



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

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, 2009. The State of West Virginia Auditor's Office, Chief Inspector Division, 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 on the Internet 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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Cover Photos and Design by Jeff Gentner

Special appreciation is given to all personnel throughout the City whose extra effort to contribute accurate, timely financial data for their departments made this report possible.

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FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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INTRODUCTORY SECTION



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

December 22, 2009

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, 2009. This report has been prepared by the Accounting Department of the City of Charleston in accordance with accounting principles generally accepted in the United States of America (GAAP).

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. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The State of West Virginia Auditor's Office has issued an unqualified ("clean") opinion on the City of Charleston's financial statements for the fiscal year ended June 30, 2009. 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 report of the independent auditors.

Profile of the Government

The City of Charleston is located in southwestern West Virginia and is the county seat of Kanawha County and West Virginia's State Capital. It is the transportation, retail, cultural and telecommunications hub of the State and offers one-day shipping proximity to over 60% of the United States population and 30% of the Canadian population. The Charleston Metropolitan Statistical Area (MSA) is comprised of five counties: Boone, Clay, Kanawha, Lincoln and Putnam. Charleston is located in the largest of these counties: Kanawha. Population of the metropolitan area is over 300,000. In addition to its business advantages, the area is a great place to live. The area provides affordable housing, low crime rates, state-of-the-art medical facilities, and a wealth of cultural and recreational opportunities to provide quality living.

Charleston is home to many facilities that provide quality of life to its citizens and visitors. West Virginia's largest medical center, Charleston Area Medical Center, is located in the City and provides employment to approximately 5,000 healthcare professionals and staff. The University of Charleston is a 1,000 student private college located along the banks of the Kanawha River and in 2006 opened a new school of Pharmacy. In August 2008, the University's graduate business school began classes in its new location downtown. The Clay Center for the Arts and Sciences provides culture and recreation offering a variety of events, museums, and theatre. Many other facilities, including an airport, are immediately accessible. Many festivals and events are held annually including Multifest, Vandalia Festival, FestivALL, Live on the Levee, Rod Run & Doo Wop, a 4th of July celebration with fireworks, and others which provide enjoyment to citizens and visitors. Charleston also has its own Class A baseball team and historic sites in our historic district referred to as the East End.

The City of Charleston operates under 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; the construction and maintenance of streets and other infrastructure and sanitation services; sewage collection and disposal services are provided through a legally separate entity, the City of Charleston Sanitary Board, which has been 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 reappropriated, expire at the fiscal year-end.

Economic Conditions and Outlook

Companies in major economic sectors such as chemical, automotive, healthcare, telecommunications and professional services are located within the government's boundaries or in close proximity. Other thriving economic sectors include retail, trade and tourism.

The City of Charleston, Charleston Area Alliance, Charleston Convention and Visitor's Bureau, Charleston Urban Renewal Authority and other organizations continually work with local leaders and the business community to build the economy of the area and revitalize the downtown. The Main Street programs continue with facade restorations. The East End has announced the third cycle of Facade Renovation Assistance Program for businesses located on the East End for \$20,000. Past cycles of facade grants for the East Side generated more than \$160,000 of investment with just \$12,000 in grant money. Many businesses have already benefited and seen improvement to the aesthetics and appearances of their businesses. The West Side received a grant cycle in the 2008 year.

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate of 8.1 percent at June 30th reflected an increase over prior year; however, it was lower than the State and United States unemployment rate of 9.2 and 9.5 percent, respectively. Since June the unemployment rate has declined to 7.4 percent.

In a national survey of metropolitan areas its size completed in April 2008, Charleston ranked as the 5th least expensive city for doing business. This research conducted by the accounting firm of KPMG, LLP stated that the costs of operating in the Charleston area are 4.7% below the national average. The research also stated that Charleston's labor costs are 7th lowest among the 18 metropolitan areas in the 500,000 to 1.5 million population range, and 3rd lowest in the Northeast region.

In addition, a report by Policom Corporation, an independent economic research firm specializing in analysis of local and state economies, ranked the economic strength of the Charleston Metropolitan Statistical Area (MSA) in the top third of all U.S. MSAs.

In a 2007 report by Policom, Charleston was ranked 112th up from 120 in 2005 and 155 in 2004. The researchers ranked all 363 MSAs in the U.S. using factors that impact standard of living. Economies highest ranked are those that have had rapid, consistent growth in both size and quality for an extended period of time measured by a variety of labor indicators.

The occupancy rate for the central business district has remained at 85 to 90 percent due to ongoing revitalization efforts. No significant decline is anticipated in the near future.

The City's economy remains stable; however, the State is experiencing a recession with significant job losses. The downturn is expected to be milder than the U.S. as a whole due to continued strength in the coal, oil, and natural gas sectors; however, the global downturn has had a big impact on coal production, manufacturing, construction and retail trade. It is predicted recovery will begin in the second half of 2010; however, it will be a slow growth. Even with the downturn, economic growth and community development continues throughout the Charleston area. A Japanese chemical powerhouse, Kureha, is investing more than a \$100 million in a wholly-owned subsidiary to build a plant dedicated to the production of polyglycolic acid (PGA) in the Kanawha Valley creating about 50 new jobs. The construction is expected to be completed near the end of 2009 and production to begin in 2010. In September 2009, Frontier Communication announced its plan to open a Southeast regional headquarters in Charleston which is expected to create 30 to 40 additional management jobs in the area upon PSC approval of its purchase of Verizon's land lines in West Virginia and 13 other states.

A Houston-based oil and gas company, EnerVest recently announced that it plans to add 15 to 20 administrative jobs at its Eastern Division regional headquarters in downtown Charleston, after acquiring 3,000 gas wells in Pennsylvania and Ohio. A new Walgreens has opened on the West Side of Charleston. The Kanawha County Board of Education has plans to consolidate four aging elementary schools on the City's West Side into two new facilities. Construction on the first of the two new schools began in the spring with an expected opening in the fall of 2010. A CVS Pharmacy is under construction in Kanawha City and plans are in progress for construction of a new Hampton Inn.

The West Virginia State Legislature passed legislation allowing counties to hold special elections for approval of table games. Early in the fiscal year, Kanawha County held a special election for approval of table games which passed. Table games are now being offered at a local race track facility which has created approximately 300 jobs. As required by voter approval, a hotel with at least 150 rooms, plus amenities, must be built at the facility. Construction began in June and the hotel is expected to be open by August 2010. The new resort is expected to draw tourists from all over the country which will provide much economic gain for the area.

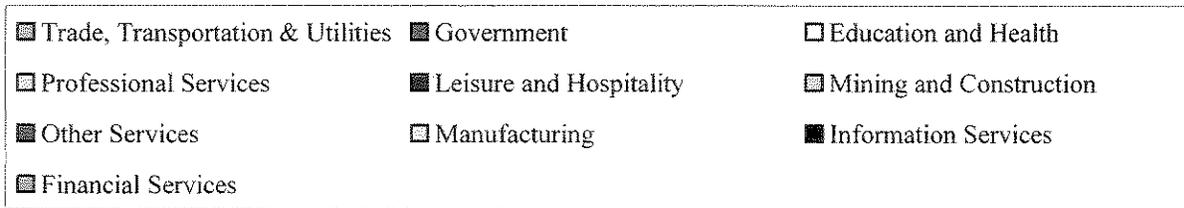
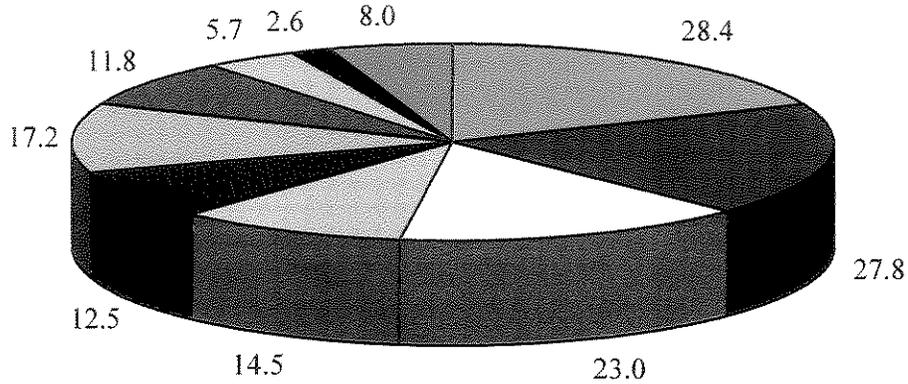
Development of the Gateway Greenspace at the end of the main downtown exit ramp from interstate 64/77 began in April 2009 and completion is expected in the fall. The concept includes installing streetscape-style sidewalks and curbs and an outdoor learning center with environmental emphasis located on about an acre which greets visitors as they approach the Center for the Arts and Sciences. The park will feature flower gardens, picnic areas, walking paths, and lawn game areas. Upon entering the space there will be a wall of terraces with the highest eight feet above street level, symbolizing the different elevations of our mountains. In addition, a stream will cascade down to a reflecting pool.

The citywide bridge lighting project has been completed. Architectural lights were placed on the South Side Bridge over the Kanawha River and the Kanawha Boulevard and Lee Street bridges over the Elk River. The lighting of the bridges provides a safety feature as well as the visual appeal for the city of Charleston. The project was completed with private donations from a retired Charleston family. The lighting is just one of the improvements envisioned for the bridges. The City painted the Boulevard Bridge after some structural repairs were completed this summer.

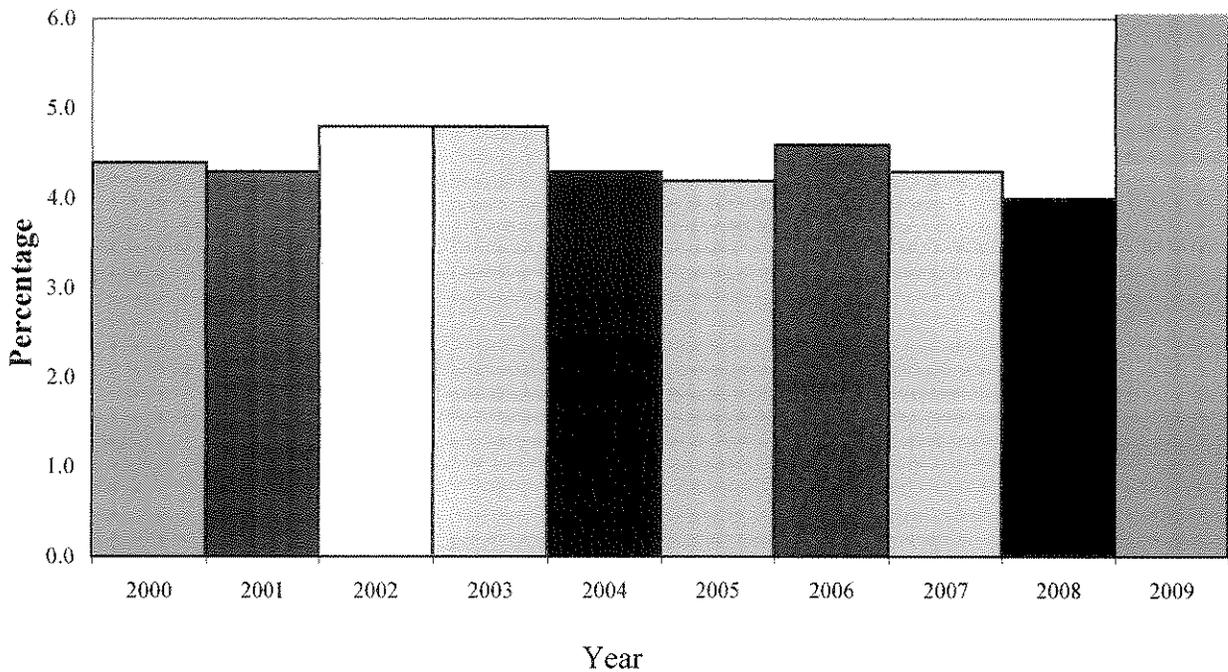
The City's governing council passed a bill on December 15, 2008 which authorized the City to issue its MultiFamily Housing Revenue Bonds (Little Page Terrace Apartment Project) Series 2008A and MultiFamily Housing Revenue Bond (Washington Manor Apartment Project) Series 2008B in the aggregate amount of \$11,495,000. These bonds were issued in December 2008 with a final maturity date of 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. The proceeds will be used to continue the construction and equipping of renovations and improvements to the existing facilities which provide low to moderate income housing. Please refer to note F on pages 75 and 76 for the details on this conduit debt transaction.

Charleston has become more visitor friendly with its colorful wayfinding signs pointing to specific destinations, sights, and tourism information spots. In addition, The Charleston Convention and Visitor's Bureau has developed a new visitor's guide containing color-coded maps highlighting city sites, including local landmarks and shopping areas. The Wayfinding Commission has begun three banner programs for community neighborhoods and events which consists of Horizontal Street Banners, the Vertical Special Event Banners and the Vertical District Banners.

Charleston, WV Metropolitan Statistical Area Employment by Major Industry (in Thousands)



Unemployment Rate



Long-term Financial Planning and Relevant Financial Policies

The City has begun implementation of strategy-aligned management (based upon a Balanced Scorecard approach) which is a framework for implementing strategy that translates an organizations "mission and strategy into a set of performance measures". Charleston City Council has identified five overarching goals for Charleston to be the business, cultural, and recreational Capital of the Appalachian Mountains. These goals are (1) strong neighborhoods (2) efficient government (3) enhanced recreational opportunities (4) infrastructure development and maintenance, and (5) business development. Within the City government, this management tool has been implemented in several of the departments to date and will eventually include all departments. A consultant has been contracted to assist in the development of a strategic action plan for implementation of city-wide goals.

The implementation of the city service fee in 2004, which is dedicated to public safety, street maintenance, and infrastructure, and the subsequent raise in that fee last fiscal year has allowed the City's police force to be increased by twenty officers over its pre-2004 authorized force. Major strides have been accomplished for city street maintenance and infrastructure. During the fiscal year a project to stabilize the Kanawha Riverbank was begun. In the prior year the City commissioned a bridge study including an accommodating maintenance schedule that has allowed current structural issues to be addressed and will preempt future major repairs. As discussed previously several bridge structural issues have been addressed throughout the past summer and fall.

Appalachian Power Park was completed in the spring of 2005. This stadium is used not only for minor league baseball but has become an alternative venue for various events. In October 2009 the City hosted the International Chili Society's world championship cook-off which was held at the park. This was the first time the event was held east of the Mississippi River.

With the 2006 passage of State Legislation which raised the cap on hotel occupancy tax that can be levied by municipalities from 3% to 6%, the City collects additional revenues that are dedicated to the promotion of conventions and tourism, as well as construction and renovations of publicly owned convention facilities. In addition, the revenues may be used for construction of public parks, promotion of the arts, historic sites, and beautification projects. The City continues to focus on development of more ways to attract visitors to Charleston. Fifty percent of the revenues from the hotel occupancy tax is dedicated to a component unit, the Convention and Visitor's Bureau (the Bureau). The Bureau's increased funding has resulted in a record number of conventions being held in Charleston which has brought in thousands of visitors to the City.

During the calendar year 2008, the Bureau booked 55 meetings with an economic impact of \$28 million, a 43 percent increase over the previous year. A total of 61 events were booked during the first seven months of calendar year 2009, with an estimated economic impact on the city of about \$29 million. The major markets for Charleston are sports and faith-based events.

Through collaborative efforts of the Governor and State, the City, sponsors such as the West Virginia Coal Association and Chesapeake Energy, and many others, the 2008 Met-Rx World's Strongest Man contest was hosted by the City of Charleston during the fiscal year. The London-based firm, IMG Media organized the contest and helped Charleston gear up for the event. The estimated benefits to the City should far exceed the costs to host the event. The event was very successful and well attended. The contest first aired on ESPN in December and will be shown for years to come. This has introduced Charleston internationally as a venue for people to visit and host any kind of event they would like. According to the Charleston's Convention and Visitor's Bureau the economic impact of the event was \$3.45 million. In addition, the Bureau stated this event was one of the driving forces for the big event "Summer Sizzles" in August which featured a national Jet Ski Championship on the Kanawha River and a pro beach volley ball tournament on new courts at Magic Island. Both of those events, together with the Firemen's Challenge will be returning for at least the next three years in an event to be billed as Sports Fest.

The City has received a federal grant in the amount of \$2.4 million for improvements to Haddad Riverfront Park. The park is a top priority for the City since the park serves as the center of Charleston's community celebrations. By upgrading the facilities, the City will ensure that Haddad Riverfront Park will continue to be a great place for West Virginians and visitors to enjoy for years to come. A hybrid design for the park canopy was selected by the Charleston's Riverfront Committee with a separate fixed canopy with overlapping tents near street level and a movable canopy which would slide along twin arches at a cost of \$1.5 million. Construction began during the summer and this portion of the project must be completed by the end of the year under the grant terms. This is a part of the overall project which would include an overlook/pavilion at the foot of Court Street; streetscape-type improvements to Kanawha Boulevard, including a new broad entrance into Haddad Park, a permanent stage, and a floating dock for small boats.

The City of Charleston is designated in the National Register of Historic Places. The Charleston Historic Landmark Commission was created as an agency of the City to identify, study, preserve and protect the historic landscape. In addition, a new fund has been created, the Historic Preservation Fund, for receipt of grants and contributions dedicated to historic preservation throughout the City. The government has completed facade restoration of its City Hall building and continues renovations internally.

The government submitted a Plan for Home Rule to the State of West Virginia Legislature on December 31, 2007, and has been granted home-rule status by the State Municipal Home Rule Board which began July 1, 2008 for a five-year pilot program. In September 2008, the City Council approved a bill creating Chapter 3 Municipal Home Rule in the Municipal Code for all ordinances enacted pursuant to the authority granted to the City under W.Va. Code §3-15a. Some of the ordinances enacted included provisions for publication of delinquent business & occupation taxes and City fee accounts; lien notice and creation for delinquent City service fees; contracts with other jurisdictions via resolution; disposition of municipal property to nonprofit organizations for less than fair value and without public auction; conveyance or lease of city property without public auction if such conveyance is to facilitate economic development within the city and/or provide necessary and convenient resources for the benefit of its citizenry; procurement of architectural, engineering services, and design-build; enforcement of external sanitation and common nuisance violations; and authority of the City to file liens on real property for costs incurred in abating exterior sanitation and common nuisance violations and for costs incurred in repairing, relaying, or constructing sidewalks. These ordinances and any other ones will allow improvements to current processes and more efficient government operations.

The Administration has and is continuing to focus on properties located within close proximity to Charleston for annexation purposes to provide for more efficient government and services, as well as address the declining population issue. In addition, discussions of metro government have been ongoing among city and county government leaders as an alternative to consider for improving government administration. The Charleston Area Alliance has created a special task force to begin formation of a community-wide organization to educate voters on metro government issues. To learn more about metro government, many county and city leaders have visited Louisville, Kentucky where city and county governments have been combined. Subsequent to year-end the mayor of Louisville, Kentucky visited Charleston and attended a public meeting on metro government.

The West Virginia State Legislature passed legislation allowing Kanawha County to pass a referendum for metro government with a simple 50 percent majority plus one rather than the 55 percent State law requires. Charleston City Council passed a resolution and the Mayor appointed a committee to study various concepts cities might undertake, for example, sharing emergency aid, sharing costs of storm water management, sharing technology, and cooperating to enforce drug laws. In November 2009, the County Commission and the Mayor recognized that metro government lacks sufficient support to bring the issue to vote at any time in the near future. The City and Kanawha County have already merged Metro 911 services and the housing authority which has proven beneficial and are still committed to considering the consolidation of other services for better government administration.

Kanawha County and the City expect federal funding from the American Assistance and Reinvestment Act for several projects including \$1.9 million to the Charleston-Kanawha Housing Authority for new low-income housing at Littlepage Terrace and Washington Manor public housing facilities in downtown Charleston; \$712,500 to the Hope Community Development Corp for renovation of properties on Charleston's West Side and construction of homes for low and moderate-income families; \$1.9 million for the Kanawha Trestle-Rail Trail project to redevelop the abandoned CSX railroad trestle over the Kanawha River and convert six miles of railroad lines into walking and bicycle trails between South Charleston's Mound and the State Capitol Complex. In addition, the City has received \$497,051 from the Community Development Block Grant Formula Program to fund community projects for low and moderate-income people.

Subsequent to year-end the City of Charleston Fire Department was approved to receive \$260,000 in federal funding from the Assistance to Firefighters Grants Program funded by the Department of Homeland Security to buy response equipment, protective gear, and vehicles.

City Council has agreed to hire engineers to examine the Whipple Truss, the city's first rail bridge over the Elk River, to determine what would be needed to convert it to a pedestrian/bicycle bridge. Hopefully, the bridge can be used to link trails on the West Side from the Kanawha trestle to other trails downtown and on the East End.

Expansion and revitalization of Charleston's aging convention facilities, the Civic Center, is a high priority of the Administration. Expansion and upgrade is a necessity for the facility to continue to be a viable convention center. The Civic Center has installed five walk-through detectors similar to ones used at airports and five handheld ones funded by a Homeland Security grant in addition to an advanced surveillance system that was installed in the previous fiscal year.

The City is addressing structural issues with its parking garages, according to a plan outlined by consulting engineers a year ago, with a total cost of approximately \$4 million. The first phase of a three-phase project has been ongoing throughout the fiscal year. The second phase is budgeted for the 2010 fiscal year in addition to the required annual maintenance as a part of the structural renovations project on the garages. The City received a \$585,000 energy-efficiency grant from the U.S. Department of Energy and has started replacing the lights in the garages as well as in City Hall.

Council approved a lease allowing an entrepreneur to explore the feasibility to build a methane-fueled power plant at the City's landfill as a part of the green movement in this Country. In June they began drilling thirty wells and production of gas to convert to electricity is expected to begin in 2010. This will be the first green landfill in West Virginia. Under the lease agreement, the City will receive a 12.5 percent monthly royalty payment estimated to be over \$3 million during the first ten years.

The City has redesigned its website to be more user friendly and has included features such as the Customer Relations Management (CRM) software application that will allow the City to provide improved, consistent, and effective service to our customers/citizens. In addition, the City currently has out a Request for Proposals for implementation of a debit/credit card and online payment service. The plan is to have a system in place after the first of the year to allow on line customer payments.

Other proactive measures include the setting aside of monies for unforeseen circumstances in two funds, the Municipal Financial Stabilization Fund (Rainy Day) and Employee Health Insurance Reserve Fund to cover budget shortfalls for employee health insurance. In addition to this insurance reserve, the City continues with other proactive efforts for disease management and wellness programs. The City's in-house health clinic opened in the 2008 fiscal year. City employees have been receptive to the clinic and the City anticipates that in time the clinic will prove to be a savings in health care cost. In addition, the City has constructed a Wellness Center for employees within City Hall providing exercise equipment and other activities.

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, 2008. This was the third 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,



Brenda J. Lemon, CPA
City Auditor (Controller)

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, 2008

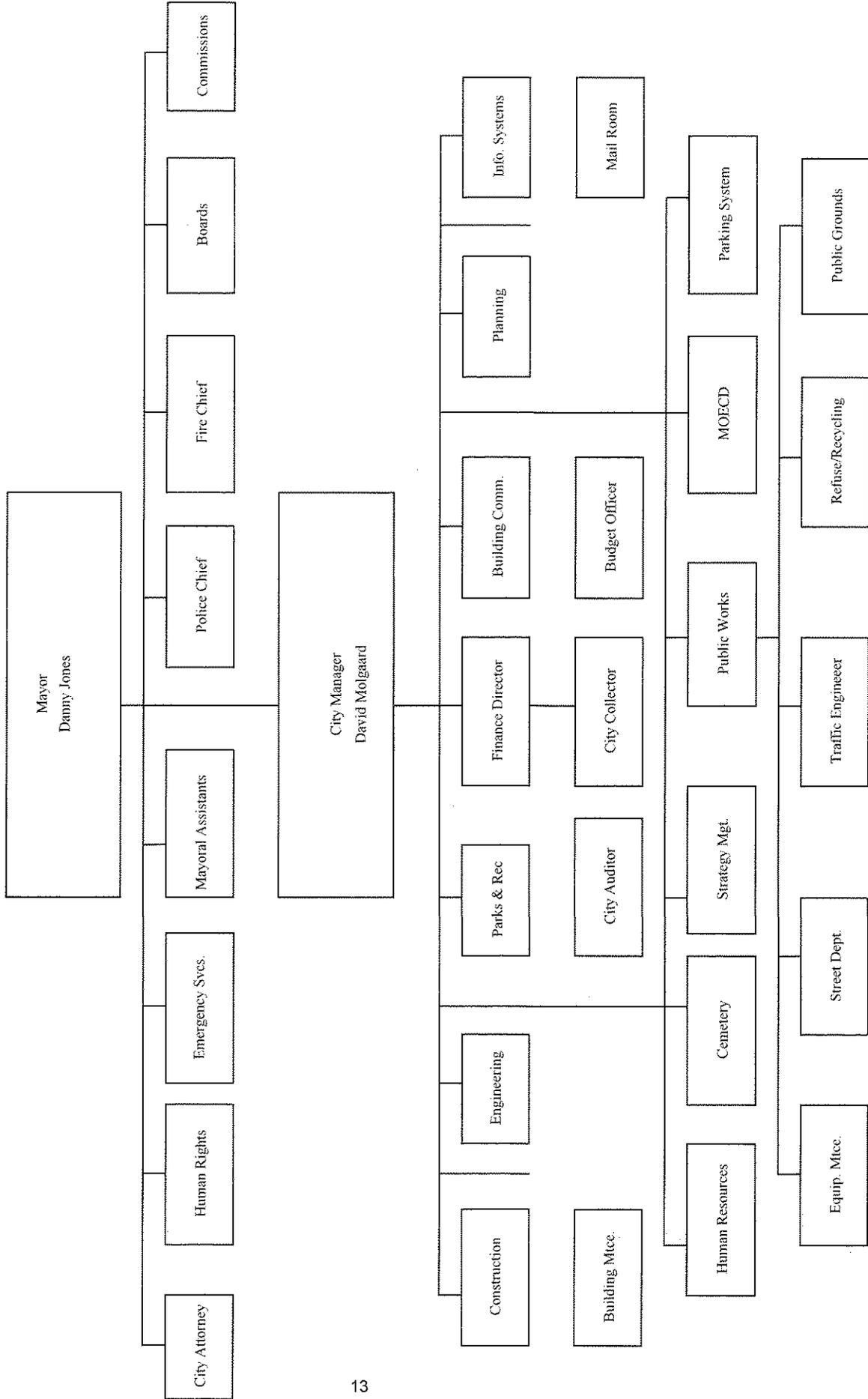
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF CHARLESTON
Organization Chart



**CITY OF CHARLESTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2009**

OFFICE	NAME	TERM	
<u>Elective</u>			
Mayor:	Danny Jones	06/21/07 - 06/21/11	
Treasurer:	Victor Grigoraci	06/21/07 - 06/21/11	
Municipal Judge:	Shawn Taylor	06/21/07 - 06/21/11	
<u>Council Members</u>			
At Large	J. Thomas Lane	Ward 9	Cubert Smith
At Large	William Hanna	Ward 10	Robert Sheets
At Large	Jerry L. Ware	Ward 11	Marc Weintraub
At Large	Harry Deitzler	Ward 12	Jim Harris, Jr.
At Large	Kasey Russell	Ward 13	Susie Salisbury
At Large	Mary Jean Davis	Ward 14	Jack E. Harrison
Ward 1	Patrick Jones	Ward 15	David Kent Higgins
Ward 2	William Kirk	Ward 16	Lewis Payne
Ward 3	Joe Deneault	Ward 17	Bobby Reishman
Ward 4	Rev. James Ealy	Ward 18	John Miller, Jr.
Ward 5	Teresa "Tricky" Reed	Ward 19	Greg Burton
Ward 6	Edward Talkington	Ward 20	Cheryle Hall
Ward 7	Adam Knauff	Ward 21	Michael Clowser
Ward 8	Bob White		
<u>Appointive</u>			
City Manager:	David Molgaard	Mayor Assistants:	Rod Blackstone Mary Alice Hodgson
Finance Director:	Joseph Estep		
City Clerk:	James Reishman	City Collector:	Charles Thompson
Attorney:	Paul Ellis Gene Webb III	City Engineer:	Chris Knox
City Auditor:	Brenda J. Lemon, CPA	Economic & Community Development Director:	Brian King

FINANCIAL SECTION



State of West Virginia

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

Office of the State Auditor
Chief Inspector Division
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Charleston, West Virginia 25305

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
City of Charleston
Charleston, West Virginia 25301

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, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. 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 and the Charleston Urban Renewal Authority, which represents ninety-nine percent, ninety-seven percent, and ninety-one percent, respectively of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Charleston Sanitary Board and the Charleston Urban Renewal Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of other auditors, provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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 of the City of Charleston, West Virginia, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the report 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 of the City of Charleston, West Virginia, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note I.D.9, the City implemented the provisions of Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 17 through 28 and the Schedule of Funding Progress on page 88 are not required parts of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Respectfully submitted,



Glen B. Gainer III
West Virginia State Auditor

December 22, 2009

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

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, 2009. 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

The assets of the City of Charleston exceeded its liabilities at the close of the fiscal year by \$47,567,651 (*net assets*). Net assets primarily consists of the governments investment in capital assets (179 percent).

The City of Charleston's total net assets decreased over the course of this year's operations by \$10,768,295. This decrease is primarily attributable to an increase in long-term obligations for pensions (\$10,954,662) and other postemployment benefits (\$6,574,884). These increases were offset to a certain extent with a decrease in general liability insurance and workers' comp claims (\$368,324) and the reduction of outstanding debt which exceeded additional capital leases issued (\$1,575,004).

At the close of the fiscal year the governmental funds, including General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds, had combined ending fund balances of \$37,289,136, an increase of \$3,270,031 in comparison with prior year. This increase is attributed to an overall increase in revenues of four percent which exceeded the total three percent increase in expenditures. Total capital outlay expenditures increased thirty percent in comparison to prior year.

General Fund unreserved fund balance at the end of the fiscal year was \$16,752,131 which equates to 22 percent of total General fund expenditures and 73 percent of total fund balance.

The City of Charleston's total debt decreased \$2,709,713 (8 percent). There has not been any new bond issuance since 2005 and payments of principal on all debt exceeded capital lease additions in the amount of \$1,575,004.

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 nonmajor 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.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

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, like the public safety employees retirement plan, in which the City acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain select information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that presents pension plans and other postemployment benefits schedules of funding progress.

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 assets 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 assets and how they have changed. Net assets, the difference between the City's assets and liabilities, is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, additional nonfinancial factors such as changes in the City's tax base and the condition of the City's roads must be considered.

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

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

Business-type activities - These are self-contained enterprise activities that are segregated from the general governmental activities. Revenues from fees derived from these services are not used to support other governmental activities, but remain entirely within the enterprise. The City's Civic Center and Parking System are included here.

Component units - The City includes four other entities in its report: The City of Charleston Sanitary Board, Charleston Urban Renewal Authority, Charleston Convention and Visitor's Bureau, and Charleston Building Commission. Although legally separate, these "component units" are important because the City is financially accountable for them.

The government-wide financial statements can be found on pages 30 through 33 of this report.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

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 35 through 44 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. Consequently, GAAP requires the Civic Center and Parking System be reported as Enterprise Funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information.

The basic Proprietary Fund financial statements can be found on pages 46 through 50 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 assets and a statement of changes in fiduciary net assets. 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 52 and 53 of this report.

Financial Analysis of the City as a Whole

Net Assets. The City's combined net assets reflect an eighteen percent decrease between fiscal years 2009 and 2008. This is primarily attributable to increases in long-term obligations for pensions and other postemployment benefits. Revenues remained stable and actually increased three percent during the fiscal year due in part to more aggressive collection procedures for the City's largest own-source revenue, business and occupation taxes, and other charges for services. Other taxes increased or decreased minimally. Revenues are predicted to remain stable basically linked to the economy and inflation each year, however, expenses are expected to rise accordingly.

Although the net assets of our business-type activities increased to \$13,928,698 (4 percent), these resources cannot be used to reduce the net asset deficit in governmental activities.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

CITY OF CHARLESTON'S NET ASSETS

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 46,252,468	\$ 42,675,577	\$ 3,565,073	\$ 3,271,848	\$ 49,817,541	\$ 45,947,425
Capital assets	88,305,513	87,702,182	24,752,611	25,426,098	113,058,124	113,128,280
Total assets	134,557,981	130,377,759	28,317,684	28,697,946	162,875,665	159,075,705
Long-term liabilities outstanding	83,278,726	68,026,411	12,659,108	13,667,361	95,937,834	81,693,772
Other liabilities	17,640,302	17,319,988	1,729,880	1,725,999	19,370,182	19,045,987
Total liabilities	100,919,028	85,346,399	14,388,988	15,393,360	115,308,016	100,739,759
Net Assets:						
Invested in capital assets, net						
of related debt	74,002,320	69,648,983	10,969,959	10,508,737	84,972,279	80,157,720
Restricted	13,856,864	14,713,465	2,132,493	2,055,937	15,989,357	16,769,402
Unrestricted	(54,220,231)	(39,331,088)	826,246	739,912	(53,393,985)	(38,591,176)
Total net assets	\$ 33,638,953	\$ 45,031,360	\$ 13,928,698	\$ 13,304,586	\$ 47,567,651	\$ 58,335,946

Governmental activities. Governmental activities decreased the City of Charleston's net assets by \$11,392,407 thereby accounting for the total decrease in the net assets. This is primarily attributable to increases in long-term obligations for public safety pensions (\$10,954,662) and other postemployment benefits (\$6,403,428). The City funds the pension in accordance with an alternative funding allowed by West Virginia State Statute which will keep the fund solvent and improve the funding ratio; however, the unfunded liability continues to increase rapidly. The West Virginia State Legislature introduced a bill during the year to address these increasing unfunded pension liabilities for West Virginia cities; however, the legislation failed. Subsequent to year-end legislation was passed allowing cities to elect closing current pension funds to new hires effective January 1, 2010. New hires would be placed in a new State retirement fund. This is an option the City will address in the next few months. The City funds the other postemployment benefits for retirees on a pay-as-you-go basis; consequently, the initial OPEB obligations significantly decreased net assets.

Revenues increased \$3,616,712 (4 percent) over prior year. Primarily attributable to an increase in the City's largest own source revenue, business and occupation tax, in the amount of \$3,025,216 (8 percent) and charges for services in the amount of \$800,783 (4 percent). These increases were due in part to more aggressive collection techniques. In addition, hotel occupancy tax increased \$212,035 (8 percent) attributable to the City of Charleston Convention & Business Bureau's continued aggressive efforts and success in booking city-wide events for the past three years. Utility taxes increased \$468,450 (20 percent) due to rate changes imposed by various utilities, changes in consumption of utilities, and new wireless communication providers in the area. Property taxes received from Kanawha County increased \$186,346 (1 percent) over prior year.

Grant revenues decreased \$753,387 (14 percent) primarily attributable to a decrease in HUD grants due to the allocation formula changes, which are based on the total to allocate and the number of entitlement communities, which resulted in a five percent decrease over prior year. In addition, the Fire Department did not receive any equipment grants in the fiscal year 2009, as it did in fiscal 2008, which accounts for a decrease in the approximate amount of \$400,000. Due to the economy investment earnings were down \$378,487 (48 percent) compared to prior year. Other revenues remained stable with minimal increases or decreases over prior year.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Government-wide statement governmental expenses increased \$6,775,328 (7 percent) over prior year. Overall expense increased primarily attributable to other postemployment benefits (\$6,403,428) which increased each function's expense over prior year. General government expense decreased six percent from prior year even with increases of two percent, respectively, for healthcare and salaries. However, costs for workers' compensation decreased 24 percent since the City implemented risk management policies a few years ago. Public Safety expense increased \$3,866,107 (8 percent) attributed for the most part to retiree cost and pension liability. Streets and Transportation increased \$2,947,544 (35 percent) attributable for the most part to street maintenance and snow removal costs. Salt prices across the country skyrocketed; however, the City had a fixed price contract for a specific amount of tons and opted to purchase the full contract. The City's inventory is high, therefore, the costs for 2010 should drop significantly. Economic development decreased \$971,050 (32 percent) due to a reduction of approximately five percent in HUD allocations and some projects did not begin as scheduled and were not completed.

City of Charleston's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 19,051,272	\$ 18,250,489	\$ 6,428,379	\$ 6,618,044	\$ 25,479,651	\$ 24,868,533
Operating Grants and Contributions	8,572,211	9,541,628	-	-	8,572,211	9,541,628
Capital Grants and Contributions	1,509,503	1,471,975	48,387	224,125	1,557,890	1,696,100
General Revenues:						
Property Taxes	10,541,473	10,355,037	-	-	10,541,473	10,355,037
Business & Occu- pation Taxes	39,691,857	36,666,641	-	-	39,691,857	36,666,641
Other Taxes	6,605,869	5,923,045	-	-	6,605,869	5,923,045
Other	319,711	466,369	55,348	157,601	375,059	623,970
Total Revenues	86,291,896	82,675,184	6,532,114	6,999,770	92,824,010	89,674,954
General Government	14,941,103	15,897,074	-	-	14,941,103	15,897,074
Public Safety	52,108,035	48,241,928	-	-	52,108,035	48,241,928
Highways & Streets	11,294,498	8,346,954	-	-	11,294,498	8,346,954
Health & Sanitation	6,091,526	5,207,158	-	-	6,091,526	5,207,158
Economic Development	2,024,572	2,995,622	-	-	2,024,572	2,995,622
Culture & Recreation	7,514,740	6,675,344	-	-	7,514,740	6,675,344
Social Services	850,858	822,953	-	-	850,858	822,953
Interest on Long- Term Debt	920,328	58,003	-	-	920,328	58,003
Civic Center	-	-	4,846,625	4,889,784	4,846,625	4,889,784
Parking System	-	-	3,000,020	3,140,715	3,000,020	3,140,715
Total Expenses	95,745,660	88,245,036	7,846,645	8,030,499	103,592,305	96,275,535

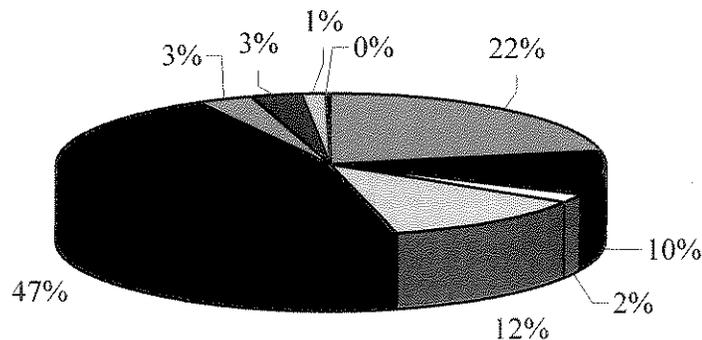
**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Increase in Net Assets						
Before Transfers	\$ (9,453,764)	\$ (5,569,852)	\$ (1,314,531)	\$ (1,030,729)	\$ (10,768,295)	\$ (6,600,581)
Transfers	(1,938,643)	(1,192,468)	1,938,643	1,192,468	-	-
Increase in Net Assets	(11,392,407)	(6,762,320)	624,112	161,739	(10,768,295)	(6,600,581)
Net Assets- beginning	45,031,360	51,793,680	13,304,586	13,142,847	58,335,946	64,936,527
Net Assets- ending	\$ 33,638,953	\$ 45,031,360	\$ 13,928,698	\$ 13,304,586	\$ 47,567,651	\$ 58,335,946

Business-type activities. Total net assets of the City's business-type activities (\$13,928,698) increased four percent over prior year. Operating revenues reflected a two percent (\$189,655) decrease over prior year. The Civic Center decrease is primarily attributable to fewer shows because the touring concert industry is down due to the downturn in the economy. The number of shows affects other income such as rental, commissions, and catering. The Parking System decrease is also attributable in part to the downturn in the economy resulting in fewer people downtown. Meter revenues and parking violations decreased 8 percent and 18 percent, respectively. The operating expenses for the Civic Center remained comparable to prior year. The Parking System operating expenses decreased four percent from prior year attributable in part to centralized contract arrangements for garage maintenance with the General Fund and the corresponding employee reduction of two.

The Civic Center total net assets decreased \$109,979 partially attributable to implementation of GASB 45 which increased liabilities for OPEB in the amount of \$82,565 for the 2009 fiscal year. The Parking System net assets increased \$734,091 even with decreased operating revenues and the additional liability of \$88,891 for OPEB. The decreased operating expense of four percent and reduction of debt interest costs for the past four years due to the 2005 refunding of its debt has significantly impacted the financial stability of the fund.

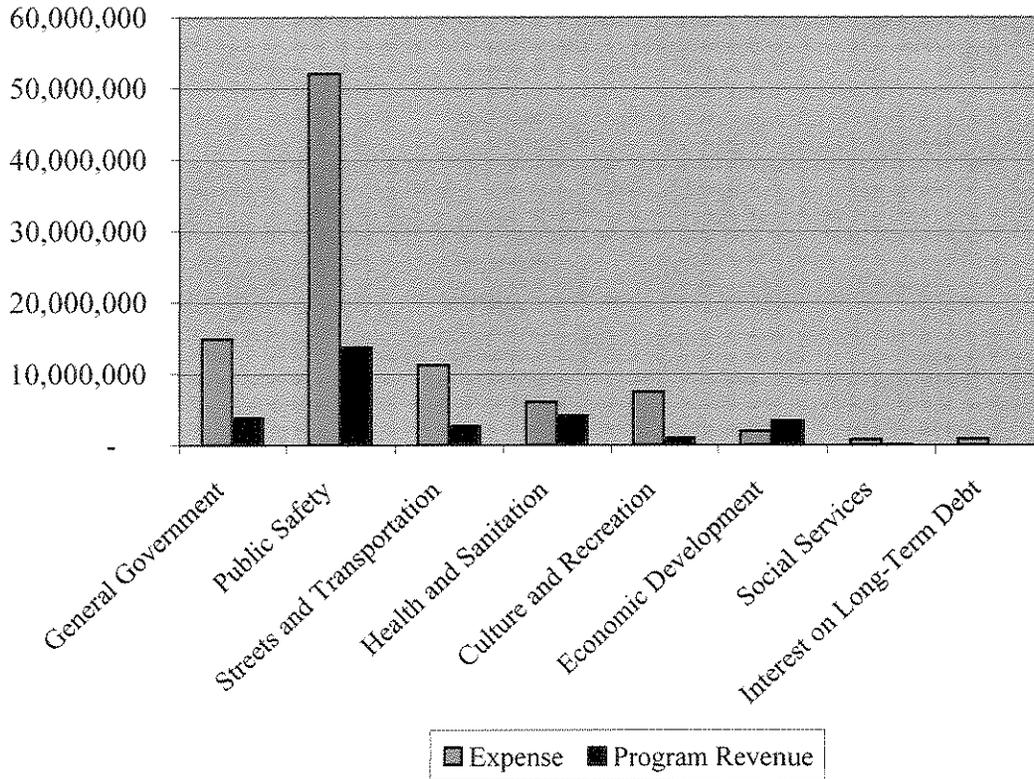
Revenue by Source-Governmental Activities



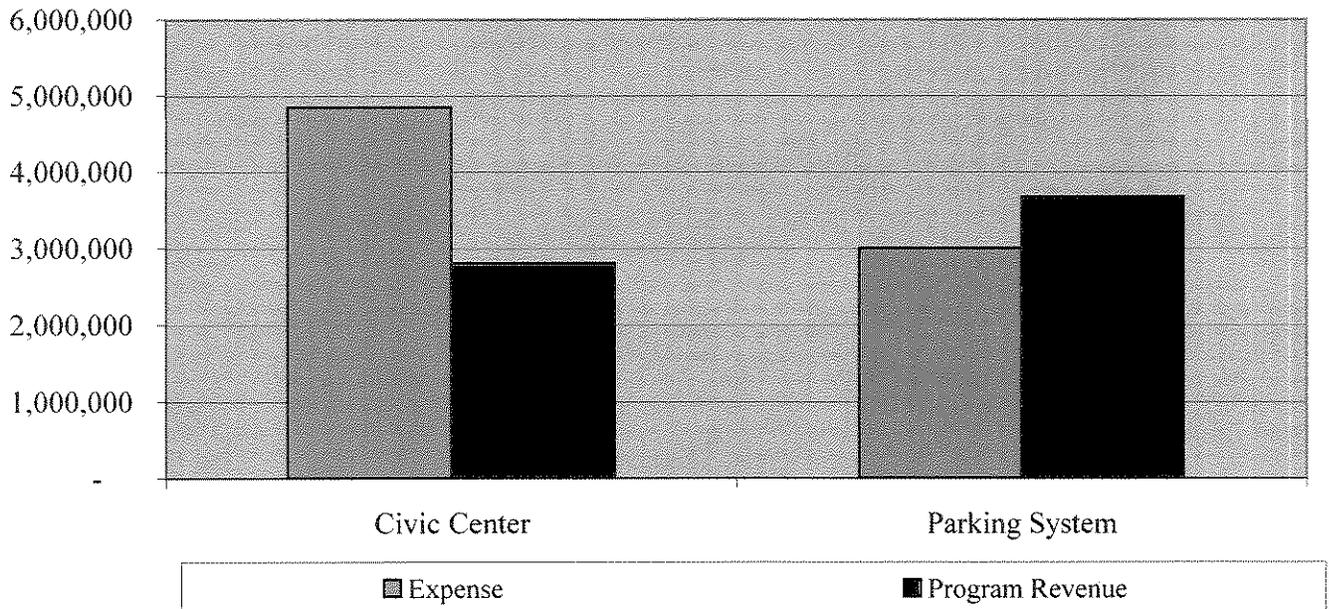
■ Charges for Services	■ Operating Grants and Contributions	□ Capital Grants and Contributions
■ Property Taxes	■ Business and Occupation Taxes	■ Utility Taxes
■ Hotel Motel Taxes	■ Other Taxes	■ Other

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Expenses and Program Revenues-Governmental Activities

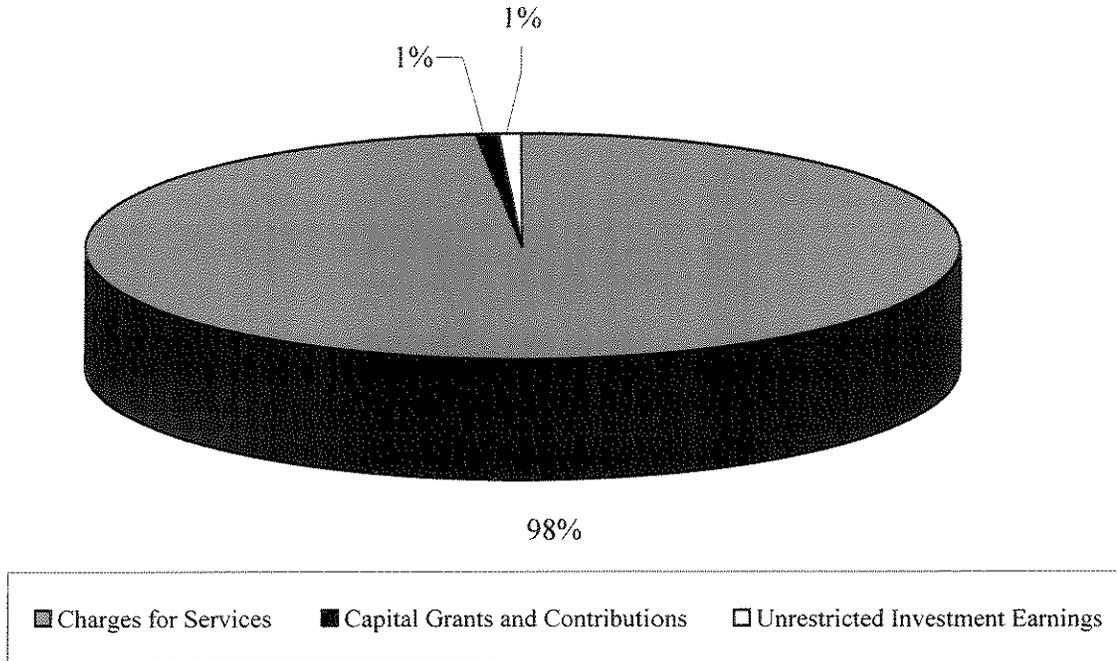


Expenses and Program Revenues-Business-Type Activities



**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

Revenues by Source-Business-Type Activities



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, unreserved 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 \$37,289,136, an increase of \$3,270,031 in comparison with the prior year. Approximately 51 percent of this amount (\$19,075,881) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior year (\$4,337,788), 2) to pay debt service (\$4,149,019), 3) to generate income to pay for the perpetual care of the municipal cemetery (\$1,504,656), or 4) for community development, capital projects or public safety measures (\$8,221,792).

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$16,752,131, while total fund balance reached \$22,732,814. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 23 percent of total General Fund expenditures, while total fund balance represents 31 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased significantly by \$3,157,881 during the current fiscal year. This is attributable for the most part to significant revenue increases of six percent collectively for taxes and charges for services which were discussed in detail in the section, Financial Analysis of the City as a Whole-Governmental Activities.

Expenditures increased \$1,727,805, (2 percent) in comparison to prior year. General government expenditures actually decreased in the amount of \$424,339 (2 percent) due to the allocation of retiree costs to the various functions. Public safety costs increased \$559,514 (1 percent) primarily attributable to an increase of \$439,624 (33 percent) in public safety retiree health care costs and increased capital expenditures of \$149,784 (7 percent). Culture and recreation expenditures increased \$605,038 (10 percent) due to increased capital expenditures (1.66 percent); increased costs for the ball park utilities and maintenance (45 percent); increased contributions to other entities for cultural and recreational activities (2 percent); and retiree cost allocation (11 percent). Streets and transportation and health and sanitation expenditures increased primarily due to retiree cost allocation in the amount of \$473,342 (6 percent) and \$359,987 (8 percent), respectively.

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 increased (29 percent) over the prior year even with the past year's decreasing coal prices; however, mining the coal has continued. The Community Development and HOME Funds are funded totally by HUD federal grants for community development. The grant revenues received were less due to an allocation reduction of approximately five percent.

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 already 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. Appropriations between the original budget and the final amended budget reflected an increase of ten percent (\$7,604,099). The most significant can be briefly summarized as follows:

Legal expenses were increased \$1,557,046 to provide a reserve for court costs and damages for general liability claims. The City has adopted the policy of carrying forward of 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 stormwater projects in the amount of \$180,791 were carried forward for continuance of the project that was not completed by the 2008 fiscal year-end.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

To implement a new salary grade reconfiguration initiative, the amount of \$240,328 was budgeted for various department salary increases from remaining fund balance.

The Mayor's contributions to various entities were increased approximately \$224,851.

Various sources of funds, including contributions and State grants, were recognized to provide for renovations to the Municipal Auditorium theatrical lighting renovation project in the total amount of \$242,809.

Capital projects costs were increased approximately \$987,824 to carry over remaining funds for unfinished projects and equipment purchases from prior year.

City Manager professional services remaining budgeted funds in the amount of \$393,887 were carried forward for various contracted services that were not completed by the 2008 fiscal year-end. In addition, from remaining fund balance, \$560,875 was budgeted to provide for acquisition of a GIS System.

From remaining fund balance the following transfers were budgeted: Health Care Reserve Fund for \$500,000 to provide additional funds for any significant increases in health care costs; General Maintenance Fund for \$500,000 to provide for engineering infrastructure major improvement projects; and City Facilities Fund for \$500,000 to provide for major improvement facility projects.

All amendments were budgeted from available fund balance and increases in various charges for services, grants, insurance proceeds, and contributions. For the fiscal year 2009 General Fund revenues exceeded budgetary estimates and expenditures were less than budgetary estimates.

The City's general fund balance of \$22,732,814 differs from the general fund's budgetary fund balance of \$12,769,277 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 \$9,963,537 has not been reappropriated for budgetary purposes, only actual cash collections are budgeted each fiscal year.

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, 2009, amounted to \$113,058,124 (net of accumulated depreciation). This investment in capital assets includes land, building and system, machinery and equipment, park and other recreational facilities, roads, bridges and other infrastructure.

Major capital asset events during the current fiscal year included the following:

Several projects were completed during the fiscal year, including City Hall internal renovations in the approximate amount of \$609,226; bridge lighting projects in the amount of \$473,587; several retaining walls, bridge and road repairs in the amount of \$1,261,990; Municipal Auditorium stage lighting system in the amount of \$260,438; public safety buildings in the amount of \$23,289; and community improvements in the amount of \$173,906.

A variety of projects for renovations, landslides, retaining walls, and various small projects were remaining in construction in progress as of the end of the current fiscal year in the amount of \$2,631,688.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 7,450,037	\$ 7,450,037	\$ 4,366,447	\$ 4,366,447	\$ 11,816,484	\$ 11,816,484
Construction in Progress	1,810,507	1,301,039	821,181	147,845	2,631,688	1,448,884
Buildings & Improvements	30,565,624	30,537,797	18,456,146	19,869,645	49,021,770	50,407,442
Other Improvements	6,684,614	7,190,264	453,121	480,002	7,137,735	7,670,266
Machinery & Equipment	8,231,329	8,010,595	655,716	562,159	8,887,045	8,572,754
Infrastructure	33,563,402	33,212,450	-	-	33,563,402	33,212,450
Total	\$ 88,305,513	\$ 87,702,182	\$ 24,752,611	\$ 25,426,098	\$ 113,058,124	\$ 113,128,280

Additional information on the City of Charleston's capital assets can be found in Note IV.C. on pages 68 through 70 of this report.

Long-term debt. At the end of the current fiscal year, the City of Charleston had total general obligation bonded debt outstanding of \$1,370,000. The full amount is backed by the full faith and credit of the government. 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
General Obligation and Revenue Bonds**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 1,370,000	\$ 2,645,000	\$ -	\$ -	\$ 1,370,000	\$ 2,645,000
Revenue Bonds	3,875,679	4,147,126	13,782,652	14,917,361	17,658,331	19,064,487
Total	\$ 5,245,679	\$ 6,792,126	\$ 13,782,652	\$ 14,917,361	\$ 19,028,331	\$ 21,709,487

The City of Charleston General Obligation Bonds maintain an A-1 rating from Moody's .

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 \$140,969,118, which is significantly in excess of the City of Charleston's outstanding general obligation bonds.

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

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009**

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 at a ten year high during June at 8.1 percent. The average for the past twelve months was 5.2 percent and is currently at 7.4 percent. The last twelve months reflected decreases in the labor market for construction and mining (-0.6 percent), professional and business services (-7.1 percent), information (-7.1 percent); however, an increase was reflected for education and health services (5.0 percent). Other sectors remained stable with minor declines.

The occupancy rate of the government's central business district has remained at 85 to 90 percent for the past several years.

Inflationary trends in the region compare favorably to national indices.

In March 2009, the City of Charleston approved a balanced budget for the fiscal year 2010, with General Fund appropriations of \$80,276,070, down by \$3,134,889 from the final 2009 budget. The increase to the final budget for 2009 was mostly attributable to reappropriated amounts for unfinished projects from fiscal year 2008.

Requests 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 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 30 through 33. A brief description of the City's discretely presented component units follows since these component units are presented only on these government-wide statements.

City of Charleston Sanitary Board is composed of a board and is a discretely presented component unit of the City. The Sanitary Board is responsible for governing the activity associated with providing sanitary sewerage services.

Charleston Urban Renewal Authority is composed of a separate board and is a discretely presented component unit of the City. The Authority is responsible for developing commercial property within the City.

City of Charleston Convention and Visitor's Bureau, Inc. was established in 1979 as a nonprofit corporation, is composed of a board and is a discretely presented component unit of the City. The primary purpose of the bureau is to operate a convention and visitors bureau for the Charleston, West Virginia area and to advance, stimulate, and promote exhibits, conferences, and conventions.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
ASSETS						
Current assets:						
Cash & cash equivalents	\$ 20,093,242	\$ 1,115,191	\$ 21,208,433	\$ 7,732,654	\$ 6,301,740	\$ 676,254
Investments	1,349,784	--	1,349,784	--	--	--
Receivables:						
Accounts	3,803,163	228,443	4,031,606	986,987	--	226,195
Accrued interest	32,871	--	32,871	--	1,695	--
Taxes	11,691,479	--	11,691,479	--	--	--
Rents	--	--	--	--	1,073	--
Other	--	--	--	5,094	--	--
Loans	5,246,031	--	5,246,031	--	3,239,896	--
Grants	670,614	--	670,614	--	--	--
Internal balances	129,652	(129,652)	--	--	--	--
Due from:						
Component units	53,192	--	53,192	--	--	--
Fiduciary funds	1,151	--	1,151	--	--	--
Inventories	--	--	--	50,074	--	81
Prepaid insurance and lease	830,761	197,570	1,028,331	268,077	650	3,016
Restricted assets:						
Regular account	--	299,932	299,932	1,833,453	--	--
Reserve account	--	--	--	5,106,191	--	--
Renewal and replacement	--	--	--	4,974,167	--	--
Reserve for bond retirement	--	623,606	623,606	--	--	--
Restricted cash	2,339,959	--	2,339,959	--	--	--
Reserve for construction	--	--	--	1,667,192	--	--
Reserve for health care	--	--	--	1,485,314	--	--
Customer deposits	--	91,088	91,088	--	--	--
Total current assets	46,241,899	2,426,178	48,668,077	24,109,203	9,545,054	905,546
Noncurrent assets						
Restricted:						
Revenue bond covenant accounts	--	1,138,895	1,138,895	--	--	--
Deferred charges	10,569	--	10,569	73,829	--	--
Capital assets not being depreciated:						
Land	7,450,037	4,366,447	11,816,484	1,432,257	7,807,419	--
Construction in progress	1,810,507	821,181	2,631,688	1,480,004	--	--
Capital assets being depreciated:						
Buildings and improvements	59,995,796	64,031,900	124,027,696	29,764,088	39,378	192,320
Vehicles	16,229,017	--	16,229,017	--	--	--
Infrastructure	80,092,181	--	80,092,181	--	--	--
Transmission and distribution	--	--	--	103,620,066	--	--

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
Machinery & equipment	\$ 14,616,858	\$ 2,059,054	\$ 16,675,912	\$ 5,937,809	\$ 20,754	\$ 190,413
Less: accumulated depreciation	(91,888,883)	(46,525,971)	(138,414,854)	(47,235,036)	(21,299)	(227,423)
Total capital assets	<u>88,305,513</u>	<u>24,752,611</u>	<u>113,058,124</u>	<u>94,999,188</u>	<u>7,846,252</u>	<u>155,310</u>
Total noncurrent assets	<u>88,316,082</u>	<u>25,891,506</u>	<u>114,207,588</u>	<u>95,073,017</u>	<u>7,846,252</u>	<u>155,310</u>
Total assets	<u>\$ 134,557,981</u>	<u>\$ 28,317,684</u>	<u>\$ 162,875,665</u>	<u>\$ 119,182,220</u>	<u>\$ 17,391,306</u>	<u>\$ 1,060,856</u>

LIABILITIES

Current liabilities:

Current liabilities payable
from current assets:

Accounts payable	1,841,202	122,011	1,963,213	457,774	27,317	122,489
Payroll payable	723,711	44,473	768,184	84,095	2,750	5,107
Other accrued expenses	30,374	3,901	34,275	--	9,232	--
Solicitation bonds payable	24,710	--	24,710	--	--	--
Benefits payable	72,877	10,825	83,702	144,592	7,844	--
Reserve for future insurance claims	655,000	35,000	690,000	--	--	--

Due to:

Primary government	--	--	--	53,192	--	--
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Current liabilities payable
from restricted assets:

Accrued bond interest payable	40,022	94,351	134,373	634,110	--	--
Accrued capital lease interest payable	109,672	--	109,672	--	--	--
Customer deposits	--	53,641	53,641	--	--	--

Deferred revenues:

Unearned revenue	5,332,327	--	5,332,327	--	67,333	--
Due within one year	<u>8,810,407</u>	<u>1,365,678</u>	<u>10,176,085</u>	<u>2,201,093</u>	<u>11,000</u>	<u>--</u>

Total current liabilities	<u>17,640,302</u>	<u>1,729,880</u>	<u>19,370,182</u>	<u>3,574,856</u>	<u>125,476</u>	<u>127,596</u>
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Noncurrent liabilities:

Due in more than one year	<u>83,278,726</u>	<u>12,659,108</u>	<u>95,937,834</u>	<u>66,477,997</u>	<u>--</u>	<u>--</u>
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Total noncurrent liabilities	<u>83,278,726</u>	<u>12,659,108</u>	<u>95,937,834</u>	<u>66,477,997</u>	<u>--</u>	<u>--</u>
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Total liabilities	<u>100,919,028</u>	<u>14,388,988</u>	<u>115,308,016</u>	<u>70,052,853</u>	<u>125,476</u>	<u>127,596</u>
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CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS (CONTINUED)
June 30, 2009

	Primary Government			Component Units		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Sanitary Board</u>	<u>Urban Renewal Authority</u>	<u>Convention & Visitor's Bureau</u>
NET ASSETS						
Invested in capital assets (net of related debt)	\$ 74,002,320	\$ 10,969,959	\$ 84,972,279	\$ 27,195,606	\$ 7,846,252	\$ 155,310
Restricted for:						
Debt service	4,130,416	2,062,433	6,192,849	13,121,385	--	--
Capital projects	5,358,960	70,060	5,429,020	--	--	--
Community development projects	2,473,627	--	2,473,627	--	--	--
Public safety and streets	389,205	--	389,205	--	--	--
Perpetual care:						
Expendable	606,658	--	606,658	--	--	--
Nonexpendable	897,998	--	897,998	--	--	--
Unrestricted	<u>(54,220,231)</u>	<u>826,246</u>	<u>(53,393,985)</u>	<u>8,812,376</u>	<u>9,419,578</u>	<u>777,950</u>
Total net assets	<u>\$ 33,638,953</u>	<u>\$ 13,928,698</u>	<u>\$ 47,567,651</u>	<u>\$ 49,129,367</u>	<u>\$ 17,265,830</u>	<u>\$ 933,260</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, 2009

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	\$ 14,941,103	\$ 3,456,574	\$ 380,059	\$ 31,540	\$ (11,072,930)	\$ --	\$ (11,072,930)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Public safety	52,108,035	8,569,748	4,775,760	440,966	(38,321,561)	--	(38,321,561)	--	--	--	--	--	--
Streets and transportation	11,294,498	2,639,926	--	71,081	(8,583,491)	--	(8,583,491)	--	--	--	--	--	--
Health and sanitation	6,091,526	4,103,198	90,426	--	(1,897,902)	--	(1,897,902)	--	--	--	--	--	--
Culture and recreation	7,514,740	120,618	652,957	271,329	(6,469,836)	--	(6,469,836)	--	--	--	--	--	--
Interest on long-term debt	920,328	--	--	--	(920,328)	--	(920,328)	--	--	--	--	--	--
Social services	850,858	161,208	(45,420)	--	(735,070)	--	(735,070)	--	--	--	--	--	--
Economic development	2,024,572	--	2,718,429	694,587	1,388,444	--	1,388,444	--	--	--	--	--	--
Total governmental activities	95,745,660	19,051,272	8,572,211	1,509,503	(66,612,674)	--	(66,612,674)	--	--	--	--	--	--
Business-type activities:													
Civic Center	4,846,625	2,757,995	--	48,387	--	(2,040,243)	(2,040,243)	--	--	--	--	--	--
Parking System	3,000,020	3,670,384	--	--	--	670,364	670,364	--	--	--	--	--	--
Total business-type activities	7,846,645	6,428,379	--	48,387	--	(1,369,879)	(1,369,879)	--	--	--	--	--	--
Total primary government	\$ 103,592,305	\$ 25,479,651	\$ 8,572,211	\$ 1,557,890	(66,612,674)	(1,369,879)	(67,982,553)	--	--	--	--	--	--
Component units:													
Sanitary Board	14,907,244	18,761,969	--	21,147	--	--	--	3,875,872	--	--	54,397	--	--
Urban Renewal Authority	1,064,890	876,287	--	243,000	--	--	--	--	--	--	--	--	--
Convention & Visitor's Bureau	2,406,145	34,537	1,945,312	--	--	--	--	--	--	--	--	--	(426,296)
Total component units	\$ 18,378,279	\$ 19,672,793	\$ 1,945,312	\$ 264,147	--	--	--	3,875,872	--	--	54,397	--	(426,296)
General revenues:													
Ad valorem property taxes					10,541,473	--	10,541,473	--	--	--	--	--	--
Business & occupation tax					39,691,857	--	39,691,857	--	--	--	--	--	--
Alcoholic beverages tax					778,890	--	778,890	--	--	--	--	--	--
Utility services tax					2,776,258	--	2,776,258	--	--	--	--	--	--
Hotel occupancy tax					2,779,180	--	2,779,180	--	--	--	--	--	--
Amusement tax					203,751	--	203,751	--	--	--	--	--	--
Other taxes					67,790	--	67,790	--	--	--	--	--	--
Unrestricted investment earnings					151,378	52,842	204,220	194,889	229,475	--	--	--	--
Gain on sale of capital assets					168,333	2,506	170,839	20,000	23,035	--	--	--	--
Miscellaneous					--	--	--	--	--	--	--	--	--
Transfers					(1,938,643)	1,938,643	--	--	--	--	--	--	--
Total general revenues and transfers					55,220,267	1,993,991	57,214,258	214,889	252,510	--	--	--	--
Change in net assets					(11,392,407)	624,112	(10,768,295)	4,090,761	306,907	(426,296)			
Net assets - beginning (Restated - Note IV.1.)					45,031,360	13,304,586	58,335,946	45,038,606	16,958,923	1,359,556			
Net assets - ending					\$ 33,638,953	\$ 13,928,698	\$ 47,567,651	\$ 49,129,367	\$ 17,265,830	\$ 933,260			

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 90

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Community Development</u>	<u>HOME</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 8,756,027	\$ 84,745	\$ 3,333	\$ 55,693	\$ 11,193,444	\$ 20,093,242
Investments	--	--	--	--	1,349,784	1,349,784
Receivables:						
Taxes	11,591,438	--	--	--	100,041	11,691,479
Accounts	3,391,877	--	--	--	411,286	3,803,163
Grants	10,505	--	252,541	18,116	389,452	670,614
Loans	--	--	1,578,733	3,390,233	277,065	5,246,031
Accrued interest	24,528	--	1,913	--	6,430	32,871
Due from:						
Other funds	648,939	--	--	--	78,690	727,629
Component units	22,229	--	--	--	30,963	53,192
Prepaid insurance	830,761	--	--	--	--	830,761
Restricted cash	200,176	--	--	--	2,139,783	2,339,959
Total assets	\$ 25,476,480	\$ 84,745	\$ 1,836,520	\$ 3,464,042	\$ 15,976,938	\$ 46,838,725

**LIABILITIES AND
FUND BALANCES**

Liabilities:

Accounts payable	931,924	--	187,127	800	721,351	1,841,202
Payroll payable	723,711	--	--	--	--	723,711
Other accrued expenditures	30,374	--	--	--	--	30,374
Solicitation bonds payable	24,710	--	--	--	--	24,710
Benefits payable	72,877	--	--	--	--	72,877
Reserve for future insurance claims	655,000	--	--	--	--	655,000
Due to:						
Other funds	6,651	--	67,742	17,316	505,118	596,827
Deferred revenues:						
Unearned revenue	66,577	--	1,483,701	3,445,926	336,123	5,332,327
Taxes	231,842	--	--	--	40,719	272,561
Total liabilities	2,743,666	--	1,738,570	3,464,042	1,603,311	9,549,589

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Community Development</u>	<u>HOME</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Reserved for:						
Encumbrances	\$ 4,337,788	\$ --	\$ --	\$ --	\$ --	\$ 4,337,788
Perpetual care	--	--	--	--	1,504,656	1,504,656
Debt service	200,176	84,745	--	--	3,864,098	4,149,019
Community development	--	--	97,950	--	2,375,677	2,473,627
Capital projects	1,417,733	--	--	--	3,941,227	5,358,960
Public safety and streets	24,986	--	--	--	364,219	389,205
Unreserved, reported in:						
General fund	16,752,131	--	--	--	--	16,752,131
Special revenue funds	--	--	--	--	2,323,750	2,323,750
Total fund balances	<u>22,732,814</u>	<u>84,745</u>	<u>97,950</u>	<u>--</u>	<u>14,373,627</u>	<u>37,289,136</u>
Total liabilities and fund balances	<u>\$ 25,476,480</u>	<u>\$ 84,745</u>	<u>\$ 1,836,520</u>	<u>\$ 3,464,042</u>	<u>\$ 15,976,938</u>	<u>\$ 46,838,725</u>

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 ASSETS
June 30, 2009

Total fund balances on the governmental fund's balance sheet	\$ 37,289,136
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds. (Note IV.C.)	88,305,514
Deferral of bond issuance cost which is amortized over the life of the bonds is not reported in the funds. (Note IV.F.)	10,569
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds. (Note IV.B.)	272,561
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>(92,238,827)</u>
Net assets of governmental activities	\$ <u><u>33,638,953</u></u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem						
property taxes	\$ 9,200,605	\$ --	\$ --	\$ --	\$ 1,553,256	\$ 10,753,861
Business & occupation tax	39,691,857	--	--	--	--	39,691,857
Alcoholic beverages tax	778,890	--	--	--	--	778,890
Utility services tax	2,776,258	--	--	--	--	2,776,258
Hotel occupancy tax	2,779,180	--	--	--	--	2,779,180
Animal tax	6,024	--	--	--	--	6,024
Gas and oil severance tax	61,766	--	--	--	--	61,766
Amusement tax	203,751	--	--	--	--	203,751
Licenses and permits	1,731,941	--	--	--	--	1,731,941
Intergovernmental:						
Federal	96,475	--	2,067,180	716,046	1,717,087	4,596,788
State	3,563,421	263,032	--	--	--	3,826,453
Charges for services	12,025,108	--	--	--	4,116,388	16,141,496
Fines and forfeits	--	--	--	--	1,189,702	1,189,702
Interest and investment						
earnings	149,552	348	144,302	--	106,296	400,498
Reimbursements	1,184,228	--	5,101	--	50,441	1,239,770
Contributions and donations	651,629	--	--	--	14,311	665,940
Miscellaneous	504,290	--	231	--	9,403	513,924
Total revenues	<u>75,404,975</u>	<u>263,380</u>	<u>2,216,814</u>	<u>716,046</u>	<u>8,756,884</u>	<u>87,358,099</u>
EXPENDITURES						
Current:						
General government	14,427,822	--	--	--	338,406	14,766,228
Public safety	37,532,483	--	--	--	1,318,152	38,850,635
Streets and transportation	8,268,175	--	--	--	1,761	8,269,936
Health and sanitation	4,503,172	--	--	--	1,136,104	5,639,276
Culture and recreation	6,421,350	--	--	--	--	6,421,350
Social services	763,007	--	--	--	32,448	795,455
Economic development	--	--	2,256,673	716,046	644,200	3,616,919
Debt service:						
Principal	466,447	--	--	--	1,415,000	1,881,447
Interest	570,662	--	--	--	349,162	919,824
Capital outlay:						
Highways and streets	--	--	--	--	3,269,518	3,269,518
Total expenditures	<u>72,953,118</u>	<u>--</u>	<u>2,256,673</u>	<u>716,046</u>	<u>8,504,751</u>	<u>84,430,588</u>

**CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
For the Fiscal Year Ended June 30, 2009**

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	\$ 2,451,857	\$ 263,380	\$ (39,859)	\$ --	\$ 252,133	\$ 2,927,511
OTHER FINANCING SOURCES (USES)						
Transfers in	3,650,330	--	--	--	3,738,086	7,388,416
Transfers (out)	(5,210,114)	(240,360)	--	--	(3,851,358)	(9,301,832)
Federal Grant Refund	--	--	--	--	(9,872)	(9,872)
Sale of capital assets	104,808	--	--	--	--	104,808
Capital leases	2,161,000	--	--	--	--	2,161,000
Total other financing sources (uses)	706,024	(240,360)	--	--	(123,144)	342,520
Net change in fund balances	3,157,881	23,020	(39,859)	--	128,989	3,270,031
Fund balances - beginning	19,574,933	61,725	137,809	--	14,244,638	34,019,105
Fund balances - ending	\$ 22,732,814	\$ 84,745	\$ 97,950	\$ --	\$ 14,373,627	\$ 37,289,136

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, 2009

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

Net change in fund balances - total governmental funds	\$	3,270,031
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 in the current period (Note II.B).		664,808
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.		(61,475)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (Change in Deferred Taxes).		(212,388)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note II.B).		1,574,500
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).		<u>(16,627,883)</u>
Change in net assets of governmental activities	\$	<u><u>(11,392,407)</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, 2009

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 8,800,000	\$ 8,800,000	\$ 9,200,605	\$ --	\$ 9,200,605	\$ 400,605
Business & occupation	36,850,000	36,659,449	39,691,857	(251,355)	39,440,502	2,781,053
Utility	2,280,000	2,280,000	2,776,258	--	2,776,258	496,258
Hotel motel	2,725,000	2,755,000	2,779,180	--	2,779,180	24,180
Alcoholic beverages	600,000	600,000	778,890	--	778,890	178,890
Amusement	175,000	175,000	203,751	--	203,751	28,751
Animal	6,000	6,000	6,024	--	6,024	24
Gas & oil severance	60,000	60,000	61,766	--	61,766	1,766
Licenses and permits	1,612,000	1,612,000	1,731,941	--	1,731,941	119,941
Charges for services	11,867,897	11,229,668	12,025,108	--	12,025,108	795,440
Intergovernmental:						
Federal	80,000	100,000	96,475	--	96,475	(3,525)
State	--	107,415	3,563,421	(3,506,006)	57,415	(50,000)
Interest and						
investment earnings	400,000	400,000	149,552	--	149,552	(250,448)
Reimbursements	1,321,163	1,326,945	1,184,228	--	1,184,228	(142,717)
Payments in lieu of taxes	7,000	7,000	--	--	--	(7,000)
Contributions						
and donations	328,000	887,206	651,629	--	651,629	(235,577)
Miscellaneous	449,600	578,478	504,290	--	504,290	(74,188)
Total revenues	<u>67,561,660</u>	<u>67,584,161</u>	<u>75,404,975</u>	<u>(3,757,361)</u>	<u>71,647,614</u>	<u>4,063,453</u>
EXPENDITURES						
General government:						
Mayor's office	475,295	711,648	446,334	--	446,334	265,314
City council	134,720	134,720	119,956	--	119,956	14,764
City manager	3,645,708	4,624,211	3,462,252	--	3,462,252	1,161,959
City treasurer	151,925	152,325	137,423	--	137,423	14,902
City collector	989,461	1,000,349	920,264	--	920,264	80,085
City clerk	159,779	159,779	146,589	--	146,589	13,190
Municipal court	424,630	428,502	395,863	--	395,863	32,639
Legal	1,052,922	2,632,563	778,324	--	778,324	1,854,239
Accounting	506,416	521,345	464,355	--	464,355	56,990
Engineering	1,157,525	1,355,607	709,277	--	709,277	646,330
MOECD	536,590	542,098	515,009	--	515,009	27,089
Human resources	508,517	514,026	451,977	--	451,977	62,049
Contributions to Main Street						
Program	30,000	30,000	30,000	--	30,000	--
Contribution to Charleston						
Land Trust	20,000	--	--	--	--	--
Mail room	233,456	233,456	217,997	--	217,997	15,459
Building commission	654,944	727,453	652,251	--	652,251	75,202
Planning	556,315	562,061	518,686	--	518,686	43,375

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, 2009

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Information systems	\$ 724,100	\$ 734,383	\$ 629,485	\$ --	\$ 629,485	\$ 104,898
Building maintenance	1,669,868	1,976,812	1,891,142	--	1,891,142	85,670
Internal audit	89,673	99,140	90,127	--	90,127	9,013
Morris Square	116,000	129,000	120,827	--	120,827	8,173
Employee health clinic	389,984	389,984	386,650	--	386,650	3,334
Public works	290,057	305,269	284,555	--	284,555	20,714
Public grounds	1,351,493	1,369,147	1,212,949	--	1,212,949	156,198
Contingency	225,050	30,851	--	--	--	30,851
Total general government	<u>16,094,428</u>	<u>19,364,729</u>	<u>14,582,292</u>	<u>--</u>	<u>14,582,292</u>	<u>4,782,437</u>
Public safety:						
Police	15,981,479	15,778,022	16,720,092	(1,700,936)	15,019,156	758,866
Fire	15,836,571	15,799,659	17,423,742	(1,805,070)	15,618,672	180,987
Traffic engineering	1,025,266	1,038,228	1,011,519	--	1,011,519	26,709
C-K emergency services	217,557	219,167	186,597	--	186,597	32,570
Total public safety	<u>33,060,873</u>	<u>32,835,076</u>	<u>35,341,950</u>	<u>(3,506,006)</u>	<u>31,835,944</u>	<u>999,132</u>
Streets and transportation:						
Streets and transportation	4,195,547	4,328,124	4,207,534	--	4,207,534	120,590
Equipment maintenance	2,892,540	2,897,872	2,853,520	--	2,853,520	44,352
Total streets and transportation	<u>7,088,087</u>	<u>7,225,996</u>	<u>7,061,054</u>	<u>--</u>	<u>7,061,054</u>	<u>164,942</u>
Health and sanitation:						
Refuse collection & recycling	3,570,979	3,579,059	3,297,587	--	3,297,587	281,472
Kanawha-Charleston health	100,000	200,000	200,000	--	200,000	--
CARES	45,000	45,000	45,000	--	45,000	--
Total health and sanitation	<u>3,715,979</u>	<u>3,824,059</u>	<u>3,542,587</u>	<u>--</u>	<u>3,542,587</u>	<u>281,472</u>
Culture and recreation:						
Parks and recreation	2,775,146	2,793,533	2,493,754	--	2,493,754	299,779
Convention and visitor's bureau	1,362,500	1,377,500	1,370,708	--	1,370,708	6,792
Cultural/fairs/festivals	283,500	333,500	285,315	--	285,315	48,185
Contribution to Charleston YWCA	25,000	25,000	--	--	--	25,000
Festival Fund for the Arts	95,000	95,000	90,000	--	90,000	5,000
Municipal auditorium	249,149	249,149	221,865	--	221,865	27,284
Charleston Area Alliance	175,000	175,000	175,000	--	175,000	--
Library	875,000	875,000	875,000	--	875,000	--
Appalachian Power Park	387,000	387,000	318,084	--	318,084	68,916
Total culture and recreation	<u>6,227,295</u>	<u>6,310,682</u>	<u>5,829,726</u>	<u>--</u>	<u>5,829,726</u>	<u>480,956</u>
Social services:						
Spring hill cemetery	617,321	622,367	547,884	--	547,884	74,483
Human rights	202,182	207,691	173,189	--	173,189	34,502
Total social services	<u>819,503</u>	<u>830,058</u>	<u>721,073</u>	<u>--</u>	<u>721,073</u>	<u>108,985</u>

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, 2009

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Capital projects:						
General government	\$ 661,551	\$ 1,312,088	\$ 724,771	\$ --	\$ 724,771	\$ 587,317
Public safety	2,670,465	3,281,585	2,231,383	--	2,231,383	1,050,202
Streets and transportation	766,447	831,030	803,927	--	803,927	27,103
Health and sanitation	584,455	971,100	742,692	--	742,692	228,408
Culture and recreation	148,040	468,141	453,655	--	453,655	14,486
Social services	31,725	31,725	30,996	--	30,996	729
Total capital projects	<u>4,862,683</u>	<u>6,895,669</u>	<u>4,987,424</u>	<u>--</u>	<u>4,987,424</u>	<u>1,908,245</u>
Debt service:						
Principal	466,701	466,447	466,447	--	466,447	--
Interest	410,491	410,745	410,745	--	410,745	--
Bond Service Charges	--	--	9,820	--	9,820	(9,820)
Total debt service	<u>877,192</u>	<u>877,192</u>	<u>887,012</u>	<u>--</u>	<u>887,012</u>	<u>(9,820)</u>
Total expenditures	<u>72,746,040</u>	<u>78,163,461</u>	<u>72,953,118</u>	<u>(3,506,006)</u>	<u>69,447,112</u>	<u>8,716,349</u>
Excess of revenues over (under) expenditures	<u>(5,184,380)</u>	<u>(10,579,300)</u>	<u>2,451,857</u>	<u>(251,355)</u>	<u>2,200,502</u>	<u>12,779,802</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,700,000	3,874,809	3,650,330	--	3,650,330	(224,479)
Transfers out	(3,060,820)	(5,247,498)	(5,210,114)	--	(5,210,114)	37,384
Capital lease proceeds	2,195,200	1,939,238	2,161,000	--	2,161,000	221,762
Sale of capital assets	150,000	150,000	104,808	--	104,808	(45,192)
Total other financing sources (uses)	<u>2,984,380</u>	<u>716,549</u>	<u>706,024</u>	<u>--</u>	<u>706,024</u>	<u>(10,525)</u>
Net change in fund balance	<u>(2,200,000)</u>	<u>(9,862,751)</u>	<u>3,157,881</u>	<u>(251,355)</u>	<u>2,906,526</u>	<u>12,769,277</u>
Fund balance-beginning	<u>2,200,000</u>	<u>9,862,751</u>	<u>19,574,933</u>	<u>(9,712,182)</u>	<u>9,862,751</u>	<u>--</u>
Fund balance-ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 22,732,814</u>	<u>\$ (9,963,537)</u>	<u>\$ 12,769,277</u>	<u>\$ 12,769,277</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive <u>(Negative)</u>
REVENUES				
Intergovernmental:				
State	\$ 196,000	\$ 196,000	\$ 263,032	\$ 67,032
Interest and investment earnings	948	948	348	(600)
Total revenues	<u>196,948</u>	<u>196,948</u>	<u>263,380</u>	<u>66,432</u>
Excess (deficiency) of revenues over (under) expenditures	<u>196,948</u>	<u>196,948</u>	<u>263,380</u>	<u>66,432</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(245,602)</u>	<u>(258,673)</u>	<u>(240,360)</u>	<u>18,313</u>
Total other financing sources (uses)	<u>(245,602)</u>	<u>(258,673)</u>	<u>(240,360)</u>	<u>18,313</u>
Net change in fund balance	(48,654)	(61,725)	23,020	84,745
Fund balances - beginning	<u>48,654</u>	<u>61,725</u>	<u>61,725</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 84,745</u>	<u>\$ 84,745</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 ASSETS - PROPRIETARY FUNDS

June 30, 2009

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 78,406	\$ 1,036,785	\$ 1,115,191
Receivables:			
Accounts	--	228,443	228,443
Prepaid insurance and lease	74,361	123,209	197,570
Restricted:			
Regular account	--	299,932	299,932
Revenue bond covenant accounts	325,273	298,333	623,606
Customer deposits	91,088	--	91,088
	569,128	1,986,702	2,555,830
Total current assets			
Noncurrent assets:			
Restricted:			
Revenue bond covenant accounts	--	1,138,895	1,138,895
Capital assets not being depreciated:			
Land	300,000	4,066,447	4,366,447
Construction in progress	50,456	770,725	821,181
Capital assets being depreciated:			
Buildings and improvements	35,919,293	28,112,607	64,031,900
Machinery and equipment	1,057,710	1,001,344	2,059,054
Less: accumulated depreciation	(24,909,002)	(21,616,969)	(46,525,971)
	12,418,457	12,334,154	24,752,611
Total capital assets (net of accumulated depreciation)			
	12,418,457	13,473,049	25,891,506
Total noncurrent assets			
	12,418,457	13,473,049	25,891,506
Total assets	\$ 12,987,585	\$ 15,459,751	\$ 28,447,336

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2009

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 91,022	\$ 30,998	\$ 122,020
Benefits payable	18,476	27,348	45,824
Payroll payable	24,971	19,502	44,473
Other accrued expenses	3,901	-	3,901
Compensated absences payable	44,943	25,735	70,678
Customer deposits payable	49,690	3,951	53,641
Due to:			
Other funds	26,759	102,893	129,652
Accrued interest payable	68,992	25,359	94,351
Revenue bonds payable-current	300,000	995,000	1,295,000
Total current liabilities	628,754	1,230,786	1,859,540
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discount)	6,585,837	5,901,815	12,487,652
Other postemployment benefits	82,565	88,891	171,456
Total noncurrent liabilities	6,668,402	5,990,706	12,659,108
Total liabilities	7,297,156	7,221,492	14,518,648
NET ASSETS			
Invested in capital assets (net of related debt)	5,532,620	5,437,339	10,969,959
Restricted:			
Debt service	325,273	1,737,160	2,062,433
Capital projects		70,060	70,060
Unrestricted	(167,464)	993,710	826,246
Total net assets	\$ 5,690,429	\$ 8,238,269	\$ 13,928,698

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 ASSETS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
Operating revenues:			
Sales and services to customers	\$ 1,662,173	\$ 3,662,633	\$ 5,324,806
Rental fees	1,095,822	--	1,095,822
Miscellaneous	--	7,751	7,751
Total operating revenues	2,757,995	3,670,384	6,428,379
Operating expenses:			
Administrative and general	--	1,903,752	1,903,752
Recreational	3,395,570	--	3,395,570
Depreciation	995,971	643,092	1,639,063
Total operating expenses	4,391,541	2,546,844	6,938,385
Operating income (loss)	(1,633,546)	1,123,540	(510,006)
Nonoperating revenues (expenses):			
Investment earnings	14,341	38,501	52,842
Gain on sale of capital assets	2,506	--	2,506
Interest and fiscal charges	(455,084)	(453,176)	(908,260)
Total nonoperating revenues (expenses)	(438,237)	(414,675)	(852,912)
Income (loss) before contributions and transfers	(2,071,783)	708,865	(1,362,918)
Capital contributions	48,387	25,226	73,613
Transfers in	2,013,410	--	2,013,410
Transfers (out)	(99,993)	--	(99,993)
Change in net assets	(109,979)	734,091	624,112
Total net assets - beginning	5,800,408	7,504,178	13,304,586
Total net assets - ending	\$ 5,690,429	\$ 8,238,269	\$ 13,928,698

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, 2009

	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	\$ 2,773,625	\$ 3,628,013	\$ 6,401,638
Payments to suppliers	(2,520,210)	(631,649)	(3,151,859)
Payments to employees	(1,314,156)	(1,097,584)	(2,411,740)
Net cash provided (used) by operating activities	(1,060,741)	1,898,780	838,039
Cash flows from noncapital financing activities:			
Transfers in from other funds	1,083,612	--	1,083,612
Net cash provided (used) by noncapital financing activities	1,083,612	--	1,083,612
Cash flows from capital and related financing activities:			
Transfers from other funds for capital debt	728,768	--	728,768
Transfers from other funds for capital projects	101,036	--	101,036
Capital contributions	48,387	--	48,387
Proceeds from sale of capital assets	2,506	--	2,506
Proceeds from insurance for damaged asset	--	4,338	4,338
Acquisition and construction of capital assets	(202,471)	(742,218)	(944,689)
Principal paid on capital debt	(280,000)	(970,000)	(1,250,000)
Interest and fees paid on capital debt	(438,952)	(359,548)	(798,500)
Net cash provided (used) by capital and related financing activities	(40,726)	(2,067,428)	(2,108,154)
Cash flows from investing activities:			
Interest and dividends received	14,341	38,501	52,842
Net cash provided (used) by investing activities	14,341	38,501	52,842
Net increase (decrease) in cash and cash equivalents	(3,514)	(130,147)	(133,661)
Cash and cash equivalents, July 1, 2008 (including \$324,007 and \$1,731,930 in restricted)	407,193	2,904,092	3,311,285
Cash and cash equivalents, June 30, 2009 (including \$325,273 and \$1,737,160 in restricted)	\$ 403,679	\$ 2,773,945	\$ 3,177,624

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
For the Fiscal Year Ended June 30, 2009

	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)	\$ (1,633,546)	\$ 1,123,540	\$ (510,006)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	995,971	643,092	1,639,063
Decrease (increase) in accounts receivable	71,230	(51,738)	19,492
Decrease (increase) in due from other funds	--	9,056	9,056
Decrease (increase) in restricted deposits	(28,159)	--	(28,159)
Decrease (increase) in prepaid insurance	4,343	7,091	11,434
Increase (decrease) in customer deposits	(27,440)	311	(27,129)
Increase (decrease) in accounts payable	10,090	(21,008)	(10,918)
Increase (decrease) in payroll payable	6,413	(3,347)	3,066
Increase (decrease) in other accrued expenses	(603)	--	(603)
Increase (decrease) in due to other funds	(541,605)	102,892	(438,713)
Increase (decrease) in OPEB	82,565	88,891	171,456
	<u>\$ (1,060,741)</u>	<u>\$ 1,898,780</u>	<u>\$ 838,039</u>
Noncash investing, capital & financing activities:			
Disposal of obsolete (\$4,630) and damaged \$5,563) equipment	--	10,193	10,193
Contribution of capital asset from governmental fund	--	25,226	25,226
	<u>\$ --</u>	<u>\$ 35,419</u>	<u>\$ 35,419</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 which allows the City to contribute 108% of the previous year's contribution. The State also requires the pension plan to obtain an actuarial valuation to determine solvency every three years. The Board may elect to obtain an actuarial valuation in shorter intervals if deemed appropriate.

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 which allows the City to contribute 108% of the previous year's contribution. The State also requires the pension plan to obtain an actuarial valuation to determine solvency every three years. The Board may elect to obtain an actuarial valuation in shorter intervals if deemed appropriate.

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 114.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
June 30, 2009

	Pension Trust Funds			
	Policemen's Pension and Relief	Firemen's Pension and Relief	Total Pension Trust Funds	Agency Funds
ASSETS				
Non-pooled cash	\$ 10,885,047	\$ 1,291,090	\$ 12,176,137	\$ 1,971,585
Total cash	10,885,047	1,291,090	12,176,137	1,971,585
Investments, at fair value:				
Federal government securities	--	1,749,380	1,749,380	--
Managed bond funds	--	2,033,264	2,033,264	--
Managed stock funds	--	1,950,930	1,950,930	--
Total investments	--	5,733,574	5,733,574	--
Receivables:				
Interest	--	10,542	10,542	--
Accounts receivable	3,146	--	3,146	2,484
Total receivables	3,146	10,542	13,688	2,484
Total assets	\$ 10,888,193	\$ 7,035,206	\$ 17,923,399	\$ 1,974,069
LIABILITIES				
Accounts payable	225	13,150	13,375	--
Refunds payable and other	--	--	--	1,974,069
Benefits payable	--	482,163	482,163	--
Total liabilities	225	495,313	495,538	1,974,069
NET ASSETS				
Net assets held in trust for pension benefits	\$ 10,887,968	\$ 6,539,893	\$ 17,427,861	\$ --

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2009

	Pension Trust Funds		Totals
	Policemen's Pension and Relief	Firemen's Pension and Relief	
ADDITIONS			
Contributions:			
Employer	\$ 1,935,577	\$ 3,053,765	\$ 4,989,342
Plan members	721,191	740,908	1,462,099
State of West Virginia insurance premium surtax allocations	1,700,936	1,805,070	3,506,006
Total contributions	4,357,704	5,599,743	9,957,447
Investment earnings:			
Net increase (decrease) in fair value of investments	(2,554,875)	(1,439,602)	(3,994,477)
Interest and dividends	320,760	187,726	508,486
Less: investment expense	(69,571)	(43,553)	(113,124)
Net investment income	(2,303,686)	(1,295,429)	(3,599,115)
Total additions	2,054,018	4,304,314	6,358,332
DEDUCTIONS			
Benefits	5,183,704	5,578,562	10,762,266
Administrative expenses	5,217	23,936	29,153
Refunds of contributions	69,429	--	69,429
Total deductions	5,258,350	5,602,498	10,860,848
Change in net assets	(3,204,332)	(1,298,184)	(4,502,516)
Net assets held in trust for pension benefits:			
Beginning of year	14,092,300	7,838,077	21,930,377
End of year	\$ 10,887,968	\$ 6,539,893	\$ 17,427,861

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, 2009

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 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. Financial accountability is based on: (1) the appointment of the governing authority and, (2) the ability to impose will or, (3) the providing of specific financial benefit or imposition of specific financial burden. Another factor to consider in this evaluation is whether an entity is fiscally dependent on the City of Charleston.

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.

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

Discretely presented component units are entities which are legally separate from the City, but are financially accountable to the City, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Because of the nature of services they provide and the City's ability to impose its will on them or a financial benefit/burden relationship exists, the following component units are discretely presented in accordance with generally accepted accounting principles. The discretely presented component units are presented on the government-wide statements.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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 rates for user charges and bond issuance authorizations are approved by the government's elected council.

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. The bond issuance authorizations are 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. 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements; however, if applicable, interfund 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. Nonmajor 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, 2009

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. Expenditures generally are recorded when a liability is incurred, as under accrual 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 to be accounted for in another fund.

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

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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 State grant revenues for advertising subsequently dispersed to advertising vendors. 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.

The City of Charleston, West Virginia follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with GASB Pronouncements in both the government-wide and proprietary fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, if applicable, interfund 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 nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Civic Center and Parking System (enterprise funds) and the Sanitary Board, Urban Renewal Authority, and Convention and Visitor's Bureau (discretely presented component units) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

D. Assets, Liabilities, and Net Assets 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, are 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 State Investment Pool or the 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 mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with S.E.C. which have fund assets over three hundred million dollars.

State statute limitations concerning the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have more than nine percent invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

2. Receivables and Payables

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables or payables" (i.e, the current portion of interfund loans) or "advances to/from other funds" (i.e, the non-current portion of interfund 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, 2009.

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, excess, and bond 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 statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2009, were as follows:

Class of Property	Assessed Valuation For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	\$ -	5.75 cents	5.03 cents	1.78 cents
Class II	\$ 1,163,413,136	11.50 cents	10.06 cents	3.56 cents
Class IV	\$ 1,607,654,121	23.00 cents	20.12 cents	7.12 cents

The City of Charleston, West Virginia held a special election on May 6, 2007. The City was authorized to lay an excess levy to provide approximately \$3,958,752 annually for four fiscal years which began fiscal year ended June 30, 2008, through June 30, 2011, for the purpose of subsidizing the payment of current governmental expenses.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

3. Prepaid Items

Certain payments to vendors for liability insurance and leases reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. 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, a governmental 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.

5. Capital Assets and Depreciation

Capital assets, which include 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:

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

6. 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. 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.

7. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Designations of fund balance represent tentative management plans that are subject to change.

9. Change in Accounting Policy

Effective July 1, 2008, the City adopted Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." As required by the standard the long-term liability and related expense have been included in the government-wide statements in governmental and business-type activities in the amount of \$6,403,428 and \$171,456, respectively. In addition, the Proprietary Fund statements reflect the \$171,456 long-term liability and related expense. All OPEB required note disclosures have been included in the notes to the financial statements.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

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 Assets

The governmental fund balance sheet includes a reconciliation between fund balance total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. 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 \$92,238,827 difference are as follows:

Bonds payable:	\$ (5,256,248)
Less: issuance cost (to be amortized as interest expense)	10,569
Accrued interest payable	(149,694)
Capital leases payable	(11,232,515)
Claims and judgments	(3,637,940)
Compensated absences	(1,668,146)
Net OPEB obligation	(6,403,428)
Net pension obligation	<u>(63,901,425)</u>
 Net adjustment to decrease fund balance- total governmental funds to arrive at net assets-governmental activities	 <u>\$ (92,238,827)</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 a reconciliation between net changes in fund balances-total governmental funds and changes in net assets 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 \$664,808 difference are as follows:

Capital outlays	\$ 7,946,037
Depreciation expense	<u>(7,281,229)</u>
 Net adjustment to increase net change in fund balance-total governmental funds to arrive at changes in net assets of governmental activities	 <u>\$ 664,808</u>

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Another element of that reconciliation states that, "The issuance of long-term debt (i.e, bonds, leases) provide 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities." The details of this \$1,574,500 difference are as follows:

Debt issued or incurred:		
Capital lease financing	\$	(2,161,000)
Principle repayments:		
General obligation, revenue bonds, and capital leases		3,736,004
Increase of accrued interest expense		<u>(504)</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>1,574,500</u></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 \$16,627,883 difference are as follows:

Compensated absences	\$	50,047
Claims and judgments		680,160
Net OPEB Obligation		(6,403,428)
Net pension obligation		<u>(10,954,662)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(16,627,883)</u></u>

Another element of reconciliation is the difference of \$25,226 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 \$25,226.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Except as noted below, annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Coal Severance Tax Special Revenue Fund. All annual appropriations lapse at fiscal year end.

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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:

	<u>Amount</u>	<u>Description</u>
\$	3,270,301	General Government Expenditure Increase
	2,032,986	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 reappropriated and honored during the subsequent year.

The government's budget basis differs from generally accepted accounting principles in the general fund due to (1) the allocation of amounts received from the State of West Virginia for pension allocation (see note IV.H.) (2) The cost allocation of the pay as you go portion related to other post employment benefits (3) Separate reporting of capital outlay for budgetary purposes and (4) the reflection of business and occupation taxes on the cash basis for budgetary purposes.

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

	<u>Net Change in Fund Balance</u>	<u>Fund Balance</u>
Budgetary Basis	\$ 2,906,526	\$ 12,769,277
Basis of Accounting Difference	251,355	9,963,537
GAAP Basis	<u>\$ 3,157,881</u>	<u>\$ 22,732,814</u>

Intergovernmental revenues - state and public safety expenditures both decreased by \$3,506,006 per budget basis for the pension allocation from the State of West Virginia.

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

**CITY OF CHARLESTON, WEST VIRGINIA
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IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had the following investments:

	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Primary Government			
State Investment Management Board pool	\$ 1,833,810	AAA	AAA
Repurchase Agreements-FNMA	1,004,314	Not Rated	Not Rated
U.S. Government Agency Securities	356,557	Not Rated	Aaa
Corporate Bonds-Bank America Corp	98,899	Not Rated	A1
Corporate Bonds-Cisco Systems	26,485	Not Rated	Aa2
Corporate Bonds-General Electric	98,204	Not Rated	Aaa
Corporate Bonds-General Electric Diversified	44,446		
Total Rated Securities	3,462,715		
Total Unrated Securities	725,193		
	\$ 4,187,908		
Firemen's Pension and Relief			
U.S. Government Agency Securities	\$ 1,749,380	AAA	Not Rated
Total Rated Securities	1,749,380		
Total Unrated Securities	3,984,194		
	\$ 5,733,574		

The City's investment in the State Investment Management Board Investment Pool includes funds held at the Municipal Bond Commission (Commission) for the City's General Obligation Bond and for the Parking System and Civic Center, Proprietary Funds, 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. For seventy-six years, 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 obligation 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.

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.I. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2009, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

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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 it's 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.

<u>Security Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10 Years</u>
Primary Government:					
State Investment Management					
Board Pool	\$ 1,833,810	\$ 1,833,810	\$ -	\$ -	-
Repurchase Agreements	1,004,314	1,004,314	-	-	-
U.S. Government Agencies	356,557	59,962	100,063	196,532	-
Corporate Bonds-Bank of America	98,899	-	98,899	-	-
Corporate Bonds-Cisco Systems	26,485	-	-	26,485	-
Corporate Bonds-General Electric	98,204	-	-	98,204	-
Corporate Bonds-General Electric Dive	44,446	-	-	-	44,446
Firemen's Pension & Relief Fund:					
U.S. Government Agency Securities	1,749,380	-	1,000,315	749,065	-
Totals	<u>\$ 5,212,095</u>	<u>\$ 2,898,086</u>	<u>\$ 1,199,277</u>	<u>\$ 1,070,286</u>	<u>\$ 44,446</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 it's 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.1. 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 common stock investments in ISHARES RS 2000 Value Index Fund and ISHARES RUSSELL MIDCAP Value Index that were five percent and six percent, respectively, of the total portfolio; and Spring Hill Cemetery had two corporate bond investments in Bank America Corporation and General Electric that were six percent and six percent, respectively, of the total portfolio and four mutual fund investments in American Funds Growth, Federated Total Return, Pimco Total Return and Vanguard Inflation-Protected that were five percent, seven percent, seven percent, and five percent, respectively, of the total portfolio at June 30, 2009.

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 except for the Policemen's Pension & Relief Fund. Cash in the amount of \$2,406,892 was uninsured and uncollateralized at June 30, 2009.

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During June the Policemen's Pension & Relief Fund Board elected to change investment advisors. The actual change to the new advisor occurred in July 2009. Upon the advice of the new advisor, the Board decided to sell all securities held in trust by the end of June before transfer to the new investment firm in July. Consequently, at June 30, 2009 all securities had been sold which resulted in total realized losses for fiscal year 2009 of \$3,669,223 and total realized gains of \$275,731 based upon the original cost of the securities and proceeds received from the sale.

The calculation of the realized gains and losses disclosed is independent of the calculation of net appreciation (depreciation) in the financials and any unrealized gains and losses on investments sold in the current year that had been held for more than one year were included in investment income reported for a previous year or years (as part of the reported net appreciation or depreciation for those years.)

The Policemen's Pension & Relief Fund cash in the amount of \$2,840,811 was insured and collateralized at June 30, 2009. In addition, \$5,637,344 held in CMA Money Funds Security Number 989996913 was fully collateralized at June 30, 2009.

B. Receivables

Receivables at year end for the government's individual major funds and nonmajor, and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	Community Development	HOME	Parking System
Receivables:				
Accounts	\$ 3,894,041	\$ -	\$ -	\$ 249,943
Accrued interest	24,528	1,913	-	-
Taxes	12,184,038	-	-	-
Loans	-	2,104,977	3,390,233	-
Grants	10,505	252,541	18,116	-
Gross receivables	<u>16,113,112</u>	<u>2,359,431</u>	<u>3,408,349</u>	<u>249,943</u>
Less: allowance for uncollectible	<u>(1,094,764)</u>	<u>(526,244)</u>	<u>-</u>	<u>(21,500)</u>
Net total receivables	<u>\$ 15,018,348</u>	<u>\$ 1,833,187</u>	<u>\$ 3,408,349</u>	<u>\$ 228,443</u>
	Nonmajor Funds and Fiduciary Funds	Total		
Receivables:				
Accounts	\$ 2,608,638	\$ 6,752,622		
Accrued interest	16,972	43,413		
Taxes	133,388	12,317,426		
Loans	332,129	5,827,339		
Grants	389,452	670,614		
Gross receivables	<u>3,480,579</u>	<u>25,611,414</u>		
Less: allowance for uncollectible	<u>(2,280,133)</u>	<u>(3,922,641)</u>		
Net total receivables	<u>\$ 1,200,446</u>	<u>\$ 21,688,773</u>		

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Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition 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 revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property Taxes	\$ 272,561	\$ -
Prepaid License Fees and Cemetery Fees (general fund)	-	66,577
Grant drawdowns prior to meeting all eligibility requirements	-	5,265,750
Total deferred/unearned revenue for governmental funds	\$ 272,561	\$ 5,332,327

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Primary Government			
	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,450,037	\$ -	\$ -	\$ 7,450,037
Construction in progress	1,301,039	3,316,414	(2,806,946)	1,810,507
Total capital assets not being depreciated	8,751,076	3,316,414	(2,806,946)	9,260,544
Capital assets being depreciated:				
Buildings and improvements	45,433,192	1,220,104	(35,752)	46,617,544
Structures and improvements	13,358,823	19,429	-	13,378,252
Machinery and equipment	13,768,846	1,219,633	(689,177)	14,299,302
Vehicles	15,437,844	1,906,634	(1,115,461)	16,229,017
Furniture	304,217	16,931	(3,592)	317,556
Infrastructure	77,041,582	3,050,599	-	80,092,181
Total capital assets being depreciated	165,344,504	7,433,330	(1,843,982)	170,933,852
Less accumulated depreciation:				
Buildings and improvements	(14,895,395)	(1,156,525)	-	(16,051,920)
Structures and improvements	(6,168,559)	(525,079)	-	(6,693,638)
Machinery and equipment	(10,310,115)	(1,132,381)	688,437	(10,754,059)
Vehicles	(10,958,183)	(1,739,076)	1,093,715	(11,603,544)
Furniture	(232,014)	(28,521)	3,592	(256,943)
Infrastructure	(43,829,132)	(2,699,647)	-	(46,528,779)
Total accumulated depreciation	(86,393,398)	(7,281,229)	1,785,744	(91,888,883)
Total capital assets being depreciated, net	78,951,106	152,101	(58,238)	79,044,969
Governmental activities capital assets, net	\$ 87,702,182	\$ 3,468,515	\$ (2,865,184)	\$ 88,305,513

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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	147,846	674,822	(1,487)	821,181
Total capital assets, not being depreciated	<u>4,514,293</u>	<u>674,822</u>	<u>(1,487)</u>	<u>5,187,628</u>
Capital assets being depreciated:				
Buildings and improvements	63,249,295	25,226	(10,193)	63,264,328
Structures and improvement	767,572	-	-	767,572
Machinery and equipment	1,619,530	248,022	(7,990)	1,859,562
Vehicles	176,161	23,331	-	199,492
Total capital assets being depreciated	<u>65,812,558</u>	<u>296,579</u>	<u>(18,183)</u>	<u>66,090,954</u>
Less accumulated depreciation:				
Buildings and improvements	(43,379,650)	(1,434,387)	5,854	(44,808,183)
Structures and improvements	(287,570)	(26,881)	-	(314,451)
Machinery and equipment	(1,103,418)	(151,176)	7,990	(1,246,604)
Vehicles	(130,114)	(26,619)	-	(156,733)
Total accumulated depreciation	<u>(44,900,752)</u>	<u>(1,639,063)</u>	<u>13,844</u>	<u>(46,525,971)</u>
Total capital assets being depreciated, net	<u>20,911,806</u>	<u>(1,342,484)</u>	<u>(4,339)</u>	<u>19,564,983</u>
Business-type activities capital assets, net	<u>\$ 25,426,099</u>	<u>\$ (667,662)</u>	<u>\$ (5,826)</u>	<u>\$ 24,752,611</u>

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

Governmental activities:	
General government	\$ 3,163,636
Public safety	1,636,237
Highways and streets, including depreciation of general infrastructure assets	675,558
Health and sanitation	637,193
Culture and recreation	1,114,068
Social services	54,537
Total depreciation expense-governmental activities	<u>\$ 7,281,229</u>
Business-type activities:	
Civic Center	\$ 995,971
Parking System	643,092
Total depreciation expense-business-type activities	<u>\$ 1,639,063</u>

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Construction in Progress

The government has active construction projects as of June 30, 2009. The projects include street, retaining walls, and bridge repairs, City Hall renovations and additions, recreation facilities renovations and greenspace. At year end, the amounts for governmental activities spent-to-date are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Funded</u>
Ball Park Additions	\$ 11,137	General Fund
Riverfront Project	276,168	General Fund , Federal Grants, & Contributions
Parking Garage Renovations	33,647	Parking System & Federal Grants
City Hall Renovations & Additions	93,050	General Fund
Storm Water Project	40,796	General Fund
MOECD-Sojourners' Renovations	6,428	CDBG Grants
Bridge & Retaining Walls Projects	943,672	General Fund and CDBG Grants
Feasibility Study-Civic Center	38,968	General Fund
Greenspace	366,641	General Fund , CDBG Grants & Contributions
Total	<u>\$ 1,810,507</u>	

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009 is as follows:

Interfund receivables/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Civic Center	Reimbursements Insurance	\$ 26,759
	Parking System	Reimbursement Insurance	31,892
	CDBG	Reimbursement Salary & Utilities	67,742
	HOME	Reimbursement Salary & Utilities	17,316
	Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	505,118
	Fiduciary-Agency		1,151
Nonmajor Governmental Funds	Parking System	Reimbursements for Parking System Repairs	70,999
	General Fund	Transfer of funds/Refunds	6,651
	Total		<u>\$ 727,628</u>

Interfund transfers:

	<u>Transfers In</u>			
	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u>	<u>Civic Center</u>	<u>Total</u> <u>Transfers In</u>
Transfers out:				
General fund	\$ -	\$ 3,638,093	\$ 1,572,021	\$ 5,210,114
Coal severance tax	-	-	240,360	240,360
Nonmajor govern- mental funds	3,650,330	-	-	3,650,330
	-	-	201,029	201,029
Civic Center	-	99,993	-	99,993
Total Transfers				
Out	<u>\$ 3,650,330</u>	<u>\$ 3,738,086</u>	<u>\$ 2,013,410</u>	<u>\$ 9,401,826</u>

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

**CITY OF CHARLESTON, WEST VIRGINIA
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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 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 Civic Center and Parking System prior years lease obligations have been fully satisfied as of June 30, 2009.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Civic Center	Parking System
Machinery, equipment and vehicles	\$ 10,315,912	\$ 28,677	\$ 218,399
Less: accumulated depreciation	(7,554,922)	(28,677)	(218,399)
Total	<u>\$ 2,760,990</u>	<u>\$ -</u>	<u>\$ -</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year Ending June 30	Governmental Activities
2010	\$ 2,356,205
2011	2,086,764
2012	1,681,258
2013	1,280,523
2014	903,738
2015 - 2019	3,421,340
2020 - 2024	2,539,253
2025 - 2029	479,415
Total minimum lease payments	<u>14,748,496</u>
Less: amount representing interest	<u>(3,515,981)</u>
Present value of minimum lease payments	<u>\$ 11,232,515</u>

CITY OF CHARLESTON, WEST VIRGINIA
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F. Long-term Debt

General Obligation Bonds

The government issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General Obligation Bonds currently outstanding are as follows:

<u>Governmental Activities</u>					Balance
Purpose	Maturity Date	Interest Rates	Issued	Retired	June 30, 2009
Public Improvement Bonds					
Series 1989	2010	7.1-7.2%	\$ 15,000,000	\$ 13,630,000	\$ 1,370,000
Total			<u>\$ 15,000,000</u>	<u>\$ 13,630,000</u>	<u>\$ 1,370,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending	Governmental Activities	
	Principal	Interest
June 30		
2010	\$ 1,370,000	\$ 49,320
Total	<u>\$ 1,370,000</u>	<u>\$ 49,320</u>

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. There were no new bond issues during the current fiscal year. The City has the following revenue bonds outstanding at June 30, 2009:

The Charleston Building Commission, a blended component unit of the City, issued the Public Safety Center Lease-Revenue Bonds Series 1999 in the amount of \$1,500,000 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 \$1,120,000 and interest in the amount of \$565,341 on the bonds when due until bond maturity in 2024. During the fiscal year 2009 lease payments in the principal amount of \$50,000 and interest in the amount of \$64,525 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 Bonds (Center for Arts and Sciences of West Virginia Project), Series 1999 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 \$2,175,000 and interest in the amount of \$1,160,488 on the bonds when due until bond maturity in 2024. During the fiscal year 2009 lease payments in the principal amount of \$90,000 and interest in the amount of \$131,293 were used to pay the debt service on the bonds.

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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 are secured by the fire station and an irrevocable pledge of lease payments which are required to be in sufficient amount to pay principal in the amount of \$580,679 and interest in the amount of \$47,100 on the bonds when due until bond maturity in 2013. During the fiscal year 2009 lease payments in the principal amount of \$131,447 and interest in the amount of \$26,106 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 \$1,290,000 and interest in the amount of \$129,955 until bond maturity in 2013 and outstanding principal amount of \$6,190,000 and interest in the amount of \$1,203,420 until bond maturity in 2016. During the fiscal year 2009, Parking System net revenues in the principal amount of \$970,000 and interest in the amount of \$356,450 were used to pay the debt service which was 73% 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 \$2,655,000 and interest in the amount of \$1,204,225 until bond maturity in 2023. During the fiscal year 2009 these pledged revenues in the principal amount of \$120,000 and interest amount of \$139,650 were used to pay the debt service on these bonds which is eight percent of the specified revenues.

The Civic Center Improvement Bonds, Series 1999, in the amount of \$4,060,000 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 \$3,240,000 and interest amount of \$1,993,498 until bond maturity in 2024. During the fiscal year 2009 these pledged revenues were used to pay the principal amount of \$115,000 and interest amount of \$214,073 on these bonds which is ten percent of the specified revenues.

The Charleston Building Commission Civic Center Lease Revenue Bonds, Series 1999 issued in the amount of \$1,610,000 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. These irrevocable pledge of lease payments which are required to be sufficient in amount to pay principal of \$1,275,000 and interest of \$781,866 until bond maturity in 2024. During the fiscal year 2009 lease payments in the principal amount of \$45,000 and interest amount of \$83,986 were used to pay the debt service on these bonds.

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Revenue bonds outstanding, net of unamortized issuance costs of \$877,917 (Fire Station \$10,569; Parking System \$583,185, and Civic Center of \$284,163) at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2009
Governmental activities:					
Public Safety Center Series 1999	2024	5.00-5.70%	\$ 1,500,000	\$ 380,000	\$ 1,120,000
Charleston Building Commission 1999	2024	5.30-5.95%	2,895,000	720,000	2,175,000
Fire Station Series 2002B	2013	3.81%	1,300,000	719,321	580,679
Total governmental activities			<u>\$ 5,695,000</u>	<u>\$ 1,819,321</u>	<u>\$ 3,875,679</u>
Business-type activities:					
Parking System Refunding Series 2005A	2016	2.50-4.50%	\$ 8,710,000	\$ 3,017,196	\$ 5,692,804
Parking System Refunding Series 2005B	2013	3.00-4.40%	2,655,000	1,450,989	1,204,011
Civic Center Improvement Series 1998	2023	4.60-5.10%	3,635,000	1,057,989	2,577,011
Civic Center Improvement Series 1999	2024	4.51-6.71%	4,060,000	953,895	3,106,105
Civic Center Lease Revenue Series 1999	2024	5.20-6.70%	1,610,000	407,279	1,202,721
Total revenue bonds			<u>\$ 20,670,000</u>	<u>\$ 6,887,348</u>	<u>\$ 13,782,652</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
	2010	\$ 281,767	\$ 209,334	\$ 1,179,709
2011	297,027	196,539	1,219,709	685,528
2012	307,490	183,026	1,274,709	626,109
2013	324,395	165,165	1,155,442	561,990
2014	180,000	154,781	1,447,640	501,891
2015 - 2019	1,075,000	606,249	4,257,590	1,542,326
2020 - 2024	1,410,000	257,815	2,819,504	638,438
2025 - 2029	-	-	428,349	14,572
Totals	<u>\$ 3,875,679</u>	<u>\$ 1,772,909</u>	<u>\$ 13,782,652</u>	<u>\$ 5,312,964</u>

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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, subpart 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 will be purchased by Chase Bank (the "Series CB Bonds") and a portion which will be purchased by the Authority using the proceeds of a Fannie Mae Modernization Express Loan (the "Series FM Bonds") made available as a result of CFFP financing. The proceeds of the Series CB Bonds will be 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.

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.

G. Restricted Assets

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

	Governmental Activities	Business-type Activities
Customer deposits	\$ -	\$ 91,088
Cash - contractual agreement	2,024,453	-
Capital lease debt service	200,176	-
General obligation bond debt service account	96,309	-
Revenue bond operations and maintenance account		299,932
Revenue bond debt service account	19,021	623,606
Revenue bond reserve account	-	1,138,895
Total restricted assets	<u>\$ 2,339,959</u>	<u>\$ 2,153,521</u>

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H. Benefits Funded by the State of West Virginia

For the year ended June 30, 2009, the State of West Virginia contributed estimated payments on behalf of the government's public safety employees in accordance with West Virginia State Code §33-3-14d. These contributions are funded by State collections of insurance premium tax and are shown in the General Fund (Employer) Statement of Revenues, Expenditures, and Changes in Fund Balance as Intergovernmental-State revenues and as Public Safety Expenditures for the contribution to the Police and Fire Pension Funds in accordance with GAAP. The State contributions were deposited directly into the Policemen's and Firemen's Pension Funds as follows:

Plan	Amount
Policemen's Pension and Relief Fund	\$ 1,700,936
Firemen's Pension and Relief Fund	1,805,070
Total	\$ 3,506,006

I. Prior Period Adjustment

Beginning net assets for the governmental activities were restated for a correction of accrued bond and lease interest at June 30, 2008. Beginning unrestricted net assets changed to (\$39,331,088) with total net assets equal to \$45,031,088 from the previously reported unrestricted net assets of (\$40,056,384) and total net assets of \$44,306,064. The net effect of the restatement is a \$725,296 increase to beginning net assets.

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.

Workers' Compensation Fund (WCF): West Virginia utilizes a single private insurance company, Brick Street Insurance, to provide workers' compensation coverage to all employers in the State. Other private insurance companies may begin to offer coverage to private sector employers beginning July 1, 2008, and to government employers July 1, 2010. For the most part, all employers in the State, including governmental entities, must have coverage. The cost of all coverage, as determined by Brick Street, is paid by the employers. The WCF risk pool retains the risk related to the compensation of injured employees under the program.

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' comp retention-all employees. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2009	Year Ended 6/30/2008
Unpaid claims, beginning of fiscal year	\$ 4,318,101	\$ 4,801,056
Incurred claims (including IBNRs)	3,637,940	4,318,101
Claims paid	(4,318,101)	(4,801,056)
Unpaid claims, end of fiscal year	\$ 3,637,940	\$ 4,318,101

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

B. Subsequent Events

In October and November 2009 the City Council authorized the refunding of the Civic Center Improvement Bonds, Series 1999, of the City of Charleston, in the amount not to exceed \$3,500,000, the Charleston Building Commission Civic Center Lease-Revenue Bonds, Series 1999, in the principal amount outstanding of \$1,275,000, and the Charleston Building Commission Public Safety Center Lease-Revenue Bonds, Series 1999, in the principal amount outstanding of \$1,120,000. It has been determined the City may now refund the bonds at a savings.

C. Contingent Liabilities

Amounts received or receivable from grant 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.

D. 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.

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E. 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, 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.

F. 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 \$606,658 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

G. Postemployment Healthcare Plan

Effective July 1, 2008, the City of Charleston adopted the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". In Addition to the relevant disclosures within this note related to the implementation of GASB Statement No. 45, the financial statements reflect long-term liabilities and related expenses in the governmental and business-type activities of \$6,403,428 and \$171,456, respectively, resulting from the adoption.

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

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System and 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 Wells Fargo, a third-party administrator. The plan benefits, benefit levels, 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.

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.

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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. For 2008/2009 the monthly retiree contribution for non-tobacco users is as follows:

<u>Date of Hire</u>	<u>Under 65</u>		<u>Over 65</u>	
	<u>Single</u>	<u>2-Person</u>	<u>Single</u>	<u>2-Person</u>
Before July 1984				
Non-uniform	\$ 170	\$ 270	\$ 81	\$ 57
Uniform	\$ 150	\$ 221	\$ 88	\$ 57
July 1, 1984- July 1, 1989	\$ 170	\$ 270	\$ 128	\$ 207
July 1, 1989- July 1, 1994	\$ 183	\$ 289	\$ 137	\$ 224
July 1, 1994- July 1, 2000	\$ 193	\$ 308	\$ 146	\$ 224

The City does not have a practice of increasing the retiree contributions for employees hired prior to July 1, 2000. For GASB 45 purposes it was assumed that these rates remain level in future years.

Employees hired after July 1, 2000 are required to contribute a) the COBRA rate less b) a 2.0% credit for every year of service (limited to 50%).

Retiree contributions for tobacco users are 115% of the non-tobacco rate.

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. There is no prescription drug coverage for post-medicare retirees.

The 2009 monthly COBRA rates are \$551 for single and \$1,101 for two-person under 65 years of age and \$331 for single and \$1,059 for two-person over 65 years of age.

The number of participants as of July 1, 2008, the effective date of the biennial OPEB valuation were 759 active employees and 418 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 postemployment health care benefits is on a pay-as-you-go basis.

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The government does not provide post-retirement health benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the City. However, employees who elect COBRA are covered under the City's self-insured health plan as are all active employees and those retired employees who maintain City health plan coverage.

V.G.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, 2008, 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 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	\$ 9,356,680	\$ 276,361	\$ 9,633,041
Interest on net OPEB obligation	--	--	--
Adjustment to annual required contribution	--	--	--
Annual OPEB cost	9,356,680	276,361	9,633,041
Contributions made	(2,953,252)	(104,905)	(3,058,157)
Increase in net OPEB obligation	6,403,428	171,456	6,574,884
Net OPEB obligation at beginning of the year	--	--	--
Net OPEB obligation at the end of the year	\$ 6,403,428	\$ 171,456	\$ 6,574,884

V.G.3. Trend Information

Other Post Employment Benefits (OPEB)

Fiscal Year	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2009	\$ 9,633,041	31%	\$ 6,574,884

V.G.4. Funding Progress

SCHEDULE OF FUNDING PROGRESS:

OPEB

	Actuarial	Actuarial	Unfunded			UAAL
	Value of	Accrued	AAL	Funded	Covered	as a %
Valuation	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	covered
Date	(a)	(b)	(b)-(a)	(a)/(b)	(c)	(b-a)/c
7/1/08	\$ --	\$ 129,751,934	\$ 129,751,934	0.0%	\$ 29,873,284	434%

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Because 2009 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, information provided does not reflect similar information respective of the two preceding years.

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, presented as RSI following the notes to the financial statements, is to present 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. However, because the City maintains no Plan assets, information relative to Plan assets required disclosures is not applicable. Additionally, because 2009 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the RSI does not reflect similar information respective of the two preceding years.

V:G.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 includes 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, 2008 actuarial valuation, the liabilities were computed using the projected unit credit method on a level percentage of pay amortization. The actuarial assumptions utilized a 5% discount rate and 4% projected salary increases per year. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 5% rate. The valuation assumes a 10% healthcare trend increase for the fiscal year 2009, reduced by decrements to a rate of 4.5% in fiscal year 2017, and later.

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 employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2007.

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, 2008.

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Actuarial valuations are required to be performed once every three years per state statute. However, the actuarial valuations can be performed in shorter intervals at the discretion of the PPRF and FPRF's boards. The boards have the valuations performed every two years in accordance with GAAP. 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:

Group	PPRF	FPRF	Totals
Active Employees	184	191	375
Vested Terminated Benefits	2	3	5
Retirees and Beneficiaries Currently Receiving Benefits	202	221	423
Total	<u>388</u>	<u>415</u>	<u>803</u>

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

	PPRF	FPRF
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 utilize an alternative contribution method which allows the City to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by West Virginia State Code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary. The City of Charleston contributes 108% of the prior year's contributions for both the police and fire pension plans.	
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).	
Eligibility for Distribution	20 years of credited service or age 65; whichever comes first. Must be at least age 50.	
Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes

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Annual Required Contributions and Significant Actuarial Assumptions

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

	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
	7/1/2007	7/1/2008
Valuation Date	7/1/2007	7/1/2008
Actuarial Cost Method	Entry age normal-Closed Group	Entry Age Normal-Closed Group
Amortization Method	Level with a 24-year closed period ending June 30, 2031	Level with a 23 -year closed period ending June 30, 2031
Amortization Period	Level with a 24-year closed period ending June 30, 2031	Level with a 23 -year closed period ending June 30, 2031
Actuarial Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	7.0% per year, net of expenses	7.0% per year, net of expenses
Projected Salary Increases	4% per year	4% per year
Post-Retirement Benefit Increases	None	None
Inflation	3.00%	3.00%
Cost of Living Adjustments	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).	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).

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 both 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 members benefits for either plan.

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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	\$ 7,664,881	\$ 7,919,675
Interest on short-term	1,979,653	1,726,620
Adjustment to annual required contribution	<u>(1,787,659)</u>	<u>(1,559,166)</u>
Annual pension cost	7,856,875	8,087,129
Contributions made	<u>(1,935,577)</u>	<u>(3,053,765)</u>
Increase in net pension obligation	5,921,298	5,033,364
Net pension obligation at beginning of the year	<u>28,280,762</u>	<u>24,666,001</u>
Net pension obligation at the end of the year	<u>\$ 34,202,060</u>	<u>\$ 29,699,365</u>

VIA.4. Trend Information

Policemen's Pension and Relief Fund (PPRF)

Fiscal Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2009	\$ 7,664,881	23%	\$ 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)

Fiscal Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2009	\$ 7,919,675	39%	\$ 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, 2009**

VI.A.5. Funding Progress

SCHEDULE OF FUNDING PROGRESS:

Policemen's Pension and Relief Fund (PPRF)

	Actuarial	Actuarial	Unfunded			UAAL
	Value of	Accrued	AAL	Funded	Covered	as a %
Actuarial	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	covered
Valuation						payroll
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b)-(a)</u>	<u>(a)/(b)</u>	<u>(c)</u>	<u>(b-a)/c</u>
7/1/07	\$ 15,582,123	\$ 95,751,500	\$ 80,169,377	16.27%	\$ 8,666,547	925%

Firemen's Pension and Relief Fund (FPRF)

	Actuarial	Actuarial	Unfunded			UAAL
	Value of	Accrued	AAL	Funded	Covered	as a %
Actuarial	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	covered
Valuation						payroll
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b)-(a)</u>	<u>(a)/(b)</u>	<u>(c)</u>	<u>(b-a)/c</u>
7/1/08	\$ 7,838,077	\$ 96,724,077	\$ 88,886,000	8.10%	\$ 8,959,494	992%

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 38% for the PPRF and increasing 19% for the FPRF) over time relative to the actuarial accrued liability for both pension plans (is increasing 46% for the PPRF and increasing 36% 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.

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 contribution rate:	4.50%
City's contribution rate:	11.00%
Period required to vest:	Five Years

**CITY OF CHARLESTON, WEST VIRGINIA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2009**

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
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%
2003	1,089,353	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, 2009**

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%

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%

Other Post Employment Benefits (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
7/1/08	\$ --	\$ 129,751,934	\$ 129,751,934	0.00%	\$ 29,873,284	434%

Note to Required Supplementary Information-Other Post Employment Benefits:

Because 2009 was the year of transition for GASB Statement No. 45, requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above illustration does not reflect similar information respective of the two preceding years for Other Postemployment Benefits.

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, 2009

	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Permanent</u>	Total
	<u>Revenue</u>	<u>Projects</u>	<u>Service</u>		Nonmajor
					<u>Governmental</u>
					<u>Funds</u>
ASSETS					
Cash and cash equivalents	\$ 2,963,460	\$ 4,397,938	\$ 3,689,446	\$ 142,600	\$ 11,193,444
Investments	--	--	--	1,349,784	1,349,784
Receivables:					
Taxes	--	--	100,041	--	100,041
Accounts	411,286	--	--	--	411,286
Grants	389,452	--	--	--	389,452
Loans	277,065	--	--	--	277,065
Accrued interest	100	--	--	6,330	6,430
Due from:					
Other funds	1,749	70,999	--	5,942	78,690
Component units	30,963	--	--	--	30,963
Restricted cash	<u>2,024,453</u>	<u>--</u>	<u>115,330</u>	<u>--</u>	<u>2,139,783</u>
Total assets	<u>\$ 6,098,528</u>	<u>\$ 4,468,937</u>	<u>\$ 3,904,817</u>	<u>\$ 1,504,656</u>	<u>\$ 15,976,938</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	193,641	527,710	--	--	721,351
Due to:					
Other funds	505,118	--	--	--	505,118
Deferred revenue:					
Unearned revenue	336,123	--	--	--	336,123
Taxes	<u>--</u>	<u>--</u>	<u>40,719</u>	<u>--</u>	<u>40,719</u>
Total liabilities	<u>1,034,882</u>	<u>527,710</u>	<u>40,719</u>	<u>--</u>	<u>1,603,311</u>
Fund balances:					
Reserved for:					
Perpetual care	--	--	--	1,504,656	1,504,656
Debt service	--	--	3,864,098	--	3,864,098
Community development	2,375,677	--	--	--	2,375,677
Capital projects	--	3,941,227	--	--	3,941,227
Public safety	364,219	--	--	--	364,219
Unreserved	<u>2,323,750</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,323,750</u>
Total fund balances	<u>5,063,646</u>	<u>3,941,227</u>	<u>3,864,098</u>	<u>1,504,656</u>	<u>14,373,627</u>
Total liabilities and fund balances	<u>\$ 6,098,528</u>	<u>\$ 4,468,937</u>	<u>\$ 3,904,817</u>	<u>\$ 1,504,656</u>	<u>\$ 15,976,938</u>

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Permanent</u>	Total Nonmajor Governmental <u>Funds</u>
	<u>Revenue</u>	<u>Projects</u>	<u>Service</u>		
REVENUES					
Taxes:					
Ad valorem property taxes	\$ --	\$ --	\$ 1,553,256	\$ --	\$ 1,553,256
Intergovernmental:					
Federal	1,717,087	--	--	--	1,717,087
Charges for services	4,082,710	33,678	--	--	4,116,388
Fines and forfeits	1,189,702	--	--	--	1,189,702
Interest and investment earnings	63,749	50,710	54,856	(63,019)	106,296
Reimbursements	--	50,441	--	--	50,441
Contributions and donations	3,910	9,419	--	982	14,311
Miscellaneous	9,403	--	--	--	9,403
	<u>7,066,561</u>	<u>144,248</u>	<u>1,608,112</u>	<u>(62,037)</u>	<u>8,756,884</u>
EXPENDITURES					
Current:					
General government	338,406	--	--	--	338,406
Public safety	1,318,152	--	--	--	1,318,152
Streets and transportation	1,761	--	--	--	1,761
Health and sanitation	1,136,104	--	--	--	1,136,104
Social services	--	--	--	32,448	32,448
Economic development	644,200	--	--	--	644,200
Debt service:					
Principal	--	--	1,415,000	--	1,415,000
Interest	--	--	349,162	--	349,162
Capital outlay:					
Streets and transportation	--	3,269,518	--	--	3,269,518
	<u>3,438,623</u>	<u>3,269,518</u>	<u>1,764,162</u>	<u>32,448</u>	<u>8,504,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,627,938</u>	<u>(3,125,270)</u>	<u>(156,050)</u>	<u>(94,485)</u>	<u>252,133</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	563,547	2,779,993	359,893	34,653	3,738,086
Transfers (out)	(3,481,120)	(370,238)	--	--	(3,851,358)
Refund to federal government	(9,872)	--	--	--	(9,872)
	<u>(2,927,445)</u>	<u>2,409,755</u>	<u>359,893</u>	<u>34,653</u>	<u>(123,144)</u>
Net change in fund balances	700,493	(715,515)	203,843	(59,832)	128,989
Fund balances - beginning	4,363,153	4,656,742	3,660,255	1,564,488	14,244,638
Fund balances - ending	<u>\$ 5,063,646</u>	<u>\$ 3,941,227</u>	<u>\$ 3,864,098</u>	<u>\$ 1,504,656</u>	<u>\$ 14,373,627</u>

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS

Nonmajor Funds

Asset Forfeiture and Reimbursement Fund This fund is used to account for monies seized by 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.

Community Development Recovery Program This fund was established to account for grants received from the American Recovery and Reinvestment Act of 2009. The Recovery Act appropriated CDBG funding to carry out, on an expedited basis, eligible activities under the CDBG program. Except as described in the notice, the statutory and regulatory provisions governing the CDBG program apply to this program. These grant funds, except for administrative costs, have been allocated to the Engineering Department for replacement of curbs, sidewalks, concrete streets, and asphalt streets in CD eligible areas of Charleston.

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.

Employee Health Insurance Fund This fund was established to maintain funds reserved for health insurance benefits.

EPA Brownfields Grant Fund This fund is used to account for federal grant revenues received from the U.S. Environmental Protection Agency for a three-year period to inventory sites either perceived to be contaminated or actually contaminated with petroleum. The funds will be used to pay a consultant who will work with the technical aspects of the project and to purchase supplies needed for public meetings and creating a reuse plan for sites that may be re-developed.

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

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

Homeland Security Grant Fund This fund was established to account for federal grants received from U.S. Department of Homeland Security passed through the WV Office of Emergency Services primarily for salary reimbursements for police officers and other public safety costs.

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.

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.

Municipal Stabilization Fund This fund was established by City Council in accordance with State legislative requirements to account for funds to be maintained as a "rainy day" contingency.

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.

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.

Sister Cities Fund This fund was established to account for revenues expended for the sister cities program.

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

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

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

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

Wayfinding Commission Fund This fund accounts for funds used for purchase and distribution of signs pointing to specific destinations, sights, and tourist information spots throughout the City. In addition, the Commission has banner programs for community neighborhoods and events.

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2009

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Community Development Recovery Program	Cops Meth Grant
ASSETS					
Cash and cash equivalents	\$ 274,911	\$ 137,587	\$ 40,678	\$ --	\$ 10,524
Receivables:					
Accounts	--	4	--	--	--
Grants	--	--	--	1,634	617
Loans	--	--	--	--	--
Interest	--	--	--	--	--
Due from:					
Other funds	1,039	--	--	--	--
Component units	--	--	--	--	--
Restricted cash	--	--	--	--	--
Total assets	\$ 275,950	\$ 137,591	\$ 40,678	\$ 1,634	\$ 11,141
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	--	2,405	--	--	3,785
Due to:					
Other funds	--	717	--	1,634	1,069
Deferred revenue:					
Unearned revenue	--	134,469	--	--	6,287
Total liabilities	--	137,591	--	1,634	11,141
 Fund balances:					
Reserved for:					
Community development	--	--	40,678	--	--
Public safety	275,950	--	--	--	--
Unreserved	--	--	--	--	--
Total fund balances	275,950	--	40,678	--	--
Total liabilities and fund balances	\$ 275,950	\$ 137,591	\$ 40,678	\$ 1,634	\$ 11,141

<u>DOT Federal Grant</u>	<u>Employee Health Insurance</u>	<u>EPA Brownfields Grant</u>	<u>FEMA -WV Flood Mitigation</u>	<u>Homeland Security Grant</u>	<u>Homeless Prevention & Rapid Re-Housing</u>	<u>Human Rights</u>
\$ --	\$ 1,645,639	\$ --	\$ --	\$ 1,408	\$ --	\$ 212,746
--	--	--	--	--	--	--
216,824	--	14,411	--	--	4,025	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>216,824</u>	<u>1,645,639</u>	<u>14,411</u>	<u>--</u>	<u>1,408</u>	<u>4,025</u>	<u>212,746</u>
--	--	14,411	--	1,408	--	1,159
216,824	--	--	--	--	4,025	--
--	--	--	--	--	--	195,367
<u>216,824</u>	<u>--</u>	<u>14,411</u>	<u>--</u>	<u>1,408</u>	<u>4,025</u>	<u>196,526</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	1,645,639	--	--	--	--	16,220
--	1,645,639	--	--	--	--	16,220
<u>216,824</u>	<u>1,645,639</u>	<u>14,411</u>	<u>--</u>	<u>1,408</u>	<u>4,025</u>	<u>212,746</u>

<u>Metro Loan</u>	<u>Municipal Beautification</u>	<u>Municipal Court</u>	<u>Municipal Stabilization</u>	<u>Police & Fire Donations</u>	<u>Police Grants</u>	<u>Rental Rehabilitation</u>
\$ 6,487	\$ 30,558	\$ 217,876	\$ 114,040	\$ 53,099	\$ 76,229	\$ --
--	--	91,424	--	--	--	--
--	--	--	--	--	133,025	--
111,874	--	--	--	--	--	165,191
58	--	--	--	--	--	42
--	--	--	--	--	710	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>\$ 118,419</u>	<u>\$ 30,558</u>	<u>\$ 309,300</u>	<u>\$ 114,040</u>	<u>\$ 53,099</u>	<u>\$ 209,964</u>	<u>\$ 165,233</u>
--	--	66,467	--	1,000	31,456	--
--	--	137,903	--	698	141,640	--
--	--	--	--	--	--	--
--	--	204,370	--	1,698	173,096	--
118,419	--	--	--	--	--	165,233
--	--	--	--	51,401	36,868	--
--	30,558	104,930	114,040	--	--	--
<u>118,419</u>	<u>30,558</u>	<u>104,930</u>	<u>114,040</u>	<u>51,401</u>	<u>36,868</u>	<u>165,233</u>
<u>\$ 118,419</u>	<u>\$ 30,558</u>	<u>\$ 309,300</u>	<u>\$ 114,040</u>	<u>\$ 53,099</u>	<u>\$ 209,964</u>	<u>\$ 165,233</u>

<u>Sister Cities</u>	<u>Solid Waste</u>	<u>Special Demolition</u>	<u>Supportive Housing</u>	<u>Wayfinding Commission</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,273	\$ 80,484	\$ 33,027	\$ --	\$ 26,894	\$ 2,963,460
--	319,858	--	--	--	411,286
--	--	--	18,916	--	389,452
--	--	--	--	--	277,065
--	--	--	--	--	100
--	--	--	--	--	1,749
--	30,963	--	--	--	30,963
--	2,024,453	--	--	--	2,024,453
<u>\$ 1,273</u>	<u>\$ 2,455,758</u>	<u>\$ 33,027</u>	<u>\$ 18,916</u>	<u>\$ 26,894</u>	<u>\$ 6,098,528</u>
--	53,242	--	18,308	--	193,641
--	--	--	608	--	505,118
--	--	--	--	--	336,123
--	53,242	--	18,916	--	1,034,882
--	2,024,453	--	--	26,894	2,375,677
--	--	--	--	--	364,219
1,273	378,063	33,027	--	--	2,323,750
1,273	2,402,516	33,027	--	26,894	5,063,646
<u>\$ 1,273</u>	<u>\$ 2,455,758</u>	<u>\$ 33,027</u>	<u>\$ 18,916</u>	<u>\$ 26,894</u>	<u>\$ 6,098,528</u>

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2009

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Community Development Recovery Program	Cops Meth Grant
REVENUES					
Intergovernmental:					
Federal	\$ --	\$ 84,998	\$ --	\$ 1,634	\$ 324,578
Charges for services	--	--	--	--	--
Fines and forfeits	266,358	--	--	--	--
Interest and investment earnings	1,380	2,244	252	--	--
Contributions and donations	--	--	500	--	--
Miscellaneous	--	--	--	--	--
Total revenues	<u>267,738</u>	<u>87,242</u>	<u>752</u>	<u>1,634</u>	<u>324,578</u>
EXPENDITURES					
Current:					
General government	--	--	--	--	--
Public safety	50,971	126,412	--	--	324,578
Streets and transportation	--	--	--	--	--
Health and sanitation	--	--	--	--	--
Economic development	--	--	469	1,634	--
Total expenditures	<u>50,971</u>	<u>126,412</u>	<u>469</u>	<u>1,634</u>	<u>324,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>216,767</u>	<u>(39,170)</u>	<u>283</u>	<u>--</u>	<u>--</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	20,000	--	--
Transfers (out)	--	--	--	--	--
Refund to Federal Government	--	(9,872)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>(9,872)</u>	<u>20,000</u>	<u>--</u>	<u>--</u>
Net change in fund balances	216,767	(49,042)	20,283	--	--
Fund balances - beginning	<u>59,183</u>	<u>49,042</u>	<u>20,395</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ 275,950</u>	<u>\$ --</u>	<u>\$ 40,678</u>	<u>\$ --</u>	<u>\$ --</u>

<u>DOT Federal Grant</u>	<u>Employee Health Insurance</u>	<u>EPA Brownfields Grant</u>	<u>FEMA -WV Flood Mitigation</u>	<u>Homeland Security Grant</u>	<u>Homeless Prevention & Rapid Re-Housing</u>	<u>Human Rights</u>
\$ 237,187	\$ --	\$ 46,029	\$ 10,561	\$ 15,739	\$ 4,025	\$ 16,617
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	20,394	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>237,187</u>	<u>20,394</u>	<u>46,029</u>	<u>10,561</u>	<u>15,739</u>	<u>4,025</u>	<u>16,617</u>
--	--	--	--	--	--	--
--	--	--	10,561	16,518	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>237,187</u>	<u>--</u>	<u>46,029</u>	<u>--</u>	<u>--</u>	<u>4,025</u>	<u>16,617</u>
<u>237,187</u>	<u>--</u>	<u>46,029</u>	<u>10,561</u>	<u>16,518</u>	<u>4,025</u>	<u>16,617</u>
<u>--</u>	<u>20,394</u>	<u>--</u>	<u>--</u>	<u>(779)</u>	<u>--</u>	<u>--</u>
--	500,000	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>--</u>	<u>500,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	520,394	--	--	(779)	--	--
--	1,125,245	--	--	779	--	16,220
<u>\$ --</u>	<u>\$ 1,645,639</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,220</u>

<u>Metro Loan</u>	<u>Municipal Beautification</u>	<u>Municipal Court</u>	<u>Municipal Stabilization</u>	<u>Police & Fire Donations</u>	<u>Police Grants</u>
\$ --	\$ --	\$ --	\$ --	\$ --	785,429
--	7,061	--	--	--	--
--	--	923,344	--	--	--
101	371	--	1,422	532	--
--	850	--	--	2,560	--
--	--	--	--	9,403	--
<u>101</u>	<u>8,282</u>	<u>923,344</u>	<u>1,422</u>	<u>12,495</u>	<u>785,429</u>
--	--	338,406	--	--	--
--	--	--	--	3,683	785,429
--	1,761	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>1,761</u>	<u>338,406</u>	<u>--</u>	<u>3,683</u>	<u>785,429</u>
<u>101</u>	<u>6,521</u>	<u>584,938</u>	<u>1,422</u>	<u>8,812</u>	<u>--</u>
--	--	--	23,547	--	--
--	--	(631,120)	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>(631,120)</u>	<u>23,547</u>	<u>--</u>	<u>--</u>
101	6,521	(46,182)	24,969	8,812	--
<u>118,318</u>	<u>24,037</u>	<u>151,112</u>	<u>89,071</u>	<u>42,589</u>	<u>36,868</u>
\$ <u>118,419</u>	\$ <u>30,558</u>	\$ <u>104,930</u>	\$ <u>114,040</u>	\$ <u>51,401</u>	\$ <u>36,868</u>

	<u>Rental Rehabilitation</u>	<u>Sister Cities</u>	<u>Solid Waste</u>	<u>Special Demolition</u>	<u>Supportive Housing</u>	<u>Wayfinding Commission</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$	--	\$ --	\$ --	\$ --	\$ 190,290	\$ --	\$ 1,717,087
	--	--	4,075,649	--	--	--	4,082,710
	--	--	--	--	--	--	1,189,702
	--	15	36,511	389	--	138	63,749
	--	--	--	--	--	--	3,910
	--	--	--	--	--	--	9,403
	<u>--</u>	<u>15</u>	<u>4,112,160</u>	<u>389</u>	<u>190,290</u>	<u>138</u>	<u>7,066,561</u>
	--	--	--	--	--	--	338,406
	--	--	--	--	--	--	1,318,152
	--	--	--	--	--	--	1,761
	--	--	1,136,104	--	--	--	1,136,104
	<u>145,879</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>190,290</u>	<u>2,070</u>	<u>644,200</u>
	<u>145,879</u>	<u>--</u>	<u>1,136,104</u>	<u>--</u>	<u>190,290</u>	<u>2,070</u>	<u>3,438,623</u>
	<u>(145,879)</u>	<u>15</u>	<u>2,976,056</u>	<u>389</u>	<u>--</u>	<u>(1,932)</u>	<u>3,627,938</u>
	--	--	--	--	--	20,000	563,547
	--	--	(2,850,000)	--	--	--	(3,481,120)
	--	--	--	--	--	--	(9,872)
	<u>--</u>	<u>--</u>	<u>(2,850,000)</u>	<u>--</u>	<u>--</u>	<u>20,000</u>	<u>(2,927,445)</u>
	(145,879)	15	126,056	389	--	18,068	700,493
	<u>311,112</u>	<u>1,258</u>	<u>2,276,460</u>	<u>32,638</u>	<u>--</u>	<u>8,826</u>	<u>4,363,153</u>
\$	<u>165,233</u>	\$ <u>1,273</u>	\$ <u>2,402,516</u>	\$ <u>33,027</u>	\$ <u>--</u>	\$ <u>26,894</u>	\$ <u>5,063,646</u>

CITY OF CHARLESTON, WEST VIRGINIA

CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

Ball Park Stadium Fund This fund accounts for receipts of state funds, contributions, and lease proceeds that have been used for the construction of a new ball park within the City.

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, 2009

	<u>Ball Park Maintenance</u>	<u>Ball Park Stadium</u>	<u>Bridge</u>	<u>City Service Fee Project</u>	<u>Civic Center Capital Improvements</u>
ASSETS					
Cash and cash equivalents	\$ 28,894	\$ 177,552	\$ 108	\$ 1,728,947	\$ 260,121
Due from:					
Other funds	<u> --</u>	<u> --</u>	<u> --</u>	<u> 70,999</u>	<u> --</u>
Total assets	<u>\$ 28,894</u>	<u>\$ 177,552</u>	<u>\$ 108</u>	<u>\$ 1,799,946</u>	<u>\$ 260,121</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	<u> --</u>	<u> --</u>	<u> --</u>	<u> 518,538</u>	<u> --</u>
Total liabilities	<u> --</u>	<u> --</u>	<u> --</u>	<u> 518,538</u>	<u> --</u>
FUND BALANCES					
Reserved for:					
Capital projects	<u> 28,894</u>	<u> 177,552</u>	<u> 108</u>	<u> 1,281,408</u>	<u> 260,121</u>
Total fund balances	<u> 28,894</u>	<u> 177,552</u>	<u> 108</u>	<u> 1,281,408</u>	<u> 260,121</u>
Total liabilities and fund balances	<u>\$ 28,894</u>	<u>\$ 177,552</u>	<u>\$ 108</u>	<u>\$ 1,799,946</u>	<u>\$ 260,121</u>

<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>
\$ 202,207	\$ 1,772,482	\$ 142,847	\$ 72,192	\$ 3,005	\$ 9,583	\$ 4,397,938
<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>70,999</u>
<u>\$ 202,207</u>	<u>\$ 1,772,482</u>	<u>\$ 142,847</u>	<u>\$ 72,192</u>	<u>\$ 3,005</u>	<u>\$ 9,583</u>	<u>\$ 4,468,937</u>
<u>9,172</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>527,710</u>
<u>9,172</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>527,710</u>
<u>193,035</u>	<u>1,772,482</u>	<u>142,847</u>	<u>72,192</u>	<u>3,005</u>	<u>9,583</u>	<u>3,941,227</u>
<u>193,035</u>	<u>1,772,482</u>	<u>142,847</u>	<u>72,192</u>	<u>3,005</u>	<u>9,583</u>	<u>3,941,227</u>
<u>\$ 202,207</u>	<u>\$ 1,772,482</u>	<u>\$ 142,847</u>	<u>\$ 72,192</u>	<u>\$ 3,005</u>	<u>\$ 9,583</u>	<u>\$ 4,468,937</u>

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2009

	<u>Ball Park Maintenance</u>	<u>Ball Park Stadium</u>	<u>Bridge</u>	<u>City Service Fee Project</u>	<u>Civic Center Capital Improvements</u>
REVENUES					
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --
Interest and investment earnings	231	2,204	1	20,640	3,808
Contributions and donations	--	--	--	--	--
Reimbursements	--	--	--	50,441	--
Total revenues	<u>231</u>	<u>2,204</u>	<u>1</u>	<u>71,081</u>	<u>3,808</u>
EXPENDITURES					
Current:					
Capital projects	<u>12,153</u>	<u>9,823</u>	<u>--</u>	<u>2,639,925</u>	<u>--</u>
Total expenditures	<u>12,153</u>	<u>9,823</u>	<u>--</u>	<u>2,639,925</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,922)</u>	<u>(7,619)</u>	<u>1</u>	<u>(2,568,844)</u>	<u>3,808</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	--	--	1,650,000	99,993
Transfers (out)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(201,029)</u>
Total other financing sources (uses)	<u>25,000</u>	<u>--</u>	<u>--</u>	<u>1,650,000</u>	<u>(101,036)</u>
Net change in fund balances	13,078	(7,619)	1	(918,844)	(97,228)
Fund balances - beginning	<u>15,816</u>	<u>185,171</u>	<u>107</u>	<u>2,200,252</u>	<u>357,349</u>
Fund balances - ending	<u>\$ 28,894</u>	<u>\$ 177,552</u>	<u>\$ 108</u>	<u>\$ 1,281,408</u>	<u>\$ 260,121</u>

<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>
\$ --	\$ --	\$ --	\$ 33,678	\$ --	\$ --	\$ 33,678
1,042	19,195	1,732	1,706	35	116	50,710
--	9,419	--	--	--	--	9,419
--	--	--	--	--	--	50,441
<u>1,042</u>	<u>28,614</u>	<u>1,732</u>	<u>35,384</u>	<u>35</u>	<u>116</u>	<u>144,248</u>
<u>308,007</u>	<u>299,610</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,269,518</u>
<u>308,007</u>	<u>299,610</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,269,518</u>
<u>(306,965)</u>	<u>(270,996)</u>	<u>1,732</u>	<u>35,384</u>	<u>35</u>	<u>116</u>	<u>(3,125,270)</u>
500,000	505,000	--	--	--	--	2,779,993
--	(64,784)	--	(104,425)	--	--	(370,238)
<u>500,000</u>	<u>440,216</u>	<u>--</u>	<u>(104,425)</u>	<u>--</u>	<u>--</u>	<u>2,409,755</u>
193,035	169,220	1,732	(69,041)	35	116	(715,515)
--	1,603,262	141,115	141,233	2,970	9,467	4,656,742
<u>\$ 193,035</u>	<u>\$ 1,772,482</u>	<u>\$ 142,847</u>	<u>\$ 72,192</u>	<u>\$ 3,005</u>	<u>\$ 9,583</u>	<u>\$ 3,941,227</u>

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.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - NONMAJOR DEBT SERVICE FUND
June 30, 2009

	<u>Sinking Fund</u>
ASSETS	
Cash and cash equivalents	\$ 3,689,446
Receivables:	
Taxes	100,041
Restricted cash	<u>115,330</u>
 Total assets	 <u><u>\$ 3,904,817</u></u>
 LIABILITIES AND FUND BALANCES	
LIABILITIES	
Deferred revenue:	
Taxes	<u>40,719</u>
 Total liabilities	 <u>40,719</u>
 FUND BALANCE	
Reserved for:	
Debt service	<u>3,864,098</u>
 Total fund balance	 <u>3,864,098</u>
 Total liabilities and fund balance	 <u><u>\$ 3,904,817</u></u>

**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, 2009**

	<u>Sinking Fund</u>
REVENUES	
Taxes:	
Ad valorem property taxes	\$ 1,553,256
Interest and investment earnings	54,856
	<u>1,608,112</u>
Total revenues	<u>1,608,112</u>
EXPENDITURES	
Current:	
Principal	1,415,000
Interest	349,162
	<u>1,764,162</u>
Total expenditures	<u>1,764,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(156,050)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>359,893</u>
Total other financing sources (uses)	<u>359,893</u>
Net change in fund balance	203,843
Fund balance - beginning	<u>3,660,255</u>
Fund balance - ending	<u>\$ 3,864,098</u>

CITY OF CHARLESTON, WEST VIRGINIA PERMANENT FUND

Nonmajor Fund

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

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - NONMAJOR PERMANENT FUND
June 30, 2009

	<u>Spring Hill Cemetery</u>
ASSETS	
Cash and cash equivalents	\$ 142,600
Investments	1,349,784
Receivables:	
Accrued interest	6,330
Due from:	
Other funds	<u>5,942</u>
 Total assets	 \$ <u><u>1,504,656</u></u>
 FUND BALANCE	
Reserved for:	
Perpetual care	<u>1,504,656</u>
 Total liabilities and fund balance	 \$ <u><u>1,504,656</u></u>

**CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR PERMANENT FUND
For the Fiscal Year Ended June 30, 2009**

	<u>Spring Hill Cemetery</u>
REVENUES	
Investment earnings	\$ (63,019)
Contributions and donations	<u>982</u>
Total revenues	<u>(62,037)</u>
EXPENDITURES	
Current:	
Social services	<u>32,448</u>
Total expenditures	<u>32,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,485)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>34,653</u>
Total other financing sources (uses)	<u>34,653</u>
Net change in fund balance	(59,832)
Fund balance - beginning	<u>1,564,488</u>
Fund balance - ending	<u>\$ 1,504,656</u>

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 Tourism Grant Fund This fund is custodial in nature and accounts for grant revenues received from the West Virginia Tourism Direct Advertising Grant and dispersed to the various advertising vendors.

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 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 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, 2009

	<u>Civic Center Ticket</u>	<u>Civic Center Tourism Grant</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 \$	1,028,089	\$ 8,230	\$ 121,556	\$ 807,455	\$ 6,255	\$ 1,971,585
Receivables:						
Accounts	<u> --</u>	<u> --</u>	<u> 2,484</u>	<u> --</u>	<u> --</u>	<u> 2,484</u>
Total assets	<u>\$ 1,028,089</u>	<u>\$ 8,230</u>	<u>\$ 124,040</u>	<u>\$ 807,455</u>	<u>\$ 6,255</u>	<u>\$ 1,974,069</u>
LIABILITIES						
Refunds payable and others	<u>1,028,089</u>	<u>8,230</u>	<u>124,040</u>	<u>807,455</u>	<u>6,255</u>	<u>1,974,069</u>
Total liabilities	<u>\$ 1,028,089</u>	<u>\$ 8,230</u>	<u>\$ 124,040</u>	<u>\$ 807,455</u>	<u>\$ 6,255</u>	<u>\$ 1,974,069</u>

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS

For the Fiscal Year Ended June 30, 2009

	<u>Civic Center Ticket</u>	<u>Civic Center Tourism Grant</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						
July 1, 2008	\$ 791,432	\$ 8,545	\$ 55,408	\$ 723,047	\$ 6,179	\$ 1,584,611
Receivables, July 1, 2008	--	--	32,062	119	1	32,182
Additions-Cash	206,046,474	28,023	379,958	208,130	76	206,662,661
Deductions-Cash	(205,809,817)	(28,338)	(313,810)	(123,722)	--	(206,275,687)
Additions-Receiveable	--	--	2,484	--	--	2,484
Deductions-Receiveable	--	--	(32,062)	(119)	(1)	(32,182)
Cash and cash equivalents						
June 30, 2009	1,028,089	8,230	121,556	807,455	6,255	1,971,585
Receivables, June 30, 2009	--	--	2,484	--	--	2,484
Total Assets, June 30, 2009	<u>\$ 1,028,089</u>	<u>\$ 8,230</u>	<u>\$ 124,040</u>	<u>\$ 807,455</u>	<u>\$ 6,255</u>	<u>\$ 1,974,069</u>
LIABILITIES						
Refunds payable and others						
July 1, 2008	791,432	8,545	87,470	723,166	6,180	1,616,793
Additions	206,046,474	28,023	250,271	196,501	75	206,521,344
Deductions	(205,809,817)	(28,338)	(213,701)	(112,212)	--	(206,164,068)
June 30, 2009	<u>\$ 1,028,089</u>	<u>\$ 8,230</u>	<u>\$ 124,040</u>	<u>\$ 807,455</u>	<u>\$ 6,255</u>	<u>\$ 1,974,069</u>

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. The City implemented Governmental Accounting Standards Board Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF CHARLESTON, WEST VIRGINIA

Table 1

Net Assets by Component -
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Investment in capital assets, net of related debt	\$ 48,464,912	\$ 55,719,550	\$ 66,448,722	\$ 68,309,020	\$ 71,869,697	\$ 69,648,983	\$ 74,002,320
Restricted	10,893,812	11,422,818	9,488,250	10,392,753	12,211,193	14,713,465	13,856,864
Unrestricted	(20,073,060)	(16,200,296)	(15,967,485)	(20,756,708)	(32,287,210)	(39,331,088)	(54,220,231)
Total governmental activities net assets	\$ 39,285,664	\$ 50,942,072	\$ 59,969,487	\$ 57,945,065	\$ 51,793,680	\$ 45,031,360	\$ 33,638,953
Business-type activities							
Investment in capital assets, net of related debt	9,576,130	9,135,802	10,485,290	10,907,278	10,854,966	10,508,737	10,969,959
Restricted	371,033	3,597,002	1,855,216	1,967,296	1,989,077	2,055,937	2,132,493
Unrestricted	(284,787)	(137,205)	196,325	140,807	298,804	739,912	826,246
Total business-type activities	\$ 9,662,376	\$ 12,595,599	\$ 12,536,831	\$ 13,015,381	\$ 13,142,847	\$ 13,304,586	\$ 13,928,698
Primary government							
Investment in capital assets, net of related debt	58,441,042	64,855,352	76,934,012	79,216,302	82,724,663	80,157,720	84,972,279
Restricted	14,603,845	15,019,820	11,343,466	12,360,049	14,200,270	16,769,402	15,989,357
Unrestricted	(20,357,847)	(16,337,501)	(15,771,160)	(20,615,905)	(31,988,406)	(38,591,176)	(53,393,985)
Total primary government net assets	\$ 52,687,040	\$ 63,537,671	\$ 72,506,318	\$ 70,960,446	\$ 64,936,527	\$ 58,335,946	\$ 47,567,651

The City of Charleston implemented GASB 34 for the fiscal year ended June 30, 2003.

CITY OF CHARLESTON, WEST VIRGINIA

Table 2

Changes in Net Assets - Last Seven Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities							
General government	\$ 16,007,554	\$ 12,892,126	\$ 18,117,093	\$ 15,595,021	\$ 16,226,688	\$ 15,897,074	\$ 14,941,103
Public safety	31,452,519	34,016,023	34,256,666	35,437,345	39,543,593	48,241,928	52,108,035
Streets and transportation	5,535,598	6,173,346	3,185,260	6,454,730	7,993,195	8,346,954	11,294,498
Health and sanitation	4,021,705	4,503,132	3,672,291	4,302,817	5,354,317	5,207,158	6,091,526
Culture and recreation	4,786,629	4,659,938	5,930,600	6,962,595	6,378,521	6,675,344	7,514,740
Social services	803,574	648,972	637,832	666,342	360,025	822,953	850,858
Economic development	1,814,596	1,494,515	2,351,533	2,746,483	3,358,208	2,995,622	2,024,572
Administrative and general	24,095	-	-	-	-	-	-
Interest on long-term debt	972,348	724,960	1,082,377	982,256	881,524	58,003	920,328
Total governmental activities	65,418,618	65,113,012	69,233,652	73,147,589	80,096,071	88,245,036	95,745,660
Business-type activities							
Civic center	3,703,883	4,041,658	4,266,734	4,515,951	4,735,314	4,889,784	4,846,625
Parking system	3,601,138	3,522,269	3,347,906	3,141,969	3,233,036	3,140,715	3,000,020
Total business-type activities	7,305,021	7,563,927	7,614,640	7,657,920	7,968,350	8,030,499	7,846,645
Total primary government	\$ 72,723,639	\$ 72,676,939	\$ 76,848,292	\$ 80,805,509	\$ 88,064,421	\$ 96,275,535	\$ 103,592,305
Program revenues							
Governmental activities							
Charges for services							
General government	12,212,222	4,167,161	5,926,506	3,621,630	3,708,650	3,535,513	3,456,574
Public safety	22,898	5,563,713	5,718,864	5,575,741	6,837,529	8,163,860	8,569,748
Culture and recreation	56,114	124,499	140,381	113,375	129,364	95,038	120,618
Streets and transportation	-	3,981	4,858	2,183,248	1,615,441	2,071,313	2,639,926
Health and sanitation	-	4,070,540	4,382,690	4,024,738	4,167,357	4,193,130	4,103,198
Economic development	-	-	2,252	-	-	-	-
Social services	-	131,898	154,468	194,080	213,931	191,635	161,208
Operating grants and contributions	3,421,187	5,136,988	4,802,708	4,720,285	4,730,700	9,541,628	8,572,211
Capital grants and contributions	3,072,562	11,506,048	5,075,683	2,194,445	2,107,864	1,471,975	1,509,503
Total governmental activities program revenues	18,784,983	30,704,828	26,208,410	22,627,542	23,510,836	29,264,092	29,132,986

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities							
Charges for services							
Rentals	\$ 2,845,573	\$ 3,402,583	\$ 3,504,671	\$ 3,488,733	\$ 3,653,123	\$ 3,572,936	\$ 3,663,108
Catering services	574,527	533,695	966,151	683,345	722,995	698,859	627,378
Parking violations	301,391	545,797	454,985	525,906	606,142	690,898	561,973
Parking meters	491,997	505,994	492,123	486,990	529,717	550,322	501,244
Other	746,539	732,283	847,534	827,436	874,709	1,105,029	1,074,676
Capital grants and contributions	5,253	63,615	26,032	40,334	73,344	224,125	48,387
Total business-type activities program revenues	4,965,280	5,783,967	6,291,496	6,052,744	6,460,030	6,842,169	6,476,766
Net (expense) revenue	(46,633,635)	(34,408,184)	(43,025,242)	(50,520,047)	(56,585,235)	(58,980,944)	(66,612,674)
Governmental activities	(2,339,741)	(1,779,960)	(1,323,144)	(1,605,176)	(1,508,320)	(1,188,330)	(1,369,879)
Business-type activities	(48,973,376)	(36,188,144)	(44,348,386)	(52,125,223)	(58,093,555)	(60,169,274)	(67,982,553)
Total primary government net (expense) revenue							
General revenues and other changes in net assets							
Governmental activities							
Taxes							
Property taxes	10,800,459	9,846,179	10,499,462	9,898,401	10,389,006	10,355,037	10,541,473
Business and occupation taxes	31,619,878	32,820,776	32,863,908	33,681,586	35,567,872	36,666,641	39,691,857
Utility taxes	1,828,769	2,118,914	2,017,526	2,140,036	2,120,895	2,307,808	2,776,258
Hotel occupancy taxes	1,042,551	1,034,995	1,143,828	2,311,414	2,433,977	2,567,145	2,779,180
Other taxes	835,165	1,019,372	710,085	967,036	768,397	1,048,092	1,050,431
Unrestricted grants and contributions	15,766	100	2,000	-	-	-	-
Investment earnings	118,440	89,052	195,021	411,672	445,379	336,531	151,378
Gain (Loss) on sale of capital assets	100,251	59,158	5,768,495	709,370	162,017	129,838	168,333
Miscellaneous	15,446	2,156	404	37,031	224	-	-
Special item-legal settlement	-	-	-	300,978	-	-	-
Transfers	(1,810,573)	(1,326,110)	(1,148,072)	(1,961,899)	(1,453,917)	(1,192,468)	(1,938,643)
Total governmental activities	44,566,152	45,664,592	52,052,657	48,495,625	50,433,850	52,218,624	55,220,267

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

	2003	2004	2005	Fiscal Year			2009
				2006	2007	2008	
Business-type activities							
Investment earnings	\$ 112,953	\$ 47,948	\$ 116,038	\$ 120,926	\$ 176,954	\$ 157,601	\$ 52,842
Miscellaneous	(2,947)	125	267	900	4,915	-	2,506
Transfers	1,810,573	1,326,109	1,148,072	1,961,899	1,453,917	1,192,468	1,938,643
Total business-type activities	1,920,579	1,374,182	1,264,377	2,083,725	1,635,786	1,350,069	1,993,991
Total primary government	46,486,731	47,038,774	53,317,034	50,579,350	52,069,636	53,568,693	57,214,258
Change in net assets							
Governmental activities	(2,067,483)	11,256,408	9,027,415	(2,024,422)	(6,151,385)	(6,762,320)	(11,392,407)
Business-type activities	(419,162)	(405,778)	(58,767)	478,549	127,466	161,739	624,112
Total primary government	\$ (2,486,645)	\$ 10,850,630	\$ 8,968,648	\$ (1,545,873)	\$ (6,023,919)	\$ (6,600,581)	\$ (10,768,295)

The City of Charleston implemented GASB 34 for the fiscal year ended June 30, 2003.

CITY OF CHARLESTON, WEST VIRGINIA
 Table 3
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund	\$ 1,340,740	\$ 207,189	\$ 386,378	\$ 786,001	\$ 3,849,291	\$ 6,097,480	\$ 3,321,573	\$ 4,086,968	\$ 4,538,744	\$ 5,980,683
Reserved	7,799,077	7,949,764	10,217,347	10,770,000	12,733,620	14,391,977	14,665,775	14,083,621	15,036,189	16,752,131
Unreserved	9,139,817	8,156,953	10,603,725	11,556,001	16,582,911	20,489,457	17,987,348	18,170,589	19,574,933	22,732,814
Total general fund										
All other governmental funds										
Reserved	9,090,857	11,030,994	10,022,027	8,168,578	9,419,244	7,420,690	9,754,460	10,918,600	12,607,962	12,232,572
Unreserved, reported in:										
Special revenue funds	1,065,521	853,424	199,302	450,603	593,582	1,021,116	1,717,429	1,729,893	1,836,210	-
Total all other governmental funds	\$ 10,156,378	\$ 11,884,418	\$ 10,221,329	\$ 8,619,181	\$ 10,012,826	\$ 8,441,806	\$ 11,471,889	\$ 12,648,493	\$ 14,444,172	\$ 14,556,322

For comparability from year to year, the fiscal years 2000 through 2002 include Spring Hill Cemetery, that was classified as nonexpendable trust and Municipal Court classified as an expendable trust fund until implementation of GASB 34 effective for the fiscal year ended June 30, 2003. Spring Hill Cemetery became a Permanent Fund and Municipal Court became a Special Revenue Fund which are governmental funds.

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

	Fiscal Years									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 42,089,550	\$ 43,380,813	\$ 44,007,787	\$ 45,950,963	\$ 46,654,270	\$ 46,430,717	\$ 49,242,614	\$ 51,334,552	\$ 53,028,638	\$ 57,051,587
Licenses and permits	1,182,805	1,022,220	1,187,156	1,300,538	1,506,119	1,406,671	1,507,731	1,583,869	1,455,775	1,731,941
Fines and forfeitures	42,593	-	-	736,997	958,049	1,237,831	1,425,243	1,334,183	1,206,087	1,189,702
Charges for services	5,008,778	8,533,508	9,208,473	9,854,411	11,420,219	13,242,403	12,545,403	13,455,536	15,318,855	16,141,496
Intergovernmental	4,601,036	6,280,671	5,079,259	6,683,885	15,992,003	8,696,949	5,595,090	4,928,969	9,438,800	8,423,241
Investment earnings	877,084	611,407	1,783,495	253,535	285,676	549,103	818,789	1,184,506	778,985	400,498
Other revenues	3,390,532	2,177,551	296,932	1,087,700	1,742,909	2,109,403	2,098,938	2,426,221	2,370,284	2,419,634
Total revenues	57,192,378	62,006,170	61,563,102	65,868,029	78,559,245	73,673,077	73,233,808	76,249,836	83,597,424	87,358,099
Expenditures										
General government	8,976,103	9,114,612	12,358,471	10,520,913	10,441,852	12,386,355	12,680,635	14,029,365	15,247,865	14,766,228
Public safety	27,979,123	28,051,845	26,808,819	26,094,332	27,419,019	30,988,041	32,091,386	32,351,932	38,115,187	38,850,635
Streets & transportation	4,566,118	4,729,577	5,024,285	5,148,866	5,352,417	6,369,531	6,517,185	7,007,636	7,795,553	8,269,936
Health & sanitation	4,468,889	4,534,159	3,896,761	3,714,943	4,048,560	4,579,408	4,976,157	5,090,595	5,248,854	5,639,276
Culture & recreation	4,004,158	3,947,486	3,705,715	4,209,369	11,838,552	4,463,030	5,453,014	5,852,014	5,816,312	6,421,350
Economic development	2,612,439	-	-	4,882,570	5,673,238	2,990,521	3,640,671	4,043,828	4,004,487	3,616,919
Social services	1,271,407	5,185,443	1,590,703	762,201	584,404	647,150	665,296	856,383	828,870	795,455
Capital outlay	4,834,992	2,044,730	2,315,862	8,507,509	5,041,945	22,074,584	5,011,702	3,311,765	1,980,606	3,269,518
Debt service:										
Principal	1,449,793	1,550,620	1,645,965	1,740,766	1,104,052	1,183,247	1,517,603	1,651,681	1,761,291	1,881,447
Interest	1,166,586	1,075,033	974,550	879,354	840,682	735,873	1,079,040	979,118	873,674	919,824
Total expenditures	61,329,608	60,233,505	58,321,131	66,460,823	72,344,721	86,417,740	73,633,030	75,174,317	81,672,699	84,430,588
Excess of revenues over (under) expenditures	(4,137,230)	1,772,665	3,241,971	(592,794)	6,214,524	(12,744,663)	(399,222)	1,075,519	1,924,725	2,927,511
Special item-legal settlement	-	-	-	-	-	-	300,978	-	-	-
Other financing sources (uses)										
Proceeds from borrowing	-	-	-	1,000,000	1,532,141	10,116,502	1,573,000	1,317,227	2,326,542	2,161,000
Transfers in	2,359,575	2,876,444	3,672,484	6,809,247	13,675,581	15,311,778	10,755,743	8,002,458	7,159,465	7,388,416
Transfers out	(2,660,216)	(244,566)	(5,173,750)	(8,619,820)	(15,001,691)	(16,459,853)	(12,573,603)	(9,209,992)	(8,347,666)	(9,301,832)
Other	-	-	(101,743)	75,100	-	6,111,760	871,075	174,632	136,957	94,936
Total other financing sources (uses)	(300,641)	2,631,878	(1,603,009)	(735,473)	206,031	15,080,187	626,215	284,325	1,275,298	342,520
Net change in fund balance	(4,437,871)	4,404,543	1,638,962	(1,328,267)	6,420,555	2,335,524	527,971	1,359,844	3,200,023	3,270,031
Debt service as a percentage of noncapital expenditures	5%	5%	5%	5%	3%	3%	4%	4%	3%	3%

Fines & Forfeitures were included in transfers in from the Municipal Court prior to the implementation of GASB 34 for the Fiscal Year Ended June 30, 2003. General Fund Capital Expenditures in a few years were included with the categories. Classifications of Revenues and Expenditures were changed from year to year.

CITY OF CHARLESTON, WEST VIRGINIA
Table 5

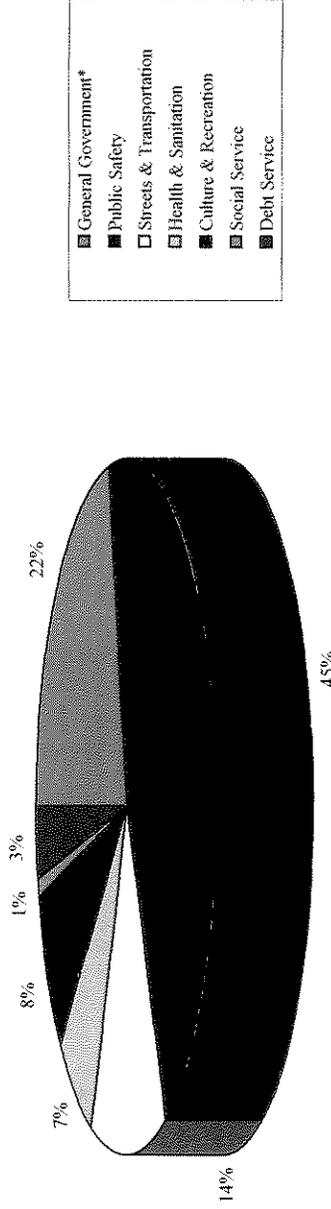
**Expenditures By Function - Governmental Fund Types -
 For the Last Ten Fiscal Years**

Fiscal Year	General Government*	Public Safety	Streets & Transportation	Health & Sanitation	Culture & Recreation	Social Service	Debt Service	Total
2000	\$ 13,811,098	\$ 28,012,413	\$ 4,566,118	\$ 4,468,889	\$ 4,684,300	\$ 800,279	\$ 2,616,379	\$ 58,959,476
2001	11,116,089	28,087,348	4,729,577	4,534,159	4,660,454	768,317	2,625,653	56,521,597
2002	11,874,851	26,827,964	5,024,285	3,896,761	4,481,027	843,389	2,620,515	55,568,792
2003	16,188,083	27,673,867	5,992,898	4,003,528	4,331,771	779,292	2,620,120	61,589,559
2004	16,786,059	28,759,664	6,090,358	4,503,661	4,136,695	625,152	1,944,734	62,846,323
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	18,383,147	38,850,635	11,539,454	5,639,276	6,421,350	795,455	2,801,271	84,430,588

Includes General Fund, Special Revenue Funds and Debt Service Fund

*Includes expenditures for economic development

Expenditures by Function - Governmental Fund Types for the Current Year



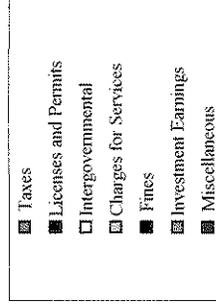
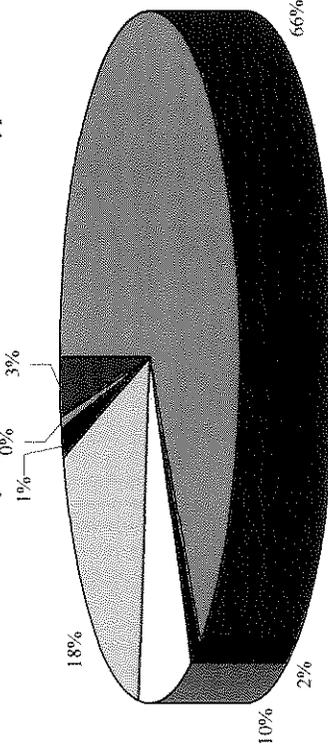
CITY OF CHARLESTON, WEST VIRGINIA
Table 6

Revenues By Source - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Year	Licenses and Permits		Charges for Services		Fines	Investment Earnings	Miscellaneous		Total
	Taxes	Permits	Intergovernmental	Services					
2000	\$ 42,301,042	996,157	\$ 4,601,036	\$ 5,008,778	\$ 515,577	\$ 756,930	\$ 3,187,980	\$ 57,367,500	
2001	42,973,988	1,012,299	6,280,671	8,382,185	443,906	550,378	1,330,120	60,973,547	
2002	42,949,413	1,187,156	5,079,259	8,409,624	512,910	502,177	1,243,416	59,883,955	
2003	45,950,963	1,300,538	6,683,885	9,854,411	736,997	197,678	942,927	65,667,399	
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	12,556,018	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	16,141,496	1,189,702	400,498	2,419,634	87,358,099	

Includes General Fund, Special Revenue Funds, 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 Year	Property Tax	Business & Occupation Tax	Utility Tax	Consumer Sales Tax Liquor	Hotel Occupancy Tax	Amusement Tax	Miscellaneous Taxes	Total
2000	\$ 8,973,825	\$ 29,884,642	\$ 1,844,282	\$ 487,448	\$ 967,708	\$ 120,958	\$ 22,179	\$ 42,301,042
2001	9,934,635	29,527,633	1,910,094	485,955	978,270	116,548	20,853	42,973,988
2002	10,599,134	28,259,242	2,194,803	661,348	1,101,583	105,954	27,349	42,949,413
2003	10,800,456	31,619,878	1,828,767	371,664	1,042,551	264,742	22,905	45,950,963
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

CITY OF CHARLESTON, WEST VIRGINIA

Table 8

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
	\$	\$		\$	\$		\$	
2000	6,183,592	5,857,584	94.73%	441,408	6,298,992	101.87%	421,268	6.81%
2001	7,008,126	6,000,772	85.63%	551,912	6,552,684	93.50%	461,146	6.58%
2002	7,620,982	6,594,784	86.53%	538,483	7,133,267	93.60%	501,473	6.58%
2003	7,734,464	6,763,663	87.45%	693,878	7,457,541	96.42%	508,940	6.58%
2004	7,715,097	9,187,869	119.09%	633,025	9,820,894	127.29%	506,278	6.56%
2005	7,875,027	6,912,926	87.78%	1,386,381	8,299,307	105.39%	515,819	6.55%
2006	7,983,561	8,261,230	103.48%	322,779	8,584,009	107.52%	510,092	6.39%
2007	8,309,807	8,327,767	100.22%	548,019	8,875,786	106.81%	470,677	5.66%
2008	8,393,656	8,540,242	101.75%	344,519	8,884,761	105.85%	406,484	4.84%
2009	8,647,733	10,291,372	119.01%	462,489	10,753,861	124.35%	231,842	2.68%

CITY OF CHARLESTON, WEST VIRGINIA

Table 9

Principal Revenue Source

Business and Occupation Tax Revenue Filers By Class -
Fiscal Years 2009, 2008, 2007, 2006 and 2005

Class	Fiscal Year 2009			
	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability
1 Production of Natural Resources	1.00%	11	0.16%	450
2 Manufacturing	0.30%	48	0.72%	344,110
3 Retailers	0.50%	1,200	17.96%	7,452,717
4 Wholesalers	0.15%	485	7.26%	1,178,090
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	2	0.03%	1,428,790
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.01%	850,516
7 Natural Gas Companies	3.00%	3	0.04%	1,139,275
8 Water Companies	4.00%	1	0.01%	731,205
9 All Other Public Utilities	2.00%	4	0.06%	46,358
10 Contracting	2.00%	847	12.67%	3,197,120
11 Amusement	0.50%	42	0.63%	81,854
12 Service & All Other Businesses	1.00%	2,295	34.34%	17,119,132
13 Rents and Royalties	1.00%	1,683	25.18%	2,450,421
14 Banking and Other Financial Institutions	1.00%	61	0.91%	2,002,652
Totals		6,683	100.00%	38,022,690

Class	Fiscal Year 2008			
	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability
1 Production of Natural Resources	1.00%	10	0.16%	3,921
2 Manufacturing	0.30%	54	0.85%	362,330
3 Retailers	0.50%	1,177	18.49%	6,851,776
4 Wholesalers	0.15%	450	7.07%	1,214,168
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,326,877
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	792,692
7 Natural Gas Companies	3.00%	2	0.03%	890,233
8 Water Companies	4.00%	1	0.02%	656,817
9 All Other Public Utilities	2.00%	4	0.06%	81,902
10 Contracting	2.00%	763	11.99%	3,264,605
11 Amusement	0.50%	46	0.72%	302,396
12 Service & All Other Businesses	1.00%	2,153	33.83%	14,381,469
13 Rents and Royalties	1.00%	1,627	25.57%	2,102,504
14 Banking and Other Financial Institutions	1.00%	75	1.18%	1,999,636
Totals		6,364	100.00%	34,231,326

CITY OF CHARLESTON, WEST VIRGINIA

Table 9 (Continued)

Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class

Class	Fiscal Year 2007				
	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	15	0.23%	\$ 2,999	0.01%
2 Manufacturing	0.30%	58	0.91%	350,353	1.05%
3 Retailers	0.50%	1,167	18.24%	7,007,495	21.08%
4 Wholesalers	0.15%	428	6.69%	1,048,908	3.16%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	3	0.05%	1,216,064	3.66%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	1	0.02%	548,390	1.65%
7 Natural Gas Companies	3.00%	3	0.05%	973,137	2.93%
8 Water Companies	4.00%	2	0.03%	657,833	1.98%
9 All Other Public Utilities	2.00%	7	0.11%	78,230	0.24%
10 Contracting	2.00%	811	12.68%	3,055,984	9.19%
11 Amusement	0.50%	45	0.70%	342,871	1.03%
12 Service & All Other Businesses	1.00%	2,129	33.28%	13,618,532	40.97%
13 Rents and Royalties	1.00%	1,671	26.12%	2,168,817	6.53%
14 Banking and Other Financial Institutions	1.00%	58	0.91%	2,168,322	6.52%
Totals		6,398	100.00%	\$ 33,237,935	100.00%

Class	Fiscal Year 2006				
	Rate per \$1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Production of Natural Resources	1.00%	14	0.20%	\$ 10,056	0.03%
2 Manufacturing	0.30%	71	1.02%	362,036	1.07%
3 Retailers	0.50%	1,365	19.57%	6,799,683	20.19%
4 Wholesalers	0.15%	464	6.65%	916,554	2.72%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	5	0.07%	1,181,517	3.51%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	2	0.03%	742,428	2.20%
7 Natural Gas Companies	3.00%	4	0.06%	865,231	2.57%
8 Water Companies	4.00%	2	0.03%	659,616	1.96%
9 All Other Public Utilities	2.00%	3	0.04%	3,409	0.01%
10 Contracting	2.00%	867	12.43%	3,387,279	10.06%
11 Amusement	0.50%	50	0.72%	384,539	1.14%
12 Service & All Other Businesses	1.00%	2,273	32.58%	14,364,904	42.65%
13 Rents and Royalties	1.00%	1,792	25.69%	2,074,824	6.16%
14 Banking and Other Financial Institutions	1.00%	64	0.92%	1,929,559	5.73%
Totals		6,976	100.00%	\$ 33,681,635	100.00%

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	Percentage of Total
1 Production of Natural Resources	1.00%	16	0.22%	0.05%
2 Manufacturing	0.30%	79	1.11%	1.03%
3 Retailers	0.50%	1,360	19.09%	20.89%
4 Wholesalers	0.15%	483	6.78%	2.47%
5 Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.01%	3.44%
6 Electric Power Companies (All Other Sales and Demand Charges)	3.00%	3	0.04%	2.67%
7 Natural Gas Companies	3.00%	4	0.06%	1.35%
8 Water Companies	4.00%	1	0.01%	1.81%
9 All Other Public Utilities	2.00%	6	0.08%	0.14%
10 Contracting	2.00%	791	11.10%	11.01%
11 Amusement	0.50%	58	0.81%	1.16%
12 Service & All Other Businesses	1.00%	2,383	33.46%	42.37%
13 Rents and Royalties	1.00%	1,866	26.20%	6.10%
14 Banking and Other Financial Institutions	1.00%	72	1.01%	5.52%
Totals		7,123	100.00%	100.00%
			\$	\$
			15,049	32,468,262
			335,813	6,781,563
			6,781,563	803,359
			1,116,703	1,116,703
			865,422	865,422
			438,162	438,162
			586,135	586,135
			44,245	44,245
			3,573,848	3,573,848
			376,528	376,528
			13,757,357	13,757,357
			1,981,182	1,981,182
			1,792,896	1,792,896
			32,468,262	32,468,262

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 five 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 Year	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
2000	\$ 2,127,257,787	\$ 1,276,354,672	\$ 12,442,351	\$ 1,656,423	\$ 10,785,928	0.51%	0.85%	202
2001	2,221,087,692	1,332,652,615	10,981,731	1,989,499	8,992,232	0.40%	0.67%	169
2002	2,452,868,321	1,471,720,993	9,435,766	2,224,206	7,211,560	0.29%	0.49%	137
2003	2,479,903,422	1,487,942,053	7,795,000	2,474,126	5,320,874	0.21%	0.36%	102
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)

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.

CITY OF CHARLESTON, WEST VIRGINIA
Table 11
Ratio of Outstanding Debt by Type -
For the Last Ten Fiscal Years

Fiscal Year	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	Revenue Bonds	Capital Leases				
2000	\$ 12,442,351	\$ 4,325,000	\$ 3,603,497	\$ 22,413,842	-	-	-	\$ 42,784,690	30.85%	800	
2001	10,981,731	4,235,000	4,149,658	21,811,928	87,742	-	-	41,266,059	27.91%	774	
2002	9,435,766	4,135,000	3,785,174	21,135,016	67,765	-	-	38,558,721	25.68%	733	
2003	7,795,000	5,228,274	3,483,971	20,413,104	83,754	-	-	37,004,103	24.63%	712	
2004	6,910,000	5,315,948	3,351,270	19,641,190	47,913	-	-	35,066,321	22.92%	677	
2005	5,955,000	4,887,701	11,705,822	18,076,489	15,787	-	-	40,640,799	25.39%	787	
2006	4,930,000	4,650,098	11,491,961	17,056,779	-	-	-	38,128,838	22.54%	745	
2007	3,830,000	4,418,825	10,987,881	16,007,070	-	-	-	35,243,776	19.82%	694	
2008	2,645,000	4,147,126	11,261,072	14,917,361	-	-	-	32,970,559	17.93%	653	
2009	1,370,000	3,875,679	11,232,515	13,782,652	-	-	-	30,260,846	15.82%	599	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Table 13 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 Year	Gross Revenues		Operating Expenses		Net Revenue Available for Debt Service		Debt Service Requirements			Coverage	General Fund & Coal Severance Subsidy	
	\$		\$		\$		\$		Total			
2000	1,867,185		2,277,377		(410,192)		80,000	356,854	436,854	-93.90%	730,393	
2001	1,855,981		2,189,865		(333,884)		150,000	529,130	679,130	-49.16%	1,160,028	
2002	1,707,687		1,995,034		(287,347)		195,000	407,515	602,515	-47.69%	1,162,232	
2003	2,230,497		2,403,291		(172,794)		210,000	511,434	721,434	-23.95%	1,112,067	
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	

CITY OF CHARLESTON, WEST VIRGINIA

Table 13

Revenue Bond Coverage - Parking System Revenue Bonds -
For the Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for		Debt Service Requirements			Coverage
			Debt Service	Principal	Interest	Total		
2000	\$ 3,242,592	\$ 1,414,248	\$ 1,828,344	\$ 525,000	\$ 956,408	\$ 1,481,408	123.42%	
2001	3,547,799	1,440,989	2,106,810	555,000	929,638	1,484,638	141.91%	
2002	3,232,847	1,444,653	1,788,194	585,000	900,148	1,485,148	120.41%	
2003	2,844,789	1,524,145	1,320,644	615,000	867,995	1,482,995	89.05%	
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%	

CITY OF CHARLESTON, WEST VIRGINIA

Table 14

Demographic Statistics -
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	Unemployment Rate
2000	53,484	\$ 1,386,840	\$ 25,934	4.4
2001	53,340	1,478,051	27,713	4.3
2002	52,610	1,501,489	28,549	4.8
2003	51,971	1,501,962	28,901	4.8
2004	51,813	1,529,520	29,526	4.3
2005	51,648	1,600,055	30,989	4.2
2006	51,156	1,691,217	33,068	4.6
2007	50,773	1,778,070	35,027	4.3
2008	50,478	1,838,409	36,533	4.0
2009	50,478	1,912,107	38,104	8.1

Real Estate Center at Texas A&M University

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

Personal Income is based on an average annual growth rate of TPI of 4.0%

Per Capita Income is based on an average annual growth rate of PCPI of 4.3%

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Legal Debt Margin Calculation for Fiscal Year 2009										
Assessed value	\$ 2,771,067,257									
Debt limit (5% of assessed value)	138,553,363									
Debt applicable to limit:										
General obligation bonds	1,370,000									
Less: amount set aside for repayment of general obligation debt	3,783,755									
Total net debt applicable to limit	2,415,755									
Legal debt margin	\$ 140,969,118									
Debt limit	\$ 96,393,094	\$ 101,040,920	\$ 112,412,476	\$ 113,745,197	\$ 112,773,976	\$ 114,708,065	\$ 115,320,129	\$ 119,639,489	\$ 132,591,824	\$ 138,553,363
Total debt applicable to limit	12,442,351	10,981,731	9,435,766	7,795,000	6,910,000	5,955,000	4,930,000	3,830,000	2,645,000	1,370,000
Legal debt margin	\$ 85,577,166	\$ 92,048,688	\$ 105,200,915	\$ 108,424,323	\$ 108,453,781	\$ 111,514,302	\$ 113,430,666	\$ 119,156,049	\$ 133,569,425	\$ 140,969,118
Total net debt applicable to the limit as a percentage of debt limit	15%	12%	9%	7%	6%	5%	4%	3%	2%	1%

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

Date	Employment		% Change Year Ago	Unemployment		Unit Change Year Ago
	Total	Rate		Total	Rate	
2000	25,241	4.4	-11.7	4.4	-0.3	
2001	24,880	4.3	-1.4	4.3	-0.2	
2002	24,277	4.8	-2.4	4.8	0.5	
2003	23,738	4.8	-2.2	4.8	0.0	
2004	23,785	4.3	0.2	4.3	-0.5	
2005	23,791	4.2	0.0	4.2	0.0	
2006	23,950	4.6	0.7	4.6	0.4	
2007	24,068	4.3	0.5	4.3	-0.3	
2008	24,033	4.0	-0.1	4.0	-0.3	
2009	22,916	8.1	-4.6	8.1	4.1	

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, 2009 and 2000

Rank	Company Name	2009		2000		Company Name
		Total Employees	Employee Percentage	Total Employees	Employee Percentage	
1	Charleston Area Medical Center, Inc.	6,000	29%			Kanawha County Board of Education
2	Kanawha County Board of Education	5,000	24%			Charleston Area Medical Center
3	US Postal Service	4,600	19% **			Union Carbide Corporation
4	Herbert J. Thomas Memorial Hospital Association	1,300	6%			Minneapolis Postal Data Center
5	Wal-Mart Associates, Inc.	1,000	5% **			Wal-Mart Associates, Inc.
6	West Virginia Department of Highways	1,000	5% **			Herbert J. Thomas Memorial Hospital Association
7	City of Charleston Municipality	802	4%			The Kroger Company
8	The Kroger Company	700	3% **			Ticketmaster, LLC
9	West Virginia Department of Health and Human Resources	500	2% **			WV Department of Highways
10	Charleston Hospital, Inc. (St. Francis Hospital)	500	2% **			Mayflower Vehicle Systems, Inc.
	Total	20,802	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.
 This information was last updated in March of 2008.

The total employee information is unavailable for the 2000 year.

CITY OF CHARLESTON, WEST VIRGINIA
 Table 18
 Operating Indicators by Function/Program -
 Last Six Fiscal Years

Function/Program	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Police						
Physical arrest	4,281	4,990	6,314	6,270	7,649	6,812
Citations written	10,402	16,460	19,946	23,494	20,804	16,217
Offenses charged	15,646	28,207	29,659	29,195	24,006	18,887
Fire						
Emergency medical responses	12,289	11,157	12,373	18,926	17,788	12,709
Fire responses	5,318	8,661	9,000	12,214	13,131	17,424
Inspections	1,064	1,019	1,019	1,156	1,124	1,138
Refuse collection						
Refuse collected (tons annually)	28,113	27,461	27,869	30,571	26,977	13,816
Recyclables collected (tons annually)	1,254	1,350	1,380	1,293	1,072	1,031
Yard waste collected (tons annually)	4,238	3,428	2,658	2,271	1,653	455
Sludge (tons annually)	3,630	2,170	2,289	5,175	5,641	2,701
Other public works						
Streets resurfaced (Miles)	Unavailable	27.50	25.58	9.30	10.56	9.40
Potholes repaired	113	83	34	177	27	57
Parking systems						
Parking violations	54,162	52,995	64,418	62,942	98,187	45,545
Civic center						
Number of events (annual average)	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

Sources: Various City of Charleston departments

Note: The City of Charleston began preparation of a CAFR for the fiscal year 2004 and information on the various statistics for prior fiscal years was not available in the various departments.

CITY OF CHARLESTON, WEST VIRGINIA
Table 19
Capital Asset Statistics by Function / Program -
Last Six Fiscal Years

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

Sources: Various City of Charleston Departments

Note: The City of Charleston began preparation of a CAFR for the fiscal year 2004 and information on the various statistics for prior fiscal years was not available in the various departments.

CITY OF CHARLESTON, WEST VIRGINIA

Table 20

Full-Time Equivalent City Government Employees By Function / Program
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Management	61	58	58	58	61	44	42	47	48	49
Finance	22	20	20	21	21	21	23	26	26	22
Planning	12	13	14	14	15	17	17	17	17	17
Building	6	5	4	3	3	4	14	14	14	20
Engineering	8	6	6	5	6	8	8	8	8	9
Other	46	45	48	42	52	39	32	31	32	31
Police										
Officers	182	172	163	162	164	168	171	180	179	183
Civilians	37	33	42	44	46	45	29	28	28	24
Fire										
Officers	197	196	197	197	188	190	191	187	191	188
Civilians	5	5	5	5	5	5	5	5	4	3
Other public safety	13	12	8	9	8	9	9	8	8	8
Refuse collection	77	71	58	58	72	77	69	74	66	66
Public works	84	83	97	99	97	119	120	119	118	121
Parks and recreation	106	91	76	85	88	80	90	87	93	108
Social services	10	21	18	20	21	19	19	17	21	10
Civic center	29	22	29	32	34	44	30	24	23	22
Parking system	37	37	37	37	38	36	35	28	26	25
Total	932	890	880	891	919	925	904	900	902	906

Sources: City of Charleston Payroll