143</u>
<u>31,275</u>	<u>238,906</u>	<u>43,019</u>	<u>247,013</u>	<u>28,080</u>	<u>28,148</u>	<u>170,143</u>

CONTINUED

	<u>Solid Waste</u>	<u>Special Demolition</u>	<u>Supportive Housing</u>	<u>U.S. Small Business Administration</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$	45,169	\$ 24,593	\$ --	\$ 9	\$ 761,184
	1,032,802	--	--	--	1,032,802
	375,549	--	--	--	443,178
	--	--	15,745	125,000	564,534
	--	--	--	--	262,017
	--	--	--	--	58
	--	--	--	1,313	103,835
	11,161	--	--	--	11,161
	1,554,658	--	--	--	1,554,658
	<u>3,019,339</u>	<u>24,593</u>	<u>15,745</u>	<u>126,322</u>	<u>4,733,427</u>

\$	45,646	\$ --	\$ 15,046	\$ 1,313	\$ 313,432
	--	--	699	107,959	481,557
	--	--	--	--	164,706
	<u>45,646</u>	<u>--</u>	<u>15,745</u>	<u>109,272</u>	<u>959,695</u>
	2,597,452	--	--	17,050	3,128,461
	376,241	24,593	--	--	645,271
	<u>2,973,693</u>	<u>24,593</u>	<u>--</u>	<u>17,050</u>	<u>3,773,732</u>
\$	<u>3,019,339</u>	<u>24,593</u>	<u>15,745</u>	<u>126,322</u>	<u>4,733,427</u>

See Independent Auditor's Report.



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, 2013

	Asset Forfeiture and <u>Reimbursement</u>	Byrne Justice Assistance <u>Grant</u>	Charleston Land Trust <u>Commission</u>	Cops Meth <u>Grant</u>	DOT Federal <u>Grant</u>
REVENUES					
Intergovernmental:					
Federal	\$ --	\$ 237,678	\$ --	\$ 3,074	\$ --
State	--	--	--	--	--
Charges for services	--	--	--	--	--
Fines and forfeits	131,016	--	--	--	--
Interest and investment earnings	479	--	423	--	--
Contributions and donations	--	--	18,584	--	--
Miscellaneous	--	--	--	--	--
Total revenues	<u>131,495</u>	<u>237,678</u>	<u>19,007</u>	<u>3,074</u>	<u>--</u>
EXPENDITURES					
Current:					
General government	--	--	--	--	--
Public safety	146,610	237,678	--	3,074	--
Streets and transportation	--	--	--	--	--
Culture and recreation	--	--	--	--	--
Health and sanitation	--	--	--	--	--
Economic development	--	--	23,296	--	--
Total expenditures	<u>146,610</u>	<u>237,678</u>	<u>23,296</u>	<u>3,074</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,115)</u>	<u>--</u>	<u>(4,289)</u>	<u>--</u>	<u>--</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	--	--	--
Transfers (out)	--	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(15,115)	--	(4,289)	--	--
Fund balances - beginning	<u>162,669</u>	<u>--</u>	<u>51,460</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ 147,554</u>	<u>\$ --</u>	<u>\$ 47,171</u>	<u>\$ --</u>	<u>\$ --</u>

CONTINUED

<u>FEMA-WV Flood Mitigation</u>	<u>Historic Preservation</u>	<u>Homeland Security Assistance</u>	<u>Homeland Security Grant</u>	<u>Homeless Prevention & Rapid Re-Housing</u>	<u>Human Rights</u>	<u>Metro Loan</u>
\$ 301,839	\$ 5,812	\$ 71,333	\$ 159,317	\$ 1,147	\$ --	\$ --
--	31,237	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	22
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>301,839</u>	<u>37,049</u>	<u>71,333</u>	<u>159,317</u>	<u>1,147</u>	<u>--</u>	<u>22</u>
--	--	--	--	--	--	--
301,839	--	71,333	159,317	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	37,049	--	--	1,147	563	--
<u>301,839</u>	<u>37,049</u>	<u>71,333</u>	<u>159,317</u>	<u>1,147</u>	<u>563</u>	<u>--</u>
--	--	--	--	--	(563)	22
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	(563)	22
--	--	--	--	--	16,220	118,478
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,657</u>	<u>\$ 118,500</u>

CONTINUED

<u>Municipal Beautification</u>	<u>Municipal Court</u>	<u>Police & Fire Donations</u>	<u>Police Grants</u>	<u>Public Arts Grant</u>	<u>Rail Trail Project</u>	<u>Rental Rehabilitation</u>
\$ --	\$ --	\$ --	\$ 784,741	29,280	\$ 16,415	\$ --
--	--	--	19,735	--	--	--
3,812	--	--	--	--	--	--
--	551,123	--	--	--	--	--
101	--	146	--	--	--	--
450	--	--	--	25,000	--	--
--	--	--	--	--	--	--
<u>4,363</u>	<u>551,123</u>	<u>146</u>	<u>804,476</u>	<u>54,280</u>	<u>16,415</u>	<u>--</u>
--	169,275	--	--	--	--	--
--	--	6,325	804,473	--	--	--
3,764	--	--	--	--	--	--
--	--	--	--	26,200	--	--
--	--	--	--	--	--	--
--	--	--	--	--	23,265	--
<u>3,764</u>	<u>169,275</u>	<u>6,325</u>	<u>804,473</u>	<u>26,200</u>	<u>23,265</u>	<u>--</u>
<u>599</u>	<u>381,848</u>	<u>(6,179)</u>	<u>3</u>	<u>28,080</u>	<u>(6,850)</u>	<u>--</u>
--	--	--	--	--	9,583	--
--	(382,351)	--	--	--	--	--
--	(382,351)	--	--	--	9,583	--
599	(503)	(6,179)	3	28,080	2,733	--
<u>30,676</u>	<u>117,942</u>	<u>49,198</u>	<u>36,822</u>	<u>--</u>	<u>--</u>	<u>170,143</u>
<u>\$ 31,275</u>	<u>\$ 117,439</u>	<u>\$ 43,019</u>	<u>\$ 36,825</u>	<u>\$ 28,080</u>	<u>\$ 2,733</u>	<u>\$ 170,143</u>

CONTINUED

	Solid Waste	Special Demolition	Supportive Housing	U.S. Small Business Administration	Total Nonmajor Special Revenue Funds
\$	--	\$ --	\$ 98,665	\$ 125,000	\$ 1,834,301
	--	--	--	--	50,972
	4,067,919	--	--	--	4,071,731
	--	--	--	--	682,139
	14,903	195	--	--	16,269
	--	--	--	--	44,034
	--	2,474	--	--	2,474
	<u>4,082,822</u>	<u>2,669</u>	<u>98,665</u>	<u>125,000</u>	<u>6,701,920</u>
	--	--	--	--	169,275
	--	--	--	--	1,730,649
	--	--	--	--	3,764
	--	--	--	--	26,200
	1,164,796	--	--	--	1,164,796
	--	--	98,665	703,012	886,997
	<u>1,164,796</u>	<u>--</u>	<u>98,665</u>	<u>703,012</u>	<u>3,981,681</u>
	<u>2,918,026</u>	<u>2,669</u>	<u>--</u>	<u>(578,012)</u>	<u>2,720,239</u>
	--	--	--	578,012	587,595
	<u>(2,825,000)</u>	<u>(40,000)</u>	<u>--</u>	<u>--</u>	<u>(3,247,351)</u>
	<u>(2,825,000)</u>	<u>(40,000)</u>	<u>--</u>	<u>578,012</u>	<u>(2,659,756)</u>
	93,026	(37,331)	--	--	60,483
	<u>2,880,667</u>	<u>61,924</u>	<u>--</u>	<u>17,050</u>	<u>3,713,249</u>
\$	<u><u>2,973,693</u></u>	\$ <u><u>24,593</u></u>	\$ <u><u>--</u></u>	\$ <u><u>17,050</u></u>	\$ <u><u>3,773,732</u></u>

See Independent Auditor's Report.



CITY OF CHARLESTON, WEST VIRGINIA

CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

Bridge Fund This City Council established fund is maintained to account for revenue sources expended for the construction and maintenance of bridges.

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

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

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

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

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

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

Soccer Field Fund This City Council established fund is used to receive revenue resources dedicated to improvements of City soccer fields.

South Side Recreation Fund This City Council established fund is used to receive revenue sources dedicated to improvements for recreation on the South Side of Charleston, WV.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2013

	<u>Ball Park Maintenance</u>	<u>Bridge</u>	<u>City Service Fee Project</u>	<u>Civic Center Capital Improvements</u>	<u>Facilities Maintenance Fund</u>
ASSETS					
Cash and cash equivalents	\$ 32,381	\$ 109	\$ 1,187,592	\$ 203,450	\$ 187,416
Total assets	<u>\$ 32,381</u>	<u>\$ 109</u>	<u>\$ 1,187,592</u>	<u>\$ 203,450</u>	<u>\$ 187,416</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ --	\$ --	\$ 61,441	\$ --	\$ 4,323
Due to:					
Other funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities	<u>--</u>	<u>--</u>	<u>61,441</u>	<u>--</u>	<u>4,323</u>
FUND BALANCES					
Restricted	32,381	--	--	--	--
Committed	<u>--</u>	<u>109</u>	<u>1,126,151</u>	<u>203,450</u>	<u>183,093</u>
Total fund balances	<u>32,381</u>	<u>109</u>	<u>1,126,151</u>	<u>203,450</u>	<u>183,093</u>
Total liabilities and fund balances	<u>\$ 32,381</u>	<u>\$ 109</u>	<u>\$ 1,187,592</u>	<u>\$ 203,450</u>	<u>\$ 187,416</u>

CONTINUED

<u>General Maintenance</u>	<u>Infrastructure</u>	<u>Municipal Auditorium Capital Improvements</u>	<u>Soccer Field</u>	<u>South Side Recreation</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 1,598,002	\$ 144,628	\$ 130,622	\$ 3,043	\$ 9,702	\$ 3,496,945
<u>\$ 1,598,002</u>	<u>\$ 144,628</u>	<u>\$ 130,622</u>	<u>\$ 3,043</u>	<u>\$ 9,702</u>	<u>\$ 3,496,945</u>
\$ 4,663	\$ --	\$ --	\$ --	\$ --	\$ 70,427
<u>1,313</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,313</u>
<u>5,976</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>71,740</u>
--	--	--	--	--	32,381
<u>1,592,026</u>	<u>144,628</u>	<u>130,622</u>	<u>3,043</u>	<u>9,702</u>	<u>3,392,824</u>
<u>1,592,026</u>	<u>144,628</u>	<u>130,622</u>	<u>3,043</u>	<u>9,702</u>	<u>3,425,205</u>
<u>\$ 1,598,002</u>	<u>\$ 144,628</u>	<u>\$ 130,622</u>	<u>\$ 3,043</u>	<u>\$ 9,702</u>	<u>\$ 3,496,945</u>

See Independent Auditor's Report.

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, 2013

	<u>Ball Park Maintenance</u>	<u>Bridge</u>	<u>City Service Fee Project</u>	<u>Civic Center Capital Improvements</u>
REVENUES				
Charges for services	\$ --	\$ --	\$ --	\$ --
Interest and investment earnings	71	--	1,569	466
Contributions and donations	--	--	--	3,000
Reimbursements	--	--	32,000	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	71	--	33,569	3,466
EXPENDITURES				
Current:				
Capital projects	3,504	--	1,160,248	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,504	--	1,160,248	--
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(3,433)	--	(1,126,679)	3,466
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	--	1,650,000	93,301
Transfers (out)	--	--	--	(30,730)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	25,000	--	1,650,000	62,571
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	21,567	--	523,321	66,037
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - beginning	10,814	109	602,830	137,413
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ 32,381	\$ 109	\$ 1,126,151	\$ 203,450
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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<u>Facilities Maintenance Fund</u>	<u>General Maintenance</u>	<u>Infrastructure</u>	<u>Municipal Auditorium Capital Improvements</u>	<u>Soccer Field</u>	<u>South Side Recreation</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ --	\$ --	\$ --	\$ 28,566	\$ --	\$ --	\$ 28,566
682	4,511	478	364	10	32	8,183
--	--	--	--	--	--	3,000
--	37,256	--	--	--	--	69,256
<u>682</u>	<u>41,767</u>	<u>478</u>	<u>28,930</u>	<u>10</u>	<u>32</u>	<u>109,005</u>
<u>579,984</u>	<u>159,694</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,903,430</u>
<u>579,984</u>	<u>159,694</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,903,430</u>
<u>(579,302)</u>	<u>(117,927)</u>	<u>478</u>	<u>28,930</u>	<u>10</u>	<u>32</u>	<u>(1,794,425)</u>
450,000	715,000	--	--	--	--	2,933,301
--	(587,595)	--	(3,617)	--	--	(621,942)
<u>450,000</u>	<u>127,405</u>	<u>--</u>	<u>(3,617)</u>	<u>--</u>	<u>--</u>	<u>2,311,359</u>
(129,302)	9,478	478	25,313	10	32	516,934
<u>312,395</u>	<u>1,582,548</u>	<u>144,150</u>	<u>105,309</u>	<u>3,033</u>	<u>9,670</u>	<u>2,908,271</u>
<u>\$ 183,093</u>	<u>\$ 1,592,026</u>	<u>\$ 144,628</u>	<u>\$ 130,622</u>	<u>\$ 3,043</u>	<u>\$ 9,702</u>	<u>\$ 3,425,205</u>

See Independent Auditor's Report.

CITY OF CHARLESTON, WEST VIRGINIA

DEBT SERVICE FUND

Nonmajor Fund

Debt Service Sinking Fund This fund is used to account for the accumulation of resources and payment of general long-term debt principal and interest from governmental resources and for governmental revenue bonds debt principal and interest from specified revenues. The City currently has no general obligation bonds outstanding.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - NONMAJOR DEBT SERVICE FUND
June 30, 2013

	<u>Sinking Fund</u>
ASSETS	
Restricted cash	\$ <u>7</u>
Total assets	\$ <u><u>7</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES AND FUND BALANCE	\$ <u> </u>
FUND BALANCE	
Restricted	<u>7</u>
Total fund balance	<u>7</u>
Total liabilities and fund balance	\$ <u><u>7</u></u>

See Independent Auditor's Report

**CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2013**

	<u>Sinking Fund</u>
REVENUES	
Interest and investment earnings	\$ <u>3,039</u>
Total revenues	<u>3,039</u>
EXPENDITURES	
Current:	
Principal	200,000
Interest	<u>122,055</u>
Total expenditures	<u>322,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(319,016)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>319,016</u>
Total other financing sources (uses)	<u>319,016</u>
Net change in fund balance	--
Fund balance - beginning	<u>7</u>
Fund balance - ending	<u><u>\$ 7</u></u>

See Independent Auditor's Report

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
BALANCE SHEET - NONMAJOR PERMANENT FUND
June 30, 2013

	<u>Spring Hill Cemetery</u>
ASSETS	
Cash and cash equivalents	\$ 202,330
Investments	1,825,497
Receivables:	
Accrued interest	1,952
Due from:	
Other funds	<u>1,100</u>
 Total assets	 \$ <u><u>2,030,879</u></u>
 FUND BALANCE	
 Nonspendable	 \$ 1,195,015
Restricted	<u>835,864</u>
 Total fund balances	 <u>2,030,879</u>
 Total liabilities and fund balance	 \$ <u><u>2,030,879</u></u>

See Independent Auditor's Report

**CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR PERMANENT FUND
For the Fiscal Year Ended June 30, 2013**

	<u>Spring Hill Cemetery</u>
REVENUES	
Investment earnings	\$ <u>119,854</u>
Total revenues	<u>119,854</u>
EXPENDITURES	
Current:	
Social services	<u>28,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,824</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>21,761</u>
Net change in fund balance	113,585
Fund balance - beginning	<u>1,917,294</u>
Fund balance - ending	<u><u>\$ 2,030,879</u></u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA AGENCY FUNDS

Civic Center Ticket Fund This fund is custodial in nature and accounts for revenues received from ticket sales for events held at the Civic Center and subsequently dispersed to promoters of the various events.

Civic Center Promotions Fund This fund is custodial in nature and accounts for revenues received from customers for the Cooking Show, the Wedding Show, and a series of reunions that the Civic Center produces and are subsequently dispersed and deposited to the Civic Center Revenue Fund after the events are over.

Metro Drug Enforcement Task Force Fund This fund is custodial in nature where revenues from forfeitures and donations are held until dispersed to various other City or State Agencies.

Pending Forfeiture Fund This fund is custodial in nature and is operated to hold revenues from forfeitures until disbursed to appropriate federal or state entity or returned by court order.

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
June 30, 2013

	<u>Civic Center Ticket</u>	<u>Civic Center Promotions</u>	<u>Metro Drug Enforcement Task Force</u>	<u>Pending Forfeiture</u>	<u>Police Asset & Liability</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and cash equivalents	\$ 441,221	\$ 7,547	\$ 263,521	\$ 1,248,970	\$ 6,333	\$ 1,967,592
Receivables:						
Accounts	--	--	15,822	--	--	15,822
Total assets	<u>\$ 441,221</u>	<u>\$ 7,547</u>	<u>\$ 279,343</u>	<u>\$ 1,248,970</u>	<u>\$ 6,333</u>	<u>\$ 1,983,414</u>
LIABILITIES						
Refunds payable and others	\$ 441,221	\$ 7,547	\$ 266,342	\$ 1,248,970	\$ 6,333	\$ 1,970,413
Due to other funds	--	--	13,001	--	--	13,001
Total liabilities	<u>\$ 441,221</u>	<u>\$ 7,547</u>	<u>\$ 279,343</u>	<u>\$ 1,248,970</u>	<u>\$ 6,333</u>	<u>\$ 1,983,414</u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2013

	Civic Center Ticket	Civic Center Promotions	Metro Drug Enforcement Task Force	Pending Forfeiture	Police Asset & Liability	Total Agency Funds
ASSETS						
Cash and cash equivalents						
July 1, 2012	\$ 479,270	\$ 11,972	\$ 295,705	\$ 1,304,013	\$ 6,312	\$ 2,097,272
Receivables, July 1, 2012	--	--	51,464	--	--	51,464
Due from other funds, July 1, 2012	5,520		6,360			11,880
Additions-cash	7,328,313	54,258	775,593	264,399	21	8,422,584
Deductions-cash	(7,366,362)	(58,683)	(807,777)	(319,442)	--	(8,552,264)
Additions-receivable	--	--	16,124	--	--	16,124
Deductions-receivable	--	--	(51,766)	--	--	(51,766)
Additions-due from other funds	--		--	--	--	--
Deductions-due from other funds	(5,520)	--	(6,360)	--	--	(11,880)
Cash and cash equivalents						
June 30, 2013	441,221	7,547	263,521	1,248,970	6,333	1,967,592
Receivables, June 30, 2013	--	--	15,822	--	--	15,822
Due from other funds,						
June 30, 2013	--	--	--	--	--	--
Total assets, June 30, 2013	<u>\$ 441,221</u>	<u>\$ 7,547</u>	<u>\$ 279,343</u>	<u>\$ 1,248,970</u>	<u>\$ 6,333</u>	<u>\$ 1,983,414</u>
LIABILITIES						
Refunds payable and others						
July 1, 2012	\$ 480,950	\$ 11,972	\$ 353,529	\$ 1,304,013	\$ 6,312	\$ 2,156,776
Additions	7,328,313	54,258	531,964	263,334	21	8,177,890
Deductions	(7,368,042)	(58,683)	(606,150)	(318,377)	--	(8,351,252)
Due to other funds						
July 1, 2012	3,840	--	--	--	--	3,840
Additions	--	--	13,001	--	--	13,001
Deductions	(3,840)	--	--	--	--	(3,840)
Refunds payable and others						
June 30, 2013	441,221	7,547	266,342	1,248,970	6,333	1,970,413
Due to other funds						
June 30, 2013	--	--	13,001	--	--	13,001
Total liabilities, June 30, 2013	<u>\$ 441,221</u>	<u>\$ 7,547</u>	<u>\$ 279,343</u>	<u>\$ 1,248,970</u>	<u>\$ 6,333</u>	<u>\$ 1,983,414</u>

See Independent Auditor's Report

STATISTICAL SECTION

**CITY OF CHARLESTON, WEST VIRGINIA
STATISTICAL SECTION**

This part of the City of Charleston's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property, business and occupation taxes and other tax revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's audited financial statements for the relevant year.

CITY OF CHARLESTON, WEST VIRGINIA

Table 1
 Net Position by Component -
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 55,719,550	\$ 66,448,722	\$ 68,309,020	\$ 71,869,697	\$ 69,648,983	\$ 73,968,963	\$ 83,612,718	\$ 82,874,654	\$ 82,454,592	\$ 83,960,629
Restricted	11,422,818	9,488,250	10,392,753	12,211,193	14,713,465	13,856,864	8,954,706	21,260,146	22,474,411	24,227,505
Unrestricted	(16,200,296)	(15,967,485)	(20,756,708)	(32,287,210)	(39,331,088)	(49,998,448)	(61,208,990)	(78,514,106)	(83,189,573)	(89,913,189)
Total governmental activities net position	\$ 50,942,072	\$ 59,969,487	\$ 57,945,065	\$ 51,793,680	\$ 45,031,360	\$ 37,827,379	\$ 31,358,434	\$ 25,620,694	\$ 21,739,430	\$ 18,274,945
Business-type activities										
Net investment in capital assets	\$ 9,135,802	\$ 10,485,290	\$ 10,907,278	\$ 10,854,966	\$ 10,508,737	\$ 11,003,316	\$ 11,045,766	\$ 11,453,846	\$ 11,731,642	\$ 12,406,337
Restricted	3,597,002	1,855,216	1,967,296	1,989,077	2,055,937	2,132,493	1,987,636	2,010,685	1,998,496	2,017,873
Unrestricted	(137,205)	196,325	140,807	298,804	739,912	963,564	1,481,099	1,816,359	2,547,076	2,028,805
Total business-type activities	\$ 12,595,599	\$ 12,536,831	\$ 13,015,381	\$ 13,142,847	\$ 13,304,586	\$ 14,099,373	\$ 14,514,501	\$ 15,280,890	\$ 16,277,214	\$ 16,453,015
Primary government										
Net investment in capital assets	\$ 64,855,352	\$ 76,934,012	\$ 79,216,302	\$ 82,724,663	\$ 80,157,720	\$ 84,972,279	\$ 94,658,484	\$ 94,328,500	\$ 94,186,234	\$ 96,366,966
Restricted	15,019,820	11,343,466	12,360,049	14,200,270	16,769,402	15,989,357	10,942,342	23,270,831	24,472,907	26,245,378
Unrestricted	(16,337,501)	(15,771,160)	(20,615,905)	(31,988,406)	(38,591,176)	(49,034,884)	(59,727,891)	(76,697,747)	(80,642,497)	(87,884,384)
Total primary government net position	\$ 63,537,671	\$ 72,506,318	\$ 70,960,446	\$ 64,936,527	\$ 58,335,946	\$ 51,926,752	\$ 45,872,935	\$ 40,901,584	\$ 38,016,644	\$ 34,727,960

CITY OF CHARLESTON, WEST VIRGINIA

Table 2
Changes in Net Position - Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
General government	\$ 12,892,126	\$ 18,117,093	\$ 15,595,021	\$ 16,226,688	\$ 15,897,074	\$ 14,323,394	\$ 11,927,925	\$ 14,678,134	\$ 17,731,874	\$ 17,435,160
Public safety	34,016,023	34,256,666	35,437,345	39,543,593	48,241,928	49,742,002	51,702,101	48,939,715	47,682,757	49,882,789
Streets and transportation	6,173,346	3,185,260	6,454,730	7,993,195	8,346,954	10,646,908	12,983,127	11,247,814	10,566,066	10,622,107
Health and sanitation	4,503,132	3,672,291	4,302,817	5,354,317	5,207,158	5,729,637	5,583,600	5,738,852	5,340,104	5,583,625
Culture and recreation	4,659,938	5,930,600	6,962,595	6,378,521	6,675,344	7,305,225	7,235,426	7,296,468	7,156,105	7,516,254
Social services	648,972	637,832	666,342	360,025	822,953	831,811	858,632	726,284	371,124	511,436
Economic development	1,494,515	2,351,533	2,746,483	3,358,208	2,995,622	2,024,572	5,428,332	2,767,138	2,730,673	2,513,663
Administrative and general	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	724,960	1,082,377	982,256	881,524	58,003	920,328	779,600	680,588	680,342	559,472
Total governmental activities	65,113,012	69,233,652	73,147,589	80,096,071	88,245,036	91,523,877	96,498,743	92,074,993	92,259,045	94,624,506
Business-type activities										
Civic center	4,041,658	4,266,734	4,515,951	4,735,314	4,889,784	4,787,698	4,733,849	4,553,220	4,775,999	4,921,903
Parking system	3,522,269	3,347,906	3,141,969	3,233,036	3,140,715	2,921,629	2,888,475	2,869,089	2,893,075	2,860,448
Total business-type activities	7,563,927	7,614,640	7,657,920	7,968,350	8,030,499	7,709,327	7,622,324	7,422,309	7,669,074	7,782,351
Total primary government	\$ 72,676,939	\$ 76,848,292	\$ 80,805,509	\$ 88,064,421	\$ 96,275,535	\$ 99,233,204	\$ 104,121,067	\$ 99,497,302	\$ 99,928,119	\$ 102,406,857
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 4,167,161	\$ 5,926,506	\$ 3,621,630	\$ 3,708,650	\$ 3,535,513	\$ 3,456,574	\$ 3,032,201	\$ 3,485,637	\$ 2,742,318	\$ 2,883,260
Public safety	5,563,713	5,718,864	5,575,741	6,837,529	8,163,860	8,569,748	10,125,363	10,110,851	10,088,885	10,278,179
Culture and recreation	124,499	140,381	113,375	129,364	95,038	120,618	103,740	101,352	1,038,368	993,673
Streets and transportation	3,981	4,858	2,183,248	1,615,441	2,071,313	2,639,926	1,650,000	1,687,280	1,650,000	1,650,000
Health and sanitation	4,070,540	4,382,690	4,024,738	4,167,357	4,193,130	4,103,198	4,078,634	4,202,709	4,244,195	4,139,576
Economic development	-	2,252	-	-	-	-	-	-	-	-
Social services	131,898	154,468	194,080	213,931	191,635	161,208	137,875	112,123	115,329	181,974
Operating grants and contributions	5,136,988	4,802,708	4,720,285	4,730,700	9,541,628	8,572,211	8,743,137	9,199,315	8,803,239	8,704,482
Capital grants and contributions	11,506,048	5,075,683	2,194,445	2,107,864	1,471,975	1,509,503	7,654,827	1,561,603	1,391,735	2,296,876
Total governmental activities program revenues	\$ 30,704,828	\$ 26,208,410	\$ 22,627,542	\$ 23,510,836	\$ 29,264,092	\$ 29,132,986	\$ 35,525,777	\$ 30,460,870	\$ 30,074,069	\$ 31,128,020

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

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services										
Rentals	\$ 3,402,583	\$ 3,504,671	\$ 3,488,733	\$ 3,653,123	\$ 3,572,936	\$ 3,663,108	\$ 1,094,783	\$ 3,606,545	3,887,577	3,728,044
Catering services	533,695	966,151	683,345	722,995	698,859	627,378	626,077	525,923	1,020,385	559,926
Parking violations	545,797	454,985	525,906	606,142	690,898	561,973	511,152	517,353	587,162	439,100
Parking meters	505,994	492,123	486,990	529,717	550,322	501,244	511,011	526,958	501,484	497,171
Other	732,283	847,534	827,436	874,709	1,105,029	1,074,676	3,711,047	1,029,662	1,038,443	1,315,385
Capital grants and contributions	63,615	26,032	40,334	73,344	224,125	48,387	20,240	439,181	152,000	42,470
Total business-type activities program revenues	5,783,967	6,291,496	6,052,744	6,460,030	6,842,169	6,476,766	6,474,310	6,645,622	7,187,051	6,582,096
Net (expense) revenue										
Governmental activities	(34,408,184)	(43,025,242)	(50,520,047)	(56,585,235)	(58,980,944)	(62,390,891)	(60,972,966)	(61,614,123)	(62,184,976)	(63,496,486)
Business-type activities	(1,779,960)	(1,323,144)	(1,605,176)	(1,508,320)	(1,188,330)	(1,232,561)	(1,148,014)	(776,687)	(482,024)	(1,200,255)
Total primary government net (expense) revenue	\$ (36,188,144)	\$ (44,348,386)	\$ (52,125,223)	\$ (58,093,555)	\$ (60,169,274)	\$ (63,623,452)	\$ (62,120,980)	\$ (62,390,810)	\$ (62,667,000)	\$ (64,696,741)
General revenues and other changes in net assets										
Governmental activities:										
Taxes										
Property taxes	\$ 9,846,179	\$ 10,499,462	\$ 9,898,401	\$ 10,389,006	\$ 10,355,037	\$ 10,541,473	\$ 11,438,498	\$ 11,548,479	\$ 11,955,757	\$ 12,564,591
Business and occupation taxes	32,820,776	32,863,908	33,681,586	35,567,872	36,666,641	39,691,857	37,874,423	38,852,038	40,750,458	41,355,598
Utility taxes	2,118,914	2,017,526	2,140,036	2,120,895	2,307,808	2,776,258	2,693,921	3,055,717	2,701,790	2,907,752
Hotel occupancy taxes	1,034,995	1,143,828	2,311,414	2,433,977	2,567,145	2,779,180	2,767,690	2,745,140	3,117,547	3,039,553
Other taxes	1,019,372	710,085	967,036	768,397	1,048,092	1,050,431	1,072,361	1,020,032	1,019,882	1,209,480
Unrestricted grants and contributions	100	2,000	-	-	-	-	-	-	-	-
Investment earnings	89,052	195,021	411,672	445,379	336,531	151,378	33,867	78,352	77,866	72,877
Gain (Loss) on sale of capital assets	59,158	5,768,495	709,370	162,017	129,838	168,333	164,158	110,918	137,994	246,638
Miscellaneous	2,156	404	37,031	224	-	-	-	-	-	-
Special item-legal settlement	-	-	300,978	-	-	-	-	-	-	-
Transfers	(1,326,110)	(1,148,072)	(1,961,899)	(1,453,917)	(1,192,468)	(1,972,000)	(1,540,897)	(1,534,293)	(1,457,582)	(1,364,488)
Total governmental activities	\$ 45,664,592	\$ 52,052,657	\$ 48,495,625	\$ 50,433,850	\$ 52,218,624	\$ 55,186,910	\$ 54,504,021	\$ 55,876,383	\$ 58,303,712	\$ 60,032,001

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

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities										
Investment earnings	\$ 47,948	\$ 116,038	\$ 120,926	\$ 176,954	\$ 157,601	\$ 52,842	\$ 13,356	\$ 11,416	\$ 10,685	\$ 11,553
Miscellaneous	125	267	900	4,915	-	2,506	8,889	33,049	1,434	15
Transfers	1,326,109	1,148,072	1,961,899	1,453,917	1,192,468	1,972,000	1,540,897	1,534,293	1,457,582	1,364,488
Total business-type activities	1,374,182	1,264,377	2,083,725	1,635,786	1,350,069	2,027,348	1,563,142	1,578,758	1,469,701	1,376,056
Total primary government	47,038,774	53,317,034	50,579,350	52,069,636	53,568,693	57,214,258	56,067,163	57,455,141	59,773,413	61,408,057
Change in net position										
Governmental activities	11,256,408	9,027,415	(2,024,422)	(6,151,385)	(6,762,320)	(7,203,981)	(6,468,945)	(5,737,740)	(3,881,264)	(3,464,485)
Business-type activities	(405,778)	(58,767)	478,549	127,466	161,739	794,787	415,128	802,071	996,324	175,801
Total primary government	\$ 10,850,630	\$ 8,968,648	\$ (1,545,873)	\$ (6,023,919)	\$ (6,600,581)	\$ (6,409,194)	\$ (6,053,817)	\$ (4,935,669)	\$ (2,884,940)	\$ (3,288,684)

CITY OF CHARLESTON, WEST VIRGINIA

Table 3

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Nonspendable:										
Prepays	\$ 861,264	\$ 951,368	\$ 1,008,515	\$ 966,752	\$ 859,405	\$ 830,761	\$ 606,961	\$ 599,087	\$ 538,965	\$ 534,963
Restricted for:										
Debt service	-	-	159,090	176,264	190,551	200,176	205,344	218,305	225,834	235,836
Capital projects	618,503	700,063	400,705	1,049,595	1,243,786	1,417,733	418,980	763,483	916,027	1,045,534
Committed for:										
Public safety	44,188	42,110	57,940	56,776	68,470	59,820	26,037	30,112	20,128	13,348
OPEB	-	-	-	-	-	-	-	7,968,345	8,538,480	9,067,704
Community development	-	-	-	-	-	-	-	62,811	55,593	55,778
Assigned for:										
General government	1,575,000	1,917,397	2,155,112	2,387,185	2,253,687	3,302,099	2,008,363	3,182,005	3,339,990	3,763,986
Public safety	1,524,893	1,367,497	-	-	-	-	136,293	183,045	50,647	69,416
Community development	-	-	-	-	-	-	46,991	-	-	-
Culture & recreation	-	-	-	-	-	25,000	14,895	-	1,897	-
Social services	-	-	-	-	-	-	-	29,354	-	-
Capital outlay	86,707	2,112,523	525,393	417,148	197,520	579,294	-	-	-	-
Unassigned	11,872,356	13,398,499	13,680,593	13,116,869	14,761,514	15,897,279	23,398,552	19,729,491	20,543,173	20,028,109
Total General Fund	\$ 16,582,911	\$ 20,489,457	\$ 17,987,348	\$ 18,170,589	\$ 19,574,933	\$ 22,708,724	\$ 29,118,660	\$ 32,766,038	\$ 34,230,734	\$ 34,814,674
All other governmental funds										
Nonspendable:										
Perpetual care	\$ 841,313	\$ 916,503	\$ 954,952	\$ 1,002,093	\$ 1,011,273	\$ 897,998	\$ 1,010,198	\$ 1,116,511	\$ 1,032,114	\$ 1,195,015
Restricted for:										
General government	29,387	68,490	121,527	143,229	151,112	118,186	134,743	140,179	117,942	117,439
Debt service	2,678,171	2,838,712	3,093,355	3,440,280	3,721,980	3,948,843	72,428	6	69,796	59,732
Community development	2,177,815	2,176,828	2,391,137	2,394,425	2,476,291	2,473,626	2,591,286	2,554,261	2,840,758	2,883,001
Perpetual care	405,094	426,224	473,466	605,904	553,215	606,658	657,879	748,567	885,180	835,864
Public safety	161,857	133,076	130,784	152,294	188,461	364,219	264,277	233,913	199,491	184,379
Culture & Recreation	-	-	-	-	-	-	-	-	-	127,415
Social services	-	-	-	-	-	-	-	16,220	-	-
Capital projects	-	-	-	-	-	-	6,137	1,294	10,814	-
Committed for:										
General government	224,048	533,587	1,163,903	1,228,029	1,288,469	1,840,757	-	-	-	24,593
Public safety	-	-	-	-	-	-	-	49,027	49,198	43,019
Community development	-	-	-	-	-	-	30,476	216,027	262,743	170,143
Steets & transportation	-	-	-	-	-	-	-	32,611	-	31,275
Health & Sanitation	340,147	419,039	431,999	358,635	396,629	378,063	318,383	430,070	421,358	376,241
Culture & Recreation	-	-	-	-	-	-	-	-	-	346,817
Debt service	-	-	-	-	-	-	-	74,371	-	-
Capital projects	3,154,992	929,347	2,710,766	3,323,604	4,656,742	3,941,227	2,826,676	2,610,542	2,897,456	3,046,007
Total all other governmental funds	\$ 10,012,824	\$ 8,441,806	\$ 11,471,889	\$ 12,648,493	\$ 14,444,172	\$ 14,569,577	\$ 7,912,483	\$ 8,223,599	\$ 8,786,850	\$ 9,440,940

The fund balance information for years 2004 through 2010 was restated from the previously reported reserved and unreserved to the new classifications required by GASB 54 which was implemented July 1, 2010. The fund balances were restated to the various classifications based upon the information available which has resulted in some variances in the classifications over the years.

CITY OF CHARLESTON, WEST VIRGINIA
Table 4
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 46,654,270	\$ 46,430,717	\$ 49,242,614	\$ 51,334,552	\$ 53,028,638	\$ 57,051,587	\$ 55,577,494	\$ 57,209,561	\$ 59,653,667	\$ 60,951,422
Licenses and permits	1,506,119	1,406,671	1,507,731	1,585,869	1,455,775	1,731,941	1,601,720	1,624,147	1,727,040	1,980,033
Fines and forfeitures	958,049	1,237,831	1,425,243	1,334,183	1,206,087	1,189,702	731,521	865,220	889,523	682,139
Charges for services	11,420,219	13,242,403	12,545,403	13,455,536	15,318,855	16,141,496	16,659,106	17,172,031	17,196,859	17,378,425
Intergovernmental	15,992,003	8,696,949	5,595,090	4,928,969	9,438,800	8,423,241	11,857,013	9,231,083	8,360,571	9,043,036
Investment earnings	285,676	549,103	818,789	1,184,506	778,985	400,498	321,058	310,621	274,412	227,115
Other revenues	1,742,909	2,109,403	2,098,938	2,426,221	2,370,284	2,419,634	3,918,629	2,355,501	2,657,649	2,290,775
Total revenues	78,559,245	73,673,077	73,233,808	76,249,836	83,597,424	87,358,099	90,666,541	88,768,164	90,759,721	92,552,945
Expenditures										
General government	10,441,852	12,386,355	12,680,635	14,029,365	15,247,865	14,755,393	14,892,930	15,098,648	16,758,073	17,300,093
Public safety	27,419,019	30,988,041	32,091,386	32,351,932	38,115,187	38,850,635	41,180,127	41,258,476	43,270,217	45,244,968
Streets & transportation	5,352,417	6,369,531	6,517,185	7,007,636	7,795,553	8,269,936	8,495,674	9,283,553	9,344,871	9,885,764
Health & sanitation	4,048,560	4,579,408	4,976,157	5,090,595	5,248,854	5,639,276	5,666,817	5,700,048	5,910,632	5,743,792
Culture & recreation	11,838,552	4,463,030	5,453,355	5,852,014	5,816,312	6,421,350	6,194,436	6,226,957	6,495,293	6,606,428
Economic development	5,673,238	2,990,521	3,640,671	4,043,828	4,004,487	3,616,919	7,630,856	3,616,911	3,467,050	3,908,967
Social services	584,404	647,150	665,296	856,383	828,870	795,455	858,122	765,398	734,641	1,153,456
Capital outlay	5,041,945	22,074,584	5,011,702	3,311,765	1,980,606	3,269,518	4,077,111	2,583,511	2,435,895	1,903,430
Debt service:										
Principal	1,104,052	1,183,247	1,517,603	1,651,681	1,761,291	1,881,447	5,231,528	696,861	727,364	753,081
Refunding debt issuance costs	-	-	-	-	-	-	66,822	-	-	-
Interest	840,682	735,873	1,079,040	979,118	873,674	919,824	636,643	504,268	473,340	441,233
Total expenditures	72,344,721	86,417,740	73,633,030	75,174,317	81,672,699	84,419,753	94,931,066	85,734,631	89,617,376	92,941,212
Excess of revenues over (under) expenditures	6,214,524	(12,744,663)	(399,222)	1,075,519	1,924,725	2,938,346	(4,264,525)	3,033,533	1,142,345	(388,267)
Special item-legal settlement	-	-	300,978	-	-	-	-	-	-	-
Other financing sources (uses)										
Proceeds from										
borrowing	1,532,141	10,116,502	1,573,000	1,317,227	2,326,542	2,161,000	5,445,500	2,266,500	2,158,500	2,264,500
Transfers in	13,675,581	15,311,778	10,755,743	8,002,458	7,159,465	7,388,416	15,628,709	7,123,537	6,925,212	7,112,640
Transfers out	(15,001,691)	(16,459,853)	(12,573,603)	(9,209,992)	(8,347,666)	(9,301,832)	(17,076,640)	(8,630,764)	(8,348,929)	(8,443,345)
Other	-	6,111,760	871,075	174,632	136,957	94,936	19,799	165,688	150,819	692,501
Total other financing sources (uses)	206,031	15,080,187	626,215	284,325	1,275,298	342,520	4,017,368	924,961	885,602	1,626,296
Net change in fund balance	\$ 6,420,555	\$ 2,335,524	\$ 527,971	\$ 1,359,844	\$ 3,200,023	\$ 3,280,866	\$ (247,157)	\$ 3,958,494	\$ 2,027,947	\$ 1,238,029
Debt service as a percentage of noncapital expenditures	3%	3%	4%	3%	3%	3%	7%	1%	1%	1%

Some capital outlays are included in the activity or function. The capital outlay listed above is for capital project funds only.

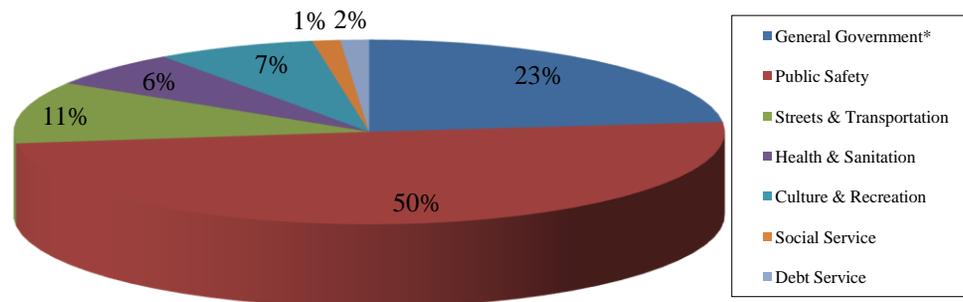
CITY OF CHARLESTON, WEST VIRGINIA
Table 5
Expenditures By Function - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Years	General Government*	Public Safety	Streets & Transportation	Health & Sanitation	Culture & Recreation	Social Service	Debt Service	Total
2004	16,115,074	27,419,018	5,352,417	4,048,560	3,990,812	584,404	1,944,734	59,455,019
2005	15,376,877	30,988,041	6,369,531	4,579,408	4,463,030	647,150	1,919,120	64,343,157
2006	16,321,306	32,091,386	6,517,185	4,976,157	5,453,355	665,296	2,596,643	68,621,328
2007	18,073,193	32,351,932	7,007,636	5,090,595	5,852,014	856,383	2,630,799	71,862,552
2008	19,252,352	38,115,187	7,795,553	5,248,854	5,816,312	828,870	2,634,965	79,692,093
2009	18,372,312	38,850,635	8,269,936	5,639,276	6,421,350	795,455	2,801,271	81,150,235
2010	22,523,786	41,180,127	8,495,674	5,666,817	6,194,436	858,122	5,934,993	90,853,955
2011	18,715,559	41,258,476	9,283,553	5,700,048	6,226,957	765,398	1,201,129	83,151,120
2012	20,225,123	43,270,217	9,344,871	5,910,632	6,495,293	734,641	1,200,704	87,181,481
2013	21,209,060	45,244,968	9,885,764	5,743,792	6,606,428	1,153,456	1,194,314	91,037,782

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

*Includes expenditures for economic development

Expenditures by Function - Governmental Fund Types for the Current Year

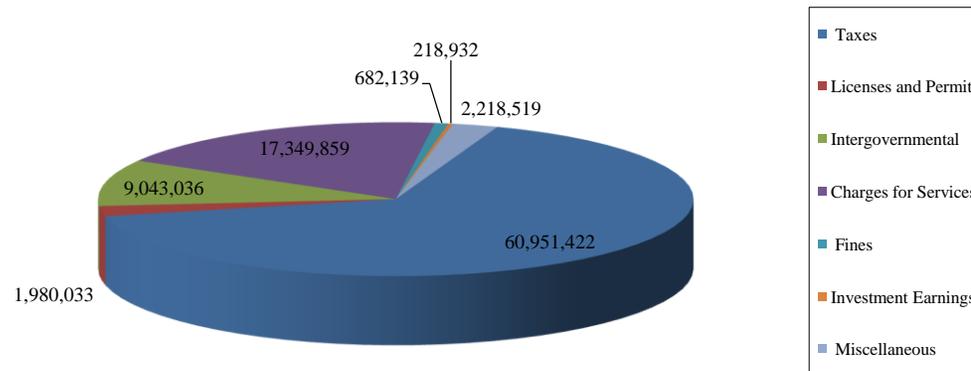


CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Revenues By Source - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Years	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines	Investment Earnings	Miscellaneous	Total
2004	46,654,270	1,506,119	15,307,826	11,272,407	1,036,914	233,624	1,847,187	77,858,347
2005	46,430,717	1,406,671	8,696,949	13,209,907	1,237,831	429,158	1,999,821	73,411,054
2006	49,242,614	1,507,731	5,588,637	12,536,018	1,425,243	772,955	2,058,036	73,131,234
2007	51,334,552	1,585,869	4,928,969	13,423,005	1,334,183	1,088,606	2,206,694	75,901,878
2008	53,028,638	1,455,775	9,438,600	15,304,291	1,206,087	643,072	2,175,928	83,252,391
2009	57,051,587	1,731,941	8,423,241	16,107,818	1,189,702	349,788	2,359,774	87,213,851
2010	55,577,494	1,601,720	11,857,013	16,638,335	731,521	311,374	3,849,333	90,566,790
2011	57,209,561	1,624,147	9,231,083	17,168,218	865,220	300,741	2,205,837	88,604,807
2012	59,653,667	1,727,040	8,360,571	17,169,861	889,523	265,855	2,527,104	90,593,621
2013	60,951,422	1,980,033	9,043,036	17,349,859	682,139	218,932	2,218,519	92,443,940

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

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	Utility Tax	Consumer Sales Tax Liquor	Hotel Occupancy Tax	Amusement Tax	Miscellaneous Taxes	Total
2004	9,820,894	32,820,776	2,118,914	625,700	1,034,995	201,089	31,902	46,654,270
2005	9,844,571	32,714,707	2,017,526	474,137	1,143,828	190,822	45,126	46,430,717
2006	10,142,543	33,681,586	2,140,036	746,717	2,311,414	163,005	57,314	49,242,615
2007	10,443,411	35,567,872	2,120,895	551,366	2,433,977	161,559	55,472	51,334,552
2008	10,438,952	36,666,641	2,307,808	800,647	2,567,145	187,168	60,277	53,028,638
2009	10,753,861	39,691,857	2,776,258	778,890	2,779,180	203,751	67,790	57,051,587
2010	11,169,099	37,874,423	2,693,921	826,209	2,767,690	193,976	52,176	55,577,494
2011	11,536,634	38,852,038	3,055,717	821,111	2,745,140	150,312	48,609	57,209,561
2012	12,063,990	40,750,458	2,701,790	782,221	3,117,547	179,470	58,191	59,653,667
2013	12,439,039	41,355,598	2,907,752	977,270	3,039,553	176,634	55,576	60,951,422

CITY OF CHARLESTON, WEST VIRGINIA

**Table 8
Property Tax Levies and Collections - General Fund -
For the Last Ten Fiscal Years**

<u>Fiscal Years</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
2004	8,437,960	7,603,532	90.11%	633,025	8,236,557	97.61%	506,278	6.00%
2005	8,596,979	6,912,926	80.41%	1,386,381	8,299,307	96.54%	515,819	6.00%
2006	8,715,463	8,261,230	94.79%	322,779	8,584,009	98.49%	510,092	5.85%
2007	9,071,618	8,327,766	91.80%	548,019	8,875,785	97.84%	470,677	5.19%
2008	9,163,154	8,540,242	93.20%	344,519	8,884,761	96.96%	406,484	4.44%
2009	9,440,524	8,738,117	92.56%	462,489	9,200,606	97.46%	231,842	2.46%
2010	10,028,680	9,271,727	92.45%	376,955	9,648,682	96.21%	466,928	4.66%
2011	11,893,824	10,941,052	91.99%	595,582	11,536,634	97.00%	521,966	4.39%
2012	12,294,171	11,543,435	93.89%	520,555	12,063,990	98.13%	422,483	3.44%
2013	12,855,184	11,902,083	92.59%	536,956	12,439,039	96.76%	571,126	4.44%

CITY OF CHARLESTON, WEST VIRGINIA
Table 9
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class -
Fiscal Years 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, and 2005

		Fiscal Year 2013				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	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	40.48%
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			<u>5,839</u>	<u>100.00%</u>	<u>\$ 39,179,796</u>	<u>100.00%</u>

		Fiscal Year 2012				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	11	0.19%	\$ 96,366	0.25%
2	Manufacturing	3.00%	45	0.77%	323,130	0.84%
3	Retailers	0.50%	1,081	18.47%	7,567,150	19.59%
4	Wholesalers	0.15%	460	7.86%	1,418,628	3.67%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,932,223	5.00%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,140,342	2.95%
7	Natural Gas Companies	3.00%	2	0.03%	568,317	1.47%
8	Water Companies	4.00%	1	0.02%	757,268	1.96%
9	All Other Public Utilities	2.00%	6	0.10%	56,098	0.15%
10	Contracting	2.00%	516	8.81%	4,216,039	10.92%
11	Amusement	0.50%	37	0.63%	306,350	0.79%
12	Service & All Other Businesses	1.00%	1,991	34.01%	15,790,193	40.88%
13	Rents and Royalties	1.00%	1,631	27.86%	2,446,095	6.33%
14	Banking and Other Financial Institutions	1.00%	71	1.21%	2,004,234	5.19%
Totals			<u>5,854</u>	<u>100.00%</u>	<u>\$ 38,622,433</u>	<u>100.00%</u>

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

		Fiscal Year 2011				
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	
1	Production of Natural Resources	1.00%	8	0.14%	\$ 19,584	0.05%
2	Manufacturing	3.00%	47	0.81%	355,563	0.96%
3	Retailers	0.50%	1,059	18.34%	7,278,769	19.58%
4	Wholesalers	0.15%	469	8.12%	1,185,723	3.19%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,829,175	4.92%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	1,069,228	2.88%
7	Natural Gas Companies	3.00%	2	0.03%	693,354	1.87%
8	Water Companies	4.00%	1	0.02%	715,867	1.93%
9	All Other Public Utilities	2.00%	1	0.02%	44,248	0.12%
10	Contracting	2.00%	515	8.92%	3,529,749	9.49%
11	Amusement	0.50%	33	0.57%	289,647	0.78%
12	Service & All Other Businesses	1.00%	1,978	34.25%	15,766,732	42.41%
13	Rents and Royalties	1.00%	1,597	27.65%	2,528,263	6.80%
14	Banking and Other Financial Institutions	1.00%	63	1.09%	1,870,713	5.03%
Totals			<u>5,775</u>	<u>100.00%</u>	<u>\$ 37,176,615</u>	<u>100.00%</u>

		Fiscal Year 2010				
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%	5	0.11%	\$ 18,420	0.05%
2	Manufacturing	3.00%	32	0.72%	317,725	0.90%
3	Retailers	0.50%	913	20.47%	7,105,802	20.14%
4	Wholesalers	0.15%	366	8.20%	1,003,969	2.85%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.04%	1,584,404	4.49%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	932,584	2.64%
7	Natural Gas Companies	3.00%	2	0.04%	835,828	2.37%
8	Water Companies	4.00%	2	0.04%	738,629	2.09%
9	All Other Public Utilities	2.00%	3	0.07%	30,143	0.09%
10	Contracting	2.00%	564	12.64%	3,230,548	9.16%
11	Amusement	0.50%	21	0.47%	307,393	0.87%
12	Service & All Other Businesses	1.00%	1,681	37.68%	15,249,924	43.23%
13	Rents and Royalties	1.00%	826	18.52%	2,170,226	6.15%
14	Banking and Other Financial Institutions	1.00%	43	0.96%	1,753,561	4.97%
Totals			<u>4,461</u>	<u>100.00%</u>	<u>\$ 35,279,156</u>	<u>100.00%</u>

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

		Fiscal Year 2009				
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	
1	Production of Natural Resources	11	0.16%	\$ 450	0.00%	
2	Manufacturing	48	0.72%	344,110	0.91%	
3	Retailers	1,200	17.96%	7,452,717	19.60%	
4	Wholesalers	485	7.26%	1,178,090	3.10%	
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	2	0.03%	1,428,790	3.76%	
6	Electric Power Companies (All Other Sales and Demand Charges)	1	0.01%	850,516	2.24%	
7	Natural Gas Companies	3	0.04%	1,139,275	3.00%	
8	Water Companies	1	0.01%	731,205	1.92%	
9	All Other Public Utilities	4	0.06%	46,358	0.12%	
10	Contracting	847	12.67%	3,197,120	8.41%	
11	Amusement	42	0.63%	81,854	0.22%	
12	Service & All Other Businesses	2,295	34.34%	17,119,132	45.02%	
13	Rents and Royalties	1,683	25.18%	2,450,421	6.44%	
14	Banking and Other Financial Institutions	61	0.91%	2,002,652	5.27%	
	Totals	<u>6,683</u>	<u>100.00%</u>	<u>\$ 38,022,690</u>	<u>100.00%</u>	

		Fiscal Year 2008				
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	
1	Production of Natural Resources	10	0.16%	\$ 3,921	0.01%	
2	Manufacturing	54	0.85%	362,330	1.06%	
3	Retailers	1,177	18.49%	6,851,776	20.02%	
4	Wholesalers	450	7.07%	1,214,168	3.55%	
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	1	0.02%	1,326,877	3.88%	
6	Electric Power Companies (All Other Sales and Demand Charges)	2	0.03%	792,692	2.32%	
7	Natural Gas Companies	1	0.02%	890,233	2.60%	
8	Water Companies	4	0.06%	656,817	1.92%	
9	All Other Public Utilities	763	11.99%	81,902	0.24%	
10	Contracting	46	0.72%	3,264,605	9.54%	
11	Amusement	2,153	33.83%	302,396	0.88%	
12	Service & All Other Businesses	1,627	25.57%	14,381,469	42.01%	
13	Rents and Royalties	75	1.18%	2,102,504	6.14%	
14	Banking and Other Financial Institutions	-	0.00%	1,999,636	5.84%	
	Totals	<u>6,364</u>	<u>99.98%</u>	<u>\$ 34,231,326</u>	<u>100.00%</u>	

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

		Fiscal Year 2007				
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	
1	Production of Natural Resources	15	0.23%	\$ 2,999	0.01%	
2	Manufacturing	58	0.91%	350,353	1.05%	
3	Retailers	1,167	18.24%	7,007,495	21.08%	
4	Wholesalers	428	6.69%	1,048,908	3.16%	
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	3	0.05%	1,216,064	3.66%	
6	Electric Power Companies (All Other Sales and Demand Charges)	1	0.02%	548,390	1.65%	
7	Natural Gas Companies	3	0.05%	973,137	2.93%	
8	Water Companies	2	0.03%	657,833	1.98%	
9	All Other Public Utilities	7	0.11%	78,230	0.24%	
10	Contracting	811	12.68%	3,055,984	9.19%	
11	Amusement	45	0.70%	342,871	1.03%	
12	Service & All Other Businesses	2,129	33.28%	13,618,532	40.97%	
13	Rents and Royalties	1,671	26.12%	2,168,817	6.53%	
14	Banking and Other Financial Institutions	58	0.91%	2,168,322	6.52%	
Totals		<u>6,398</u>	<u>100.00%</u>	<u>\$ 33,237,935</u>	<u>100.00%</u>	

		Fiscal Year 2006				
Class	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	
1	Production of Natural Resources	14	0.20%	\$ 10,056	0.03%	
2	Manufacturing	71	1.02%	362,036	1.07%	
3	Retailers	1,365	19.57%	6,799,683	20.19%	
4	Wholesalers	464	6.65%	916,554	2.72%	
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	5	0.07%	1,181,517	3.51%	
6	Electric Power Companies (All Other Sales and Demand Charges)	2	0.03%	742,428	2.20%	
7	Natural Gas Companies	4	0.06%	865,231	2.57%	
8	Water Companies	2	0.03%	659,616	1.96%	
9	All Other Public Utilities	3	0.04%	3,409	0.01%	
10	Contracting	867	12.43%	3,387,279	10.06%	
11	Amusement	50	0.72%	384,539	1.14%	
12	Service & All Other Businesses	2,273	32.58%	14,364,904	42.65%	
13	Rents and Royalties	1,792	25.69%	2,074,824	6.16%	
14	Banking and Other Financial Institutions	64	0.92%	1,929,559	5.73%	
Totals		<u>6,976</u>	<u>100.00%</u>	<u>\$ 33,681,635</u>	<u>100.00%</u>	

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

Class	Fiscal Year 2005				
	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	16	0.22%	\$ 15,049	0.05%
2 Manufacturing	3.00%	79	1.11%	335,813	1.03%
3 Retailers	0.50%	1,360	19.09%	6,781,563	20.89%
4 Wholesalers	0.15%	483	6.78%	803,359	2.47%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.01%	1,116,703	3.44%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	3	0.04%	865,422	2.67%
7 Natural Gas Companies	3.00%	4	0.06%	438,162	1.35%
8 Water Companies	4.00%	1	0.01%	586,135	1.81%
9 All Other Public Utilities	2.00%	6	0.08%	44,245	0.14%
10 Contracting	2.00%	791	11.10%	3,573,848	11.01%
11 Amusement	0.50%	58	0.81%	376,528	1.16%
12 Service & All Other Businesses	1.00%	2,383	33.46%	13,757,357	42.37%
13 Rents and Royalties	1.00%	1,866	26.20%	1,981,182	6.10%
14 Banking and Other Financial Institutions	1.00%	72	1.01%	1,792,896	5.52%
Totals		7,123	100.00%	\$ 32,468,262	100.00%

Source: City of Charleston Revenue System

The City of Charleston imposes a Business and Occupation tax upon all business performed within the City of Charleston. Non-profit organizations are exempt from this tax. The tax is calculated by multiplying the classification(s) rate times the business' gross receipts. The City presents only nine years of data instead of ten because our current customized revenue system was implemented in the fiscal year 2005 which allowed extraction of this data in summary form.

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
2004	2,454,272,860	1,472,563,716	6,910,000	2,589,805	4,320,195	0.18%	0.29%	83
2005	2,499,526,545	1,499,715,927	5,955,000	2,761,237	3,193,763	0.13%	0.21%	62
2006	2,531,327,042	1,518,796,225	4,930,000	2,955,244	1,974,756	0.08%	0.13%	39
2007	2,623,069,250	1,573,841,550	3,830,000	3,346,560	483,440	0.02%	0.03%	10
2008	2,651,836,470	1,591,101,882	2,645,000	3,622,601	(977,601)	-0.04%	-0.06%	(19)
2009	2,771,067,257	1,662,640,354	1,370,000	3,785,755	(2,415,755)	-0.09%	-0.15%	(48)
2010	2,866,580,495	1,719,948,297	-	3,903,692	(3,903,692)	-0.14%	-0.23%	(78)
2011	2,883,615,894	1,730,169,536	-	-	-	0.00%	0.00%	-
2012	2,931,967,620	1,759,180,572	-	-	-	0.00%	0.00%	-
2013	3,087,614,182	1,852,568,509	-	-	-	0.00%	0.00%	-

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

Fiscal Years	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Revenue Bonds	Capital Leases			
2004	6,910,000	5,115,948	3,351,270	19,641,190	47,913	35,066,321	22.97%	677
2005	5,955,000	4,887,701	11,705,822	18,076,489	15,787	40,640,799	26.16%	787
2006	4,930,000	4,650,098	11,491,961	17,056,779	-	38,128,838	23.83%	745
2007	3,830,000	4,418,825	10,987,881	16,007,070	-	35,243,776	20.53%	694
2008	2,645,000	4,147,126	11,261,072	14,917,361	-	32,970,559	18.51%	653
2009	1,370,000	3,875,679	11,232,515	13,782,652	-	30,260,846	16.20%	599
2010	-	3,664,899	11,156,673	12,668,472	-	27,490,044	14.23%	548
2011	-	3,339,478	11,068,526	11,457,329	-	25,865,333	13.33%	503
2012	-	3,008,554	10,786,372	10,141,186	-	23,936,112	12.21%	466
2013	-	2,715,290	10,147,127	9,330,223	-	22,192,640	10.97%	432

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Table 14 on Demographic Statistics for personal income and population data.

CITY OF CHARLESTON, WEST VIRGINIA
Table 12
Revenue Bond Coverage - Civic Center Revenue Bonds -
For the Last Ten Fiscal Years

Fiscal Years	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	General Fund & Coal Severance Transfers
				Principal	Interest	Total		
2004	2,213,020	3,507,409	(1,294,389)	220,000	510,913	730,913	-177.09%	1,140,375
2005	2,801,245	3,758,036	(956,791)	230,000	504,424	734,424	-130.28%	1,091,309
2006	2,533,883	4,019,922	(1,486,039)	245,000	475,718	720,718	-206.19%	1,137,268
2007	2,848,127	4,252,177	(1,404,050)	255,000	465,415	720,415	-194.89%	1,081,807
2008	3,063,446	4,422,167	(1,358,721)	270,000	519,124	789,124	-172.18%	1,121,463
2009	2,823,229	4,391,541	(1,568,312)	280,000	434,949	714,949	-219.36%	1,812,381
2010	2,839,910	4,314,792	(1,474,882)	300,000	397,689	697,689	-211.40%	1,432,678
2011	2,547,456	4,211,851	(1,664,395)	315,000	305,206	620,206	-268.36%	1,314,817
2012	3,101,777	4,335,808	(1,234,031)	385,000	289,458	674,458	-182.97%	1,301,836
2013	2,936,164	4,616,987	(1,680,823)	390,000	276,207	666,207	-252.30%	1,373,459

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			Coverage
				Principal	Interest	Total	
2004	3,619,020	2,506,190	1,112,830	655,000	830,341	1,485,341	74.92%
2005	3,606,556	2,473,235	1,133,321	875,000	839,929	1,714,929	66.09%
2006	3,784,728	2,591,777	1,192,951	890,000	449,604	1,339,604	89.05%
2007	4,040,726	2,716,769	1,323,957	910,000	421,403	1,331,403	99.44%
2008	3,940,591	2,653,197	1,287,394	935,000	390,455	1,325,455	97.13%
2009	3,734,111	2,546,844	1,187,267	970,000	356,450	1,326,450	89.51%
2010	3,656,645	2,471,699	1,184,946	995,000	319,555	1,314,555	90.14%
2011	4,142,631	2,493,365	1,649,266	1,025,000	282,501	1,307,501	126.14%
2012	3,970,745	2,529,183	1,441,562	1,060,000	237,690	1,297,690	111.09%
2013	3,657,500	2,590,134	1,067,366	925,000	195,316	1,120,316	95.27%

Bond Rate Covenant Percentage Required 115%

1,067,366	Net Revenues
<u>651,928</u>	Depreciation
<u>1,719,294</u>	Net Revenues for Coverage Requirement

153% Bond Debt Coverage

CITY OF CHARLESTON, WEST VIRGINIA

Table 14
Demographic Statistics -
Last Ten Fiscal Years

<u>Fiscal</u> <u>Years</u>	<u>Population</u>	<u>Personal</u> <u>Income</u>	<u>Per Capita</u> <u>Income</u>	<u>Unemployment</u> <u>Rate</u>
2004	51,813	1,550,763	29,935	4.9
2005	51,648	1,609,868	31,179	4.7
2006	51,156	1,728,561	33,798	4.1
2007	50,773	1,789,241	35,248	3.8
2008	50,478	1,882,829	37,306	3.5
2009	50,478	1,902,011	37,687	6.6
2010	50,132	1,921,031	38,177	7.6
2011	51,400	1,940,241	38,673	7.4
2012	51,400	1,959,643	40,027	6.9
2013	51,400	2,022,473	41,228	5.7

Bureau of Economic Analysis/U.S. Department of Commerce

Per Capital Income is based on an average annual growth rate of PCPI of 1.3% to 3.5% as information is updated and becomes available.

CITY OF CHARLESTON, WEST VIRGINIA
Table 15
Legal Debt Margin Information -
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	<u>\$ 3,087,614,182</u>
Debt limit (5% of assessed value)	154,380,709
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>\$ 154,380,709</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 112,773,976	\$ 114,708,065	\$ 115,320,129	\$ 119,639,489	\$ 132,591,824	\$ 138,553,363	\$ 143,329,025	\$ 144,180,795	\$ 146,598,381	\$ 154,380,709
Total debt applicable to limit	<u>6,910,000</u>	<u>5,955,000</u>	<u>4,930,000</u>	<u>3,830,000</u>	<u>2,645,000</u>	<u>1,370,000</u>	-	-	-	-
Legal debt margin	<u>\$ 108,453,781</u>	<u>\$ 111,514,302</u>	<u>\$ 113,430,666</u>	<u>\$ 119,156,049</u>	<u>\$ 133,569,425</u>	<u>\$ 140,969,118</u>	<u>\$ 143,329,025</u>	<u>\$ 144,180,795</u>	<u>\$ 146,598,381</u>	<u>\$ 154,380,709</u>
Total net debt applicable to the limit as a percentage of debt limit	6%	5%	4%	3%	2%	1%	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
2004	131,698	0.6	4.9	-0.7
2005	133,234	1.2	4.7	-0.1
2006	135,085	1.4	4.1	-0.6
2007	135,847	0.6	3.8	-0.3
2008	135,414	-0.3	3.5	-0.3
2009	129,331	-4.5	6.6	3.1
2010	126,017	-4.4	8.1	0.8
2011	129,142	-0.6	7.6	-0.4
2012	130,329	0.9	6.9	-0.5
2013	130,500	0.13	5.7	-0.2

Charleston, WV MSA Statistical Data
U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

CITY OF CHARLESTON, WEST VIRGINIA

Table 17

**Kanawha County
Ten Largest Employers in Kanawha County and Rank -
June 30, 2013 and 2004**

Rank	Company Name	2013		Company Name
		Total Employees	Employee Percentage	
1	Charleston Area Medical Center, Inc.	6,577	37%	Charleston Area Medical Center
2	Kanawha County Board of Education	3,978	22%	Kanawha County Board of Education
3	Herbert J. Thomas Memorial Hospital Association	1,200	7%	Herbert J. Thomas Memorial Hospital Association
4	Wal-Mart Associates, Inc.	1,100	6% **	Wal-Mart Associates, Inc.
5	West Virginia Department of Highways	1,000	6% **	Minneapolis Postal Data Center
6	The Kroger Company	900	5% **	Dow (Union Carbide Corporation)
7	City of Charleston Municipality	785	4%	West Virginia Department of Highways
8	West Virginia Department of Health and Human Resources	750	4% **	West Virginia Department of Health and Human Resources
9	U.S. Postal Service	720	4% **	City of Charleston Municipality
10	Charleston Hospital, Inc. (St. Francis Hospital)	700	4% **	Bayer Cropscience
	Total	17,710	100%	

Workforce West Virginia, an agency of the Department of Commerce
**This information is unavailable for these organizations, consequently, the number of employees is estimated.
The total employee information is unavailable for the 2004 year.

CITY OF CHARLESTON, WEST VIRGINIA

Table 18

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

Function/Program	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical arrest	4,281	4,990	6,314	6,270	7,649	6,812	5,704	7,435	6,945	8,106
Citations written	10,402	16,460	19,946	23,494	20,804	16,217	10,438	18,710	14,891	15,115
Offenses charged	15,646	28,207	29,659	29,195	24,006	18,887	6,626	7,454	8,458	10,232
Fire										
Emergency medical responses	12,289	11,157	12,373	18,926	17,788	12,709	12,538	13,106	13,379	13,325
Fire responses	5,318	8,661	9,000	12,214	13,131	17,424	16,417	16,272	16,867	11,327
Inspections	1,064	1,019	1,019	1,156	1,124	1,138	897	854	1,415	1,526
Refuse collection										
Refuse collected (tons annually)	28,113	27,461	27,869	30,571	26,977	13,816	13,228	26,659	12,772	26,541
Recyclables collected (tons annually)	1,254	1,350	1,380	1,293	1,072	1,031	991	3,410	502	985
Yard waste collected (tons annually)	4,238	3,428	2,658	2,271	1,653	455	454	1,031	402	1,580
Sludge (tons annually)	3,630	2,170	2,289	5,175	5,641	2,701	1,250	5,938	Unavailable	Unavailable
Other public works										
Streets resurfaced (Miles)	Unavailable	27.50	25.58	9.30	10.56	9.40	5.14	6.96	8.47	7.11
Potholes repaired	113	83	34	177	27	57	82	77	83	71
Parking systems										
Parking violations	54,162	52,995	64,418	62,942	98,187	45,545	43,316	44,159	49,313	45,975
Civic center										
Number of events (annual average)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Municipal auditorium										
events (number of days annual average)	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	5	5	5	5	5	5	5	4	4	4
Patrol units	100	90	90	94	94	94	92	88	88	88
Fire stations	8	9	9	9	9	9	9	9	8	8
Refuse collection										
Collection trucks	30	30	30	30	30	30	30	30	30	30
Other public works										
Street (miles)	300	300	300	300	300	300	300	325	325	325
Traffic signals	152	152	152	152	152	152	152	148	148	148
Parks and recreation										
Community centers	3	3	3	3	3	3	3	3	3	3
Neighborhood centers	3	3	3	3	3	3	3	3	3	3
Parks	6	6	6	6	6	6	6	6	6	6
Parks acreage	115	115	115	115	115	115	115	115	115	115
Swimming pools	5	5	5	5	5	5	5	5	5	5
Tennis courts	16	16	16	16	16	16	16	16	16	16
Parking system										
Number of parking garages	6	6	6	6	6	6	6	6	6	6
Number of parking meters	108	1,073	1,098	1,100	1,150	1,150	1,150	1,150	1,059	1,035
Civic center										
Types of facilities	6	6	6	6	6	6	6	6	6	6

Sources: Various City of Charleston Departments

CITY OF CHARLESTON, WEST VIRGINIA
Table 20
Full-Time Equivalent City Government Employees By Function / Program
Last Ten Fiscal Years

Function/Program	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Management	61	44	42	47	48	49	52	50	42	41
Finance	21	21	23	26	26	22	20	29	23	23
Planning	15	17	17	17	17	17	17	21	21	20
Building	3	4	14	14	14	20	30	26	25	24
Engineering	6	8	8	8	8	9	9	8	9	10
Other	52	39	32	31	32	31	42	55	70	95
Police										
Officers	164	168	171	180	179	183	179	160	159	153
Civilians	46	45	29	28	28	24	26	27	27	26
Fire										
Officers	188	190	191	187	191	188	199	174	161	153
Civilians	5	5	5	5	4	3	2	2	2	2
Other public safety	8	9	9	8	8	8	8	8	8	2
Refuse collection	72	77	69	74	66	66	65	68	67	65
Public works	97	119	120	119	118	121	126	129	140	131
Parks and recreation	88	80	90	87	93	108	83	91	85	93
Social services	21	19	19	17	21	10	10	9	9	7
Civic center	34	44	30	24	23	22	21	21	23	24
Parking system	38	36	35	28	26	25	24	26	25	26
Total	919	925	904	900	902	906	913	904	896	895

Sources: City of Charleston Payroll

