

COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2012





**COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF CHARLESTON, WEST VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012. The firm of Gibbons & Kawash, CPAs 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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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, 2012**

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INTRODUCTORY SECTION



CITY OF CHARLESTON
PO Box 2749
CHARLESTON, WEST VIRGINIA 25301

December 19, 2012

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, 2012. State law requires that the State Auditor conduct an audit examination of every local government's financial affairs by performing the audit himself or appointing a certified public accountant. This CAFR has been prepared in conformity with generally accepted accounting principles (GAAP) and audited in conformance with generally accepted auditing standards by Gibbons & Kawash, Certified Public Accountants, under contract with the City of Charleston and the State Auditor.

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

Gibbons & Kawash, CPAs, have issued an unqualified ("clean") opinion on the City of Charleston's financial statements for the fiscal year ended June 30, 2012. The Independent Auditor's Report is located at the front of the financial section of this report.

The independent audit of the financial statements of the City of Charleston, West Virginia is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance in accordance with OMB Circular A-133. These reports are available in the City of Charleston's separately issued Single Audit Report.

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

Profile of the Government

The City of Charleston is the capital and largest city of West Virginia. It is the county seat of Kanawha County. Charleston is located at the intersection of Interstates 79, 77, 64 and at the confluence of the Elk and Kanawha Rivers. It is the transportation, retail, cultural, and telecommunications hub of the State and offers one-day shipping proximity to over 60 percent of the United States population and 30 percent of the Canadian population. According to the 2010 census, Charleston has a population of 51,400 and a total area of 32.7 square miles. The Charleston metropolitan area has a population of 304,214. 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 6,577 healthcare professionals and staff. The University of Charleston is a 1,500 student private college located along the banks of the Kanawha River which offers graduate programs that include psychology, pharmacy, and business administration. The Clay Center for the Arts and Sciences provides culture and recreation offering a variety of events, museums, and theatre. Yeager Airport, the State's largest airport is 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 hosts special events such as the World's Strongest Man competition in 2008 and the World Championship Chili Cook-off in 2009 and 2012. Charleston also has its own Class A baseball team and historic sites in its historic district referred to as the East End. There are approximately fifty places in Charleston included on the National Register of Historic Places.

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

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

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

Economic Conditions and Outlook

Major economic sectors located within the government's boundaries or in close proximity are chemical, automotive, healthcare, telecommunications, and professional services. In addition, retail, trade, and tourism are thriving economic sectors.

The Charleston area is the State's premier business center due to its industrial diversity and numerous job opportunities. The unemployment rate of 6.9 percent at June 30th reflected a decrease from the prior year and it was lower than the State and United States unemployment rate of 7.0 and 8.2 percent, respectively. Since June the unemployment rate has remained at 6.9.

According to the Bureau of Economic Analysis, the State of West Virginia had the third-highest growth rate in the nation for real gross domestic product or GDP at 4.5 percent. GDP is the most comprehensive measure of a state or nation's economic activity since it measures the total market value of all the goods and services produced within a state or nation's borders during the year.

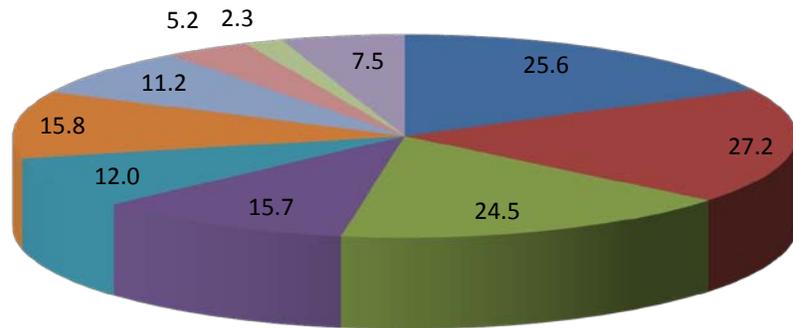
Mining within the state contributed 3.89 percentage points to real GDP growth. Other sectors had smaller gains; however, some sectors such as real estate, rental, and leasing decreased .49 percent. Overall the state's employment rate has improved; however, it is still 3.8 percent below the pre-recession peak.

The City of Charleston has remained stable and continues to thrive with new development. It was recently rated by *Housing Predictor.com* as third out of the 25 most promising housing markets in the nation for 2012. According to a recent broker survey Charleston's strong commercial real estate market reflects stabilization of the economy. Increasing demand and occupancy rates for the City's Class A office space is being accompanied by higher lease prices. The planned renovations of the Chase Tower building, Ramada Inn, and the Town Center Mall have begun and some have been completed. The construction of the Highland Hospital \$29 million replacement facility in Charleston's Kanawha City neighborhood has been completed. The Water Development Authority completed a \$3.2 million office headquarters in Charleston in July. Kanawha County has begun building the second new elementary school on Charleston's West Side at a cost of \$21 million. Expected completion will be in 2013 and opening for the 2014 school year. The Charleston Town Center (an indoor shopping mall) added 52,000 square feet of new or remodeled space to the center in 2011 and it continues improvements during 2012 with creation of a women's shopping "neighborhood" within the center. Sales at the center are at the highest level since the shopping center opened.

Cabela's retail store has opened creating 250 new jobs. TRG Customer Solutions call center firm, which ranks among the largest employers in the state, created 125 job openings in Charleston. A new Japanese Steak House has opened in Kanawha City creating 25 to 30 employment opportunities. The City has sold to The Kroger Co. some adjoining land to one of its current locations in the city and the company plans a major \$9.6 million store expansion which will create 50 new jobs.

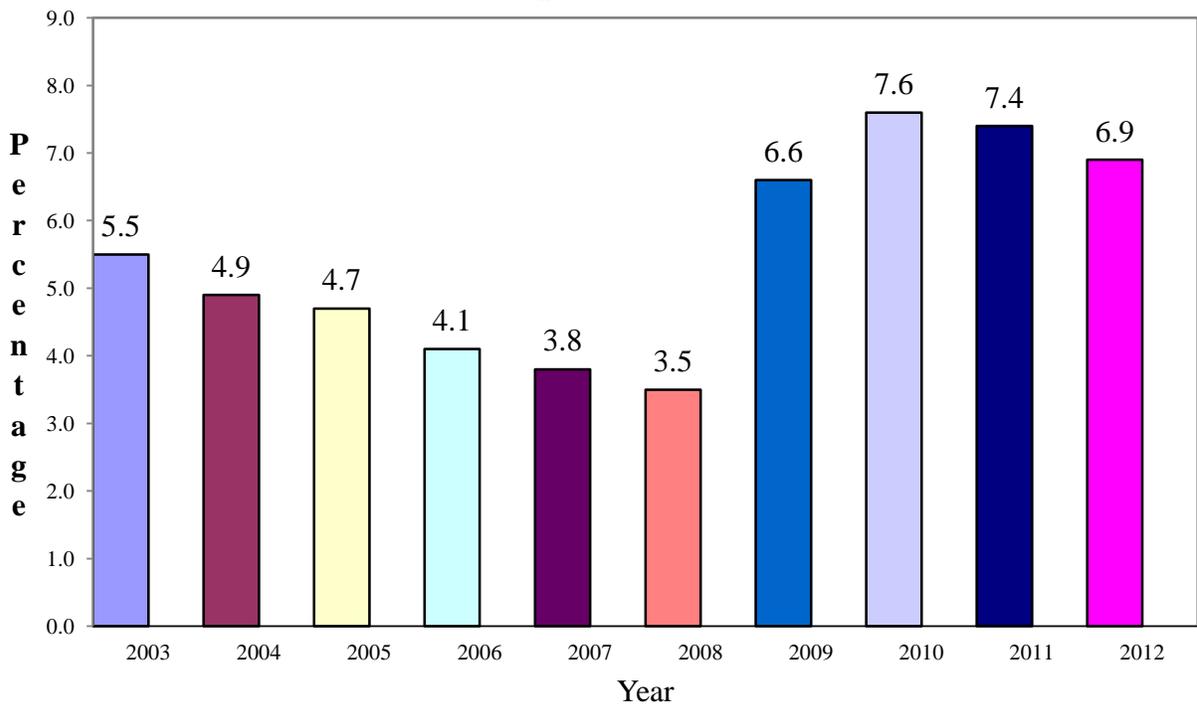
The Yeager Airport in Charleston has received a Federal Aviation Administration Airport Improvement Program grant in the amount of \$6.3 million for runway improvements. These improvements will help keep the airport safe and running smoothly.

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



- Trade, Transportation & Utilities
- Government
- Education and Health
- Professional Services
- Leisure and Hospitality
- Mining and Construction
- Other Services
- Manufacturing
- Information Services
- Financial Services

Unemployment Rate



Long-term Financial Planning and Relevant Financial Policies

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

The process perspectives identified are to perfect and perpetuate strong and sustainable neighborhoods; conduct efficient and collaborative government; produce and facilitate events and recreational opportunities; develop and maintain sound and adequate infrastructure; and foster and support business development and attraction.

The City is developing a new downtown revitalization plan while simultaneously revising its comprehensive plan, through a process dubbed "Imagine Charleston: Your Dream, Our Future". The comprehensive plan is a roadmap for where the City wants to go and how to get there. The plan will examine land use, traffic, beautification and quality-of-life issues, like parks development.

Other things to be addressed in the comprehensive plan include infrastructure to support further growth, occupancy rates on a parcel-by-parcel basis, what needs to be done to attract new businesses into downtown, and housing. Public input has been sought throughout the process and the goal is to continue this interaction long after the plan is completed.

The City of Charleston has officially created its first Tax Incremental Financing (TIF) district in an L-shaped area surrounding the Civic Center to support improvements and increased capacity that will allow the Civic Center to more readily attract and service convention business. Several major multimillion-dollar projects have already been announced within this district including revitalization and improvement projects for Charleston House hotel along Kanawha Boulevard, the Charleston Town Center, the Charleston Marriott, and the Chase bank building, as well as construction of a new Marriott Courtyard at the confluence of the Kanawha and Elk rivers. Bonds will probably be issued in early 2014, although the City will most likely begin designing improvements at the Civic Center during the next year.

The Civic Center is a great amenity for the community and an economic driver that brings visitors into our city. The City hopes to add a 20,000-25,000 square feet ballroom as well as 5,000 square feet of meeting space to the Civic Center. In addition, improvements are planned to update kitchen and catering facilities and address the Center's curb appeal. Initial projections are that the TIF district will fund two bonds, the first for \$8 million and a second one for approximately \$12 million. Other sources will also be considered for the improvements as well.

Transmittal Letter

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Upgrades to the Chase Tower have begun and the outdoor plaza on the Kanawha River side of the building has been renovated and reopened which is a nice ancillary to Haddad Riverfront Park. Renovations to the Charleston House hotel are in progress. The offices of the second floor have been completed. Plans include building out condominiums on the 12th floor, constructing three guest suites per floor, and remodeling guest rooms and banquet halls. A new sports bar on the Virginia Street side of the facility has been completed and has been well received by patrons.

Money has been set aside in the 2013 City budget in the amount of \$500,000 for possible grant matches for projects such as the Civic Center expansion, a proposed extension of the Kanawha River walkway up Elk River to the Civic Center, or for a makeover of the Slack Plaza. Another \$700,000 has been reserved for the second phase of the U.S. Army Corps of Engineers stabilization work along Kanawha River from the 35th Street bridge to the Capitol or beyond. The first phase was completed in 2010 for the stabilization of the West Side riverbank from Magic Island to Patrick Street.

The administration continues to address large unfunded liabilities for the police and fire pension plans. With the adoption of the Conservation Method allowed by State statute on June 1, 2011, the employer pension contributions required have risen. To provide for funding of these plans, ten vacant positions were eliminated from the police department with an annual savings of \$380,000 and a total of 27 positions from the fire department either through attrition or position vacancies with an annual savings of \$505,000. Other savings of about \$250,000 were achieved with changes in firefighter overtime and leave policies. The savings have been applied to employer contributions to these pension plans. For the 2013 fiscal year the pension costs will total \$9.55 million which is approximately 11 percent of the General Fund budget.

The Chief of Police has announced the implementation of a joint initiative between the United States Attorney's office and the Charleston Police Department known as Drug Marketing Intervention (DMI). The primary goal behind the DMI is to rid communities of drug markets and drug related violence, strengthen ties between the residents and the police department, and provide support services for those in need of the services. The City has been awarded a federal DMI grant in the amount of \$475,000 for this initiative.

The City of Charleston Convention and Visitors Bureau has developed a three-year marketing plan for strengthening meetings, conventions, and events in Charleston. Part of the plan is to educate people on Charleston's strengths, improve communications to businesses and the bureau, and train employees of businesses so they can tell tourists what Charleston has to offer. Other goals for the bureau include creating a social media strategy and developing a public relations program for the bureau. It was announced recently that the City will host two military conventions in 2014 and 2017 which will have more than a \$3.1 million economic impact on the City.

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, 2011. This was the sixth 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, 2011

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.



Christopher P. Moynell

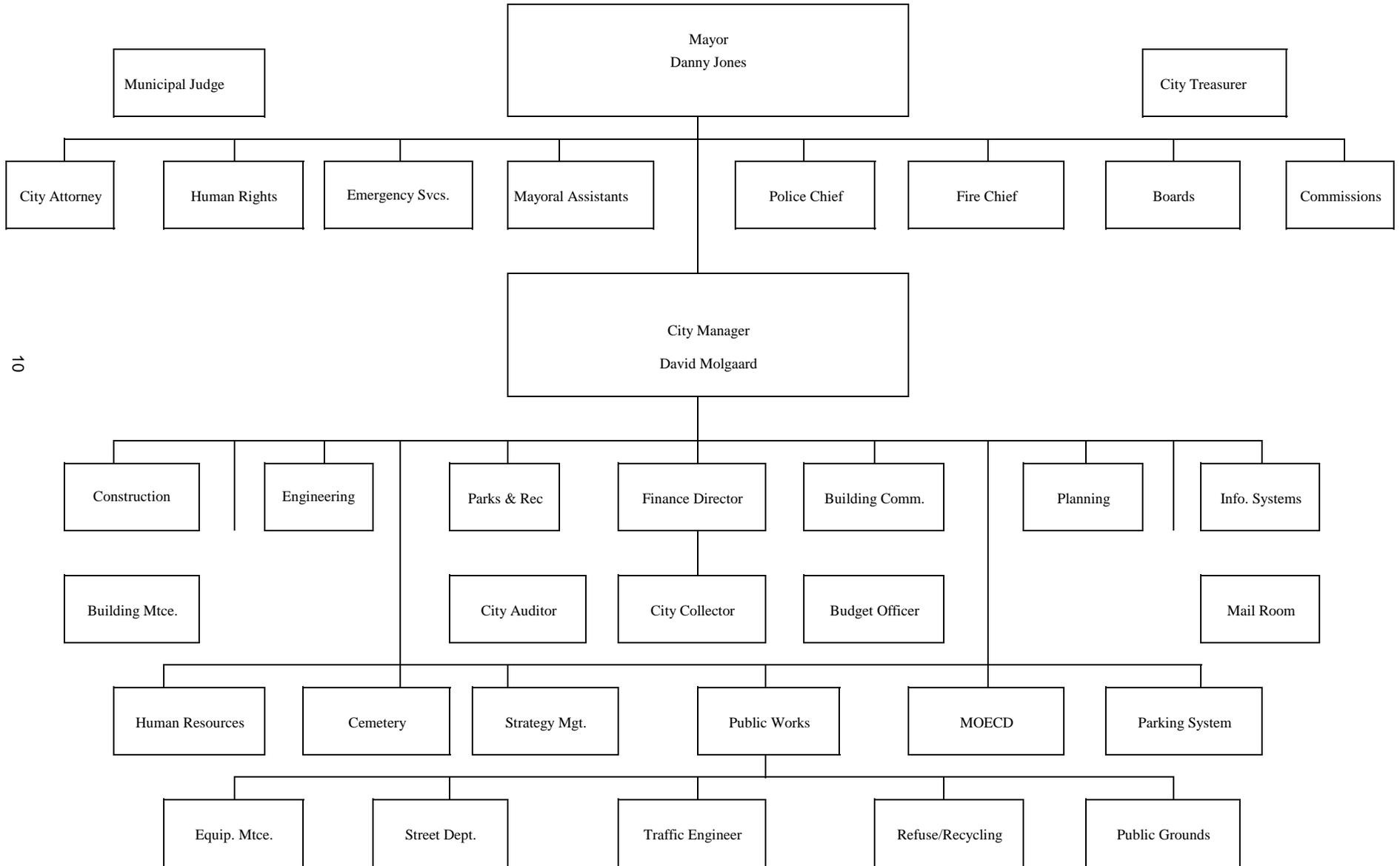
President

Jeffrey R. Emer

Executive Director

CITY OF CHARLESTON

Organizational Chart



**CITY OF CHARLESTON, WEST VIRGINIA
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2012**

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

Elective

Council Members

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

Appointive

City Manager:	David Molgaard	Mayor Assistants:	Rod Blackstone Beverly Page
Finance Director:	Joseph Estep		
City Clerk:	James Reishman	City Collector:	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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia, (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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, the Charleston Urban Renewal Authority, and the Charleston Convention and Visitor's Bureau which represent 100 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 reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Charleston Sanitary Board, the Charleston Urban Renewal Authority, and the Charleston Convention and Visitor's Bureau, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and coal severance fund statements of revenues, expenditures, and changes in fund balance (budget and actual) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14-25 and the schedules of funding progress and employer contributions on pages 78-79 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the



financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining and individual non major fund financial statements and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual non major fund financial statements have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described previously, the combining and individual non major fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Gibbons & Kawash, A.C.

December 19, 2012



CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012

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, 2012. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the City's financial statements, which follow this section.

Financial Highlights

Government-wide

The City of Charleston reported net assets of \$38,080,828 in fiscal year 2012 and \$40,901,584 in fiscal year 2011.

Of the net assets in fiscal year 2012, a deficit balance of \$80,614,854 was reported as total unrestricted net assets, which includes a \$83,112,924 deficit balance in governmental activities and a \$2,498,070 balance in business-type activities.

The City's total net assets decreased by \$2,820,756 as a result of this year's operations. The net assets for governmental activities decreased by 14 percent. Net assets of business-type activities increased by six percent.

The City's governmental activities reported total expenses of \$92,200,862, total revenues of \$89,835,363, and transfers out of \$1,457,582 for a net decrease of \$3,823,081.

Business-type activities reported total expenses of \$7,527,780, program revenues of \$7,072,523, and transfers in of \$1,457,582 for a net increase of \$1,002,325.

Total Primary Government revenues were 96,907,886, while total costs for all programs were \$99,728,642.

Fund Level

Governmental funds reported a combined fund balance of \$43,017,584, an increase \$2,027,947 (4 percent) from the prior year.

The General Fund reported an unassigned fund balance of \$20,543,173, nonspendable fund balance of \$538,965, restricted fund balance of \$1,141,861, committed fund balance of \$8,614,201, and assigned fund balance of \$3,392,534, compared to \$19,729,491, \$599,087, \$981,788, \$8,061,268, and \$3,394,404, respectively, in the prior year.

Total governmental funds reported nonspendable fund balance of \$1,571,079, restricted of \$5,265,842, committed of \$12,244,956, and assigned fund balance of \$3,392,534, compared to \$1,715,598, \$4,676,228, \$11,473,916, and \$3,394,404, respectively, in the prior year. The total unassigned fund balance for the governmental funds was \$20,543,173, compared to unassigned fund balance of \$19,729,491 in prior year.

Long-term Debt

Total bonds and obligations under long-term leases at year end were \$23,936,112, a net decrease of \$1,929,221 (7 percent) over the prior year.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

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.

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

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

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

Government-wide financial statements. The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net 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.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

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 27 through 30 of this report.

Fund financial statements. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The City Council establishes other funds to control and manage money for a particular purpose (like the City Service Fee Project Fund) or to show it is properly using certain grants (like aid from the U.S. Department of Housing and Urban Development).

The City has three types of funds:

Governmental funds -most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view as to whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found on pages 32 through 39 of this report.

Proprietary funds -Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. The government's policy is to establish fees designed to recover the cost of providing the services. In addition, the Parking System is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. 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 41 through 45 of this report.

Fiduciary funds -The City is the trustee, or fiduciary, for its employees' pension plans. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net 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 47 and 48 of this report.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

Government-Wide Financial Analysis

The City's combined net assets (governmental and business-type activities) totaled \$38,080,828 at the end of 2012 and \$40,901,584 at the end of 2011. The largest portion of the City's net assets, \$94,222,775, reflects investment in capital assets such as land, buildings, equipment, and infrastructure, less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequentially, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the City's net assets, \$24,472,907, represents resources that are subject to external restrictions or enabling legislation on how they may be used. The remaining balance for unrestricted net assets, a deficit of \$80,614,854, reflects the City's deficit of remaining assets to remaining liabilities.

CITY OF CHARLESTON'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 53,668,875	\$ 51,219,014	\$ 5,308,706	\$ 4,485,406	\$ 58,977,581	\$ 55,704,420
Capital assets	94,349,639	95,279,098	21,927,835	22,911,175	116,277,474	118,190,273
Total assets	148,018,514	146,498,112	27,236,541	27,396,581	175,255,055	173,894,693
Long-term liabilities outstanding	109,316,665	104,182,676	9,076,256	10,128,727	118,392,921	114,311,403
Other liabilities	16,904,236	16,694,742	1,877,070	1,986,964	18,781,306	18,681,706
Total liabilities	126,220,901	120,877,418	10,953,326	12,115,691	137,174,227	132,993,109
Net Assets:						
Invested in capital assets, net of related debt	82,436,126	82,874,654	11,786,649	11,453,846	94,222,775	94,328,500
Restricted	22,474,411	21,260,146	1,998,496	2,010,685	24,472,907	23,270,831
Unrestricted	(83,112,924)	(78,514,106)	2,498,070	1,816,359	(80,614,854)	(76,697,747)
Total net assets	\$ 21,797,613	\$ 25,620,694	\$ 16,283,215	\$ 15,280,890	\$ 38,080,828	\$ 40,901,584

Governmental activities. Governmental activities decreased the City of Charleston's net assets by \$3,823,081 thereby accounting for the total decrease in the net assets. This is primarily attributable to long-term obligations for public safety pensions and other post-employment benefits which increased \$4,969,823 (6 percent) and \$1,153,818 (15 percent), respectively. There were changes made to the OPEB substantive plan provisions since the last valuation. The Medicare retirees were moved to a Medicare Advantage plan that is fully-insured and experience-rated. This change caused a significant decrease in this liability. The actuarial accrued liability decreased 19 percent from prior year; however, the Net OPEB Obligation increased 15 percent over prior year since the OPEB is funded on a pay-as-you-go basis. Changes were made to the public safety pension plans at the latter part of fiscal year 2011 which had a significant impact on this liability since the funding method was changed to a pay-as-you-go and a lower discount rate of five percent versus seven percent in prior 2011 valuations. The actuarial accrued liability and the unfunded actuarial accrued liability increased one percent over prior year and the net pension obligation increased six percent over prior year.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

Revenues increased \$1,963,817 (2 percent) over prior year. This is primarily attributable to a \$2,324,028 (4 percent) increase in tax revenues. The City's principal tax revenue for business and occupation tax increased four percent over prior year. This tax revenue increase indicates that the economy is improving; however, analysis reflects that this growth actually brings this revenue back to pre-recession levels. Charleston does have a good nucleus of retail businesses, banks, hospitals, state government, and legal firms. During working hours the population increases approximately 150 percent which benefits the city's economy. Charges for services revenue was comparable to prior year and grants and contribution revenue declined five percent. Grant revenue remained comparable to prior year; however, a Pre-Disaster Mitigation grant received in 2011 in the amount of \$859,033 was not received in 2012 which accounts for the overall decline in grant revenue.

Government-wide governmental expenses increased less than one percent and are comparable to prior year. General government expense increased 20 percent from prior year. This can be attributed primarily to increases in medical expenses for active employees and retirees, projects for the government's Comprehensive Plan for downtown, Long Term Storm Water Comprehensive Plan, legal consulting fees and claims costs. Public Safety expense decreased two percent due to changes made in the pension funding method. Other expenses decreased or remained stable. Interest expense decreased eight percent due to the savings obtained as a result of revenue bond refundings.

City of Charleston's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 19,879,095	\$ 19,699,952	\$ 6,908,404	\$ 6,206,441	\$ 26,787,499	\$ 25,906,393
Operating Grants and Contributions	8,803,239	9,199,315	1,000	-	8,804,239	9,199,315
Capital Grants and Contributions	1,391,735	1,561,603	151,000	439,181	1,542,735	2,000,784
General Revenues:						
Property Taxes	11,955,757	11,548,479	-	-	11,955,757	11,548,479
Business and Occupation Taxes	40,750,458	38,852,038	-	-	40,750,458	38,852,038
Other Taxes	6,839,219	6,820,889	-	-	6,839,219	6,820,889
Other	215,860	189,270	12,119	44,465	227,979	233,735
Total Revenues	89,835,363	87,871,546	7,072,523	6,690,087	96,907,886	94,561,633

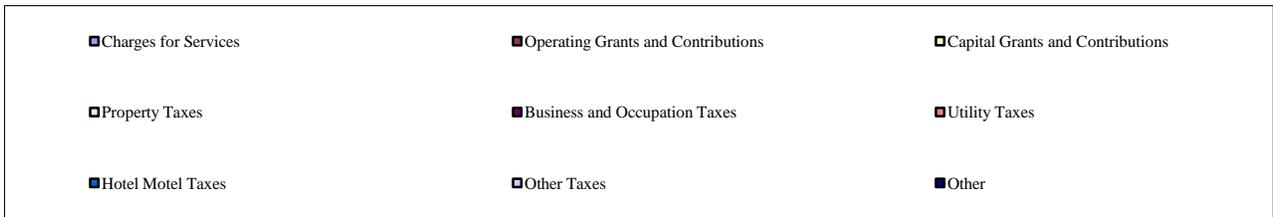
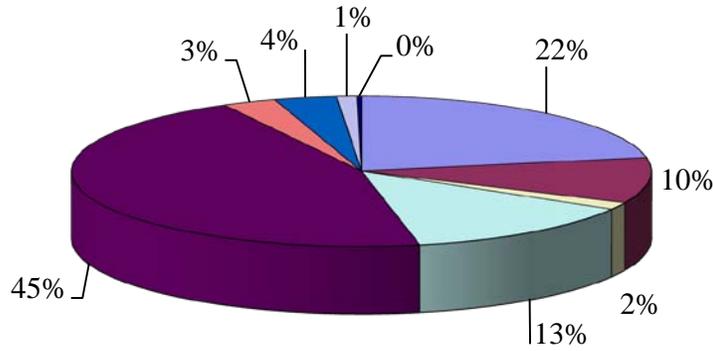
**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
General Government	\$ 17,731,874	\$ 14,678,134	\$ -	\$ -	\$ 17,731,874	\$ 14,678,134
Public Safety	47,682,757	48,939,715	-	-	47,682,757	48,939,715
Highways & Streets	10,566,066	11,247,814	-	-	10,566,066	11,247,814
Health & Sanitation	5,340,104	5,738,852	-	-	5,340,104	5,738,852
Economic Development	2,730,673	2,767,138	-	-	2,730,673	2,767,138
Culture & Recreation	7,156,105	7,296,468	-	-	7,156,105	7,296,468
Social Services	371,124	726,284	-	-	371,124	726,284
Interest on Long-Term Debt	622,159	680,588	-	-	622,159	680,588
Civic Center	-	-	4,665,091	4,553,220	4,665,091	4,553,220
Parking System	-	-	2,862,689	2,869,089	2,862,689	2,869,089
Total Expenses	92,200,862	92,074,993	7,527,780	7,422,309	99,728,642	99,497,302
Increase in Net Assets						
Before Transfers	(2,365,499)	(4,203,447)	(455,257)	(732,222)	(2,820,756)	(4,935,669)
Transfers	(1,457,582)	(1,534,293)	1,457,582	1,534,293	-	-
Increase in Net Assets	(3,823,081)	(5,737,740)	1,002,325	802,071	(2,820,756)	(4,935,669)
Net Assets- beginning	25,620,694	31,358,434	15,280,890	14,478,819	40,901,584	45,837,253
Net Assets- ending	\$ 21,797,613	\$ 25,620,694	\$ 16,283,215	\$ 15,280,890	\$ 38,080,828	\$ 40,901,584

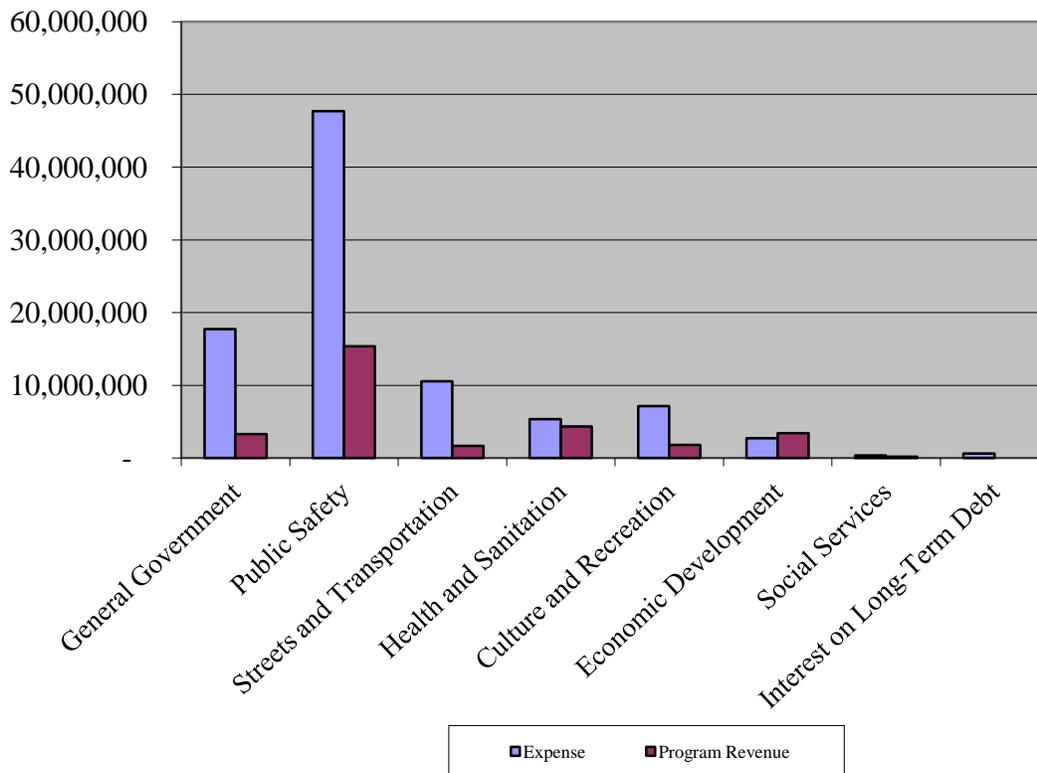
Business-type activities. Total net assets of the City's business-type activities increased \$1,002,325 (6 percent) over prior year. Total operating revenues increased 11 percent over prior year. The Civic Center experienced a significant 23 percent increase in charges to customers due to more concert events in the third and fourth quarters of the fiscal year. The catering portion of the operation experienced a great year with a 94 percent increase. This indicates that the tourism industry is improving after the downturn during the recession. The Parking System experienced a two percent increase in operating revenues over the prior year. Parking violation revenue increased 12 percent over prior year due to being at full meter enforcement staff. Parking building rentals have increased two percent because the buildings are at full rental capacity with waiting lists. Full capacity has been achieved with a new apartment building and two colleges downtown. The operating expenses for the Civic Center and Parking System increased two percent and one percent, respectively. The Civic Center expenses increased for contracted services and materials and supplies which is expected with more events held. The Parking System increase is primarily attributable to an eight percent increase in personnel costs especially medical expense and OPEB costs which increased 25 percent and 34 percent, respectively. The Civic Center total net assets decreased \$139,597 and Parking System net assets increased \$1,141,922. The Civic Center must be subsidized by the General Fund and that subsidy was decreased two percent in 2012. The Parking System has increasingly become financially stable over the past several years.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

Revenue by Source-Governmental Activities

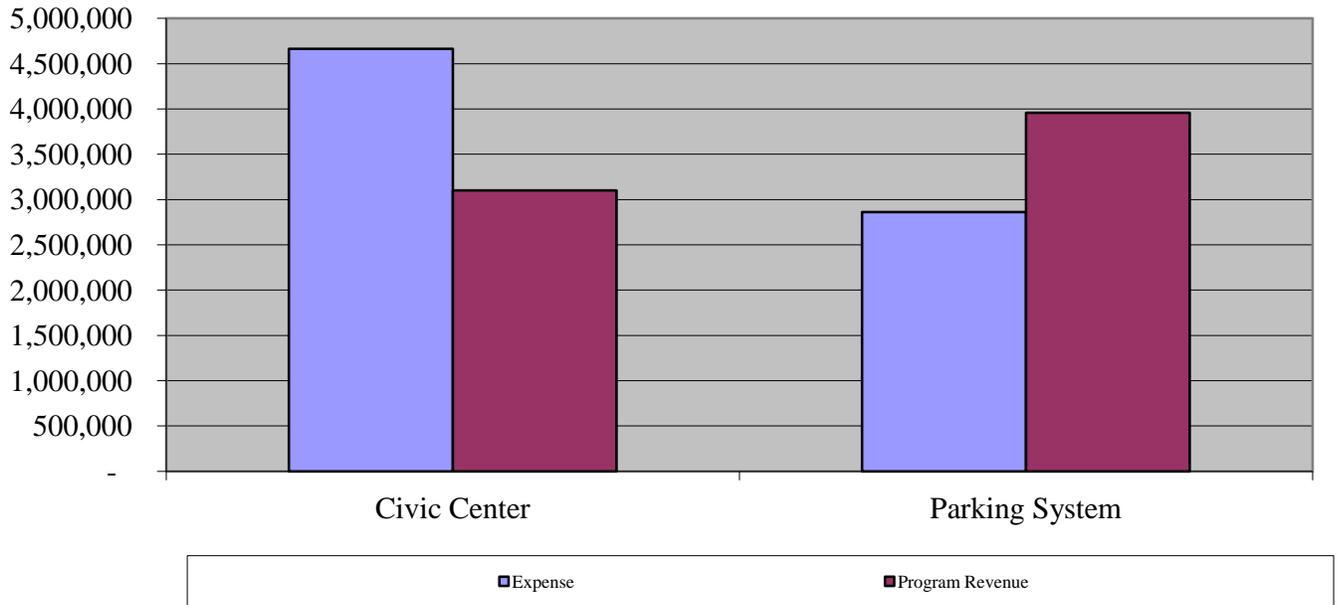


Expenses and Program Revenues-Governmental Activities

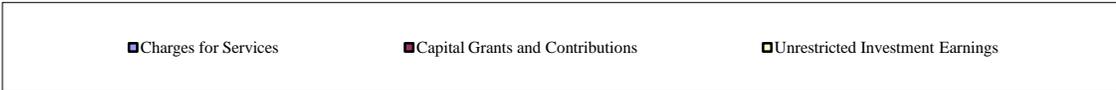
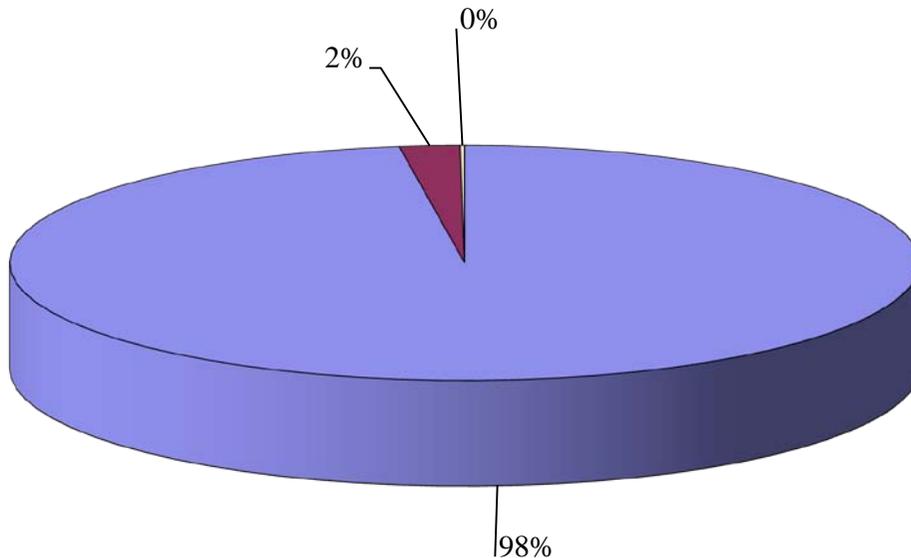


**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

Expenses and Program Revenues-Business-Type Activities



Revenues by Source-Business-Type Activities



**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

Financial Analysis of the Government's Funds

The City of Charleston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Charleston's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the government's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Charleston's Governmental Funds reported combined ending fund balances of \$43,017,584, an increase of \$2,027,947 (4 percent) in comparison with the prior year. Most of this increase (72 percent) was the result of the General Fund operations. Approximately 47 percent of this amount \$20,543,173 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable for prepaid items and permanent fund corpus \$1,571,079; restricted by external grants, contributors, and laws \$5,265,842; committed by the government's council \$12,244,956; and assigned by the government's council or administrative officials \$3,392,534.

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$20,543,173, while total fund balance reached \$34,230,734. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25 percent of total General Fund expenditures, while total fund balance represents 42 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased by \$1,464,696 during the current fiscal year. This is primarily attributable to tax revenue increase of \$2,444,067 (4 percent) with total revenue increase of \$2,493,258 (3 percent). Expenditures increased \$4,736,887 (6 percent); however, due to prudent management total expenditures exceeded revenues by only \$40,146.

Expenditures increased \$4,736,887 (6 percent) in comparison to prior year. Salaries and wages decreased \$745,864 (2 percent) due to reductions in public safety employees, changes in Fire Department overtime hours, and no across-the-board wage increases. Medical claims cost, which is unpredictable, increased significantly over the prior year in the amount of \$2,068,895 (30 percent). Court costs and damages liability claims cost increased \$223,891 (46 percent) due to legal cases and settlements. Professional services cost increased \$206,162 (47 percent) due to consulting services for the City Comprehensive Plan (Imagine Charleston), Pier to Pier Mural Project, Long Term Storm Water Comprehensive Plan, and legal consulting services.

The Coal Severance Tax Fund receives coal severance tax distributed from the State of West Virginia collections. These revenues are dedicated to the Civic Center bond debt service. Coal severance tax revenue increased \$2,743 (1 percent) over the prior year; however, with the decline in coal business these revenues are expected to decrease. The Community Development and HOME Funds are funded totally by HUD federal grants for community development. The grant revenues recognized were \$266,568 (11 percent) greater in comparison to prior year due to normal grant programs plus projects from prior years that were completed in the 2012 fiscal year.

CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012

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

General Fund Budgetary Highlights

The City periodically revises the budget throughout the year to recognize projects carried over from the previous year, grants, and contributions received for various projects, and to adjust budgets to reflect actual circumstances. Appropriations between the original budget and the final amended budget reflected an increase of \$6,066,834 (7 percent). The most significant can be briefly summarized as follows:

Legal expenses were increased \$1,216,161 to provide a reserve for court costs and damages for general liability claims. The City has adopted the policy of carrying forward any remaining budgeted funds at year-end to have the additional reserve in place to provide for any unforeseen circumstances.

Engineering remaining budgeted funds for storm water projects in the amount of \$715,437 were carried forward for continuance of the projects that were not completed by the 2011 fiscal year-end.

The Mayor's contributions to various entities were increased approximately \$284,200.

Revenues, contributions, and transfers from other funds were recognized in the amount of \$1,276,832 to provide funding for various events, expenses, and projects.

Capital projects costs were increased approximately \$796,619 to carry forward remaining lease funding for vehicle and equipment purchases.

City Manager professional services remaining budgeted funds in the amount of \$410,708 were carried forward for various contracted services that were not completed by the 2011 fiscal year-end.

Amendments were made to recognize savings from medical insurance and the transfer of the savings to the Health Reserve Fund \$329,731. Another amendment was made to decrease transfers to the Municipal Stabilization Fund in the amount of \$856,298 to increase funding for the Police and Fire pensions as a result of adopting the Conservation Method of funding effective June 1, 2011.

All amendments were budgeted from available fund balance and increases in various charges for services, grants, insurance proceeds, and contributions. For the fiscal year 2012 General Fund revenues were in line with budgetary estimates and expenditures were less than budgetary estimates by seven percent.

The City's General Fund balance of \$34,230,734 differs from the General Fund's budgetary fund balance of \$6,376,476 reported in the budgetary financial statement principally because budgetary fund balance excludes accrual of business and occupation taxes. The total business and occupation tax accrual in the amount of \$10,652,995 has not been re-appropriated for budgetary purposes, only actual cash collections are budgeted each fiscal year. In addition, a significant difference of \$17,201,263 is included in the General Fund due to GASB 54 implementation which dictates inclusion of several special revenue funds; however, these funds are not included for budgetary purposes.

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

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, 2012, amounted to \$116,277,474 (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 several bridge, retaining walls, and curb and sidewalk projects in the amount \$1,457,305; the Morris Square office building in the amount of \$388,495; storm sewer projects in the amount of \$235,949; and various other smaller projects.

Projects for the Riverfront Haddad Park lighting, Long Term Storm Water Comprehensive Plan, Springhill Cemetery Office Building, Fire Station #1 remodel, renovations of parking garages, and others were remaining in construction in progress as of the end of the fiscal year in the amount of \$1,921,541.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 8,872,359	\$ 8,872,359	\$ 4,366,447	\$ 4,366,447	\$ 13,238,806	\$ 13,238,806
Construction in Progress	1,214,325	1,117,064	707,216	356,869	1,921,541	1,473,933
Buildings & Improvements	28,570,579	28,952,164	16,064,923	17,333,035	44,635,502	46,285,199
Other Improvements	10,974,346	11,547,773	390,226	416,740	11,364,572	11,964,513
Machinery & Equipment	8,873,028	9,233,728	399,023	438,084	9,272,051	9,671,812
Infrastructure	35,845,002	35,556,010	-	-	35,845,002	35,556,010
Total	\$ 94,349,639	\$ 95,279,098	\$ 21,927,835	\$ 22,911,175	\$ 116,277,474	\$ 118,190,273

Additional information on the City of Charleston's capital assets can be found in Note IV.C. on pages 61 through 63 of this report.

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

**CITY OF CHARLESTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2012**

City of Charleston's Outstanding Debt

Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue Bonds	\$ 3,008,554	\$ 3,339,478	\$ 10,141,186	\$ 11,457,329	\$ 13,149,740	\$ 14,796,807
Total	\$ 3,008,554	\$ 3,339,478	\$ 10,141,186	\$ 11,457,329	\$ 13,149,740	\$ 14,796,807

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 \$146,598,381. The City currently has no general obligation bonds outstanding.

Additional information on the City of Charleston's long-term debt can be found in Note IV.G. on pages 65 through 67 of this report.

Economic Factors and Next Year's Budget

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

The unemployment rate was lower than the prior year during June at 6.9 percent. The average for the past twelve months was 6.9 percent. The last twelve months reflected increases in the labor market for construction and mining 2.0 percent; professional and business services 2.6 percent; education and health services 2.1 percent; and government 4.7 percent. Manufacturing, trade, transportation, and utilities, leisure and hospitality, and other services reflected a decrease of -1.9 percent, -1.5 percent, -4.7 percent and -1.8 percent, respectively. Information and financial activities remained the same.

The occupancy rate of the government's central business district has remained at 85 to 90 percent for the past several years. According to a recent real estate broker survey the city's five "Class A" office towers have a current occupancy rate of 94 percent. These office towers represent the best space available in Charleston.

Inflationary trends in the region compare favorably to national indices.

In March 2012, the City of Charleston approved a balanced budget for the fiscal year 2013, with General Fund appropriations of \$84,155,200. The budget was approved with no city employee raises for the third consecutive year and a full year's savings in the approximate amount of \$1,600,000 from reduction of 16 police officers and 27 firemen. This amount was applied to pension contributions to meet funding requirements for retiree benefits under the Conservation Method. In addition, liability insurance premiums were less due to a more positive claims history.

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 the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Controller (City Auditor), 501 Virginia Street, East, P.O. Box 2749, Charleston, WV 25330.



CITY OF CHARLESTON, WEST VIRGINIA THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 27 through 30. 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, 2012

	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	\$ 24,170,007	\$ 2,878,211	\$ 27,048,218	\$ 9,898,576	\$ 6,120,513	\$ 1,017,780
Investments	2,713,212	--	2,713,212	--	--	--
Receivables:						
Accounts	4,965,681	135,903	5,101,584	1,904,466	--	236,690
Accrued interest	20,447	--	20,447	--	649	--
Taxes	12,635,871	--	12,635,871	--	--	--
Rents	--	--	--	--	5,148	--
Other	--	--	--	3,577	204,529	--
Loans	5,960,125	--	5,960,125	--	--	--
Grants	660,931	--	660,931	--	--	--
Internal balances	51,157	(51,157)	--	--	--	--
Due from:						
Component units	30,577	--	30,577	--	--	--
Fiduciary funds	214,081	--	214,081	--	--	--
Primary government	--	--	--	3,765	--	162,451
Inventory, at cost	--	--	--	--	--	--
Construction project deposit	--	--	--	--	26,239	--
Inventories	--	--	--	713,431	--	--
Prepaid insurance and lease	538,965	135,964	674,929	146,575	339	1,938
Deferred charges	--	6,245	6,245	9,690	--	--
Restricted assets:						
Regular account	--	302,667	302,667	1,760,778	--	--
Reserve account	--	--	--	6,567,612	--	--
Renewal and replacement	--	--	--	5,633,521	--	--
Reserve for bond retirement	--	559,201	559,201	--	--	--
Restricted cash	1,649,638	--	1,649,638	--	--	--
Reserve for health care	--	--	--	1,494,167	--	--
Customer deposits	--	133,647	133,647	--	--	--
Total current assets	53,610,692	4,100,681	57,711,373	28,136,158	6,357,417	1,418,859
Noncurrent assets						
Restricted:						
Revenue bond covenant accounts	--	1,136,628	1,136,628	--	--	--
Notes Receivable	--	--	--	--	2,532,198	--
Deferred charges	58,183	71,397	129,580	18,357	--	--
Capital assets not being depreciated:						
Land	8,872,359	4,366,447	13,238,806	1,619,166	6,864,857	--
Construction in progress	1,214,325	707,216	1,921,541	13,734,139	--	--
Capital assets being depreciated:						
Buildings and improvements	67,680,976	65,871,557	133,552,533	33,661,636	61,570	45,775
Vehicles	18,487,756	--	18,487,756	--	--	--
Infrastructure	89,818,108	--	89,818,108	--	--	--
Transmission and distribution	--	--	--	106,801,456	--	--

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS (CONTINUED)

June 30, 2012

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
Machinery & equipment	\$ 16,414,627	\$ 2,209,538	\$ 18,624,165	\$ 6,760,669	\$ --	\$ 211,389
Leasehold improvements	--	--	--	--	--	146,545
Less: accumulated depreciation	(108,138,512)	(51,226,923)	(159,365,435)	(58,434,802)	(33,899)	(320,378)
Total capital assets	94,349,639	21,927,835	116,277,474	104,142,264	6,892,528	83,331
Total noncurrent assets	94,407,822	23,135,860	117,543,682	104,160,621	6,892,528	83,331
Total assets	\$ 148,018,514	\$ 27,236,541	\$ 175,255,055	\$ 132,296,779	\$ 15,782,143	\$ 1,502,190
LIABILITIES						
Current liabilities:						
Current liabilities payable						
from current assets:						
Accounts payable	1,619,611	204,808	1,824,419	2,552,448	41,835	29,731
Payroll payable	1,288,681	61,813	1,350,494	120,219	12	1,199
Other accrued expenses	45,396	12,094	57,490	54,451	4,762	--
Solicitation bonds payable	26,110	--	26,110	--	--	--
Compensated absences payable	--	--	--	161,625	--	1,515
Benefits payable	138,056	16,439	154,495	--	--	--
Reserve for future insurance claims	1,079,403	71,776	1,151,179	--	--	--
Due to:						
Component units	166,216	--	166,216	--	--	--
Fiduciary funds	6,360	5,520	11,880	--	--	--
Primary government	--	--	--	29,836	--	--
Current liabilities payable						
from restricted assets:						
Accrued bond interest payable	10,273	68,261	78,534	590,526	--	--
Accrued capital lease interest payable	81,704	--	81,704	--	--	--
Customer deposits	--	36,243	36,243	--	--	--
Deferred revenues:						
Unearned revenue	5,777,702	--	5,777,702	--	57,553	--
Due within one year	6,664,724	1,400,116	8,064,840	2,478,332	48,591	--
Total current liabilities	16,904,236	1,877,070	18,781,306	5,987,437	152,753	32,445
Noncurrent liabilities:						
Due in more						
than one year	109,316,665	9,076,256	118,392,921	68,446,562	--	--
Total noncurrent liabilities	109,316,665	9,076,256	118,392,921	68,446,562	--	--
Total liabilities	126,220,901	10,953,326	137,174,227	74,433,999	152,753	32,445

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

June 30, 2012

	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	\$ 82,436,126	\$ 11,786,649	\$ 94,222,775	\$ 33,625,822	\$ 6,892,528	\$ 83,331
Restricted for:						
General government	12,535,377	--	12,535,377			
Debt service	295,630	1,998,496	2,294,126	13,961,911	--	--
Capital projects	3,824,297	--	3,824,297	--	--	--
Community development projects	699,785	--	699,785	--	--	--
Public safety and streets	319,464	--	319,464	--	--	--
Health and Sanitation	2,880,667	--	2,880,667			
Culture and recreation	1,897	--	1,897			
Perpetual care:						
Expendable	885,180	--	885,180	--	--	--
Nonexpendable	1,032,114	--	1,032,114	--	--	--
Unrestricted	(83,112,924)	2,498,070	(80,614,854)	10,275,047	8,736,862	1,386,414
Total net assets	\$ <u>21,797,613</u>	\$ <u>16,283,215</u>	\$ <u>38,080,828</u>	\$ <u>57,862,780</u>	\$ <u>15,629,390</u>	\$ <u>1,469,745</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, 2012

Net (Expense) Revenues and
Changes in Net Assets

Functions / Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Assets						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau	
Primary government:											
Governmental activities:											
General government	\$ 17,731,874	\$ 2,742,318	\$ 541,403	\$ 23,306	\$ (14,424,847)	\$ --	\$ (14,424,847)	\$ --	\$ --	\$ --	\$ --
Public safety	47,682,757	10,088,885	4,826,074	450,656	(32,317,142)	--	(32,317,142)	--	--	--	--
Streets and transportation	10,566,066	1,650,000	5,000	1,000	(8,910,066)	--	(8,910,066)	--	--	--	--
Health and sanitation	5,340,104	4,244,195	82,695	--	(1,013,214)	--	(1,013,214)	--	--	--	--
Culture and recreation	7,156,105	1,038,368	324,150	440,066	(5,353,521)	--	(5,353,521)	--	--	--	--
Interest on long-term debt	622,159	--	--	--	(622,159)	--	(622,159)	--	--	--	--
Social services	371,124	115,329	58,151	--	(197,644)	--	(197,644)	--	--	--	--
Economic development	2,730,673	--	2,965,766	476,707	711,800	--	711,800	--	--	--	--
Total governmental activities	<u>92,200,862</u>	<u>19,879,095</u>	<u>8,803,239</u>	<u>1,391,735</u>	<u>(62,126,793)</u>	<u>--</u>	<u>(62,126,793)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Business-type activities:											
Civic Center	4,665,091	3,100,023	1,000	--	--	(1,564,068)	(1,564,068)	--	--	--	--
Parking System	2,862,689	3,808,381	--	151,000	--	1,096,692	1,096,692	--	--	--	--
Total business-type activities	<u>7,527,780</u>	<u>6,908,404</u>	<u>1,000</u>	<u>151,000</u>	<u>--</u>	<u>(467,376)</u>	<u>(467,376)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total primary government	<u>\$ 99,728,642</u>	<u>\$ 26,787,499</u>	<u>\$ 8,804,239</u>	<u>\$ 1,542,735</u>	<u>(62,126,793)</u>	<u>(467,376)</u>	<u>(62,594,169)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Component units:											
Sanitary Board	16,360,111	19,689,693	--	27,430				3,357,012	--	--	--
Urban Renewal Authority	1,107,876	767,883	151,000	411,523				--	222,530	--	--
Convention & Visitor's Bureau	1,252,582	10,555	1,717,202	--				--	--	475,175	--
Total component units	<u>\$ 18,720,569</u>	<u>\$ 20,468,131</u>	<u>\$ 1,868,202</u>	<u>\$ 438,953</u>				<u>3,357,012</u>	<u>222,530</u>	<u>475,175</u>	
General revenues:											
Ad valorem property taxes					11,955,757	--	11,955,757	--	--	--	--
Business & occupation tax					40,750,458	--	40,750,458	--	--	--	--
Alcoholic beverages tax					782,221	--	782,221	--	--	--	--
Utility services tax					2,701,790	--	2,701,790	--	--	--	--
Hotel occupancy tax					3,117,547	--	3,117,547	--	--	--	--
Amusement tax					179,470	--	179,470	--	--	--	--
Other taxes					58,191	--	58,191	--	--	--	--
Unrestricted investment earnings					77,866	10,685	88,551	27,299	127,055	40,391	--
Gain on sale of capital assets					137,994	1,434	139,428	--	--	--	--
Miscellaneous					--	--	--	206,515	--	--	--
Transfers					(1,457,582)	1,457,582	--	--	--	--	--
Total general revenues and transfers					<u>58,303,712</u>	<u>1,469,701</u>	<u>59,773,413</u>	<u>233,814</u>	<u>127,055</u>	<u>40,391</u>	
Change in net assets					(3,823,081)	1,002,325	(2,820,756)	3,590,826	349,585	515,566	
Net assets - beginning					25,620,694	15,280,890	40,901,584	54,271,954	15,279,805	954,179	
Net assets - ending					<u>\$ 21,797,613</u>	<u>\$ 16,283,215</u>	<u>\$ 38,080,828</u>	<u>\$ 57,862,780</u>	<u>\$ 15,629,390</u>	<u>\$ 1,469,745</u>	

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 81.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2012

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 20,075,449	\$ 69,789	\$ 4,318	\$ 3,215	\$ 4,017,236	\$ 24,170,007
Investments	--	--	--	--	2,713,212	2,713,212
Receivables:						
Taxes	12,635,871	--	--	--	--	12,635,871
Accounts	4,481,482	--	--	--	484,199	4,965,681
Grants	154,843	--	98,363	9,357	398,368	660,931
Loans	--	--	1,677,881	4,020,227	262,017	5,960,125
Accrued interest	7,429	--	9,862	19	3,137	20,447
Due from:						
Other funds	839,030	--	--	--	216,314	1,055,344
Component units	14,819	--	--	--	15,758	30,577
Prepaid insurance	538,965	--	--	--	--	538,965
Restricted cash	225,834	--	--	--	1,423,804	1,649,638
Total assets	\$ 38,973,722	\$ 69,789	\$ 1,790,424	\$ 4,032,818	\$ 9,534,045	\$ 54,400,798
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	1,254,006	--	11,430	365	353,810	1,619,611
Payroll payable	1,288,681	--	--	--	--	1,288,681
Other accrued expenditures	45,396	--	--	--	--	45,396
Solicitation bonds payable	26,110	--	--	--	--	26,110
Benefits payable	138,056	--	--	--	--	138,056
Reserve for future insurance claims	1,079,403	--	--	--	--	1,079,403
Due to:						
Other funds	222,533	--	86,934	8,992	478,007	796,466
Component unit	166,216	--	--	--	--	166,216
Deferred revenue:						
Unearned revenue	77,014	--	1,513,819	4,023,461	163,408	5,777,702
Taxes	445,573	--	--	--	--	445,573
Total liabilities	4,742,988	--	1,612,183	4,032,818	995,225	11,383,214
Fund balances:						
Nonspendable	538,965	--	--	--	1,032,114	1,571,079
Restricted	1,141,861	69,789	178,241	--	3,875,951	5,265,842
Committed	8,614,201	--	--	--	3,630,755	12,244,956
Assigned	3,392,534	--	--	--	--	3,392,534
Unassigned	20,543,173	--	--	--	--	20,543,173
Total fund balances	34,230,734	69,789	178,241	--	8,538,820	43,017,584
Total liabilities and fund balances	\$ 38,973,722	\$ 69,789	\$ 1,790,424	\$ 4,032,818	\$ 9,534,045	\$ 54,400,798

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, 2012

Total fund balances on the governmental fund's balance sheet	\$ 43,017,584
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.)	94,349,639
Deferral of bond issuance cost which is amortized over the life of the bonds is not reported in the funds.	58,183
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds. (Note IV.B.)	445,573
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>(116,073,366)</u>
Net assets of governmental activities	\$ <u><u>21,797,613</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, 2012

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem						
property taxes	\$ 12,060,951	\$ --	\$ --	\$ --	\$ 3,039	\$ 12,063,990
Business & occupation tax	40,750,458	--	--	--	--	40,750,458
Alcoholic beverages tax	782,221	--	--	--	--	782,221
Utility services tax	2,701,790	--	--	--	--	2,701,790
Hotel occupancy tax	3,117,547	--	--	--	--	3,117,547
Animal tax	7,411	--	--	--	--	7,411
Gas and oil severance tax	50,780	--	--	--	--	50,780
Amusement tax	179,470	--	--	--	--	179,470
Licenses and permits	1,727,040	--	--	--	--	1,727,040
Intergovernmental:						
Federal	107,737	--	1,842,775	804,169	1,988,472	4,743,153
State	3,345,089	272,329	--	--	--	3,617,418
Charges for services	13,013,627	--	--	--	4,183,232	17,196,859
Fines and forfeits	--	--	--	--	889,523	889,523
Interest and investment earnings	83,973	53	109,831	--	80,555	274,412
Reimbursements	1,618,072	--	--	--	2,676	1,620,748
Payments in lieu of taxes	75,139	--	--	--	--	75,139
Contributions and donations	374,965	--	--	--	132,095	507,060
Miscellaneous	369,637	--	69,225	--	15,840	454,702
Total revenues	80,365,907	272,382	2,021,831	804,169	7,295,432	90,759,721
EXPENDITURES						
Current:						
General government	16,525,281	--	--	--	232,792	16,758,073
Public safety	41,708,335	--	--	--	1,561,882	43,270,217
Streets and transportation	9,338,229	--	--	--	6,642	9,344,871
Health and sanitation	4,823,346	--	--	--	1,087,286	5,910,632
Culture and recreation	6,417,310	--	--	--	77,983	6,495,293
Social services	708,450	--	--	--	26,191	734,641
Economic development	7,433	--	1,881,576	804,169	773,872	3,467,050
Debt service:						
Principal	532,364	--	--	--	195,000	727,364
Interest	345,305	--	--	--	128,035	473,340
Capital outlay:						
General government	--	--	--	--	741,274	741,274
Highways and streets	--	--	--	--	1,589,104	1,589,104
Culture and recreation	--	--	--	--	105,517	105,517
Total expenditures	80,406,053	--	1,881,576	804,169	6,525,578	89,617,376
Excess (deficiency) of revenues over (under) expenditures	(40,146)	272,382	140,255	--	769,854	1,142,345
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 3,457,617	--	--	--	3,467,595	6,925,212
Transfers (out)	(4,236,324)	(276,964)	--	--	(3,835,641)	(8,348,929)
Proceeds from the sale of assets	125,049	--	25,770	--	--	150,819
Capital leases	2,158,500	--	--	--	--	2,158,500
Total other financing sources (uses)	1,504,842	(276,964)	25,770	--	(368,046)	885,602
Net change in fund balances	1,464,696	(4,582)	166,025	--	401,808	2,027,947
Fund balances - beginning	32,766,038	74,371	12,216	--	8,137,012	40,989,637
Fund balances - ending	\$ 34,230,734	\$ 69,789	\$ 178,241	\$ --	\$ 8,538,820	\$ 43,017,584

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, 2012

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

Net change in fund balances - total governmental funds	\$	2,027,947
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period (Note II.B).</p>		
		(916,633)
<p>In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.</p>		
		(12,826)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (Change in Deferred Taxes).</p>		
		(108,233)
<p>The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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).</p>		
		625,413
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (Note II.B).</p>		
		<u>(5,438,749)</u>
Change in net assets of governmental activities	\$	<u><u>(3,823,081)</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, 2012

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	\$ 11,837,710	\$ 12,037,710	\$ 12,060,951	\$ (4,016)	\$ 12,056,935	\$ 19,225
Business & occupation	40,816,584	39,999,193	40,750,458	(584,171)	40,166,287	167,094
Utility	3,133,956	3,133,956	2,701,790	--	2,701,790	(432,166)
Hotel motel	3,050,100	3,050,100	3,117,547	--	3,117,547	67,447
Alcoholic beverages	771,858	771,858	782,221	--	782,221	10,363
Amusement	117,045	167,045	179,470	--	179,470	12,425
Animal	9,244	9,244	7,411	--	7,411	(1,833)
Gas & oil severance	60,000	60,000	50,780	--	50,780	(9,220)
Licenses and permits	1,619,975	1,739,975	1,727,040	--	1,727,040	(12,935)
Charges for services	12,823,532	13,058,480	13,013,627	--	13,013,627	(44,853)
Intergovernmental:						
Federal	80,000	95,513	107,737	--	107,737	12,224
State	30,831	30,831	3,345,089	(3,325,089)	20,000	(10,831)
Interest and						
investment earnings	27,024	27,024	83,973	(58,268)	25,705	(1,319)
Reimbursements	875,042	875,042	1,618,072	(211,652)	1,406,420	531,378
Payments in lieu of taxes	10,000	10,000	75,139	--	75,139	65,139
Contributions						
and donations	335,475	457,820	374,965	--	374,965	(82,855)
Miscellaneous	429,731	750,758	369,637	--	369,637	(381,121)
Total revenues	<u>76,028,107</u>	<u>76,274,549</u>	<u>80,365,907</u>	<u>(4,183,196)</u>	<u>76,182,711</u>	<u>(91,838)</u>
EXPENDITURES						
General government:						
Mayor's office	513,744	797,944	500,594	(32,311)	468,283	329,661
City council	231,264	231,264	223,516	(16,156)	207,360	23,904
City manager	3,573,386	4,054,120	3,040,837	(16,167)	3,024,670	1,029,450
City treasurer	152,532	152,532	190,464	(32,311)	158,153	(5,621)
City collector	971,342	971,342	1,009,690	(64,623)	945,067	26,275
City clerk	163,462	163,962	163,248		163,248	714
Municipal court	438,731	438,731	433,510	(32,311)	401,199	37,532
Legal	1,114,332	2,330,493	1,354,691		1,354,691	975,802
Accounting	531,594	494,117	486,838	(16,156)	470,682	23,435
Engineering	1,374,871	2,104,551	955,618	(32,311)	923,307	1,181,244
MOECD	565,025	565,025	588,691	(16,156)	572,535	(7,510)
Human resources	523,163	617,135	602,370		602,370	14,765
Contributions to Main Street						
Program	80,000	80,000	80,000	--	80,000	--
Regional Intergovernmental						
Council	20,000	20,000	19,691	--	19,691	--
Mail room	274,939	274,315	293,526	(48,467)	245,059	29,256
Building commission	947,555	1,008,555	987,427	(32,311)	955,116	53,439
Planning	577,171	807,371	698,256	(39,744)	658,512	148,859

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, 2012

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Information systems	\$ 1,162,811	\$ 1,210,781	\$ 944,901	\$ (16,155)	\$ 928,746	\$ 282,035
Building maintenance	2,286,454	2,294,640	716,962	1,615,602	2,332,564	(37,924)
Internal audit	346,557	346,557	182,360	- -	182,360	164,197
Morris Square	162,500	193,741	205,593	- -	205,593	(11,852)
Employee health clinic	513,535	486,281	493,010	- -	493,010	(6,729)
Public works	336,077	336,077	320,333	(16,155)	304,178	31,899
Public grounds	1,466,385	1,482,971	1,510,795	(64,622)	1,446,173	36,798
Contingency	107,500	12,086	- -	- -	- -	12,086
Total general government	18,434,930	21,474,591	16,002,921	1,139,646	17,142,567	4,331,715
Public safety:						
Police	15,896,196	17,658,044	19,477,344	(1,651,291)	17,826,053	(168,009)
Fire	16,266,171	17,156,257	18,975,804	(1,786,890)	17,188,914	(32,657)
Traffic engineering	1,151,821	1,171,948	1,248,049	(48,467)	1,199,582	(27,634)
C-K emergency services	219,708	229,208	222,170	- -	222,170	7,038
Total public safety	33,533,896	36,215,457	39,923,367	(3,486,648)	36,436,719	(221,262)
Streets and transportation:						
Streets and transportation	4,430,357	4,504,913	4,681,486	(371,590)	4,309,896	195,017
Equipment maintenance	3,209,094	3,209,094	3,472,337	(145,404)	3,326,933	(117,839)
Total streets and transportation	7,639,451	7,714,007	8,153,823	(516,994)	7,636,829	77,178
Health and sanitation:						
Refuse collection & recycling	3,509,598	3,509,598	3,792,837	(226,185)	3,566,652	(57,054)
Kanawha-Charleston health CARES	100,000	100,000	100,000	- -	100,000	- -
	48,000	48,000	48,000	- -	48,000	- -
Total health and sanitation	3,657,598	3,657,598	3,940,837	(226,185)	3,714,652	(57,054)
Culture and recreation:						
Parks and recreation	2,775,758	2,775,391	2,807,889	(193,875)	2,614,014	161,377
Convention and visitor's bureau	1,525,050	1,525,050	1,565,068	- -	1,565,068	(40,018)
Cultural/fairs/festivals	259,500	346,855	295,458	- -	295,458	51,397
Festival Fund for the Arts	104,500	104,500	87,000	- -	87,000	17,500
Municipal auditorium	248,312	248,312	242,262	- -	242,262	6,050
Charleston Area Alliance	75,000	75,000	75,000	- -	75,000	- -
Library	879,263	879,263	879,263	- -	879,263	- -
Appalachian Power Park	307,500	307,500	292,358	- -	292,358	15,142
Total culture and recreation	6,174,883	6,261,871	6,244,298	(193,875)	6,050,423	211,448
Social services:						
Spring hill cemetery	625,855	659,784	641,315	(48,467)	592,848	66,936
Human rights	223,810	96,826	36,927	- -	36,927	59,899
Total social services	849,665	756,610	678,242	(48,467)	629,775	126,835

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, 2012

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Capital projects:						
General government	\$ 522,344	\$ 543,413	\$ 529,793	\$ --	\$ 529,793	\$ 13,620
Public safety	2,562,408	2,745,117	1,784,969	--	1,784,969	960,148
Streets and transportation	1,484,943	1,548,456	1,184,406	--	1,184,406	364,050
Health and sanitation	844,647	956,647	882,508	--	882,508	74,139
Culture and recreation	249,333	274,955	173,012	--	173,012	101,943
Social services	56,787	448,493	30,208	--	30,208	418,285
Total capital projects	<u>5,720,462</u>	<u>6,517,081</u>	<u>4,584,896</u>	<u>--</u>	<u>4,584,896</u>	<u>1,932,185</u>
Debt service:						
Principal	532,490	532,364	532,364	--	532,364	--
Interest	343,978	344,104	344,105	--	344,105	(1)
Bond Service Charges	1,200	1,200	1,200	--	1,200	--
Total debt service	<u>877,668</u>	<u>877,668</u>	<u>877,669</u>	<u>--</u>	<u>877,669</u>	<u>(1)</u>
Total expenditures	<u>76,888,553</u>	<u>83,474,883</u>	<u>80,406,053</u>	<u>(3,332,523)</u>	<u>77,073,530</u>	<u>6,401,044</u>
Excess of revenues over (under) expenditures	<u>(860,446)</u>	<u>(7,200,334)</u>	<u>(40,146)</u>	<u>(850,673)</u>	<u>(890,819)</u>	<u>6,309,515</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,247,416	3,489,038	3,457,617	--	3,457,617	(31,421)
Transfers out	(5,062,305)	(4,542,809)	(4,236,324)	(329,731)	(4,566,055)	(23,246)
Capital lease proceeds	2,611,500	2,098,086	2,158,500	--	2,158,500	60,414
Sale of capital assets	63,835	63,835	125,049	--	125,049	61,214
Total other financing sources (uses)	<u>860,446</u>	<u>1,108,150</u>	<u>1,504,842</u>	<u>(329,731)</u>	<u>1,175,111</u>	<u>66,961</u>
Net change in fund balance	--	(6,092,184)	1,464,696	(1,180,404)	284,292	6,376,476
Fund balance-beginning	--	6,092,184	32,766,038	(26,673,854)	6,092,184	--
Fund balance-ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 34,230,734</u>	<u>\$ (27,854,258)</u>	<u>\$ 6,376,476</u>	<u>\$ 6,376,476</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
State	\$ 225,000	\$ 225,000	\$ 272,329	\$ 47,329
Interest and investment earnings	<u>250</u>	<u>250</u>	<u>53</u>	<u>(197)</u>
Total revenues	<u>225,250</u>	<u>225,250</u>	<u>272,382</u>	<u>47,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>225,250</u>	<u>225,250</u>	<u>272,382</u>	<u>47,132</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(252,200)</u>	<u>(299,620)</u>	<u>(276,964)</u>	<u>22,656</u>
Total other financing sources (uses)	<u>(252,200)</u>	<u>(299,620)</u>	<u>(276,964)</u>	<u>22,656</u>
Net change in fund balance	(26,950)	(74,370)	(4,582)	69,788
Fund balance - beginning	<u>26,950</u>	<u>74,370</u>	<u>74,371</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 69,789</u>	<u>\$ 69,788</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, 2012

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 231,451	\$ 2,646,760	\$ 2,878,211
Receivables:			
Accounts	9,608	126,295	135,903
Grants	--	--	--
Due from:			
Other funds	--	202	202
Prepaid insurance and lease	52,204	83,760	135,964
Deferred issuance costs	6,245	--	6,245
Restricted:			
Regular account	--	302,667	302,667
Revenue bond covenant accounts	293,423	265,778	559,201
Customer deposits	133,647	--	133,647
	726,578	3,425,462	4,152,040
Total current assets			
Noncurrent assets:			
Deferred issuance costs	71,397	--	71,397
Restricted:			
Revenue bond covenant accounts	--	1,136,628	1,136,628
Capital assets not being depreciated:			
Land	300,000	4,066,447	4,366,447
Construction in progress	--	707,216	707,216
Capital assets being depreciated:			
Buildings and improvements	36,595,641	29,275,916	65,871,557
Machinery and equipment	1,189,374	1,020,164	2,209,538
Less: accumulated depreciation	(27,749,215)	(23,477,708)	(51,226,923)
Total capital assets (net of accumulated depreciation)	10,335,800	11,592,035	21,927,835
Total noncurrent assets	10,407,197	12,728,663	23,135,860
Total assets	\$ 11,133,775	\$ 16,154,125	\$ 27,287,900

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS (CONTINUED)
June 30, 2012

	<u>Civic</u> <u>Center</u>	<u>Parking</u> <u>System</u>	<u>Totals</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 53,823	\$ 150,985	\$ 204,808
Benefits payable	41,113	47,102	88,215
Payroll payable	31,427	30,386	61,813
Other accrued expenses	5,969	6,125	12,094
Compensated absences payable	50,424	34,692	85,116
Customer deposits payable	36,243	--	36,243
Due to:			
Governmental	22,661	28,698	51,359
Fiduciary-agency	5,520	--	5,520
Accrued interest payable	52,458	15,803	68,261
Revenue bonds payable-current	<u>390,000</u>	<u>925,000</u>	<u>1,315,000</u>
Total current liabilities	<u>689,638</u>	<u>1,238,791</u>	<u>1,928,429</u>
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discount)	5,644,603	3,181,583	8,826,186
Other postemployment benefits	<u>170,002</u>	<u>80,068</u>	<u>250,070</u>
Total noncurrent liabilities	<u>5,814,605</u>	<u>3,261,651</u>	<u>9,076,256</u>
Total liabilities	<u>6,504,243</u>	<u>4,500,442</u>	<u>11,004,685</u>
NET ASSETS			
Invested in capital assets (net of related debt)	4,301,197	7,485,452	11,786,649
Restricted:			
Debt service	293,423	1,705,073	1,998,496
Unrestricted	<u>34,912</u>	<u>2,463,158</u>	<u>2,498,070</u>
Total net assets	<u>\$ 4,629,532</u>	<u>\$ 11,653,683</u>	<u>\$ 16,283,215</u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	<u>Civic Center</u>	<u>Parking System</u>	<u>Totals</u>
Operating revenues:			
Sales and services to customers	\$ 2,027,172	\$ 3,800,855	\$ 5,828,027
Rental fees	1,072,851	--	1,072,851
Miscellaneous	--	7,526	7,526
	<u>3,100,023</u>	<u>3,808,381</u>	<u>6,908,404</u>
Total operating revenues			
Operating expenses:			
Administrative and general	--	1,878,419	1,878,419
Recreational	3,367,332	--	3,367,332
Depreciation	968,476	650,764	1,619,240
	<u>4,335,808</u>	<u>2,529,183</u>	<u>6,864,991</u>
Total operating expenses			
Operating income (loss)	<u>(1,235,785)</u>	<u>1,279,198</u>	<u>43,413</u>
Nonoperating revenues (expenses):			
Investment earnings	754	9,931	10,685
Gain on sale of capital assets	--	1,434	1,434
Interest and fiscal charges	(329,283)	(333,506)	(662,789)
	<u>(328,529)</u>	<u>(322,141)</u>	<u>(650,670)</u>
Total nonoperating revenues (expenses)			
Income (loss) before contributions and transfers	<u>(1,564,314)</u>	<u>957,057</u>	<u>(607,257)</u>
Capital contributions	1,000	184,865	185,865
Transfers in	1,533,592	--	1,533,592
Transfers (out)	(109,875)	--	(109,875)
	<u>(139,597)</u>	<u>1,141,922</u>	<u>1,002,325</u>
Change in net assets			
Total net assets - beginning	<u>4,769,129</u>	<u>10,511,761</u>	<u>15,280,890</u>
Total net assets - ending	<u>\$ 4,629,532</u>	<u>\$ 11,653,683</u>	<u>\$ 16,283,215</u>

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

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2012

	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	\$ 3,145,157	\$ 3,800,517	\$ 6,945,674
Payments to suppliers	(2,161,546)	(499,477)	(2,661,023)
Payments to employees	(1,246,958)	(1,153,130)	(2,400,088)
Net cash provided (used) by operating activities	(263,347)	2,147,910	1,884,563
Cash flows from noncapital financing activities:			
Transfers in from other funds	623,608	--	623,608
Cash flows from capital and related financing activities:			
Transfers from other funds for capital debt	678,228	--	678,228
Transfers from other funds for capital projects	121,880	--	121,880
Capital contributions	1,000	150,999	151,999
Proceeds from sale of capital assets	--	1,434	1,434
Acquisition and construction of capital assets	(280,994)	(321,040)	(602,034)
Principal paid on capital debt	(385,000)	(1,060,000)	(1,445,000)
Interest and fees paid on capital debt	(293,736)	(240,649)	(534,385)
Net cash provided (used) by capital and related financing activities	(158,622)	(1,469,256)	(1,627,878)
Cash flows from investing activities:			
Interest and dividends received	754	9,931	10,685
Net increase (decrease) in cash and cash equivalents	202,393	688,585	890,978
Cash and cash equivalents, July 1, 2011 (including \$292,281 and \$1,718,404 in restricted)	322,481	3,663,248	3,985,729
Cash and cash equivalents, June 30, 2012 (including \$293,423 and \$1,705,073 in restricted)	\$ 524,874	\$ 4,351,833	\$ 4,876,707

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
For the Fiscal Year Ended June 30, 2012

	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)	\$ (1,235,785)	\$ 1,279,198	\$ 43,413
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	968,476	650,764	1,619,240
Decrease (increase) in accounts receivable	--	(2,792)	(2,792)
Decrease (increase) in due from other funds	89,114	678	89,792
Decrease (increase) in restricted deposits	(42,461)	--	(42,461)
Decrease (increase) in prepaid insurance	9,516	10,910	20,426
Increase (decrease) in accounts payable	(133,654)	119,861	(13,793)
Increase (decrease) in payroll payable	9,777	8,115	17,892
Increase (decrease) in other accrued expenses	1,835	5,743	7,578
Increase (decrease) in due to other funds	6,124	5,472	11,596
Increase (decrease) in OPEB	63,711	69,961	133,672
	<u>\$ (263,347)</u>	<u>\$ 2,147,910</u>	<u>\$ 1,884,563</u>
Net cash provided by operations			
Noncash investing, capital & financing activities:			
Contribution of capital asset from governmental fund	--	33,866	33,866
	<u>\$ --</u>	<u>\$ 33,866</u>	<u>\$ 33,866</u>

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

CITY OF CHARLESTON, WEST VIRGINIA

FIDUCIARY FUND FINANCIAL STATEMENTS

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

Policemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time police employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code using the Conservation Method. This plan is closed to new employees effective June 1, 2011 and new employees are covered in a multiple employer statewide plan. The State will contract an actuary annually to obtain an actuarial valuation to determine solvency of this local plan.

Firemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time fire department employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code using the Conservation Method. This plan is closed to new employees effective June 1, 2011 and new employees are covered in a multiple employer statewide plan. The State will contract an actuary annually to obtain an actuarial valuation to determine solvency of this local plan.

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

The individual Agency Fund descriptions and financial statements begin on page 106.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
June 30, 2012

	Pension Trust Funds			
	Policemen's Pension and Relief	Firemen's Pension and Relief	Total Pension Trust Funds	Agency Funds
ASSETS				
Non-pooled cash	\$ 872,223	2,469,276	\$ 3,341,499	\$ 2,097,272
Total cash	872,223	2,469,276	3,341,499	2,097,272
Investments, at fair value:				
Federal government securities	2,651,643	1,269,007	3,920,650	--
Certificates of deposit	--	201,470		
Managed bond funds	2,598,882	--	2,598,882	--
Managed stock funds	5,587,452	5,853,773	11,441,225	--
Total investments	10,837,977	7,324,250	18,162,227	--
Receivables:				
Interest	40,119	398	40,517	--
Accounts receivable	136,714	143,522	280,236	51,464
Total receivables	176,833	143,920	320,753	51,464
Due from:				
Other funds	--	--	--	11,880
Total due from other funds	--	--	--	11,880
Total assets	\$ 11,887,033	\$ 9,937,446	\$ 21,824,479	\$ 2,160,616
LIABILITIES				
Accounts payable	--	--	--	2,156,776
Due to other funds	105,987	104,255	210,242	3,840
Benefits payable	--	518,847	518,847	--
Total liabilities	105,987	623,102	729,089	2,160,616
NET ASSETS				
Net assets held in trust for pension benefits	\$ 11,781,046	\$ 9,314,344	\$ 21,095,390	\$ --

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, 2012

	Pension Trust Funds		Totals
	Policemen's Pension and Relief	Firemen's Pension and Relief	
ADDITIONS			
Contributions:			
Employer	\$ 4,321,014	\$ 4,505,745	\$ 8,826,759
Plan members	706,773	690,127	1,396,900
State of West Virginia insurance premium surtax allocations	1,602,822	1,722,267	3,325,089
Total contributions	6,630,609	6,918,139	13,548,748
Investment earnings:			
Net increase (decrease) in fair value of investments	(377,005)	53,021	(323,984)
Interest and dividends	306,161	167,881	474,042
Less: investment expense	(114,814)	(40,487)	(155,301)
Net investment income	(185,658)	180,415	(5,243)
Total additions	6,444,951	7,098,554	13,543,505
DEDUCTIONS			
Benefits	6,089,284	6,201,250	12,290,534
Administrative expenses	11,224	7,002	18,226
Refunds of contributions	12,904	39,511	52,415
Total deductions	6,113,412	6,247,763	12,361,175
Change in net assets	331,539	850,791	1,182,330
Net assets held in trust for pension benefits:			
Beginning of year	11,449,507	8,463,553	19,913,060
End of year	\$ 11,781,046	\$ 9,314,344	\$ 21,095,390

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, 2012

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.

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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.

In June 2011 and March 2012 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. These two standards will be effective for the City of Charleston's fiscal years 2013 and 2014. The effect of the implementation of these two standards cannot be determined at this time.

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 or elected to be accounted for in another fund.

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

The *Community Development Fund*, a special revenue fund, accounts for federal grants received from the U.S. 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, 2012

The government reports the following major proprietary funds:

The *Civic Center Fund* is a large multi-purpose meeting, convention and entertainment facility. The Civic Center/Auditorium Board was created in 1953, to supervise, operate and maintain the Civic Center and the Municipal Auditorium. The Board is appointed by the Mayor with approval of City Council. This fund accounts for the receipts and expenses of the operations of this facility.

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

Additionally, the government reports the following fund types:

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

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

As a general rule, the effect of 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.

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 West Virginia Board of Treasury Investments or the West Virginia Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal 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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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.

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, 2012.

All current taxes assessed on real and personal property have a levy date of the 3rd Tuesday in April of each year. The due date for the taxes is September 1st for the first half and March 1st for the second half of the year. The lien date in which the sheriff has a legal right to collect is between October 14th and November 23rd of each year. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If the taxes are not paid on or before the date in which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until the date they are paid. The City receives from the County its portion of property taxes for current and excess levies each month for the preceding month collections.

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents); On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed 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, 2012, were as follows:

Class of Property	Assessed Valuation For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	\$ -	8.17 cents	5.03 cents	0.00 cents
Class II	\$ 1,207,052,018	16.34 cents	10.06 cents	0.00 cents
Class IV	\$ 1,724,915,602	32.68 cents	20.12 cents	0.00 cents

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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 Fund, a special revenue fund, are restricted for solid waste landfill closure expenditures. The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "restricted cash" account is used to report resources set aside to pay for potential solid waste capital expenditures. The "reserve for bond retirement" account is used to segregate resources accumulated for debt service payments. The "customer deposit" account is used to report the segregation of returnable cash deposits from customers of the utility upon initial receipt of the service.

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:

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

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.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

8. Fund Balances

In the governmental fund financial statements, fund balance is reported in five classifications.

Nonspendable fund balance	Inventories, prepaid amounts, and endowment corpus represent fund balance amounts that are not in spendable form. The government has \$1,571,079 in nonspendable fund balance at fiscal year end.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation. The government has \$5,265,842 of restricted fund balance at fiscal year end.
Committed	The committed category is the portion of fund balance which use is constrained by limitations that have been approved by an order (the highest level of formal action) of the City Council, and that remain binding unless removed in the same manner. By City code all corporate power of the city is vested in and exercised by council or under its authority. The approval does not automatically lapse at the end of the fiscal year. The government has \$12,244,956 of committed fund balance at fiscal year end.
Assigned	The assigned category is the portion of fund balance that has been designated by an authorized official such as a member of council, mayor, city manager, finance director or other department head to place constraints on amounts to reflect the government's intent to be used for specific purposes, but are neither restricted nor committed. This authority is allowed by City Code of Ordinances. The government has \$3,392,534 of assigned fund balance at fiscal year end.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance. The government has \$20,543,173 of unassigned fund balance at fiscal year end.

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

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

9. Stabilization Arrangements

The government has created a stabilization arrangement in accordance with West Virginia Code § 7-21-3. The government may appropriate a sum to the arrangement from any surplus in the general fund at the end of each fiscal year or from other money available. The amount of money committed to the arrangement may not exceed thirty percent of the government's most recent general fund budget. The money may be used for the purpose covering a general fund shortfall or other purpose the municipality considers appropriate. The stabilization balance at fiscal year-end was \$4,526,990.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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 \$116,073,366 difference are as follows:

Bonds payable:	\$ (3,144,926)
Less: issuance cost (to be amortized as interest expense)	136,372
Accrued interest payable	(91,977)
Capital leases payable	(10,786,372)
Claims and judgments	(4,839,088)
Compensated absences	(1,365,593)
Net OPEB obligation	(8,792,731)
Net pension obligation	<u>(87,189,051)</u>
Net adjustment to decrease fund balance-total governmental funds to arrive at net assets-governmental activities	<u>\$ (116,073,366)</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 \$916,633 difference are as follows:

Capital outlays	\$ 6,237,174
Depreciation expense	<u>(7,153,807)</u>
Net adjustment to decrease net change in fund balance-total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (916,633)</u>

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 \$625,413 difference are as follows:

Debt issued or incurred:	
Capital lease financing	\$ (2,158,500)
Principal repayments:	
Revenue bonds and capital leases	2,783,018
Amortization of issuance costs	(18,740)
Decrease of accrued interest expense	<u>19,635</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 625,413</u>

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2012

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 \$5,438,749 difference are as follows:

Compensated absences	\$	484,892
Claims and judgments		200,000
Net OPEB Obligation		(1,153,818)
Net pension obligation		<u>(4,969,823)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>(5,438,749)</u>

Another element of reconciliation is the difference of \$33,866 in the amount of transfers between the fund level and the government-wide level. This difference is due to transfers that consisted of nonfinancial resources (capital assets) transferred from governmental funds to a proprietary fund. The governmental funds did not record the transfer because only financial resources are accounted for in a governmental fund; however, the proprietary fund recorded the transaction not as a transfer but as capital contribution revenue in the lower portion of its operating statement. Even though the transfers are not presented in the governmental funds it must be presented as transfers in the governmental activities column in the statement of activities. Consequently, the amount of transfers from the fund level to the government-wide level increased in the amount of \$33,866.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY
A. Budgetary Information

Except as noted, 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.

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>
\$ 3,039,661	General Government Expenditure Increase
\$ 2,681,561	Public Safety Expenditure Increase
\$ 796,619	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) implementation of GASB 54 for GAAP, (2) the allocation of amounts received from the State of West Virginia for pension allocation (see note IV.J.) (3) the cost allocation of the pay as you go portion related to other post employment benefits (4) separate reporting of capital outlay for budgetary purposes and (5) the reflection of business and occupation taxes on the cash basis for budgetary purposes.

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

	<u>Net Change in Fund Balance</u>	<u>Fund Balance</u>
Budgetary Basis	\$ 284,292	\$ 6,376,476
Basis of Accounting Difference	1,180,404	27,854,258
GAAP Basis	<u>\$ 1,464,696</u>	<u>\$ 34,230,734</u>

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2012

Intergovernmental revenues - state and public safety expenditures both decreased by \$3,325,089 per budget basis for the pension allocation from the State of West Virginia.

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

B. Encumbrances

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

<u>Encumbrance Description</u>	<u>General Fund</u>
Professional Services	\$ 1,999,472
Court Costs & Damages	1,008,430
Contributions To Other Entities	323,984
Capital Outlays	22,783
Training, Maintenance, and Fire Prevention	38,762
	\$ 3,393,431

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard & Poor's and Fitch</u>	<u>Moody's Investment Services</u>
Primary Government			
West Virginia Municipal Bond Commission	\$ 1,871,730	Not Rated	Not Rated
WVBTI Short Term Bond Pool	1,024,619	Not Rated	Not Rated
Repurchase Agreements-FNMA	1,250,155	AA+	Aaa
U.S. Government Agency Securities	-	AAA	Not Rated
Corporate Bonds-Bank America Corp	75,450	A-	Not Rated
Corporate Bonds-Barclays	49,158	A+	Not Rated
Corporate Bonds-Cisco Systems	29,010	A+	Not Rated
Corporate Bonds-General Electric	87,581	AA+	Not Rated
Corporate Bonds-General Electric Diversified	50,060	AA+	Not Rated
National Rural Utilities Bond	50,293	A	Not Rated
Total Rated Securities	1,591,707		
Total Unrated Securities	4,243,390		
Total Primary Government	\$ 5,835,097		

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Policemen's Pension and Relief

U.S. Government Securities	\$ 1,944,733	Not Rated	AAA
U.S. Government Agency Securities	706,909	AA+	AAA
Corporate Bonds-Oracle Corp	181,209	A+	A1
Corporate Bonds-Walt Disney	211,750	A	A2
Corporate Bonds-Goldman Sachs Group	184,951	A-	A3
Corporate Bonds-Bank of New York Melon	186,573	A+	AA3
Corporate Bonds-U.S. Bancorp	186,251	A	AA3
Corporate Bonds-Allstate Corp	192,495	A-	A3
Corporate Bonds-BP Capital Markets	97,547	A	A2
Corporate Bonds-American Express Credit	176,988	A-	A2
Corporate Bonds-General Electric Capital Corp	180,759	AA+	A1
Corporate Bonds-AT&T Inc.	175,224	A-	A2
Corporate Bonds-Abbott Laboratories	211,584	AA-	A1
Corporate Bonds-Wells Fargo Co.	204,353	A+	A2
Corporate Bonds-Walgreen Co.	199,073	A-	A3-
Corporate Bonds-McDonalds Corp	210,126	A	A2
	<u>5,250,525</u>		
Total Rated Securities	5,250,525		
Total Unrated Securities	<u>5,587,452</u>		
Total Policemen's Pension and Relief	<u>\$ 10,837,977</u>		

Firemen's Pension and Relief

U.S. Government Agency Securities	\$ 1,269,007	AA+	Aaa
Certificate of Deposit-City Bank Salt Lake City UT FDIC Insured	100,056	Not Rated	Not Rated
Certificate of Deposit-First State Bank & Trust Valdosta GA FDIC Insured	101,414	Not Rated	Not Rated
Total Rated Securities	<u>1,269,007</u>		
Total Unrated Securities	<u>6,055,243</u>		
Total Firemen's Pension and Relief	<u>\$ 7,324,250</u>		

The City's investment in the West Virginia Board of Treasury Investments includes funds held at the West Virginia Municipal Bond Commission (Commission) for the 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.

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

Net investment income and realized gains and losses are declared as dividends on the last day of the month and distributed to the Participants in the Pool on the first day of the following month. Gains and losses (realized and unrealized) are reflected in the net asset value calculated each month. The City's equity in the West Virginia Short Term Bond Pool at June 30, 2012 was \$1,024,619.

Credit Risk

It's the government's policy to limit its investments as stated in the West Virginia State Code §8-13-22a and c and §8-22-22 and §8-22-22a. The specific investments allowed for municipal and pension investments are fully described with all applicable limitations in Note I.D.1. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2012, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Interest Rate Risk

The City of Charleston has adopted the provisions of West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a (for policemen and firemen's pension plans) as its investment policy, the specific provisions of which are more fully described in Note I.D.1. The government does not have a policy for interest rate risk in addition to the governing West Virginia statutes.

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Primary Government:					
West Virginia Municipal Bond Commission	\$ 1,871,730	\$ 1,871,730	\$ -	\$ -	\$ -
WVBTI Short Term Bond Pool	1,024,619	1,024,619	-	-	-
Repurchase Agreements	1,250,155	1,250,155	-	-	-
Corporate Bonds-Bank of America	75,450	75,450	-	-	-
Corporate Bonds-Barclays	49,159	-	49,159	-	-
Corporate Bonds-Cisco Systems	29,010	-	29,010	-	-
Corporate Bonds-General Electric	87,581	-	-	87,581	-
Corporate Bonds-General Electric Diversified	50,060	-	-	-	50,060
National Rural Utilities Bond	50,293	-	50,293	-	-

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Policemen's Pension and Relief:					
US Government Securities	\$ 1,944,733	\$ 681,392	\$ 671,301	\$ 592,040	\$ -
US Government Agency Securities	706,909	225,412	481,497	-	-
Corporate Bonds-Oracle Corp	181,209	181,209	-	-	-
Corporate Bonds-Walt Disney	211,750	-	211,750	-	-
Corporate Bonds-Goldman Sachs Group	184,950	-	184,950	-	-
Corporate Bonds-Bank of New York Melon	186,573	-	186,573	-	-
Corporate Bonds-US Bancorp	186,251	-	186,251	-	-
Corporate Bonds-Allstate Corp	192,495	-	192,495	-	-
Corporate Bonds-BP Capitol Markets	97,547	-	97,547	-	-
Corporate Bonds-American Express Credits	176,988	-	176,988	-	-
Corporate Bonds-General Electric Capital Corp	180,759	-	180,759	-	-
Corporate Bonds-AT&T	175,224	-	175,224	-	-
Corporate Bonds-Abbott Laboratories	211,584	-	-	211,584	-
Corporate Bonds-Wells Fargo	204,353	-	-	204,353	-
Corporate Bonds-McDonalds Corp	210,126	-	-	210,126	-
Corporate Bonds-Walgreen Co.	199,073	-	-	199,073	-
Firemen's Pension & Relief:					
U.S. Government Agency Securities	1,269,007	-	-	1,251,140	17,867
Certificate of Deposit-City Bank Salt Lake City UT FDIC Insured	100,056	-	100,056	-	-
Certificate of Deposit-First State Bank & Trust Valdosta GA FDIC Insured	101,414	101,414	-	-	-
Totals	\$ 11,209,058	\$ 5,411,381	\$ 2,973,853	\$ 2,755,897	\$ 67,927

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Concentration of Credit Risk

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

Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. The Firemen's Pension Fund had two common stock investments in ISHARES RS 2000 Value Index Fund and ISHARES RUSSELL MIDCAP Value Index that were six percent and six percent, respectively, of the total portfolio; and Spring Hill Cemetery had three mutual fund investments in Double line Total Return Bond, Pimco Investment Grade Corp, and Federated Strategic Income Fund that were 7 percent, 11 percent, and 19 percent, respectively, of the total portfolio and two bond fund investments in General Electric (assumed one issuer) that were 7 percent of the total portfolio at June 30, 2012.

Custodial Credit Risk

The City of Charleston's deposits with financial institutions are fully insured or collateralized by securities held in the government's name at June 30, 2012.

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	Coal Severance	Community Development	HOME
Receivables:				
Accounts	\$ 5,080,680	\$ -	\$ -	\$ -
Accrued interest	7,429	-	9,862	19
Taxes	12,923,207	-	-	-
Loans	-	-	2,237,174	4,020,227
Grants	154,843	-	98,363	9,357
Gross receivables	18,166,159	-	2,345,399	4,029,603
Less: allowance for uncollectible	(886,534)	-	(559,293)	-
Net total receivables	\$ 17,279,625	\$ -	\$ 1,786,106	\$ 4,029,603

	Civic Center	Parking System	Nonmajor Funds and Fiduciary Funds	Total
Receivables:				
Accounts	\$ 9,608	\$ 147,795	\$ 3,685,493	\$ 8,923,576
Accrued interest	-	-	43,654	60,964
Taxes	-	-	-	12,923,207
Loans	-	-	262,017	6,519,418
Grants	-	-	398,368	660,931
Gross receivables	9,608	147,795	4,389,532	29,088,096
Less: allowance for uncollectible	-	(21,500)	(2,869,594)	(4,336,921)
Net total receivables	\$ 9,608	\$ 126,295	\$ 1,519,938	\$ 24,751,175

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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	\$ 445,573	\$ -
Prepaid License Fees and Cemetery Fees (general fund)	-	77,014
Grant draw downs prior to meeting all eligibility requirements	-	5,700,688
Total deferred/unearned revenue for governmental funds	\$ 445,573	\$ 5,777,702

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,872,359	\$ -	\$ -	\$ 8,872,359
Construction in progress	1,117,064	2,762,565	(2,665,304)	1,214,325
Total capital assets not being depreciated	9,989,423	2,762,565	(2,665,304)	10,086,684
Capital assets being depreciated:				
Buildings and improvements	47,361,660	770,918	-	48,132,578
Structures and improvements	19,425,631	122,767	-	19,548,398
Machinery and equipment	15,574,353	1,075,856	(610,852)	16,039,357
Vehicles	18,375,538	1,775,804	(1,663,586)	18,487,756
Furniture	375,270	-	-	375,270
Infrastructure	87,423,539	2,394,569	-	89,818,108
Total capital assets being depreciated	188,535,991	6,139,914	(2,274,438)	192,401,467
Less accumulated depreciation:				
Buildings and improvements	(18,409,496)	(1,152,503)	-	(19,561,999)
Structures and improvements	(7,877,858)	(696,195)	-	(8,574,053)
Machinery and equipment	(11,833,629)	(1,323,320)	598,026	(12,558,923)
Vehicles	(12,948,113)	(1,851,624)	1,663,585	(13,136,152)
Furniture	(309,691)	(24,588)	-	(334,279)
Infrastructure	(51,867,529)	(2,105,577)	-	(53,973,106)
Total accumulated depreciation	(103,246,316)	(7,153,807)	2,261,611	(108,138,512)
Total capital assets being depreciated, net	85,289,675	(1,013,893)	(12,827)	84,262,955
Governmental activities capital assets, net	\$ 95,279,098	\$ 1,748,672	\$ (2,678,131)	\$ 94,349,639

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 4,366,447	\$ -	\$ -	\$ 4,366,447
Construction in progress	356,869	458,850	(108,503)	707,216
Total capital assets, not being depreciated	4,723,316	458,850	(108,503)	5,073,663
Capital assets being depreciated:				
Buildings and improvements	64,938,123	149,857	-	65,087,980
Structures and improvement	783,577	-	-	783,577
Machinery and equipment	1,908,249	135,697	(4,471)	2,039,475
Vehicles	204,183	-	(34,120)	170,063
Total capital assets being depreciated	67,834,132	285,554	(38,591)	68,081,095
Less accumulated depreciation:				
Buildings and improvements	(47,605,088)	(1,417,968)	-	(49,023,056)
Structures and improvements	(366,837)	(26,513)	-	(393,350)
Machinery and equipment	(1,497,964)	(163,459)	4,470	(1,656,953)
Vehicles	(176,384)	(11,300)	34,120	(153,564)
Total accumulated depreciation	(49,646,273)	(1,619,240)	38,590	(51,226,923)
Total capital assets being depreciated, net	18,187,859	(1,333,686)	(1)	16,854,172
Business-type activities capital assets, net	\$ 22,911,175	\$ (874,836)	\$ (108,504)	\$ 21,927,835

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

Governmental activities:	
General government	\$ 2,769,294
Public safety	2,000,310
Highways and streets, including depreciation of general infrastructure assets	736,326
Health and sanitation	564,852
Culture and recreation	1,050,381
Social services	32,644
Total depreciation expense-governmental activities	\$ 7,153,807
Business-type activities:	
Civic Center	\$ 968,476
Parking System	650,764
Total depreciation expense-business-type activities	\$ 1,619,240

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

Construction in Progress

The government has active construction projects as of June 30, 2012. The projects include street, retaining walls, and bridge repairs, City Hall renovations and additions, recreation facilities renovations and green space. At year end, the amounts for governmental activities spent-to-date are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Funded</u>
Springhill Cemetery New Office Building	\$ 429,499	General Fund
Riverfront Project	282,100	General Fund , Federal Grants, & Contributions
Fire Department #1 Major Renovations	52,960	General Fund
City Hall Renovations & Additions	7,758	General Fund
Storm Water Project	353,650	General Fund
Police Department Flooring	2,170	CDBG-R Grants
Bridge & Retaining Walls Projects	84,688	General Fund and CDBG Grants
Construction John Deere 2WD ATV Rent to Own	1,500	General Fund
Total	<u>\$ 1,214,325</u>	

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, 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/Police Wages	\$ 22,661
	Parking System	Reimbursement Insurance/Fuel	28,698
	CDBG	Reimbursement Salary, Utilities & Demolition	86,934
	HOME	Reimbursement Salary & Utilities	8,992
	Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	477,664
			-
Parking System	General Fund	Reimbursement	202
Nonmajor Governmental Funds	Nonmajor Governmental Fund	Transfers	343
Nonmajor Governmental Funds	General Fund	Commissions/Loans	215,970
	Total		<u>\$ 841,464</u>

Interfund transfers:

	<u>Transfers In</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Civic Center</u>	<u>Total Transfers Out</u>
Transfers out:				
General fund	\$ -	\$ 3,211,452	\$ 1,024,872	\$ 4,236,324
Coal severance tax	-	-	276,964	276,964
Nonmajor governmental funds	3,457,617	146,268.00	231,756	3,835,641
Civic Center	-	109,875	-	109,875
Total Transfers In	<u>\$ 3,457,617</u>	<u>\$ 3,467,595</u>	<u>\$ 1,533,592</u>	<u>\$ 8,458,804</u>

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

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

E. Leases

Capital Leases

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

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

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Civic Center	Parking System
Appalachian Power Park	\$ 21,438,651	\$ -	\$ -
Machinery, equipment and vehicles	34,527,114	28,677	196,998
Less: accumulated depreciation	(26,231,575)	(28,677)	(196,998)
Total	<u>\$ 29,734,190</u>	<u>\$ -</u>	<u>\$ -</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Activities
2013	\$ 2,728,110
2014	2,226,196
2015	1,724,989
2016	1,290,593
2017	896,498
2018 - 2022	2,870,423
2023 - 2027	1,435,240
Total minimum lease payments	13,172,049
Less: amount representing interest	(2,385,677)
Present value of minimum lease payments	<u>\$ 10,786,372</u>

F. Long Term Operating Leases

The City is the owner of a ball park stadium and has entered into a stadium license, lease, and service agreement with a class Single "A" baseball club. The lease is for a period of twenty years. This parcel of land known as the "Morris Square Block" also contains an office building which the City leases under operating leases with commercial tenants with various renewable terms. The ball park and Morris Square office building are recorded at a cost of \$21,438,651 plus land and renovations at a cost of \$6,809,521 for a total of \$28,248,172 with accumulated depreciation of \$3,836,341 at June 30, 2012. Rents totaled \$772,551 for the fiscal year 2012. The rents are generally based upon square footage and are payable in monthly, quarterly, or annual installments in accordance with the respective lease agreements.

Minimum future rentals to be received on non-cancelable leases have remaining terms in excess of one year as of June 30, 2012 for each of the next five years and thereafter and in the aggregate are as follows:

June 30,	Amount
2013	\$ 772,551
2014	732,813
2015	628,254
2016	398,598
2017	398,598
2018-2022	1,854,254
2023-2027	1,349,470
Total	<u>\$ 6,134,538</u>

CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

G. Long-term Debt

General Obligation Bonds

The government has issued general obligation bonds to provide for the acquisition and construction of major capital facilities in the prior years; however, the City as of June 30, 2012 has no general obligation bonds payable.

Revenue Bonds

The City has issued bonds in prior years where the government pledged designated revenues to pay debt service. The proceeds of these bonds were used to acquire or construct assets. The City has the following revenue bonds outstanding at June 30, 2012:

Governmental Activities:

The Charleston Building Commission, a blended component unit of the City, issued the Public Safety Center Refunding Lease-Revenue Bonds Series 2009 in the amount of \$1,180,000 to current refund the 1999 Series which was used to acquire, construct, and equip a new public safety center. The bonds are secured by a first lien on the rental payments to be paid to the Commission pursuant to the Contract of Lease - Purchase between the Commission and the City. The irrevocable pledge of lease payments are required to be in sufficient amount to pay principal in the amount of \$1,015,000 and interest in the amount of \$297,315 on the bonds when due until bond maturity in 2024. During the fiscal year 2012 lease payments in the principal amount of \$65,000 and interest in the amount of \$43,205 were used to pay the debt service on these bonds.

The Charleston Building Commission, a blended component unit of the City, issued the Charleston Building Commission Lease-Revenue Refunding Bonds (Center for Arts and Sciences of West Virginia Project), Series 2010 in the amount of \$2,280,000 to current refund the 1999 Series which was used to acquire and equip the Center. These bonds are a limited special obligation of the Commission payable solely from the revenues and receipts derived from leasing the equipment. The irrevocable pledge of lease payments are required to be in sufficient amount to pay principal in the amount of \$1,975,000 and interest in the amount of \$562,018 on the bonds when due until bond maturity in 2024. During the fiscal year 2012 lease payments in the principal amount of \$130,000 and interest in the amount of \$81,791 were used to pay the debt service on the bonds.

The Building Commission, a blended component unit of the City, issued \$1,300,000 of the City of Charleston Building Commission (West Virginia), Facilities Revenue Bonds, Series 2002 (City of Charleston Fire Station) to construct and equip a new fire station on certain real property adjoining the Orchard Manor housing complex. The bonds 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 \$154,927 and interest in the amount of \$724 on the bonds when due until bond maturity in 2013. During the fiscal year 2012 lease payments in the principal amount of \$147,364 and interest in the amount of \$10,190 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 \$215,000 and interest in the amount of \$9,460 until bond maturity in 2013 and outstanding principal amount of \$4,185,000 and interest in the amount of \$487,260 until bond maturity in 2016. During the fiscal year 2012, Parking System net revenues in the principal amount of \$1,060,000 and interest in the amount of \$237,690 were used to pay the debt service which was 90% 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 \$2,265,000 and interest in the amount of \$819,315 until bond maturity in 2023. During the fiscal year 2012 these pledged revenues in the principal amount of \$135,000 and interest amount of \$122,400 were used to pay the debt service on these bonds which is 7% of the specified revenues.

The Civic Center Refunding Improvement Bonds, Series 2009, in the amount of \$3,275,000 were issued to current refund the Series 1999 which were issued to construct additions, betterments, and improvements to the Civic Center secured by pledged revenues from hotel occupancy tax and coal severance tax. Remaining revenues pledged are equal to the principal amount of \$2,980,000 and interest amount of \$883,925 until bond maturity in 2024. During the fiscal year 2012 these pledged revenues were used to pay the principal amount of \$180,000 and interest amount of \$122,000 on these bonds which is 8% of the specified revenues.

The Charleston Building Commission Civic Center Refunding Lease Revenue Bonds, Series 2009 issued in the amount of \$1,325,000 to current refund the Series 1999 which were issued for the acquisition, construction, and new equipment installed at the Civic Center payable solely from revenues to be derived from lease payments to the Commission. These irrevocable pledge of lease payments which are required to be sufficient in amount to pay principal of \$1,185,000 and interest of \$350,570 until bond maturity in 2024. During the fiscal year 2012 lease payments in the principal amount of \$70,000 and interest amount of \$48,500 were used to pay the debt service on these bonds.

CITY OF CHARLESTON, WEST VIRGINIA
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For the Fiscal Year Ended June 30, 2012

Revenue bonds outstanding, net of unamortized issuance costs of \$825,187 (Public Safety Center \$42,786; Center for the Arts & Sciences \$93,587; Parking System \$293,418, and Civic Center of \$395,397) at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2012
Governmental activities:					
Public Safety Center Refunding Series 2009	2024	3.00-4.40%	\$ 1,180,000	\$ 207,786	\$ 972,214
Center for the Arts & Sciences Refunding Series 2010	2024	3.10-4.375%	2,280,000	398,587	1,881,413
Fire Station Series 2002B	2013	3.81%	1,300,000	1,145,073	154,927
Total governmental activities			<u>\$ 4,760,000</u>	<u>\$ 1,751,446</u>	<u>\$ 3,008,554</u>
Business-type activities:					
Parking System Refunding Series 2005A	2016	2.50-4.50%	\$ 8,710,000	\$ 4,801,219	\$ 3,908,781
Parking System Refunding Series 2005B	2013	3.00-4.40%	2,655,000	2,457,198	197,802
Civic Center Improvement Series 1998	2023	4.60-5.10%	3,635,000	1,431,789	2,203,211
Civic Center Improvement Refunding Series 2009	2024	3.00-4.40%	3,275,000	522,544	2,752,456
Civic Center Lease Revenue Series 1999 Series 2009	2024	3.00-4.40%	1,325,000	246,064	1,078,936
Total revenue bonds			<u>\$ 19,600,000</u>	<u>\$ 9,458,814</u>	<u>\$ 10,141,186</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
	2013	\$ 343,487	\$ 119,740	\$ 1,191,876
2014	198,560	112,536	1,479,074	415,885
2015	208,560	105,011	1,534,074	348,435
2016	213,560	97,130	1,442,488	277,445
2017	223,560	88,693	432,732	209,505
2018 - 2022	1,242,800	297,275	2,488,662	712,980
2023 - 2027	578,027	39,672	1,572,280	114,965
Totals	<u>\$ 3,008,554</u>	<u>\$ 860,057</u>	<u>\$ 10,141,186</u>	<u>\$ 2,550,530</u>

Changes in Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds	\$ 3,487,290	\$ -	\$ (342,364)	\$ 3,144,926	\$ 354,927
Less: deferred amounts:					
Issuance costs	(147,812)	-	11,440	(136,372)	(11,440)
Total bonds payable	3,339,478	-	(330,924)	3,008,554	343,487
Capital leases	11,068,526	2,158,500	(2,440,654)	10,786,372	2,306,127
Net OPEB obligation	7,638,913	5,213,702	(4,059,884)	8,792,731	-
Net pension obligation	82,219,228	4,969,823	-	87,189,051	-
Claims and judgments	5,039,087	1,941,891	(2,141,890)	4,839,088	2,638,077
Compensated absences	1,850,484	1,365,593	(1,850,484)	1,365,593	1,365,593
Governmental activities					
Long-term liabilities	<u>\$ 111,155,716</u>	<u>\$ 15,649,509</u>	<u>\$ (10,823,836)</u>	<u>\$ 115,981,389</u>	<u>\$ 6,653,284</u>

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	Business-type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$ 12,275,000	\$ -	\$ (1,445,000)	\$ 10,830,000	\$ 1,315,000
Less: deferred amounts:					
Issuance costs	(817,671)	-	128,857	(688,814)	(123,124)
Total bonds payable	11,457,329	-	(1,316,143)	10,141,186	1,191,876
Net OPEB obligation	116,398	178,638	(44,966)	250,070	-
Compensated absences	75,499	85,116	(75,499)	85,116	85,116
Business-type activities					
Long-term liabilities	\$ 11,649,226	\$ 263,754	\$ (1,436,608)	\$ 10,476,372	\$ 1,276,992

For the governmental activities, the General Fund has been used to liquidate other long-term liabilities.

Conduit Debt

On June 17, 2009, the Charleston Building Commission, a blended component unit of the City, issued the Charleston Building Commission University Facilities Revenue Bonds (The University of Charleston, Inc.) Series 2009 in the principal amount of \$22,000,000 for the purpose of financing the costs of designing, acquiring, constructing and equipping an approximately 150-bed student housing facility upon the University of Charleston campus and designing, acquiring and constructing an approximately 525-space motor vehicle parking facility upon the University of Charleston campus. This debt was issued for the express purpose of providing financing to a specific third party that is not a part of the City of Charleston financial reporting entity. This obligation bears the name of the Charleston Building Commission, however, the Commission is not responsible for the payment of the original debt but rather the debt is secured by payments to be paid by the nongovernmental entity.

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

These bonds are a portion of the Mixed-Finance Proposal submitted by Charleston Replacement Housing #3 (Project) on April 22, 2009 to the Department of Housing and Urban Development (HUD). The submission, together with supplemental document submissions, satisfied the requirements in 24 CFR 941, 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 were purchased by Chase Bank (the "Series CB Bonds") and a portion were purchased by the Authority using the proceeds of a Fannie Mae Modernization Express Loan (the "Series FM Bonds") made available as a result of CFFP financing. The proceeds of the Series CB Bonds were used to make a construction loan of \$5,789,779, which, at conversion, will be reduced to a \$1,295,000 permanent loan (the "First Priority Loan"). Proceeds of the Series FM Bonds will be used by the Authority to make a loan in the amount of \$5,397,820 (the "Second Priority Loan") to the Partnership which will carry a 6.75% interest rate until conversion then a 1.25% interest rate during the forty year term.

At June 30, 2012 the outstanding balance on the Multifamily Housing Revenue Bonds Series 2008 FM was \$4,944,785 and the outstanding balance on the Multifamily Housing Revenue Bonds Series 2008 CB was \$2,986,846.

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

CITY OF CHARLESTON, WEST VIRGINIA
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H. Restricted Assets

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

	Governmental Activities	Business-type Activities
Customer deposits	\$ -	\$ 133,647
Cash - contractual agreement	1,423,797	-
Capital lease debt service	225,834	-
WV Board of Treasury Short Term Bond Pool	1,024,619	-
Endowment Fund	1,688,593	
Revenue bond operations and maintenance account	-	302,667
Revenue bond debt service account	7	559,201
Revenue bond reserve account	-	1,136,628
Total restricted assets	<u>\$ 4,362,850</u>	<u>\$ 2,132,143</u>

I. Fund Balance Detail

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

	General Fund	Coal Severance	Community Development	HOME	Nonmajor Funds	Total
Nonspendable:						
Prepays	\$ 538,965	\$ -	\$ -	\$ -	\$ -	538,965
Perpetual Care	--	--	--	--	1,032,114	1,032,114
Restricted:						
General government	--	--	--	--	117,942	117,942
Public safety	--	--	--	--	199,491	199,491
Perpetual Care	--	--	--	--	885,180	885,180
Capital projects	916,027	--	--	--	10,814	926,841
Debt service	225,834	69,789	--	--	7	295,630
Community development	--	-	178,241	--	2,662,517	2,840,758
Committed:						
Public safety	20,128	--	--	--	49,198	69,326
Health and sanitation	--	--	--	--	421,358	421,358
Capital projects	--	--	--	--	2,897,456	2,897,456
OPEB	8,538,480	--	--	--	--	8,538,480
Community development	55,593	--	--	--	262,743	318,336
Assigned:						
General government	3,339,990	--	--	--	--	3,339,990
Public safety	50,647	--	--	--	--	50,647
Culture and recreation	1,897	--	--	--	--	1,897
Unassigned	<u>20,543,173</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>20,543,173</u>
Total fund balances	<u>\$ 34,230,734</u>	<u>\$ 69,789</u>	<u>\$ 178,241</u>	<u>\$ --</u>	<u>\$ 8,538,820</u>	<u>\$ 43,017,584</u>

CITY OF CHARLESTON, WEST VIRGINIA
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J. Benefits Funded by the State of West Virginia

For the year ended June 30, 2012, 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	\$ 1,602,822
Firemen's Pension and Relief Fund	1,722,267
Total	\$ 3,325,089

V. OTHER INFORMATION

A. Risk Management

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

The City carries workers' compensation coverage for all employees with a private insurance carrier to mitigate the risk for claims involving workers' compensation injuries. The risk pool managed by the insurance carrier retains the risk related to the compensation of injured employees under the program. The City annually renews a Letter of Credit which is held as collateral by the Offices of the Insurance Commissioner to secure the self-insured liabilities of the City for workers' compensation. The amount of the Letter of Credit was \$4,396,609 and no amounts have been drawn upon or are outstanding at June 30, 2012.

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 6/30/2012	Year Ended 6/30/2011
Unpaid claims, beginning of fiscal year	\$ 5,039,087	\$ 5,771,195
Incurred claims (including IBNRs)	1,941,891	2,769,047
Claims paid	(2,141,890)	(3,501,155)
Unpaid claims, end of fiscal year	\$ 4,839,088	\$ 5,039,087

The government is the owner and permit holder for the City of Charleston's landfill. In accordance with the provisions of an Operating Agreement between the government and contractor dated February 15, 1994, the government maintains a contingency fund for the closure/post closure costs for the landfill in the event of default by contractor. The City renews an annual Letter of Credit in favor of the Department of Environmental Protection for the landfill in the amount of \$328,000 and no amounts have been drawn upon or are outstanding at June 30, 2012.

B. Contingent Liabilities

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

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

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

C. Deferred Compensation Plan

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

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

CITY OF CHARLESTON, WEST VIRGINIA
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D. Joint Venture

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

E. Donor-Restricted Endowment

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c)(13) of the Internal Revenue Code of 1954. The unspent endowment earnings of \$885,180 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

F. Post-employment Healthcare Plan

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

The City of Charleston, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System, the City of Charleston's Policemen's Pension & Relief Fund, and the Firemen's Pension & Relief Fund. The City maintains a single employer self-insured defined benefit health plan including dental and vision administered by HealthSmart Benefit Solutions, Inc., a third-party administrator. The plan 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.

There have been changes to the substantive plan provisions since the last valuation for fiscal year ended June 30, 2011. The City moved its Medicare retirees to a Medicare Advantage plan that is fully-insured and experience-rated. This change caused a significant decrease in the liabilities. Premium rates for medical for single decreased from \$304.39 at 1/1/2011 to \$97.09 at 1/1/2012. For retiree and spouse medical decreased from \$669.66 to \$194.18.

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

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

Non-uniform employees are eligible to receive retiree health care coverage at the earlier of age 55 with 25 years of service; or age 60 with 5 years of service.

Police and fire uniform employees are eligible to receive retiree health care coverage at the earlier of age 50 with 20 years of service or age 65.

Upon the death of the retiree or active employee, the surviving spouse may continue coverage by paying the full COBRA rate.

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The City subsidizes retiree health care coverage for lifetime. The City's subsidy depends on the hire date. Retirees receive free coverage if they are eligible for sick leave benefits at retirement. Once the sick leave benefits end, retirees are responsible for the portion of the premium rate not subsidized by the City. Effective as January 1, 2012 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>Retiree & Spouse</u>	<u>Single</u>	<u>Retiree & Spouse</u>
Before July 1984				
Non-uniform	\$ 189	\$ 293	\$ 89	\$ 97
Uniform	\$ 162	\$ 239	\$ 89	\$ 97
July 1, 1984 to Present	\$ 189	\$ 293	\$ 89	\$ 97

The City does not have a practice of increasing the retiree contributions. For GASB 45 purposes it is assumed that these rates will increase by 4.0% annually.

Active employees can roll over unlimited number of unused sick leave annually which upon retirement can be converted to free health care coverage at two days of unused sick leave for one month of single coverage or three days for one month family coverage.

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

The monthly COBRA rates effective on January 1, 2012 are \$379.23 for medical and prescription drugs for single under 65 and \$834.31 for employee and spouse. Over 65 the single rate for medical only is \$97.09 and \$194.18 for employee and spouse.

The number of participants as of July 1, 2011, the effective date of the biennial OPEB valuation, was 570 active employees and 475 retired employees.

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

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

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

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

The City's annual OPEB cost is calculated on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB 45. ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded liabilities over a period of 30 years. As of July 1, 2011, 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:

	<u>OPEB</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Annual required contribution	\$ 5,137,863	\$ 177,482	\$ 5,315,345
Interest on net OPEB obligation	381,944	5,822	387,766
Adjustment to annual required contribution	(306,105)	(4,666)	(310,771)
Annual OPEB cost	5,213,702	178,638	5,392,340
Contributions made	(4,059,884)	(44,966)	(4,104,850)
Increase (decrease) in net OPEB obligation	1,153,818	133,672	1,287,490
Net OPEB obligation at beginning of the year	7,638,913	116,398	7,755,311
Net OPEB obligation at the end of the year	\$ 8,792,731	\$ 250,070	\$ 9,042,801

**CITY OF CHARLESTON, WEST VIRGINIA
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V.F.3. Trend Information

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

V.F.4. Funding Progress

SCHEDULE OF FUNDING PROGRESS:

OPEB

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

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

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

V.F.5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and 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, 2011 actuarial valuation, the assumptions used represent a reasonable long-term expectation of future OPEB outcomes. As national economic and employer experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

Census Data Census was collected as of July 2012 for the 2011/12 disclosures. Census data has been reviewed for accuracy and reasonableness. No material modifications were made to the census data provided.

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

Discount Rate 5.0% unfunded

Payroll Growth 4.0% per year

Cost Method Projected Unit Credit

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

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

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

Disability None

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

Health Care Trend Rates FYE 2012 9.0%; FYE 2013 8.5%; FYE 2014 8.0%; FYE 2015 7.5%; FYE 2016 7.0%; FYE 2017 6.5%; FYE 2018 6.0%; FYE 2019 5.5%; FYE 2020+ 5.0%

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

VI. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

The City of Charleston, West Virginia participates in two single 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, 2011.

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, 2011.

Actuarial valuations are required to be performed once every three years per state Statute. The State will contract an actuary to perform annual valuations of the PPRF and FPRF's boards. For additional information relating to basis of accounting and reported investment values, see Notes I.C., I.D.1. and IV.A.

The Firemen's Pension and Relief Fund (FPRF) and the Policemen's Pension and Relief Fund (PPRF) recognizes benefits and refunds when due and payable in accordance with the terms of the plans.

Memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	163	179	342
Vested Terminated Benefits	-	2	2
Retirees and Beneficiaries Currently			
Receiving Benefits	216	220	436
Total	379	401	780

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

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

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

The current local Plan is closed to new employees.

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012

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

Employer contributions for the Policemen's Pension and Relief Fund are expected to increase from \$4,384,448 for the plan year ending June 30, 2013, to a high of \$10,056,064 for the plan year ending June 30, 2034. Employer contributions for the Firemen's Pension and Relief Fund are expected to increase from \$4,622,501 for the plan year ending June 30, 2013, to a high of \$10,743,676 for the plan year ending June 30, 2034.

For the Policemen's Pension Fund the funded ratio is projected to increase from 8.4% in 2011 to 26% in 2031, and ultimately to 100% in 2046. For the Firemen's Pension Fund the funded ratio is projected to increase from 5.8% in 2011 to 24% in 2031, an ultimately to 100% in 2046. This policy defers contributions and produces virtually no significant growth in the funded ratio until the last 10 years of the projection period. This policy is not consistent with generally accepted actuarial principles.

	<u>PPRF</u>	<u>FPRF</u>
Determination of contribution requirements	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the State premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may elect to finance benefit obligations using the Conservation Method as defined in West Virginia State Code §8-22-20 (f)(1) and effected by the passage of Senate Bill No. 544.	
Plan Members	8% of covered payroll	8% of covered payroll
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Post-Retirement Benefit Increases	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees), multiplied by the sum of the allowable amount (first \$15,000 of initial benefits paid) and the accumulated supplemental pensions paid in prior years.	
Eligibility for Distribution	Members are eligible at the earlier of age 50 with 20 years of credited service or age 65.	
Provisions for:	<u>PPRF</u>	<u>FPRF</u>
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes

Annual Required Contributions and Significant Actuarial Assumptions

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

	<u>Policemen's Pension & Relief Fund</u>	<u>Firemen's Pension & Relief Fund</u>																				
Valuation Date	7/1/2011	7/1/2011																				
Actuarial Cost Method	Entry-Age Normal	Entry Age Normal																				
Amortization Method/Period	29- Year Closed Level-Percentage-of-Pay	29- Years Closed Level-Percentage-of- Pay																				
Actuarial Asset Valuation Method	Market Value	Market Value																				
Actuarial Assumptions:																						
Investment Rate of Return	5.00%	5.00%																				
Projected Salary Increases	Service Based Increase	Service Based Increase																				
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Increase</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">9.0%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">4.5%</td> </tr> <tr> <td style="text-align: center;">3-4</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">after 4 years</td> <td style="text-align: center;">1.0%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Increase</u>	1	9.0%	2	4.5%	3-4	2.0%	after 4 years	1.0%	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Increase</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">9.0%</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">4.5%</td> </tr> <tr> <td style="text-align: center;">3-4</td> <td style="text-align: center;">2.0%</td> </tr> <tr> <td style="text-align: center;">after 4 years</td> <td style="text-align: center;">1.0%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Increase</u>	1	9.0%	2	4.5%	3-4	2.0%	after 4 years	1.0%
<u>Years of Service</u>	<u>Increase</u>																					
1	9.0%																					
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after 4 years	1.0%																					
<u>Years of Service</u>	<u>Increase</u>																					
1	9.0%																					
2	4.5%																					
3-4	2.0%																					
after 4 years	1.0%																					
Post-Retirement COLA	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.	3.00% on first \$15,000 of Annual Benefit and on the accumulated supplemental pension amounts for prior years.																				
Wage Inflation	4.00%	4.00%																				

**CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012**

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.

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	\$ 7,773,369	\$ 8,468,569
Interest on short-term	2,203,598	1,907,364
Adjustment to annual required contribution	(1,732,035)	(1,499,194)
Annual pension cost	8,244,932	8,876,739
Contributions made	(5,923,836)	(6,228,012)
Increase in net pension obligation	2,321,096	2,648,727
Net pension obligation at beginning of the year	44,071,958	38,147,270
Net pension obligation at the end of the year	\$ 46,393,054	\$ 40,795,997

VI.A.4. Trend Information

Policemen's Pension and Relief Fund (PPRF)

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

Firemen's Pension and Relief Fund (FPRF)

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

**CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012**

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 %
Valuation		Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	covered
<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>
7/1/11	\$	11,449,507	\$ 136,082,840	\$ 124,633,333	8.00%	\$ 8,873,921	1404%

Firemen's Pension and Relief Fund (FPRF)

		Actuarial	Actuarial	Unfunded			UAAL
		Value of	Accrued	AAL	Funded	Covered	as a %
Valuation		Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	covered
<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>
7/1/011	\$	8,463,553	\$ 146,192,167	\$ 137,728,614	6.00%	\$ 9,214,083	1495%

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 1% for the PPRF and increasing 27% for the FPRF) over time relative to the actuarial accrued liability for both pension plans (is increasing 1.07% for the PPRF and increasing 1.04% 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.

In June 2012 the Governmental Accounting Standards Board (GASB), issued final standards on accounting and financial reporting for both pension plans and for employers that offer pension benefits to their employees.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will replace GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, for pension trusts and equivalent arrangements.

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

These two statements will be effective for the City of Charleston's fiscal years 2014 and 2015. The effect of the implementation of these two standards on the City of Charleston Pension Fund and pension benefit reporting cannot be determined at this time.

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.

**CITY OF CHARLESTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2012**

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

<u>Public Employees' Retirement System (PERS)</u>	
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:	14.50%
Period required to vest:	Five Years
Benefits and eligibility for distribution:	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 10) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion:	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

VI.B.2. Trend Information

Public Employees Retirement System (PERS)

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

SOLE EMPLOYER DEFINED BENEFIT PLANS

I. SCHEDULES OF FUNDING PROGRESS

Policemen's Pension and Relief Fund (PPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % Covered Payroll (b-a)/c
7/1/97	\$ 11,329,860	\$ 65,658,421	\$ 54,328,561	17.26%	\$ 6,430,212	845%
7/1/99	\$ 13,183,185	\$ 68,856,200	\$ 55,673,015	19.15%	\$ 6,545,780	851%
7/1/01	\$ 14,436,077	\$ 76,015,300	\$ 61,579,223	18.99%	\$ 6,606,800	932%
7/1/03	\$ 13,955,874	\$ 86,255,000	\$ 72,299,126	16.18%	\$ 6,916,700	1045%
7/1/05	\$ 14,028,062	\$ 90,598,400	\$ 76,570,338	15.00%	\$ 7,901,100	969%
7/1/07	\$ 15,582,123	\$ 95,751,500	\$ 80,169,377	16.27%	\$ 8,666,547	925%
7/1/09	\$ 10,887,968	\$ 94,965,409	\$ 84,077,441	11.47%	\$ 8,933,610	941%
7/1/10	\$ 10,911,700	\$ 131,022,282	\$ 120,110,582	8.00%	\$ 9,241,583	1300%
7/1/11	\$ 11,449,507	\$ 136,082,840	\$ 124,633,333	8.00%	\$ 8,873,921	1404%

Firemen's Pension and Relief Fund (FPRF)

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

II. SCHEDULES OF EMPLOYER CONTRIBUTIONS

Policemen's Pension and Relief Fund (PPRF)

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

**CITY OF CHARLESTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
For the Fiscal Year Ended June 30, 2012**

Firemen's Pension and Relief Fund (FPRF)

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

OTHER POST EMPLOYMENT BENEFITS (OPEB)

I. SCHEDULE OF FUNDING PROGRESS

UAAL

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b)-(a)</u>	Funded Ratio <u>(a)/(b)</u>	Covered Payroll <u>(c)</u>	as a % Covered Payroll <u>(b-a)/c</u>
7/1/11	\$	\$ 60,679,215	\$ 60,679,215	0.00%	\$ 29,494,443	205.7%
7/1/10	\$ --	\$ 75,615,299	\$ 75,615,299	0.00%	\$ 31,448,512	240.4%
7/1/09	\$ --	\$ 79,643,383	\$ 79,643,383	0.00%	\$ 31,068,215	256%
7/1/08	\$ --	\$ 70,539,275	\$ 70,539,275	0.00%	\$ 29,873,284	236%

II. SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

Note to Required Supplementary Information-Other Post Employment Benefits:

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

The OPEB Actuarial Valuation is as of July 1, 2011.

See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

CITY OF CHARLESTON, WEST VIRGINIA GOVERNMENTAL FUND TYPES - NONMAJOR

Special Revenue Funds are used to account for the receipt and use of specific revenues that are legally restricted by ordinance or grant agreements for specific purposes.

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 852,185	\$ 2,943,453	\$ --	\$ 221,598	\$ 4,017,236
Investments	1,024,619	--	--	1,688,593	2,713,212
Receivables:					
Taxes	--	--	--	--	--
Accounts	472,691	11,508	--	--	484,199
Grants	398,368	--	--	--	398,368
Loans	262,017	--	--	--	262,017
Accrued interest	58	--	--	3,079	3,137
Due from:					
Other funds	192,290	20,000	--	4,024	216,314
Component units	15,758	--	--	--	15,758
Restricted cash	<u>1,423,797</u>	<u>--</u>	<u>7</u>	<u>--</u>	<u>1,423,804</u>
Total assets	<u>\$ 4,641,783</u>	<u>\$ 2,974,961</u>	<u>\$ 7</u>	<u>\$ 1,917,294</u>	<u>\$ 9,534,045</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	287,462	66,348	--	--	353,810
Due to:					
Other funds	477,664	343	--	--	478,007
Deferred revenue:					
Unearned revenue	<u>163,408</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>163,408</u>
Total liabilities	<u>928,534</u>	<u>66,691</u>	<u>--</u>	<u>--</u>	<u>995,225</u>
Fund balances:					
Nonspendable	--	--	--	1,032,114	1,032,114
Restricted	2,979,950	10,814	7	885,180	3,875,951
Committed	733,299	2,897,456	--	--	3,630,755
Assigned	--	--	--	--	--
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>3,713,249</u>	<u>2,908,270</u>	<u>7</u>	<u>1,917,294</u>	<u>8,538,820</u>
Total liabilities and fund balances	<u>\$ 4,641,783</u>	<u>\$ 2,974,961</u>	<u>\$ 7</u>	<u>\$ 1,917,294</u>	<u>\$ 9,534,045</u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2012

	<u>Special</u> <u>Revenue</u>	<u>Capital</u> <u>Projects</u>	<u>Debt</u> <u>Service</u>	<u>Permanent</u>	Total Nonmajor Governmental <u>Funds</u>
REVENUES					
Taxes:					
Ad valorem property taxes	\$ --	\$ --	\$ 3,039	\$ --	\$ 3,039
Intergovernmental:					
Federal	1,988,472	--	--	--	1,988,472
State	--	--	--	--	--
Charges for services	4,156,234	26,998	--	--	4,183,232
Fines and forfeits	889,523	--	--	--	889,523
Interest and investment earnings	17,670	8,557	--	54,328	80,555
Reimbursements	--	2,676	--	--	2,676
Contributions and donations	4,126	127,869	--	100	132,095
Miscellaneous	15,840	--	--	--	15,840
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	7,071,865	166,100	3,039	54,428	7,295,432
EXPENDITURES					
Current:					
General government	232,792	--	--	--	232,792
Public safety	1,561,882	--	--	--	1,561,882
Streets and transportation	6,642	--	--	--	6,642
Health and sanitation	1,087,286	--	--	--	1,087,286
Culture and recreation	77,983	--	--	--	77,983
Social services	--	--	--	26,191	26,191
Economic development	773,872	--	--	--	773,872
Debt service:					
Principal	--	--	195,000	--	195,000
Interest	--	--	128,035	--	128,035
Capital outlay:					
Highways and streets	--	2,435,895	--	--	2,435,895
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,740,457	2,435,895	323,035	26,191	6,525,578
Excess (deficiency) of revenues over (under) expenditures					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,331,408	(2,269,795)	(319,996)	28,237	769,854

CONTINUED

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	Total Nonmajor Governmental <u>Funds</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 173,744	\$ 2,949,875	\$ 319,997	\$ 23,979	\$ 3,467,595
Transfers (out)	<u>(3,451,995)</u>	<u>(383,646)</u>	<u> --</u>	<u> --</u>	<u>(3,835,641)</u>
Total other financing sources (uses)	<u>(3,278,251)</u>	<u>2,566,229</u>	<u>319,997</u>	<u>23,979</u>	<u>(368,046)</u>
Net change in fund balances	53,157	296,434	1	52,216	401,808
Fund balances beginning	<u>3,660,092</u>	<u>2,611,836</u>	<u>6</u>	<u>1,865,078</u>	<u>8,137,012</u>
Fund balances ending	<u>\$ 3,713,249</u>	<u>\$ 2,908,270</u>	<u>\$ 7</u>	<u>\$ 1,917,294</u>	<u>\$ 8,538,820</u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS

Nonmajor Funds

Arc Economic Development Fund This fund is used to account for grants received from HUD for the Appalachian Regional Commission.

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

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

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

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

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

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

Safe Routes to School Program Fund This fund was established to account for federal grants received from the Federal Highway Administration for the East End Kids Walk & Bike Safe Routes to Piedmont Project for infrastructure-related project and non-infrastructure-related activities.

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

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

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

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



CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2012

	<u>ARC Economic Development</u>	<u>Asset Forfeiture and Reimbursement</u>	<u>Byrne Justice Assistance Grant</u>	<u>Charleston Land Trust Commission</u>
ASSETS				
Cash and cash equivalents	\$ --	158,813	\$ 1,970	\$ 51,460
Investments	--	--	--	-
Receivables:				
Accounts	--	5,137	--	--
Grants	--	--	20,235	--
Loans	--	--	--	--
Interest	--	--	--	--
Due from:				
Other funds	--	--	20,627	--
Component units	--	--	--	--
Restricted cash	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u> </u>	<u> </u> 163,950	\$ <u> </u> 42,832	\$ <u> </u> 51,460
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	--	1,281	20,712	--
Due to:				
Other funds	--	--	20,151	--
Deferred revenue:				
Unearned revenue	--	--	1,969	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u> </u> 1,281	<u> </u> 42,832	<u> </u>
Fund balances:				
Nonspendable	--	--	--	--
Restricted	--	162,669	--	51,460
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u> </u>	<u> </u> 162,669	<u> </u>	<u> </u> 51,460
Total liabilities and fund balances	\$ <u> </u>	<u> </u> 163,950	\$ <u> </u> 42,832	\$ <u> </u> 51,460

CONTINUED

<u>Cops Meth Grant</u>	<u>DOT Federal Grant</u>	<u>FEMA-WV Flood Mitigation</u>	<u>Historic Preservation</u>	<u>Homeless Prevention & Rapid Re-Housing</u>	<u>Human Rights</u>	<u>Metro Loan</u>
\$ 1	\$ --	\$ --	\$ --	\$ --	\$ 177,411	\$ 6,546
--	--	--	--	--	--	--
--	--	--	--	--	--	--
8,220	11,034	--	--	6,376	--	--
--	--	--	--	--	--	111,874
--	--	--	--	--	--	58
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>\$ 8,221</u>	<u>\$ 11,034</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,376</u>	<u>\$ 177,411</u>	<u>\$ 118,478</u>
3,420	--	--	--	5,826	--	--
4,800	11,034	--	--	550	--	--
1	--	--	--	--	161,191	--
<u>8,221</u>	<u>11,034</u>	<u>--</u>	<u>--</u>	<u>6,376</u>	<u>161,191</u>	<u>--</u>
--	--	--	--	--	--	--
--	--	--	--	--	16,220	118,478
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>16,220</u>	<u>118,478</u>
<u>\$ 8,221</u>	<u>\$ 11,034</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,376</u>	<u>\$ 177,411</u>	<u>\$ 118,478</u>

CONTINUED

<u>Municipal Beautification</u>	<u>Municipal Court</u>	<u>Police & Fire Donations</u>	<u>Police Grants</u>	<u>Public Arts Grant</u>	<u>Rail Trail Project</u>	<u>Rental Rehabilitation</u>
\$ 30,676	\$ 187,548	\$ 49,198	\$ 16,815	\$ --	\$ --	\$ 20,000
--	--	--	--	--	--	--
--	82,619	--	--	--	--	--
--	--	--	283,709	20,720	--	--
--	--	--	--	--	--	150,143
--	--	--	--	--	--	--
--	--	--	126,934	37,875	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>\$ 30,676</u>	<u>\$ 270,167</u>	<u>\$ 49,198</u>	<u>\$ 427,458</u>	<u>\$ 58,595</u>	<u>\$ --</u>	<u>\$ 170,143</u>
--	28,695	--	126,140	37,875	--	--
--	123,530	--	264,249	20,720	--	--
--	--	--	247	--	--	--
<u>--</u>	<u>152,225</u>	<u>--</u>	<u>390,636</u>	<u>58,595</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--
--	117,942	--	36,822	--	--	--
30,676	--	49,198	--	--	--	170,143
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>30,676</u>	<u>117,942</u>	<u>49,198</u>	<u>36,822</u>	<u>--</u>	<u>--</u>	<u>170,143</u>
<u>\$ 30,676</u>	<u>\$ 270,167</u>	<u>\$ 49,198</u>	<u>\$ 427,458</u>	<u>\$ 58,595</u>	<u>\$ --</u>	<u>\$ 170,143</u>

CONTINUED

	<u>Safe Routes To School Program</u>	<u>Solid Waste</u>	<u>Special Demolition</u>	<u>Supportive Housing</u>	<u>U.S. Small Business Administration</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$	--	\$ 89,814	\$ 61,924	\$ --	\$ 9	\$ 852,185
	--	1,024,619	--	--	--	1,024,619
	--	367,894	--	--	17,041	472,691
	31,850	--	--	16,224	--	398,368
	--	--	--	--	--	262,017
	--	--	--	--	--	58
	6,511	--	--	--	343	192,290
	--	15,758	--	--	--	15,758
	--	1,423,797	--	--	--	1,423,797
	<u>38,361</u>	<u>2,921,882</u>	<u>61,924</u>	<u>16,224</u>	<u>17,393</u>	<u>4,641,783</u>
	6,511	41,215	--	15,444	343	287,462
	31,850	--	--	780	--	477,664
	--	--	--	--	--	163,408
	<u>38,361</u>	<u>41,215</u>	<u>--</u>	<u>16,224</u>	<u>343</u>	<u>928,534</u>
	--	--	--	--	--	--
	--	2,459,309	--	--	17,050	2,979,950
	--	421,358	61,924	--	--	733,299
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	2,880,667	61,924	--	17,050	3,713,249
\$	<u>38,361</u>	<u>2,921,882</u>	<u>61,924</u>	<u>16,224</u>	<u>17,393</u>	<u>4,641,783</u>

See Independent Auditor's Report



CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2012

	ARC Economic Development	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission
REVENUES				
Intergovernmental:				
Federal	\$ 222,210	--	\$ 409,996	\$ --
State	-	--	--	--
Charges for services	-	--	--	--
Fines and forfeits	-	176,973	--	--
Interest and investment earnings	-	547	--	176
Contributions and donations	-	--	--	3,576
Miscellaneous	-	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	222,210	177,520	409,996	3,752
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	--	211,928	409,996	--
Streets and transportation	--	--	--	--
Culture and recreation	--	--	--	--
Health and sanitation	--	--	--	--
Economic development	222,210	--	--	1,453
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	222,210	211,928	409,996	1,453
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	--	(34,408)	--	2,299
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	--	--
Transfers (out)	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	--	(34,408)	--	2,299
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - beginning	--	197,077	--	49,161
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ --	162,669	\$ --	\$ 51,460
	<hr/>	<hr/>	<hr/>	<hr/>

CONTINUED

<u>Cops Meth Grant</u>	<u>DOT Federal Grant</u>	<u>FEMA-WV Flood Mitigation</u>	<u>Historic Preservation</u>	<u>Homeless Prevention & Rapid Re-Housing</u>	<u>Human Rights</u>	<u>Metro Loan</u>
\$ 46,594	\$ --	\$ 1,300	\$ --	\$ 234,709	\$ 3,724	\$ --
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	22
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>46,594</u>	<u>--</u>	<u>1,300</u>	<u>--</u>	<u>234,709</u>	<u>3,724</u>	<u>22</u>
--	--	--	--	--	--	--
46,594	--	1,300	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	2,476	234,709	3,724	--
<u>46,594</u>	<u>--</u>	<u>1,300</u>	<u>2,476</u>	<u>234,709</u>	<u>3,724</u>	<u>--</u>
--	--	--	(2,476)	--	--	22
--	--	--	2,476	--	--	--
--	--	--	--	--	--	--
--	--	--	2,476	--	--	--
--	--	--	--	--	--	22
--	--	--	--	--	16,220	118,456
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 16,220</u>	<u>\$ 118,478</u>

CONTINUED

<u>Municipal Beautification</u>	<u>Municipal Court</u>	<u>Police & Fire Donations</u>	<u>Police Grants</u>	<u>Public Arts Grant</u>	<u>Rail Trail Project</u>	<u>Rental Rehabilitation</u>
\$ --	\$ --	\$ --	\$ 892,050	20,720	\$ 27,125	\$ --
--	--	--	--	--	--	--
4,046	--	--	--	--	--	--
--	712,550	--	--	--	--	--
111	--	171	--	--	--	--
550	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>4,707</u>	<u>712,550</u>	<u>171</u>	<u>892,050</u>	<u>20,720</u>	<u>27,125</u>	<u>--</u>
--	232,792	--	--	--	--	--
--	--	--	892,064	--	--	--
6,642	--	--	--	--	--	--
--	--	--	--	45,720	--	--
--	--	--	--	--	--	--
--	--	--	--	--	30,225	--
<u>6,642</u>	<u>232,792</u>	<u>--</u>	<u>892,064</u>	<u>45,720</u>	<u>30,225</u>	<u>--</u>
<u>(1,935)</u>	<u>479,758</u>	<u>171</u>	<u>(14)</u>	<u>(25,000)</u>	<u>(3,100)</u>	<u>--</u>
--	--	--	--	25,000	3,100	--
--	(501,995)	--	--	--	--	--
<u>--</u>	<u>(501,995)</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>3,100</u>	<u>--</u>
(1,935)	(22,237)	171	(14)	--	--	--
<u>32,611</u>	<u>140,179</u>	<u>49,027</u>	<u>36,836</u>	<u>--</u>	<u>--</u>	<u>170,143</u>
\$ <u>30,676</u>	\$ <u>117,942</u>	\$ <u>49,198</u>	\$ <u>36,822</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>170,143</u>

CONTINUED

<u>Safe Routes To School Program</u>	<u>Solid Waste</u>	<u>Special Demolition</u>	<u>Supportive Housing</u>	<u>U.S. Small Business Administration</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 32,263	\$ --	\$ --	\$ 97,781	\$ --	\$ 1,988,472
--	--	--	--	--	--
--	4,152,188	--	--	--	4,156,234
--	--	--	--	--	889,523
--	--	--	--	--	--
--	16,293	200	--	150	17,670
--	--	--	--	--	4,126
--	--	15,840	--	--	15,840
<u>32,263</u>	<u>4,168,481</u>	<u>16,040</u>	<u>97,781</u>	<u>150</u>	<u>7,071,865</u>
--	--	--	--	--	232,792
--	--	--	--	--	1,561,882
--	--	--	--	--	6,642
32,263	--	--	--	--	77,983
--	1,087,286	--	--	--	1,087,286
--	--	--	97,781	181,294	773,872
<u>32,263</u>	<u>1,087,286</u>	<u>--</u>	<u>97,781</u>	<u>181,294</u>	<u>3,740,457</u>
<u>--</u>	<u>3,081,195</u>	<u>16,040</u>	<u>--</u>	<u>(181,144)</u>	<u>3,331,408</u>
--	--	--	--	143,168	173,744
--	(2,950,000)	--	--	--	(3,451,995)
<u>--</u>	<u>(2,950,000)</u>	<u>--</u>	<u>--</u>	<u>143,168</u>	<u>(3,278,251)</u>
--	131,195	16,040	--	(37,976)	53,157
<u>--</u>	<u>2,749,472</u>	<u>45,884</u>	<u>--</u>	<u>55,026</u>	<u>3,660,092</u>
<u>\$ --</u>	<u>\$ 2,880,667</u>	<u>\$ 61,924</u>	<u>\$ --</u>	<u>\$ 17,050</u>	<u>\$ 3,713,249</u>

See Independent Auditor's Report



CITY OF CHARLESTON, WEST VIRGINIA

CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

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. All remaining funds were spent during the 2012 fiscal year and this fund will be closed.

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, 2012

	<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	\$ 10,857	\$ --	\$ 109	\$ 642,543	\$ 137,412
Receivables:					
Accounts	--	--	--	--	--
Due from:					
Other funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Total assets	 <u>\$ 10,857</u>	 <u>\$ --</u>	 <u>\$ 109</u>	 <u>\$ 642,543</u>	 <u>\$ 137,412</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	43	--	--	39,713	--
Due to:					
Other funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Total liabilities	 <u>43</u>	 <u>--</u>	 <u>--</u>	 <u>39,713</u>	 <u>--</u>
FUND BALANCES					
Nonspendable	--	--	--	--	--
Restricted	10,814	--	--	--	--
Committed	--	--	109	602,830	137,412
Assigned	--	--	--	--	--
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Total fund balances	 <u>10,814</u>	 <u>--</u>	 <u>109</u>	 <u>602,830</u>	 <u>137,412</u>
 Total liabilities and fund balances	 <u>\$ 10,857</u>	 <u>\$ --</u>	 <u>\$ 109</u>	 <u>\$ 642,543</u>	 <u>\$ 137,412</u>

CONTINUED

<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>
\$ 330,217	\$ 1,591,661	\$ 144,150	\$ 73,801	\$ 3,033	\$ 9,670	\$ 2,943,453
--	--	--	11,508	--	--	11,508
--	--	--	20,000	--	--	20,000
<u>\$ 330,217</u>	<u>\$ 1,591,661</u>	<u>\$ 144,150</u>	<u>\$ 105,309</u>	<u>\$ 3,033</u>	<u>\$ 9,670</u>	<u>\$ 2,974,961</u>
17,822	8,770	--	--	--	--	66,348
--	343	--	--	--	--	343
<u>17,822</u>	<u>9,113</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>66,691</u>
--	--	--	--	--	--	--
--	--	--	--	--	--	10,814
312,395	1,582,548	144,150	105,309	3,033	9,670	2,897,456
--	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>312,395</u>	<u>1,582,548</u>	<u>144,150</u>	<u>105,309</u>	<u>3,033</u>	<u>9,670</u>	<u>2,908,270</u>
<u>\$ 330,217</u>	<u>\$ 1,591,661</u>	<u>\$ 144,150</u>	<u>\$ 105,309</u>	<u>\$ 3,033</u>	<u>\$ 9,670</u>	<u>\$ 2,974,961</u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2012

	<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	61	143	--	999	249
Contributions and donations	--	--	--	--	120,000
Reimbursements	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>61</u>	<u>143</u>	<u>--</u>	<u>999</u>	<u>120,249</u>
EXPENDITURES					
Current:					
Capital projects	<u>15,541</u>	<u>89,976</u>	<u>--</u>	<u>1,048,169</u>	<u>--</u>
Total expenditures	<u>15,541</u>	<u>89,976</u>	<u>--</u>	<u>1,048,169</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,480)</u>	<u>(89,833)</u>	<u>--</u>	<u>(1,047,170)</u>	<u>120,249</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	--	--	1,650,000	109,875
Transfers (out)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(231,756)</u>
Total other financing sources (uses)	<u>25,000</u>	<u>--</u>	<u>--</u>	<u>1,650,000</u>	<u>(121,881)</u>
Net change in fund balances	9,520	(89,833)	--	602,830	(1,632)
Fund balances - beginning	<u>1,294</u>	<u>89,833</u>	<u>109</u>	<u>--</u>	<u>139,044</u>
Fund balances - ending	<u>\$ 10,814</u>	<u>\$ --</u>	<u>\$ 109</u>	<u>\$ 602,830</u>	<u>\$ 137,412</u>

CONTINUED

<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>
\$ --	\$ --	\$ --	\$ 26,998	\$ --	\$ --	\$ 26,998
1,496	4,826	503	235	11	34	8,557
--	7,869	--	--	--	--	127,869
<u>2,676</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,676</u>
<u>4,172</u>	<u>12,695</u>	<u>503</u>	<u>27,233</u>	<u>11</u>	<u>34</u>	<u>166,100</u>
<u>741,274</u>	<u>540,935</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,435,895</u>
<u>741,274</u>	<u>540,935</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,435,895</u>
<u>(737,102)</u>	<u>(528,240)</u>	<u>503</u>	<u>27,233</u>	<u>11</u>	<u>34</u>	<u>(2,269,795)</u>
450,000	715,000	--	--	--	--	2,949,875
<u>--</u>	<u>(146,268)</u>	<u>--</u>	<u>(5,622)</u>	<u>--</u>	<u>--</u>	<u>(383,646)</u>
<u>450,000</u>	<u>568,732</u>	<u>--</u>	<u>(5,622)</u>	<u>--</u>	<u>--</u>	<u>2,566,229</u>
(287,102)	40,492	503	21,611	11	34	296,434
<u>599,497</u>	<u>1,542,056</u>	<u>143,647</u>	<u>83,698</u>	<u>3,022</u>	<u>9,636</u>	<u>2,611,836</u>
<u>\$ 312,395</u>	<u>\$ 1,582,548</u>	<u>\$ 144,150</u>	<u>\$ 105,309</u>	<u>\$ 3,033</u>	<u>\$ 9,670</u>	<u>\$ 2,908,270</u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA

DEBT SERVICE FUND

Nonmajor Fund

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

**CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2012**

	<u>Sinking Fund</u>
REVENUES	
Taxes:	
Ad valorem property taxes	\$ 3,039
Interest and investment earnings	--
Total revenues	3,039
EXPENDITURES	
Current:	
Principal	195,000
Interest	128,035
Total expenditures	323,035
Excess (deficiency) of revenues over (under) expenditures	(319,996)
OTHER FINANCING SOURCES (USES)	
Transfers in	319,997
Total other financing sources (uses)	319,997
Net change in fund balance	1
Fund balance - beginning	6
Fund balance - ending	\$ 7

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA PERMANENT FUND

Nonmajor Fund

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

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - NONMAJOR PERMANENT FUND
June 30, 2012

	<u>Spring Hill Cemetery</u>
ASSETS	
Cash and cash equivalents	\$ 221,598
Investments	1,688,593
Receivables:	
Accrued interest	3,079
Due from:	
Other funds	<u>4,024</u>
 Total assets	 \$ <u><u>1,917,294</u></u>
 FUND BALANCE	
Nonspendable	1,032,114
Restricted	885,180
Committed	--
Assigned	--
Unassigned	<u>--</u>
 Total fund balances	 <u>1,917,294</u>
 Total liabilities and fund balance	 \$ <u><u>1,917,294</u></u>

See Independent Auditor's Report

**CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR PERMANENT FUND
For the Fiscal Year Ended June 30, 2012**

	<u>Spring Hill Cemetery</u>
REVENUES	
Investment earnings	\$ 54,328
Contributions and donations	<u>100</u>
Total revenues	<u>54,428</u>
EXPENDITURES	
Current:	
Social services	<u>26,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,237</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>23,979</u>
Net change in fund balance	52,216
Fund balance - beginning	<u>1,865,078</u>
Fund balance - ending	<u><u>\$ 1,917,294</u></u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA

AGENCY FUNDS

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
June 30, 2012

	<u>Civic Center Ticket</u>	<u>Civic Center Promotions</u>	<u>Metro Drug Enforcement Task Force</u>	<u>Pending Forfeiture</u>	<u>Police Asset & Liability</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and cash equivalents \$	479,270	\$ 11,972	\$ 295,705	\$ 1,304,013	\$ 6,312	\$ 2,097,272
Receivables:						
Accounts	--	--	51,464	--	--	51,464
Due from other funds	<u>5,520</u>	<u>--</u>	<u>6,360</u>	<u>--</u>	<u>--</u>	<u>11,880</u>
 Total assets	 <u>\$ 484,790</u>	 <u>\$ 11,972</u>	 <u>\$ 353,529</u>	 <u>\$ 1,304,013</u>	 <u>\$ 6,312</u>	 <u>\$ 2,160,616</u>
LIABILITIES						
Refunds payable and others	480,950	11,972	353,529	1,304,013	6,312	2,156,776
Due to other funds	<u>3,840</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,840</u>
 Total liabilities	 <u>\$ 484,790</u>	 <u>\$ 11,972</u>	 <u>\$ 353,529</u>	 <u>\$ 1,304,013</u>	 <u>\$ 6,312</u>	 <u>\$ 2,160,616</u>

See Independent Auditor's Report

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2012

	<u>Civic Center Ticket</u>	<u>Civic Center Promotions</u>	<u>Metro Drug Enforcement Task Force</u>	<u>Pending Forfeiture</u>	<u>Police Asset & Liability</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and cash equivalents						
July 1, 2011	\$ 580,152	\$ 5,728	\$ 289,130	\$ 1,348,827	\$ 6,290	\$ 2,230,127
Receivables, July 1, 2011	--	--	4,433	--	--	4,433
Additions-cash	8,342,858	41,313	799,463	369,672	22	9,553,328
Deductions-cash	(8,443,740)	(35,069)	(792,888)	(414,486)	--	(9,686,183)
Additions-receivable	--	--	47,031	--	--	47,031
Deductions-receivable	--	--	--	--	--	--
Additions-due from other funds	5,520	--	6,360	--	--	11,880
Deductions-due from other funds	--	--	--	--	--	--
Cash and cash equivalents						
June 30, 2012	479,270	11,972	295,705	1,304,013	6,312	2,097,272
Receivables, June 30, 2012	--	--	51,464	--	--	51,464
Due from other funds,						
June 30, 2012	5,520	--	6,360	--	--	11,880
Total assets, June 30, 2012	<u>\$ 484,790</u>	<u>\$ 11,972</u>	<u>\$ 353,529</u>	<u>\$ 1,304,013</u>	<u>\$ 6,312</u>	<u>\$ 2,160,616</u>
LIABILITIES						
Refunds payable and others						
July 1, 2011	580,152	5,728	293,563	1,348,827	6,290	2,234,560
Additions	8,344,538	41,313	713,736	560,156	22	9,659,765
Deductions	(8,443,740)	(35,069)	(653,770)	(604,970)	--	(9,737,549)
Due to other funds						
Additions	3,840	--	--	--	--	3,840
Deductions	--	--	--	--	--	--
Refunds payable and others						
June 30, 2012	480,950	11,972	353,529	1,304,013	6,312	2,156,776
Due to other funds						
June 30, 2012	3,840	--	--	--	--	3,840
Total liabilities, June 30, 2012	<u>\$ 484,790</u>	<u>\$ 11,972</u>	<u>\$ 353,529</u>	<u>\$ 1,304,013</u>	<u>\$ 6,312</u>	<u>\$ 2,160,616</u>

See Independent Auditor's Report

STATISTICAL SECTION

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF CHARLESTON, WEST VIRGINIA

Table 1

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

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 73,968,963	\$ 83,612,718	\$ 82,874,654	\$ 82,436,126
Restricted	10,893,812	11,422,818	9,488,250	10,392,753	12,211,193	14,713,465	13,856,864	8,954,706	21,260,146	22,474,411
Unrestricted	(20,073,060)	(16,200,296)	(15,967,485)	(20,756,708)	(32,287,210)	(39,331,088)	(49,998,448)	(61,208,990)	(78,514,106)	(83,112,924)
Total governmental activities net assets	\$ 39,285,664	\$ 50,942,072	\$ 59,969,487	\$ 57,945,065	\$ 51,793,680	\$ 45,031,360	\$ 37,827,379	\$ 31,358,434	\$ 25,620,694	\$ 21,797,613
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	11,003,316	11,045,766	11,453,846	11,786,649
Restricted	371,033	3,597,002	1,855,216	1,967,296	1,989,077	2,055,937	2,132,493	1,987,636	2,010,685	1,998,496
Unrestricted	(284,787)	(137,205)	196,325	140,807	298,804	739,912	963,564	1,481,099	1,816,359	2,498,070
Total business-type activities	\$ 9,662,376	\$ 12,595,599	\$ 12,536,831	\$ 13,015,381	\$ 13,142,847	\$ 13,304,586	\$ 14,099,373	\$ 14,514,501	\$ 15,280,890	\$ 16,283,215
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	94,658,484	94,328,500	94,222,775
Restricted	14,603,845	15,019,820	11,343,466	12,360,049	14,200,270	16,769,402	15,989,357	10,942,342	23,270,831	24,472,907
Unrestricted	(20,357,847)	(16,337,501)	(15,771,160)	(20,615,905)	(31,988,406)	(38,591,176)	(49,034,884)	(59,727,891)	(76,697,747)	(80,614,854)
Total primary government net assets	\$ 52,687,040	\$ 63,537,671	\$ 72,506,318	\$ 70,960,446	\$ 64,936,527	\$ 58,335,946	\$ 51,926,752	\$ 45,872,935	\$ 40,901,584	\$ 38,080,828

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 Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
General government	\$ 16,007,554	\$ 12,892,126	\$ 18,117,093	\$ 15,595,021	\$ 16,226,688	\$ 15,897,074	\$ 14,323,394	\$ 11,927,925	\$ 14,678,134	\$ 17,731,874
Public safety	31,452,519	34,016,023	34,256,666	35,437,345	39,543,593	48,241,928	49,742,002	51,702,101	48,939,715	47,682,757
Streets and transportation	5,535,598	6,173,346	3,185,260	6,454,730	7,993,195	8,346,954	10,646,908	12,983,127	11,247,814	10,566,066
Health and sanitation	4,021,705	4,503,132	3,672,291	4,302,817	5,354,317	5,207,158	5,729,637	5,583,600	5,738,852	5,340,104
Culture and recreation	4,786,629	4,659,938	5,930,600	6,962,595	6,378,521	6,675,344	7,305,225	7,235,426	7,296,468	7,156,105
Social services	803,574	648,972	637,832	666,342	360,025	822,953	831,811	858,632	726,284	371,124
Economic development	1,814,596	1,494,515	2,351,533	2,746,483	3,358,208	2,995,622	2,024,572	5,428,332	2,767,138	2,730,673
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	779,600	680,588	622,159
Total governmental activities	65,418,618	65,113,012	69,233,652	73,147,589	80,096,071	88,245,036	91,523,877	96,498,743	92,074,993	92,200,862
Business-type activities										
Civic center	3,703,883	4,041,658	4,266,734	4,515,951	4,735,314	4,889,784	4,787,698	4,733,849	4,553,220	4,665,091
Parking system	3,601,138	3,522,269	3,347,906	3,141,969	3,233,036	3,140,715	2,921,629	2,888,475	2,869,089	2,862,689
Total business-type activities	7,305,021	7,563,927	7,614,640	7,657,920	7,968,350	8,030,499	7,709,327	7,622,324	7,422,309	7,527,780
Total primary government	\$ 72,723,639	\$ 72,676,939	\$ 76,848,292	\$ 80,805,509	\$ 88,064,421	\$ 96,275,535	\$ 99,233,204	\$ 104,121,067	\$ 99,497,302	\$ 99,728,642
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	3,032,201	3,485,637	2,742,318
Public safety	22,898	5,563,713	5,718,864	5,575,741	6,837,529	8,163,860	8,569,748	10,125,363	10,110,851	10,088,885
Culture and recreation	56,114	124,499	140,381	113,375	129,364	95,038	120,618	103,740	101,352	1,038,368
Streets and transportation	-	3,981	4,858	2,183,248	1,615,441	2,071,313	2,639,926	1,650,000	1,687,280	1,650,000
Health and sanitation	-	4,070,540	4,382,690	4,024,738	4,167,357	4,193,130	4,103,198	4,078,634	4,202,709	4,244,195
Economic development	-	-	2,252	-	-	-	-	-	-	-
Social services	-	131,898	154,468	194,080	213,931	191,635	161,208	137,875	112,123	115,329
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	8,743,137	9,199,315	8,803,239
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	7,654,827	1,561,603	1,391,735
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	35,525,777	30,460,870	30,074,069

CITY OF CHARLESTON, WEST VIRGINIA

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

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 1,094,783	\$ 3,606,545	3,760,930
Catering services	574,527	533,695	966,151	683,345	722,995	698,859	627,378	626,077	525,923	1,020,385
Parking violations	301,391	545,797	454,985	525,906	606,142	690,898	561,973	511,152	517,353	587,162
Parking meters	491,997	505,994	492,123	486,990	529,717	550,322	501,244	511,011	526,958	501,484
Other	746,539	732,283	847,534	827,436	874,709	1,105,029	1,074,676	3,711,047	1,029,662	1,038,443
Capital grants and contributions	5,253	63,615	26,032	40,334	73,344	224,125	48,387	20,240	439,181	152,000
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	6,474,310	6,645,622	7,060,404
Net (expense) revenue										
Governmental activities	(46,633,635)	(34,408,184)	(43,025,242)	(50,520,047)	(56,585,235)	(58,980,944)	(62,390,891)	(60,972,966)	(61,614,123)	(62,126,793)
Business-type activities	(2,339,741)	(1,779,960)	(1,323,144)	(1,605,176)	(1,508,320)	(1,188,330)	(1,232,561)	(1,148,014)	(776,687)	(467,376)
Total primary government net (expense) revenue	\$ (48,973,376)	\$ (36,188,144)	\$ (44,348,386)	\$ (52,125,223)	\$ (58,093,555)	\$ (60,169,274)	\$ (63,623,452)	\$ (62,120,980)	\$ (62,390,810)	\$ (62,594,169)
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	11,438,498	11,548,479	11,955,757
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	37,874,423	38,852,038	40,750,458
Utility taxes	1,828,769	2,118,914	2,017,526	2,140,036	2,120,895	2,307,808	2,776,258	2,693,921	3,055,717	2,701,790
Hotel occupancy taxes	1,042,551	1,034,995	1,143,828	2,311,414	2,433,977	2,567,145	2,779,180	2,767,690	2,745,140	3,117,547
Other taxes	835,165	1,019,372	710,085	967,036	768,397	1,048,092	1,050,431	1,072,361	1,020,032	1,019,882
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	33,867	78,352	77,866
Gain (Loss) on sale of capital assets	100,251	59,158	5,768,495	709,370	162,017	129,838	168,333	164,158	110,918	137,994
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)	(1,972,000)	(1,540,897)	(1,534,293)	(1,457,582)
Total governmental activities	44,566,152	45,664,592	52,052,657	48,495,625	50,433,850	52,218,624	55,186,910	54,504,021	55,876,383	58,303,712

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

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities										
Investment earnings	\$ 112,953	\$ 47,948	\$ 116,038	\$ 120,926	\$ 176,954	\$ 157,601	\$ 52,842	\$ 13,356	\$ 11,416	\$ 10,685
Miscellaneous	(2,947)	125	267	900	4,915	-	2,506	8,889	33,049	1,434
Transfers	1,810,573	1,326,109	1,148,072	1,961,899	1,453,917	1,192,468	1,972,000	1,540,897	1,534,293	1,457,582
Total business-type activities	1,920,579	1,374,182	1,264,377	2,083,725	1,635,786	1,350,069	2,027,348	1,563,142	1,578,758	1,469,701
Total primary government	46,486,731	47,038,774	53,317,034	50,579,350	52,069,636	53,568,693	57,214,258	56,067,163	57,455,141	59,773,413
Change in net assets										
Governmental activities	(2,067,483)	11,256,408	9,027,415	(2,024,422)	(6,151,385)	(6,762,320)	(7,203,981)	(6,468,945)	(5,737,740)	(3,823,081)
Business-type activities	(419,162)	(405,778)	(58,767)	478,549	127,466	161,739	794,787	415,128	802,071	1,002,325
Total primary government	\$ (2,486,645)	\$ 10,850,630	\$ 8,968,648	\$ (1,545,873)	\$ (6,023,919)	\$ (6,600,581)	\$ (6,409,194)	\$ (6,053,817)	\$ (4,935,669)	\$ (2,820,756)

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)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Nonspendable:										
Prepays	762,097	\$ 861,264	\$ 951,368	\$ 1,008,515	\$ 966,752	\$ 859,405	\$ 830,761	\$ 606,961	\$ 599,087	\$ 538,965
Restricted for:										
Debt service	-	-	-	159,090	176,264	190,551	200,176	205,344	218,305	225,834
Capital projects	-	618,503	700,063	400,705	1,049,595	1,243,786	1,417,733	418,980	763,483	916,027
Committed for:										
Public safety	37,431	44,188	42,110	57,940	56,776	68,470	59,820	26,037	30,112	20,128
OPEB	-	-	-	-	-	-	-	-	7,968,345	8,538,480
Community development	-	-	-	-	-	-	-	-	62,811	55,593
Assigned for:										
General government	621,418	1,575,000	1,917,397	2,155,112	2,387,185	2,253,687	3,302,099	2,008,363	3,182,005	3,339,990
Public safety	-	1,524,893	1,367,497	-	-	-	-	136,293	183,045	50,647
Community development	-	-	-	-	-	-	-	46,991	-	-
Culture & recreation	-	-	-	-	-	-	25,000	14,895	-	1,897
Social services	-	-	-	-	-	-	-	-	29,354	-
Capital outlay	127,152	86,707	2,112,523	525,393	417,148	197,520	579,294	-	-	-
Unassigned	10,007,903	11,872,356	13,398,499	13,680,593	13,116,869	14,761,514	15,897,279	23,398,552	19,729,491	20,543,173
Total General Fund	\$ 11,556,001	\$ 16,582,911	\$ 20,489,457	\$ 17,987,348	\$ 18,170,589	\$ 19,574,933	\$ 22,708,724	\$ 29,118,660	\$ 32,766,038	\$ 34,230,734
All other governmental funds										
Nonspendable:										
Perpetual care	\$ 818,985	\$ 841,313	\$ 916,503	\$ 954,952	\$ 1,002,093	\$ 1,011,273	\$ 897,998	\$ 1,010,198	\$ 1,116,511	\$ 1,032,114
Restricted for:										
General government	555	29,387	68,490	121,527	143,229	151,112	118,186	134,743	140,179	117,942
Debt service	2,566,139	2,678,171	2,838,712	3,093,355	3,440,280	3,721,980	3,948,843	72,428	6	69,796
Community development	2,062,831	2,177,815	2,176,828	2,391,137	2,394,425	2,476,291	2,473,626	2,591,286	2,554,261	2,840,758
Perpetual care	388,382	405,094	426,224	473,466	605,904	553,215	606,658	657,879	748,567	885,180
Public safety	138,083	161,857	133,076	130,784	152,294	188,461	364,219	264,277	233,913	199,491
Social services	-	-	-	-	-	-	-	-	16,220	-
Capital projects	-	-	-	-	-	-	-	6,137	1,294	10,814
Committed for:										
General government	179,142	224,048	533,587	1,163,903	1,228,029	1,288,469	1,840,757	-	-	-
Public safety	-	-	-	-	-	-	-	-	49,027	49,198
Community development	-	-	-	-	-	-	-	30,476	216,027	262,743
Steets & transportation	-	-	-	-	-	-	-	-	32,611	-
Health & Sanitation	270,906	340,147	419,039	431,999	358,635	396,629	378,063	318,383	430,070	421,358
Debt service	-	-	-	-	-	-	-	-	74,371	-
Capital projects	2,194,158	3,154,992	929,347	2,710,766	3,323,604	4,656,742	3,941,227	2,826,676	2,610,542	2,897,456
Total all other governmental funds	\$ 8,619,181	\$ 10,012,824	\$ 8,441,806	\$ 11,471,889	\$ 12,648,493	\$ 14,444,172	\$ 14,569,577	\$ 7,912,483	\$ 8,223,599	\$ 8,786,850

The fund balance information for years 2003 through 2010 was restated from the previously reported reserved and unreserved to the new classifications required by GASB 54 which was implemented July 1, 2010. The fund balances were restated to the various classifications based upon the information available which has resulted in some variances in the classifications over the years.

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

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 45,950,963	\$ 46,654,270	\$ 46,430,717	\$ 49,242,614	\$ 51,334,552	\$ 53,028,638	\$ 57,051,587	\$ 55,577,494	\$ 57,209,561	\$ 59,653,667
Licenses and permits	1,300,538	1,506,119	1,406,671	1,507,731	1,585,869	1,455,775	1,731,941	1,601,720	1,624,147	1,727,040
Fines and forfeitures	736,997	958,049	1,237,831	1,425,243	1,334,183	1,206,087	1,189,702	731,521	865,220	889,523
Charges for services	9,854,411	11,420,219	13,242,403	12,545,403	13,455,536	15,318,855	16,141,496	16,659,106	17,172,031	17,196,859
Intergovernmental	6,683,885	15,992,003	8,696,949	5,595,090	4,928,969	9,438,800	8,423,241	11,857,013	9,231,083	8,360,571
Investment earnings	253,535	285,676	549,103	818,789	1,184,506	778,985	400,498	321,058	310,621	274,412
Other revenues	1,087,700	1,742,909	2,109,403	2,098,938	2,426,221	2,370,284	2,419,634	3,918,629	2,355,501	2,657,649
Total revenues	65,868,029	78,559,245	73,673,077	73,233,808	76,249,836	83,597,424	87,358,099	90,666,541	88,768,164	90,759,721
Expenditures										
General government	10,520,913	10,441,852	12,386,355	12,680,635	14,029,365	15,247,865	14,755,393	14,892,930	15,098,648	16,758,073
Public safety	26,094,332	27,419,019	30,988,041	32,091,386	32,351,932	38,115,187	38,850,635	41,180,127	41,258,476	43,270,217
Streets & transportation	5,148,866	5,352,417	6,369,531	6,517,185	7,007,636	7,795,553	8,269,936	8,495,674	9,283,553	9,344,871
Health & sanitation	3,714,943	4,048,560	4,579,408	4,976,157	5,090,595	5,248,854	5,639,276	5,666,817	5,700,048	5,910,632
Culture & recreation	4,209,369	11,838,552	4,463,030	5,453,355	5,852,014	5,816,312	6,421,350	6,194,436	6,226,957	6,495,293
Economic development	4,882,570	5,673,238	2,990,521	3,640,671	4,043,828	4,004,487	3,616,919	7,630,856	3,616,911	3,467,050
Social services	762,201	584,404	647,150	665,296	856,383	828,870	795,455	858,122	765,398	734,641
Capital outlay	8,507,509	5,041,945	22,074,584	5,011,702	3,311,765	1,980,606	3,269,518	4,077,111	2,583,511	2,435,895
Debt service:										
Principal	1,740,766	1,104,052	1,183,247	1,517,603	1,651,681	1,761,291	1,881,447	5,231,528	696,861	727,364
Refunding debt issuance costs	-	-	-	-	-	-	-	66,822	-	-
Interest	879,354	840,682	735,873	1,079,040	979,118	873,674	919,824	636,643	504,268	473,340
Total expenditures	66,460,823	72,344,721	86,417,740	73,633,030	75,174,317	81,672,699	84,419,753	94,931,066	85,734,631	89,617,376
Excess of revenues over (under) expenditures	(592,794)	6,214,524	(12,744,663)	(399,222)	1,075,519	1,924,725	2,938,346	(4,264,525)	3,033,533	1,142,345
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	5,445,500	2,266,500	2,158,500
Transfers in	6,809,247	13,675,581	15,311,778	10,755,743	8,002,458	7,159,465	7,388,416	15,628,709	7,123,537	6,925,212
Transfers out	(8,619,820)	(15,001,691)	(16,459,853)	(12,573,603)	(9,209,992)	(8,347,666)	(9,301,832)	(17,076,640)	(8,630,764)	(8,348,929)
Other	75,100	-	6,111,760	871,075	174,632	136,957	94,936	19,799	165,688	150,819
Total other financing sources (uses)	(735,473)	206,031	15,080,187	626,215	284,325	1,275,298	342,520	4,017,368	924,961	885,602
Net change in fund balance	(1,328,267)	6,420,555	2,335,524	527,971	1,359,844	3,200,023	3,280,866	(247,157)	3,958,494	2,027,947
Debt service as a percentage of noncapital expenditures	4%	3%	3%	4%	3%	3%	3%	7%	1%	1%

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.
Some capital outlays are included in the activity or function. The capital outlay listed above is for capital project funds only.
Classifications of Revenues and Expenditures were changed from year to year.

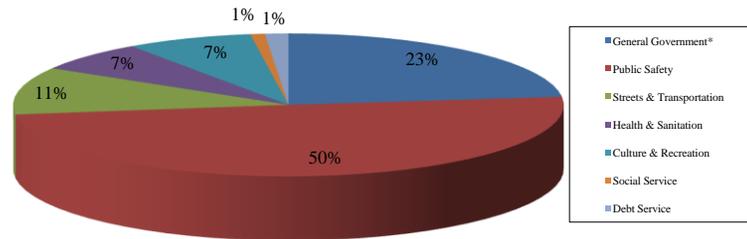
CITY OF CHARLESTON, WEST VIRGINIA
Table 5
Expenditures By Function - Governmental Fund Types -
For the Last Ten Fiscal Years

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

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

*Includes expenditures for economic development

Expenditures by Function - Governmental Fund Types for the Current Year

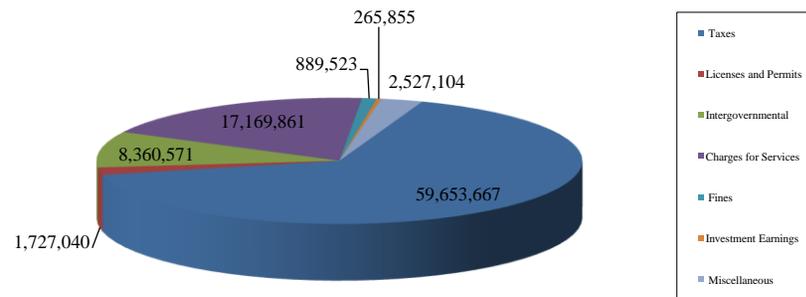


CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Revenues By Source - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Years	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines	Investment Earnings	Miscellaneous	Total
	2003	45,950,963	1,300,538	6,683,885	9,854,411	736,997	197,678	
2004	46,654,270	1,506,119	15,307,826	11,272,407	1,036,914	233,624	1,847,187	77,858,347
2005	46,430,717	1,406,671	8,696,949	13,209,907	1,237,831	429,158	1,999,821	73,411,054
2006	49,242,614	1,507,731	5,588,637	12,536,018	1,425,243	772,955	2,058,036	73,131,234
2007	51,334,552	1,585,869	4,928,969	13,423,005	1,334,183	1,088,606	2,206,694	75,901,878
2008	53,028,638	1,455,775	9,438,600	15,304,291	1,206,087	643,072	2,175,928	83,252,391
2009	57,051,587	1,731,941	8,423,241	16,107,818	1,189,702	349,788	2,359,774	87,213,851
2010	55,577,494	1,601,720	11,857,013	16,638,335	731,521	311,374	3,849,333	90,566,790
2011	57,209,561	1,624,147	9,231,083	17,168,218	865,220	300,741	2,205,837	88,604,807
2012	59,653,667	1,727,040	8,360,571	17,169,861	889,523	265,855	2,527,104	90,593,621

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

Revenues by Source - Governmental Fund Type for the Current Year



CITY OF CHARLESTON, WEST VIRGINIA
Table 7
Detailed Revenues From Taxes - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Years	Property Tax	Business & Occupation Tax	Utility Tax	Consumer Sales Tax Liquor	Hotel Occupancy Tax	Amusement Tax	Miscellaneous Taxes	Total
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
2010	11,169,099	37,874,423	2,693,921	826,209	2,767,690	193,976	52,176	55,577,494
2011	11,536,634	38,852,038	3,055,717	821,111	2,745,140	150,312	48,609	57,209,561
2012	12,063,990	40,750,458	2,701,790	782,221	3,117,547	179,470	58,191	59,653,667

CITY OF CHARLESTON, WEST VIRGINIA

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

<u>Fiscal Years</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delin- quent Taxes to Total Tax Levy</u>
2003	8,482,334	7,612,402	89.74%	693,878	8,306,280	97.92%	508,940	6.00%
2004	8,437,960	7,603,532	90.11%	633,025	8,236,557	97.61%	506,278	6.00%
2005	8,596,979	6,912,926	80.41%	1,386,381	8,299,307	96.54%	515,819	6.00%
2006	8,715,463	8,261,230	94.79%	322,779	8,584,009	98.49%	510,092	5.85%
2007	9,071,618	8,327,766	91.80%	548,019	8,875,785	97.84%	470,677	5.19%
2008	9,163,154	8,540,242	93.20%	344,519	8,884,761	96.96%	406,484	4.44%
2009	9,440,524	8,738,117	92.56%	462,489	9,200,606	97.46%	231,842	2.46%
2010	10,028,680	9,271,727	92.45%	376,955	9,648,682	96.21%	466,928	4.66%
2011	11,893,824	10,941,052	91.99%	595,582	11,536,634	97.00%	521,966	4.39%
2012	12,294,171	11,543,435	93.89%	520,555	12,063,990	98.13%	422,483	3.44%

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

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

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

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

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

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

Table 9 (Continued)
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class
Fiscal Years 2007, 2006 and 2005

		Fiscal Year 2008				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	10	0.16%	\$ 3,921	0.01%
2	Manufacturing	3.00%	54	0.85%	362,330	1.06%
3	Retailers	0.50%	1,177	18.49%	6,851,776	20.02%
4	Wholesalers	0.15%	450	7.07%	1,214,168	3.55%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.02%	1,326,877	3.88%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	2	0.03%	792,692	2.32%
7	Natural Gas Companies	3.00%	1	0.02%	890,233	2.60%
8	Water Companies	4.00%	4	0.06%	656,817	1.92%
9	All Other Public Utilities	2.00%	763	11.99%	81,902	0.24%
10	Contracting	2.00%	46	0.72%	3,264,605	9.54%
11	Amusement	0.50%	2,153	33.83%	302,396	0.88%
12	Service & All Other Businesses	1.00%	1,627	25.57%	14,381,469	42.01%
13	Rents and Royalties	1.00%	75	1.18%	2,102,504	6.14%
14	Banking and Other Financial Institutions	1.00%	-	0.00%	1,999,636	5.84%
Totals			<u>6,364</u>	<u>99.98%</u>	<u>\$ 34,231,326</u>	<u>100.00%</u>

		Fiscal Year 2007				
Class	Rate per \$1.00	Number of	Percentage of	Tax	Percentage of	
	Gross Revenue	Filers	Total	Liability	Total	
1	Production of Natural Resources	1.00%	15	0.23%	\$ 2,999	0.01%
2	Manufacturing	3.00%	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			<u>6,398</u>	<u>100.00%</u>	<u>\$ 33,237,935</u>	<u>100.00%</u>

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

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

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

Source: City of Charleston Revenue System

CITY OF CHARLESTON, WEST VIRGINIA
Table 10
Ratio of Outstanding General Obligation Bonds to
Assessed Value, Estimated Actual Taxable Value and Net Debt Per Capita -
For the Last Ten Fiscal Years

Fiscal Years	Assessed Value	Estimated Actual Taxable Value of Property	Gross Bonded Debt	Debt Service Fund	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
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)
2010	2,866,580,495	1,719,948,297	-	3,903,692	(3,903,692)	-0.14%	-0.23%	(78)
2011	2,883,615,894	1,730,169,536	-	-	-	0.00%	0.00%	-
2012	2,931,967,620	1,759,180,572	-	-	-	0.00%	0.00%	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Assessed value does not include exempt property. The Kanawha County Assessor estimates actual taxable value of property at sixty percent. Population data can be found in the Table of Demographic Statistics. The City currently has no general obligation bond debt outstanding.

CITY OF CHARLESTON, WEST VIRGINIA

Table 11

**Ratio of Outstanding Debt by Type -
For the Last Ten Fiscal Years**

Fiscal Years	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Revenue Bonds	Capital Leases				
2003	7,795,000	5,228,274	3,483,971	20,413,104	83,754	37,004,103	24.80%	712	
2004	6,910,000	5,115,948	3,351,270	19,641,190	47,913	35,066,321	22.97%	677	
2005	5,955,000	4,887,701	11,705,822	18,076,489	15,787	40,640,799	26.16%	787	
2006	4,930,000	4,650,098	11,491,961	17,056,779	-	38,128,838	23.83%	745	
2007	3,830,000	4,418,825	10,987,881	16,007,070	-	35,243,776	20.53%	694	
2008	2,645,000	4,147,126	11,261,072	14,917,361	-	32,970,559	18.51%	653	
2009	1,370,000	3,875,679	11,232,515	13,782,652	-	30,260,846	16.20%	599	
2010	-	3,664,899	11,156,673	12,668,472	-	27,490,044	14.23%	548	
2011	-	3,339,478	11,068,526	11,457,329	-	25,865,333	13.33%	503	
2012	-	3,008,554	10,786,372	10,141,186	-	23,936,112	12.21%	598	

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

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

Fiscal Years	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage	General Fund & Coal Severance Subsidy
				Principal	Interest	Total		
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
2010	2,839,910	4,314,792	(1,474,882)	300,000	397,689	697,689	-211.40%	1,432,678
2011	2,547,456	4,211,851	(1,664,395)	315,000	305,206	620,206	-268.36%	1,314,817
2012	3,101,777	4,335,808	(1,234,031)	385,000	289,458	674,458	-182.97%	1,301,836

CITY OF CHARLESTON, WEST VIRGINIA
Table 13
Revenue Bond Coverage - Parking System Revenue Bonds -
For the Last Ten Fiscal Years

Fiscal Years	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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%
2010	3,656,645	2,471,699	1,184,946	995,000	319,555	1,314,555	90.14%
2011	4,142,631	2,493,365	1,649,266	1,025,000	282,501	1,307,501	126.14%
2012	3,970,745	2,529,183	1,441,562	1,060,000	237,690	1,297,690	111.09%

CITY OF CHARLESTON, WEST VIRGINIA
Table 14
Demographic Statistics -
Last Ten Fiscal Years

Fiscal Years	Population	Personal Income	Per Capita Income	Unemployment Rate
2003	51,971	1,530,026	29,439	5.5
2004	51,813	1,550,763	29,935	4.9
2005	51,648	1,609,868	31,179	4.7
2006	51,156	1,728,561	33,798	4.1
2007	50,773	1,789,241	35,248	3.8
2008	50,478	1,882,829	37,306	3.5
2009	50,478	1,902,011	37,687	6.6
2010	50,132	1,921,031	38,177	7.6
2011	51,400	1,940,241	38,673	7.4
2012	51,400	1,959,643	40,027	6.9

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

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

CITY OF CHARLESTON, WEST VIRGINIA

**Table 15
Legal Debt Margin Information -
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 2,931,967,620
Debt limit (5% of assessed value)	<u>146,598,381</u>
Debt applicable to limit:	
General obligation bonds	-
Less: amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 146,598,381</u>

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 113,745,197	\$ 112,773,976	\$ 114,708,065	\$ 115,320,129	\$ 119,639,489	\$ 132,591,824	\$ 138,553,363	\$ 143,329,025	\$ 144,180,795	\$ 146,598,381
Total debt applicable to limit	<u>7,795,000</u>	<u>6,910,000</u>	<u>5,955,000</u>	<u>4,930,000</u>	<u>3,830,000</u>	<u>2,645,000</u>	<u>1,370,000</u>	-	-	-
Legal debt margin	<u>\$ 108,424,323</u>	<u>\$ 108,453,781</u>	<u>\$ 111,514,302</u>	<u>\$ 113,430,666</u>	<u>\$ 119,156,049</u>	<u>\$ 133,569,425</u>	<u>\$ 140,969,118</u>	<u>\$ -</u>	<u>\$ 144,180,795</u>	<u>\$ 146,598,381</u>
Total net debt applicable to the limit as a percentage of debt limit	7%	6%	5%	4%	3%	2%	1%	0%	0%	0%

Note: Under State finance law, WV State Code §13-1-3, the City's outstanding debt should not exceed 5 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation debt.

CITY OF CHARLESTON, WEST VIRGINIA

Table 16
Employment/Unemployment and Change -
Last Ten Fiscal Years

Fiscal Years	Employment		Unemployment	
	Total	% Change Year Ago	Rate	Unit Change Year Ago
2003	130,921	1.9	5.5	-0.1
2004	131,698	0.6	4.9	-0.7
2005	133,234	1.2	4.7	-0.1
2006	135,085	1.4	4.1	-0.6
2007	135,847	0.6	3.8	-0.3
2008	135,414	-0.3	3.5	-0.3
2009	129,331	-4.5	6.6	3.1
2010	126,017	-4.4	8.1	0.8
2011	129,142	-0.6	7.6	-0.4
2012	130,329	0.9	6.9	-0.5

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

CITY OF CHARLESTON, WEST VIRGINIA

Table 17
Kanawha County
Ten Largest Employers in Kanawha County and Rank -
June 30, 2012 and 2003

Rank	Company Name	2012		Company Name
		Total Employees	Employee Percentage	
1	Charleston Area Medical Center, Inc.	6,577	37%	Charleston Area Medical Center
2	Kanawha County Board of Education	3,978	22%	Kanawha County Board of Education
3	Herbert J. Thomas Memorial Hospital Association	1,200	7%	Minneapolis Postal Data Center
4	West Virginia Department of Highways	1,100	6% **	Herbert J. Thomas Memorial Hospital Association
5	Wal-Mart Associates, Inc.	1,000	6% **	Wal-Mart Associates, Inc.
6	The Kroger Company	900	5% **	Dow (Union Carbide Corporation)
7	City of Charleston Municipality	785	4%	Verizon Services Corporation
8	West Virginia Department of Health and Human Resources	750	4% **	West Virginia Bureau of Employment Programs
9	U.S. Postal Service	720	4% **	Acordia National, Inc.
10	TRG Customer Solutions, Inc.	715	4% **	West Virginia Department of Highways
	Total	17,725	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 2012
 The total employee information is unavailable for the 2003 year.

CITY OF CHARLESTON, WEST VIRGINIA

Table 18

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

Function/Program	Fiscal Years								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police									
Physical arrest	4,281	4,990	6,314	6,270	7,649	6,812	5,704	7,435	6,945
Citations written	10,402	16,460	19,946	23,494	20,804	16,217	10,438	18,710	14,891
Offenses charged	15,646	28,207	29,659	29,195	24,006	18,887	6,626	7,454	8,458
Fire									
Emergency medical responses	12,289	11,157	12,373	18,926	17,788	12,709	12,538	13,106	13,379
Fire responses	5,318	8,661	9,000	12,214	13,131	17,424	16,417	16,272	16,867
Inspections	1,064	1,019	1,019	1,156	1,124	1,138	897	854	1,415
Refuse collection									
Refuse collected (tons annually)	28,113	27,461	27,869	30,571	26,977	13,816	13,228	26,659	12,772
Recyclables collected (tons annually)	1,254	1,350	1,380	1,293	1,072	1,031	991	3,410	502
Yard waste collected (tons annually)	4,238	3,428	2,658	2,271	1,653	455	454	1,031	402
Sludge (tons annually)	3,630	2,170	2,289	5,175	5,641	2,701	1,250	5,938	Unavailable
Other public works									
Streets resurfaced (Miles)	Unavailable	27.50	25.58	9.30	10.56	9.40	5.14	6.96	8.47
Potholes repaired	113	83	34	177	27	57	82	77	83
Parking systems									
Parking violations	54,162	52,995	64,418	62,942	98,187	45,545	43,316	44,159	49,313
Civic center									
Number of events (annual average)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2000
Municipal auditorium									
events (number of days annual average)	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120	115-120

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 Nine Fiscal Years

Function/Program	Fiscal Years								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police									
Stations	1	1	1	1	1	1	1	1	1
Zone offices	5	5	5	5	5	5	5	4	4
Patrol units	100	90	90	94	94	94	92	88	88
Fire stations	8	9	9	9	9	9	9	9	8
Refuse collection									
Collection trucks	30	30	30	30	30	30	30	30	30
Other public works									
Street (miles)	300	300	300	300	300	300	300	325	325
Traffic signals	152	152	152	152	152	152	152	148	148
Parks and recreation									
Community centers	3	3	3	3	3	3	3	3	3
Neighborhood centers	3	3	3	3	3	3	3	3	3
Parks	6	6	6	6	6	6	6	6	6
Parks acreage	115	115	115	115	115	115	115	115	115
Swimming pools	5	5	5	5	5	5	5	5	5
Tennis courts	16	16	16	16	16	16	16	16	16
Parking system									
Number of parking garages	6	6	6	6	6	6	6	6	6
Number of parking meters	108	1,073	1,098	1,100	1,150	1,150	1,150	1150	1059
Civic center									
Types of facilities	6	6	6	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	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Management	58	61	44	42	47	48	49	52	50	42
Finance	21	21	21	23	26	26	22	20	29	23
Planning	14	15	17	17	17	17	17	17	21	21
Building	3	3	4	14	14	14	20	30	26	25
Engineering	5	6	8	8	8	8	9	9	8	9
Other	42	52	39	32	31	32	31	42	55	70
Police										
Officers	162	164	168	171	180	179	183	179	160	159
Civilians	44	46	45	29	28	28	24	26	27	27
Fire										
Officers	197	188	190	191	187	191	188	199	174	161
Civilians	5	5	5	5	5	4	3	2	2	2
Other public safety	9	8	9	9	8	8	8	8	8	8
Refuse collection	58	72	77	69	74	66	66	65	68	67
Public works	99	97	119	120	119	118	121	126	129	140
Parks and recreation	85	88	80	90	87	93	108	83	91	85
Social services	20	21	19	19	17	21	10	10	9	9
Civic center	32	34	44	30	24	23	22	21	21	23
Parking system	37	38	36	35	28	26	25	24	26	25
Total	891	919	925	904	900	902	906	913	904	896



