$3,275,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2009 A

Date of Closing: December 17, 2009

Bill No. 7403

Adopted by Council:
November 2, 2009

Introduced in Council
October 19, 2009

Referred to
Finance Committee

Introduced by
Robert Reishman

A BILL AUTHORIZING THE REFUNDING OF THE CIVIC CENTER IMPROVEMENT BONDS, SERIES 1999, OF THE CITY OF CHARLESTON; AND AUTHORIZING THE ISSUANCE OF CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A, OF THE CITY OF CHARLESTON, IN THE AMOUNT OF $3,500,000, TO FINANCE THE COST OF SUCH REFUNDING AND THE COST OF ISSUANCE FOR SUCH BONDS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BONDS; PROVIDING A STATUTORY MORTGAGE LIEN ON SPECIFIED TAX REVENUES DEDICATED FOR SUCH PURPOSES; DESIGNATING SUCH BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF CITY OF CHARLESTON, WEST VIRGINIA:

Table of Contents

Subject

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance....4
Section 1.02. Findings and Determinations....4
Section 1.03. Ordinance to Constitute Contract....5
Section 1.04. Definitions....5

ARTICLE II
AUTHORIZATION OF REFUNDING AND REDEMPTION
OF THE SERIES 1999 BONDS

Section 2.01. Authorization of Refunding and Redemption of the Series 1999 Bonds....9

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION
AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds....9

Section 3.02. Description of Bonds 9
Section 3.03. Execution of Bonds 10
Section 3.04. Authentication and Registration 10
Section 3.05. Book Entry System for Bonds 10
Section 3.06. Negotiability, Registration, Transfer and Exchange of Bonds 12
Section 3.07. Registrar 12
Section 3.08. Bond Mutilated, Destroyed, Stolen or Lost 12
Section 3.09. Term Bonds 13
Section 3.10. Bond Secured by Pledge of Revenues 14
Section 3.11. Notice of Redemption 14
Section 3.12. Form of Bond 15
(FORM OF BOND) 16

ARTICLE IV
REVENUES AND APPLICATION THEREOF;
DISPOSITION OP BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank 21
Section 4.02. Establishment of Funds and Accounts with Commission 21
Section 4.03. Disposition of Proceeds of Series 2009 A Bonds 21
Section 4.04. Covenants of the Issuer as to Revenues and Funds 22

ARTICLE V
GENERAL COVENANTS

Section 5.01. General Statement 23
Section 5.02. Issuance of Additional Parity Bonds or Obligations 23
Section 5.03. Insurance and Bonds 24
Section 5.04. Statutory Mortgage 24
Section 5.05. Events of Default 25
Section 5.06. Enforcement 25
Section 5.07. Reserved 25
Section 5.08. Tax Covenants as to Tax Exempt Status of Bond 25
Section 5.09. Designation of Series 2009 A Bonds as "Qualified Tax-Exempt Obligations" 26

ARTICLE VI
INVESTMENTS; NON-ARBITRAGE

Section 6.01. Investments 27
Section 6.02. Arbitrage 27
Section 6.03. Tax Certificate and Rebate 28

ARTICLE VII
MISCELLANEOUS

Section 7.01. Defeasance of Bond 29

Section 7.02. Reserved....29
Section 7.03. Delivery of Bonds....29
Section 7.04. Severability of Invalid Provision....29
Section 7.05. Conflicting Provisions Repealed....29
Section 7.06. Table of Contents and Headings....29
Section 7.07. Modification or Amendment....29
Section 7.08. Covenant of Due Procedure, Etc....29
Section 7.09. Supplemental Resolutions....30
Section 7.10. Effective Time....30
Section 7.11 Statutory Notice and Public Hearing....30

EXHIBIT A - Notice of Public Hearing and Abstract of Bond Ordinance....34

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended (the "Act') and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The City of Charleston (the "City" or "Issuer") is a municipal corporation and political subdivision of the State of West Virginia located in Kanawha County, West Virginia.

B. The Issuer now has a public facility known as the Charleston Civic Center (the "Facility"). In 1999 the City permanently financed the acquisition, construction, equipping and improving of the Facility through the issuance of its Civic Center Improvement Bonds, Series 1999 dated December 23, 1999 in the aggregate principal amount of $4,060,000 (the "Refunded Bonds").

C. The City may now refund the Refunded Bonds at a savings to the City. The City hereby determines that it would be a benefit to refund the Refunded Bonds with proceeds from the issuance of its Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds") in the aggregate principal amount not to exceed $3,500,000.

D. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2009 A Bonds presented to the City by the Original Purchaser, and after making allowance for the use of cash on hand of the City, the Series 2009 A Bonds show a net present value debt service savings to the City after deducting all expenses of the refunding and the costs of issuing the Series 2009 A Bonds.

E. The City shall not sell the Series 2009 A Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph D above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2009 A Bonds, and the City shall not issue the Series 2009 A Bonds without having obtained from an Independent Certified Public Accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2009 A Bonds and the net interest cost in dollars of the Prior Bonds.

F. The period of usefulness of the Facility is not less than twenty-five (25) years.

G. There are outstanding the Issuer's Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds") in the aggregate principal amount of $3,635,000 with which the Series 2009 A Bonds will rank on a parity as to lien on and source of and security for payment.

H. The Issuer is not in default under the terms of any document and has complied with all requirements with respect to the issuance of the Series 2009 A Bonds.

I. The estimated revenues to be derived in each year from hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes will be sufficient to pay all the principal of and interest on the Series 2009 A Bonds (as hereinafter defined) and all debt service and other payments provided for herein.

J. The Issuer has complied with all requirements of West Virginia law relating to the issuance of the Bonds, or will have so complied prior to issuance of the Bonds.

K. It is in the best interests of the Issuer that the Bonds be sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to the terms and provisions of a Bond Purchase Agreement to be entered into between the Purchaser and the City.

L. The City shall not permit at any time any of the proceeds of the Series 2009 A Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Series 2009 A Bonds from the treatment afforded by Section 103(a) of the Code.

M. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2009 A Bonds.

N. The Series 2009 A Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bonds by the Purchasers, this Ordinance (the "Ordinance") shall be deemed to be and shall constitute a contract between the Issuer and the Purchasers, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bonds.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended.

"City Clerk" means the City Clerk of the Governing Body.

"Commission" means the West Virginia Municipal Bonds Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Depository Bank" means the bank or trust company which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated in the Supplemental Resolution.

"Escrow Agent" shall mean the Escrow Agent with respect to each Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"Escrow Agreement" shall mean the agreements between the City and the Escrow Agent, substantially in the form of the agreement attached to a resolution supplemental hereto and by this reference made a part hereof, relating to the refunding and defeasance of the Prior Bonds.

"Escrow Fund" shall mean the escrow fund created by each Escrow Agreement.

"Facility" or "Facilities" means all the land and tangible properties of the Charleston Civic Center Coliseum and also any tangible properties which may hereafter be added to the Facility by addition, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the City Council of the Issuer.

"Government Obligations" means direct obligations of or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Herein" means in this Ordinance.

"Holder of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Issuer" or "City" means City of Charleston, Kanawha County, West Virginia, and, where appropriate, also means the Governing Body.

"Mayor" means the Mayor or the Acting Mayor of the Governing Body.

"Ordinance" means this Ordinance and all resolutions supplemental hereto.

"Prior Ordinance" means the Ordinance authorizing the Series 1998 Bonds enacted September 8, 1998.

"Project" means the Project as defined in the Ordinance of the City authorizing the issuance of the Refunded Bonds enacted December 6, 1999.

"Purchasers" means Crews & Associates, Inc. and any successor or successors thereto.

"Qualified Investments" means and include any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank Facility; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any Bonds, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said lime accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Treasury Investments pursuant to Chapter 12, Article 6C, of the West Virginia Code of 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Redemption Accounts" means the redemption account within the Series 2009 A Sinking Fund established by Section 4.01 of this Ordinance.

"Redemption Price" means the price paid for redemption of the Series 2009 A Bonds as set forth in the redemption provisions determined in the Supplemental Resolution.

"Refunded Bonds" or "Series 1999 Bonds" means the $4,060,000 City of Charleston Civic Center Improvement Bonds, Series 1999, to be refunded by the Series 2009 A Bonds.

"Registrar" or "Bond Registrar" means the Bank or Trust Company designated by the Issuer in the Supplemental Resolution.

"Representation Letter" means the DTC Letter of Representation of the City.

"Series 1998 Bonds" means the City's Civic Center Improvement Bonds, Series 1998 issued on September 11, 1998, in the aggregate principal amount of $3,635,000.

"Series 2009 A Bonds" or "Bonds" means the City's Civic Center Improvement Refunding Bonds, Series 2009 A, authorized by this Ordinance.

"Tax Revenues" means (i) the specified tax revenues dedicated for such purposes by the City to pay debt service on the Series 2009 A Bonds and consisting of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received or collected by the City and (ii) any other revenues dedicated for such purposes by the City to pay debt service on the Series 2009 A Bonds and the Series 1998 Bonds and on any additional bonds issued under the Ordinance.

"Term Bonds" means the Series 2009 A Bonds subject to mandatory sinking fund redemption, as described by Section 3.09 of this Ordinance.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations; words importing the masculine, feminine or neuter genders shall include any other gender; and any requirement for execution, sealing and/or attestation of the Bonds or any certificate or other document by the City Clerk shall mean that such Bond certificate or other document which may be executed, sealed and/or attested by an Acting City Clerk.

ARTICLE II

AUTHORIZATION OF REFUNDING AND REDEMPTION OF THE SERIES 1999 BONDS

Section 2.01. Authorization of Refunding and Redemption of the Series 1999 Bonds. The lien of the Series 1999 Bonds outstanding as of the date of issuance of the Note imposed by the Prior Ordinance on the Tax Revenues is hereby ordered terminated, discharged and released upon the payment onto the Series 1999 Escrow Fund from the proceeds of the Series 2009 A Bonds, together with other moneys available therefor, including those moneys transferred as provided below, of the following: (a) an amount equal to the fiscal and paying agent charges, and (b) an amount which will be simultaneously invested in United States Treasury Obligations bearing interest and having maturities sufficient to provide (i) for the payment of the principal of the Series 1999 Bonds as the same mature on each principal payment date established with respect thereto prior to the Series 1999 Bonds Redemption Date, if any, established for such Series 1999 Bonds, (ii) for the payment of the redemption price of the Series 1999 Bonds outstanding on the Series 1999 Bonds Redemption Date, if any, established for such Series 1999 Bonds, and (iii) for the payment of the interest on the Series 1999 Bonds as the same becomes due. Contemporaneously with the deposit of proceeds of the Series 2009 A Bonds into the Series 1999 Escrow Fund, and as prescribed by the Series 1999 Escrow Agreement, the amounts on deposit in the sinking fund created and maintained on behalf of the Series 1999 Bonds shall be deposited into the Series 1999 Escrow Fund and simultaneously invested as provided in the Series 1999 Escrow Agreement. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bonds of the Issuer to be known as "City of Charleston, Civic Center Improvement Refunding Bonds, Series 2009 A" in the principal amount not to exceed $3,500,000, is hereby authorized to be issued for the purpose of financing the cost of refunding the Refunded Bonds.

Section 3.02. Description of Bonds. The Bonds shall be issued in registered form, from No. R-l upward, and shall be dated on the date of delivery. The Bonds shall bear interest from the date, payable semi-annually at the rates per annum and shall be sold for the par value thereof as set forth herein or in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the

Paying Agent mailed to the Registered Owner thereof at the address that appears on the books of the Registrar or, in the event of a default in the payment on the Series 2009 A Bonds, that special record date to be fixed by the Registrar by notice given to the Registered Owners not less than ten (10) days prior to said special record date (the "Special Record Date") or, if requested in the case of such an owner of $1,000,000 or more in principal amount of Series 2009 A Bonds, by wire transfer to a domestic bank account specified in writing at least five (5) days prior to the Record Date by such owner.

The Series 2009 A Bonds shall, at the option of the City, be redeemable in whole or in part, at the times, in the manner, and upon payment of the redemption prices, as provided in the Supplemental Resolution.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor or and its corporate seal shall be affixed thereto and attested by the City Clerk, and the Mayor and the City Clerk are hereby authorized to execute the Bonds and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in a resolution supplemental hereto, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered, and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by any authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Book Entry System for Bonds. A. Each series of the Series 2009 A Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2009 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2009 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2009 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2009 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2009 A Bond or any other evidence of ownership of the Series 2009 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all

or any portion of the Series 2009 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2009 A Bonds, the City and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2009 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2009 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Registered Owner under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2009 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2009 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2009 A Bonds so redeemed, but DTC may return such Series 2009 A Bonds and make an appropriate notation on the Series 2009 A Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2009 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2009 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2009 A Bonds, selecting the Series 2009 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the Registered Owners under this Ordinance, registering the transfer of Series 2009 A Bonds, obtaining any consent or other action to be taken by the Registered Owners and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2009 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Registered Owner with respect to (i) the Series 2009 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2009 A Bonds, (iv) any notice which is permitted or required to be given to the Registered Owners under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2009 A Bonds or (vi) any consent given or other action taken by DTC as Registered Owner.

E. The book entry system for registration of the ownership of the Series 2009 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities

depository for the Series 2009 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2009 A Bonds. In either of such events (unless in the case described in clause (ii) above, the City appoints a successor securities depository), the Series 2009 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2009 A Bonds.

Section 3.06 Negotiability, Registration, Transfer and Exchange of Bonds. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bonds shall be transferable except by means of transfer of registration of the Bonds representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Ordinance.

Whenever the Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer,

No registration of transfer of a Bond shall be permitted to be made after the 15th day next preceding any installment payment date on that Bond.

Section 3.07. Registrar. The Registrar will keep or cause to be kept by its agent at its office, sufficient books for the registration and transfer of the Bonds, and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or social security numbers of the settlor and beneficiaries of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.08. Bond Mutilated, Destroyed. Stolen or Lost, In case any of the Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer, If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.09. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the City from the Revenue Fund and into the Redemption Accounts for the Series 2009 A Bonds in accordance with Subsection 4.04(B) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to $1/12^{th}$ of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the City may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The City shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Commission may use the moneys in the Redemption Accounts for the Series 2009 A Bonds to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Commission shall advise the City and the Registrar of any

Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Sinking Funds of the Series 2009 A Bonds), as will exhaust as nearly as practicable the Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.10. Bonds Secured by Pledge of Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a lien on the Tax Revenues derived from and a statutory mortgage lien on the hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended) and coal severance taxes pledged therefor, Such lien shall be on a parity with the liens securing $3,635,000 City of Charleston (West Virginia), Civic Center Improvement Bonds, Series 1998 (the 'Series 1998 Bonds") and any other additional bonds, issued pursuant to Section 5.02 of this Ordinance.

Section 3.11. Notice of Redemption. (a) The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Bond Register. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

(b) If at the time of mailing of any notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of such moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Registrar promptly shall notify the Owners of all Bonds called for redemption of such fact.

(c) So long as DTC (as CEDE & CO.) is the Registered Owner of the Series 2009 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2009 A Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date, the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

Section 3.12. Form of Bond. Subject to the provisions hereof the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any supplemental resolution adopted after the date of adoption hereof and prior to the issuance thereof

(FORM OF BOND)

No.R-__ $_____

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
_____%	_____ 1, 2009	December 1, 20__	_____

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ _____

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of _____ and 00/100 Dollars ($), plus interest on the unpaid principal balance at the rate of_____ (_%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning _____ 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

At the option of the City, this Bond is subject to redemption prior to maturity on or after _____ 1, 20__, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998,

ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: _____, 2009

_____,
as Registrar

By: _____
Authorized Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund (established by the Prior Ordinance);

(2) Costs of Issuance Fund; and

(3) Series 2009 A Bonds Rebate Fund.

Section 4,02. Establishment of Funds and Accounts with Commission. The following special fund is hereby created and established with the Commission:

(1) Series 2009 A Bonds Sinking Fund (including a Redemption Account, if necessary).

Section 4.03. Disposition of Proceeds of Series 2009 A Bonds. Upon the issuance and delivery of the Series 2009 A Bonds, the City shall forthwith deposit the proceeds thereof as follows:

A. An amount of the proceeds of the Series 2009 A Bonds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Series 1999 Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

B. The balance of the proceeds of the Series 2009 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2009 A Bonds and miscellaneous costs of refunding the Prior Bonds at the written direction of the City. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the City to the Redemption Accounts for the Series 2009 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Registered Owners of the Series 2009 A Bonds.

Section 4.04. Covenants of the Issuer as to Revenues and Funds, So long as any of the Series 2009 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2009 A Bonds Sinking Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2009 A Bonds as follows:

(A) Revenue Fund. The Tax Revenues shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein. Provided, however, the amount of Tax Revenues on deposit in the Revenue Fund shall be sufficient to make the next deposit of interest and/or principal into the Series 2009 Bonds Sinking Fund, with any excess Tax Revenues available to the Issuer.

(B) Disposition of Revenues. The Tax Revenues at any time of interest and/or principal on deposit in the Revenue Fund shall be disposed of as follows:

The Issuer shall on or before the due date of payment of each installment of interest and/or principal on the Bonds, transfer from the Revenue Fund and simultaneously deposit into (i) the Series 1998 Bonds Sinking Fund, the amount required to pay the interest on the Series 1998 Bonds, and to amortize the principal of the Series 1998 Bonds over the life of the Series 1998 Bonds, and (ii) the Series 2009 A Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Series 2009 A Bonds, and to amortize the principal of the Series 2009 A Bonds over the life of the Series 2009 A Bonds.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2009 A Bonds Sinking Fund, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the other accounts herein provided, and all amounts required the other accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

The Commission and the Depository Bank at the direction of the Issuer, shall keep all funds invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof Investments in any fund or account under this Bond Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder,

including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

(C) Change of Depository Agent and Fiscal Agent. The Issuer may designate another bank or trust company insured by FDIC as Fiscal Agent and Depository Bank if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by ordinance that said Bank or its successor should no longer serve as Fiscal Agent or Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchasers,

(D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the Commission and to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission and the Depository Bank then due.

(E) Investment of Excess Balances. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of state and municipal funds under the laws of the State.

(F) Remittances. Any remittances made by the Issuer to the Commission and to the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited,

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchasers.

Section 5.02. Issuance of Additional Parity Bonds or Obligations. Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Series 2009 A Bonds may be issued at any time upon the Issuer's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Series 2009 A Bonds, the Series 1998 Bonds and any additional parity bonds issued during the most recent fiscal year and a projected debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Series 2009 A Bonds, the Series 1998 Bonds, any additional bonds issued and the additional parity bonds to be issued over the next 3 years. In the event that the collection of Tax Revenues falls below one hundred ten percent (110%) the City will use its best efforts to request and secure legislative approval to increase the rates and /or percentages from the different components of Tax Revenues which are paid to the City.

Section 5.03. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the Facility, procure, carry and maintain, so long as the Bonds remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon any portion of the Facility now in use, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the Facility, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the Facility, such insurance to be procured not later than the date of delivery of the Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the Facility, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer,

(d) Workers' Compensation Coverage for all Employees of the City Eligible Therefor and Performance and Payment Bonds. Workers' compensation insurance will be maintained as required by the laws of the State of West Virginia

(e) Fidelity Bonds will be provided as to every member of the Governing Body and every officer and employee of the City having custody of the Revenue Fund or of any revenues or other funds of the Facility in an amount at least equal to the total annual debt service requirements for all outstanding loans.

(f) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section and so long as the Bonds are outstanding, the Issuer will carry insurance and Bonds or cause insurance and Bonds to be carried for the protection of the Issuer of such types and in such amounts as the Purchasers may specify, with insurance carriers or Bonding companies acceptable to the Purchasers.

Section 5.04. Statutory Mortgage. For the further protection of the holders of the Bonds, a statutory mortgage lien upon the Tax Revenues is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take

effect immediately upon delivery of the Bonds. Such statutory mortgage lien shall be on a parity with the statutory mortgage lien granted on behalf of the holders of the Series 1998 Bonds.

Section 5.05. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof on the Series 2009 A Bonds, the Series 1998 Bonds or any additional parity bonds issued and/or;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law or of this Bond Ordinance.

Section 5.06. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Registered Owner may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights and shall have all rights prescribed by the Act, W.Va. Code and other applicable law.

Section 5.07. Reserved.

Section 5.08. Tax Covenants as to Tax Exempt Status of Bonds.

1. The Issuer covenants that (a) it shall not permit or cause to be done any act or thing which would result in the loss of exemption from tax of interest on the Bonds under Section 103(a) of the Internal Revenue Code and the regulations thereunder, or under any successor or similar provision of the Internal Revenue Code hereinafter enacted and applicable to the Bonds and regulations thereunder (b) it shall not invest or otherwise use or permit or cause to be invested or used, any of the proceeds of the Bonds, or moneys deemed to be proceeds of the Bonds under the Internal Revenue Code, directly or indirectly, in any manner which would result in such Bonds being classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Service Code or regulations thereunder, and each shall comply with the requirements of such Section and (c) no part of the proceeds of the Bonds or any funds held under the Ordinance shall at any time be used directly or indirectly for any purpose for which would cause the Bonds to be subject to treatment as a "private activity bond" under the Internal Revenue Code or regulations thereunder and to that end the Issuer will comply with the applicable law as long as the Bonds are outstanding.

2. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any

underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and that (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent *(5%)* of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for the Issuer in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local governmental units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149 (b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereof including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Holder) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Holder) which would adversely affect such exclusion.

Section 5.09. Designation of Series 2009 A Bonds as "Qualified Tax-Exempt Obligations". The City hereby designates the Series 2009 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2009 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more that $30,000,000 in aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the City to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2009 A Bonds, have

been or shall be issued by the City, including all subordinate entities of the City, during the calendar year 2009.

ARTICLE VI

INVESTMENTS; NON-ARBITRAGE

Section 6.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 6.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the City, at least once each year, or more often as reasonably requested by the City, a summary of such funds, accounts and investment earnings. The City shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest on the Series 2009 A Bonds from gross income for federal income tax purposes.

Section 6.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2009 A Bonds in such manner and to such extent as may be necessary, so that the Series 2009 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2009 A Bonds) so that the interest on the Series 2009 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.03. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2009 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2009 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City shall deposit, or cause to be deposited, in the respective Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in such Rebate Funds to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, such Rebate Funds shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from such Rebate Funds, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in such Rebate Funds following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in such Rebate Funds are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay the required rebate amounts and any and all penalties and interest from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2009 A Bonds from gross income for federal income tax purposes.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Defeasance of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Ordinance, then with respect to the Bonds, the pledge of Tax Revenues and other moneys and securities pledged under this Bonds Ordinance and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Reserved.

Section 7.03. Delivery of Bonds. The Mayor and City Clerk of the Governing Body are hereby authorized and directed to cause the Series 2009 A Bonds to be delivered to the Registered Holder as soon as the Purchasers will accept such delivery.

Section 7.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof and shall in no way affect the validity of all the other provisions hereof or the Bonds,

Section 7.05. Conflicting Provisions Repealed. All ordinances and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Modification or Amendment. The Bond Ordinance may not be modified or amended in any material manner after final passage without the prior written consent of the Purchasers and/or holder of the Bonds,

Section 7.08. Covenant of Due Procedure. Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Ordinance.

Section 7.10. Effective Time. This Ordinance shall take effect immediately upon its adoption.

Section 7.11 Statutory Notice and Public Hearing. A notice of public hearing and abstract of this Bond Ordinance in the form set forth in Exhibit A attached hereto and incorporated by reference, shall be published once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the Charleston Gazette, a qualified newspaper published and of general circulation in the City of Charleston, together with a notice stating that this Bond Ordinance will be adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the City Council upon a date certain, not less than ten (10) days subsequent to the date of the first publication of such notice and abstract of this Bond Ordinance, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objection and suggestions will be heard, and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading – October 19, 2009.

Passed on Second Reading – November 2, 2009.

Passed Following Public Hearing – November 16, 2009.

THE CITY OF CHARLESTON

[SEAL]

By: _____
Mayor

Attest:

By: _____
City Clerk

CERTIFICATION

I, James W. Reishman, City Clerk of The City of Charleston, hereby certify that the foregoing is a true and correct copy of an Ordinance enacted at a meeting of the City Council of The City of Charleston held on November 2, 2009, and effective following a public hearing thereon held on November 16, 2009. I further hereby certify that the action of said City Council set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 17th day of December, 2009.

Clerk

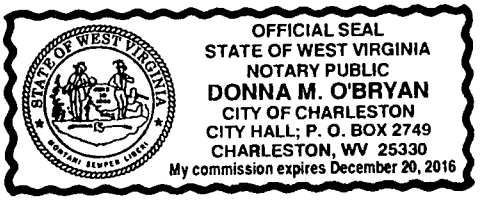
STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 14 day of December, 2009, by Danny Jones, the Mayor of The City of Charleston, a municipal corporation and a political subdivision of the State of West Virginia, on behalf of said municipality.

My commission expires December 20, 2016.

Donna M. O'Bryan
NOTARY PUBLIC



Prepared by:
S. Ryan White, Esquire
JACKSON KELLY PLLC
P.O. Box 553
1600 Laidley Towner
Charleston, WV 25322

EXHIBIT A

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on November 2, 2009, the Council of The City of Charleston, West Virginia (the "City") adopted an ordinance which, among other things:

1. Authorizing the refunding of the Civic Center Improvement Bonds, Series 1999 of The City of Charleston; authorizing the issuance of not more than $3,500,000 in Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to finance the cost of such refunding and to pay other costs of issuance; providing for the rights and remedies of and security for the holders of such bonds, providing a statutory mortgage lien on specified tax revenues dedicated for such purposes and providing general terms and providing when the ordinance shall take effect.

2. Directed that the Series 2009 A Bonds be issued in such principal amounts, bear interest at such rate or rates, not exceeding the then legal maximum rate, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the continuation of the Revenue Fund and the disposition of the Tax Revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a Sinking Fund for the Series 2009 A Bonds.

4. Provided that the Series 2009 A Bonds shall not be or constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the pledged Tax Revenues; pledged the Tax Revenues to payment of the Series 2009 A Bonds and established the rights of the registered owners of the Bonds to such Tax Revenues.

5. Provided certain conditions for the issuance of additional bonds.

6. Established the events of default and the remedies of the registered owners.

The City contemplates the issuance of the Series 2009 A Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Charleston at a regular meeting on November 16, 2009,

at 7:00 p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on November 2, 2009, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

James M. Reishman
City Clerk -- The City of Charleston, West Virginia

City of Charleston
Office of the City Clerk
P.O. Box 2749
Charleston, WV 25330
(304) 348-8179

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Resolution No. 679-09, enacted by the City Council of the City of Charleston on December 7, 2009.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 14th day of December, 2009.

James M. Reishman
City Clerk

Seal

COMMITTEE REPORT

TO: **Clerk of the Council of the City of Charleston, West Virginia**

FROM: **The Committee on FINANCE**

Your Committee on **Finance**

has had under consideration: Resolution No. 679-09, supplementing Bill No. 7403 passed by the Council of The City of Charleston on November 2, 2009, effective November 16, 2009, authorizing the refunding of the Civic Center Improvement Bonds, Series 1999, of The City of Charleston; and authorizing the issuance of Civic Center Improvement Refunding Bonds, Series 2009 A, of The City of Charleston, in the amount of not to exceed $3,500,000, to finance the cost of such refunding and the cost of issuance for such bonds; defining and prescribing or providing for the terms and provisions of the bonds; providing generally for the rights and remedies and security of the holders of the bonds; providing a statutory mortgage lien on specified tax revenues dedicated for such purposes; designating such bonds as qualified tax-exempt obligations; delegating certain authority regarding the bonds to the Mayor and the City Manager; and providing general terms and providing when this ordinance shall take effect.

and reports the same to Council with the recommendation that the committee report be adopted

CHAIRMAN

Resolution No. 679-09 :

Introduced in Council:

December 7, 2009

Adopted by Council:

December 7, 2009

Introduced by:

Robert Reishman

Referred to:

A resolution supplementing Bill No. 7403 passed by the Council of The City of Charleston on November 2, 2009, effective November 16, 2009, authorizing the refunding of the Civic Center Improvement Bonds, Series 1999, of The City of Charleston; and authorizing the issuance of Civic Center Improvement Refunding Bonds, Series 2009 A, of The City of Charleston, in the amount of not to exceed $3,500,000, to finance the cost of such refunding and the cost of issuance for such bonds; defining and prescribing or providing for the terms and provisions of the bonds; providing generally for the rights and remedies and security of the holders of the bonds; providing a statutory mortgage lien on specified tax revenues dedicated for such purposes; designating such bonds as qualified tax-exempt obligations; delegating certain authority regarding the bonds to the Mayor and the City Manager; and providing general terms and providing when this ordinance shall take effect.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City" or the "Issuer"), on November 2, 2009, effective November 16, 2009, adopted Bill No. 7403, which Ordinance authorized the issuance of The City of Charleston Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), in an aggregate principal amount not to exceed $3,500,000, to finance the cost of currently refunding the City's Civic Center Improvement Bonds, Series 1999 (the "Series 1999 Bonds"), to pay other costs in connection therewith, and all as more fully set out therein (said Ordinance is hereinafter referred to as the "Ordinance");

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance when used herein;

WHEREAS, the Ordinance directed the City Clerk to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the Issuer contemplates the issuance of the Series 2009 A Bonds as described in the Ordinance and that any person interested may appear before the Council upon a certain day and present protests (the "Notice");

WHEREAS, the Ordinance required that the Abstract and Notice be published once a week for two successive weeks, with at least six full days intervening between each publication in the Charleston Gazette, a qualified newspaper published and of general circulation in the City of Charleston, West Virginia, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Ordinance and the Notice at which interest persons may appear before the City Council and present protests;

WHEREAS, the Abstract and Notice was published on November 5, 2009, and November 12, 2009;

WHEREAS, the Notice provided for a public hearing to be held before City Council at 7:00 p.m. on Monday, November 16, 2009, in the Council Chambers, City Hall, Charleston, West Virginia, which hearing was held and no protests were received;

WHEREAS, the Ordinance provides that matters relating to the Series 2009 A Bonds not set forth in the Ordinance shall be approved by a resolution supplemental thereto (the "Supplemental Resolution");

WHEREAS, the Series 2009 A Bonds are proposed to be purchased by Crews & Associates, Inc. (the "Original Purchaser"), pursuant to a Bond Purchase Agreement (the "Purchase Agreement") between the Original Purchaser and the City;

WHEREAS, this Council wishes to delegate to the Mayor the authority to approve, within the parameters set forth herein, the final terms of the Series 2009 A Bonds, including the exact principal amount, interest rates, redemption provisions, maturities, purchase price and other terms of the Series 2009 A Bonds as set forth in the form of the Certificate of Determination attached hereto, without the requirement of further official action by this Council; and

WHEREAS, this City Council deems it essential and desirable that this Supplemental Resolution be adopted, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Series 2009 A Bonds be fixed as stated herein, that the principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Series 2009 A Bonds be fixed by the Mayor, by and through the execution of Certificates of Determination, within the parameters fixed herein, and that other matters relating to the Series 2009 A Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA, AS FOLLOWS:

1. It is hereby found and determined:

(a) The Abstract and Notice were duly published in the The Charleston Gazette, a newspaper of general circulation in The City of Charleston, West Virginia, with the first publication thereof being on November 5, 2009, and with the last publication thereof being on November 12, 2009, and a copy of the affidavit of publication reflecting such publication is attached hereto and incorporated herein as EXHIBIT A;

(b) In accordance with the Ordinance and the Notice, a copy of the Ordinance was maintained at the Office of the City Clerk for review by interested persons during the regular office hours of such office;

(c) At 7:00 p.m., prevailing time, on Monday, November 16, 2009, in the Council Chambers, Charleston, West Virginia, in accordance with the Ordinance and the Notice, City Council met for the purpose of hearing protests and suggestions regarding whether the Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(d) At the public hearing, no significant reasons and no written protest with regard thereto were presented that would require other modification or amendment of the Ordinance; and

(e) That the Ordinance has been placed into effect as of November 16, 2009, as ratified by this Supplemental Resolution and the Series 2009 A Bonds contemplated thereby shall be issued, all as provided in the Ordinance and this Supplemental Resolution.

2. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued:

The City of Charleston Civic Center Improvement Refunding Revenue Bonds, Series 2009 A shall be issued in such aggregate principal amount not to exceed $3,500,000, shall be dated such date, shall finally mature on December 1, 2024, shall bear interest and prices with interest payable on such dates, and shall have such redemption provisions and other terms as shall be approved by the Mayor or the City Manager in the Certificate of Determination the form of which is attached hereto as EXHIBIT B; provided that such price shall be such that the net present value savings from the Bonds to Be Refunded is not less than 2.5%.

3. The Mayor or the City Manager of The City of Charleston, West Virginia (the "Mayor") is hereby authorized and directed to set forth the exact principal amount, the maturities, the interest rates, the redemption provisions, the price, and other

terms and details of the Series 2009 A Bonds, subject to the parameters set forth herein in the Certificate of Determination, substantially in the form attached hereto as EXHIBIT B and incorporated herein, to be executed and delivered in connection with the sale of the Series 2009 A Bonds. Assuming such parameters are met, the Certificate of Determination shall have full force and effect as if adopted as a part of this Supplemental Resolution.

4. All other provisions relating to the Series 2009 A Bonds and the text of the Series 2009 A Bonds shall be as provided in the Ordinance, and the Series 2009 A Bonds shall be in substantially the form provided in the Ordinance, with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Series 2009 A Bonds by the Mayor shall be conclusive evidence of such approval.

5. A Bond Purchase Agreement for the Series 2009 A Bonds, by and between the Original Purchaser and the Issuer, the form of which is attached hereto as EXHIBIT C and incorporated herein, and the execution and delivery by the Mayor or the City Manager thereof shall be and the same are hereby authorized, approved, and directed. The Mayor or the City Manager shall execute and deliver the Purchase Agreement for the Series 2009 A Bonds with such changes, insertions and omissions as may be approved by the Mayor or the City Manager. The execution of the Purchase Agreement for the Series 2009 A Bonds by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Purchase Agreement relating to the issuance and sale of the Series 2009 A Bonds, including the payment of all necessary fees and expenses in connection therewith.

6. A Continuing Disclosure Certificate of the Issuer, for the Series 2009 A Bonds, to be dated as of the date of delivery of the Series 2009 A Bonds, the form of which is attached hereto as EXHIBIT D and incorporated herein, and the execution and delivery by the Mayor or the City Manager thereof shall be and the same are hereby authorized, approved and directed. The Mayor or the City Manager shall execute and deliver the Continuing Disclosure Certificate for the Series 2009 A Bonds with such changes, insertions and omissions as may be approved by the Mayor or the City Manager. The execution of the Continuing Disclosure Certificate for the Series 2009 A Bonds by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section.

7. The Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission as Escrow Agent, to be dated as of the date of delivery of the Series 2009 A Bonds, substantially in the form attached as EXHIBIT E, and the execution and delivery (in multiple counterparts) by the Mayor or the City Manager thereof shall be and the same are hereby authorized, approved and directed. The Mayor or the City Manager shall execute and deliver the Escrow Agreement with

such changes, insertions and omissions as may be approved by the Mayor or the City Manager. The execution of the Escrow Agreement by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section.

8. A Preliminary Official Statement and an Official Statement for the Series 2009 A Bonds, in substantially the form of the Preliminary Official Statement attached hereto as EXHIBIT F and incorporated herein (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor or the City Manager), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor or the City Manager shall execute and deliver the Official Statement for the Series 2009 A Bonds with such changes, insertions and omissions as may be approved by the Mayor or the City Manager. The execution of the Official Statement for the Series 2009 A Bonds by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section.

9. City Council hereby appoints and designates The Bank of New York Mellon, West Paterson, New Jersey, to serve as Registrar (the "Registrar") and Depository Bank for the Series 2009 A Bonds and authorizes the Mayor or the City Manager to enter into the Registrar Agreement as deemed appropriate by the Mayor or the City Manager.

10. Upon redemption of the Series 1999 Bonds, all funds remaining in the Series 1999 Bonds Escrow Fund shall be transferred to Series 2009 A Bonds Sinking Fund and applied to the next ensuing interest payment.

11. City Council hereby determines to invest all moneys in the funds and accounts established by the Ordinance held by the Bond Commission in Qualified Investments (except for the Escrow Funds).

12. City Council hereby approves all costs of issuance in connection with the Series 2009 A Bonds and authorizes the payment thereof.

13. The Escrow Agent is hereby authorized to mail the notice of redemption of the Series 1999 Bonds as provided in the Prior Ordinance in order to call the Series 1999 Bonds on or about January 17, 2009.

14. The Issuer shall execute and the Registrar shall authenticate and deliver the Series 2009 A Bonds, as may be directed by the Issuer, upon the filing with the Registrar of the following:

(i) A copy of the Ordinance certified by the City Clerk of the Issuer;

(ii) The Series 2009 A Bonds;

(iii) A list of the names in which the Series 2009 A Bonds are to be registered upon original issue;

(iv) A request and authorization to the Registrar by the Issuer, signed by the Mayor, to authenticate and deliver the Series 2009 A Bonds to the Original Purchaser upon payment of the Purchase Price; and

(v) A signed, unqualified approving opinion of Jackson Kelly PLLC, as bond counsel.

15. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required as desirable in connection with the issuance and sale of the 2009 A Bonds to the end that the Series 2009 A Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

16. This Supplemental Resolution shall go into effect immediately upon adoption.

Adopted this 7th day of December, 2009.

EXHIBIT A

Affidavit of Publication

[See Tab No. 10]

EXHIBIT B

Form of
Certificate of Determination

THE CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

CERTIFICATE OF DETERMINATION

The undersigned, Danny Jones, Mayor of The City of Charleston (the "City"), in accordance with Section 2 of the Supplemental Resolution adopted by the Council of the City on _____, 2009 (the "Supplemental Resolution"), with respect to The City of Charleston (West Virginia) Civic Center Improvement Refunding Bonds, Series 2009 A, hereby finds and determines as follows:

1. The Series 2009 A Bonds shall be dated as of the date of delivery.

2. The Series 2009 A Bonds shall be issued in the aggregate principal amount of $_____ . Such principal amount does not exceed $3,500,000, being the maximum principal amount authorized by the Supplemental Resolution.

3. The yield on the Series 2009 A Bonds shall be _____% which provides a net present value savings of _____% which is not less than 2.5% being the minimum net present value savings authorized by the Supplemental Resolution.

4. The Series 2009 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2009 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

6. The Series 2009 A Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

7. The Series 2009 A Bonds shall be sold to Crews & Associates, Inc. (the "Underwriter"), pursuant to the terms of the Purchase Agreement by and between the Underwriter and the City, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount of $_____).

8. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2009 A Bonds, attached hereto, it is hereby determined that

the Series 2009 A Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

9. The City shall provide a notice of redemption to the registered owners of the Issuer's Civic Center Improvement Bonds, Series 1999 (the "Series 1999 Bonds"), said notice to be mailed no earlier than three days after the issuance of the Series 2009 A Bonds and the notice shall provide that the Series 1999 Bonds will be exchanged for the payment of the Redemption Price of the Series 1999 Bonds.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2009 A Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2009 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

Upon the delivery of the Series 2009 A Bonds:

(a) All funds on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") in the Debt Service Fund established and existing for the Series 1999 Bonds shall be transferred to the Series 1999 Bonds Escrow Account and be used to pay the redemption price of 102% of the outstanding principal on all Outstanding Series 1999 Bonds plus interest accrued to the Redemption Date on the Outstanding Series 1999 Bonds on _____, 2010;

(b) Proceeds of the Series 2009 A Bonds in the amount of $_____ shall be deposited in the Series 1999 Bonds Escrow Account and be used to pay the redemption price of 102% of the outstanding principal on all Outstanding Series 1999 Bonds plus interest accrued to the Redemption Date on the Outstanding Series 1999 Bonds on _____, 2010;

(c) The remaining proceeds of the Series 2009 A Bonds shall be deposited in the Cost of Issuance Fund and be used for paying costs of issuance of the Series 2009 A Bonds.

WITNESS my signature this ____ day of _____, 2009.

THE CITY OF CHARLESTON

_____
Mayor

Schedule 1

Maturity Schedule

Series 2009 A Bonds

Maturity	Amount	Interest Rate	Price or Yield	CUSIP No.

Schedule 2

Optional Redemption

At the option of the City, the Series 2009 A Bonds are subject to redemption prior to maturity on or after _____ 1, 20__, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus, interest, if any, accrued to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2009 A Bonds maturing on _____, _____ ("Term Bonds") are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

20 - - Terms Bonds

Year	Amount	Year	Amount

*Stated maturity.

EXHIBIT C

Form of

Bond Purchase Agreement

[See Tab No. 15]

EXHIBIT D

Form of

Continuing Disclosure Certificate

[See Tab No. 18]

EXHIBIT E

Form of

Escrow Agreement

ESCROW AGREEMENT

This AGREEMENT, made and entered into the 17th day of December, 2009, by and between THE CITY OF CHARLESTON, WEST VIRGINIA (hereinafter referred to as the "City") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION (hereinafter referred to as the "Escrow Trustee" or "Escrow Agent").

W I T N E S S E T H T H A T:

WHEREAS, pursuant to Bill No. _____ adopted on December 6, 1999 (the "Series 1999 Ordinance"), the City issued its Civic Center Improvement Bonds, Series 1999, dated _____, 1999, in the original principal amount of $_____, of which $3,115,000 is currently outstanding (the "Series 1999 Bonds");

WHEREAS, the Series 1999 Bonds mature on the dates and bear interest at the rates set forth in Schedule A hereto and are subject to optional redemption at the price of 102% plus interest accrued to the redemption date (the "Redemption Price") on and after December 1, 2009;

WHEREAS, the City has determined to issue its Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), pursuant to Ordinance No. _____ adopted November 2, 2009, effective November 16, 2009, as supplemented by resolution adopted on _____, 2009 (collectively, the "Ordinance"), the proceeds of which will be used to refund the Series 1999 Bonds;

WHEREAS, the City shall prepay and defease the Series 1999 Bonds by depositing with the Escrow Agent on December 17, 2009 (the "Closing Date") a portion of the proceeds of the Series 2009 A Bonds in the amount of $_____ (the "Redemption Deposit Amount"), which amount will be deposited by the Escrow Agent in the Escrow Fund, and a portion of the proceeds of the Series 2009 A Bonds in the amount of $_____ (the "Paying Agent Fees"), which amount shall be applied to fees due and owing the Municipal Bond Commission as Paying Agent for the Series 1999 Bonds;

WHEREAS, the City has found it desirable to appoint the Escrow Trustee for the purposes of holding the monies used for redemption, receiving payment of the principal thereof and interest thereon when due, disbursing to the paying agents such amounts as may be necessary to provide for the redemption of the Series 1999 Bonds;

WHEREAS, the Redemption Deposit Amount, along with funds then already on deposit in the Series 1999 Bonds Sinking Fund, therein in the total amount of $_____, are in such amounts as to insure the payment on _____, 2010 (the "Redemption Date") by the Registrar, pursuant to the Ordinance of the Redemption Price; and

WHEREAS, the City has taken all action necessary to appoint and designate the Commission as the Escrow Trustee to accomplish such purposes;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 1999 Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. Receipt of true and correct copies of the Ordinance and the Prior Ordinances are hereby acknowledged by the Escrow Trustee. Reference herein to or citation herein of any provisions of either the Prior Ordinances or the Ordinance shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

2. There is hereby created and established with the Escrow Trustee a special and irrevocable trust fund designated the "The City of Charleston, West Virginia, Series 1999 Civic Center Improvement Revenue Bonds Escrow Fund" (hereinafter referred to as the "Escrow Fund"), to be held in the custody of the Escrow Trustee, separate and apart from other funds of the City, the Commission or the Escrow Trustee. The deposit of investments or moneys in the Escrow Fund shall constitute an irrevocable deposit of said investments or moneys in trust for, and such moneys and the investments thereof, together with any income or interest earned thereon, shall be applied, except as otherwise provided herein, to, the redemption of the Series 1999 Bonds.

3. Concurrently with the delivery of the Series 2009 A Bonds, the City shall deposit and cause to be deposited $_____ from the proceeds of sale of the Series 2009 A Bonds, and $_____ from the sinking fund created and maintained on account of the Series 1999 Bonds into the Escrow Fund with the Escrow Trustee (total deposit $_____), and the Escrow Trustee shall deposit such funds. _____, Charleston, West Virginia, independent certified public accountants, have certified, in their letter dated _____, 2009, attached hereto as Schedule C, that the funds to be deposited in the Escrow Fund, will be sufficient to pay the Redemption Price as required by the Series 1999 Ordinance.

4. The transferred funds shall be credited to the Escrow Fund. The Escrow Trustee shall deposit any proceeds (whether principal, interest or otherwise) derived from the Qualified Investments (as such term is defined in the Series 1999 Ordinance) in the Escrow Fund.

5. The Escrow Trustee shall deposit directly with the paying agent or agents therefor, in immediately available funds, from the amounts held in the Escrow Fund on _____, 2009, the amount necessary to pay the Redemption Price on the Series 1999 Bonds in accordance with the Series 1999 Ordinance and in accordance with the attached Schedule A.

6. The holders of the Series 1999 Bonds shall have an express lien on all moneys and assets in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

7. After the payment of all the Series 1999 Bonds, and the interest thereon, the amounts remaining in the Escrow Fund shall be transferred to the Sinking Fund established under the Ordinance as set forth in the Supplemental Resolution.

8. Concurrently with the delivery of the Series 2009 A Bonds, the Escrow Trustee shall be paid its fees and expenses incurred with respect to this Agreement. Future fees and expenses of the Escrow Trustee and the paying agents for the Series 1999 Bonds shall be promptly paid by the City from the Tax Revenues described in the Ordinance as they accrue.

In no event, however, shall the Escrow Trustee or the paying agents have any lien whatsoever upon any of the moneys in the Escrow Fund, for the payment of such fees or expenses.

9. The City and the Escrow Trustee independently hereby covenant that no part of the moneys or funds at any time in the Escrow Fund, shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the 1999 Bonds or the Series 2009 A Bonds to be "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986, as amended.

10. The Escrow Trustee shall have no responsibility in respect of the validity or sufficiency of this Agreement. The liability of the Escrow Trustee for the payment of the principal of and the interest on the Series 1999 Bonds shall be limited to the application of the moneys available for such purposes in the Escrow Fund. The Escrow Trustee shall not be liable or responsible because of the failure of the City to perform any act

required of it by this Agreement or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depository, other than the Escrow Trustee, in which such moneys shall have been deposited.

11. If any outstanding Series 1999 Bonds or coupons are not presented for payment when due as provided in the Redemption Notice, and moneys are held by the Escrow Trustee for payment thereof but not including any funds held by the paying agent for the Prior Bonds, such moneys shall be held for such purposes for a period of two (2) years from the date such payment was due as provided in the Redemption Notice, at which time such moneys shall be paid to the City. Prior to such repayment by the Escrow Trustee to the City, the Escrow Trustee shall notify EMMA, or any similar organization that said moneys remain unclaimed and that after a date named in said notice, which date shall be the date of such repayment and shall not be less than thirty (30) days after the date of such notice, such moneys shall be paid to the City as its absolute property and free from trust. The City shall pay any costs incurred with respect to such notice.

12. Concurrently with the execution of this Agreement and the defeasance of the lien of the Series 1999 Bonds, the Escrow Trustee, at the express direction of the City, shall pay from the funds held by it in the respective sinking funds, including the reserve accounts therein, created and maintained under the Prior Ordinances the sum of $_____ into the Escrow Fund, and the City will cause $_____ to be deposited into the Escrow Fund.

13. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

14. The Escrow Trustee shall be responsible for the preparation, publication and mailing of the notice of redemption in accordance with the provisions of the Series 1999 Ordinance in the form attached as Schedule B. The costs of any required publication and mailing of any notice of redemption shall be paid by the City and under no circumstance shall the Escrow Trustee have any claim on moneys on deposit in the Escrow Fund for payment of such costs, but shall look solely to the City for such payment. The Escrow Trustee shall act on behalf of the City in the conduct of the proceedings for the redemption of the outstanding bonds to be redeemed in accordance with the Series 1999 Ordinance.

15. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

16. This Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

17. This Agreement shall terminate on the earlier of the date on which all the outstanding Series 1999 Bonds have been paid and discharged in accordance with the respective provisions of the Series 1999 Ordinance or, as described in Paragraph 11, above, one (1) year after the last date on which payment on the Series 1999 Bonds is due, as provided in the Redemption Notice. Amounts in the Escrow Fund shall be transferred as provided in Paragraph 7 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

THE CITY OF CHARLESTON, WEST VIRGINIA

By _____
Its Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By _____
Its Executive Director

SCHEDULE A

Series 1999

Year	Amount	Coupon	Yield	Redemption Premium	Redemption Price
2015	$ 910,000	6.25%	6.25%	102%	$ 928,200
2019	$ 830,000	6.50%	6.50%	102%	$ 846,600
2024	$1,375,000	6.70%	6.70%	102%	$1,405,500

SCHEDULE B

FORM OF

NOTICE OF REDEMPTION

THE CITY OF CHARLESTON, WEST VIRGINIA

CIVIC CENTER IMPROVEMENT BONDS, SERIES 1999

Dated: December 23, 1999

CUSIP NUMBERS: [insert CUSIP number of Bonds to be Redeemed]

TO THE OWNERS OF ALL THE ABOVE-CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that all The City of Charleston, West Virginia, Civic Center Improvement Bonds, Series 1999 (the "Series 1999 Bonds"), have been ordered by The City of Charleston (the "Issuer") to be redeemed on _____, 2009 (the "Redemption Date"), in accordance with the provisions of the Ordinance authorizing issuance of the Series 1999 Bonds.

All Series 1999 Bonds outstanding on the Redemption Date are to be surrendered to:

West Virginia Municipal Bond Commission
8 Capitol Street, Suite 500
Charleston, WV 25301

in exchange for the Redemption Price provided for in the Series 1999 Ordinance. Upon the surrender of the Series 1999 Bonds to the West Virginia Municipal Bond Commission, the West Virginia Municipal Bond Commission will deliver to you the monies equal to such Redemption Price.

Such redemption is subject to the issuance and delivery of the Series 2009 A Bonds on _____, 2009, and shall be of no effect unless the Series 2009 A Bonds are so issued and delivered. If the Series 2009 A Bonds are not issued and delivered on such date, the Registrar of the Series 1999 Bonds shall promptly notify the owners of the Series 1999 Bonds of such fact.

No representation is made as to the accuracy or correctness of the CUSIP numbers printed on the Series 1999 Bonds or as contained in this notice or the mailing of this notice (including any failure to mail such notice).

THE CITY OF CHARLESTON,
WEST VIRGINIA

/s/ Danny Jones
Mayor

Dated: _____, 2009

EXHIBIT F

Form of

Preliminary Official Statement

[See Tab No. 16]

$3,500,000
THE CITY OF CHARLESTON
CIVIC CENTER IMPROVEMENT BONDS,
SERIES 2009 A

TAX AND NO-ARBITRAGE CERTIFICATE

The undersigned Mayor of The City of Charleston, West Virginia (the "Issuer"), being the official of the Issuer responsible in connection with the issuance of the $3,275,000 Civic Center Improvement Bonds, Series 2009 A of the Issuer (the "Bonds"), hereby certify as follows, and as applicable:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds and the application of the proceeds thereof. We are familiar with the facts, circumstances and estimates herein certified and are duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings as set forth in the ordinance authorizing the Bonds, adopted on November 2, 2009, effective November 16, 2009, as supplemented by a Resolution adopted on December 7, 2009 (collectively, the "Ordinance").

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of its obligations or that there is any disqualification thereof by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 17, 2009, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof (the "Issuance Date"), and to the best of our knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Ordinance, the Issuer has covenanted that (i) it shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, (ii) it will comply with, or cause compliance with, the Code and the regulations promulgated thereunder (the "Regulations") from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and will take such actions, and refrain from taking such actions, or cause to be taken or refrained from being taken actions, as may be necessary to fully comply with

such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Ordinance, and (iii) it will file any reports or statements, and shall take any other action as may be required from time to time, with respect to the reporting requirements of Section 149(e) of the Code. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Sections 103 and 148 of the Code.

6. In the Ordinance, the Issuer has covenanted that (i) proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" under Section 148 of the Code. The Issuer will insure the proper and timely filing of a statement concerning the issue of which the Bonds are a part, on behalf of the Issuer, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, containing such information as is required under Section 149(e) of the Code.

7. The Bonds were exchanged and delivered to Crews & Associates, Inc. (the "Original Purchaser"), on December 17, 2009, for an aggregate purchase price of $3,193,125.00 (which represents the par value of $3,275,000.00, less an underwriter's discount of $81,875.00). No accrued interest has been or will be paid on the Bonds. Accordingly, the Sale Proceeds of the Bonds were $3,275,000.

8. The Bonds are being delivered simultaneously with the delivery of this certificate and proceeds of the Bonds, along with other funds, will be used for the purpose of: (i) refunding and redeeming the entire outstanding principal balance and all accrued interest on the Issuer's outstanding Civic Center Improvement Bonds, Series 1999, dated December 23, 1999, issued in the original aggregate principal amount of $4,060,000 and outstanding on the date hereof in the aggregate principal amount of $3,115,000 (the "1999 Bonds"), and (ii) paying the costs of issuance of the Bonds and related costs.

9. The 1999 Bonds were issued for the purposes of (i) paying a portion of the costs of acquisition of additions, betterments and improvements to the facility of the Issuer (the "Project"); and (ii) paying the costs of issuance of the 1999 Bonds and related costs thereof. Upon the issuance of the 1999 Bonds, the Issuer spent the proceeds thereof for the purposes descried above and the proceeds of the 1999 Bonds were not invested.

9. The sources and uses of the proceeds of the Bonds are as follows:

SOURCES

Bonds Proceeds	$3,275,000.00
Transfer from Series 1999 Sinking Fund	$ 62,869.69
Total	$3,337,869.69

USES

Deposit with Escrow Agent	$3,204,439.33
Underwriter's Discount	$ 81,875.00
Costs of Issuance	$ 51,555.36
Total	$3,337,869.69

10. The refunding of the 1999 Bonds is a current refunding, with the redemption of the 1999 Bonds to occur within 90 days from the date hereof. The Issuer has entered into an Escrow Agreement (the "Escrow Agreement") dated the date hereof with the Municipal Bond Commission, as Escrow Agent. Provision will be made for the payment of the Bonds by placing into the Escrow Fund established under the Escrow Agreement, cash sufficient to pay the redemption price of the 1999 Bonds, being 102% of par plus accrued interest, on or about January 17, 2010 (the "Redemption Date"). Any amounts remaining in the Escrow Fund after the 1999 Bonds have been discharged and all fees and expenses in connection therewith have been paid will be deposited into the Series 2009 A Sinking Fund and applied to the interest next coming due on the Bonds.

11. The proceeds deposited into the Costs of Issuance Account will be expended within 60 days from the date hereof to pay the costs of issuance of the Bonds and of refunding and redemption of the 1999 Bonds. Any funds remaining on deposit in the Costs of Issuance Account on June 16, 2010, will be deposited into the Redemption Account in the Series 2009 A Bonds Sinking Fund. The amount designated as "Cost of Issuance" of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds and refunding of the Series 1999 Bonds.

12. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code. The Issuer will take all actions necessary to comply with the Code and the Regulations promulgated or to be promulgated thereunder in order to assure that the interest on the Bonds is excludable from gross income for federal income tax purposes.

13. The Bonds bear interest payable on June 1 and December 1 of each year and mature or are subject to mandatory sinking fund redemption of June 1 of each year from 2010 to and including 2024. The Series 2009 A Sinking Fund has been created under the Ordinance for the purpose of such payment. Moneys in the Series 2009 A Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due and the redemption price of any Bonds called for redemption. Moneys deposited to the Series 2009 A Sinking Fund, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Bonds. The Bonds all bear interest at a fixed rate, and the average maturity of the Bonds is in excess of 5 years. The Series 2009 A Sinking Fund is designed to achieve a proper matching of the Issuer's revenues and debt service on the Bonds within each Bond Year. All moneys held in the

Series 2009 A Sinking Fund will be used to pay debt service on the Bonds. Any Proceeds of the Bonds deposited in the Series 2009 A Sinking Fund, including any funds remaining in the Escrow Fund once the 1999 Bonds have been discharged, will be applied to pay interest on the Bonds on the first interest payment date occurring after such funds become available. The Series 2009 A Sinking Fund qualifies as Bona Fide Debt Service Fund, and all moneys in the Series 2009 A Sinking Fund may be invested without restriction as to yield and are not subject to rebate.

14. No reserve or replacement fund is being established for the Bonds.

15. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

16. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom. In such event, the Issuer covenants to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. The Issuer further covenants to pay, or cause to be paid, to the United States the rebatable arbitrage in accordance with Section 148(f) of the Code and the Regulations. The Issuer shall cause such payments to be remitted to the United States at the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by the Regulations. The Issuer shall maintain records as required by the Code. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code and covenants to take such actions, or refrain from taking such actions, as may be necessary to fully comply with Section 148(f) of the Code and the Regulations, regardless of whether such actions may be contrary to any of the provisions of the Ordinance.

18. The Issuer shall comply with any and all yield restrictions on the proceeds of the Bonds as set forth in the Code.

19. No portion of the proceeds of the Bonds will be used, directly or indirectly to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

20. The transaction contemplated herein does not represent an exploitation of the difference between taxable and tax-exempt interest rates, the execution and delivery of the Bonds are not occurring sooner than otherwise necessary, and the Bonds are not in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

21. None of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a "governmental unit" within the meaning of Section 145 of the Code.

22. The original proceeds of the Bonds will not exceed the amount necessary for the purpose of the issue.

23. The Issuer has not entered and will not enter into any transaction to reduce the yield on an investment of the gross proceeds of the Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the yield on the Bonds not been relevant to either party to the transaction, and that any investments of gross proceeds will be made on an arm's length, fair market value basis.

24. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of the Issuer that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the yield on the Bonds.

25. Other than the funds and accounts described above, (a) there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay debt service on the Bonds or which are pledged as collateral to secure repayment of debt service on the Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds; and (b) in connection with the Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund, including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Bonds or any contract securing the Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer with any registered owner of the Bonds.

26. The Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

27. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or which will be paid directly or indirectly from proceeds of the sale of the Bonds.

28. The issuance of the Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

29. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

30. The Issuer shall comply with the general allocation and accounting rules set forth in Section 1.148-6 of the Regulations and the special arbitrage rules for refunding issues set forth in Section 1.148-9 of the Regulations.

31. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis. The funds in the Escrow Fund will be invested in [Qualified Investments (as defined in the Series 1999 Ordinance)].

32. Gross Proceeds of the Bonds, other than gross proceeds that are allocable to:

(a) the payment of principal of, premium and accrued interest on the 1999 Bonds;

(b) the payment of the Costs of Issuance of the Bonds;

(c) the payment of administrative costs allocable to repaying the 1999 Bonds, or carrying and repaying the Bonds, or the reasonable investments of proceeds of the Bonds, if any thereof;

(d) any transferred proceeds allocable to expenditures for governmental purposes of the 1999 Bonds; and

(e) amounts deposited in the Series 2009 A Sinking Fund (including investment earnings thereon) to pay debt service on the Bonds;

will not exceed 1% of the Sale Proceeds from the Bonds.

33. Under Section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the Issuer's expectations as of the issue date. In accordance therewith, the undersigned Mayor or City Manager of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Tax Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Bonds.

34. The Issuer covenant to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes. The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon.

The Issuer acknowledges that the covenants and conditions set forth in this Tax Certificate are based upon the Code as it exists on the date hereof and that the Code may be subsequently interpreted or modified by the Federal government in a manner which is inconsistent with the covenants set forth herein. The Issuer agrees that any such subsequent modification or interpretation of the Code will be deemed a requirement that must be met pursuant to the general tax covenant set forth above.

The Issuer shall not be required to comply with any specific requirement of this Tax Certificate to the extent that, in the opinion of Bond Counsel furnished to the Issuer, compliance with such requirement is not necessary to maintain the tax-exempt status of the Bonds.

35. Notwithstanding any other provision hereof, any provision of this Tax Certificate may be added to, deleted or modified at any time at the option of the Issuer if the Issuer, as applicable, has provided to the Original Purchaser an opinion, in form and substance satisfactory to the Original Purchaser, of Bond Counsel that such addition, deletion or modification will not adversely affect the exclusion of interest on the Bonds from the gross income of the recipients thereof for purposes of federal income taxation.

36. On the basis of the foregoing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

37. The Issuer have designated the Bonds as "qualified tax-exempt obligations" for purposes of Subsection 265(b) of the Code. The Issuer does not reasonably expect and covenants not to issue, or to have issued on its behalf, more than $30,000,000 of tax-exempt obligations, including the Bonds, during the calendar year 2009.

38. The undersigned Mayor did officially execute a properly completed IRS Form 8038-G in connection with the issuance of the Bonds and will cause such executed IRS Form 8038-G to be filed in a timely manner pursuant to Section 149(e) of the Code with the applicable Internal Revenue Service Center. The information contained in such executed Form 8038-G is true, correct and complete.

39. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

40. Jackson Kelly PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds. Crews & Associates, Inc. is also entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein.

41. To the best of our knowledge, information and belief, the foregoing expectations are reasonable.

IN WITNESS WHEREOF, the Issuer has caused this Tax and Non-Arbitrage Certificate to be executed on their behalf by their respective duly authorized representatives on the Issuance Date.

THE CITY OF CHARLESTON

By: _____
Its: Mayor

THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

CROSS-RECEIPT

December 17, 2009

The City of Charleston
P.O. Box 2749
Charleston, West Virginia 25330

On the date hereof, the undersigned acknowledges receipt through the Depository Trust Company of the entire issue of $3,275,000 in aggregate principal amount of Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), issued by The City of Charleston, West Virginia (the "Issuer").

The Series 2009 A Bonds are dated as of December 17, 2009, and bear interest from said date, payable semiannually on June 1 and December 1 of each year until maturity or prior redemption, commencing June 1, 2010; are in the form of one bond for each stated maturity; are numbered from AR-1 consecutively upward in order of authentication; are registered in the name of Cede & Co., as nominee for The Depository Trust Company; and are as described in the Official Statement dated December 9, 2009.

CREWS & ASSOCIATES, INC.

By _____
Its Authorized Officer

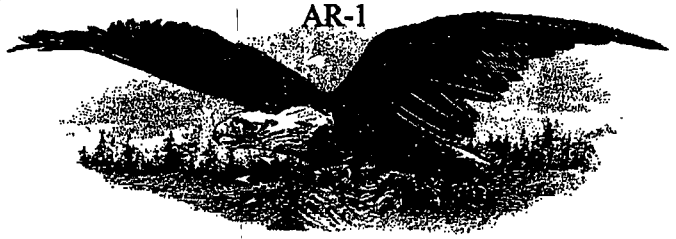
On the date hereof, the undersigned, for and on behalf of the Issuer, hereby acknowledges receipt through and confirmed by the Bank of New York Mellon, as registrar and depository bank and the Municipal Bond Commission, as Escrow Agent, of the sum of $3,193,125, constituting the aggregate principal amount of the Bonds, less an underwriting discount of $81,875.00.

THE CITY OF CHARLESTON,
WEST VIRGINIA

By _____
Its Mayor

NUMBER

AR-1



SPECIMEN

No. AR-1

$475,000

THE CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.000%	December 17, 2009	December 1, 2012	160519BW3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: $475,000
FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

FOR VALUE RECEIVED, THE CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of Four Hundred Seventy-Five Thousand and 00/100 Dollars ($475,000) plus interest on the unpaid principal balance at the rate of three percent (3.000%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning June 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

At the option of the City, this Bond is subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

NUMBER

AR-1

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

NUMBER

AR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: December 17, 2009

THE BANK OF NEW YORK MELLON,
as Registrar

By: _____
Authorized Officer

NUMBER

AR-1

(Form of Assignment)

ASSIGNMENT

SPECIMEN

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

NUMBER

AR-2

No. AR-2

SPECIMEN

$580,000

THE CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
3.500%	December 17, 2009	December 1, 2015	160519BX1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: $580,000
FIVE HUNDRED EIGHTY THOUSAND DOLLARS

FOR VALUE RECEIVED, THE CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of Five Hundred Eighty Thousand and 00/100 Dollars ($580,000) plus interest on the unpaid principal balance at the rate of three and ½ percent (3.500%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning June 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

At the option of the City, this Bond is subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

NUMBER

AR-2

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

NUMBER

AR-2

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: December 17, 2009

THE BANK OF NEW YORK MELLON,
as Registrar



By: _____
Authorized Officer

NUMBER

AR-2

(Form of Assignment)

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____

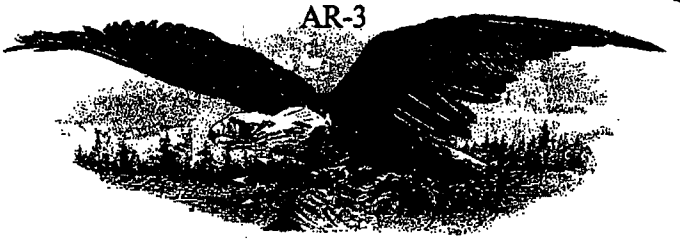
the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

NUMBER

AR-3



SPECIMEN

No. AR-3 $655,000

THE CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.000%	December 17, 2009	December 1, 2018	160519BY9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: $655,000
SIX HUNDRED FIFTY-FIVE THOUSAND DOLLARS

FOR VALUE RECEIVED, THE CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of Six Hundred Fifty-Five Thousand and 00/100 Dollars ($655,000) plus interest on the unpaid principal balance at the rate of four percent (4.000%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning June 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

At the option of the City, this Bond is subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

NUMBER

AR-3

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: December 17, 2009

THE BANK OF NEW YORK MELLON,
as Registrar

By: _____
Authorized Officer

NUMBER

AR-3

(Form of Assignment)

ASSIGNMENT

SPECIMEN

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

NUMBER

AR-4



SPECIMEN

No. AR-4 $730,000

THE CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.200%	December 17, 2009	December 1, 2021	160519BZ6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: $730,000
SEVEN HUNDRED THIRTY THOUSAND DOLLARS

FOR VALUE RECEIVED, THE CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of Seven Hundred Thirty Thousand and 00/100 Dollars ($730,000) plus interest on the unpaid principal balance at the rate of four and 2/10 percent (4.200%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning June 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

NUMBER

AR-4 SPECIMEN

At the option of the City, this Bond is subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

NUMBER

AR-4

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

SPECIMEN

ATTEST:

By: _____
City Clerk

SPECIMEN

NUMBER

AR-4

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: December 17, 2009

THE BANK OF NEW YORK MELLON,
as Registrar

By: _____
Authorized Officer

SPECIMEN

NUMBER

AR-4

(Form of Assignment)

ASSIGNMENT

SPECIMEN

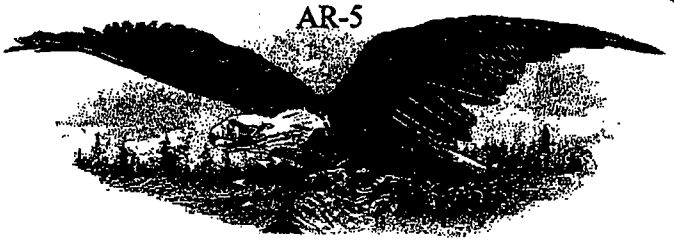
FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

NUMBER

AR-5



SPECIMEN

No. AR-5 $835,000

THE CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.400%	December 17, 2009	December 1, 2024	160519CA0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: $835,000
EIGHT HUNDRED THIRTY-FIVE THOUSAND DOLLARS

FOR VALUE RECEIVED, THE CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of Eight Hundred Thirty-Five Thousand and 00/100 Dollars ($835,000) plus interest on the unpaid principal balance at the rate of four and 4/10 percent (4.400%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning June 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

SPECIMEN

At the option of the City, this Bond is subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, THE CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

SPECIMEN

SPECIMEN

NUMBER

AR-5

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: December 17, 2009

THE BANK OF NEW YORK MELLON,
as Registrar

By: _____
Authorized Officer

SPECIMEN

NUMBER

AR-5

(Form of Assignment)

ASSIGNMENT

SPECIMEN

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

THE CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

CERTIFICATE OF DETERMINATION

The undersigned, David Molgaard, City Manager of The City of Charleston (the "City"), in accordance with Section 2 of the Supplemental Resolution adopted by the Council of the City on December 7, 2009 (the "Supplemental Resolution"), with respect to The City of Charleston (West Virginia) Civic Center Improvement Refunding Bonds, Series 2009 A, hereby finds and determines as follows:

1. The Series 2009 A Bonds shall be dated as of the date of delivery.

2. The Series 2009 A Bonds shall be issued in the aggregate principal amount of $3,275,000. Such principal amount does not exceed $3,500,000, being the maximum principal amount authorized by the Supplemental Resolution.

3. The yield on the Series 2009 A Bonds shall be 4.114061% which provides a net present value savings of 11.36% which is not less than 2.5% being the minimum net present value savings authorized by the Supplemental Resolution.

4. The Series 2009 A Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2009 A Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

6. The Series 2009 A Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

7. The Series 2009 A Bonds shall be sold to Crews & Associates, Inc. (the "Underwriter"), pursuant to the terms of the Purchase Agreement by and between the Underwriter and the City, at an aggregate purchase price of $3,193,125.00 (representing par value less an Underwriter's discount of $81,875.00).

8. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2009 A Bonds, attached hereto, it is hereby determined that the Series 2009 A Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

9. The City shall provide a notice of redemption to the registered owners of the Issuer's Civic Center Improvement Bonds, Series 1999 (the "Series 1999 Bonds"), said notice to be mailed no earlier than three days after the issuance of the

Series 2009 A Bonds and the notice shall provide that the Series 1999 Bonds will be exchanged for the payment of the Redemption Price of the Series 1999 Bonds.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2009 A Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2009 A Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

Upon the delivery of the Series 2009 A Bonds:

(a) All funds on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") in the Debt Service Fund established and existing for the Series 1999 Bonds shall be transferred to the Series 1999 Bonds Escrow Account and be used to pay the redemption price of 102% of the outstanding principal on all Outstanding Series 1999 Bonds plus interest accrued to the Redemption Date on the Outstanding Series 1999 Bonds on or about January 17, 2010;

(b) Proceeds of the Series 2009 A Bonds in the amount of $3,141,569.64 shall be deposited in the Series 1999 Bonds Escrow Fund and be used together with the $62,869.69 that will be transferred from the Series 1999 Sinking Fund to pay the redemption price of 102% of the outstanding principal on all Outstanding Series 1999 Bonds plus interest accrued to the Redemption Date on the Outstanding Series 1999 Bonds on or about January 17, 2010;

(c) The remaining proceeds of the Series 2009 A Bonds shall be deposited in the Cost of Issuance Fund and be used for paying costs of issuance of the Series 2009 A Bonds.

WITNESS my signature this 9th day of December, 2009.

THE CITY OF CHARLESTON

City Manager

Schedule 1

Maturity Schedule

Series 2009 A Bonds

Maturity	Amount	Interest Rate	Price or Yield	CUSIP No.
12/01/2012	$475,000.00	3.000%	3.000%	160519BW3
12/01/2015	$580,000.00	3.500%	3.500%	160519BX1
12/01/2018	$655,000.00	4.000%	4.000%	160519BY9
12/01/2021	$730,000.00	4.200%	4.200%	160519BZ6
12/01/2024	$835,000.00	4.400%	4.400%	160519CA0

Schedule 2

Optional Redemption

At the option of the City, the Series 2009 A Bonds are subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus, interest, if any, accrued to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2009 A Bonds are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

2012 Terms Bonds

Year	Amount	Year	Amount
2010	$115,000	2012	$180,000
2011	$180,000*		

2015 Terms Bonds

Year	Amount	Year	Amount
2013	$185,000	2014	$195,000
2015	$200,000*		

2018 Terms Bonds

Year	Amount	Year	Amount
2016	$205,000	2017	$220,000
2018	$230,000*		

2021 Terms Bonds

Year	Amount	Year	Amount
2019	$235,000	2020	$245,000
2021	$250,000*		

2024 Terms Bonds

Year	Amount	Year	Amount
2022	$265,000	2023	$280,000
2024	$290,000*		

*Stated maturity.

THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENTS REFUNDING BONDS,
SERIES 2009 A

REQUEST AND AUTHORIZATION TO
AUTHENTICATE AND DELIVER THE BONDS

Bank of New York Mellon
as Registrar
West Paterson, New Jersey

Ladies and Gentlemen:

There are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bonds Nos. AR-1 through AR-5, constituting the entire original issue of The City of Charleston, West Virginia Civic Center Improvements Refunding Bonds, Series 2009 A, dated December 17, 2009, in the aggregate principal amount of $3,275,000, all executed by the Mayor and the City Clerk of The City of Charleston (the "Issuer"), and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Ordinance enacted by the Council of the Issuer on November 16, 2009, as supplemented by Supplemental Resolution adopted by the Council of the Issuer on December 7, 2009 (collectively, the "Ordinance").

2. A Copy of the Ordinance certified by the City Clerk of the Issuer.

3. A list of the names in which the Bonds are to be registered upon original issue: CEDE & CO.

4. A signed, unqualified approving opinion of Jackson Kelly PLLC, as bond counsel.

5. Such other documents, certifications and verifications as the original purchaser may reasonably require.

You are hereby requested and authorized, pursuant to Section 3.04 of the Ordinance, to authenticate, register and deliver the Bonds to The Depository Trust Company, New York, New York, for the account of Crews & Associates, Inc. as the original purchaser thereof.

Dated this 17th day of December, 2009.

THE CITY OF CHARLESTON

[SEAL]

Mayor

ATTEST:

City Clerk

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Charleston Building Commission
(Name of Issuer and Co-Issuer(s), if applicable)

12/2/09
(Date)

Attention: Underwriting Department
The Depository Trust Company
55 Water Street, 1SL
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: (Note: Issuer shall represent one and cross out the other.)

~~[incorporated in]~~ [formed under the laws of] West Virginia.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Charleston Building Commission
(Issuer)

By: Sandra Thomas
(Authorized Officer's Signature)

Sandra Thomas
(Print Name)

815 Quarrier Street, Suite 244
(Street Address)

Charleston (City) WV (State) USA (Country) 25301 (Zip Code)

(304) 348-6890
(Phone Number)

phb3cura@wvdsl.net
(E-mail Address)

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By: _____

DTCC
The Depository Trust & Clearing Corporation

BLOR 03/25/08

SCHEDULE A
(To Blanket Issuer Letter of Representations)

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

SCHEDULE A
(To Blanket Issuer Letter of Representations)

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

BOND PURCHASE AGREEMENT

Date: December 9, 2009

City of Charleston
P.O. Box 2749
Charleston, West Virginia 25330

Re: $3,275,000 City of Charleston (West Virginia) Civic Center Improvement Refunding Bonds, Series 2009 A

Ladies and Gentlemen:

Crews & Associates, Inc. (the "Underwriter") offers to enter into the following agreement with the City of Charleston, West Virginia (the "Issuer") which, upon your acceptance of this offer, will be binding upon you and upon the Underwriter. Words and terms not otherwise defined herein shall have the same meanings as set forth in the Official Statement described in Section 3 hereof.

This offer is made subject to acceptance by the Issuer on or before December 9, 2009, at 7:00 p.m., New York, New York time.

1. Upon and subject to the terms and conditions and upon the basis of the respective representations, warranties and covenants hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the $3,275,000 City of Charleston (West Virginia) Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds" or the "Bonds"), at an aggregate purchase price of $3,193,125 (which represents the aggregate principal amount of the Series 2009 A Bonds, less a $81,875 underwriting discount).

The Bonds are to be special obligations of the Issuer, issued pursuant to a Bond Ordinance duly enacted by the Issuer on November 16, 2009, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on December 7, 2009 (collectively, the "Ordinance"). The payment of the debt service of all of the Series 2009 A Bonds are secured forthwith equally and ratably by a lien on the Tax Revenues derived from and a statutory mortgage lien on the hotel-motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended) and coal severance taxes pledged therefor. Such lien shall be on a parity with the liens securing the Issuer's Civic Center Improvement Bonds, Series 1998 and any other additional bonds, issued pursuant to Section 5.02 of the Ordinance. The Tax Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2009 A Bonds, and all other payments provided for in the Ordinance, are irrevocably pledged in the manner provided in the Ordinance to the payment of the principal of and interest on the Series 2009 A Bonds as the same become due and for the other purposes provided in the Ordinance.

The proceeds of the Series 2009 A Bonds, together with other funds available therefor, will be used as follows: (i) to refund the entire outstanding principal balance and all accrued interest on the City's outstanding Civic Center Improvement Bonds, Series 1999, dated December 1, 1999, issued in the

original aggregate principal amount of $4,060,000 (the "Refunded Bonds"); and (ii) to pay certain costs of issuance of the Series 2009 A Bonds and related costs.

2. The Bonds mature on the dates and in the amounts, and will bear interest at the rates, as set forth on Exhibit A hereto. The Bonds are to be subject to redemption at the times and prices set forth in the Certificate of Determination.

3. Within seven business days of its acceptance hereof, the Issuer shall deliver to the Underwriter at the expense of the Issuer a sufficient number of copies of a final Official Statement of the Issuer of even date herewith, executed by the Issuer (the "Official Statement") to enable the Underwriter to provide an Official Statement with confirmation of the purchase of the Bonds and to otherwise provide copies of the Official Statement as required by Rule 15c2-12 under the Securities Exchange Act of 1934. The Official Statement shall be in substantially the same form as that of the Preliminary Official Statement of the Issuer dated December 4, 2009 (the "Preliminary Official Statement") previously distributed with respect to the Bonds. The Issuer hereby authorizes the use of the Official Statement and the information therein contained in connection with the public offering and sale of the Bonds.

The Issuer hereby approves the forms of, and consents to, the Underwriter's use of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds. The Official Statement is hereby deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, such signature to evidence approval thereof, and is hereby authorized.

4. In order to induce the Underwriter to enter into this Bond Purchase Agreement, the Issuer hereby represents and warrants to the Underwriter that both at the time of acceptance hereof by the Issuer and at the time of Closing:

(a) the statements and information contained in the Official Statement under the heading "INTRODUCTION," "FINANCING PLAN," "SECURITY FOR THE BONDS," "RISK FACTORS," "THE FACILITY," "ABSENCE OF MATERIAL LITIGATION" and APPENDICES A and B are and will be true, correct and complete in all material respects and such statements and information do not and will not contain any untrue or misleading statement of a material fact or omit any statement or information which is necessary to make the statements and information therein, in the light of the circumstances under which they were made or presented, not misleading in any material respect;

(b) the Issuer is and will be duly organized and validly existing under the laws of the State of West Virginia with the powers and authority set forth in Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), including the full legal right, power and authority to issue revenue bonds to finance the costs of the refunding and redeeming the Refunded Bonds and to enter into this Bond Purchase Agreement, to enact ordinances and adopt resolutions with respect to the Bonds, to issue, sell and deliver the Bonds to the Underwriter as provided herein and to carry out and consummate all other transactions contemplated by the aforesaid documents;

(c) when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding special obligations of the Issuer of the character permitted by the Act (as defined in the Ordinance), in conformity with, and entitled to the benefit and security of, the Act and the Ordinance;

(d) the execution and delivery of this Bond Purchase Agreement, the Bonds and the

Tax Certificate by the Issuer dated the date of delivery of the Bonds (the "Tax Certificate") and compliance with the provisions hereof and thereof, under the circumstances contemplated hereby and thereby, will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or any existing law, administrative regulation, court order or consent decree to which the Issuer is subject;

(e) all approvals, consents and orders of any governmental authority, board, agency, council or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Ordinance and the Bonds have been obtained or, if not, will be obtained on or prior to the time of Closing;

(f) no litigation is pending or, to the knowledge of the Issuer, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds or the application of proceeds of the Bonds as provided in the Ordinance, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Ordinance, the Tax Certificate or this Bond Purchase Agreement, (iii) in any way contesting the existence or powers of the Issuer, or (iv) in any way contesting the right of the members of the Issuer to hold any of their respective offices;

(g) the Issuer is not in breach of or in default under any existing law, court or administrative regulation, decree or order applicable to the Issuer or by which it or its property is bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a breach of or a default or an event of default thereunder, wherein such breach or default would have a materially adverse impact on the transactions contemplated by this Bond Purchase Agreement, the Official Statement or the Ordinance or the validity of the Bonds or any of such other documents or any agreement or instrument to which the Issuer is a party or by which it or its property is bound and which is used or contemplated for use in the consummation of the transactions contemplated hereby;

(h) any certificate signed by any officer of the Issuer and delivered to the Underwriter at the Closing shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein;

(i) when this Bond Purchase Agreement is accepted by the Issuer, and when the Bonds are issued, authenticated, sold and delivered to the Underwriter, each of the representations and certifications of the Issuer herein, in the Ordinance is and will be true, accurate and complete; and

(j) the Issuer has not received any judicial or administrative notice which in any way questions the Federal tax exempt status of interest on the Bonds or indicates that certificates of the Issuer as to non-arbitrage may not be relied upon in accordance with applicable Treasury Regulations.

(k) since June 30, 2008, no material and adverse change has occurred in the financial position or results of operations of the Issuer;

(l) since June 30, 2008, the Issuer has not incurred any material liabilities other than as disclosed in the Official Statement;

(m) to the best knowledge of the officer executing this Bond Purchase Agreement it is not in breach of or in default under any existing law, court or administrative regulation, decree, order, agreement or other instrument to which it is subject or is a party or by which it or any of its property is bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a breach of or a default or an event of default thereunder;

(n) the financial statements of the Issuer included in the Preliminary Official Statement and the Official Statement as Appendix B thereto present fairly the financial position of the Issuer as of the respective dates set forth thereon and the results of its operations and the changes in its financial position for the years ending on such dates in conformity with generally accepted accounting principles applied on a consistent basis, except as disclosed in the financial statements;

(o) the Issuer has duly taken all action necessary to be taken by it for the issuance and sale of the Bonds by the Issuer upon the terms set forth herein and in the Official Statement and the Ordinance and for the execution, delivery and performance by it of this Bond Purchase Agreement and the Tax Certificate and has duly taken all such other action as may be necessary or appropriate for the effectuation and consummation of the transactions contemplated hereby or by the Official Statement or the Tax Certificate;

(p) the Issuer will not take or omit to take any action which will in any way cause or result in the proceeds from the sale of the Bonds being applied in a manner other than as provided in the Ordinance;

(q) except as may be described in the Official Statement, there is no action, suit, proceeding, investigation at law or in equity before or by any court, public board or body pending or, to the knowledge of the Issuer, threatened against or affecting it which, after due investigation, management believes will result in the award of money damages in excess of the applicable insurance coverages or wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the transactions contemplated by this Bond Purchase Agreement, the Official Statement or the Tax Certificate;

(r) the Issuer will not, while any Bonds are Outstanding (within the meaning of the Ordinance), take or permit to be taken any action which would adversely affect the exclusion from gross income of the interest on the Bonds for Federal income tax purposes; and

(s) the Issuer is eligible and entitled to participate in the transactions contemplated by this Bond Purchase Agreement, the Official Statement or the Tax Certificate.

The Issuer covenants that between the date hereof and the time of Closing it will not take any action, or omit to take any action, which will cause any of the representations and warranties made in this Section 4 to be untrue or incomplete as of the time of Closing.

5. (Reserved)

6. The Issuer consents to and ratifies the use of the Preliminary Official Statement prior to the availability of the Official Statement by the Underwriter in connection with the public offering of the Bonds after the date hereof.

7. At 10:00 A.M. Charleston, West Virginia time, on December 17, 2009, or at such other time or on such other date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing Date"), the Issuer will deliver the Bonds to the Underwriter through The Depository Trust Company ("DTC") in New York, New York, in definitive form, duly executed by the Issuer and authenticated by the Registrar. Delivery of the documents described in Section 8 hereof shall occur at the offices hereinafter specified. Upon receipt thereof, the Underwriter shall pay the purchase price of the Bonds, plus accrued interest to the Closing Date, if any, to the Issuer in Federal funds. Such delivery and payment therefor is referred to herein as the "Closing".

Each maturity of the Bonds shall be represented by a single certificate registered in the name of Cede & Co., as nominee of DTC, and will be made available to the Underwriter for checking not less than 24 hours prior to the Closing Date. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the Underwriter to accept delivery of, and pay for, the Bonds in accordance with the terms of this Bond Purchase Agreement.

The Closing as aforesaid will be held at the offices of Jackson Kelly PLLC, Charleston, West Virginia, or at such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

8. The obligations of the Underwriter hereunder shall be subject (i) to the performance by the Issuer of its obligations to be performed hereunder at or prior to the time of Closing, (ii) to the accuracy and completeness in all material respects, in the reasonable judgment of the Underwriter, of the representations and warranties of the Issuer made herein as of the date hereof and as of the time of Closing and (iii) to the following conditions, including the delivery by the Issuer, of such documents as are enumerated herein in form and substance reasonably satisfactory to the Underwriter, counsel to the Underwriter, Steptoe & Johnson PLLC, Charleston, West Virginia, ("Underwriter Counsel") and bond counsel, Jackson Kelly PLLC, Charleston, West Virginia ("Bond Counsel"):

(a) At the time of Closing, (i) the Ordinance and the Tax Certificate shall have been duly executed and delivered by the respective parties thereto and shall be in full force and effect and shall not have been amended, modified or supplemented from the forms thereof heretofore submitted to the Underwriter, except as may have been agreed to by the Underwriter with such agreement to be conclusively evidenced by the closing, (ii) the proceeds of the sale of the Bonds shall be deposited in accordance with the Ordinance and the Official Statement and (iii) the Issuer shall each have duly adopted and there shall be in full force and effect such resolutions as in the opinion of Underwriter Counsel shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter shall have the right to cancel its obligations to purchase the Bonds if:

(1) between the date hereof and the time of Closing, (A) legislation shall be enacted or be considered actively for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or by the United States Tax Court shall be rendered, or a ruling, regulation, proposed regulation, temporary regulation or official release or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other governmental agency shall be made or proposed to be made with respect to Federal taxation upon revenues or other income of the general character of those to be derived by the Issuer from operation of its facilities, or upon interest on obligations of the general character of the Bonds, or (B) any other action or event shall have transpired which may (1) have the purpose or effect, directly or indirectly, of adversely affecting the Federal income tax consequences of any of the transactions contemplated hereby, including without limitation in the reasonable judgment of the Underwriter, materially adversely affect the market price or marketability of the Bonds, or the market prices or marketability generally of obligations of the general character of the Bonds, or

(2) there shall exist any event which in the reasonable judgment of the Underwriter either (A) makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement or (B) requires the making of any additional statement so that the statements and information set forth in the Preliminary Official Statement and/or the Official Statement shall not be misleading in any material respect, or

(3) between the date hereof and the time of Closing, there shall have occurred any outbreak of hostilities or other national or international calamity or crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market price or the marketability of the Bonds, or

(4) there shall be in force a general suspension of trading on the New York Stock Exchange or the fixing of maximum or minimum prices for trading on said Exchange, or

(5) there shall have occurred a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the Federal bankruptcy laws or West Virginia receivership law by or against, any political subdivision, agency or instrumentality of the State of West Virginia (the effect of which being, in the reasonable judgment of the Underwriter, to make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds), or

(6) a general banking moratorium shall have been declared by either Federal, West Virginia or New York authorities, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially and adversely affect the market price or the marketability of the Bonds, or

(7) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Authority shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or

(8) any state "blue sky" or securities commission shall have withheld registration, exemption, or clearance of the offering of the Bonds, and in the reasonable judgment of the Underwriter, the market for the Bonds is materially adversely affected thereby, or

(9) a supplement or amendment shall have been made to the Official Statement subsequent to the date hereof which describes any materially adverse change in the affairs of the Issuer not disclosed in the Official Statement and in the Preliminary Official Statement,

(c) At the Closing, the Underwriter shall receive the following documents, in such number of counterparts as may be mutually agreeable to the Underwriter and the Issuer:

(1) the approving opinion of Bond Counsel, dated the Closing Date, addressed to the Issuer together with a reliance letter, to the Underwriter relating to the

due authorization, execution, delivery, validity and tax-exempt status of the interest on the Bonds for Federal and West Virginia income tax purposes, in form and substance satisfactory to the Underwriter;

(2) a supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Issuer and the Underwriter, to the effect that:

(i) The statements contained in the Official Statement under the headings "INTRODUCTION", "FINANCING PLAN", "THE BONDS", "SECURITY FOR THE BONDS", "TAX MATTERS", and in Appendix C except for financial or statistical data therein as to which no opinion is hereby expressed, thereto insofar as such statements purport to summarize certain provisions of the Bonds or the Ordinance are true, correct and complete in all material respects and present a fair summary of the matters intended to be summarized therein; and

(ii) No registration of the Bonds under the Securities Act of 1933, as amended, or qualification of the Ordinance under the Trust Indenture Act of 1939, as amended, is required in connection with the offer and sale of the Bonds.

(3) (Reserved);

(4) (Reserved);

(5) an opinion, dated the Closing Date, addressed to the Underwriter, of Underwriter's Counsel, to the effect that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that the Ordinance are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; in addition, such counsel shall state in its letter containing the foregoing opinion, or in a separate letter, dated the Closing Date, that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the sole basis of its conferences with representatives of the Issuer, Bond Counsel and the Underwriter, and its examination of the Bond Documents, nothing has come to its attention that would lead it to believe (excluding therefrom all information in Appendix A, all financial and statistical data and projections included in the Official Statement, including the entirety of Appendix B and all information concerning the Deposit Trust Company and the book-entry only system for the Series 2009 A Bonds, on which it expresses no opinion) that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(6) a certificate of the Issuer, dated the Closing Date, to the effect that the representations and warranties made by the Issuer in this Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date;

(7) (Reserved);

(8) executed counterparts of the Tax Certificate;

(9) a certified copy of the resolution(s) of the Issuer authorizing the execution and delivery of the Bonds and this Bond Purchase Agreement, the execution and use of the Official Statement and the use of the Preliminary Official Statement and a certificate of the Issuer, dated the Closing Date to the effect that said resolution(s) have not been modified, amended or repealed;

(10) a certificate of the Issuer, dated the Closing Date, to the effect that no litigation or proceeding is pending, or to its knowledge, threatened in any court or by or before any administrative body contesting the due organization or valid existence of the Issuer or the validity, due authorization or execution of the Bonds, the Official Statement or this Bond Purchase Agreement, or use of either the Preliminary Official Statement or the Official Statement;

(11) a specimen Bond for each Series;

(12) a Preliminary Official Statement dated December 4, 2009, and an Official Statement dated the date of this Bond Purchase Agreement;

(13) (Reserved);

(14) a Continuing Disclosure Certificate by the Issuer;

(15) a certificate dated the date of Closing signed by an authorized officer of the Registrar in form and substance acceptable to the Underwriter and their counsel;

(16) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, or counsel to the Underwriter, or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of their respective representations herein contained and due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by such parties.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter or the Issuer shall be under any further obligation hereunder; provided, however, that the respective obligations to indemnify, as provided in Section 10 hereof, and to pay expenses, as provided in Section 11 hereof, shall continue in full force and effect; and provided, further, that the Underwriter may, in its discretion, waive one or more of the conditions imposed by this Bond Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

9. All representations, warranties and agreements of the Issuer contained herein shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the Closing.

10. (a) To the extent allowed by law, the Issuer hereby agrees to indemnify and hold harmless the Underwriter and each person, if any, who is an officer or employee of any Underwriter or who controls the Underwriter within the meaning of the Securities Act of 1933, as amended, and Underwriter Counsel (the "Indemnified Parties"), against any and all losses, claims, damages, liabilities and expenses (or actions in respect thereof) that arise out of or are based upon any untrue statement or

alleged untrue statement of any material fact as set forth in the Official Statement or the Preliminary Official Statement (except with respect to the Underwriter, for information under the heading "Underwriting"), or arise out of or are based upon the omission or alleged omission therefrom of any statement or information necessary to make the statements therein not misleading including, without limitation, the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Issuer and the Issuer will reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action. The Issuer will assume the defense of any action against any Indemnified Party based upon allegations of any such loss, claim, damage, liability or action, including the retaining of counsel satisfactory to the Indemnified Party and the payment of counsel fees and all other expenses relating to such defense; provided, however, that any Indemnified Party may retain separate counsel in any such action and may participate in the defense thereof at the expense of such Indemnified Party unless such retaining of separate counsel has been specifically authorized by the Issuer; provided further, that if any Indemnified Party shall have been advised by counsel that there may be legal defenses available to such Indemnified Party which are different from or additional to those available to the Issuer, then the Issuer shall not have the right to assume the defense of such action on behalf of such Indemnified Party, and in such event the said fees and expenses of the Indemnified Party in defending such action shall be borne by such party. The indemnity agreement contained in this Section will be in addition to any liability which the Issuer may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds and the payment or provision for payment of the Bonds.

(b) Promptly after receipt by an Indemnified Party of notice of the commencement of any action, such Indemnified Party will, if a claim in respect thereof is to be made against the Issuer under this Section, notify the Issuer of the commencement thereof, and thereupon the Issuer (i) will assume the defense thereof if and as required under this Section or (ii) if not required to assume such defense, will be entitled to participate in, and to the extent that they may wish, to assume the defense thereof, with counsel satisfactory to such Indemnified Party, except as otherwise provided in the preceding paragraph. After notice from the Issuer to such Indemnified Party of its assumption of the defense thereof, the Issuer will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation and except as otherwise provided in the preceding paragraph.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in subsections (a) and (b) of this Section 10 is for any reason held to be unavailable to the Underwriter, other than in accordance with the terms of such subsections, the Issuer and the Underwriter shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Issuer and the Underwriter, in such proportions that the Issuer is responsible for that portion represented by the percentage that the underwriting discount appearing under the heading "Underwriting" in the Official Statements bears to the initial public offering price appearing thereon and that the Issuer is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933, as amended), shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this subsection (c), each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, shall have the same rights to contribution as the Underwriter, and each trustee of the Issuer, each officer of the Issuer who signs the Official Statement and each person, if any, who controls the Issuer within the meaning of Section 15 of the Securities Act of 1933, as amended, shall have the same rights to contribution as the Issuer.

(d) The Issuer deems the Preliminary Official Statement final as of its date except for the omission of the offering prices, interest rates, sources and uses, selling prices, selling compensation, aggregate principal amounts, delivery dates, date of adoption of the Supplemental Parameters Resolution and other terms depending on such matters, and ratifies and approves the prior distribution of the Preliminary Official Statement by the Underwriter. The Issuer authorizes the Official Statement, and the information therein contained, to be used in connection with the public offering and sale of the Bonds and represents that the Official Statement will be complete as of the date of its delivery to the Underwriter. If between the date hereof and the 90th day following the end of the underwriting period for the Bonds (within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934), any event shall occur which would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Issuer or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will cooperate to cause the Official Statement to be amended or supplemented in a form approved by the Underwriter and the Issuer shall bear the reasonable cost of such amendment or supplementation (to the extent the same is not paid from Bond proceeds). The Underwriter shall, upon the written request of the Issuer, inform the Issuer whether the underwriting period for the Bonds has ended and, if so, the date on which the underwriting period for the Bonds ended.

11. (a) All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance, sale and delivery of the Bonds to the Underwriter, including, but not limited to, the costs of printing of the Bonds and the typing, printing and distribution of the Preliminary Official Statement and the Official Statement, bond insurance, if any, the fees of consultants and rating agencies, CUSIP Service Bureau charges, the initial fees of the Registrar and its counsel, printing costs, filing fees, and the fees and expenses of Bond Counsel, Underwriter Counsel and the Issuer's counsel in connection with the issuance of the Bonds other than those set forth in subsection (b) of this Section 11, shall be paid from the proceeds of the Bonds, to the extent available, and otherwise by the Issuer.

(b) The Underwriter shall pay all of their expenses including, but not limited to: (i) computer expenses, (ii) clearance charges, (iii) Municipal Securities Rulemaking Board fees, (iv) travel, closing and related expenses, and (v) the cost of Federal or other funds.

12. The Issuer agrees to cooperate reasonably with the Underwriter in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request, and the Issuer shall, with respect to the offer or sale of the Bonds file written consent to service of process in any jurisdiction in which such consent may be required by law or regulation so that the Bonds may be offered or sold.

During the offering period and for a period not exceeding 90 days after the Closing Date, so long as the Underwriter is offering any of the Bonds the Issuer will not adopt any proposed amendment of or supplement to the Official Statement to which, after having been furnished a copy, the Underwriter shall reasonably object in writing or which shall be reasonably disapproved by Underwriter Counsel or Bond Counsel.

13. ALL REPRESENTATIONS, WARRANTIES, COVENANTS, OBLIGATIONS AND AGREEMENTS OF THE ISSUER CONTAINED IN THIS BOND PURCHASE AGREEMENT SHALL NOT CREATE ANY GENERAL OBLIGATION OR LIABILITY OF THE ISSUER. ANY OBLIGATION OR LIABILITY OF THE ISSUER HEREUNDER SHALL BE LIMITED TO THOSE SOURCES PLEDGED FOR THE PAYMENT OF PRINCIPAL OF AND PREMIUM, IF ANY, AND

INTEREST ON THE BONDS.

14. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing to its address set forth above, and any notice or other communication to be given to (i) the Underwriter may be given by delivering the same in writing to Crews & Associates, Inc., 2000 Union National Plaza, 124 West Capitol, Little Rock, Arkansas, 72201, Attention: Rush W. Harding, III.

15. This Bond Purchase Agreement may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument. Each party to this Bond Purchase Agreement may execute separate signature pages, and upon such execution and delivery shall constitute one and the same instrument.

16. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia.

[Remainder of Page Intentionally Left Blank – Signature Page to Follow]

Very truly yours,
CREWS & ASSOCIATES, INC.,

By: _____
Authorized Representative

Accepted and agreed to as of the date first written above:

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Its: City Manager

Very truly yours,
CREWS & ASSOCIATES, INC.,

By: _____
Authorized Representative

Accepted and agreed to as of the date first written above:

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Its: City Manager

EXHIBIT A

Maturities

Maturity Date (December 1)	Principal Amount	Interest Rate
2012	$475,000	3.00%
2015	580,000	3.50%
2018	655,000	4.00%
2021	730,000	4.20%
2024	835,000	4.40%

Optional Redemption

At the option of the City, the Series 2009 A Bonds are subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus, interest, if any, accrued to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2009 A Bonds maturing on December 1, 2012, December 1, 2015, December 1, 2018, December 1, 2021, and December 1, 2024 ("Term Bonds") are subject to mandatory redemption prior to maturity by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

2012 Terms Bonds

Year	Amount	Year	Amount
2010	$115,000	2012*	$180,000
2011	180,000		

2015 Terms Bonds

Year	Amount	Year	Amount
2013	$185,000	2015*	$200,000
2014	195,000		

2018 Terms Bonds

Year	Amount	Year	Amount
2016	$205,000	2018*	$230,000
2017	220,000		

* Stated maturity.

2021 Terms Bonds

Year	Amount	Year	Amount
2019	$235,000	2021*	$250,000
2020	245,000		

2024 Terms Bonds

Year	Amount	Year	Amount
2022	$265,000	2024*	$290,000
2023	280,000		

* Stated maturity.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction. The Issuer deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof and certain pages herein which have been omitted in accordance with said Rule and which will be supplied in the final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 4, 2009

NEW ISSUE - FULL BOOK ENTRY

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, and subject to compliance by the City with certain conditions, representations and certifications, interest on the City of Charleston Civic Center Improvement Refunding Bonds, Series 2009 A (the "Bonds") is excludable from gross income of the owners thereof for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds and the interest thereon are exempt from taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof. (see "Tax Matters" herein).

$3,310,000*
CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

Dated: Date of Delivery **Due: December 1, as shown below**

The Bonds shall be issued only as fully registered Bonds, and when initially issued, will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only and beneficial owners of the Bonds will not receive physical delivery of bond certificates. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on such Bonds will be made directly to DTC. Disbursements of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of DTC participants (see "THE BONDS--Book-Entry Only System" herein).

The City of Charleston (the "City") has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct the interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes.

The Bonds are being issued to provide funds, together with other moneys available therefor, to refund the entire outstanding principal balance and all accrued interest on the City's outstanding Civic Center Improvement Bonds, Series 1999, dated December 1, 1999, issued in the original aggregate principal amount of $4,060,000; and to pay certain costs of issuance and related costs.

THE BONDS ARE ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS"). THE BONDS, THE SERIES 1998 BONDS AND ANY OTHER ADDITIONAL BONDS RANKING ON A PARITY HEREWITH WHICH MAY BE ISSUED AND OUTSTANDING FOR THE PURPOSE OF PROVIDING FUNDS FOR FINANCING COSTS OF CONSTRUCTION OF IMPROVEMENTS TO THE FACILITY (THE "FACILITY") OF THE CITY OR REFUNDING OTHER PARITY BONDS, IS PAYABLE SOLELY FROM (I) THE CITY'S RECEIPT OR COLLECTION OF HOTEL-MOTEL OCCUPANCY TAXES (AS LIMITED BY THE AMOUNT PAYABLE BY THE ISSUER UNDER THE PROVISIONS OF CHAPTER 7, ARTICLE 18, SECTION 14(B) OF THE CODE OF WEST VIRGINIA OF 1931, AS AMENDED) AND COAL SEVERANCE TAXES, AND (II) ANY OTHER REVENUES DEDICATED FOR SUCH PURPOSES BY THE CITY TO PAY DEBT SERVICE ON THE BONDS, SERIES 1998 BONDS AND ON ANY ADDITIONAL BONDS ISSUED UNDER THE ORDINANCE (THE "TAX REVENUES"). THE BONDS DO NOT IN ANY MANNER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION NOR SHALL THE CITY BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM SAID SPECIAL FUND PROVIDED FROM THE COLLECTION OF THE TAX REVENUES.

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*

$_____% Term Bond Due _____, 20__ Price _____%
$_____% Term Bond Due _____, 20__ Price _____%
$_____% Term Bond Due _____, 20__ Price _____%
(accrued interest to be added)

The Bonds are subject to redemption prior to maturity as more fully stated herein.

The Bank of New York Mellon, West Paterson, New Jersey, is the Registrar and the West Virginia Municipal Bond Commission is the Paying Agent. Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2010.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the City by Paul Ellis, Esq., Charleston, West Virginia, counsel to the City. Certain legal matters will be passed upon for the Underwriter by Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the Underwriter.

It is expected that the Bonds will be available for delivery through DTC, New York, New York, on or about December ___, 2009.

Crews&Associates
Member First Security Bancorp

*Preliminary, subject to change.


THE CITY OF CHARLESTON
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA

MAYOR

Danny Jones

CITY COUNCIL

Patrick Jones
William Kirk
Joe Deneault
Rev. James Ealy
Teresa Reed
Edward Talkington
Adam Henry Knauff
Bob White
Cubert Smith
Robert Sheets
Marc R. Weintraub
Jim Harris, Jr.
Suzie Kortz Salisbury
Jack E. Harrison
David Kent Higgins
Lewis Payne
Bobby Reishman
John H. Miller, Jr.
Greg Burton
Cheryle M. Hall
Mike Clowser
Mary Jean Davis
Tom Lane
Will Hanna
Harry Deitzler
Jerry L. Ware
Kasey Russell

CITY ADMINISTRATION

Vic Grigoraci, Treasurer
Paul Ellis, City Attorney
David Molgaard, City Manager
James M. Reishman, City Clerk
Joe Estep, Finance Director

BOND COUNSEL

Jackson Kelly PLLC
Charleston, West Virginia

UNDERWRITER

Crews & Associates, Inc.
Charleston, West Virginia

UNDERWRITER'S COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained by the Underwriter from sources, which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained by the Underwriter from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

THE BONDS ARE ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE SERIES 1998 BONDS. THE BONDS, THE SERIES 1998 BONDS AND ANY OTHER ADDITIONAL BONDS RANKING ON A PARITY HEREWITH WHICH MAY BE ISSUED AND OUTSTANDING FOR THE PURPOSE OF PROVIDING FUNDS FOR FINANCING COSTS OF CONSTRUCTION OF IMPROVEMENTS TO THE FACILITY (THE "FACILITY") OF THE CITY OR REFUNDING OTHER PARITY BONDS, IS PAYABLE SOLELY FROM (I) THE CITY'S RECEIPT OR COLLECTION OF HOTEL-MOTEL OCCUPANCY TAXES (AS LIMITED BY THE AMOUNT PAYABLE BY THE ISSUER UNDER THE PROVISIONS OF CHAPTER 7, ARTICLE 18, SECTION 14(B) OF THE CODE OF WEST VIRGINIA OF 1931, AS AMENDED) AND COAL SEVERANCE TAXES, AND (II) ANY OTHER REVENUES DEDICATED FOR SUCH PURPOSES BY THE CITY TO PAY DEBT SERVICE ON THE BONDS, SERIES 1998 BONDS AND ON ANY ADDITIONAL BONDS ISSUED UNDER THE ORDINANCE (THE "TAX REVENUES"). THE BONDS DO NOT IN ANY MANNER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION NOR SHALL THE CITY BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM SAID SPECIAL FUND PROVIDED FROM THE COLLECTION OF THE TAX REVENUES.

Forward-Looking Statements

This Official Statement, and particularly the information contained in the caption "FINANCING PLAN," contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "RISK FACTORS."

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

** CUSIP data on the cover page is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Bonds only at the time of issuance of the Bonds and neither the Underwriter nor the City make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds.

TABLE OF CONTENTS

Page No.

INTRODUCTION 1
FINANCING PLAN 2
THE BONDS 4
BOOK-ENTRY ONLY SYSTEM 6
SECURITY FOR THE BONDS 10
RISK FACTORS 13
THE FACILITY 13
FINANCIAL OPERATIONS 13
ABSENCE OF MATERIAL LITIGATION 14
APPROVAL OF LEGALITY 14
TAX MATTERS 14
UNDERWRITING 16
FINANCIAL STATEMENTS OF THE CITY 16
CONTINUING DISCLOSURE 17
MISCELLANEOUS 17

Appendices:

Appendix A - Economic and Demographic Information Regarding Charleston, West Virginia A-1
Appendix B - Financial Statements of the City B-1
Appendix C - Proposed Form of Bond Counsel Opinion C-1
Appendix D - Form of Continuing Disclosure Certificate D-1
Appendix E - Bond Ordinance E-1

OFFICIAL STATEMENT

relating to

$3,310,000*
CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning the City of Charleston (the "City"), the Facility hereinafter described and defined and the City's $3,310,000* in aggregate principal amount of Civic Center Improvement Refunding Bonds, Series 2009 A (the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended (the "Act") and other applicable provisions of law, and a bond ordinance enacted by the Council of the City on November 16, 2009, and a supplemental resolution adopted by the Council of the City on _____ __, 2009 (collectively, the "Ordinance").

The proceeds of the Bonds, together with other funds available therefor, will be used as follows: (i) to refund the entire outstanding principal balance and all accrued interest on the City's outstanding Civic Center Improvement Bonds, Series 1999, dated December 1, 1999, issued in the original aggregate principal amount of $4,060,000 (the "Refunded Bonds"); and (ii) to pay certain costs of issuance of the Bonds and related costs.

There are outstanding the City's Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds") in the aggregate principal amount of $3,635,000 with which the Bonds will rank on a parity as to lien on and source of and security for payment.

*Preliminary, subject to change.

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the City or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues. The payment of the principal or redemption price of and interest on the Refunded Bonds will be made as described hereinafter under the heading "FINANCING PLAN."

The City may issue additional bonds on a parity with the Bonds for all of such purposes, subject, in each case, to certain tests and conditions provided for by the Ordinance. See "SECURITY FOR THE BONDS - Additional Parity Bonds."

Brief descriptions of the Bonds, the Ordinance, the refunding of the Refunded Bonds, the City, ongoing disclosure and certain provisions of the Act, are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City or, during the period of offering the Bonds, from the Underwriter.

FINANCING PLAN

The Bonds are being issued for the purpose of refunding the Refunded Bonds. The Refunded Bonds will be redeemed subsequent to the issuance of the Bonds on January __, 2010, at a redemption price of 102% of the principal amount outstanding, plus interest accrued to the date fixed for redemption.

The refunding is being undertaken to effect a savings in aggregate debt service for the City. The moneys required to refund the Refunded Bonds will be deposited with the West Virginia Municipal Bond Commission, serving as paying agent (the "Paying Agent"). The funds to be held by the Paying Agent in trust for the payment of the Refunded Bonds and for the benefit of the holders thereof.

The designated registrar of the Refunded Bonds will cause to be given notice of the call for redemption prior to maturity of the Refunded Bonds designated for prior redemption.

The lien of the Refunded Bonds outstanding as of the date of issuance of the Note imposed by the Prior Ordinance on the Tax Revenues is hereby ordered terminated, discharged and released upon the payment onto the Refunded Bonds Escrow Fund from the proceeds of the Series 2009 A Bonds, together with other moneys available therefor, including those moneys transferred as provided below, of the following: (a) an amount equal to the fiscal and paying agent charges, and (b) an amount which will be simultaneously invested in United States Treasury Obligations bearing interest and having maturities sufficient to provide (i) for the payment of the principal of the Refunded Bonds as the same mature on each principal payment date established with respect thereto prior to the Refunded Bonds Redemption Date, if any, established for such Refunded Bonds, (ii) for the payment of the redemption price of the Refunded Bonds outstanding on the Refunded Bonds Redemption Date, if any, established for such Refunded Bonds, and (iii) for the payment of the interest on the Refunded Bonds as the same becomes due. Contemporaneously with the deposit of proceeds of the Series 2009 A Bonds into the Refunded Bonds Escrow Fund, and as prescribed by the Refunded Bonds Escrow Agreement, the amounts on deposit in the sinking fund created and maintained on behalf of the Refunded Bonds shall be deposited into the Refunded Bonds Escrow Fund and simultaneously invested as provided in the Refunded Bonds Escrow Agreement.

Sources and Uses of Funds

Sources of Funds

Principal Amount of Bonds		$_____
	TOTAL	$_____

Uses of Funds

Deposit into Refunded Bonds Escrow Fund		$_____
Underwriter's Discount		_____
Costs of Issuance		_____
Rounding Amount		_____
	TOTAL	$_____

THE BONDS

General

The aggregate principal amount of the Bonds is $3,310,000*. The Bonds are dated the date set forth on the cover hereof, and the Bonds bear interest at the rates and mature in the amounts and on the dates listed on the cover page of this Official Statement. Interest is payable on June 1 and December 1 of each year, commencing June 1, 2010. The Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address that appears on the books of the Registrar or, in the event of a default in the payment on the Series 2009 A Bonds, that special record date to be fixed by the Registrar by notice given to the Registered Owners not less than ten (10) days prior to said special record date (the "Special Record Date") or, if requested in the case of such an owner of $1,000,000 or more in principal amount of Series 2009 A Bonds, by wire transfer to a domestic bank account specified in writing at least five (5) days prior to the Record Date by such owner.

Optional Redemption

At the option of the City, the Series 2009 A Bonds are subject to redemption prior to maturity on or after _____ 1, 20__, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus, interest, if any, accrued to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2009 A Bonds maturing on _____, _____ ("Term Bonds") are subject to mandatory redemption prior to maturity by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

20 - - Terms Bonds

Year	Amount	Year	Amount

*Stated maturity.

Bonds Maturing

Year (___) Principal Amount

Bonds Maturing

Year (___) Principal Amount

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of Redemption

The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Bond Register. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

If at the time of mailing of any notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of such moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Registrar promptly shall notify the Owners of all Bonds called for redemption of such fact.

So long as DTC (as CEDE & CO.) is the Registered Owner of the Series 2009 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2009 A Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date, the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

(6) Such other information, if any, as shall be required for DTC eligible Bonds.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriter believe to be reliable, but neither the City nor the Underwriter takes any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC").

DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from City or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying Agent, or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that City believes to be reliable, but City takes no responsibility for the accuracy thereof.

THE INFORMATION PROVIDED IMMEDIATELY ABOVE UNDER THIS HEADING HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE CITY OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the City, the Registrar and the Paying Agent will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Bonds for all purposes, including payments, notices and voting.

Each series of the Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided below, all of the Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided below.

At or prior to settlement for the Bonds, the City and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2009 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Registered Owner under the Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Bonds so redeemed, but DTC may return such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the Registered Owners under this Ordinance, registering the transfer of the Bonds, obtaining any consent or other action to be taken by the Registered Owners and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Registered Owner with respect to (i) the Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Bonds, (iv) any notice which is permitted or required to be given to the Registered Owners under this Ordinance, (v) the selection by DTC or any

such participant of any person to receive payment in the event of a partial redemption of the Bonds or (vi) any consent given or other action taken by DTC as Registered Owner.

SECURITY FOR THE BONDS

The Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Bonds except from said sources.

Sources of Payment

The payment of the debt service of the Bonds shall be secured forthwith by a lien on the Tax Revenues derived from and a statutory mortgage lien on the hotel-motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended) and coal severance taxes pledged therefor. Such lien shall be on a parity with the liens securing the Series 1998 Bonds and any other additional bonds, issued pursuant to Section 5.02 of the Ordinance.

Application of Revenues

So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Bonds Sinking Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the City covenants with the holder of the Bonds as follows:

The Tax Revenues shall be deposited as collected by the City in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner provided herein. Provided, however, the amount of Tax Revenues on deposit in the Revenue Fund shall be sufficient to make the next deposit of interest and/or principal into the Bonds Sinking Fund, with any excess Tax Revenues available to the City.

The Tax Revenues at any time of interest and/or principal on deposit in the Revenue Fund shall be disposed of as follows: The City shall on or before the due date of payment of each installment of interest and/or principal on the Bonds, transfer from the Revenue Fund and simultaneously deposit into (i) the Series 1998 Bonds Sinking Fund, the amount required to pay the interest on the Series 1998 Bonds, and to amortize the principal of the Series 1998 Bonds over the life of the Series 1998 Bonds, and (ii) the Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Series 2009 A Bonds, and to amortize the principal of the Bonds over the life of the Bonds.

The Commission is designated as the Fiscal Agent for the administration of the Bonds Sinking Fund, and the Depository Bank is designated as the Fiscal Agent for the administration of the other accounts provided in the Ordinance, and all amounts required the other accounts will be

deposited therein by the City upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in the Ordinance shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

The Commission and the Depository Bank at the direction of the City, shall keep all funds invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof Investments in any fund or account under the Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

Additional Debt Service Requirements

The source of funds to repay the debt service on the Bonds shall be from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance, which shall be used to pay the debt service on the Bonds on a parity with the Series 1998 Bonds. Set forth below is a table indicating the total expected amount available for the debt service for the Series 1998 Bonds as well as the Bonds.

	Debt Service 1998 Bonds	Debt Service 2009 A Bonds*		Total Annual Debt Service	Total Available For Debt Service**
09/01/09	259,130	12/01/09			2,600,000
09/01/10	258,380	12/01/10			2,600,000
09/01/11	257,400	12/01/11			2,600,000
09/01/12	255,515	12/01/12			2,600,000
09/01/13	258,375	12/01/13			2,600,000
09/01/14	255,725	12/01/14			2,600,000
09/01/15	257,820	12/01/15			2,600,000
09/01/16	259,405	12/01/16			2,600,000
09/01/17	255,480	12/01/17			2,600,000
09/01/18	256,300	12/01/18			2,600,000
09/01/19	256,610	12/01/19			2,600,000
09/01/20	256,410	12/01/20			2,600,000
09/01/21	255,700	12/01/21			2,600,000
09/01/22	259,480	12/01/22			2,600,000
09/01/23	257,495	12/01/23			2,600,000
09/01/24	-	12/01/24			2,600,000
Totals	6,446,405				41,600,000

*Estimated

**Estimated, based on historical Tax Revenues

Additional Parity Bonds

Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Bonds may be issued at any time upon the City's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Bonds, the Series 1998 Bonds and any additional parity bonds issued during the most recent fiscal year and a projected debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Bonds, the Series 1998 Bonds, any additional bonds issued and the additional parity bonds to be issued over the next 3 years. In the event that the collection of Tax Revenues falls below one hundred ten percent (110%) the City will use its best efforts to request and secure legislative

approval to increase the rates and/or percentages from the different components of Tax Revenues which are paid to the City.

RISK FACTORS

Although the City's receipt and collection of the Tax Revenues has generally trended upward for the past several years, there can be no guarantee that such trend will continue. The City's ability to receive and collect the Tax Revenues has been granted by the West Virginia Legislature. There can be no guarantee that the West Virginia Legislature will not modify or abolish, adjust the rates thereof or restrict the City's authority to use the Tax Revenues as provided in the Ordinance.

There can be no assurance that a secondary market for the Bonds will develop or, if developed, that such a market could be sustained. The Underwriter assumes no obligation to establish or maintain such a market and is not obligated to repurchase any of the Bonds at the request of the owner thereof. No rating has been assigned to the Bonds, and the absence of a rating could adversely affect the ability of an owner to sell the Bonds or the price received upon such sale.

THE FACILITY

The Facility is one of the region's largest multipurpose meeting convention and entertainment facilities. The complex includes a coliseum (seating 13,500), theater (seating 750), eighteen meeting rooms, and exhibition and banquet facilities. The Facility hosts more than 800,000 persons annually at a varied schedule of events including basketball games, ice shows, circuses, touring concerts, Broadway shows and theatrical productions, exhibitions, banquets, meetings and conventions.

The Civic Center/Auditorium Board of Charleston was created in 1958 to supervise, operate and maintain the Charleston Civic Center and Municipal Auditorium. The Board, which is appointed by the Mayor with approval by City Council, meets monthly to develop policies and procedures appropriate for the management of the Facility, employ personnel required for the operation of the Facility, and determine fees for use of the Facility. The Board develops an annual operating budget which is submitted to City Council for approval. John D. Robertson, CFE, has served as General Manager of the Facility since 1983. He oversees twenty-five full time and several hundred part time employees and the daily operations of the Facility.

FINANCIAL OPERATIONS

The accounts of the Facility are maintained as a part of the general accounts of the City and are maintained in accordance with generally accepted accounting principals. The State of West Virginia, Office of State Auditor has audited the financial statements of the City for the year ended June 30, 2008. See APPENDIX B – Financial Statements of the City. The financial statements contained in Appendix B are included merely to show the City's receipt and collection of the Tax Revenues. There are no other accounts, revenues or funds of the City available for the payment of such debt service, and the Bonds should not be construed to be a general obligation of the City.

ABSENCE OF MATERIAL LITIGATION

There are no actions, suits, proceedings, inquiries or investigations at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis thereof) wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds, the Ordinance or any agreements to which the City is a party and which are a result of the issuance of the Bonds.

APPROVAL OF LEGALITY

The authorization and issuance of the Bonds are subject to the approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. Bond Counsel will render an opinion in substantially the form set forth in Appendix C to this Official Statement. Certain legal matters will be passed upon for the City by its counsel, Paul Ellis, Esq., Charleston, West Virginia, and for the Underwriter by its counsel, Steptoe & Johnson PLLC, Charleston, West Virginia.

TAX MATTERS

In the opinion of Jackson Kelly PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds [including any original issue discount properly allocable to an owner thereof] (a) is excludable from gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) under existing West Virginia law, the Bonds are exempt from all taxation by the State of West Virginia, except inheritance, estate and transfer taxes, and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State West Virginia. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations.

The City has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, which relates to the ability of certain financial institutions to deduct the interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes.

The opinions described above are subject to the condition that the City complies on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation retroactively to the date of issuance of the Bonds.

The accrual or receipt of the interest on the Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these and other consequences will depend

upon the recipient's particular tax status or other consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences, and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Bonds.

Assumed Compliance with Certain Covenants and Federal Tax Requirements

As referenced above, the Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Bond Indenture, the Lease, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Jackson Kelly PLLC.

Individual Circumstances

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future Tax Changes

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or not exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed

federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the application regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel Obligations

Bond Counsel's engagement with respect to the Bonds ends with the issuance and delivery of the Bonds to the Underwriter, and unless separately engaged, Bond Counsel is not obligated to defend the City or the beneficial owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the beneficial owners to incur significant expense.

UNDERWRITING

Crews & Associates, Inc., as Underwriter, has agreed, subject to certain conditions, to purchase the Bonds from the City at a price of $_____. The Underwriter will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriter.

FINANCIAL STATEMENTS OF THE CITY

Included herein as Appendix B are the audited financial statements of the City as of and for the twelve-month period ended June 30, 2008, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2008, dated December 22, 2008, of State of West Virginia, Office of State Auditor.

THERE ARE NO OTHER ACCOUNTS, REVENUES OR FUNDS OF THE CITY AVAILABLE FOR THE PAYMENT OF SUCH DEBT SERVICE, AND THE BONDS SHOULD NOT BE CONSTRUED TO BE A GENERAL OBLIGATION OF THE CITY.

CONTINUING DISCLOSURE

The City has agreed in the Ordinance for the benefit of the Registered Owners of the Bonds to provide certain financial and operating information (the "Annual Information") not later than three hundred sixty (360) days following the end of its fiscal year, commencing with its fiscal year ended June 30, 2010, and to provide the Annual Information to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Markets Access ("EMMA") System and any State Information Depository ("State Depository") and to provide notice of the occurrence of the enumerated events to MSRB through the EMMA System and to any State Depository.

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission. The City has agreed to give notice in a timely manner to MSRB through the EMMA System, and to each State Depository of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Bonds. Registered Owners may contact the Treasurer of the City at 501 Virginia Street, East, Room 203, Charleston, West Virginia 25301, (304) 348-8029 for more information. Under the Continuing Disclosure Certificate, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

Copies of the Ordinance and other applicable documents may be obtained from the City at the following address:

City of Charleston
501 Virginia Street, East
Charleston, West Virginia 25301
(304) 348-8029
Attention: Treasurer

or, during the offering period for the Bonds, from the Underwriter.

The execution and distribution of this Official Statement has been duly authorized by the City.

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Mayor

Appendix A

Economic and Demographic Information Regarding Charleston, West Virginia

ECONOMIC AND DEMOGRAPHIC INFORMATION
REGARDING CHARLESTON, WEST VIRGINIA

Introduction

Charleston, the county seat of Kanawha County, was originally chartered in 1794 as Charles Town and changed to the present name in 1819. The city was named by George Clendenin, one of the earliest settlers, for his father, Charles Clendenin. As the capital and largest city of West Virginia, it is located in the west central part of the state, at the confluence of the Elk River and the Kanawha River. Charleston is a commercial manufacturing and distribution center for the surrounding coal, petroleum, natural gas, and metal products industries.

West Virginia is centrally located in the South Atlantic Region of the United States, bound to the North by Pennsylvania and Maryland, to the East and South by Virginia, and to the West by Kentucky and Ohio.

Charleston History

Charleston was officially established on December 19, 1794. There were 35 people living in town at that time. The area began to grow around 1800 when salt brine deposits were found along the Kanawha River. West Virginia was officially declared a state by President Abraham Lincoln on June 20, 1863. By the end of the Civil War, the fledgling government was being formed and struggling to come together effectively. The state capital was not set, moving between Charleston and Wheeling until 1885.

Population Overview
2008 Census Estimate

	Charleston	WV	US
Total population	50,302	1,814,468	304,059,724
Square miles (land)	31.60	24,078	3,537,438
Population per sq. mile	1,591.8	75.36	85.95
Gender			
Male	46.6*	49.0%	49.3%
Female	53.4*	51.0%	50.7%
Age			
18 or younger	20.7*	21.3%	27.4%
18-24	8.5*	8.7%	6.7%
25-44	27.9*	25.9%	27.4%
45-64	25.3*	28.4%	25.7%

Population Overview
2008 Census Estimate

	Charleston	WV	US
65+	17.6%*	15.7%	12.8%
Average age (years)	40.59*	42.0	36.8

Race & Ethnicity	Charleston	Charleston	WV	US
White	43,072*	80.6%*	93.5%	65.6%
Black or African American	8,048*	15.1%*	3.5%	12.2%
American Indian & Alaska native	127*	0.2%*	0.2%	0.8%
Asian	979*	1.8%*	0.7%	4.4%
Native Hawaiian & other Pacific Islander		0.0%*	0.0%	0.1%
Some other race	158*	0.3%*	0.9%	1.5%
Hispanic or Latino	432*	0.8%*	1.1%	15.4%

Sources: US Census Bureau, 2008 Census Estimate,
*US Census 2000, being most recent data available

Healthcare

Charleston is home to the 78th largest community health care system, including the nation's second largest cardiac care program, a Level I trauma center and a women and children's hospital. Regional patient capacity exceeds 1,600 beds encompassing four general acute care hospitals, two specialty hospitals and numerous clinics. The Charleston area enjoys a reputation as a leader in start-of-the-art health care facilities and specialties.

The area has become a major center of specialized care and advanced medical training, providing complete health services in modern well-equipped institutions. Charleston is home to the State's largest hospital complex, the Charleston Area Medical Center, with approximately 962 beds. It is the home of the Charleston Division of the West Virginia University School of Medicine. In addition, there are other hospitals operating in the area with approximately 530 licensed beds at Thomas Memorial Hospital and St. Francis Hospital.

Charleston Area Medical Center - Memorial Division, Specializes in Cardiac and Cancer diagnosis and treatment.

Charleston Area Medical Center - General Division, Level 1 Trauma Center, Neuroscience, Medical Rehabilitation Center, Behavioral Medicine, Psychiatry, Physical and Occupational Therapy, Transitional Care, Orthopedics. This hospital is one of only 2 kidney transplant centers in West Virginia and has the State's only accredited sleep center.

Women's & Children's Hospital, Specializes in Pediatrics, Obstetric & Gynecology.

Thomas Memorial Hospital, A full service facility offering inpatient, outpatient and emergency care. Also includes: Heart Center, the Cancer Center of Southern West Virginia with a patient support system; Diabetes Center, clinics and medical-surgical inpatient services.

St. Francis Hospital, a full service facility offering inpatient, outpatient and emergency care. This facility also offers a comprehensive program for treating lung disease and a sports medicine program.

Utilities and Services

One of the nation's largest investor-owned utility holding companies, American Electric Power, provides low-cost electricity to the Charleston area. Rates are lower than the national average because of AEP's highly efficient power plants, high voltage transmission systems, and easy access to West Virginia's coal supply.

A mix of corporate entities and public utilities provide water, natural gas, and electricity. Allegheny Power provides natural gas service in various parts of the State. West Virginia-American Water Company provides water service to most residents of Kanawha County. WVAWC is the State's largest water supplier with 50-MGD of production capacity.

Employment

The world's leading companies find Charleston the perfect fit for teamwork, innovation and productivity. Strategic proximity to markets, coupled with an extensive transportation network, provide the access vitally important to domestic and global commerce. Public and private sectors cooperate seamlessly to help companies achieve success. A reliable and well-trained workforce gives businesses the competitive edge needed in today's global economy.

Source: Charleston Area Alliance

Labor Force Statistics - Kanawha County

	2004	*2005*	*2006*	*2007*	*2008*	*2009*
Civilian Labor Force	91,480	91,470	92,020	92,310	91,870	89,880
Total Employment	87,160	87,190	88,250	88,810	88,690	83,510
Total Unemployment	4,310	4,290	3,770	2,960	3,180	6,370
Unemployment Rate	4.7%	4.7%	4.1%	3.8%	3.5%	7.1%

Source: Workforce WV

Leading Employers

Major industries in the Charleston region include healthcare, services, government, chemicals, education and components manufacturing. There are more than 6,000 businesses in Kanawha County — representing more employment opportunities than any other county in West Virginia. New and expanding businesses benefit from assistance programs at both the State and local levels.

The region's largest employers in 2008:

State Government	10,550
Local Government	8,400
Charleston Area Medical Center	6,000
Kanawha County Schools	5,000
Federal Government	2,600
Wells Fargo	1,500
Toyota Motor Manufacturing	1,350
Thomas Memorial Hospital	1,300
Verizon	1,200
The Dow Chemical Company	1,000
Walker Machinery Company	750
Bayer CropScience	600
Capital Area Services Company	600
Tri-State Racing & Gametrack	600
Columbia Gas Transmission	450

Source: Charleston Area Alliance

Transportation

Residents of Charleston have immediate access to a full range of transportation services - highway, air, rail and water. It is a feature that gives the Charleston area an edge for attracting new businesses to the region.

The convergence of three interstate highways, 1-64, 1-77, and 1-79 interconnecting Charleston as well as Appalachian Corridor "G" (US Rt. 119) brings the area within overnight road-travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways converge. East-West 1-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South 1-77 from Cleveland Ohio to Columbia, South Carolina; northeast-southwest 1-79 from Erie, Pennsylvania to Charleston, extending to Pikeville, Kentucky via US Rt. 119. In addition to the superhighways, three national and several state highways presently serve the MSA.

Over 40 motor freight companies operate in the Kanawha Valley, of which over 20 maintain terminals, making the area one of the major trucking centers in the Eastern United States. The nation's eight largest motor freight companies are among those with terminals in Charleston. Charleston is the most direct route from the Upper Midwest to the Southeast and serves as a logical transfer point for shipments.

The Greyhound Bus Lines offers interstate and intrastate services, with both freight and passenger capacity.

Local bus service is furnished by the Kanawha Regional Transportation Authority. It operates a 60+ fleet bus system throughout the Kanawha Valley. The system, commonly know as the KRT, serves approximately 20 routes covering nearly 200 miles. Service is provided 7 days a week from 4:00 a.m. to 1 a.m.

Yeager Airport, West Virginia's largest and busiest airport, offers 32 daily departures and arrivals and is located 5 minutes from downtown Charleston. Yeager is a U.S. Port of Entry for the federal Customs service.

Two of the nation's primary rail lines, CSX Transportation and Norfolk Southern Railways, provide economical freight services for the area's industrial shippers. Amtrak operates a passenger terminal in Charleston.

Government

Charleston City Council represents the interests of their constituents by responding to inquiries, suggestions and complaints regarding City programs and services. They govern through legislative, administrative, and financial powers and have the ability to levy taxes, enact ordinances and resolutions, and exercise budgetary and policy control over city departments.

The 27 Council Members are elected by ward for four-year terms with 21 members representing various wards as determined by ward boundaries and 6 At-Large members serving the entire City. Council has both Majority and Minority Leaders, who are selected by their respective parties during party caucuses. The President Pro-Tempore is elected by the entire City Council.

Kanawha County is governed by, and generally acts through, the City of Kanawha County. The present Commissioners, elected on a countywide basis, are W. Kent Carper, President, Henry C. Shores and David J. Hardy. The City exists and operates pursuant to the authority given to it under Article 1 of Chapter 7 of the Code of West Virginia of 1931, as amended. The City is located in Charleston.

Source: City of Charleston

Communications

Charleston has two main newspapers, *The Charleston Gazette* and *Charleston Daily Mail.* TV Stations include WCHS/WVAH, WOWK, WSAZ and WPBY that broadcast throughout the county. Sixteen radio stations serve the Charleston area on both AM/FM frequencies.

Housing

While home styles vary from comfortable country farmhouse to a stylish hillside contemporary, value is consistent. The median sale price in Charleston, according to the Coldwell Bank Home Price Comparison Index, 2008, (Based on 2,200 sq. ft., 4 bedrooms, 2.5 baths, family room, 2-car garage) is $179,050. Competitive home prices, combined with property taxes that are among the lowest in the nation, mean "more house for less money."

Cost of Living

Charleston is an affordable city with countless amenities that make it one of the most desirable places in the East to work and play.

The ACCRA Cost of Living Survey consistently ranks the Charleston MSA below 93.0 versus the nationwide benchmark of 100.0 for affordable living. The 2008 Annual Average Data ranks the Charleston MSA at 92.3.

Source: Charleston Area Alliance

Cultural/Arts

Performing arts include West Virginia Symphony Orchestra, Charleston Light Opera Guild, Kanawha Players, Children's Theater of Charleston and the Charleston Ballet. Mountain Stage is broadcast nationwide from Charleston each Sunday.

The Clay Center for the Arts and Sciences houses a science museum, art museum, planetarium and a concert hall.

Economic Statistics

Employment and Wages

Employment, Annual Average 2008	108,224
Total Wages, Annual 2008	$4,293,170,950
Annual Wage, Annual Average 2008	$39,669
Weekly Wage, Annual Average 2000	$762.87

Source: Workforce WV

Nearby Metropolitan Cities Distance (miles)

Huntington, WV	53
Parkersburg, WV	79
Columbus, OH	212
Pittsburgh, PA	227

Climate

Temperature Mean Annual Average:		55 degrees
January Averages:	*High* 41	*Low* 23
July Averages:	*High* 86	*Low* 64

Long Term Precipitation (inches)

Annual:	42.5
January	2.9
July:	5.0

Mean Annual Snowfall Range (inches): 25-40

Source: Workforce WV

Recreation

Charleston is at the center of recreational activity for the eastern United States. From boating on the beautiful Kanawha River to riding the wildest whitewater...from golfing the most challenging, picturesque courses to enjoying music of the world...all can be found right here.

When it is time to leave the workplace, Charlestonians travel ten minutes to Kanawha State Forest for hiking, walking, biking, camping, swimming and horseback riding. It is just one of thirteen public parks and campgrounds located within the region.

Whether you want to go boating, take a stroll, or rollerblade, head to Magic Island or Haddad Riverfront Park for riverside fun. Local marinas and boat clubs provide river access and amenities to local boaters and water lovers.

Snowshoe Resort, Winterplace and Canaan Valley Resort offer the finest downhill skiing in the Southeast. All are a convenient day trip from Charleston.

Source: Charleston Area Alliance

Colleges & Universities

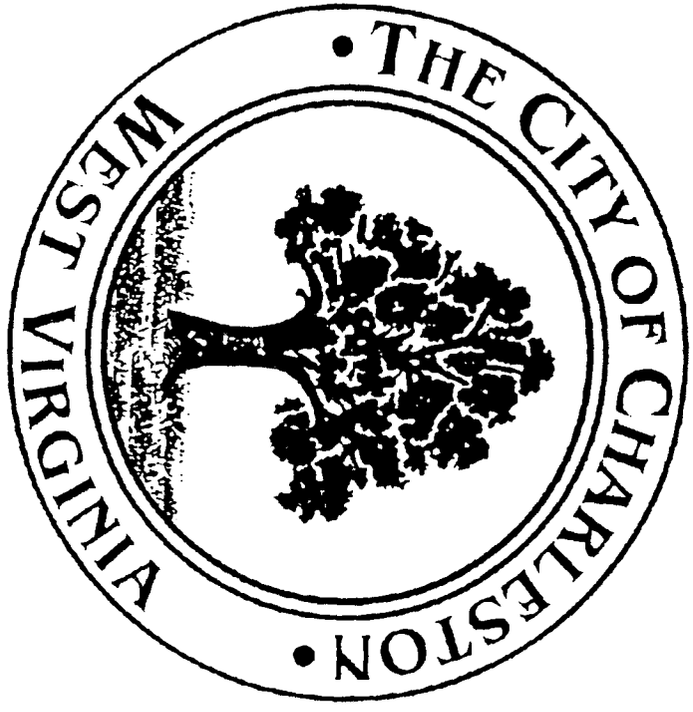
Local colleges and universities are progressive partners with industry, providing customized training, research support and advanced degree programs. The Charleston region is focused on attracting world-class talent to support an expanding base of highly technical domestic and international companies.

Five fully accredited colleges and universities serve the Charleston region offering quality undergraduate and graduate degree programs. These institutions maintain a total enrollment in excess of 20,000 students annually.

Marshall University
Southern WV Community and Technical College
University of Charleston
WV State University
WVU Institute of Technology

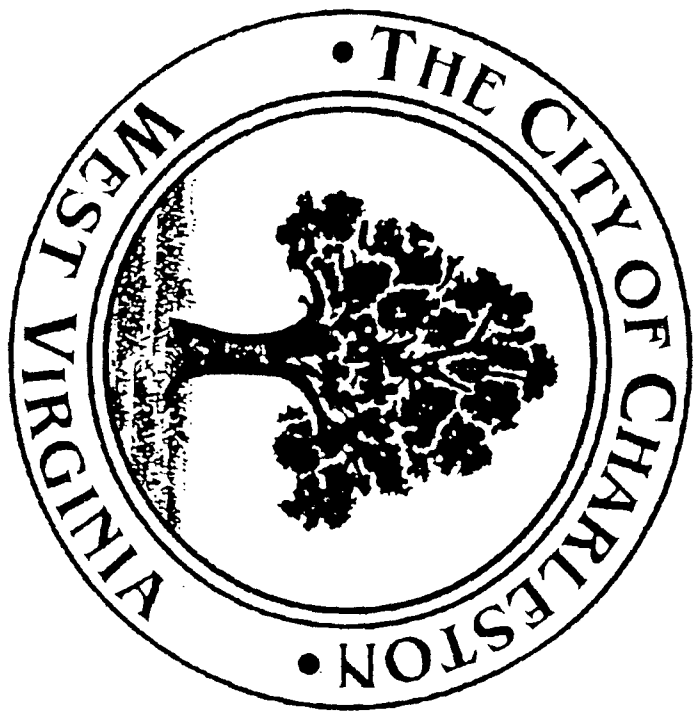
Additionally, superior vocational schools and an adult career centers offer nearly forty programs of study.

Source: Charleston Area Alliance


• THE CITY OF CHARLESTON •
WEST VIRGINIA

Appendix B

Financial Statements of the City


• THE CITY OF CHARLESTON •
WEST VIRGINIA

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
Building 1, Room W-420
Charleston, West Virginia 25305

Toll Free: 877-982-9148
Telephone: (304) 558-2540
FAX: (304) 558-5327
Internet: http://www.wvsao.gov

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Charleston Sanitary Board and the Charleston Urban Renewal Authority, discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Charleston Sanitary Board and the Charleston Urban Renewal Authority, is based on the report of the other auditors.

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

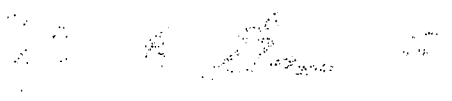
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 26 and the Schedule of Funding Progress on page 78 are not required parts of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Respectfully submitted,



Glen B. Gainer III
West Virginia State Auditor

December 22, 2008

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, 2008. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the City's financial statements, which follow this section.

Financial Highlights

The assets of the City of Charleston exceeded its liabilities at the close of the fiscal year by $57,610,650 (*net assets*). Net assets primarily consists of the governments investment in capital assets (1.39 percent).

The City of Charleston's total net assets decreased over the course of this year's operations by $7,325,877. This decrease is primarily attributable to an increase in long-term obligations for pensions ($11,215,553) and compensated absences ($90,788). These increases were offset to a certain extent with a decrease in general liability insurance and workers' comp claims ($482,955) and the reduction of outstanding debt that exceeded additional capital leases issued ($1,258,475).

At the close of the fiscal year the governmental funds, including General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds, had combined ending fund balances of $34,019,105, an increase of $3,200,023 in comparison with prior year. This increase is attributed to an overall increase in revenues of ten percent which exceeded the total nine percent increase in expenditures; however, a seven percent reduction of total expenditures for capital outlays occurred during the fiscal year.

General Fund unreserved fund balance at the end of the fiscal year was $15,036,189 which equates to 21 percent of total general fund expenditures and 77 percent of total fund balance.

The City of Charleston's total debt decreased $2,257,808 (6 percent). There has not been any new bond issuance since 2005 and payments of principal on all debt exceeded capital lease additions in the amount of $1,258,475.

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

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 28 through 31 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 33 through 42 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 an Enterprise Fund. 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 44 through 48 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 50 and 51 of this report.

Financial Analysis of the City as a Whole

Net Assets. The City's combined net assets reflect an eleven percent decrease between fiscal years 2008 and 2007. This is primarily attributable to increases in long-term obligations for pensions. Revenues remained stable and actually increased three percent during the fiscal year due in part to more aggressive collection procedures for the City's largest own-source revenue, business and occupation taxes, and other charges for services. Other taxes increased or decreased minimally. Revenues are predicted to remain stable basically linked to the economy and inflation each year, however, expenses are expected to rise accordingly.

Although the net assets of our business-type activities increased to $13,304,586 (one percent), these resources cannot be used to reduce the net asset deficit in governmental activities.

CITY OF CHARLESTON'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 42,675,577	$ 39,101,634	$ 3,271,848	$ 2,739,789	$ 45,947,425	$ 41,841,423
Capital assets	87,702,182	88,740,995	25,426,098	26,862,036	113,128,280	115,603,031
Total assets	130,377,759	127,842,629	28,697,946	29,601,825	159,075,705	157,444,454
Long-term liabilities outstanding	68,026,411	57,993,105	13,667,361	14,802,070	81,693,772	72,795,175
Other liabilities	18,045,284	18,055,844	1,725,999	1,656,908	19,771,283	19,712,752
Total liabilities	86,071,695	76,048,949	15,393,360	16,458,978	101,465,055	92,507,927
Net Assets:						
Invested in capital assets, net of related debt	69,648,983	71,869,697	10,508,737	10,854,966	80,157,720	82,724,663
Restricted	14,713,465	12,211,193	2,055,937	1,989,077	16,769,402	14,200,270
Unrestricted	(40,056,384)	(32,287,210)	739,912	298,804	(39,316,472)	(31,988,406)
Total net assets	$ 44,306,064	$ 51,793,680	$ 13,304,586	$ 13,142,847	$ 57,610,650	$ 64,936,527

Governmental activities. Governmental activities decreased the City of Charleston's net assets by $7,487,616 thereby accounting for the total decrease in the net assets. This is primarily attributable to increases in long-term obligations for pensions ($11,215,553) and compensated absences ($90,788). The City funds the pension in accordance with an alternative funding allowed by West Virginia State Statute which will keep the fund solvent and improve the funding ratio; however, the unfunded liability continues to increase rapidly. The West Virginia State Legislature introduced a bill during the year to address these increasing unfunded pension liabilities for West Virginia cities; however, the legislation failed. It is expected this will be revisited by the Legislature in the near future due to the significance of this issue.

Revenues increased $7,276,581 (10 percent) over prior year. Primarily attributable to an increase in the City's largest own source revenue, business and occupation tax, in the amount of $1,098,769 (3 percent) and charges for services in the amount of $1,578,217 (9 percent). These increases were due in part to more aggressive collection techniques and an increase in the City Service Fee January 1, 2008, to $2 from $1 a week per person working within the City; which resulted in an increase in the amount of $1,254,282 (45 percent). In addition the ambulance levy distributed by Kanawha County increased in the amount of $560,874 (30 percent). Hotel occupancy tax, as it did in the prior year, increased $133,168 (5 percent) due to continued increases in the number of groups holding city-wide events. Federal grants increased in the amount of $613,367 (13 percent) attributable to two equipment grants received by the Fire Department from the Department of Homeland Security. Property taxes received from Kanawha County remained in line with prior year. Other revenue sources remained stable with minimal increases or decreases over prior year.

Government-wide statement expenses increased $8,874,261 (11 percent) over prior year. General government expense decreased two percent over prior year even with a five percent increase in healthcare and salary costs, respectively. However, costs for workers' compensation decreased three percent since the City implemented risk management policies a few years ago. Public Safety expense increased 22 percent attributed for the most part to the increase in the pension liability. Streets and Transportation increased four percent attributable to continued street improvements and rising fuel costs. Both of these functions are partially funded by the City Service Fee revenues dedicated to these functions. Economic development decreased 11 percent due to a reduction of approximately five percent in HUD allocations and some projects did not begin as scheduled and were not completed. The City did reduce capital outlay during the 2008 fiscal year by seven percent based upon review of assets held and the necessity of new purchases. The City continues to have its fleet management schedule in place on a ten year cycle. In summary, increases in expenses closely paralleled inflation and demand for services.

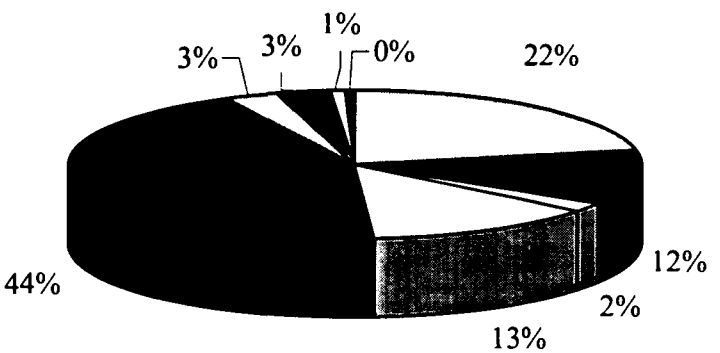
City of Charleston's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	$ 18,250,489	$ 16,672,272	$ 6,618,044	$ 6,386,686	$ 24,868,533	$ 23,058,958
Operating Grants and Contributions	9,541,628	4,730,700	-	-	9,541,628	4,730,700
Capital Grants and Contributions	1,471,975	2,107,864	224,125	73,344	1,696,100	2,181,208
General Revenues:						
Property Taxes	10,355,037	10,389,006	-	-	10,355,037	10,389,006
Business & Occupation Taxes	36,666,641	35,567,872	-	-	36,666,641	35,567,872
Other Taxes	5,923,045	5,323,269	-	-	5,923,045	5,323,269
Other	466,369	607,620	157,601	181,869	623,970	789,489
Total Revenues	82,675,184	75,398,603	6,999,770	6,641,899	89,674,954	82,040,502
General Government	15,897,074	16,226,688	-	-	15,897,074	16,226,688
Public Safety	48,241,928	39,543,593	-	-	48,241,928	39,543,593
Highways & Streets	8,346,954	7,993,195	-	-	8,346,954	7,993,195
Health & Sanitation	5,207,158	5,354,317	-	-	5,207,158	5,354,317
Economic Development	2,995,622	3,358,208	-	-	2,995,622	3,358,208
Culture & Recreation	6,675,344	6,378,521	-	-	6,675,344	6,378,521
Social Services	822,953	360,025	-	-	822,953	360,025
Interest on Long-Term Debt	783,299	881,524	-	-	783,299	881,524
Civic Center	-	-	4,889,784	4,735,314	4,889,784	4,735,314
Parking System	-	-	3,140,715	3,233,036	3,140,715	3,233,036
Total Expenses	88,970,332	80,096,071	8,030,499	7,968,350	97,000,831	88,064,421

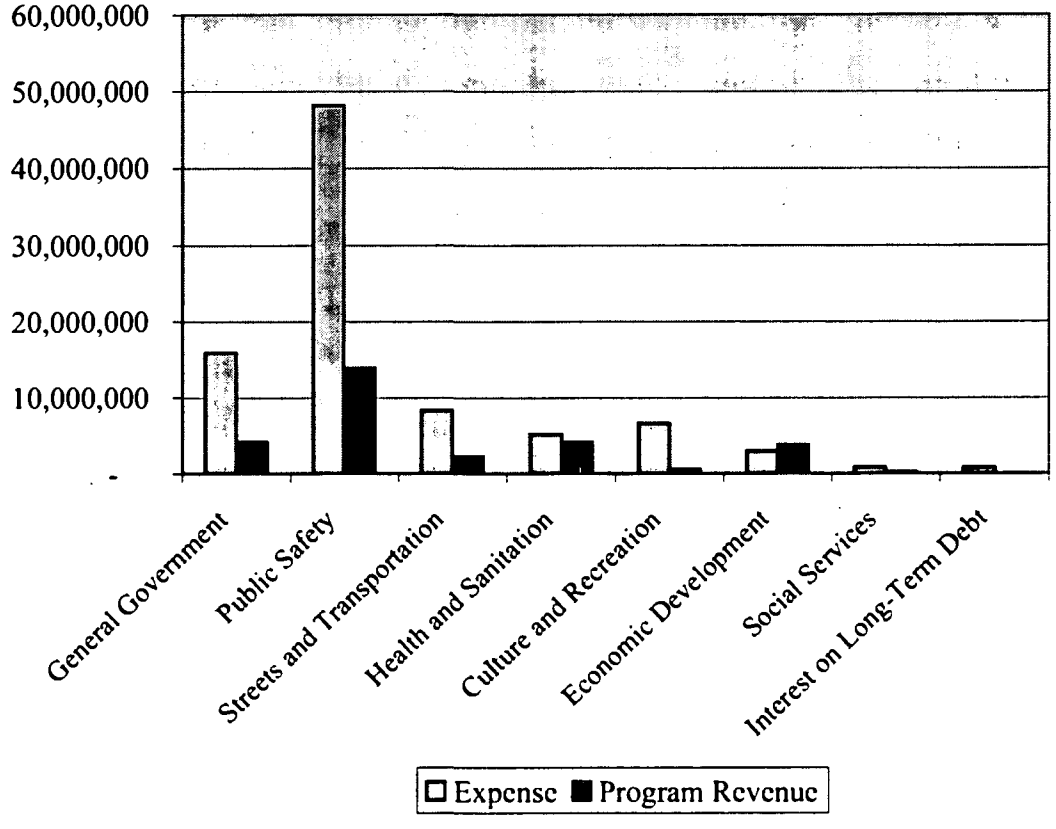
Increase in Net Assets						
Before Transfers	$ (6,295,148)	$ (4,697,468)	$ (1,030,729)	$ (1,326,451)	$ (7,325,877)	$ (6,023,919)
Transfers	(1,192,468)	(1,453,917)	1,192,468	1,453,917	-	-
Increase in Net Assets	(7,487,616)	(6,151,385)	161,739	127,466	(7,325,877)	(6,023,919)
Net Assets- beginning	51,793,680	57,945,065	13,142,847	13,015,381	64,936,527	70,960,446
Net Assets- ending	$ 44,306,064	$ 51,793,680	$ 13,304,586	$ 13,142,847	$ 57,610,650	$ 64,936,527

Business-type activities. Total net assets of the City's business-type activities ($13,304,586) increased one percent over prior year. Operating revenues reflected a significant four percent ($231,358) increase over prior year. The primary contributing factor for this increase for the Civic Center was room rental for conferences and exhibits including associated charges that increase with these types of events. The Parking System increase is primarily attributed to more aggressive collection of parking fees and fines. The operating expenses for the Civic Center increased four percent. Two primary factors are increases in utilities and salaries. The Parking System operating expenses decreased two percent from prior year even though utility cost increased four percent. Centralized contract arrangements for garage maintenance with the General Fund and the corresponding employee reduction of two resulted in a seven percent decrease in personnel costs offsetting the approximate three percent increase in contracted service costs. The Civic Center total Net Assets decreased $638,137 partially attributable to a total decrease in net capital assets of $714,967 even with $354,716 additions during the 2008 fiscal year. Most of the facilities assets are older and fully depreciated. Another contributing factor is an increase in current liabilities primarily for health care costs. The Parking System net assets increased $799,876 attributable to increased operating revenues, decreased operating expense, and reduction of debt interest costs for the past three years due to the 2005 refunding of its debt.

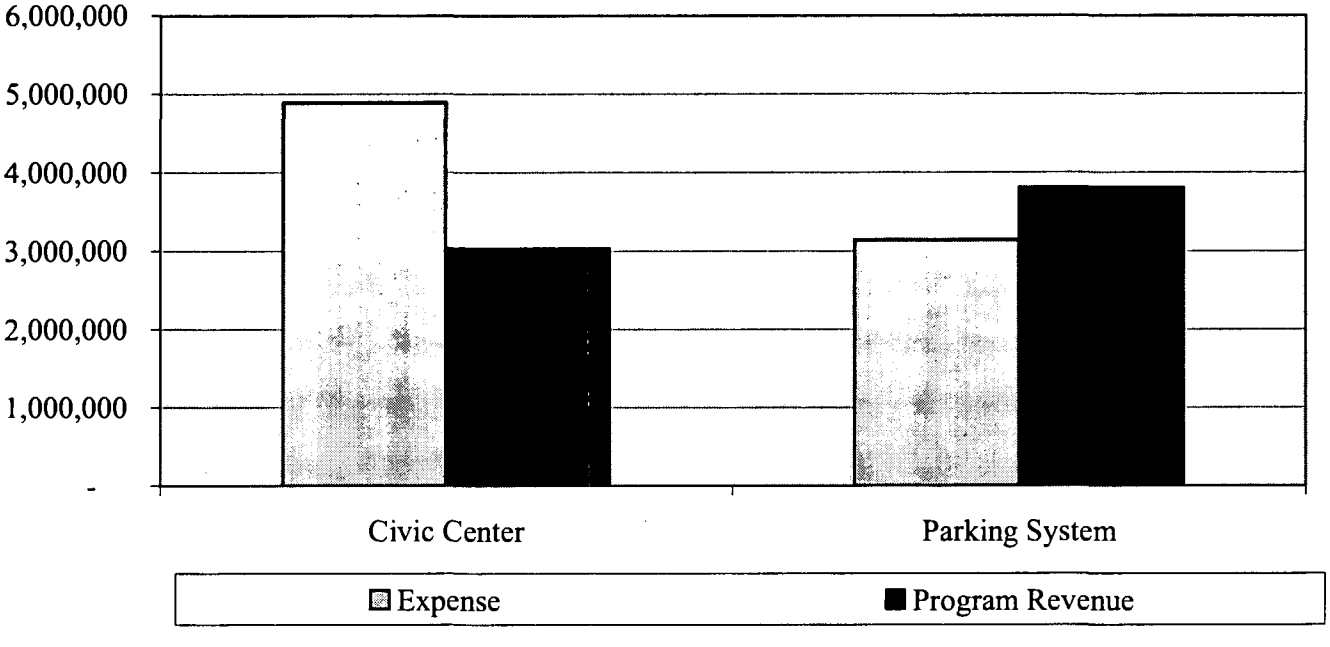
Revenue by Source-Governmental Activities

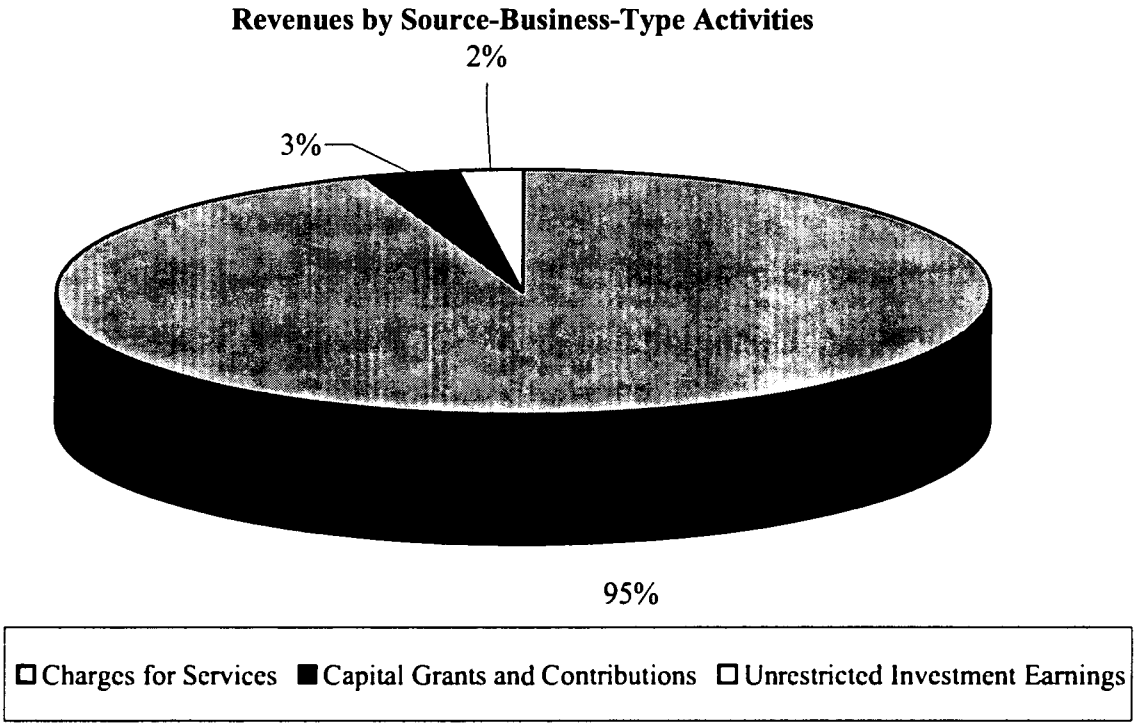


Expenses and Program Revenues-Governmental Activities



Expenses and Program Revenues-Business-Type Activities





Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Charleston's Governmental Funds reported combined ending fund balances of $34,019,105, an increase of $3,200,023 in comparison with the prior year. Approximately 50 percent of this amount ($16,872,399) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior year ($2,433,241), 2) to pay debt service ($3,912,531), 3) to generate income to pay for the perpetual care of the municipal cemetery ($1,564,488), or 4) for community development, capital projects or public safety measures ($9,236,446).

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unreserved fund balance of the General Fund was $15,036,189, while total fund balance reached $19,574,933. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21 percent of total General Fund expenditures, while total fund balance represents 27 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased significantly by $1,404,344 during the current fiscal year. This is attributable for the most part to significant revenue increases collected by the General Fund which were discussed in detail in the section, Financial Analysis of the City as a Whole-Governmental Activities.

Expenditures increased $7,884,653, however, $3,886,331 was due to the inclusion of contributions from the State of West Virginia on behalf of the police and fire pensions as public safety expenditures and the corresponding intergovernmental revenue in accordance with GAAP. These on-behalf contributions for fiscal year 2007 in the amount of $3,830,447 were not included in the General Fund financial statements but only in the pension fund statements for the 2007 fiscal year. Consequently, restating the 2007 General Fund expenditures would result in a total increase from 2007 to 2008 of $4,054,206. The most significant increase was for general government expenditures which for the most part was due to rising operational, salary and healthcare costs. Public safety costs and highways and streets increased due to enhanced police safety measures, maintenance of streets, and fuel costs.

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 1998 bond debt service. Coal severance has continued to increase (five percent) over the prior year as it has for three prior fiscal years due to rising coal prices. The Community Development and HOME Funds are funded totally by HUD federal grants for community development. The grant revenues received were less due to an allocation reduction of approximately five percent.

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

General Fund Budgetary Highlights

The City periodically revises the budget throughout the year to recognize projects carried over from the previous year, grants, and contributions received for various projects, and to adjust budgets to reflect actual circumstances. Appropriations between the original budget and the final amended budget reflected an increase of twelve percent ($8,279,094). The most significant can be briefly summarized as follows:

Legal expenses were increased $1,610,232 for the Court Costs and Damages Reserve Fund for general liability claims. The City has adopted the policy of carry forward of any remaining budgeted funds at year end to have the additional reserve in place to provide for any unforeseen circumstances.

Salary and benefit costs were increased approximately $150,000 for Council approved salary increases for the Mayor and Municipal Court Judge and promotions in positions for in-house attorney salaries.

The Mayor's contributions to various entities were increased approximately $102,229.

Grant revenues were increased to recognize a grant from the Department of Military Affairs and the corresponding expenditures for fire equipment in the amount of $407,843 and for a recycling grant and the corresponding purchase of a refuse truck in the amount of $55,000. In addition, police grant reimbursements and contributions for capital items were increased in the amount of $120,000 and the corresponding expenditure.

Capital projects costs were increased approximately $1,310,418 to carry over remaining funds for unfinished projects and equipment purchases from prior year.

City Manager professional services remaining budgeted funds in the amount of $536,123 were carried forward for various contracted services that were not completed by the 2007 fiscal year-end.

City service fee revenue was increased in the amount of $708,000 and the corresponding police equipment purchases and transfers to the City Service Fee Project Fund due to the January 1, 2008 approved increase from $1 to $2 per week per person working within the City. This revenue is dedicated to public safety and street and infrastructure maintenance.

These amendments were budgeted from available fund balance and increases in various charges for services, grants, and contributions. These and other miscellaneous items had the net increase of $8,278,464. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates.

The City's general fund balance of $19,574,933 differs from the general fund's budgetary fund balance of $9,862,751 reported in the budgetary financial statement principally because budgetary fund balance excludes accrual of Business and Occupation Taxes. The total Business and Occupation Tax accrual in the amount of $9,712,182 has not been reappropriated for budgetary purposes, only actual cash collections are budgeted each fiscal year.

Capital Asset and Debt Administration

Capital Assets. The City of Charleston's investment in Capital Assets for its governmental and business-type activities as of June 30, 2008, amounted to $113,128,280 (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. The total decrease in the City of Charleston's investment in capital assets for the current fiscal year was two percent. This decrease is primarily attributed to less capital outlay and disposal of obsolete equipment and vehicles.

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

Several projects were completed during the fiscal year, including City Hall internal renovations in the approximate amount of $284,610, Appalachian Power Park facilities in the amount of $77,988, City Health Clinic in the amount of $62,326, public safety buildings in the amount of $71,757, and community improvements in the amount of $247,198.

A variety of projects for renovations, landslides, retaining walls, and various small projects were remaining in construction in progress as of the end of the current fiscal year in the amount of $1,301,039.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$ 7,450,037	$ 7,420,037	$ 4,366,447	$ 4,366,447	$ 11,816,484	$ 11,786,484
Construction in Progress	1,301,039	456,164	147,845	129,069	1,448,884	585,233
Buildings & Improvements	30,537,797	31,043,338	19,869,645	21,403,147	50,407,442	52,446,485
Other Improvements	7,190,264	7,714,782	480,002	507,890	7,670,266	8,222,672
Machinery & Equipment	8,010,595	7,197,415	562,159	455,483	8,572,754	7,652,898
Infrastructure	33,212,450	34,909,259	-	-	33,212,450	34,909,259
Total	$ 87,702,182	$ 88,740,995	$ 25,426,098	$ 26,862,036	$ 113,128,280	$ 115,603,031

Additional information on the City of Charleston's capital assets can be found in Note IV.C. on pages 65 through 67 of this report.

Long-term debt. At the end of the current fiscal year, the City of Charleston had total general obligation bonded debt outstanding of $2,645,000. The full amount is backed by the full faith and credit of the government. The remainder of the City of Charleston's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

City of Charleston's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	$ 2,645,000	$ 3,830,000	$ -	$ -	$ 2,645,000	$ 3,830,000
Revenue Bonds	4,147,126	4,403,417	14,917,361	16,007,070	19,064,487	20,410,487
Total	$ 6,792,126	$ 8,233,417	$ 14,917,361	$ 16,007,070	$ 21,709,487	$ 24,240,487

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

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Charleston is $133,569,425, which is significantly in excess of the City of Charleston's outstanding general obligation bonds.

Additional information on the City of Charleston's long-term debt can be found in Note IV.F. on pages 69 and 70 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 at a ten year low during June at 4.7 percent. The average for the past twelve months was 4.2 percent and is currently at 3.4 percent. In addition, the last twelve months reflected increases in the labor market for construction and mining, professional and business services, and education and health services. Other sectors remained stable except for manufacturing and information which realized the most decline.

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

Inflationary trends in the region compare favorably to national indices.

In March 2008, the City of Charleston approved a balanced budget for the fiscal year 2009, with General Fund appropriations of $75,806,860, down by $2,290,748 from the final 2008 budget. The increase to the final budget for 2008 was mostly attributable to reappropriated amounts for unfinished projects from fiscal year 2007.

Requests for Information

This financial report is designed to provide a general overview of the City of Charleston's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Controller (City Auditor), 501 Virginia Street, East, P.O. Box 2749, Charleston, WV 25330.

CITY OF CHARLESTON, WEST VIRGINIA
THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 28 through 31. 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, 2008

	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	$ 16,792,489	$ 1,255,348	$ 18,047,837	$ 3,263,524	$ 5,733,401	$ 954,852
Investments	1,385,315	--	1,385,315	--	--	--
Receivables:						
Accounts	4,001,931	176,481	4,178,412	1,178,799	2,328,233	227,731
Accrued interest	47,847	244	48,091	--	1,929	--
Taxes	11,213,047	--	11,213,047	--	--	--
Rents	--	--	--	--	1,302	--
Other	--	--	--	24,465	--	--
Loans	5,200,956	--	5,200,956	--	1,052,264	--
Grants	403,898	71,212	475,110	--	196,956	--
Internal balances	559,306	(559,306)	--	--	--	--
Due from:						
Component units	58,575	--	58,575	--	--	--
Inventories	--	--	--	48,231	--	81
Prepaid insurance and lease	859,405	209,003	1,068,408	273,227	585	2,629
Restricted assets:						
Regular account	--	296,202	296,202	1,843,514	--	--
Reserve account	--	--	--	5,188,213	--	--
Renewal and replacement	--	--	--	4,211,823	--	--
Reserve for bond retirement	--	607,866	607,866	--	--	--
Restricted cash	2,139,597	--	2,139,597	--	--	--
Reserve for construction	--	--	--	1,099,305	--	--
Reserve for health care	--	--	--	1,467,465	--	--
Customer deposits	--	62,929	62,929	--	--	--
Total current assets	42,662,366	2,119,979	44,782,345	18,598,566	9,314,670	1,185,293
Noncurrent assets						
Restricted:						
Revenue bond covenant accounts	--	1,151,869	1,151,869	--	--	--
Deferred charges	13,211	--	13,211	94,806	--	--
Capital assets not being depreciated:						
Land	7,450,037	4,366,447	11,816,484	1,432,257	7,740,763	--
Construction in progress	1,301,039	147,845	1,448,884	860,685	--	--
Capital assets being depreciated:						
Buildings and improvements	58,792,015	64,016,867	122,808,882	29,543,707	--	146,545
Vehicles	15,437,844	--	15,437,844	--	--	--
Infrastructure	77,041,582	--	77,041,582	--	--	--
Transmission and distribution	--	--	--	103,020,610	--	--

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
Machinery & equipment	$ 14,073,063	$ 1,795,691	$ 15,868,754	$ 5,802,611	$ 20,754	$ 227,880
Less: accumulated depreciation	(86,393,398)	(44,900,752)	(131,294,150)	(43,559,143)	(15,895)	(193,218)
Total capital assets	87,702,182	25,426,098	113,128,280	97,100,727	7,745,622	181,207
Total noncurrent assets	87,715,393	26,577,967	114,293,360	97,195,533	7,745,622	181,207
Total assets	$ 130,377,759	$ 28,697,946	$ 159,075,705	$ 115,794,099	$ 17,060,292	$ 1,366,500
LIABILITIES						
Current liabilities:						
Current liabilities payable from current assets:						
Accounts payable	1,364,182	132,929	1,497,111	582,487	56,178	--
Payroll payable	741,763	37,659	779,422	66,122	3,050	6,944
Other accrued expenses	36,946	4,504	41,450	--	7,741	--
Solicitation bonds payable	25,685	--	25,685	--	--	--
Benefits payable	60,709	8,949	69,658	156,492	--	--
Reserve for future insurance claims	655,000	35,000	690,000	--	--	--
Due to:						
Primary government	--	--	--	58,575	--	--
Current liabilities payable from restricted assets:						
Accrued bond interest payable	366,209	99,885	466,094	650,763	--	--
Accrued capital lease interest payable	510,918	--	510,918	--	--	--
Customer deposits	--	80,770	80,770	--	--	--
Deferred revenues:						
Unearned revenue	5,274,028	--	5,274,028	--	7,700	--
Due within one year	9,009,844	1,326,303	10,336,147	2,049,023	26,700	
Total current liabilities	18,045,284	1,725,999	19,771,283	3,563,462	101,369	6,944
Noncurrent liabilities:						
Due in more than one year	68,026,411	13,667,361	81,693,772	67,192,031	--	--
Total noncurrent liabilities	68,026,411	13,667,361	81,693,772	67,192,031	--	--
Total liabilities	86,071,695	15,393,360	101,465,055	70,755,493	101,369	6,944

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
NET ASSETS						
Invested in capital assets (net of related debt)	$ 69,648,983	$ 10,508,737	$ 80,157,720	$ 28,652,200	$ 7,745,622	$ 181,207
Restricted for:						
Debt service	3,912,531	2,055,937	5,968,468	11,888,646	--	--
Capital projects	5,900,528	--	5,900,528	--	--	--
Community development projects	2,476,291	--	2,476,291	--	--	--
Public safety and streets	859,627	--	859,627	--	--	--
Perpetual care:						
Expendable	553,215	--	553,215	--	--	--
Nonexpendable	1,011,273	--	1,011,273	--	--	--
Unrestricted	(40,056,384)	739,912	(39,316,472)	4,497,760	9,213,301	1,178,349
Total net assets	$ 44,306,064	$ 13,304,586	$ 57,610,650	$ 45,038,606	$ 16,958,923	$ 1,359,556

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, 2008

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Sanitary Board	Component Units: Urban Renewal Authority	Component Units: Convention & Visitor's Bureau
Primary government:										
Governmental activities:										
General government	$ 15,897,074	$ 3,535,513	$ 559,015	$ 102,682	$ (11,699,864)	$ --	$ (11,699,864)	$ --	$ --	$ --
Public safety	48,241,928	8,163,860	5,373,221	385,805	(34,319,042)	--	(34,319,042)	--	--	--
Streets and transportation	8,346,954	2,071,313	--	247,519	(6,028,122)	--	(6,028,122)	--	--	--
Health and sanitation	5,207,158	4,193,130	--	--	(1,014,028)	--	(1,014,028)	--	--	--
Culture and recreation	6,675,344	95,038	252,655	247,793	(6,079,858)	--	(6,079,858)	--	--	--
Interest on long-term debt	783,299	--	--	--	(783,299)	--	(783,299)	--	--	--
Social services	822,953	191,635	16,299	--	(615,019)	--	(615,019)	--	--	--
Economic development	2,995,622	--	3,340,438	488,176	832,992	--	832,992	--	--	--
Total governmental activities	88,970,332	18,250,489	9,541,628	1,471,975	(59,706,240)	--	(59,706,240)	--	--	--
Business-type activities:										
Civic Center	4,889,784	2,809,183	--	224,125	--	(1,856,476)	(1,856,476)	--	--	--
Parking System	3,140,715	3,808,861	--	--	--	668,146	668,146	--	--	--
Total business-type activities	8,030,499	6,618,044	--	224,125	--	(1,188,330)	(1,188,330)	--	--	--
Total primary government	$ 97,000,831	$ 24,868,533	$ 9,541,628	$ 1,696,100	(59,706,240)	(1,188,330)	(60,894,570)	--	--	--
Component units:										
Sanitary Board	14,203,918	14,413,883	--	9,911	--	--	--	219,876	--	--
Urban Renewal Authority	1,608,746	3,080,460	1,412,798	--	--	--	--	--	2,884,512	--
Convention & Visitor's Bureau	1,367,094	65,417	1,516,131	--	--	--	--	--	--	214,454
Total component units	$ 17,179,758	$ 17,559,760	$ 2,928,929	$ 9,911	--	--	--	219,876	2,884,512	214,454
General revenues:										
Ad valorem property taxes					10,355,037	--	10,355,037	--	--	--
Business & occupation tax					36,666,641	--	36,666,641	--	--	--
Alcoholic beverages tax					800,647	--	800,647	--	--	--
Utility services tax					2,307,808	--	2,307,808	--	--	--
Hotel occupancy tax					2,567,145	--	2,567,145	--	--	--
Amusement tax					187,168	--	187,168	--	--	--
Other taxes					60,277	--	60,277	--	--	--
Unrestricted investment earnings					336,531	157,601	494,132	627,413	270,810	--
Gain on sale of capital assets					129,838	--	129,838	--	--	--
Miscellaneous					--	--	--	163,892	--	--
Transfers					(1,192,468)	1,192,468	--	--	--	--
Total general revenues and transfers					52,218,624	1,350,069	53,568,693	791,305	270,810	--
Change in net assets					(7,487,616)	161,739	(7,325,877)	1,011,181	3,155,322	214,454
Net assets - beginning					51,793,680	13,142,847	64,936,527	44,027,425	13,803,601	1,145,102
Net assets - ending					$ 44,306,064	$ 13,304,586	$ 57,610,650	$ 45,038,606	$ 16,958,923	$ 1,359,556

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


THE CITY OF CHARLESTON
WEST VIRGINIA

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 80.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 5,588,585	$ 61,725	$ 3,090	$ 427	$ 11,138,662	$ 16,792,489
Investments	--	--	--	--	1,385,315	1,385,315
Receivables:						
Taxes	11,098,675	--	--	--	114,372	11,213,047
Accounts	3,531,478	--		--	470,453	4,001,931
Grants	--	--	140,612	9,351	253,935	403,898
Loans	--	--	1,465,114	3,458,234	277,608	5,200,956
Accrued interest	32,284	--	1,745	--	13,818	47,847
Due from:						
Other funds	1,040,661	--	--	--	21,519	1,062,180
Component units	25,739	--	--	--	32,836	58,575
Prepaid insurance	859,405	--	--	--	--	859,405
Restricted cash	190,551	--	--	--	1,949,046	2,139,597
Total assets	$ 22,367,378	$ 61,725	$ 1,610,561	$ 3,468,012	$ 15,657,564	$ 43,165,240
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	733,629	--	96,939	440	533,174	1,364,182
Payroll payable	741,763	--	--	--	--	741,763
Other accrued expenditures	36,946	--	--	--	--	36,946
Solicitation bonds payable	25,685	--	--	--	--	25,685
Benefits payable	60,709	--	--	--	--	60,709
Reserve for future insurance claims	655,000	--	--	--	--	655,000
Due to:						
Other funds	29,806	--	43,606	8,911	420,550	502,873
Deferred revenues:						
Unearned revenue	102,423	--	1,332,207	3,458,661	380,737	5,274,028
Taxes	406,484	--	--	--	78,465	484,949
Total liabilities	2,792,445	--	1,472,752	3,468,012	1,412,926	9,146,135

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:						
Reserved for:						
Encumbrances	$ 2,433,241	$ --	$ --	$ --	$ --	$ 2,433,241
Perpetual care	--	--	--	--	1,564,488	1,564,488
Debt service	190,551	61,725	--	--	3,660,255	3,912,531
Community development	--	--	137,809	--	2,338,482	2,476,291
Capital projects	1,243,786	--	--	--	4,656,742	5,900,528
Public safety and streets	671,166	--	--	--	188,461	859,627
Unreserved, reported in:						
General fund	15,036,189	--	--	--	--	15,036,189
Special revenue funds	--	--	--	--	1,836,210	1,836,210
Total fund balances	19,574,933	61,725	137,809	--	14,244,638	34,019,105
Total liabilities and fund balances	$ 22,367,378	$ 61,725	$ 1,610,561	$ 3,468,012	$ 15,657,564	$ 43,165,240

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, 2008

Total fund balances on the governmental fund's balance sheet	$	34,019,105
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.		87,702,182
Deferral of bond issuance cost which is amortized over the life of the bonds is not reported in the funds.		13,211
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds.		484,949
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).		(77,913,383)
Net assets of governmental activities	$	44,306,064

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, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem property taxes	$ 8,884,761	$ --	$ --	$ --	$ 1,554,191	$ 10,438,952
Business & occupation tax	36,666,641	--	--	--	--	36,666,641
Alcoholic beverages tax	800,647	--	--	--	--	800,647
Utility services tax	2,307,808	--	--	--	--	2,307,808
Hotel occupancy tax	2,567,145	--	--	--	--	2,567,145
Animal tax	7,093	--	--	--	--	7,093
Gas and oil severance tax	53,184	--	--	--	--	53,184
Amusement tax	187,168	--	--	--	--	187,168
Licenses and permits	1,455,775	--	--	--	--	1,455,775
Intergovernmental:						
Federal	478,258	--	2,151,455	840,297	1,880,165	5,350,175
State	3,886,331	202,094	--	--	--	4,088,425
Charges for services	11,241,480	--	--	--	4,077,375	15,318,855
Fines and forfeits	--	--	--	--	1,206,087	1,206,087
Interest and investment earnings	338,357	903	20,918	--	418,807	778,985
Reimbursements	1,298,671	--	2,760	--	194,556	1,495,987
Payments in lieu of taxes	56,260	--	--	--	--	56,260
Contributions and donations	323,472	--	--	--	78,470	401,942
Miscellaneous	411,301	--	--	--	4,994	416,295
Total revenues	70,964,352	202,997	2,175,133	840,297	9,414,645	83,597,424
EXPENDITURES						
Current:						
General government	14,852,161	--	--	--	395,704	15,247,865
Public safety	36,972,969	--	--	--	1,142,218	38,115,187
Streets and transportation	7,794,833	--	--	--	720	7,795,553
Health and sanitation	4,143,185	--	--	--	1,105,669	5,248,854
Culture and recreation	5,816,312	--	--	--	--	5,816,312
Social services	768,542	--	--	--	60,328	828,870
Economic development	--	--	2,152,978	840,297	1,011,212	4,004,487
Debt service:						
Principal	446,291	--	--	--	1,315,000	1,761,291
Interest	431,020	--	--	--	442,654	873,674
Capital outlay:						
Highways and streets	--	--	--	--	1,980,606	1,980,606
Total expenditures	71,225,313	--	2,152,978	840,297	7,454,111	81,672,699

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	$ (260,961)	$ 202,997	$ 22,155	$ --	$ 1,960,534	$ 1,924,725
OTHER FINANCING SOURCES (USES)						
Transfers in	3,587,533	--	--	--	3,571,932	7,159,465
Transfers (out)	(4,385,727)	(192,776)	--	--	(3,769,163)	(8,347,666)
Sale of capital assets	136,957	--	--	--	--	136,957
Capital leases	2,326,542	--	--	--	--	2,326,542
Total other financing sources (uses)	1,665,305	(192,776)	--	--	(197,231)	1,275,298
Net change in fund balances	1,404,344	10,221	22,155	--	1,763,303	3,200,023
Fund balances - beginning	18,170,589	51,504	115,654	--	12,481,335	30,819,082
Fund balances - ending	$ 19,574,933	$ 61,725	$ 137,809	$ --	$ 14,244,638	$ 34,019,105

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, 2008

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

Net change in fund balances - total governmental funds	$	3,200,023
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs 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).		(1,031,695)
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.		(7,119)
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).		(83,915)
The issuance of long term debt (e.g, bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note II.B).		1,258,475
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).		(10,823,385)
Change in net assets of governmental activities	$	(7,487,616)

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, 2008

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 8,650,000	$ 8,650,000	$ 8,884,761	$ --	$ 8,884,761	$ 234,761
Business & occupation	34,250,000	34,073,736	36,666,641	(673,951)	35,992,690	1,918,954
Utility	2,250,000	2,250,000	2,307,808	--	2,307,808	57,808
Hotel motel	2,600,000	2,600,000	2,567,145	--	2,567,145	(32,855)
Alcoholic beverages	600,000	600,000	800,647	--	800,647	200,647
Amusement	175,000	175,000	187,168	--	187,168	12,168
Animal	6,000	6,000	7,093	--	7,093	1,093
Gas & oil severance	60,000	60,000	53,184	--	53,184	(6,816)
Licenses and permits	1,487,000	1,451,000	1,455,775	--	1,455,775	4,775
Charges for services	8,917,297	9,625,297	11,241,480	--	11,241,480	1,616,183
Intergovernmental:						
Federal	80,000	491,108	478,258	--	478,258	(12,850)
State	--	55,000	3,886,331	(3,886,331)	--	(55,000)
Interest and investment earnings	400,000	400,000	338,357	--	338,357	(61,643)
Reimbursements	1,319,117	1,414,117	1,298,671	--	1,298,671	(115,446)
Payments in lieu of taxes	7,000	7,000	56,260	--	56,260	49,260
Contributions and donations	288,000	386,263	323,472	--	323,472	(62,791)
Miscellaneous	444,600	450,277	411,301	--	411,301	(38,976)
Total revenues	61,534,014	62,694,798	70,964,352	(4,560,282)	66,404,070	3,709,272
EXPENDITURES						
General government:						
Medical & Life insurance	--	700,000	--	--	--	700,000
Mayor's office	314,477	482,978	375,093	--	375,093	107,885
City council	134,720	134,720	119,637	--	119,637	15,083
City manager	3,520,161	4,056,284	3,422,706	--	3,422,706	633,578
City treasurer	145,853	145,853	136,124	--	136,124	9,729
City collector	928,689	928,689	858,723	--	858,723	69,966
City clerk	152,844	152,844	148,730	--	148,730	4,114
Municipal court	396,965	408,780	401,946	--	401,946	6,834
Legal	931,617	2,541,851	921,594	--	921,594	1,620,257
Accounting	470,550	470,550	442,656	--	442,656	27,894
Engineering	836,371	836,371	573,411	--	573,411	262,960
MOECD	566,595	538,394	515,680	--	515,680	22,714
Human resources	492,425	492,425	455,504	--	455,504	36,921
Contributions to Main Street Program	25,000	25,000	25,000	--	25,000	--
Mail room	241,225	241,226	206,417	--	206,417	34,809
Building commission	628,795	650,795	602,558	--	602,558	48,237
Planning	514,343	514,343	500,567	--	500,567	13,776

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, 2008

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Information systems	$ 634,155	$ 634,155	$ 558,107	$ --	$ 558,107	$ 76,048
Building maintenance	1,505,729	1,505,729	2,018,632	--	2,018,632	(512,903)
Internal audit	83,020	83,020	82,663	--	82,663	357
Morris Square	--	--	115,513	--	115,513	(115,513)
Employee health clinic	--	--	196,145	--	196,145	(196,145)
Public works	283,295	283,296	263,205	--	263,205	20,091
Public grounds	1,326,852	1,326,852	1,273,130	--	1,273,130	53,722
Contingency	147,642	153,843	--	--	--	153,843
Total general government	14,281,323	17,307,998	14,213,741	--	14,213,741	2,394,257
Public safety:						
Police	14,830,094	15,001,872	16,714,780	(1,849,497)	14,865,283	136,589
Fire	15,132,149	15,249,869	17,054,897	(2,036,834)	15,018,063	231,806
Traffic engineering	1,049,442	1,049,442	1,002,204	--	1,002,204	47,238
C-K emergency services	145,743	145,742	119,489	--	119,489	26,253
Total public safety	31,157,428	31,446,925	34,891,370	(3,886,331)	31,005,039	441,886
Streets and transportation:						
Streets and transportation	3,858,053	3,956,357	3,743,978	--	3,743,978	212,379
Equipment maintenance	2,665,680	2,696,618	2,721,708	--	2,721,708	(25,090)
Total streets and transportation	6,523,733	6,652,975	6,465,686	--	6,465,686	187,289
Health and sanitation:						
Refuse collection & recycling	3,410,099	3,410,841	3,217,268	--	3,217,268	193,573
Kanawha-Charleston health	200,000	200,000	200,000	--	200,000	--
CARES	42,000	42,000	42,000	--	42,000	--
Total health and sanitation	3,652,099	3,652,841	3,459,268	--	3,459,268	193,573
Culture and recreation:						
Parks and recreation	2,982,689	2,978,139	2,457,355	--	2,457,355	520,784
Convention and visitor's bureau	1,300,000	1,323,670	1,333,730	--	1,333,730	(10,060)
Cultural/fairs/festivals	276,000	276,000	267,567	--	267,567	8,433
Contribution to Charleston YWCA	25,000	25,000	25,000	--	25,000	--
Festival Fund for the Arts	70,000	70,000	70,000	--	70,000	--
Municipal auditorium	242,512	242,512	217,419	--	217,419	25,093
Charleston Area Alliance	175,000	175,000	175,000	--	175,000	--
Library	875,000	850,000	850,000	--	850,000	--
Stadium Maintenance Reimb.	100,000	100,000	100,000	--	100,000	--
Appalachian Power Park	--	--	149,805	--	149,805	(149,805)
Total culture and recreation	6,046,201	6,040,321	5,645,876	--	5,645,876	544,250

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, 2008

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Social services:						
Spring hill cemetery	$ 569,689	$ 569,689	$ 533,684	$ --	$ 533,684	$ 36,005
Human rights	194,208	194,208	180,263	--	180,263	13,945
Contribution Tiskelwah Center	--	6,000	6,000	--	--	6,000
Total social services	763,897	769,897	719,947	--	719,947	49,950
Capital projects:						
General government	411,825	1,949,393	638,419	--	638,419	1,310,974
Public safety	1,614,177	2,697,284	2,081,599	--	2,081,599	615,685
Streets and transportation	783,261	1,109,277	1,329,147	--	1,329,147	(219,870)
Health and sanitation	582,990	749,079	683,917	--	683,917	65,162
Culture and recreation	51,556	235,044	170,437	--	170,437	64,607
Social services	34,445	48,595	48,595	--	48,595	--
Total capital projects	3,478,254	6,788,672	4,952,114	--	4,952,114	1,836,558
Debt service:						
Principal	446,823	446,823	446,291	--	446,291	532
Interest	429,288	429,288	429,820	--	429,820	(532)
Bond Service Charges	--	--	1,200	--	1,200	(1,200)
Total debt service	876,111	876,111	877,311	--	877,311	(1,200)
Total expenditures	66,779,046	73,535,740	71,225,313	(3,886,331)	67,338,982	5,646,563
Excess of revenues over (under) expenditures	(5,245,032)	(10,840,942)	(260,961)	(673,951)	(934,912)	9,906,030
OTHER FINANCING SOURCES (USES)						
Transfers in	3,700,000	3,792,450	3,587,533	--	3,587,533	(204,917)
Transfers out	(3,039,468)	(4,561,868)	(4,385,727)	--	(4,385,727)	176,141
Capital lease proceeds	1,434,500	2,328,000	2,326,542	--	2,326,542	(1,458)
Sale of capital assets	150,000	150,000	136,957	--	136,957	(13,043)
Total other financing sources (uses)	2,245,032	1,708,582	1,665,305	--	1,665,305	(43,277)
Net change in fund balance	(3,000,000)	(9,132,360)	1,404,344	(673,951)	730,393	9,862,753
Fund balance-beginning	3,000,000	9,132,360	18,170,589	(9,038,231)	9,132,358	(2)
Fund balance-ending	$ --	$ --	$ 19,574,933	$ (9,712,182)	$ 9,862,751	$ 9,862,751

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental:				
State	$ 180,000	$ 180,000	$ 202,094	$ 22,094
Interest and investment earnings	125	125	903	778
Total revenues	180,125	180,125	202,997	22,872
Excess (deficiency) of revenues over (under) expenditures	180,125	180,125	202,997	22,872
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(180,325)	(231,629)	(192,776)	38,853
Total other financing sources (uses)	(180,325)	(231,629)	(192,776)	38,853
Net change in fund balance	(200)	(51,504)	10,221	61,725
Fund balances - beginning	200	51,504	51,504	- -
Fund balances - ending	$ - -	$ - -	$ 61,725	$ 61,725

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


• THE CITY OF CHARLESTON •
WEST VIRGINIA

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, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 83,186	$ 1,172,162	$ 1,255,348
Receivables:			
Accounts	18	176,463	176,481
Interest	--	244	244
Grants	71,212	--	71,212
Due from:			
Other funds	--	9,056	9,056
Prepaid insurance and lease	78,703	130,300	209,003
Restricted:			
Regular account	--	296,202	296,202
Revenue bond covenant accounts	324,007	283,859	607,866
Customer deposits	62,929	--	62,929
Total current assets	620,055	2,068,286	2,688,341
Noncurrent assets:			
Restricted:			
Revenue bond covenant accounts	--	1,151,869	1,151,869
Capital assets not being depreciated:			
Land	300,000	4,066,447	4,366,447
Construction in progress	50,456	97,389	147,845
Capital assets being depreciated:			
Buildings and improvements	35,919,293	28,097,574	64,016,867
Machinery and equipment	863,229	932,462	1,795,691
Less: accumulated depreciation	(23,921,021)	(20,979,731)	(44,900,752)
Total capital assets (net of accumulated depreciation)	13,211,957	12,214,141	25,426,098
Total noncurrent assets	13,211,957	13,366,010	26,577,967
Total assets	$ 13,832,012	$ 15,434,296	$ 29,266,308

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
LIABILITIES			
Current liabilities:			
Accounts payable	$ 80,932	$ 51,997	$ 132,929
Benefits payable	17,290	26,659	43,949
Payroll payable	19,721	17,938	37,659
Other accrued expenses	4,504	- -	4,504
Compensated absences payable	44,966	31,337	76,303
Customer deposits payable	77,130	3,640	80,770
Due to:			
Other funds	568,362	- -	568,362
Accrued interest payable	71,564	28,321	99,885
Revenue bonds payable-current	280,000	970,000	1,250,000
Total current liabilities	1,164,469	1,129,892	2,294,361
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discount)	6,867,135	6,800,226	13,667,361
Total noncurrent liabilities	6,867,135	6,800,226	13,667,361
Total liabilities	8,031,604	7,930,118	15,961,722
NET ASSETS			
Invested in capital assets (net of related debt)	6,064,822	4,443,915	10,508,737
Restricted for debt service	324,007	1,731,930	2,055,937
Unrestricted	(588,421)	1,328,333	739,912
Total net assets	$ 5,800,408	$ 7,504,178	$ 13,304,586

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, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Operating revenues:			
Sales and services to customers	$ 1,717,916	$ 3,796,367	$ 5,514,283
Rental fees	1,091,267	--	1,091,267
Miscellaneous	--	12,494	12,494
Total operating revenues	2,809,183	3,808,861	6,618,044
Operating expenses:			
Administrative and general	--	1,785,542	1,785,542
Recreational	3,352,484	--	3,352,484
Depreciation	1,069,683	867,655	1,937,338
Total operating expenses	4,422,167	2,653,197	7,075,364
Operating income (loss)	(1,612,984)	1,155,664	(457,320)
Nonoperating revenues (expenses):			
Investment earnings	30,138	127,463	157,601
Interest and fiscal charges	(467,617)	(487,518)	(955,135)
Total nonoperating revenues (expenses)	(437,479)	(360,055)	(797,534)
Income (loss) before contributions and transfers	(2,050,463)	795,609	(1,254,854)
Capital contributions	224,125	4,267	228,392
Transfers in	1,303,093	--	1,303,093
Transfers (out)	(114,892)	--	(114,892)
Change in net assets	(638,137)	799,876	161,739
Total net assets - beginning	6,438,545	6,704,302	13,142,847
Total net assets - ending	$ 5,800,408	$ 7,504,178	$ 13,304,586

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, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Cash flows from operating activities:			
Receipts from customers and users	$ 2,868,867	$ 3,773,067	$ 6,641,934
Payments to suppliers	(1,907,791)	(721,911)	(2,629,702)
Payments to employees	(1,283,541)	(1,075,310)	(2,358,851)
Net cash provided (used) by operating activities	(322,465)	1,975,846	1,653,381
Cash flows from noncapital financing activities:			
Transfers in from other funds	388,165	- -	388,165
Net cash provided (used) by noncapital financing activities	388,165	- -	388,165
Cash flows from capital and related financing activities:			
Transfers from other funds for capital debt	733,298	- -	733,298
Transfers from other funds for capital projects	181,630	- -	181,630
Transfers to other funds for capital projects	(114,892)	- -	(114,892)
Capital contributions	224,125	- -	224,125
Acquisition and construction of capital assets	(354,716)	(142,417)	(497,133)
Principal paid on capital debt	(270,000)	(935,000)	(1,205,000)
Interest and fees paid on capital debt	(451,379)	(393,545)	(844,924)
Net cash provided (used) by capital and related financing activities	(51,934)	(1,470,962)	(1,522,896)
Cash flows from investing activities:			
Interest and dividends received	30,138	127,463	157,601
Net cash provided (used) by investing activities	30,138	127,463	157,601
Net increase (decrease) in cash and cash equivalents	43,904	632,347	676,251
Cash and cash equivalents, July 1, 2007 (including $300,515 and $1,688,562 in restricted)	363,289	2,271,745	2,635,034
Cash and cash equivalents, June 30, 2008 (including $324,007 and $1,731,930 in restricted)	$ 407,193	$ 2,904,092	$ 3,311,285

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ (1,612,984)	$ 1,155,664	$ (457,320)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,069,683	867,655	1,937,338
Decrease (increase) in accounts receivable	(71,230)	(27,809)	(99,039)
Decrease (increase) in due from other funds	76,880	(9,056)	67,824
Decrease (increase) in restricted deposits	11,844	- -	11,844
Decrease (increase) in prepaid insurance	(24,995)	5,169	(19,826)
Increase (decrease) in customer deposits	42,190	- -	42,190
Increase (decrease) in accounts payable	(44,546)	21,678	(22,868)
Increase (decrease) in payroll payable	2,893	5,856	8,749
Increase (decrease) in other accrued expenses	29	1,071	1,100
Increase (decrease) in due to other funds	227,771	(44,382)	183,389
Net cash provided by operations	$ (322,465)	$ 1,975,846	$ 1,653,381
Noncash investing, capital & financing activities:			
Contribution of capital asset from governmental fund	- -	4,267	4,267
	$ - -	$ 4,267	$ 4,267

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

CITY OF CHARLESTON, WEST VIRGINIA
FIDUCIARY FUND FINANCIAL STATEMENTS

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

Policemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time police employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code which allows the City to contribute 108% of the previous year's contribution. The State also requires the pension plan to obtain an actuarial evaluation to determine solvency every three years. The Board may elect to obtain an actuarial evaluation in shorter intervals if deemed appropriate.

Firemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time fire department employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code which allows the City to contribute 108% of the previous year's contribution. The State also requires the pension plan to obtain an actuarial evaluation to determine solvency every three years. The Board may elect to obtain an actuarial evaluation in shorter intervals if deemed appropriate.

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

The individual Agency Fund descriptions and financial statements begin on page 105.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
June 30, 2008

	Pension Trust Funds			
	Policemen's Pension and Relief	Firemen's Pension and Relief	Total Pension Trust Funds	Agency Funds
ASSETS				
Non-pooled cash	$ 2,496,075	$ 2,850,986	$ 5,347,061	$ 1,584,611
Total cash	2,496,075	2,850,986	5,347,061	1,584,611
Investments, at fair value:				
Federal government securities	2,995,224	1,088,076	4,083,300	--
Managed bond funds	706,879	--	706,879	--
Managed stock funds	7,845,768	4,346,527	12,192,295	--
Total investments	11,547,871	5,434,603	16,982,474	--
Receivables:				
Interest	46,836	1,883	48,719	127
Accounts receivable	3,325	--	3,325	32,055
Total receivables	50,161	1,883	52,044	32,182
Total assets	$ 14,094,107	$ 8,287,472	$ 22,381,579	$ 1,616,793
LIABILITIES				
Accounts payable	1,807	600	2,407	--
Refunds payable and other	--	--	--	1,616,793
Benefits payable	--	448,795	448,795	--
Total liabilities	1,807	449,395	451,202	1,616,793
NET ASSETS				
Net assets held in trust for pension benefits	$ 14,092,300	$ 7,838,077	$ 21,930,377	$ --

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, 2008

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ADDITIONS			
Contributions:			
Employer	$ 1,792,201	$ 2,827,560	$ 4,619,761
Plan members	713,672	702,322	1,415,994
State of West Virginia insurance premium surtax allocations	1,849,497	2,036,834	3,886,331
Total contributions	4,355,370	5,566,716	9,922,086
Investment earnings:			
Net increase (decrease) in fair value of investments	(1,256,692)	(651,314)	(1,908,006)
Interest and dividends	445,323	248,915	694,238
Less: investment expense	(119,384)	(68,492)	(187,876)
Net investment income	(930,753)	(470,891)	(1,401,644)
Total additions	3,424,617	5,095,825	8,520,442
DEDUCTIONS			
Benefits	4,872,987	5,428,301	10,301,288
Administrative expenses	29,694	9,976	39,670
Refunds of contributions	11,759	15,808	27,567
Total deductions	4,914,440	5,454,085	10,368,525
Change in net assets	(1,489,823)	(358,260)	(1,848,083)
Net assets held in trust for pension benefits:			
Beginning of year	15,582,123	8,196,337	23,778,460
End of year	$ 14,092,300	$ 7,838,077	$ 21,930,377

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Charleston, West Virginia, 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* 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*. was established in 1979, as a nonprofit corporation. The Bureau is governed by a board comprised of members stipulated to be no less than fifteen but no more than nineteen which consists of three permanent members (the City of Charleston Civic Center Manager, Director of Yeager Airport, and Mayor of the City of Charleston) and the remainder of the board members are appointed by the City Council. The primary purpose of the bureau is to operate a convention and visitor's bureau for the Charleston, West Virginia area and to advance, stimulate, and promote exhibits, conferences and conventions. The bureau derives most of its revenue from hotel room taxes. The City of Charleston contributes 50% of the Hotel Occupancy Taxes collected to the Bureau. If these taxes were discontinued, the bureau's ability to continue in business would be threatened.

Complete financial statements for each of the individual component units can be obtained at the entity's administrative offices.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e, the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements; however, if applicable, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor governmental funds are combined into a single column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.

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

The *Community Development Fund*, a special revenue fund, accounts for federal grants received from the U.S. Housing and Urban Development for the purpose of developing "viable urban communities", which are achieved by providing decent housing, a suitable living environment, and expanded economic opportunities principally for low-and moderate income people.

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

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 System, which accumulates resources for pension benefit payments to qualified public safety employees. These funds are accounted for in essentially the same manner as the proprietary funds, using the accrual basis of accounting.

The *Agency Funds* account for assets held by the City of Charleston, West Virginia for others in a custodial capacity. The two Civic Center Agency Funds account for revenues from event ticket sales, subsequently dispersed to promoters, and for State grant revenues for advertising subsequently dispersed to advertising vendors. The police agency funds account for forfeited funds and confiscated property subsequently dispersed upon court order to the appropriate party. Agency funds are accounted for using the accrual basis of accounting and do not present results of operations or have a measurement focus.

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

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Civic Center and Parking System (enterprise funds) and the Sanitary Board, Urban Renewal Authority, and Convention and Visitor's Bureau (discretely presented component units) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

In accordance with generally accepted accounting principles, the City reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The composition of investments and fair values are presented in Note IV.A.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades; interest earning deposits which are fully insured and collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

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

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

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, 2008.

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

All municipalities within the state are authorized to levy taxes not in excess of the following maximum levies per $100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents); On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2008, were as follows:

Class of Property	Assessed Valuation For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ 29,755	5.75 cents	5.03 cents	1.84 cents
Class II	$ 1,053,556,896	11.50 cents	10.06 cents	3.67 cents
Class IV	$ 1,598,249,819	23.00 cents	20.12 cents	7.34 cents

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

3. Prepaid Items

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

4. Restricted Assets

Certain assets of the Civic Center and Parking System enterprise fund revenue bonds as well as certain proceeds set aside for their repayment are classified as restricted assets because their use is limited by applicable bond covenants. Certain assets of the Solid Waste, a governmental special revenue fund, are restricted for solid waste landfill closure expenditures.

The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months.

The "restricted cash" account is used to report resources set aside to pay for potential solid waste capital expenditures.

The "reserve for bond retirement" account is used to segregate resources accumulated for debt service payments.

The "customer deposit" account is used to report the segregation of returnable cash deposits from customers of the utility upon initial receipt of the service.

5. Capital Assets and Depreciation

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

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

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

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

Assets	Years
Buildings	40
System infrastructure, transmission and distribution	40-50
Equipment	05-10
Vehicles	03-05
Office and computer equipment	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.

When a permanent full time employee retires, the employee may elect to have any accrued sick leave converted to insurance benefits based on the formula of two days sick leave for one month single coverage insurance premium or three days sick leave for one month family coverage insurance premium. A liability has been accrued for all employees who have actually retired at June 30, 2008, converted accrued sick leave to insurance premiums, and the actual costs to the City has been calculated. The accrued benefit for June 30, 2008, was $492,585.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

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

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 $77,913,383 difference are as follows:

Bonds payable:	$ (6,805,337)
Less: issuance cost (to be amortized as interest expense)	13,211
Accrued interest payable	(877,128)
Capital leases payable	(11,261,072)
Claims and judgments	(4,318,101)
Compensated absences	(1,718,193)
Net pension obligation	(52,946,763)
Net adjustment to decrease fund balance-total governmental funds to arrive at net assets-governmental activities	$ (77,913,383)

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 depreciation expense exceeded capital outlays for the current period." The details of the $1,031,695 difference are as follows:

Capital outlays	$ 6,096,365
Depreciation expense	(7,128,060)
Net adjustment to decrease net change in fund balance-total governmental funds to arrive at changes in net assets of governmental activities	$ (1,031,695)

Another element of that reconciliation states that, "The issuance of long-term debt (i.e. bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities." The details of this $1,258,475 difference are as follows:

Debt issued or incurred:		
Capital lease financing	$	(2,328,000)
Principle repayments:		
General obligation, revenue bonds, and capital leases		3,496,100
Reduction of accrued interest expense		90,375
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	$	1,258,475

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 $10,823,385 difference are as follows:

Compensated absences	$	(90,788)
Claims and judgments		482,956
Net pension obligation		(11,215,553)
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	$	(10,823,385)

Another element of reconciliation is the difference of $4,267 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 proprietary funds. The governmental funds did not record the transfer because only financial resources are accounted for in a governmental fund; however, the proprietary funds recorded the transaction not as a transfer but as capital contribution revenue in the lower portion of their operating statements. 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 $4,267.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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, except that business and occupation taxes are not reported on the modified accrual basis for budgetary purposes. All annual appropriations lapse at fiscal year end.

The City of Charleston, West Virginia prepares its budget on the cash/cash plus encumbrances basis of accounting. Therefore, a reconciliation has been performed on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) for the General Fund.

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

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

Amount	Description
$ 3,026,045	General Government Expenditure Increase
3,310,418	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.

WV Code 11-8-26 states in part that "...a local fiscal body shall not expend money or incur obligations: (1) In an unauthorized manner; (2) For an unauthorized purpose; (3) In excess of the amount allocated to the fund in the levy order; (4) In excess of the funds available for current expenses...". The municipal officials of the City of Charleston incurred expenditures for certain items in the General Fund in excess of the amounts allocated for those items in the official levy estimate (budget) as last revised. Specifically, expenditures in the following categories exceeded budgeted amounts: General Government $824,561; Streets and Transportation $25,000; Culture and Recreation $159,865; Capital Projects $219,870; and Debt Service $1,732. However, the total expenditures of the General Fund did not exceed the total appropriations. This noncompliance occurred because the City failed to submit the Council approved budget revisions to the State Auditor's Office by the required deadline. Subsequent to year end the management of the City of Charleston has implemented additional policies and procedures that will ensure compliance with budgetary requirements.

A reconciliation from the budgetary basis to the GAAP Modified Accrual Fund Basis is due to the recording of business and occupation tax revenues on the cash basis for budgetary purposes and the accrual basis for GAAP purposes in the amount of $673,951 is as follows:

	Net Change in Fund Balance	Fund Balance
Budgetary Basis	$ 730,393	$ 9,862,751
Basis of Accounting Difference	673,951	9,712,182
GAAP Basis	$ 1,404,344	$ 19,574,933

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had the following investments:

		Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Primary Government	Fair Value		
State Investment Management Board pool	$ 1,808,436	AAA	AAA
Repurchase Agreements-FNMA	988,225	Not Rated	Not Rated
U.S. Government Agency Securities	475,235	Not Rated	Aaa
Corporate Bonds-Merrill Lynch	114,579	Not Rated	A1
Corporate Bonds-Bank America Corp	98,209	Not Rated	Aa2
Corporate Bonds-General Electric	144,015	Not Rated	Aaa
Mutual Bond Fund	103,536	Not Rated	Not Rated
Total Rated Securities	3,732,235		
Total Unrated Securities	449,741		
	$ 4,181,976		

Policemen's Pension and Relief			
U.S. Government Agency Securities	$ 2,231,157	AAA	Not Rated
FHLMC-Mortgage/Asset Backed	523,249	Not Rated	Not Rated
FNMA-Mortgage/Asset Backed	240,818	Not Rated	Not Rated
Corporate Bonds-Bank America Corp	505,515	AA	AA2
Corporate Bonds-JP Morgan & Company	201,364	A+	AA3
Total Rated Securities	3,702,103		
Total Unrated Securities	7,845,768		
	$ 11,547,871		
Firemen's Pension and Relief			
U.S. Government Agency Securities	$ 1,088,076	AAA	Not Rated
Total Rated Securities	1,088,076		
Total Unrated Securities	4,346,527		
	$ 5,434,603		
Civic Center Ticket Agency Fund			
Repurchase Agreement	$ 676,000	Not Rated	AAA

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

Credit Risk

It's the government's policy to limit its investments as stated in the West Virginia State Code §8-13-22a and c and §8-22-22 and §8-22-22a. The specific investments allowed for municipal and pension investments are fully described with all applicable limitations in Note I.D.1. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2008, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Interest Rate Risk

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

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Primary Government:					
State Investment Management Board Pool	$ 1,808,436	$ 1,808,436	$ -	$ -	$ -
Repurchase Agreements	988,225	988,225	-	-	-
U.S. Government Agencies	475,235	-	475,235	-	-
Corporate Bonds-Bank of America	98,209	-	98,209	-	-
Corporate Bonds-Merrill Lynch	114,579	114,579	-	-	-
Corporate Bonds-General Electric	144,015	-	96,425	-	47,590
Mutual funds	103,536	103,536	-	-	-
Policemen's Pension & Relief Fund:					
U.S. Government Agency Securities	2,231,157	1,230,817	1,000,340	-	-
FHLMC-Mortgage/Asset Backed	523,249	-	41,234	218,502	263,513
FNMA-Mortgage/Asset Backed	240,818	-	-	-	240,818
Corporate Bonds-Bank of America	505,515	505,515	-	-	-
Corporate Bonds-JP Morgan & Co.	201,364	201,364	-	-	-
Firemen's Pension & Relief Fund:					
U.S. Government Agency Securities	1,088,076	-	500,265	587,811	-
Civic Center Ticket Agency Fund:					
Repurchase Agreement	676,000	676,000	-	-	-
Totals	$ 9,198,414	$ 5,628,472	$ 2,211,708	$ 806,313	$ 551,921

Concentration of Credit Risk

The government has adopted the provisions contained in West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a as it's investment policy which does not allow for an investment in any one issuer that is in excess of nine percent of the government's total investment or ten percent of the pension fund total investment. Other limitations on investments are more fully described in Note I.D.1. The government does not have a policy for concentration of credit risk in addition to governing West Virginia statutes. Any investment in one issuer of five percent or greater must be disclosed in accordance with GAAP. The Police Pension Fund had two common stock investments in ISHARES RUSSELL MIDCAP Growth Index and ISHARES RUSSELL MIDCAP Value Index that were six percent and six percent, respectively, of the total portfolio; and Spring Hill Cemetery had three corporate bond investments in Bank America Corporation, General Electric and Merrill Lynch that were six, nine, and seven percent, respectively, of the total portfolio and one mutual fund investment in Federated Ultrashort that was six percent of the total portfolio at June 30, 2008.

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.

B. Receivables

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

	General	Community Development	HOME	Parking System	Civic Center
Receivables:					
Accounts	$ 4,197,196	$ -	$ -	$ 197,963	$ 18
Accrued interest	32,284	1,745	-	242	-
Taxes	11,538,347	-	-	-	-
Loans	-	1,953,485	3,458,234	-	-
Grants	-	140,612	9,351	-	71,212
Gross receivables	15,767,827	2,095,842	3,467,585	198,205	71,230
Less: allowance for uncollectible	(1,105,390)	(488,371)	-	(21,500)	-
Net total receivables	$ 14,662,437	$ 1,607,471	$ 3,467,585	$ 176,705	$ 71,230

	Nonmajor Funds and Fiduciary Funds	Total
Receivables:		
Accounts	$ 2,668,487	$ 7,063,664
Accrued interest	62,664	96,935
Taxes	152,496	11,690,843
Loans	332,672	5,744,391
Grants	254,135	475,310
Gross receivables	3,470,454	25,071,143
Less: allowance for uncollectible	(2,256,042)	(3,871,303)
Net total receivables	$ 1,214,412	$ 21,199,840

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	$ 484,949	$ -
Prepaid License Fees , Cemetery Fees, and Recycling Grant (general fund)	-	102,423
Grant drawdowns prior to meeting all eligibility requirements	-	5,171,605
Total deferred/unearned revenue for governmental funds	$ 484,949	$ 5,274,028

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 7,420,037	$ 30,000	$ -	$ 7,450,037
Construction in progress	456,164	1,738,601	(893,726)	1,301,039
Total capital assets not being depreciated	7,876,201	1,768,601	(893,726)	8,751,076
Capital assets being depreciated:				
Buildings and improvements	44,804,080	632,302	(3,190)	45,433,192
Structures and improvements	13,357,337	1,486	-	13,358,823
Machinery and equipment	12,476,484	1,570,472	(278,110)	13,768,846
Vehicles	14,605,698	1,857,822	(1,025,676)	15,437,844
Furniture	303,308	5,875	(4,966)	304,217
Infrastructure	75,888,048	1,153,534	-	77,041,582
Total capital assets being depreciated	161,434,955	5,221,491	(1,311,942)	165,344,504
Less accumulated depreciation:				
Buildings and improvements	(13,760,742)	(1,137,843)	3,190	(14,895,395)
Structures and improvements	(5,642,556)	(526,003)	-	(6,168,559)
Machinery and equipment	(9,520,877)	(1,060,228)	270,990	(10,310,115)
Vehicles	(10,465,007)	(1,518,852)	1,025,676	(10,958,183)
Furniture	(202,190)	(34,790)	4,966	(232,014)
Infrastructure	(40,978,789)	(2,850,343)	-	(43,829,132)
Total accumulated depreciation	(80,570,161)	(7,128,059)	1,304,822	(86,393,398)
Total capital assets being depreciated, net	80,864,794	(1,906,568)	(7,120)	78,951,106
Governmental activities capital assets, ne	$ 88,740,995	$ (137,967)	$ (900,846)	$ 87,702,182

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 4,366,447	$ -	$ -	$ 4,366,447
Construction in progress	129,069	445,204	(426,428)	147,845
Total capital assets, not being depreciated	4,495,516	445,204	(426,428)	4,514,292
Capital assets being depreciated:				
Buildings and improvements	63,001,924	247,371	-	63,249,295
Structures and improvement	767,572	-	-	767,572
Machinery and equipment	1,384,277	235,253	-	1,619,530
Vehicles	176,161	-	-	176,161
Total capital assets being depreciated	65,329,934	482,624	-	65,812,558
Less accumulated depreciation:				
Buildings and improvements	(41,598,777)	(1,780,873)	-	(43,379,650)
Structures and improvements	(259,682)	(27,888)	-	(287,570)
Machinery and equipment	(1,008,482)	(94,936)	-	(1,103,418)
Vehicles	(96,473)	(33,641)	-	(130,114)
Total accumulated depreciation	(42,963,414)	(1,937,338)	-	(44,900,752)
Total capital assets being depreciated, net	22,366,520	(1,454,714)	-	20,911,806
Business-type activities capital assets, net	$ 26,862,036	$ (1,009,510)	$ (426,428)	$ 25,426,098

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

Governmental activities:	
General government	$ 3,227,546
Public safety	1,559,034
Highways and streets, including depreciation of general infrastructure assets	563,631
Health and sanitation	609,390
Culture and recreation	1,106,735
Social services	61,724
Total depreciation expense-governmental activities	$ 7,128,060
Business-type activities:	
Civic Center	$ 1,069,683
Parking System	867,655
Total depreciation expense-business-type activities	$ 1,937,338

Construction in Progress

The government has active construction projects as of June 30, 2008. The projects include street, retaining walls, and bridge repairs, City Hall renovations and additions, recreation facilities renovations and greenspace. At year end, the amounts for governmental activities spent-to-date are as follows:

Project	Spent-to-Date	Funded
North Hills Drainage	$ 26,704	General Fund
Ball Park Additions	2,217	General Fund
Landslide Twilight Drive	2,500	General Fund & State DOH Grant
Landslide Pansy & Comos Drives	2,200	General Fund
Fire Station Renovations	1,800	General Fund
City Hall Renovations & Additions	296,731	General Fund
Municipal Auditorium Stage Lighting	3,737	General Fund
MOECD-Sojourners' Renovations	43,457	CDBG Grants
Auditorium	11,795	General Fund
Bridge & Retaining Walls Projects	600,754	General Fund and CDBG Grants
Feasibility Study-Civic Center	38,968	General Fund
Lighting Design for Lee St. Bridge and Elk River Bridge	26,040	Donations and General Fund
RSLC Veteran's Transitional Housing Project	128,154	CDBG Grants
Greenspace	115,982	General Fund and CDBG Grants
Total	$ 1,301,039	

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008 is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund	Purpose	Amount
General	Civic Center	Reimbursements Insurance	$ 497,150
	Civic Center	Reimbursement Loan	71,212
	CDBG	Reimbursement Salary & Utilities	43,606
	HOME	Reimbursement Salary & Utilities	8,911
	Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	419,782
Parking System	General Fund	Overpayment Reimbursement	9,056
Nonmajor Governmental Funds	General Fund	Transfer of funds	20,750
Nonmajor Governmental Funds	Nonmajor Governmental Fund	Reimbursement capital projects	769
	Total		$ 1,071,236

Interfund transfers:

	Transfers In			
	General Fund	Nonmajor Governmental	Civic Center	Total Transfers In
Transfers out:				
General fund	$ -	$ 3,457,040	$ 928,687	$ 4,385,727
Coal severance tax	-	-	192,776	192,776
Nonmajor governmental funds	3,587,533	-	-	3,587,533
Civic Center	-	114,892	181,630	296,522
Total Transfers Out	$ 3,587,533	$ 3,571,932	$ 1,303,093	$ 8,462,558

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

E. Leases

Capital Leases

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

On November 1, 2004, the City of Charleston entered into a Contract of Lease-Purchase with the West Virginia Economic Development Authority in the amount of $8,000,000 with 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 government has entered into lease agreements as lessee for financing the acquisition of machinery and equipment for its Civic Center and Parking System. These lease agreements qualify as capital leases for accounting purposes, and, therefore have been recorded at the present value of future minimum lease payments as of the inception date in the Civic Center and Parking System enterprise fund. All outstanding lease obligations for the Civic Center and Parking System had been fully satisfied as of June 30, 2008.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Civic Center	Parking System
Machinery, equipment and vehicles	$ 9,620,252	$ 28,677	$ 218,399
Less: accumulated depreciation	(7,005,463)	(28,677)	(218,269)
Total	$ 2,614,789	$ -	$ 130

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

Year Ending June 30	Governmental Activities
2009	$ 2,264,610
2010	1,897,859
2011	1,626,379
2012	1,289,243
2013	928,168
2014 - 2018	3,557,815
2019 - 2023	2,637,648
2024 - 2028	956,729
Total minimum lease payments	15,158,451
Less: amount representing interest	(3,897,379)
Present value of minimum lease payments	$ 11,261,072

F. Long-term Debt

General Obligation Bonds

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

Governmental Activities					
Purpose	Maturity Date	Interest Rates	Issued	Retired	Balance June 30, 2008
Public Improvement Bonds					
Series 1989	2010	7.1-7.2%	$ 15,000,000	$ 12,355,000	$ 2,645,000
Total			$ 15,000,000	$ 12,355,000	$ 2,645,000

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2009	$ 1,275,000	$ 144,540
2010	1,370,000	49,320
Total	$ 2,645,000	$ 193,860

Revenue Bonds

The City issues bonds where the government pledges designated revenues to pay debt service. The bonds are issued to acquire or construct assets. Revenue Bonds outstanding, net of unamortized issuance costs of $995,851 (Fire Station $13,211; Parking System $679,775, and Civic Center $302,865) at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2008
Governmental activities:					
Public Safety Center Series 1999	2024	5.00-5.70%	$ 1,500,000	$ 330,000	$ 1,170,000
Charleston Building Commission 1999	2024	5.30-5.95%	2,895,000	630,000	2,265,000
Fire Station Series 2002B	2013	3.81%	1,300,000	587,874	712,126
Total governmental activities			$ 5,695,000	$ 1,547,874	$ 4,147,126
Business-type activities:					
Parking System Refunding Series 2005A	2016	2.50-4.50%	$ 8,710,000	$ 2,455,854	$ 6,254,146
Parking System Refunding Series 2005B	2013	3.00-4.40%	2,655,000	1,138,920	1,516,080
Civic Center Improvement Series 1998	2023	4.60-5.10%	3,635,000	943,389	2,691,611
Civic Center Improvement Series 1999	2024	4.51-6.71%	4,060,000	847,534	3,212,466
Civic Center Lease Revenue Series 1999	2024	5.20-6.70%	1,610,000	366,942	1,243,058
Total revenue bonds			$ 20,670,000	$ 5,752,639	$ 14,917,361

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	$ 271,701	$ 221,670	$ 1,134,709	$ 794,159
2010	281,767	209,334	1,179,709	742,110
2011	297,027	196,539	1,219,709	685,528
2012	307,490	183,026	1,274,709	626,109
2013	324,141	165,165	1,149,709	561,990
2014 - 2018	1,015,000	664,483	5,239,665	1,818,960
2019 - 2023	1,335,000	336,103	2,651,492	808,320
2024 - 2028	315,000	18,480	1,067,659	69,947
Totals	$ 4,147,126	$ 1,994,800	$ 14,917,361	$ 6,107,123

Changes in Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds payable	$ 3,830,000	$ -	$ (1,185,000)	$ 2,645,000	$ 1,275,000
Revenue Bonds	4,419,270	-	(258,933)	4,160,337	271,701
Less: deferred amounts:					
Issuance costs	(15,853)	-	2,642	(13,211)	-
Total bonds payable	8,233,417	-	(1,441,291)	6,792,126	1,546,701
Capital leases	10,987,881	2,328,000	(2,054,809)	11,261,072	1,753,691
Net pension obligation	41,731,210	52,946,763	(41,731,210)	52,946,763	-
Claims and judgments	4,801,056	4,318,101	(4,801,056)	4,318,101	3,991,259
Compensated absences	1,627,405	1,718,193	(1,627,405)	1,718,193	1,718,193
Governmental activities Long-term liabilities	$ 67,380,969	$ 61,311,057	$ (51,655,771)	$ 77,036,255	$ 9,009,844

	Business-type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	$ 17,105,000	$ -	$ (1,205,000)	$ 15,900,000	$ 1,250,000
Less: deferred amounts:					
Issuance costs	(1,097,930)	-	115,291	(982,639)	-
Total bonds payable	16,007,070	-	(1,089,709)	14,917,361	1,250,000
Compensated absences	73,534	76,303	(73,534)	76,303	76,303
Business-type activities Long-term liabilities	$ 16,080,604	$ 76,303	$ (1,163,243)	$ 14,993,664	$ 1,326,303

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

G. Restricted Assets

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

	Governmental Activities	Business-type Activities
Customer deposits	$ -	$ 62,929
Cash - contractual agreement	1,868,364	-
Capital lease debt service	190,551	-
General obligation bond debt service account	79,989	-
Revenue bond operations and maintenance account	-	296,202
Revenue bond debt service account	693	607,866
Revenue bond reserve account	-	1,151,869
Total restricted assets	$ 2,139,597	$ 2,118,866

H. Benefits Funded by the State of West Virginia

For the year ended June 30, 2008, 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	$ 1,849,497
Firemen's Pension and Relief Fund	2,036,834
Total	$ 3,886,331

V. OTHER INFORMATION

A. Risk Management

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

Workers' Compensation Fund (WCF): West Virginia utilizes a single private insurance company, Brick Street Insurance, to provide workers' compensation coverage to all employers in the state. Other private insurance companies may begin to offer coverage to private sector employers beginning July 1, 2008, and to government employers July 1, 2012. For the most part, all employers in the State, including governmental entities, must have coverage. The cost of all coverage, as determined by Brick Street, is paid by the employers. The WCF risk pool retains the risk related to the compensation of injured employees under the program.

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

Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments include an amount for claims that have been incurred but not reported (IBNRs). An excess coverage insurance policy covers individual claims in excess of $300,000 for liability retention and loss and $500,000 for workers' comp retention-all employees. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2008	Year Ended 6/30/2007
Unpaid claims, beginning of fiscal year	$ 4,801,056	$ 3,809,459
Incurred claims (including IBNRs)	4,318,101	4,801,056
Claims paid	(4,801,056)	(3,809,459)
Unpaid claims, end of fiscal year	$ 4,318,101	$ 4,801,056

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

B. Contingent Liabilities

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

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

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

C. Deferred Compensation Plan

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

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

D. Joint Venture

The Kanawha-Charleston Board of Health is a multi-government arrangement which qualifies as a joint venture. An annual contract is signed between the Board, Kanawha County and the City of Charleston. The Kanawha-Charleston Board of Health is a separate and specific activity which is jointly controlled by the County and City due to their shared responsibility for appointment of the five-member Board. In addition, there is an ongoing financial responsibility for the participating governments pursuant to Article 2, Chapter 16, 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. Other Post-employment Benefits

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.

F. Donor-Restricted Endowment

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c)(13) of the Internal Revenue Code of 1954. The unspent endowment earnings of $553,215 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

G. Prior Period Adjustment

Beginning net assets for governmental activities was restated for a correction of an error by the net effect of the change which was zero. A vehicle was erroneously reported donated in fiscal year 2004 by the Police Department which had a book value of $12,292 and a loss was reported on the donation for the 2004 fiscal year in the same amount. During inventory at the latter part of the 2008 fiscal year, it was discovered that this vehicle was still in use by the City's Police Department. The vehicle was purchased in 2002 and had been depreciated for two years and had a remaining estimated life of three years at the time of the donation; consequently, at July 1, 2007 the vehicle would have been fully depreciated. The beginning capital assets were restated including the cost of the vehicle of $20,486 and the beginning accumulated depreciation restated at the same amount. The net effect to beginning capital assets and to the governmental net assets at July 1, 2007 was zero.

VI. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

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

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

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2006.

Actuarial valuations are required to be performed once every three years per state statute. However, the actuarial valuations can be performed in shorter intervals at the discretion of the PPRF and FPRF's boards. The boards have the valuations performed every two years in accordance with GAAP. For additional information relating to basis of accounting and reported investment values, see Notes I.C., I.D.1. and IV.A.

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

Memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	184	193	377
Vested Terminated Benefits	2	2	4
Retirees and Beneficiaries Currently Receiving Benefits	202	217	419
Total	388	412	800

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

	PPRF	FPRF
Determination of contribution requirements	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the state premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may utilize an alternative contribution method which allows the City to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by West Virginia State Code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary. The City of Charleston contributes 108% of the prior year's contributions for both the police and fire pension plans.	
Plan Members	8% of covered payroll	8% of covered payroll
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Post-Retirement Benefit Increases	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees).	
Eligibility for Distribution	20 years of credited service or age 65; whichever comes first. Must be at least age 50.	
Provisions for:	PPRF	FPRF
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:

	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
Valuation Date	7/1/2007	7/1/2006
Actuarial Cost Method	Entry age normal-Closed Group	Entry Age Normal-Closed Group
Amortization Method	Level with a 24-year closed period ending June 30, 2031	Level with a 25 year closed period ending June 30, 2031
Amortization Period	Level with a 24-year closed period ending June 30, 2031	Level with a 25 year closed period ending June 30, 2031
Actuarial Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	7.0% per year, net of expenses	7.0% per year, net of expenses
Projected Salary Increases	4% per year	4% per year
Post-Retirement Benefit Increases	None	None
Inflation	3.00%	3.00%
Cost of Living Adjustments	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees).	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees).

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

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

Benefits, Refund, and Administrative Costs

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

Reserves

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

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	$ 7,240,761	$ 8,275,064
Interest on short-term	1,586,111	1,335,074
Adjustment to annual required contribution	(1,412,639)	(1,189,057)
Annual pension cost	7,414,233	8,421,081
Contributions made	(1,792,201)	(2,827,560)
Increase in net pension obligation	5,622,032	5,593,521
Net pension obligation at beginning of the year	22,658,730	19,072,480
Net pension obligation at the end of the year	$ 28,280,762	$ 24,666,001

VI.A.4. Trend Information

Policemen's Pension and Relief Fund (PPRF)

Fiscal Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
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
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

VI.A.5. Funding progress

SCHEDULE OF FUNDING PROGRESS:

Policemen's Pension and Relief Fund (PPRF)

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

Firemen's Pension and Relief Fund (FPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/06	$ 7,121,731	$ 97,573,128	$ 90,451,397	7.30%	$ 8,589,398	1053%

The schedule of funding progress included in the required supplementary information immediately following the notes indicates the actuarial value of the plan assets is (increasing 38% for the PPRF and increasing 8% for the FPRF) over time relative to the actuarial accrued liability for both pension plans (is increasing 46% for the PPRF and increasing 37% for the FPRF) over time relative to the actuarial accrued liability.

VI.B.1 Plan Descriptions, Contribution Information and Funding Policies

Public Employees Retirement System (PERS)

The City of Charleston, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of general City employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and state appropriations, as necessary.

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

	Public Employees' Retirement System (PERS)
Eligibility to participate:	All City full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefit provisions:	State Statute
Plan member's contribution rate:	4.50%
City's contribution rate:	10.50%
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
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.


• THE CITY OF CHARLESTON •
WEST VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

I. SCHEDULES OF FUNDING PROGRESS

Policemen's Pension and Relief Fund (PPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/97	$ 11,329,860	$ 65,658,421	$ 54,328,561	17.26%	$ 6,430,212	845%
7/1/99	13,183,185	68,856,200	55,673,015	19.15%	6,545,780	851%
7/1/01	14,436,077	76,015,300	61,579,223	18.99%	6,606,800	932%
7/1/03	13,955,874	86,255,000	72,299,126	16.18%	6,916,700	1045%
7/1/05	14,028,062	90,598,400	76,570,338	15.00%	7,901,100	969%
7/1/07	15,582,123	95,751,500	80,169,377	16.27%	8,666,547	925%

Firemen's Pension and Relief Fund (FPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/98	$ 6,613,424	$ 71,358,728	$ 64,745,304	9.27%	$ 7,063,357	917%
7/1/00	6,492,763	68,627,600	62,134,837	9.46%	7,140,380	870%
7/1/02	6,281,501	79,213,700	72,932,199	7.93%	7,674,090	950%
7/1/04	6,427,687	87,142,700	80,715,013	7.38%	7,818,820	1032%
7/1/06	7,121,731	97,573,128	90,451,397	7.30%	8,589,398	1053%

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, 2008

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,502,928	$ 4,929,094	$ 3,542,613	$ 164,027	$ 11,138,662
Investments	--	--	--	1,385,315	1,385,315
Receivables:					
Taxes	--	--	114,372	--	114,372
Accounts	464,380	6,073	--	--	470,453
Grants	253,935	--	--	--	253,935
Loans	277,608	--	--	--	277,608
Accrued interest	1,073	700	1,053	10,992	13,818
Due from:					
Other funds	--	15,706	--	5,813	21,519
Component units	32,836	--	--	--	32,836
Restricted cash	1,868,364	--	80,682	--	1,949,046
Total assets	$ 5,401,124	$ 4,951,573	$ 3,738,720	$ 1,566,147	$ 15,657,564
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	261,710	269,805	--	1,659	533,174
Due to:					
Other funds	395,524	25,026	--	--	420,550
Deferred revenue:					
Unearned revenue	380,737	--	--	--	380,737
Taxes	--	--	78,465	--	78,465
Total liabilities	1,037,971	294,831	78,465	1,659	1,412,926
Fund balances:					
Reserved for:					
Perpetual care	--	--	--	1,564,488	1,564,488
Debt service	--	--	3,660,255	--	3,660,255
Community development	2,338,482	--	--	--	2,338,482
Capital projects	--	4,656,742	--	--	4,656,742
Public safety	188,461	--	--	--	188,461
Unreserved	1,836,210	--	--	--	1,836,210
Total fund balances	4,363,153	4,656,742	3,660,255	1,564,488	14,244,638
Total liabilities and fund balances	$ 5,401,124	$ 4,951,573	$ 3,738,720	$ 1,566,147	$ 15,657,564

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, 2008

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Ad valorem property taxes	$ --	$ --	$ 1,554,191	$ --	$ 1,554,191
Intergovernmental:					
Federal	1,880,165	--	--	--	1,880,165
Charges for services	4,062,811	14,564	--	--	4,077,375
Fines and forfeits	1,206,087	--	--	--	1,206,087
Interest and investment earnings	160,687	135,913	141,400	(19,193)	418,807
Reimbursements	--	194,556	--	--	194,556
Contributions and donations	69,289	--	--	9,181	78,470
Miscellaneous	4,994	--	--	--	4,994
Total revenues	7,384,033	345,033	1,695,591	(10,012)	9,414,645
EXPENDITURES					
Current:					
General government	395,704	--	--	--	395,704
Public safety	1,142,218	--	--	--	1,142,218
Streets and transportation	720	--	--	--	720
Health and sanitation	1,105,669	--	--	--	1,105,669
Social services	--	--	--	60,328	60,328
Economic development	1,011,212	--	--	--	1,011,212
Debt service:					
Principal	--	--	1,315,000	--	1,315,000
Interest	--	--	442,654	--	442,654
Capital outlay:					
Streets and transportation	--	1,980,606	--	--	1,980,606
Total expenditures	3,655,523	1,980,606	1,757,654	60,328	7,454,111
Excess (deficiency) of revenues over (under) expenditures	3,728,510	(1,635,573)	(62,063)	(70,340)	1,960,534
OTHER FINANCING SOURCES (USES)					
Transfers in	20,000	3,177,409	333,542	40,981	3,571,932
Transfers (out)	(3,546,315)	(208,698)	--	(14,150)	(3,769,163)
Total other financing sources (uses)	(3,526,315)	2,968,711	333,542	26,831	(197,231)
Net change in fund balances	202,195	1,333,138	271,479	(43,509)	1,763,303
Fund balances - beginning	4,160,958	3,323,604	3,388,776	1,607,997	12,481,335
Fund balances - ending	$ 4,363,153	$ 4,656,742	$ 3,660,255	$ 1,564,488	$ 14,244,638

CITY OF CHARLESTON, WEST VIRGINIA
SPECIAL REVENUE FUNDS

Nonmajor Funds

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

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

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

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

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

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

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

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

Historic Preservation Fund This fund was established to account for federal grants received from U.S. Department of 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.

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

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

Homeland Security Assistance to Firefighters Fund This fund was established to account for federal grants received from the U.S. Department of Homeland Security for the purchase of portable and mobile radios for use on the WV I RP for the Charleston Fire Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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


• THE CITY OF CHARLESTON •
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2008

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Cops Meth Grant	DOT Federal Grant
ASSETS					
Cash and cash equivalents	$ 54,447	$ 227,883	$ 20,392	$ 9,754	$ --
Receivables:					
Accounts	4,728	325	--	--	--
Grants	--	--	--	--	400
Loans	--	--	--	--	--
Interest	8	39	3	--	--
Due from:					
Component units	--	--	--	--	--
Restricted cash	--	--	--	--	--
Total assets	$ 59,183	$ 228,247	$ 20,395	$ 9,754	$ 400
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	--	316	--	--	--
Due to:					
Other funds	--	16,490	--	--	400
Deferred revenue:					
Unearned revenue	--	162,399	--	9,754	--
Total liabilities	--	179,205	--	9,754	400
Fund balances:					
Reserved for:					
Community development	--	--	20,395	--	--
Public safety	59,183	49,042	--	--	--
Unreserved	--	--	--	--	--
Total fund balances	59,183	49,042	20,395	--	--
Total liabilities and fund balances	$ 59,183	$ 228,247	$ 20,395	$ 9,754	$ 400

Employee Health Insurance	EPA Brownfields Grant	FEMA -WV Flood Mitigation	Historic Preservation	Homeland Security Grant	Homeland Security Assistance to Firefighters	Human Rights
$ 1,124,911	$ --	$ 10,561	$ --	$ 21,419	$ --	$ 198,754
--	--	--	200	--	--	--
--	--	--	2,000	--	--	--
--	--	--	--	--	--	--
334	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
$ 1,125,245	$ --	$ 10,561	$ 2,200	$ 21,419	$ --	$ 198,754
--	--	--	--	4,901	--	250
--	--	--	2,200	--	--	--
--	--	10,561	--	15,739	--	182,284
--	--	10,561	2,200	20,640	--	182,534
--	--	--	--	--	--	--
--	--	--	--	779	--	--
1,125,245	--	--	--	--	--	16,220
1,125,245	--	--	--	779	--	16,220
$ 1,125,245	$ --	$ 10,561	$ 2,200	$ 21,419	$ --	$ 198,754

Metro Loan	Municipal Beautification	Municipal Court	Municipal Stabilization	Police & Fire Donations	Police Grants	Rental Rehabilitation
$ 5,842	$ 24,034	$ 246,155	$ 89,047	$ 50,330	$ 134,465	$ 161,259
--	--	118,742	--	--	--	--
--	--	--	--	--	219,351	--
112,418	--	--	--	--	--	165,190
58	3	--	24	9	--	42
--	--	--	--	--	--	--
--	--	--	--	--	--	--
$ 118,318	$ 24,037	$ 364,897	$ 89,071	$ 50,339	$ 353,816	$ 326,491
--	--	15,344	--	7,750	139,384	15,379
--	--	198,441	--	--	177,564	--
--	--	--	--	--	--	--
--	--	213,785	--	7,750	316,948	15,379
118,318	--	--	--	--	--	311,112
--	--	--	--	42,589	36,868	--
--	24,037	151,112	89,071	--	--	--
118,318	24,037	151,112	89,071	42,589	36,868	311,112
$ 118,318	$ 24,037	$ 364,897	$ 89,071	$ 50,339	$ 353,816	$ 326,491

Sister Cities	Solid Waste	Special Demolition	Supportive Housing	Wayfinding Commission	Total Nonmajor Special Revenue Funds
$ 1,258	$ 80,953	$ 32,638	$ --	$ 8,826	$ 2,502,928
--	340,385	--	--	--	464,380
--	--	--	32,184	--	253,935
--	--	--	--	--	277,608
--	553	--	--	--	1,073
--	32,836	--	--	--	32,836
--	1,868,364	--	--	--	1,868,364
$ 1,258	$ 2,323,091	$ 32,638	$ 32,184	$ 8,826	$ 5,401,124
--	46,631	--	31,755	--	261,710
--	--	--	429	--	395,524
--	--	--	--	--	380,737
--	46,631	--	32,184	--	1,037,971
--	1,879,831	--	--	8,826	2,338,482
--	--	--	--	--	188,461
1,258	396,629	32,638	--	--	1,836,210
1,258	2,276,460	32,638	--	8,826	4,363,153
$ 1,258	$ 2,323,091	$ 32,638	$ 32,184	$ 8,826	$ 5,401,124

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, 2008

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Cops Meth Grant	DOT Federal Grant
REVENUES					
Intergovernmental:					
Federal	$ --	$ 114,085	$ --	$ 37,496	$ 535,811
Charges for services	--	--	--	--	--
Fines and forfeits	56,185	--	--	--	--
Interest and investment earnings	2,005	9,116	348	--	--
Contributions and donations	--	--	49,030	--	--
Miscellaneous	--	--	--	--	--
Total revenues	58,190	123,201	49,378	37,496	535,811
EXPENDITURES					
Current:					
General government	--	--	--	--	--
Public safety	43,432	114,085	--	37,496	--
Streets and transportation	--	--	--	--	--
Health and sanitation	--	--	--	--	--
Economic development	--	--	30,000	--	535,811
Total expenditures	43,432	114,085	30,000	37,496	535,811
Excess (deficiency) of revenues over (under) expenditures	14,758	9,116	19,378	--	--
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	--	--	--
Transfers (out)	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--
Net change in fund balances	14,758	9,116	19,378	--	--
Fund balances - beginning	44,425	39,926	1,017	--	--
Fund balances - ending	$ 59,183	$ 49,042	$ 20,395	$ --	$ --

Employee Health Insurance	EPA Brownfields Grant	FEMA -WV Flood Mitigation	Historic Preservation	Homeland Security Grant	Homeland Security Assistance to Firefighters	Human Rights
$ --	$ 46,765	$ --	$ 3,600	$ 4,901	$ 232,265	$ 26,311
--	--	--	--	--	--	--
--	--	--	--	--	--	--
46,947	--	--	--	--	--	--
--	--	--	200	--	--	--
--	--	--	--	--	--	--
46,947	46,765	--	3,800	4,901	232,265	26,311
--	--	--	--	--	--	--
--	--	--	--	4,901	232,265	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	46,765	--	3,800	--	--	26,311
--	46,765	--	3,800	4,901	232,265	26,311
46,947	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
46,947	--	--	--	--		--
1,078,298	--	--	--	779	--	16,220
$ 1,125,245	$ --	$ --	$ --	$ 779	$ --	$ 16,220

Metro Loan	Municipal Beautification	Municipal Court	Municipal Stabilization	Police & Fire Donations	Police Grants
$ --	$ --	$ --	$ --	$ --	$ 701,832
--	2,081	--	--	--	--
--	--	1,149,902	--	--	--
309	927	--	3,664	1,691	--
--	1,250	--	--	18,809	--
--	--	--	--	--	--
309	4,258	1,149,902	3,664	20,500	701,832
--	--	395,704	--	--	--
--	--	--	--	8,209	701,830
--	720	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	720	395,704	--	8,209	701,830
309	3,538	754,198	3,664	12,291	2
--	--	--	--	--	--
--	--	(746,315)	--	--	--
--	--	(746,315)	--	--	--
309	3,538	7,883	3,664	12,291	2
118,009	20,499	143,229	85,407	30,298	36,866
$ 118,318	$ 24,037	$ 151,112	$ 89,071	$ 42,589	$ 36,868

Rental Rehabilitation	Sister Cities	Solid Waste	Special Demolition	Supportive Housing	Wayfinding Commission	Total Nonmajor Special Revenue Funds
$ --	$ --	$ --	$ --	$ 177,099	$ --	$ 1,880,165
--	--	4,060,730	--	--	--	4,062,811
--	--	--	--	--	--	1,206,087
--	50	94,362	1,247	--	21	160,687
--	--	--	--	--	--	69,289
--	--	--	4,994	--	--	4,994
--	50	4,155,092	6,241	177,099	21	7,384,033
--	--	--	--	--	--	395,704
--	--	--	--	--	--	1,142,218
--	--	--	--	--	--	720
--	--	1,105,669	--	--	--	1,105,669
180,231	--	--	--	177,099	11,195	1,011,212
180,231	--	1,105,669	--	177,099	11,195	3,655,523
(180,231)	50	3,049,423	6,241	--	(11,174)	3,728,510
--	--	--	--	--	20,000	20,000
--	--	(2,800,000)	--	--		(3,546,315)
--	--	(2,800,000)	--	--	20,000	(3,526,315)
(180,231)	50	249,423	6,241	--	8,826	202,195
491,343	1,208	2,027,037	26,397	--	--	4,160,958
$ 311,112	$ 1,258	$ 2,276,460	$ 32,638	$ --	$ 8,826	$ 4,363,153


• THE CITY OF CHARLESTON •
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

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

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

City Service Fee Project Fund This fund receives transfers from the General Fund of the city service fee revenues that are dedicated for street maintenance 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.

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
CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

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

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

The 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 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.

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, 2008

	Ball Park Maintenance	Ball Park Stadium	Bridge	City Service Fee Project
ASSETS				
Cash and cash equivalents	$ 17,015	$ 185,171	$ 107	$ 2,433,900
Receivables:				
Accounts	--	--	--	6,023
Accrued interest	--	--	--	399
Due from:				
Other funds	--	--	--	14,937
Total assets	17,015	185,171	107	2,455,259
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	430	--	--	255,007
Due to:				
Other funds	769	--	--	--
Total liabilities	1,199	--	--	255,007
FUND BALANCES				
Reserved for:				
Capital projects	15,816	185,171	107	2,200,252
Total fund balances	15,816	185,171	107	2,200,252
Total liabilities and fund balances	$ 17,015	$ 185,171	$ 107	$ 2,455,259

Civic Center Capital Improvements	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Soccer Field	South Side Recreation	Total Nonmajor Capital Projects Funds
$ 357,349	$ 1,616,563	$ 141,115	$ 165,440	$ 2,970	$ 9,464	$ 4,929,094
--	--	--	50	--	--	6,073
--	298	--	--	--	3	700
--	769	--	--	--	--	15,706
357,349	1,617,630	141,115	165,490	2,970	9,467	4,951,573
--	14,368	--	--	--	--	269,805
--	--	--	24,257	--	--	25,026
--	14,368	--	24,257	--	--	294,831
357,349	1,603,262	141,115	141,233	2,970	9,467	4,656,742
357,349	1,603,262	141,115	141,233	2,970	9,467	4,656,742
$ 357,349	$ 1,617,630	$ 141,115	$ 165,490	$ 2,970	$ 9,467	$ 4,951,573

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, 2008

	Ball Park Maintenance	Ball Park Stadium	Bridge	City Service Fee Project	Civic Center Capital Improvements
REVENUES					
Charges for services	$ --	$ --	$ --	$ --	$ --
Interest and investment earnings	489	7,634	350	54,088	15,738
Reimbursements	--	--	--	193,431	--
Total revenues	489	7,634	350	247,519	15,738
EXPENDITURES					
Current:					
Capital projects	10,776	--	12,000	1,438,166	--
Total expenditures	10,776	--	12,000	1,438,166	--
Excess (deficiency) of revenues over (under) expenditures	(10,287)	7,634	(11,650)	(1,190,647)	15,738
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	--	--	2,071,313	114,892
Transfers (out)	--	--	--	--	(181,630)
Total other financing sources (uses)	25,000	--	--	2,071,313	(66,738)
Net change in fund balances	14,713	7,634	(11,650)	880,666	(51,000)
Fund balances - beginning	1,103	177,537	11,757	1,319,586	408,349
Fund balances - ending	$ 15,816	$ 185,171	$ 107	$ 2,200,252	$ 357,349

General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Soccer Field	South Side Recreation	Total Nonmajor Capital Projects Funds
$ --	$ --	$ 14,564	$ --	$ --	$ 14,564
44,971	5,760	6,371	118	394	135,913
1,125	--	--	--	--	194,556
46,096	5,760	20,935	118	394	345,033
519,664	--	--	--	--	1,980,606
519,664	--	--	--	--	1,980,606
(473,568)	5,760	20,935	118	394	(1,635,573)
966,204	--	--	--	--	3,177,409
--	--	(27,068)	--	--	(208,698)
966,204	--	(27,068)	--	--	2,968,711
492,636	5,760	(6,133)	118	394	1,333,138
1,110,626	135,355	147,366	2,852	9,073	3,323,604
$ 1,603,262	$ 141,115	$ 141,233	$ 2,970	$ 9,467	$ 4,656,742


• THE CITY OF CHARLESTON •
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
DEBT SERVICE FUND

Nonmajor Fund

Debt Service Sinking Fund This fund is used to account for the accumulation of resources and payment of general long-term debt principal and interest from governmental resources.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - NONMAJOR DEBT SERVICE FUND
June 30, 2008

	Sinking Fund
ASSETS	
Cash and cash equivalents	$ 3,542,613
Receivables:	
Taxes	114,372
Accrued interest	1,053
Restricted cash	80,682
Total assets	$ 3,738,720
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Deferred revenue:	
Taxes	78,465
Total liabilities	78,465
FUND BALANCE	
Reserved for:	
Debt service	3,660,255
Total fund balance	3,660,255
Total liabilities and fund balance	$ 3,738,720

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, 2008

	Sinking Fund
REVENUES	
Taxes:	
Ad valorem property taxes	$ 1,554,191
Interest and investment earnings	141,400
Total revenues	1,695,591
EXPENDITURES	
Current:	
Principal	1,315,000
Interest	442,654
Total expenditures	1,757,654
Excess (deficiency) of revenues over (under) expenditures	(62,063)
OTHER FINANCING SOURCES (USES)	
Transfers in	333,542
Total other financing sources (uses)	333,542
Net change in fund balance	271,479
Fund balance - beginning	3,388,776
Fund balance - ending	$ 3,660,255


• THE CITY OF CHARLESTON •
WEST VIRGINIA

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, 2008

	Spring Hill Cemetery
ASSETS	
Cash and cash equivalents	$ 164,027
Investments	1,385,315
Receivables:	
Accrued interest	10,992
Due from:	
Other funds	5,813
Total assets	$ 1,566,147
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	1,659
Total liabilities	1,659
FUND BALANCE	
Reserved for:	
Perpetual care	1,564,488
Total liabilities and fund balance	$ 1,566,147

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR PERMANENT FUND
For the Fiscal Year Ended June 30, 2008

	Spring Hill Cemetery
REVENUES	
Interest and investment earnings	$ (19,193)
Contributions and donations	9,181
Total revenues	(10,012)
EXPENDITURES	
Current:	
Social services	60,328
Total expenditures	60,328
Excess (deficiency) of revenues over (under) expenditures	(70,340)
OTHER FINANCING SOURCES (USES)	
Transfers in	40,981
Transfer out	(14,150)
Total other financing sources (uses)	26,831
Net change in fund balance	(43,509)
Fund balance - beginning	1,607,997
Fund balance - ending	$ 1,564,488


• THE CITY OF CHARLESTON •
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
AGENCY FUNDS

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
June 30, 2008

	Civic Center Ticket	Civic Center Tourism Grant	Metro Drug Enforcement Task Force	Pending Forfeiture	Police Asset & Liability	Total Agency Funds
ASSETS						
Cash and cash equivalents	$ 791,432	$ 8,545	$ 55,408	$ 723,047	$ 6,179	$ 1,584,611
Receivables:						
Accounts	--	--	32,055	--	--	32,055
Interest	--	--	7	119	1	127
Total assets	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793
LIABILITIES						
Refunds payable and others	791,432	8,545	87,470	723,166	6,180	1,616,793
Total liabilities	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2008

	Civic Center Ticket	Civic Center Tourism Grant	Metro Drug Enforcement Task Force	Pending Forfeiture	Police Asset & Liability	Total Agency Funds
ASSETS						
Cash and cash equivalents July, 1, 2007	$ 408,910	$ 9,099	$ 24,529	$ 671,465	$ 5,924	$ 1,119,927
Receivables, July 1, 2007	--	--	36,670	--	--	36,670
Additions-Cash	228,127,082	23,318	259,596	193,330	255	228,603,581
Deductions-Cash	(227,744,560)	(23,872)	(228,717)	(141,748)	--	(228,138,897)
Additions-Receivable	--	--	32,824	119	1	32,944
Deductions-Receivable	--	--	(37,432)	--	--	(37,432)
Cash and cash equivalents June 30, 2008	791,432	8,545	55,408	723,047	6,179	1,584,611
Receivables, June 30, 2008	--	--	32,062	119	1	32,182
Total Assets, June 30, 2008	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793
LIABILITIES						
Refunds payable and others July 1, 2007	408,910	9,099	61,199	671,465	5,924	1,156,597
Additions	228,127,082	23,318	213,390	193,449	256	228,557,495
Deductions	(227,744,560)	(23,872)	(187,119)	(141,748)	--	(228,097,299)
June 30, 2008	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793


• THE CITY OF CHARLESTON •
WEST VIRGINIA

STATISTICAL SECTION

CITY OF CHARLESTON, WEST VIRGINIA
STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the City's audited financial statements for the relevant year. The City implemented Governmental Accounting Standards Board Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF CHARLESTON, WEST VIRGINIA
Table 1
Net Assets by Component -
Last Six Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
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
Restricted	10,893,812	11,422,818	9,488,250	10,392,753	12,211,193	14,713,465
Unrestricted	(20,073,060)	(16,200,296)	(15,967,485)	(20,756,708)	(32,287,210)	(40,056,384)
Total governmental activities net assets	$ 39,285,664	$ 50,942,072	$ 59,969,487	$ 57,945,065	$ 51,793,680	$ 44,306,064
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
Restricted	371,033	3,597,002	1,855,216	1,967,296	1,989,077	2,055,937
Unrestricted	(284,787)	(137,205)	196,325	140,807	298,804	739,912
Total business-type activities	$ 9,662,376	$ 12,595,599	$ 12,536,831	$ 13,015,381	$ 13,142,847	$ 13,304,586
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
Restricted	14,603,845	15,019,820	11,343,466	12,360,049	14,200,270	16,769,402
Unrestricted	(20,357,847)	(16,337,501)	(15,771,160)	(20,615,905)	(31,988,406)	(39,316,472)
Total primary government net assets	$ 52,687,040	$ 63,537,671	$ 72,506,318	$ 70,960,446	$ 64,936,527	$ 57,610,650

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 Six Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities						
General government	$ 16,007,554	$ 12,892,126	$ 18,117,093	$ 15,595,021	$ 16,226,688	$ 15,897,074
Public safety	31,452,519	34,016,023	34,256,666	35,437,345	39,543,593	48,241,928
Streets and transportation	5,535,598	6,173,346	3,185,260	6,454,730	7,993,195	8,346,954
Health and sanitation	4,021,705	4,503,132	3,672,291	4,302,817	5,354,317	5,207,158
Culture and recreation	4,786,629	4,659,938	5,930,600	6,962,595	6,378,521	6,675,344
Social services	803,574	648,972	637,832	666,342	360,025	822,953
Economic development	1,814,596	1,494,515	2,351,533	2,746,483	3,358,208	2,995,622
Administrative and general	24,095	-	-	-	-	-
Interest on long-term debt	972,348	724,960	1,082,377	982,256	881,524	783,299
Total governmental activities	65,418,618	65,113,012	69,233,652	73,147,589	80,096,071	88,970,332
Business-type activities						
Civic center	3,703,883	4,041,658	4,266,734	4,515,951	4,735,314	4,889,784
Parking system	3,601,138	3,522,269	3,347,906	3,141,969	3,233,036	3,140,715
Total business-type activities	7,305,021	7,563,927	7,614,640	7,657,920	7,968,350	8,030,499
Total primary government	$ 72,723,639	$ 72,676,939	$ 76,848,292	$ 80,805,509	$ 88,064,421	$ 97,000,831
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
Public safety	22,898	5,563,713	5,718,864	5,575,741	6,837,529	8,163,860
Culture and recreation	56,114	124,499	140,381	113,375	129,364	95,038
Streets and transportation	-	3,981	4,858	2,183,248	1,615,441	2,071,313
Health and sanitation	-	4,070,540	4,382,690	4,024,738	4,167,357	4,193,130
Economic development	-	-	2,252	-	-	-
Social services	-	131,898	154,468	194,080	213,931	191,635
Operating grants and contributions	3,421,187	5,136,988	4,802,708	4,720,285	4,730,700	9,541,628
Capital grants and contributions	3,072,562	11,506,048	5,075,683	2,194,445	2,107,864	1,471,975
Total governmental activities program revenues	18,784,983	30,704,828	26,208,410	22,627,542	23,510,836	29,264,092

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities						
Charges for services						
Rentals	$ 2,845,573	$ 3,402,583	$ 3,504,671	$ 3,488,733	$ 3,653,123	$ 1,091,267
Catering services	574,527	533,695	966,151	683,345	722,995	698,859
Parking violations	301,391	545,797	454,985	525,906	606,142	690,898
Parking meters	491,997	505,994	492,123	486,990	529,717	550,322
Other	746,539	732,283	847,534	827,436	874,709	3,586,698
Capital grants and contributions	5,253	63,615	26,032	40,334	73,344	224,125
Total business-type activities program revenues	4,965,280	5,783,967	6,291,496	6,052,744	6,460,030	6,842,169
Net (expense) revenue						
Governmental activities	(46,633,635)	(34,408,184)	(43,025,242)	(50,520,047)	(56,585,235)	(59,706,240)
Business-type activities	(2,339,741)	(1,779,960)	(1,323,144)	(1,605,176)	(1,508,320)	(1,188,330)
Total primary government net (expense) revenue	$ (48,973,376)	$ (36,188,144)	$ (44,348,386)	$ (52,125,223)	$ (58,093,555)	$ (60,894,570)
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
Business and occupation taxes	31,619,878	32,820,776	32,863,908	33,681,586	35,567,872	36,666,641
Utility taxes	1,828,769	2,118,914	2,017,526	2,140,036	2,120,895	2,307,808
Hotel occupancy taxes	1,042,551	1,034,995	1,143,828	2,311,414	2,433,977	2,567,145
Other taxes	835,165	1,019,372	710,085	967,036	768,397	1,048,092
Unrestricted grants and contributions	15,766	100	2,000	-	-	-
Investment earnings	118,440	89,052	195,021	411,672	445,379	336,531
Gain (Loss) on sale of capital assets	100,251	59,158	5,768,495	709,370	162,017	129,838
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)
Total governmental activities	44,566,152	45,664,592	52,052,657	48,495,625	50,433,850	52,218,624

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities						
Investment earnings	$ 112,953	$ 47,948	$ 116,038	$ 120,926	$ 176,954	$ 157,601
Miscellaneous	(2,947)	125	267	900	4,915	-
Transfers	1,810,573	1,326,109	1,148,072	1,961,899	1,453,917	-
Total business-type activities	1,920,579	1,374,182	1,264,377	2,083,725	1,635,786	157,601
Total primary government	46,486,731	47,038,774	53,317,034	50,579,350	52,069,636	52,376,225
Change in net assets						
Governmental activities	(2,067,483)	11,256,408	9,027,415	(2,024,422)	(6,151,385)	(7,487,616)
Business-type activities	(419,162)	(405,778)	(58,767)	478,549	127,466	161,739
Total primary government	$ (2,486,645)	$ 10,850,630	$ 8,968,648	$ (1,545,873)	$ (6,023,919)	$ (7,325,877)

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	$ 500,273	$ 1,340,740	$ 207,189	$ 386,378	$ 786,001	$ 3,849,291	$ 6,097,480	$ 3,321,573	$ 4,086,968	$ 4,538,744
Unreserved	8,653,536	7,799,077	7,949,764	10,217,347	10,770,000	12,733,620	14,391,977	14,665,775	14,083,621	15,036,189
Total general fund	$ 9,153,809	$ 9,139,817	$ 8,156,953	$ 10,603,725	$ 11,556,001	$ 16,582,911	$ 20,489,457	$ 17,987,348	$ 18,170,589	$ 19,574,933
All other governmental funds										
Reserved	13,503,663	9,090,857	11,030,994	10,022,027	8,168,578	9,419,244	7,420,690	9,754,460	10,918,600	12,607,962
Unreserved, reported in:										
Special revenue funds	965,816	1,065,521	853,424	199,302	450,603	593,582	1,021,116	1,717,429	1,729,893	1,836,210
Total all other Governmental funds	$ 14,469,479	$ 10,156,378	$ 11,884,418	$ 10,221,329	$ 8,619,181	$ 10,012,826	$ 8,441,806	$ 11,471,889	$ 12,648,493	$ 14,444,172

For comparability from year to year, the fiscal years 1998 through 2002 include Spring Hill Cemetery, that was classified as nonexpendable trust and Municipal Court classified as an expendable trust fund until implementation of GASB 34 effective for the fiscal year ended June 30, 2003. Spring Hill Cemetery became a Permanent Fund and Municipal Court became a Special Revenue Fund which are governmental funds.

CITY OF CHARLESTON, WEST VIRGINIA

Table 4

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	$ 40,979,657	$ 42,089,550	$ 43,380,813	$ 44,007,787	$ 45,950,963	$ 46,654,270	$ 46,430,717	$ 49,242,614	$ 51,334,552	$ 53,028,638
Licenses and permits	1,079,859	1,182,805	1,022,220	1,187,156	1,300,538	1,506,119	1,406,671	1,507,731	1,585,869	1,455,775
Fines and forfeitures	75,527	42,593	-	-	736,997	958,049	1,237,831	1,425,243	1,334,183	1,206,087
Charges for services	5,331,534	5,008,778	8,533,508	9,208,473	9,854,411	11,420,219	13,242,403	12,545,403	13,455,536	15,318,855
Intergovernmental	4,819,869	4,601,036	6,280,671	5,079,259	6,683,885	15,992,003	8,696,949	5,595,090	4,928,969	9,438,800
Investment earnings	903,906	877,084	611,407	1,783,495	253,535	285,676	549,103	818,789	1,184,506	778,985
Other revenues	4,503,162	3,390,532	2,177,551	296,932	1,087,700	1,742,909	2,109,403	2,098,938	2,426,221	2,370,284
Total revenues	57,693,514	57,192,378	62,006,170	61,563,102	65,868,029	78,559,245	73,673,077	73,233,808	76,249,836	83,597,424
Expenditures										
General government	8,753,579	8,976,103	9,114,612	12,358,471	10,520,913	10,441,852	12,386,355	12,680,635	14,029,365	15,247,865
Public safety	26,358,522	27,979,123	28,051,845	26,808,819	26,094,332	27,419,019	30,988,041	32,091,386	32,351,932	38,115,187
Streets & transportation	4,672,643	4,566,118	4,729,577	5,024,285	5,148,866	5,352,417	6,369,531	6,517,185	7,007,636	7,795,553
Health & sanitation	4,556,427	4,468,889	4,534,159	3,896,761	3,714,943	4,048,560	4,579,408	4,976,157	5,090,595	5,248,854
Culture & recreation	4,521,687	4,004,158	3,947,486	3,705,715	4,209,369	11,838,552	4,463,030	5,453,355	5,852,014	5,816,312
Economic development	2,970,635	2,612,439		-	4,882,570	5,673,238	2,990,521	3,640,671	4,043,828	4,004,487
Social services	1,337,583	1,271,407	5,185,443	1,590,703	762,201	584,404	647,150	665,296	856,383	828,870
Capital outlay	557,910	4,834,992	2,044,730	2,315,862	8,507,509	5,041,945	22,074,584	5,011,702	3,311,765	1,980,606
Debt service:										
Principal	1,303,509	1,449,793	1,550,620	1,645,965	1,740,766	1,104,052	1,183,247	1,517,603	1,651,681	1,761,291
Interest	1,008,325	1,166,586	1,075,033	974,550	879,354	840,682	735,873	1,079,040	979,118	873,674
Total expenditures	56,040,820	61,329,608	60,233,505	58,321,131	66,460,823	72,344,721	86,417,740	73,633,030	75,174,317	81,672,699
Excess of revenues over (under) expenditures	1,652,694	(4,137,230)	1,772,665	3,241,971	(592,794)	6,214,524	(12,744,663)	(399,222)	1,075,519	1,924,725
Special item-legal settlement	-	-	-	-	-	-	-	300,978	-	-
Other financing sources (uses)										
Proceeds from borrowing	4,236,900	-	-	-	1,000,000	1,532,141	10,116,502	1,573,000	1,317,227	2,326,542
Transfers in	1,920,121	2,359,575	2,876,444	3,672,484	6,809,247	13,675,581	15,311,778	10,755,743	8,002,458	7,159,465
Transfers out	(1,814,298)	(2,660,216)	(244,566)	(5,173,750)	(8,619,820)	(15,001,691)	(16,459,853)	(12,573,603)	(9,209,992)	(8,347,666)
Other	-	-	-	(101,743)	75,100	-	6,111,760	871,075	174,632	136,957
Total other financing sources (uses)	4,342,723	(300,641)	2,631,878	(1,603,009)	(735,473)	206,031	15,080,187	626,215	284,325	1,275,298
Net change in fund balance	5,995,417	(4,437,871)	4,404,543	1,638,962	(1,328,267)	6,420,555	2,335,524	527,971	1,359,844	3,200,023
Debt service as a percentage of noncapital expenditures	4%	5%	5%	5%	5%	3%	3%	4%	4%	3%

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

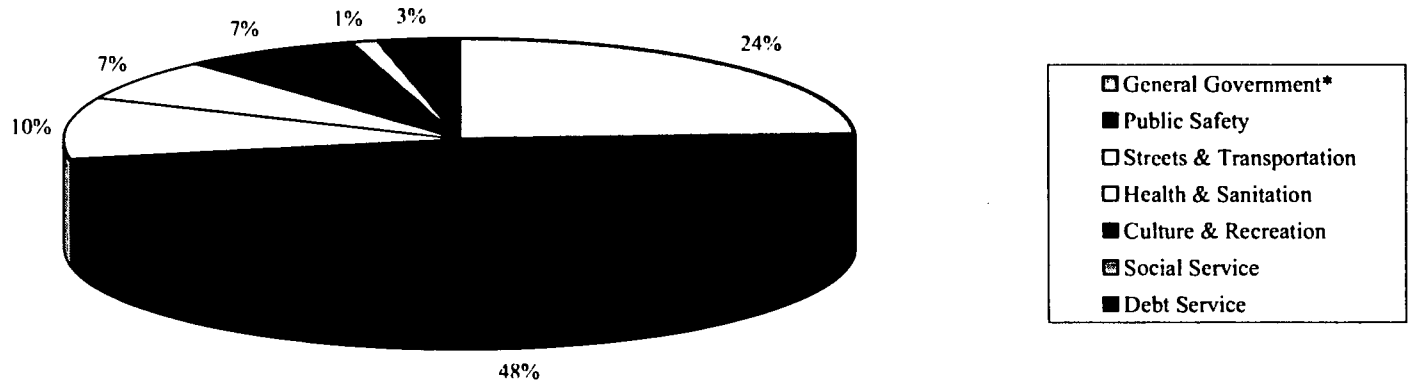
CITY OF CHARLESTON, WEST VIRGINIA
Table 5
Expenditures By Function - Governmental Fund Types - For the Last Ten Fiscal Years

Fiscal Year	General Government*	Public Safety	Streets & Transportation	Health & Sanitation	Culture & Recreation	Social Service	Debt Service	Total
1999	$ 9,311,489	$ 26,367,194	$ 4,672,643	$ 4,556,427	$ 5,171,846	$ 855,784	$ 2,311,834	$ 53,247,217
2000	13,811,098	28,012,413	4,566,118	4,468,889	4,684,300	800,279	2,616,379	58,959,476
2001	11,116,089	28,087,348	4,729,577	4,534,159	4,660,454	768,317	2,625,653	56,521,597
2002	11,874,851	26,827,964	5,024,285	3,896,761	4,481,027	843,389	2,620,515	55,568,792
2003	16,188,083	27,673,867	5,992,898	4,003,528	4,331,771	779,292	2,620,120	61,589,559
2004	16,786,059	28,759,664	6,090,358	4,503,661	4,136,695	625,152	1,944,734	62,846,323
2005	15,376,877	30,988,041	6,369,531	4,579,408	4,463,030	647,150	1,919,120	64,343,157
2006	16,321,306	32,091,386	6,517,185	4,976,157	5,453,355	665,296	2,596,643	68,621,328
2007	18,073,193	32,351,932	7,007,636	5,090,595	5,852,014	856,383	2,630,799	71,862,552
2008	19,252,352	38,115,187	7,795,553	5,248,854	5,816,312	828,870	2,634,965	79,692,093

Includes General Fund, Special Revenue Funds and Debt Service Fund

*Includes expenditures for economic development

Expenditures by Function - Governmental Fund Types for the Current Year

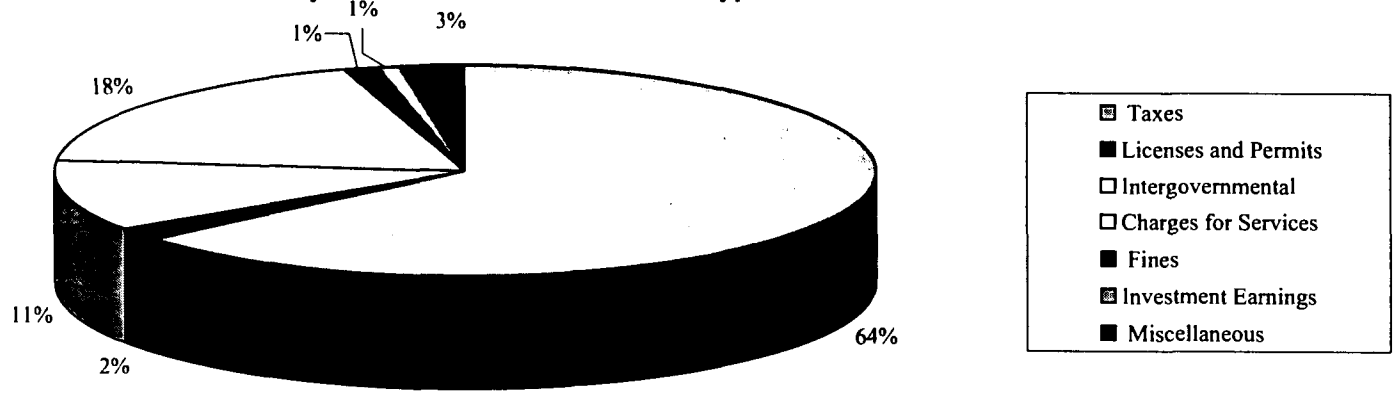


CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Revenues By Source - Governmental Fund Types - For the Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines	Investment Earnings	Miscellaneous	Total
1999	$ 40,979,657	$ 1,079,859	$ 4,819,869	$ 5,331,534	$ 575,620	$ 933,616	$ 2,588,893	$ 56,309,048
2000	42,301,042	996,157	4,601,036	5,008,778	515,577	756,930	3,187,980	57,367,500
2001	42,973,988	1,012,299	6,280,671	8,382,185	443,906	550,378	1,330,120	60,973,547
2002	42,949,413	1,187,156	5,079,259	8,409,624	512,910	502,177	1,243,416	59,883,955
2003	45,950,963	1,300,538	6,683,885	9,854,411	736,997	197,678	942,927	65,667,399
2004	46,654,270	1,506,119	15,307,826	11,272,407	1,036,914	233,624	1,847,187	77,858,347
2005	46,430,717	1,406,671	8,696,949	13,209,907	1,237,831	429,158	1,999,821	73,411,054
2006	49,242,614	1,507,731	5,588,637	12,536,018	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

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

Revenues by Source - Governmental Fund Type for the Current Year



CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Detailed Revenues From Taxes - Governmental Fund Types - For the Last Ten Fiscal Years

Fiscal Year	Property Tax	Business & Occupation Tax	Utility Tax	Consumer Sales Tax Liquor	Hotel Occupancy Tax	Amusement Tax	Miscellaneous Taxes	Total
1999	$ 8,736,763	$ 28,800,353	$ 1,826,150	$ 475,703	$ 934,866	$ 173,041	$ 32,781	$ 40,979,657
2000	8,973,825	29,884,642	1,844,282	487,448	967,708	120,958	22,179	42,301,042
2001	9,934,635	29,527,633	1,910,094	485,955	978,270	116,548	20,853	42,973,988
2002	10,599,134	28,259,242	2,194,803	661,348	1,101,583	105,954	27,349	42,949,413
2003	10,800,456	31,619,878	1,828,767	371,664	1,042,551	264,742	22,905	45,950,963
2004	9,820,894	32,820,776	2,118,914	625,700	1,034,995	201,089	31,902	46,654,270
2005	9,844,571	32,714,707	2,017,526	474,137	1,143,828	190,822	45,126	46,430,717
2006	10,142,543	33,681,586	2,140,036	746,717	2,311,414	163,005	57,314	49,242,615
2007	10,443,411	35,567,872	2,120,895	551,366	2,433,977	161,559	55,472	51,334,552
2008	10,438,952	36,666,641	2,307,808	800,647	2,567,145	187,168	60,277	53,028,638

CITY OF CHARLESTON, WEST VIRGINIA
Table 7
Property Tax Levies and Collections - General Fund - For the Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1999	$ 5,911,003	$ 5,850,000	98.97%	$ 388,997	$ 6,238,997	105.55%	$ 402,696	6.81%
2000	6,183,592	5,857,584	94.73%	441,408	6,298,992	101.87%	421,268	6.81%
2001	7,008,126	6,000,772	85.63%	551,912	6,552,684	93.50%	461,146	6.58%
2002	7,620,982	6,594,784	86.53%	538,483	7,133,267	93.60%	501,473	6.58%
2003	7,734,464	6,763,663	87.45%	693,878	7,457,541	96.42%	508,940	6.58%
2004	7,715,097	9,187,869	119.09%	633,025	9,820,894	127.29%	506,278	6.56%
2005	7,875,027	6,912,926	87.78%	1,386,381	8,299,307	105.39%	515,819	6.55%
2006	7,983,561	8,261,230	103.48%	322,779	8,584,009	107.52%	510,092	6.39%
2007	8,309,807	8,327,767	100.22%	548,019	8,875,786	106.81%	470,677	5.66%
2008	8,393,656	8,540,242	101.75%	344,519	8,884,761	105.85%	406,484	4.84%

CITY OF CHARLESTON, WEST VIRGINIA
Table 8
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class - Fiscal Years 2008, 2007, 2006 and 2005

		Fiscal Year 2008				
	Class	Rate per $1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1	Production of Natural Resources	1.00%	10	0.16%	$ 3,921	0.01%
2	Manufacturing	0.30%	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%	1	0.02%	792,692	2.32%
7	Natural Gas Companies	3.00%	2	0.03%	890,233	2.60%
8	Water Companies	4.00%	1	0.02%	656,817	1.92%
9	All Other Public Utilities	2.00%	4	0.06%	81,902	0.24%
10	Contracting	2.00%	763	11.99%	3,264,605	9.54%
11	Amusement	0.50%	46	0.72%	302,396	0.88%
12	Service & All Other Businesses	1.00%	2,153	33.83%	14,381,469	42.01%
13	Rents and Royalties	1.00%	1,627	25.57%	2,102,504	6.14%
14	Banking and Other Financial Institutions	1.00%	75	1.18%	1,999,636	5.84%
	Totals		6,364	100.00%	$ 34,231,326	100.00%

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

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

Source: City of Charleston Revenue System

CITY OF CHARLESTON, WEST VIRGINIA
Table 8 (Continued)
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class

	Class	Rate per $1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
			Fiscal Year 2005			
1	Production of Natural Resources	1.00%	16	0.22%	$ 15,049	0.05%
2	Manufacturing	0.30%	79	1.11%	335,813	1.03%
3	Retailers	0.50%	1,360	19.09%	6,781,563	20.89%
4	Wholesalers	0.15%	483	6.78%	803,359	2.47%
5	Electric Power Companies (Domestic Purposes and Commercial Lighting)	4.00%	1	0.01%	1,116,703	3.44%
6	Electric Power Companies (All Other Sales and Demand Charges)	3.00%	3	0.04%	865,422	2.67%
7	Natural Gas Companies	3.00%	4	0.06%	438,162	1.35%
8	Water Companies	4.00%	1	0.01%	586,135	1.81%
9	All Other Public Utilities	2.00%	6	0.08%	44,245	0.14%
10	Contracting	2.00%	791	11.10%	3,573,848	11.01%
11	Amusement	0.50%	58	0.81%	376,528	1.16%
12	Service & All Other Businesses	1.00%	2,383	33.46%	13,757,357	42.37%
13	Rents and Royalties	1.00%	1,866	26.20%	1,981,182	6.10%
14	Banking and Other Financial Institutions	1.00%	72	1.01%	1,792,896	5.52%
	Totals		7,123	100.00%	$ 32,468,262	100.00%

Source: City of Charleston Revenue System

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

CITY OF CHARLESTON, WEST VIRGINIA
Table 9
Ratio of Outstanding General Obligation Bonds to Assessed Value, Estimated Actual Taxable Value and Net Debt Per Capita - For the Last Ten Fiscal Years

Fiscal Year	Assessed Value	Estimated Actual Taxable Value of Property	Gross Bonded Debt	Debt Service Fund	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
1999	$ 2,056,034,665	$ 1,233,620,799	$ 13,822,144	$ 1,392,148	$ 12,429,996	0.60%	1.01%	228
2000	2,127,257,787	1,276,354,672	12,442,351	1,656,423	10,785,928	0.51%	0.85%	202
2001	2,221,087,692	1,332,652,615	10,981,731	1,989,499	8,992,232	0.40%	0.67%	169
2002	2,452,868,321	1,471,720,993	9,435,766	2,224,206	7,211,560	0.29%	0.49%	137
2003	2,479,903,422	1,487,942,053	7,795,000	2,474,126	5,320,874	0.21%	0.36%	102
2004	2,454,272,860	1,472,563,716	6,910,000	2,589,805	4,320,195	0.18%	0.29%	83
2005	2,499,526,545	1,499,715,927	5,955,000	2,761,237	3,193,763	0.13%	0.21%	62
2006	2,531,327,042	1,518,796,225	4,930,000	2,955,244	1,974,756	0.08%	0.13%	39
2007	2,623,069,250	1,573,841,550	3,830,000	3,346,560	483,440	0.02%	0.03%	10
2008	2,651,836,470	1,591,101,882	2,645,000	3,622,601	(977,601)	-0.04%	-0.06%	(19)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Assessed value does not include exempt property. The Kanawha County Assessor estimates actual taxable value of property at sixty percent.
Population data can be found in the Table of Demographic Statistics.

CITY OF CHARLESTON, WEST VIRGINIA
Table 10
Ratio of Outstanding Debt by Type -
For the Last Ten Fiscal Years

	Governmental Activities			Business-type Activities				
Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
1999	$ 13,822,144	$ 4,395,000	$ 3,050,368	$ 17,584,944	$ -	$ 38,852,456	28.93%	712
2000	12,442,351	4,325,000	3,603,497	22,413,842	-	42,784,690	31.15%	800
2001	10,981,731	4,235,000	4,149,658	21,811,928	87,742	41,266,059	28.75%	774
2002	9,435,766	4,135,000	3,785,174	21,135,016	67,765	38,558,721	26.12%	733
2003	7,795,000	5,228,274	3,483,971	20,413,104	83,754	37,004,103	24.41%	712
2004	6,910,000	5,115,948	3,351,270	19,641,190	47,913	35,066,321	22.29%	677
2005	5,955,000	4,887,701	11,705,822	18,076,489	15,787	40,640,799	24.81%	787
2006	4,930,000	4,650,098	11,491,961	17,056,779	-	38,128,838	22.53%	745
2007	3,830,000	4,418,825	10,987,881	16,007,070	-	35,243,776	20.13%	694
2008	2,645,000	4,147,126	11,261,072	14,917,361	-	32,970,559	18.16%	653

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Table 13 on Demographic Statistics for personal income and population data.

CITY OF CHARLESTON, WEST VIRGINIA
Table 11
Revenue Bond Coverage - Civic Center Revenue Bonds -
For the Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements				General Fund & Coal Severance Subsidy
				Principal	Interest	Total	Coverage	
1999	$ 1,853,815	$ 2,117,219	$ (263,404)	$ -	$ -	$ -	0.00%	$ 368,645
2000	1,867,185	2,277,377	(410,192)	80,000	356,854	436,854	-93.90%	730,393
2001	1,855,981	2,189,865	(333,884)	150,000	529,130	679,130	-49.16%	1,160,028
2002	1,707,687	1,995,034	(287,347)	195,000	407,515	602,515	-47.69%	1,162,232
2003	2,230,497	2,403,291	(172,794)	210,000	511,434	721,434	-23.95%	1,112,067
2004	2,213,020	3,507,409	(1,294,389)	220,000	510,913	730,913	-177.09%	1,140,375
2005	2,801,245	3,758,036	(956,791)	230,000	504,424	734,424	-130.28%	1,091,309
2006	2,533,883	4,019,922	(1,486,039)	245,000	475,718	720,718	-206.19%	1,137,268
2007	2,848,127	4,252,177	(1,404,050)	255,000	465,415	720,415	-194.89%	1,081,807
2008	3,063,446	4,422,167	(1,358,721)	270,000	519,124	789,124	-172.18%	1,121,463

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

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1999	$ 3,323,525	$ 1,379,910	$ 1,943,615	$ 510,000	$ 981,493	$ 1,491,493	130.31%
2000	3,242,592	1,414,248	1,828,344	525,000	956,408	1,481,408	123.42%
2001	3,547,799	1,440,989	2,106,810	555,000	929,638	1,484,638	141.91%
2002	3,232,847	1,444,653	1,788,194	585,000	900,148	1,485,148	120.41%
2003	2,844,789	1,524,145	1,320,644	615,000	867,995	1,482,995	89.05%
2004	3,619,020	2,506,190	1,112,830	655,000	830,341	1,485,341	74.92%
2005	3,606,556	2,473,235	1,133,321	875,000	839,929	1,714,929	66.09%
2006	3,784,728	2,591,777	1,192,951	890,000	449,604	1,339,604	89.05%
2007	4,040,726	2,716,769	1,323,957	910,000	421,403	1,331,403	99.44%
2008	3,940,591	2,653,197	1,287,394	935,000	390,455	1,325,455	97.13%

CITY OF CHARLESTON, WEST VIRGINIA
Table 13
Demographic Statistics -
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	Unemployment Rate
1999	54,598	$ 1,343,111	$ 25,661	5.3
2000	53,484	1,373,469	26,765	4.6
2001	53,340	1,435,379	27,915	5.0
2002	52,610	1,476,237	29,116	6.2
2003	51,971	1,515,994	30,368	6.2
2004	51,813	1,573,043	31,674	5.3
2005	51,648	1,638,275	33,036	5.1
2006	51,156	1,692,240	34,456	4.8
2007	50,773	1,751,161	35,938	4.0
2008	50,478	1,815,189	37,483	4.7

BEA Regional Economic Accounts

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
Table 14
Legal Debt Margin Information -
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	$ 2,651,836,470
Debt limit (5% of assessed value)	132,591,824
Debt applicable to limit:	
General obligation bonds	2,645,000
Less: amount set aside for repayment of general obligation debt	3,622,601
Total net debt applicable to limit	977,601
Legal debt margin	$ 133,569,425

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	$ 92,685,438	$ 96,393,094	$ 101,040,920	$ 112,412,476	$ 113,745,197	$ 112,773,976	$ 114,708,065	$ 115,320,129	$ 119,639,489	$ 132,591,824
Total debt applicable to limit	13,822,144	12,442,351	10,981,731	9,435,766	7,795,000	6,910,000	5,955,000	4,930,000	3,830,000	2,645,000
Legal debt margin	$ 80,255,442	$ 85,577,166	$ 92,048,688	$ 105,200,915	$ 108,424,323	$ 108,453,781	$ 111,514,302	$ 113,430,666	$ 119,156,049	$ 133,569,425
Total net debt applicable to the limit as a percentage of debt limit	17%	15%	12%	9%	7%	6%	5%	4%	3%	2%

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 15
Employment/Unemployment and Change -
Last Ten Fiscal Years

Date	Employment		Unemployment	
	Total	% Change Year Ago	Rate	Unit Change Year Ago
1999	28,575	1.6	4.7	-0.3
2000	25,241	-11.7	4.4	-0.3
2001	24,880	-1.4	4.3	-0.2
2002	24,277	-2.4	4.8	0.5
2003	23,738	-2.2	4.8	0.0
2004	23,695	-0.2	4.3	-0.5
2005	23,665	-0.1	4.3	0.0
2006	23,781	0.5	4.7	0.4
2007	23,899	0.5	4.5	-0.2
2008	24,110	0.4	4.7	0.3

U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

CITY OF CHARLESTON, WEST VIRGINIA
Table 16
Kanawha County
Ten Largest Employers in Kanawha County and Rank -
June 30, 2008 and 1999

Rank	2008 Company Name	1999 Company Name
1	Charleston Area Medical Center, Inc.	Kanawha County Board of Education
2	Kanawha County Board of Education	Charleston Area Medical Center
3	Minneapolis Postal Data Center	Union Carbide Corporation
4	Herbert J. Thomas Memorial Hospital Association	US Postal Data Center
5	Wal-Mart Associates, Inc.	WV Department of Highways
6	West Virginia Department of Highways	The Kroger Company
7	City of Charleston Municipality	Herbert J. Thomas Memorial Hospital
8	Kroger	Shawnee Hills, Inc.
9	West Virginia Department of Health and Human Resources	Rhone-Poulenc, Inc.
10	Dow (Union Carbide Corp)	Columbia Gas Transmission Corporation

Workforce West Virginia, an agency of the Department of Commerce

CITY OF CHARLESTON, WEST VIRGINIA
Table 17
Operating Indicators by Function/Program -
Last Four Fiscal Years

	Fiscal Year				
Function/Program	2004	2005	2006	2007	2008
Police					
Physical arrest	4,281	4,990	6,314	6,270	7,649
Citations written	10,402	16,460	19,946	23,494	20,804
Offenses charged	15,646	28,207	29,659	29,195	24,006
Fire					
Emergency medical responses	12,289	11,157	12,373	18,926	17,788
Fire responses	5,318	8,661	9,000	12,214	13,131
Inspections	1,064	1,019	1,019	1,156	1,124
Refuse collection					
Refuse collected (tons annually)	28,113	27,461	27,869	30,571	26,977
Recyclables collected (tons annually)	1,254	1,350	1,380	1,293	1,072
Yard waste collected (tons annually)	4,238	3,428	2,658	2,271	1,653
Sludge (tons annually)	3,630	2,170	2,289	5,175	5,641
Other public works					
Streets resurfaced (Miles)	Unavailable	27.50	25.58	9.30	10.56
Potholes repaired	113	83	34	177	27
Parking systems					
Parking violations	54,162	52,995	64,418	62,942	98,187
Civic center					
Number of events (annual average)	2,000	2,000	2,000	2,000	2,000
Municipal auditorium					
events (number of days annual average)	115-120	115-120	115-120	115-120	115-120

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 18
Capital Asset Statistics by Function / Program -
Last Four Fiscal Years

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

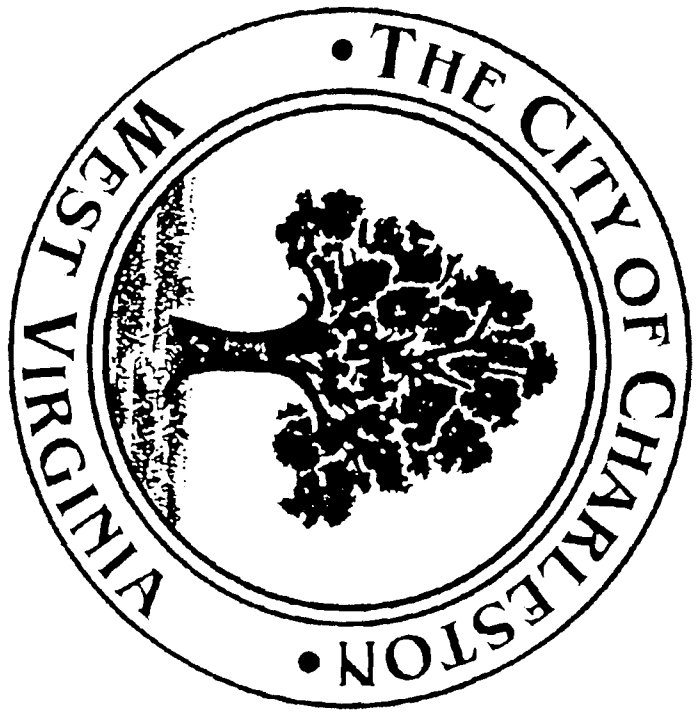
Table 19

Full-Time Equivalent City Government Employees By Function / Program

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Management	58	61	58	58	58	61	44	42	47	48
Finance	22	22	20	20	21	21	21	23	26	26
Planning	12	12	13	14	14	15	17	17	17	17
Building	6	6	5	4	3	3	4	14	14	14
Engineering	10	8	6	6	5	6	8	8	8	8
Other	16	46	45	48	42	52	39	32	31	32
Police										
Officers	182	182	172	163	162	164	168	171	180	179
Civilians	59	37	33	42	44	46	45	29	28	28
Fire										
Officers	205	197	196	197	197	188	190	191	187	191
Civilians	5	5	5	5	5	5	5	5	5	4
Other public safety	14	13	12	8	9	8	9	9	8	8
Refuse collection	90	77	71	58	58	72	77	69	74	66
Public works	88	84	83	97	99	97	119	120	119	118
Parks and recreation	118	106	91	76	85	88	80	90	87	93
Social services	26	10	21	18	20	21	19	19	17	21
Civic center	27	29	22	29	32	34	44	30	24	23
Parking system	37	37	37	37	37	38	36	35	28	26
Total	975	932	890	880	891	919	925	904	900	902

Sources: City of Charleston Payroll


• THE CITY OF CHARLESTON •
WEST VIRGINIA

Appendix C

Proposed Form of Bond Counsel Opinion

PROPOSED FORM OF BOND COUNSEL OPINION

Jackson Kelly PLLC, Bond Counsel, proposes to issue its approving opinion in substantially the form set forth below upon the issuance of the Bonds.

_____, 2009

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Re: The City of Charleston, West Virginia
Civic Center Improvement Refunding Bonds, Series 2009 A

Ladies and Gentlemen:

We have acted as bond counsel to The City of Charleston, West Virginia (the "Issuer"), a municipal corporation, in connection with the issuance of its $_____ Civic Center Improvement Refunding Bonds, Series 2009 A, dated the date hereof (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and under and pursuant to a Bond Ordinance duly passed by the Issuer on November 2, 2009, effective November 16, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on _____, 2009 and a Certificate of Determination executed _____, 2009 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance the Bonds are authorized and issued. Capitalized terms used and not otherwise defined herein shall have the respective meanings given them in the Ordinance.

In connection with the issuance of the Bonds, the Issuer has executed a Tax and Non-Arbitrage Certificate, dated as of the date hereof (the "Tax Certificate"), which, among other things, sets forth restrictions on the investment and expenditure of the Bonds proceeds and earnings thereon, to ensure that the requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

Regarding questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the herein-described documents and certifications furnished to us by or on behalf of the Issuer (including certifications as to matters which are material to paragraph 4 below), without undertaking to verify the same by independent investigation.

The Bonds are issued in the form of a series of fully registered Bonds.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with the power to adopt the Ordinance, which has been duly and lawfully enacted and adopted by the Issuer, is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the Ordinance is required.

2. The Issuer is duly authorized to issue the Bonds, which Bonds have been duly and validly authorized and issued in accordance with the Act and in accordance with the Ordinance, and constitutes a valid, binding special and limited revenue obligation of the Issuer as provided in the Ordinance, payable and enforceable in accordance with their terms and the terms of the Ordinance and are entitled to the benefits of the Ordinance and of the Act.

3. The Bonds are secured by the Tax Revenues, as defined in the Ordinance and from funds on deposit in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account, and are on parity with the Issuer's Civic Center Improvement Bonds, Series 1998, all as more fully described in the Ordinance. In addition, the Ordinance imposes a statutory mortgage lien on the Tax Revenues.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable in the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Ordinance and the Tax Certificate and other documents relating thereto. Failure to comply with certain of such representations, covenants and certifications could cause the interest on the Bonds to be includable in a holder's gross income retroactive to the date of issuance of the Bonds. Except as described herein, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and has covenanted that it does not reasonably expect to issue, together with the Corporation and any subordinate entities, more than $30,000,000 of tax-exempt obligations (other than certain private activity bonds and refunding bonds) during the calendar year 2009. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code, and

the provisions of the Code which disallow all deductibility of interest expense incurred by financial institutions on debt incurred or continued to purchase or carry most tax-exempt obligations do not apply to the Bonds.

6. Under the Act, as presently written and applied, the Bonds and any interest thereon is exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Ordinance and the pledges set forth therein are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, and by the exercise of judicial discretion. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We have not been engaged, or undertaken, to review the accuracy, completeness or sufficiency of the Official Statement or other offering material related to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We have examined the executed and authenticated Bond numbered AR-1 and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

Appendix D

Form of Continuing Disclosure Certificate

Form of Continuing Disclosure Certificate

$3,310,000*
CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS
SERIES 2009 A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Certificate") is executed and delivered this ____ day of _____, 2009, by the City of Charleston (the "City"), in connection with the issuance of its $3,310,000* Civic Center Improvement Refunding Bonds, Series 2009 (the "Bonds"). The Bonds are being issued pursuant to a bond ordinance enacted by the Council of the City on November 16, 2009, and a supplemental resolution adopted by the Council of the City on _____, 2009 (collectively, the "Ordinance"). The City covenants and agrees as follows:

SECTION 1. Purpose of Certificate. This Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Purchase Contract, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")), provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the City's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a qualified independent auditor.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries).

*Preliminary, subject to change.

"Bonds" shall mean the $3,310,000* Civic Center Improvement Refunding Bonds, Series 2009 A.

"Dissemination Agent" shall initially mean the City and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, effective as of July 1, 2009.

"Purchase Contract" shall mean the Bond Purchase Agreement dated _____, 2009, between the Underwriter and the City, by which the Underwriter offered to purchase the Bonds from the City upon the terms set forth therein.

"Repository" shall mean the National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

"Underwriter" shall mean Crews & Associates, Inc., the original underwriter of the Bonds, who is required to comply with the Rule in connection with offering of the Bonds.

*Preliminary, subject to change.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 360 days after the end of the City's fiscal year (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2009, provide to each Repository Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Certificate. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate. If the City's fiscal year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent (if other than the City). If the City is unable to provide to the Repositories its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the City shall send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Financial Information and Audited Financial Statements the name and address of each Repository; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Financial Information and Audited Financial Statements have been provided pursuant to this Certificate, stating the date it was provided and listing the Repositories to which it was provided.

(d) Effective on July 1, 2009 and thereafter, all documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic formant and shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. The City's Annual Financial Information and Audited Financial Statements shall contain or include by reference the following:

Within three hundred sixty (360) days of the City's fiscal year ended June 30, 2009, and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, such information and data of the City for the prior fiscal year, including the audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, except as provided by the Ordinance;

11. rating changes.

(b) Whenever the City obtains knowledge of the occurrence of any of the Listed Events, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the City determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the City shall promptly file a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected the Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the City may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of holders of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the City shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in

narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such information or include it is any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the City to comply with this Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Certificate shall inure solely to the benefit of the City, the Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2009

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: CITY OF CHARLESTON (WEST VIRGINIA)

Name of Issue: $3,310,000* CITY OF CHARLESTON CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

Date of Issuance: _____, 2009

Notice is hereby given that the City has not provided an Annual Report with respect to the above-named bonds as required by its covenant made in connection with the above-referenced bond issue. The City anticipates that the Annual Report will be filed by _____.

Dated this ___ day of _____, 20__.

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Mayor

*Preliminary, subject to change

Appendix E

Bond Ordinance


• THE CITY OF CHARLESTON •
WEST VIRGINIA

Bill No. 7403

Adopted by Council:
November 2, 2009

Introduced in Council
October 19, 2009

Referred to
Finance Committee

Introduced by
Robert Reishman

A BILL AUTHORIZING THE REFUNDING OF THE CIVIC CENTER IMPROVEMENT BONDS, SERIES 1999, OF THE CITY OF CHARLESTON; AND AUTHORIZING THE ISSUANCE OF CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A, OF THE CITY OF CHARLESTON, IN THE AMOUNT OF $3,500,000, TO FINANCE THE COST OF SUCH REFUNDING AND THE COST OF ISSUANCE FOR SUCH BONDS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BONDS; PROVIDING A STATUTORY MORTGAGE LIEN ON SPECIFIED TAX REVENUES DEDICATED FOR SUCH PURPOSES; DESIGNATING SUCH BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF CITY OF CHARLESTON, WEST VIRGINIA:

Table of Contents

Subject

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS
Section 1.01. Authority for this Ordinance 4
Section 1.02. Findings and Determinations 4
Section 1.03. Ordinance to Constitute Contract 5
Section 1.04. Definitions 5

ARTICLE II
AUTHORIZATION OF REFUNDING AND REDEMPTION
OF THE SERIES 1999 BONDS
Section 2.01. Authorization of Refunding and Redemption of the Series 1999 Bonds 9

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION
AND ISSUANCE OF BONDS
Section 3.01. Authorization of Bonds 9

Section 3.02. Description of Bonds 9
Section 3.03. Execution of Bonds 10
Section 3.04. Authentication and Registration 10
Section 3.05. Book Entry System for Bonds 10
Section 3.06. Negotiability, Registration, Transfer and Exchange of Bonds 12
Section 3.07. Registrar 12
Section 3.08. Bond Mutilated, Destroyed, Stolen or Lost 12
Section 3.09. Term Bonds 13
Section 3.10. Bond Secured by Pledge of Revenues 14
Section 3.11. Notice of Redemption 14
Section 3.12. Form of Bond 15
(FORM OF BOND) 16

ARTICLE IV
REVENUES AND APPLICATION THEREOF;
DISPOSITION OP BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank 21
Section 4.02. Establishment of Funds and Accounts with Commission 21
Section 4.03. Disposition of Proceeds of Series 2009 A Bonds 21
Section 4.04. Covenants of the Issuer as to Revenues and Funds 22

ARTICLE V
GENERAL COVENANTS

Section 5.01. General Statement 23
Section 5.02. Issuance of Additional Parity Bonds or Obligations 23
Section 5.03. Insurance and Bonds 24
Section 5.04. Statutory Mortgage 24
Section 5.05. Events of Default 25
Section 5.06. Enforcement 25
Section 5.07. Reserved 25
Section 5.08. Tax Covenants as to Tax Exempt Status of Bond 25
Section 5.09. Designation of Series 2009 A Bonds as "Qualified Tax-Exempt Obligations" 26

ARTICLE VI
INVESTMENTS; NON-ARBITRAGE

Section 6.01. Investments 27
Section 6.02. Arbitrage 27
Section 6.03. Tax Certificate and Rebate 28

ARTICLE VII
MISCELLANEOUS

Section 7.01. Defeasance of Bond 29

Section 7.02. Reserved 29
Section 7.03. Delivery of Bonds 29
Section 7.04. Severability of Invalid Provision 29
Section 7.05. Conflicting Provisions Repealed 29
Section 7.06. Table of Contents and Headings 29
Section 7.07. Modification or Amendment 29
Section 7.08. Covenant of Due Procedure, Etc 29
Section 7.09. Supplemental Resolutions 30
Section 7.10. Effective Time 30
Section 7.11 Statutory Notice and Public Hearing 30

EXHIBIT A - Notice of Public Hearing and Abstract of Bond Ordinance 34

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended (the "Act') and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The City of Charleston (the "City" or "Issuer") is a municipal corporation and political subdivision of the State of West Virginia located in Kanawha County, West Virginia.

B. The Issuer now has a public facility known as the Charleston Civic Center (the "Facility"). In 1999 the City permanently financed the acquisition, construction, equipping and improving of the Facility through the issuance of its Civic Center Improvement Bonds, Series 1999 dated December 23, 1999 in the aggregate principal amount of $4,060,000 (the "Refunded Bonds").

C. The City may now refund the Refunded Bonds at a savings to the City. The City hereby determines that it would be a benefit to refund the Refunded Bonds with proceeds from the issuance of its Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds") in the aggregate principal amount not to exceed $3,500,000.

D. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2009 A Bonds presented to the City by the Original Purchaser, and after making allowance for the use of cash on hand of the City, the Series 2009 A Bonds show a net present value debt service savings to the City after deducting all expenses of the refunding and the costs of issuing the Series 2009 A Bonds.

E. The City shall not sell the Series 2009 A Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph D above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2009 A Bonds, and the City shall not issue the Series 2009 A Bonds without having obtained from an Independent Certified Public Accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2009 A Bonds and the net interest cost in dollars of the Prior Bonds.

F. The period of usefulness of the Facility is not less than twenty-five (25) years.

G. There are outstanding the Issuer's Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds") in the aggregate principal amount of $3,635,000 with which the Series 2009 A Bonds will rank on a parity as to lien on and source of and security for payment.

H. The Issuer is not in default under the terms of any document and has complied with all requirements with respect to the issuance of the Series 2009 A Bonds.

I. The estimated revenues to be derived in each year from hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes will be sufficient to pay all the principal of and interest on the Series 2009 A Bonds (as hereinafter defined) and all debt service and other payments provided for herein.

J. The Issuer has complied with all requirements of West Virginia law relating to the issuance of the Bonds, or will have so complied prior to issuance of the Bonds.

K. It is in the best interests of the Issuer that the Bonds be sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to the terms and provisions of a Bond Purchase Agreement to be entered into between the Purchaser and the City.

L. The City shall not permit at any time any of the proceeds of the Series 2009 A Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Series 2009 A Bonds from the treatment afforded by Section 103(a) of the Code.

M. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2009 A Bonds.

N. The Series 2009 A Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bonds by the Purchasers, this Ordinance (the "Ordinance") shall be deemed to be and shall constitute a contract between the Issuer and the Purchasers, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bonds.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended.

"City Clerk" means the City Clerk of the Governing Body.

"Commission" means the West Virginia Municipal Bonds Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Depository Bank" means the bank or trust company which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated in the Supplemental Resolution.

"Escrow Agent" shall mean the Escrow Agent with respect to each Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"Escrow Agreement" shall mean the agreements between the City and the Escrow Agent, substantially in the form of the agreement attached to a resolution supplemental hereto and by this reference made a part hereof, relating to the refunding and defeasance of the Prior Bonds.

"Escrow Fund" shall mean the escrow fund created by each Escrow Agreement.

"Facility" or "Facilities" means all the land and tangible properties of the Charleston Civic Center Coliseum and also any tangible properties which may hereafter be added to the Facility by addition, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the City Council of the Issuer.

"Government Obligations" means direct obligations of or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Herein" means in this Ordinance.

"Holder of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Issuer" or "City" means City of Charleston, Kanawha County, West Virginia, and, where appropriate, also means the Governing Body.

"Mayor" means the Mayor or the Acting Mayor of the Governing Body.

"Ordinance" means this Ordinance and all resolutions supplemental hereto.

"Prior Ordinance" means the Ordinance authorizing the Series 1998 Bonds enacted September 8, 1998.

"Project" means the Project as defined in the Ordinance of the City authorizing the issuance of the Refunded Bonds enacted December 6, 1999.

"Purchasers" means Crews & Associates, Inc. and any successor or successors thereto.

"Qualified Investments" means and include any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank Facility; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any Bonds, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said lime accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Treasury Investments pursuant to Chapter 12, Article 6C, of the West Virginia Code of 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Redemption Accounts" means the redemption account within the Series 2009 A Sinking Fund established by Section 4.01 of this Ordinance.

"Redemption Price" means the price paid for redemption of the Series 2009 A Bonds as set forth in the redemption provisions determined in the Supplemental Resolution.

"Refunded Bonds" or "Series 1999 Bonds" means the $4,060,000 City of Charleston Civic Center Improvement Bonds, Series 1999, to be refunded by the Series 2009 A Bonds.

"Registrar" or "Bond Registrar" means the Bank or Trust Company designated by the Issuer in the Supplemental Resolution.

"Representation Letter" means the DTC Letter of Representation of the City.

"Series 1998 Bonds" means the City's Civic Center Improvement Bonds, Series 1998 issued on September 11, 1998, in the aggregate principal amount of $3,635,000.

"Series 2009 A Bonds" or "Bonds" means the City's Civic Center Improvement Refunding Bonds, Series 2009 A, authorized by this Ordinance.

"Tax Revenues" means (i) the specified tax revenues dedicated for such purposes by the City to pay debt service on the Series 2009 A Bonds and consisting of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received or collected by the City and (ii) any other revenues dedicated for such purposes by the City to pay debt service on the Series 2009 A Bonds and the Series 1998 Bonds and on any additional bonds issued under the Ordinance.

"Term Bonds" means the Series 2009 A Bonds subject to mandatory sinking fund redemption, as described by Section 3.09 of this Ordinance.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations; words importing the masculine, feminine or neuter genders shall include any other gender; and any requirement for execution, sealing and/or attestation of the Bonds or any certificate or other document by the City Clerk shall mean that such Bond certificate or other document which may be executed, sealed and/or attested by an Acting City Clerk.

ARTICLE II

AUTHORIZATION OF REFUNDING AND REDEMPTION OF THE SERIES 1999 BONDS

Section 2.01. Authorization of Refunding and Redemption of the Series 1999 Bonds. The lien of the Series 1999 Bonds outstanding as of the date of issuance of the Note imposed by the Prior Ordinance on the Tax Revenues is hereby ordered terminated, discharged and released upon the payment onto the Series 1999 Escrow Fund from the proceeds of the Series 2009 A Bonds, together with other moneys available therefor, including those moneys transferred as provided below, of the following: (a) an amount equal to the fiscal and paying agent charges, and (b) an amount which will be simultaneously invested in United States Treasury Obligations bearing interest and having maturities sufficient to provide (i) for the payment of the principal of the Series 1999 Bonds as the same mature on each principal payment date established with respect thereto prior to the Series 1999 Bonds Redemption Date, if any, established for such Series 1999 Bonds, (ii) for the payment of the redemption price of the Series 1999 Bonds outstanding on the Series 1999 Bonds Redemption Date, if any, established for such Series 1999 Bonds, and (iii) for the payment of the interest on the Series 1999 Bonds as the same becomes due. Contemporaneously with the deposit of proceeds of the Series 2009 A Bonds into the Series 1999 Escrow Fund, and as prescribed by the Series 1999 Escrow Agreement, the amounts on deposit in the sinking fund created and maintained on behalf of the Series 1999 Bonds shall be deposited into the Series 1999 Escrow Fund and simultaneously invested as provided in the Series 1999 Escrow Agreement. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bonds of the Issuer to be known as "City of Charleston, Civic Center Improvement Refunding Bonds, Series 2009 A" in the principal amount not to exceed $3,500,000, is hereby authorized to be issued for the purpose of financing the cost of refunding the Refunded Bonds.

Section 3.02. Description of Bonds. The Bonds shall be issued in registered form, from No. R-1 upward, and shall be dated on the date of delivery. The Bonds shall bear interest from the date, payable semi-annually at the rates per annum and shall be sold for the par value thereof as set forth herein or in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the

Paying Agent mailed to the Registered Owner thereof at the address that appears on the books of the Registrar or, in the event of a default in the payment on the Series 2009 A Bonds, that special record date to be fixed by the Registrar by notice given to the Registered Owners not less than ten (10) days prior to said special record date (the "Special Record Date") or, if requested in the case of such an owner of $1,000,000 or more in principal amount of Series 2009 A Bonds, by wire transfer to a domestic bank account specified in writing at least five (5) days prior to the Record Date by such owner.

The Series 2009 A Bonds shall, at the option of the City, be redeemable in whole or in part, at the times, in the manner, and upon payment of the redemption prices, as provided in the Supplemental Resolution.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor or and its corporate seal shall be affixed thereto and attested by the City Clerk, and the Mayor and the City Clerk are hereby authorized to execute the Bonds and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in a resolution supplemental hereto, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered, and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by any authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Book Entry System for Bonds. A. Each series of the Series 2009 A Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2009 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2009 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2009 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2009 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2009 A Bond or any other evidence of ownership of the Series 2009 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all

or any portion of the Series 2009 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2009 A Bonds, the City and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2009 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2009 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Registered Owner under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2009 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2009 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2009 A Bonds so redeemed, but DTC may return such Series 2009 A Bonds and make an appropriate notation on the Series 2009 A Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2009 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2009 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2009 A Bonds, selecting the Series 2009 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the Registered Owners under this Ordinance, registering the transfer of Series 2009 A Bonds, obtaining any consent or other action to be taken by the Registered Owners and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2009 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Registered Owner with respect to (i) the Series 2009 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2009 A Bonds, (iv) any notice which is permitted or required to be given to the Registered Owners under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2009 A Bonds or (vi) any consent given or other action taken by DTC as Registered Owner.

E. The book entry system for registration of the ownership of the Series 2009 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities

depository for the Series 2009 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2009 A Bonds. In either of such events (unless in the case described in clause (ii) above, the City appoints a successor securities depository), the Series 2009 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2009 A Bonds.

Section 3.06 Negotiability, Registration, Transfer and Exchange of Bonds. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bonds shall be transferable except by means of transfer of registration of the Bonds representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Ordinance.

Whenever the Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer,

No registration of transfer of a Bond shall be permitted to be made after the 15th day next preceding any installment payment date on that Bond.

Section 3.07. Registrar. The Registrar will keep or cause to be kept by its agent at its office, sufficient books for the registration and transfer of the Bonds, and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or social security numbers of the settlor and beneficiaries of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.08. Bond Mutilated, Destroyed. Stolen or Lost, In case any of the Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer, If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.09. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the City from the Revenue Fund and into the Redemption Accounts for the Series 2009 A Bonds in accordance with Subsection 4.04(B) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to $1/12^{th}$ of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the City may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The City shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Commission may use the moneys in the Redemption Accounts for the Series 2009 A Bonds to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Commission shall advise the City and the Registrar of any

Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Sinking Funds of the Series 2009 A Bonds), as will exhaust as nearly as practicable the Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.10. Bonds Secured by Pledge of Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a lien on the Tax Revenues derived from and a statutory mortgage lien on the hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended) and coal severance taxes pledged therefor, Such lien shall be on a parity with the liens securing $3,635,000 City of Charleston (West Virginia), Civic Center Improvement Bonds, Series 1998 (the 'Series 1998 Bonds") and any other additional bonds, issued pursuant to Section 5.02 of this Ordinance.

Section 3.11. Notice of Redemption. (a) The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Bond Register. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

(b) If at the time of mailing of any notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of such moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Registrar promptly shall notify the Owners of all Bonds called for redemption of such fact.

(c) So long as DTC (as CEDE & CO.) is the Registered Owner of the Series 2009 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2009 A Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date, the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

Section 3.12. Form of Bond. Subject to the provisions hereof the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any supplemental resolution adopted after the date of adoption hereof and prior to the issuance thereof

(FORM OF BOND)

No.R-__ $_____

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
_____%	_____ 1, 2009	December 1, 20__	_____

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ _____

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of _____ and 00/100 Dollars ($), plus interest on the unpaid principal balance at the rate of_____ (_%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning _____ 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

At the option of the City, this Bond is subject to redemption prior to maturity on or after _____ 1, 20__, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998,

ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: _____, 2009

_____,
as Registrar

By: _____
Authorized Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund (established by the Prior Ordinance);

(2) Costs of Issuance Fund; and

(3) Series 2009 A Bonds Rebate Fund.

Section 4,02. Establishment of Funds and Accounts with Commission. The following special fund is hereby created and established with the Commission:

(1) Series 2009 A Bonds Sinking Fund (including a Redemption Account, if necessary).

Section 4.03. Disposition of Proceeds of Series 2009 A Bonds. Upon the issuance and delivery of the Series 2009 A Bonds, the City shall forthwith deposit the proceeds thereof as follows:

A. An amount of the proceeds of the Series 2009 A Bonds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Series 1999 Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

B. The balance of the proceeds of the Series 2009 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2009 A Bonds and miscellaneous costs of refunding the Prior Bonds at the written direction of the City. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the City to the Redemption Accounts for the Series 2009 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Registered Owners of the Series 2009 A Bonds.

Section 4.04. Covenants of the Issuer as to Revenues and Funds, So long as any of the Series 2009 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2009 A Bonds Sinking Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2009 A Bonds as follows:

(A) Revenue Fund. The Tax Revenues shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein. Provided, however, the amount of Tax Revenues on deposit in the Revenue Fund shall be sufficient to make the next deposit of interest and/or principal into the Series 2009 Bonds Sinking Fund, with any excess Tax Revenues available to the Issuer.

(B) Disposition of Revenues. The Tax Revenues at any time of interest and/or principal on deposit in the Revenue Fund shall be disposed of as follows:

The Issuer shall on or before the due date of payment of each installment of interest and/or principal on the Bonds, transfer from the Revenue Fund and simultaneously deposit into (i) the Series 1998 Bonds Sinking Fund, the amount required to pay the interest on the Series 1998 Bonds, and to amortize the principal of the Series 1998 Bonds over the life of the Series 1998 Bonds, and (ii) the Series 2009 A Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Series 2009 A Bonds, and to amortize the principal of the Series 2009 A Bonds over the life of the Series 2009 A Bonds.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2009 A Bonds Sinking Fund, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the other accounts herein provided, and all amounts required the other accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

The Commission and the Depository Bank at the direction of the Issuer, shall keep all funds invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof Investments in any fund or account under this Bond Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder,

including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

(C) Change of Depository Agent and Fiscal Agent. The Issuer may designate another bank or trust company insured by FDIC as Fiscal Agent and Depository Bank if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by ordinance that said Bank or its successor should no longer serve as Fiscal Agent or Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchasers,

(D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the Commission and to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission and the Depository Bank then due.

(E) Investment of Excess Balances. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of state and municipal funds under the laws of the State.

(F) Remittances. Any remittances made by the Issuer to the Commission and to the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited,

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchasers.

Section 5.02. Issuance of Additional Parity Bonds or Obligations. Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Series 2009 A Bonds may be issued at any time upon the Issuer's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Series 2009 A Bonds, the Series 1998 Bonds and any additional parity bonds issued during the most recent fiscal year and a projected debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Series 2009 A Bonds, the Series 1998 Bonds, any additional bonds issued and the additional parity bonds to be issued over the next 3 years. In the event that the collection of Tax Revenues falls below one hundred ten percent (110%) the City will use its best efforts to request and secure legislative approval to increase the rates and /or percentages from the different components of Tax Revenues which are paid to the City.

Section 5.03. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the Facility, procure, carry and maintain, so long as the Bonds remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon any portion of the Facility now in use, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the Facility, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the Facility, such insurance to be procured not later than the date of delivery of the Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the Facility, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer,

(d) Workers' Compensation Coverage for all Employees of the City Eligible Therefor and Performance and Payment Bonds. Workers' compensation insurance will be maintained as required by the laws of the State of West Virginia

(e) Fidelity Bonds will be provided as to every member of the Governing Body and every officer and employee of the City having custody of the Revenue Fund or of any revenues or other funds of the Facility in an amount at least equal to the total annual debt service requirements for all outstanding loans.

(f) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section and so long as the Bonds are outstanding, the Issuer will carry insurance and Bonds or cause insurance and Bonds to be carried for the protection of the Issuer of such types and in such amounts as the Purchasers may specify, with insurance carriers or Bonding companies acceptable to the Purchasers.

Section 5.04. Statutory Mortgage. For the further protection of the holders of the Bonds, a statutory mortgage lien upon the Tax Revenues is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take

effect immediately upon delivery of the Bonds. Such statutory mortgage lien shall be on a parity with the statutory mortgage lien granted on behalf of the holders of the Series 1998 Bonds.

Section 5.05. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof on the Series 2009 A Bonds, the Series 1998 Bonds or any additional parity bonds issued and/or;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law or of this Bond Ordinance.

Section 5.06. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Registered Owner may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights and shall have all rights prescribed by the Act, W.Va. Code and other applicable law.

Section 5.07. Reserved.

Section 5.08. Tax Covenants as to Tax Exempt Status of Bonds.

1. The Issuer covenants that (a) it shall not permit or cause to be done any act or thing which would result in the loss of exemption from tax of interest on the Bonds under Section 103(a) of the Internal Revenue Code and the regulations thereunder, or under any successor or similar provision of the Internal Revenue Code hereinafter enacted and applicable to the Bonds and regulations thereunder (b) it shall not invest or otherwise use or permit or cause to be invested or used, any of the proceeds of the Bonds, or moneys deemed to be proceeds of the Bonds under the Internal Revenue Code, directly or indirectly, in any manner which would result in such Bonds being classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Service Code or regulations thereunder, and each shall comply with the requirements of such Section and (c) no part of the proceeds of the Bonds or any funds held under the Ordinance shall at any time be used directly or indirectly for any purpose for which would cause the Bonds to be subject to treatment as a "private activity bond" under the Internal Revenue Code or regulations thereunder and to that end the Issuer will comply with the applicable law as long as the Bonds are outstanding.

2. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any

underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and that (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent *(5%)* of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for the Issuer in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local governmental units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149 (b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereof including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Holder) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Holder) which would adversely affect such exclusion.

Section 5.09. Designation of Series 2009 A Bonds as "Qualified Tax-Exempt Obligations". The City hereby designates the Series 2009 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2009 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more that $30,000,000 in aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the City to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2009 A Bonds, have

been or shall be issued by the City, including all subordinate entities of the City, during the calendar year 2009.

ARTICLE VI

INVESTMENTS; NON-ARBITRAGE

Section 6.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 6.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the City, at least once each year, or more often as reasonably requested by the City, a summary of such funds, accounts and investment earnings. The City shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest on the Series 2009 A Bonds from gross income for federal income tax purposes.

Section 6.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2009 A Bonds in such manner and to such extent as may be necessary, so that the Series 2009 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2009 A Bonds) so that the interest on the Series 2009 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.03. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2009 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2009 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City shall deposit, or cause to be deposited, in the respective Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in such Rebate Funds to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, such Rebate Funds shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from such Rebate Funds, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in such Rebate Funds following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in such Rebate Funds are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay the required rebate amounts and any and all penalties and interest from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2009 A Bonds from gross income for federal income tax purposes.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Defeasance of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Ordinance, then with respect to the Bonds, the pledge of Tax Revenues and other moneys and securities pledged under this Bonds Ordinance and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Reserved.

Section 7.03. Delivery of Bonds. The Mayor and City Clerk of the Governing Body are hereby authorized and directed to cause the Series 2009 A Bonds to be delivered to the Registered Holder as soon as the Purchasers will accept such delivery.

Section 7.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof and shall in no way affect the validity of all the other provisions hereof or the Bonds,

Section 7.05. Conflicting Provisions Repealed. All ordinances and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Modification or Amendment. The Bond Ordinance may not be modified or amended in any material manner after final passage without the prior written consent of the Purchasers and/or holder of the Bonds,

Section 7.08. Covenant of Due Procedure. Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Ordinance.

Section 7.10. Effective Time. This Ordinance shall take effect immediately upon its adoption.

Section 7.11 Statutory Notice and Public Hearing. A notice of public hearing and abstract of this Bond Ordinance in the form set forth in Exhibit A attached hereto and incorporated by reference, shall be published once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the Charleston Gazette, a qualified newspaper published and of general circulation in the City of Charleston, together with a notice stating that this Bond Ordinance will be adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the City Council upon a date certain, not less than ten (10) days subsequent to the date of the first publication of such notice and abstract of this Bond Ordinance, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objection and suggestions will be heard, and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading – October 19, 2009.

Passed on Second Reading – November 2, 2009.

Passed Following Public Hearing – November 16, 2009.

CITY OF CHARLESTON

[SEAL]

By: _____
Mayor

Attest:

By:_____
City Clerk

CERTIFICATION

I, James W. Reishman, City Clerk of the City of Charleston, hereby certify that the foregoing is a true and correct copy of an Ordinance enacted at a meeting of the City Council of the City of Charleston held on November 2, 2009, and effective following a public hearing thereon held on November 16, 2009. I further hereby certify that the action of said City Council set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this ____ day of _____, 2009.

_____
Clerk

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this ___ day of _____, 2009, by Danny Jones, the Mayor of the City of Charleston, a municipal corporation and a political subdivision of the State of West Virginia, on behalf of said municipality.

My commission expires _____.

_____
NOTARY PUBLIC

Prepared by:
S. Ryan White, Esquire
JACKSON KELLY PLLC
P.O. Box 553
1600 Laidley Towner
Charleston, WV 25322

EXHIBIT A

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on November 2, 2009, the Council of The City of Charleston, West Virginia (the "City") adopted an ordinance which, among other things:

1. Authorizing the refunding of the Civic Center Improvement Bonds, Series 1999 of The City of Charleston; authorizing the issuance of not more than $3,500,000 in Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to finance the cost of such refunding and to pay other costs of issuance; providing for the rights and remedies of and security for the holders of such bonds, providing a statutory mortgage lien on specified tax revenues dedicated for such purposes and providing general terms and providing when the ordinance shall take effect.

2. Directed that the Series 2009 A Bonds be issued in such principal amounts, bear interest at such rate or rates, not exceeding the then legal maximum rate, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the continuation of the Revenue Fund and the disposition of the Tax Revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a Sinking Fund for the Series 2009 A Bonds.

4. Provided that the Series 2009 A Bonds shall not be or constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the pledged Tax Revenues; pledged the Tax Revenues to payment of the Series 2009 A Bonds and established the rights of the registered owners of the Bonds to such Tax Revenues.

5. Provided certain conditions for the issuance of additional bonds.

6. Established the events of default and the remedies of the registered owners.

The City contemplates the issuance of the Series 2009 A Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Charleston at a regular meeting on November 16, 2009,

at 7:00 p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on November 2, 2009, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

James M. Reishman
City Clerk -- The City of Charleston, West Virginia


• THE CITY OF CHARLESTON •
WEST VIRGINIA

NEW ISSUE - FULL BOOK ENTRY

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, and subject to compliance by the City with certain conditions, representations and certifications, interest on the City of Charleston Civic Center Improvement Refunding Bonds, Series 2009 A (the "Bonds") is excludable from gross income of the owners thereof for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds and the interest thereon are exempt from taxation by the State of West Virginia, except inheritance, estate and transfer taxes. (see "Tax Matters" herein).

$3,275,000
CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

Dated: Date of Delivery **Due: December 1, as shown**

The Bonds shall be issued only as fully registered Bonds, and when initially issued, will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only and beneficial owners of the Bonds will not receive physical delivery of bond certificates. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on such Bonds will be made directly to DTC. Disbursements of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of DTC participants (see "THE BONDS--Book-Entry Only System" herein).

The City of Charleston (the "City") has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct the interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes.

The Bonds are being issued to provide funds, together with other moneys available therefor, to refund the entire outstanding principal balance and all accrued interest on the City's outstanding Civic Center Improvement Bonds, Series 1999, dated December 1, 1999, issued in the original aggregate principal amount of $4,060,000; and to pay certain costs of issuance and related costs.

THE BONDS ARE ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS"). THE BONDS, THE SERIES 1998 BONDS AND ANY OTHER ADDITIONAL BONDS RANKING ON A PARITY HEREWITH WHICH MAY BE ISSUED AND OUTSTANDING FOR THE PURPOSE OF PROVIDING FUNDS FOR FINANCING COSTS OF CONSTRUCTION OF IMPROVEMENTS TO THE FACILITY (THE "FACILITY") OF THE CITY OR REFUNDING OTHER PARITY BONDS, IS PAYABLE SOLELY FROM (I) THE CITY'S RECEIPT OR COLLECTION OF HOTEL-MOTEL OCCUPANCY TAXES (AS LIMITED BY THE AMOUNT PAYABLE BY THE ISSUER UNDER THE PROVISIONS OF CHAPTER 7, ARTICLE 18, SECTION 14(B) OF THE CODE OF WEST VIRGINIA OF 1931, AS AMENDED) AND COAL SEVERANCE TAXES, AND (II) ANY OTHER REVENUES DEDICATED FOR SUCH PURPOSES BY THE CITY TO PAY DEBT SERVICE ON THE BONDS, SERIES 1998 BONDS AND ON ANY ADDITIONAL BONDS ISSUED UNDER THE ORDINANCE (THE "TAX REVENUES"). THE BONDS DO NOT IN ANY MANNER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION NOR SHALL THE CITY BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM SAID SPECIAL FUND PROVIDED FROM THE COLLECTION OF THE TAX REVENUES.

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

$475,000 3.000% Term Bonds, Due December 1, 2012, Price 100.000% CUSIP 160519BW3
$580,000 3.500% Term Bonds, Due December 1, 2015, Price 100.000% CUSIP 160519BX1
$655,000 4.000% Term Bonds, Due December 1, 2018, Price 100.000% CUSIP 160519BY9
$730,000 4.200% Term Bonds, Due December 1, 2021, Price 100.000% CUSIP 160519BZ6
$835,000 4.400% Term Bonds, Due December 1, 2024, Price 100.000% CUSIP 160519CA0

The Bonds are subject to redemption prior to maturity as more fully stated herein.

The Bank of New York Mellon, West Paterson, New Jersey, is the Registrar and the West Virginia Municipal Bond Commission is the Paying Agent. Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2010.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the City by Paul Ellis, Esq., Charleston, West Virginia, counsel to the City. Certain legal matters will be passed upon for the Underwriter by Steptoe & Johnson PLLC, Charleston, West Virginia, as counsel to the Underwriter.

It is expected that the Bonds will be available for delivery through DTC, New York, New York, on or about December 17, 2009.

Crews&Associates
Member First Security Bancorp

December 9, 2009

CITY OF CHARLESTON, WEST VIRGINIA

MAYOR

Danny Jones

CITY COUNCIL

Patrick Jones
William Kirk
Joe Deneault
Rev. James Ealy
Teresa Reed
Edward Talkington
Adam Henry Knauff
Bob White
Cubert Smith
Robert Sheets
Marc R. Weintraub
Jim Harris, Jr.
Suzie Kortz Salisbury
Jack E. Harrison
David Kent Higgins
Lewis Payne
Bobby Reishman
John H. Miller, Jr.
Greg Burton
Cheryle M. Hall
Mike Clowser
Mary Jean Davis
Tom Lane
Will Hanna
Harry Deitzler
Jerry L. Ware
Kasey Russell

CITY ADMINISTRATION

Vic Grigoraci, Treasurer
Paul Ellis, City Attorney
David Molgaard, City Manager
James M. Reishman, City Clerk
Joe Estep, Finance Director

BOND COUNSEL

Jackson Kelly PLLC
Charleston, West Virginia

UNDERWRITER

Crews & Associates, Inc.
Charleston, West Virginia

UNDERWRITER'S COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained by the Underwriter from sources, which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

The information contained in this Official Statement has been obtained by the Underwriter from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City.

THE BONDS ARE ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE SERIES 1998 BONDS. THE BONDS, THE SERIES 1998 BONDS AND ANY OTHER ADDITIONAL BONDS RANKING ON A PARITY HEREWITH WHICH MAY BE ISSUED AND OUTSTANDING FOR THE PURPOSE OF PROVIDING FUNDS FOR FINANCING COSTS OF CONSTRUCTION OF IMPROVEMENTS TO THE FACILITY (THE "FACILITY") OF THE CITY OR REFUNDING OTHER PARITY BONDS, IS PAYABLE SOLELY FROM (I) THE CITY'S RECEIPT OR COLLECTION OF HOTEL-MOTEL OCCUPANCY TAXES (AS LIMITED BY THE AMOUNT PAYABLE BY THE ISSUER UNDER THE PROVISIONS OF CHAPTER 7, ARTICLE 18, SECTION 14(B) OF THE CODE OF WEST VIRGINIA OF 1931, AS AMENDED) AND COAL SEVERANCE TAXES, AND (II) ANY OTHER REVENUES DEDICATED FOR SUCH PURPOSES BY THE CITY TO PAY DEBT SERVICE ON THE BONDS, SERIES 1998 BONDS AND ON ANY ADDITIONAL BONDS ISSUED UNDER THE ORDINANCE (THE "TAX REVENUES"). THE BONDS DO NOT IN ANY MANNER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION NOR SHALL THE CITY BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM SAID SPECIAL FUND PROVIDED FROM THE COLLECTION OF THE TAX REVENUES.

Forward-Looking Statements

This Official Statement, and particularly the information contained in the caption "FINANCING PLAN," contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "RISK FACTORS."

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has determined or confirmed the accuracy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

** CUSIP data on the cover page is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Bonds only at the time of issuance of the Bonds and neither the Underwriter nor the City make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds.

TABLE OF CONTENTS

Page No.

INTRODUCTION 1
FINANCING PLAN 2
THE BONDS 3
BOOK-ENTRY ONLY SYSTEM 6
SECURITY FOR THE BONDS 10
RISK FACTORS 12
THE FACILITY 13
FINANCIAL OPERATIONS 13
ABSENCE OF MATERIAL LITIGATION 13
APPROVAL OF LEGALITY 14
TAX MATTERS 14
UNDERWRITING 16
FINANCIAL STATEMENTS OF THE CITY 16
CONTINUING DISCLOSURE 17
MISCELLANEOUS 17

Appendices:

Appendix A - Economic and Demographic Information Regarding Charleston, West Virginia A-1
Appendix B - Financial Statements of the City B-1
Appendix C - Proposed Form of Bond Counsel Opinion C-1
Appendix D - Form of Continuing Disclosure Certificate D-1
Appendix E - Bond Ordinance E-1

OFFICIAL STATEMENT

relating to

$3,275,000
CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning the City of Charleston (the "City"), the Facility hereinafter described and defined and the City's $3,275,000 in aggregate principal amount of Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds" or the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended (the "Act'') and other applicable provisions of law, and a bond ordinance enacted by the Council of the City on November 16, 2009, and a supplemental resolution adopted by the Council of the City on December 7, 2009 (collectively, the "Ordinance").

The proceeds of the Bonds, together with other funds available therefor, will be used as follows: (i) to refund the entire outstanding principal balance and all accrued interest on the City's outstanding Civic Center Improvement Bonds, Series 1999, dated December 1, 1999, issued in the original aggregate principal amount of $4,060,000 (the "Refunded Bonds"); and (ii) to pay certain costs of issuance of the Bonds and related costs.

There are outstanding the City's Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds") in the aggregate principal amount of $3,635,000 with which the Bonds will rank on a parity as to lien on and source of and security for payment.

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the City or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues. The payment of the principal or redemption price of and interest on the Refunded Bonds will be made as described hereinafter under the heading "FINANCING PLAN."

The City may issue additional bonds on a parity with the Bonds for all of such purposes, subject, in each case, to certain tests and conditions provided for by the Ordinance. See "SECURITY FOR THE BONDS - Additional Parity Bonds."

Brief descriptions of the Bonds, the Ordinance, the refunding of the Refunded Bonds, the City, ongoing disclosure and certain provisions of the Act, are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement shall have the respective meanings given them in the Ordinance. Copies of the Ordinance and other applicable documents may be obtained from the City or, during the period of offering the Bonds, from the Underwriter.

FINANCING PLAN

The Bonds are being issued for the purpose of refunding the Refunded Bonds. The Refunded Bonds will be redeemed subsequent to the issuance of the Bonds on January 19, 2010, at a redemption price of 102% of the principal amount outstanding, plus interest accrued to the date fixed for redemption.

The refunding is being undertaken to effect a savings in aggregate debt service for the City. The moneys required to refund the Refunded Bonds will be deposited with the West Virginia Municipal Bond Commission, serving as paying agent (the "Paying Agent"). The funds are to be held by the Paying Agent in trust for the payment of the Refunded Bonds and for the benefit of the holders thereof.

The designated registrar of the Refunded Bonds will cause to be given notice of the call for redemption prior to maturity of the Refunded Bonds designated for redemption.

The lien of the Refunded Bonds outstanding as of the date of issuance of the Bond imposed by the Prior Ordinance on the Tax Revenues is hereby ordered terminated, discharged and released upon the payment onto the Refunded Bonds Escrow Fund from the proceeds of the Series 2009 A Bonds, together with other moneys available therefor, including those moneys transferred as provided below, of the following: (a) an amount equal to the fiscal and paying agent charges, and (b) an amount which will be simultaneously invested in United States Treasury Obligations bearing interest and having maturities sufficient to provide (i) for the payment of the principal of the Refunded Bonds as the same mature on each principal payment date established with respect thereto prior to the Refunded Bonds Redemption Date, if any, established for such Refunded Bonds, (ii) for the payment of the redemption price of the Refunded Bonds outstanding on the Refunded Bonds Redemption Date, if any, established for such Refunded Bonds, and (iii) for the payment of the interest on the Refunded Bonds as the same becomes due. Contemporaneously with the deposit of proceeds of the Series 2009 A Bonds into the Refunded Bonds Escrow Fund, and as prescribed by the Refunded Bonds Escrow Agreement, the amounts on deposit in the sinking fund created and maintained on behalf of the Refunded Bonds shall be deposited into the Refunded Bonds Escrow Fund and simultaneously invested as provided in the Refunded Bonds Escrow Agreement.

Sources and Uses of Funds

Sources of Funds

Principal Amount of Bonds		$ 3,275,000.00
Transfers from Existing Funds		62,869.69
	TOTAL	$ 3,337,869.69

Uses of Funds

Deposit into Refunded Bonds Escrow Fund		$ 3,204,439.33
Underwriter's Discount		81,875.00
Costs of Issuance		51,555.36
	TOTAL	$ 3,337,869.69

THE BONDS

General

The aggregate principal amount of the Bonds is $3,275,000. The Bonds are dated the date set forth on the cover hereof, and the Bonds bear interest at the rates and mature in the amounts and on the dates listed on the cover page of this Official Statement. Interest is payable on June 1 and December 1 of each year, commencing June 1, 2010. The Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address that appears on the books of the Registrar or,

in the event of a default in the payment on the Series 2009 A Bonds, that special record date to be fixed by the Registrar by notice given to the Registered Owners not less than ten (10) days prior to said special record date (the "Special Record Date") or, if requested in the case of such an owner of $1,000,000 or more in principal amount of Series 2009 A Bonds, by wire transfer to a domestic bank account specified in writing at least five (5) days prior to the Record Date by such owner.

Optional Redemption

At the option of the City, the Series 2009 A Bonds are subject to redemption prior to maturity on or after December 1, 2015, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus, interest, if any, accrued to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2009 A Bonds maturing on December 1, 2012, December 1, 2015, December 1, 2018, December 1, 2021, and December 1, 2024 ("Term Bonds") are subject to mandatory redemption prior to maturity by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

2012 Terms Bonds

Year	Amount	Year	Amount
2010	$115,000	2012*	$180,000
2011	180,000		

2015 Terms Bonds

Year	Amount	Year	Amount
2013	$185,000	2015*	$200,000
2014	195,000		

2018 Terms Bonds

Year	Amount	Year	Amount
2016	$205,000	2018*	$230,000
2017	220,000		

* Stated maturity.

2021 Terms Bonds

Year	Amount	Year	Amount
2019	$235,000	2021*	$250,000
2020	245,000		

2024 Terms Bonds

Year	Amount	Year	Amount
2022	$265,000	2024*	$290,000
2023	280,000		

* Stated maturity.

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of Redemption

The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Bond Register. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

If at the time of mailing of any notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of such moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Registrar promptly shall notify the Owners of all Bonds called for redemption of such fact.

So long as DTC (as CEDE & CO.) is the Registered Owner of the Series 2009 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2009 A Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date, the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

(6) Such other information, if any, as shall be required for DTC eligible Bonds.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriter believe to be reliable, but neither the City nor the Underwriter takes any responsibility for the accuracy thereof.

The Depository Trust Company

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC").

DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from City or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying Agent, or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that City believes to be reliable, but City takes no responsibility for the accuracy thereof.

THE INFORMATION PROVIDED IMMEDIATELY ABOVE UNDER THIS HEADING HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE CITY OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the City, the Registrar and the Paying Agent will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Bonds for all purposes, including payments, notices and voting.

Each series of the Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided below, all of the Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided below.

At or prior to settlement for the Bonds, the City and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2009 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Registered Owner under the Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Bonds so redeemed, but DTC may return such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the Registered Owners under this Ordinance, registering the transfer of the Bonds, obtaining any consent or other action to be taken by the Registered Owners and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Registered Owner with respect to (i) the Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Bonds, (iv) any notice which is permitted or required to be given to the Registered Owners under this Ordinance, (v) the selection by DTC or any

such participant of any person to receive payment in the event of a partial redemption of the Bonds or (vi) any consent given or other action taken by DTC as Registered Owner.

SECURITY FOR THE BONDS

The Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Bonds except from said sources.

Sources of Payment

The payment of the debt service of the Bonds shall be secured forthwith by a lien on the Tax Revenues derived from and a statutory mortgage lien on the hotel-motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended) and coal severance taxes pledged therefor. Such lien shall be on a parity with the liens securing the Series 1998 Bonds and any other additional bonds, issued pursuant to Section 5.02 of the Ordinance.

Application of Revenues

So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Bonds Sinking Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the City covenants with the holder of the Bonds as follows:

The Tax Revenues shall be deposited as collected by the City in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the City and used only for the purposes and in the manner provided herein. Provided, however, the amount of Tax Revenues on deposit in the Revenue Fund shall be sufficient to make the next deposit of interest and/or principal into the Bonds Sinking Fund, with any excess Tax Revenues available to the City.

The Tax Revenues at any time of interest and/or principal on deposit in the Revenue Fund shall be disposed of as follows: The City shall on or before the due date of payment of each installment of interest and/or principal on the Bonds, transfer from the Revenue Fund and simultaneously deposit into (i) the Series 1998 Bonds Sinking Fund, the amount required to pay the interest on the Series 1998 Bonds, and to amortize the principal of the Series 1998 Bonds over the life of the Series 1998 Bonds, and (ii) the Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Series 2009 A Bonds, and to amortize the principal of the Bonds over the life of the Bonds.

The Commission is designated as the Fiscal Agent for the administration of the Bonds Sinking Fund, and the Depository Bank is designated as the Fiscal Agent for the administration of

the other accounts provided in the Ordinance, and all amounts required the other accounts will be deposited therein by the City upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in the Ordinance shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

The Commission and the Depository Bank at the direction of the City, shall keep all funds invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof Investments in any fund or account under the Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

Additional Debt Service Requirements

The source of funds to repay the debt service on the Bonds shall be from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance, which shall be used to pay the debt service on the Bonds on a parity with the Series 1998 Bonds. Set forth below is a table indicating the total expected amount available for the debt service for the Series 1998 Bonds as well as the Bonds.

	Debt Service 1998 Bonds		Debt Service 2009 A Bonds	Total Annual Debt Service	Total Available For Debt Service*
09/01/10	$258,380.00	12/01/10	$237,454.44	$495,834.44	$2,600,000
09/01/11	257,400.00	12/01/11	304,700.00	562,100.00	2,600,000
09/01/12	255,515.00	12/01/12	299,300.00	554,815.00	2,600,000
09/01/13	258,375.00	12/01/13	298,900.00	557,275.00	2,600,000
09/01/14	255,725.00	12/01/14	302,425.00	558,150.00	2,600,000
09/01/15	257,820.00	12/01/15	300,600.00	558,420.00	2,600,000
09/01/16	259,405.00	12/01/16	298,600.00	558,005.00	2,600,000
09/01/17	255,480.00	12/01/17	305,400.00	560,880.00	2,600,000
09/01/18	256,300.00	12/01/18	306,600.00	562,900.00	2,600,000
09/01/19	256,610.00	12/01/19	302,400.00	559,010.00	2,600,000
09/01/20	256,410.00	12/01/20	302,530.00	558,940.00	2,600,000
09/01/21	255,700.00	12/01/21	297,240.00	552,940.00	2,600,000
09/01/22	259,480.00	12/01/22	301,740.00	561,220.00	2,600,000
09/01/23	257,495.00	12/01/23	305,080.00	562,575.00	2,600,000
09/01/24	-	12/01/24	302,760.00	302,760.00	2,600,000
Totals	$3,600,095.00		$4,465,729.44	$8,065,824.44	$41,600,000

*Estimated, based on historical Tax Revenues

Additional Parity Bonds

Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Bonds may be issued at any time upon the City's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Bonds, the Series 1998 Bonds and any additional parity bonds issued during the most recent fiscal year and a projected debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Bonds, the Series 1998 Bonds, any additional bonds issued and the additional parity bonds to be issued over the next 3 years. In the event that the collection of Tax Revenues falls below one hundred ten percent (110%) the City will use its best efforts to request and secure legislative approval to increase the rates and/or percentages from the different components of Tax Revenues which are paid to the City.

RISK FACTORS

Although the City's receipt and collection of the Tax Revenues has generally trended upward for the past several years, there can be no guarantee that such trend will continue. The City's ability to receive and collect the Tax Revenues has been granted by the West Virginia Legislature. There can be no guarantee that the West Virginia Legislature will not modify or abolish, adjust the rates thereof or restrict the City's authority to use the Tax Revenues as provided in the Ordinance.

There can be no assurance that a secondary market for the Bonds will develop or, if developed, that such a market could be sustained. The Underwriter assumes no obligation to establish or maintain such a market and is not obligated to repurchase any of the Bonds at the request of the owner thereof. No rating has been assigned to the Bonds, and the absence of a rating could adversely affect the ability of an owner to sell the Bonds or the price received upon such sale.

THE FACILITY

The Facility is one of the region's largest multipurpose meeting convention and entertainment facilities. The complex includes a coliseum (seating 13,500), theater (seating 750), eighteen meeting rooms, and exhibition and banquet facilities. The Facility hosts more than 800,000 persons annually at a varied schedule of events including basketball games, ice shows, circuses, touring concerts, Broadway shows and theatrical productions, exhibitions, banquets, meetings and conventions.

The Civic Center/Auditorium Board of Charleston was created in 1958 to supervise, operate and maintain the Charleston Civic Center and Municipal Auditorium. The Board, which is appointed by the Mayor with approval by City Council, meets monthly to develop policies and procedures appropriate for the management of the Facility, employ personnel required for the operation of the Facility, and determine fees for use of the Facility. The Board develops an annual operating budget which is submitted to City Council for approval. John D. Robertson, CFE, has served as General Manager of the Facility since 1983. He oversees twenty-five full time and several hundred part time employees and the daily operations of the Facility.

FINANCIAL OPERATIONS

The accounts of the Facility are maintained as a part of the general accounts of the City and are maintained in accordance with generally accepted accounting principals. The State of West Virginia, Office of State Auditor has audited the financial statements of the City for the year ended June 30, 2008. See APPENDIX B – Financial Statements of the City. The financial statements contained in Appendix B are included merely to show the City's receipt and collection of the Tax Revenues. There are no other accounts, revenues or funds of the City available for the payment of such debt service, and the Bonds should not be construed to be a general obligation of the City.

ABSENCE OF MATERIAL LITIGATION

There are no actions, suits, proceedings, inquiries or investigations at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis thereof) wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds, the Ordinance or any agreements to which the City is a party and which are a result of the issuance of the Bonds.

APPROVAL OF LEGALITY

The authorization and issuance of the Bonds are subject to the approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel. Bond Counsel will render an opinion in substantially the form set forth in Appendix C to this Official Statement. Certain legal matters will be passed upon for the City by its counsel, Paul Ellis, Esq., Charleston, West Virginia, and for the Underwriter by its counsel, Steptoe & Johnson PLLC, Charleston, West Virginia.

TAX MATTERS

In the opinion of Jackson Kelly PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) under existing West Virginia law, the Bonds are exempt from all taxation by the State of West Virginia, except inheritance, estate and transfer taxes, and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State West Virginia. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations.

The City has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, which relates to the ability of certain financial institutions to deduct the interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes.

The opinions described above are subject to the condition that the City complies on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation retroactively to the date of issuance of the Bonds.

The accrual or receipt of the interest on the Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these and other consequences will depend upon the recipient's particular tax status or other consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences, and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Bonds.

Assumed Compliance with Certain Covenants and Federal Tax Requirements

As referenced above, the Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Bond Indenture, the Lease, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Jackson Kelly PLLC.

Individual Circumstances

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future Tax Changes

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or not exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the application regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel Obligations

Bond Counsel's engagement with respect to the Bonds ends with the issuance and delivery of the Bonds to the Underwriter, and unless separately engaged, Bond Counsel is not obligated to defend the City or the beneficial owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the beneficial owners to incur significant expense.

UNDERWRITING

Crews & Associates, Inc., as Underwriter, has agreed, subject to certain conditions, to purchase the Bonds from the City at a price of $3,193,125 (which represents the aggregate principal amount of the Series 2009 A Bonds, less an $81,875 underwriting discount). The Underwriter will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriter.

FINANCIAL STATEMENTS OF THE CITY

Included herein as Appendix B are the audited financial statements of the City as of and for the twelve-month period ended June 30, 2008, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2008, dated December 22, 2008, of State of West Virginia, Office of State Auditor.

THERE ARE NO OTHER ACCOUNTS, REVENUES OR FUNDS OF THE CITY AVAILABLE FOR THE PAYMENT OF SUCH DEBT SERVICE, AND THE BONDS SHOULD NOT BE CONSTRUED TO BE A GENERAL OBLIGATION OF THE CITY.

CONTINUING DISCLOSURE

The City has agreed in the Ordinance for the benefit of the Registered Owners of the Bonds to provide certain financial and operating information (the "Annual Information") not later than three hundred sixty (360) days following the end of its fiscal year, commencing with its fiscal year ended June 30, 2009, and to provide the Annual Information to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Markets Access ("EMMA") System and any State Information Depository ("State Depository") and to provide notice of the occurrence of the enumerated events to MSRB through the EMMA System and to any State Depository.

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission. The City has agreed to give notice in a timely manner to MSRB through the EMMA System, and to each State Depository of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Bonds. Registered Owners may contact the Treasurer of the City at 501 Virginia Street, East, Room 203, Charleston, West Virginia 25301, (304) 348-8029 for more information. Under the Continuing Disclosure Certificate, the sole remedy for such failure is to seek an order for specific performance. See "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

Copies of the Ordinance and other applicable documents may be obtained from the City at the following address:

City of Charleston
501 Virginia Street, East
Charleston, West Virginia 25301
(304) 348-8029
Attention: Treasurer

or, during the offering period for the Bonds, from the Underwriter.

The execution and distribution of this Official Statement has been duly authorized by the City.

CITY OF CHARLESTON (WEST VIRGINIA)

By: /s/ Danny Jones
Mayor

Appendix A

Economic and Demographic Information Regarding Charleston, West Virginia

ECONOMIC AND DEMOGRAPHIC INFORMATION
REGARDING CHARLESTON, WEST VIRGINIA

Introduction

Charleston, the county seat of Kanawha County, was originally chartered in 1794 as Charles Town and changed to the present name in 1819. The city was named by George Clendenin, one of the earliest settlers, for his father, Charles Clendenin. As the capital and largest city of West Virginia, it is located in the west central part of the state, at the confluence of the Elk River and the Kanawha River. Charleston is a commercial manufacturing and distribution center for the surrounding coal, petroleum, natural gas, and metal products industries.

West Virginia is centrally located in the South Atlantic Region of the United States, bound to the North by Pennsylvania and Maryland, to the East and South by Virginia, and to the West by Kentucky and Ohio.

Charleston History

Charleston was officially established on December 19, 1794. There were 35 people living in town at that time. The area began to grow around 1800 when salt brine deposits were found along the Kanawha River. West Virginia was officially declared a state by President Abraham Lincoln on June 20, 1863. By the end of the Civil War, the fledgling government was being formed and struggling to come together effectively. The state capital was not set, moving between Charleston and Wheeling until 1885.

Population Overview
2008 Census Estimate

	Charleston	WV	US
Total population	50,302	1,814,468	304,059,724
Square miles (land)	31.60	24,078	3,537,438
Population per sq. mile	1,591.8	75.36	85.95
Gender			
Male	46.6*	49.0%	49.3%
Female	53.4*	51.0%	50.7%
Age			
18 or younger	20.7*	21.3%	27.4%
18-24	8.5*	8.7%	6.7%
25-44	27.9*	25.9%	27.4%
45-64	25.3*	28.4%	25.7%

Population Overview
2008 Census Estimate

	Charleston	WV	US
65+	17.6%*	15.7%	12.8%
Average age (years)	40.59*	42.0	36.8

Race & Ethnicity	Charleston	Charleston	WV	US
White	43,072*	80.6%*	93.5%	65.6%
Black or African American	8,048*	15.1%*	3.5%	12.2%
American Indian & Alaska native	127*	0.2%*	0.2%	0.8%
Asian	979*	1.8%*	0.7%	4.4%
Native Hawaiian & other Pacific Islander		0.0%*	0.0%	0.1%
Some other race	158*	0.3%*	0.9%	1.5%
Hispanic or Latino	432*	0.8%*	1.1%	15.4%

Sources: US Census Bureau, 2008 Census Estimate,
*US Census 2000, being most recent data available

Healthcare

Charleston is home to the 78th largest community health care system, including the nation's second largest cardiac care program, a Level I trauma center and a women and children's hospital. Regional patient capacity exceeds 1,600 beds encompassing four general acute care hospitals, two specialty hospitals and numerous clinics. The Charleston area enjoys a reputation as a leader in start-of-the-art health care facilities and specialties.

The area has become a major center of specialized care and advanced medical training, providing complete health services in modern well-equipped institutions. Charleston is home to the State's largest hospital complex, the Charleston Area Medical Center, with approximately 962 beds. It is the home of the Charleston Division of the West Virginia University School of Medicine. In addition, there are other hospitals operating in the area with approximately 530 licensed beds at Thomas Memorial Hospital and St. Francis Hospital.

Charleston Area Medical Center - Memorial Division, Specializes in Cardiac and Cancer diagnosis and treatment.

Charleston Area Medical Center - General Division, Level 1 Trauma Center, Neuroscience, Medical Rehabilitation Center, Behavioral Medicine, Psychiatry, Physical and Occupational Therapy, Transitional Care, Orthopedics. This hospital is one of only 2 kidney transplant centers in West Virginia and has the State's only accredited sleep center.

Women's & Children's Hospital, Specializes in Pediatrics, Obstetric & Gynecology.

Thomas Memorial Hospital, A full service facility offering inpatient, outpatient and emergency care. Also includes: Heart Center, the Cancer Center of Southern West Virginia with a patient support system; Diabetes Center, clinics and medical-surgical inpatient services.

St. Francis Hospital, a full service facility offering inpatient, outpatient and emergency care. This facility also offers a comprehensive program for treating lung disease and a sports medicine program.

Utilities and Services

One of the nation's largest investor-owned utility holding companies, American Electric Power, provides low-cost electricity to the Charleston area. Rates are lower than the national average because of AEP's highly efficient power plants, high voltage transmission systems, and easy access to West Virginia's coal supply.

A mix of corporate entities and public utilities provide water, natural gas, and electricity. Allegheny Power provides natural gas service in various parts of the State. West Virginia-American Water Company provides water service to most residents of Kanawha County. WVAWC is the State's largest water supplier with 50-MGD of production capacity.

Employment

The world's leading companies find Charleston the perfect fit for teamwork, innovation and productivity. Strategic proximity to markets, coupled with an extensive transportation network, provide the access vitally important to domestic and global commerce. Public and private sectors cooperate seamlessly to help companies achieve success. A reliable and well-trained workforce gives businesses the competitive edge needed in today's global economy.

Source: Charleston Area Alliance

Labor Force Statistics - Kanawha County

	2004	*2005*	*2006*	*2007*	*2008*	*2009*
Civilian Labor Force	91,480	91,470	92,020	92,310	91,870	89,880
Total Employment	87,160	87,190	88,250	88,810	88,690	83,510
Total Unemployment	4,310	4,290	3,770	2,960	3,180	6,370
Unemployment Rate	4.7%	4.7%	4.1%	3.8%	3.5%	7.1%

Source: Workforce WV

Leading Employers

Major industries in the Charleston region include healthcare, services, government, chemicals, education and components manufacturing. There are more than 6,000 businesses in Kanawha County — representing more employment opportunities than any other county in West Virginia. New and expanding businesses benefit from assistance programs at both the State and local levels.

The region's largest employers in 2008:

State Government	10,550
Local Government	8,400
Charleston Area Medical Center	6,000
Kanawha County Schools	5,000
Federal Government	2,600
Wells Fargo	1,500
Toyota Motor Manufacturing	1,350
Thomas Memorial Hospital	1,300
Verizon	1,200
The Dow Chemical Company	1,000
Walker Machinery Company	750
Bayer CropScience	600
Capital Area Services Company	600
Tri-State Racing & Gametrack	600
Columbia Gas Transmission	450

Source: Charleston Area Alliance

Transportation

Residents of Charleston have immediate access to a full range of transportation services - highway, air, rail and water. It is a feature that gives the Charleston area an edge for attracting new businesses to the region.

The convergence of three interstate highways, 1-64, 1-77, and 1-79 interconnecting Charleston as well as Appalachian Corridor "G" (US Rt. 119) brings the area within overnight road-travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways converge. East-West 1-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South 1-77 from Cleveland Ohio to Columbia, South Carolina; northeast-southwest 1-79 from Erie, Pennsylvania to Charleston, extending to Pikeville, Kentucky via US Rt. 119. In addition to the superhighways, three national and several state highways presently serve the MSA.

Over 40 motor freight companies operate in the Kanawha Valley, of which over 20 maintain terminals, making the area one of the major trucking centers in the Eastern United States. The nation's eight largest motor freight companies are among those with terminals in Charleston. Charleston is the most direct route from the Upper Midwest to the Southeast and serves as a logical transfer point for shipments.

The Greyhound Bus Lines offers interstate and intrastate services, with both freight and passenger capacity.

Local bus service is furnished by the Kanawha Regional Transportation Authority. It operates a 60+ fleet bus system throughout the Kanawha Valley. The system, commonly know as the KRT, serves approximately 20 routes covering nearly 200 miles. Service is provided 7 days a week from 4:00 a.m. to 1 a.m.

Yeager Airport, West Virginia's largest and busiest airport, offers 32 daily departures and arrivals and is located 5 minutes from downtown Charleston. Yeager is a U.S. Port of Entry for the federal Customs service.

Two of the nation's primary rail lines, CSX Transportation and Norfolk Southern Railways, provide economical freight services for the area's industrial shippers. Amtrak operates a passenger terminal in Charleston.

Government

Charleston City Council represents the interests of their constituents by responding to inquiries, suggestions and complaints regarding City programs and services. They govern through legislative, administrative, and financial powers and have the ability to levy taxes, enact ordinances and resolutions, and exercise budgetary and policy control over city departments.

The 27 Council Members are elected by ward for four-year terms with 21 members representing various wards as determined by ward boundaries and 6 At-Large members serving the entire City. Council has both Majority and Minority Leaders, who are selected by their respective parties during party caucuses. The President Pro-Tempore is elected by the entire City Council.

Kanawha County is governed by, and generally acts through, the City of Kanawha County. The present Commissioners, elected on a countywide basis, are W. Kent Carper, President, Henry C. Shores and David J. Hardy. The City exists and operates pursuant to the authority given to it under Article 1 of Chapter 7 of the Code of West Virginia of 1931, as amended. The City is located in Charleston.

Source: City of Charleston

Communications

Charleston has two main newspapers, *The Charleston Gazette* and *Charleston Daily Mail*. TV Stations include WCHS/WVAH, WOWK, WSAZ and WPBY that broadcast throughout the county. Sixteen radio stations serve the Charleston area on both AM/FM frequencies.

Housing

While home styles vary from comfortable country farmhouse to a stylish hillside contemporary, value is consistent. The median sale price in Charleston, according to the Coldwell Bank Home Price Comparison Index, 2008, (Based on 2,200 sq. ft., 4 bedrooms, 2.5 baths, family room, 2-car garage) is $179,050. Competitive home prices, combined with property taxes that are among the lowest in the nation, mean "more house for less money."

Cost of Living

Charleston is an affordable city with countless amenities that make it one of the most desirable places in the East to work and play.

The ACCRA Cost of Living Survey consistently ranks the Charleston MSA below 93.0 versus the nationwide benchmark of 100.0 for affordable living. The 2008 Annual Average Data ranks the Charleston MSA at 92.3.

Source: Charleston Area Alliance

Cultural/Arts

Performing arts include West Virginia Symphony Orchestra, Charleston Light Opera Guild, Kanawha Players, Children's Theater of Charleston and the Charleston Ballet. Mountain Stage is broadcast nationwide from Charleston each Sunday.

The Clay Center for the Arts and Sciences houses a science museum, art museum, planetarium and a concert hall.

Economic Statistics

Employment and Wages

Employment, Annual Average 2008	108,224
Total Wages, Annual 2008	$4,293,170,950
Annual Wage, Annual Average 2008	$39,669
Weekly Wage, Annual Average 2000	$762.87

Source: Workforce WV

Nearby Metropolitan Cities Distance (miles)

Huntington, WV	53
Parkersburg, WV	79
Columbus, OH	212
Pittsburgh, PA	227

Climate

Temperature Mean Annual Average: 55 degrees

January Averages: *High* 41 *Low* 23

July Averages: *High* 86 *Low* 64

Long Term Precipitation (inches)

Annual: 42.5

January 2.9

July: 5.0

Mean Annual Snowfall Range (inches): 25-40

Source: Workforce WV

Recreation

Charleston is at the center of recreational activity for the eastern United States. From boating on the beautiful Kanawha River to riding the wildest whitewater...from golfing the most challenging, picturesque courses to enjoying music of the world...all can be found right here.

When it is time to leave the workplace, Charlestonians travel ten minutes to Kanawha State Forest for hiking, walking, biking, camping, swimming and horseback riding. It is just one of thirteen public parks and campgrounds located within the region.

Whether you want to go boating, take a stroll, or rollerblade, head to Magic Island or Haddad Riverfront Park for riverside fun. Local marinas and boat clubs provide river access and amenities to local boaters and water lovers.

Snowshoe Resort, Winterplace and Canaan Valley Resort offer the finest downhill skiing in the Southeast. All are a convenient day trip from Charleston.

Source: Charleston Area Alliance

Colleges & Universities

Local colleges and universities are progressive partners with industry, providing customized training, research support and advanced degree programs. The Charleston region is focused on attracting world-class talent to support an expanding base of highly technical domestic and international companies.

Five fully accredited colleges and universities serve the Charleston region offering quality undergraduate and graduate degree programs. These institutions maintain a total enrollment in excess of 20,000 students annually.

Marshall University
Southern WV Community and Technical College
University of Charleston
WV State University
WVU Institute of Technology

Additionally, superior vocational schools and an adult career centers offer nearly forty programs of study.

Source: Charleston Area Alliance


THE CITY OF CHARLESTON
WEST VIRGINIA

Appendix B

Financial Statements of the City


• THE CITY OF CHARLESTON •
WEST VIRGINIA

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
Building 1, Room W-420
Charleston, West Virginia 25305

Toll Free: 877-982-9148
Telephone: (304) 558-2540
FAX: (304) 558-5327
Internet: http://www.wvsao.gov

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Charleston Sanitary Board and the Charleston Urban Renewal Authority, discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Charleston Sanitary Board and the Charleston Urban Renewal Authority, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charleston, West Virginia, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Coal Severance Tax Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 26 and the Schedule of Funding Progress on page 78 are not required parts of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Respectfully submitted,



Glen B. Gainer III
West Virginia State Auditor

December 22, 2008

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, 2008. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the City's financial statements, which follow this section.

Financial Highlights

The assets of the City of Charleston exceeded its liabilities at the close of the fiscal year by $57,610,650 (*net assets*). Net assets primarily consists of the governments investment in capital assets (1.39 percent).

The City of Charleston's total net assets decreased over the course of this year's operations by $7,325,877. This decrease is primarily attributable to an increase in long-term obligations for pensions ($11,215,553) and compensated absences ($90,788). These increases were offset to a certain extent with a decrease in general liability insurance and workers' comp claims ($482,955) and the reduction of outstanding debt that exceeded additional capital leases issued ($1,258,475).

At the close of the fiscal year the governmental funds, including General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds, had combined ending fund balances of $34,019,105, an increase of $3,200,023 in comparison with prior year. This increase is attributed to an overall increase in revenues of ten percent which exceeded the total nine percent increase in expenditures; however, a seven percent reduction of total expenditures for capital outlays occurred during the fiscal year.

General Fund unreserved fund balance at the end of the fiscal year was $15,036,189 which equates to 21 percent of total general fund expenditures and 77 percent of total fund balance.

The City of Charleston's total debt decreased $2,257,808 (6 percent). There has not been any new bond issuance since 2005 and payments of principal on all debt exceeded capital lease additions in the amount of $1,258,475.

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

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 28 through 31 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 33 through 42 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 an Enterprise Fund. 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 44 through 48 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 50 and 51 of this report.

Financial Analysis of the City as a Whole

Net Assets. The City's combined net assets reflect an eleven percent decrease between fiscal years 2008 and 2007. This is primarily attributable to increases in long-term obligations for pensions. Revenues remained stable and actually increased three percent during the fiscal year due in part to more aggressive collection procedures for the City's largest own-source revenue, business and occupation taxes, and other charges for services. Other taxes increased or decreased minimally. Revenues are predicted to remain stable basically linked to the economy and inflation each year, however, expenses are expected to rise accordingly.

Although the net assets of our business-type activities increased to $13,304,586 (one percent), these resources cannot be used to reduce the net asset deficit in governmental activities.

CITY OF CHARLESTON'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	$ 42,675,577	$ 39,101,634	$ 3,271,848	$ 2,739,789	$ 45,947,425	$ 41,841,423
Capital assets	87,702,182	88,740,995	25,426,098	26,862,036	113,128,280	115,603,031
Total assets	130,377,759	127,842,629	28,697,946	29,601,825	159,075,705	157,444,454
Long-term liabilities outstanding	68,026,411	57,993,105	13,667,361	14,802,070	81,693,772	72,795,175
Other liabilities	18,045,284	18,055,844	1,725,999	1,656,908	19,771,283	19,712,752
Total liabilities	86,071,695	76,048,949	15,393,360	16,458,978	101,465,055	92,507,927
Net Assets:						
Invested in capital assets, net of related debt	69,648,983	71,869,697	10,508,737	10,854,966	80,157,720	82,724,663
Restricted	14,713,465	12,211,193	2,055,937	1,989,077	16,769,402	14,200,270
Unrestricted	(40,056,384)	(32,287,210)	739,912	298,804	(39,316,472)	(31,988,406)
Total net assets	$ 44,306,064	$ 51,793,680	$ 13,304,586	$ 13,142,847	$ 57,610,650	$ 64,936,527

Governmental activities. Governmental activities decreased the City of Charleston's net assets by $7,487,616 thereby accounting for the total decrease in the net assets. This is primarily attributable to increases in long-term obligations for pensions ($11,215,553) and compensated absences ($90,788). The City funds the pension in accordance with an alternative funding allowed by West Virginia State Statute which will keep the fund solvent and improve the funding ratio; however, the unfunded liability continues to increase rapidly. The West Virginia State Legislature introduced a bill during the year to address these increasing unfunded pension liabilities for West Virginia cities; however, the legislation failed. It is expected this will be revisited by the Legislature in the near future due to the significance of this issue.

Revenues increased $7,276,581 (10 percent) over prior year. Primarily attributable to an increase in the City's largest own source revenue, business and occupation tax, in the amount of $1,098,769 (3 percent) and charges for services in the amount of $1,578,217 (9 percent). These increases were due in part to more aggressive collection techniques and an increase in the City Service Fee January 1, 2008, to $2 from $1 a week per person working within the City; which resulted in an increase in the amount of $1,254,282 (45 percent). In addition the ambulance levy distributed by Kanawha County increased in the amount of $560,874 (30 percent). Hotel occupancy tax, as it did in the prior year, increased $133,168 (5 percent) due to continued increases in the number of groups holding city-wide events. Federal grants increased in the amount of $613,367 (13 percent) attributable to two equipment grants received by the Fire Department from the Department of Homeland Security. Property taxes received from Kanawha County remained in line with prior year. Other revenue sources remained stable with minimal increases or decreases over prior year.

Government-wide statement expenses increased $8,874,261 (11 percent) over prior year. General government expense decreased two percent over prior year even with a five percent increase in healthcare and salary costs, respectively. However, costs for workers' compensation decreased three percent since the City implemented risk management policies a few years ago. Public Safety expense increased 22 percent attributed for the most part to the increase in the pension liability. Streets and Transportation increased four percent attributable to continued street improvements and rising fuel costs. Both of these functions are partially funded by the City Service Fee revenues dedicated to these functions. Economic development decreased 11 percent due to a reduction of approximately five percent in HUD allocations and some projects did not begin as scheduled and were not completed. The City did reduce capital outlay during the 2008 fiscal year by seven percent based upon review of assets held and the necessity of new purchases. The City continues to have its fleet management schedule in place on a ten year cycle. In summary, increases in expenses closely paralleled inflation and demand for services.

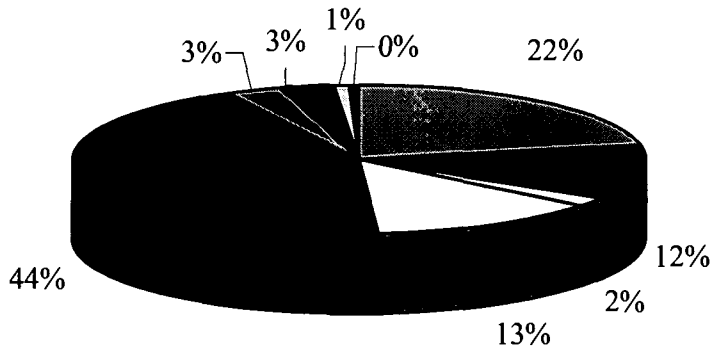
City of Charleston's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for Services	$ 18,250,489	$ 16,672,272	$ 6,618,044	$ 6,386,686	$ 24,868,533	$ 23,058,958
Operating Grants and Contributions	9,541,628	4,730,700	-	-	9,541,628	4,730,700
Capital Grants and Contributions	1,471,975	2,107,864	224,125	73,344	1,696,100	2,181,208
General Revenues:						
Property Taxes	10,355,037	10,389,006	-	-	10,355,037	10,389,006
Business & Occupation Taxes	36,666,641	35,567,872	-	-	36,666,641	35,567,872
Other Taxes	5,923,045	5,323,269	-	-	5,923,045	5,323,269
Other	466,369	607,620	157,601	181,869	623,970	789,489
Total Revenues	82,675,184	75,398,603	6,999,770	6,641,899	89,674,954	82,040,502
General Government	15,897,074	16,226,688	-	-	15,897,074	16,226,688
Public Safety	48,241,928	39,543,593	-	-	48,241,928	39,543,593
Highways & Streets	8,346,954	7,993,195	-	-	8,346,954	7,993,195
Health & Sanitation	5,207,158	5,354,317	-	-	5,207,158	5,354,317
Economic Development	2,995,622	3,358,208	-	-	2,995,622	3,358,208
Culture & Recreation	6,675,344	6,378,521	-	-	6,675,344	6,378,521
Social Services	822,953	360,025	-	-	822,953	360,025
Interest on Long-Term Debt	783,299	881,524	-	-	783,299	881,524
Civic Center	-	-	4,889,784	4,735,314	4,889,784	4,735,314
Parking System	-	-	3,140,715	3,233,036	3,140,715	3,233,036
Total Expenses	88,970,332	80,096,071	8,030,499	7,968,350	97,000,831	88,064,421

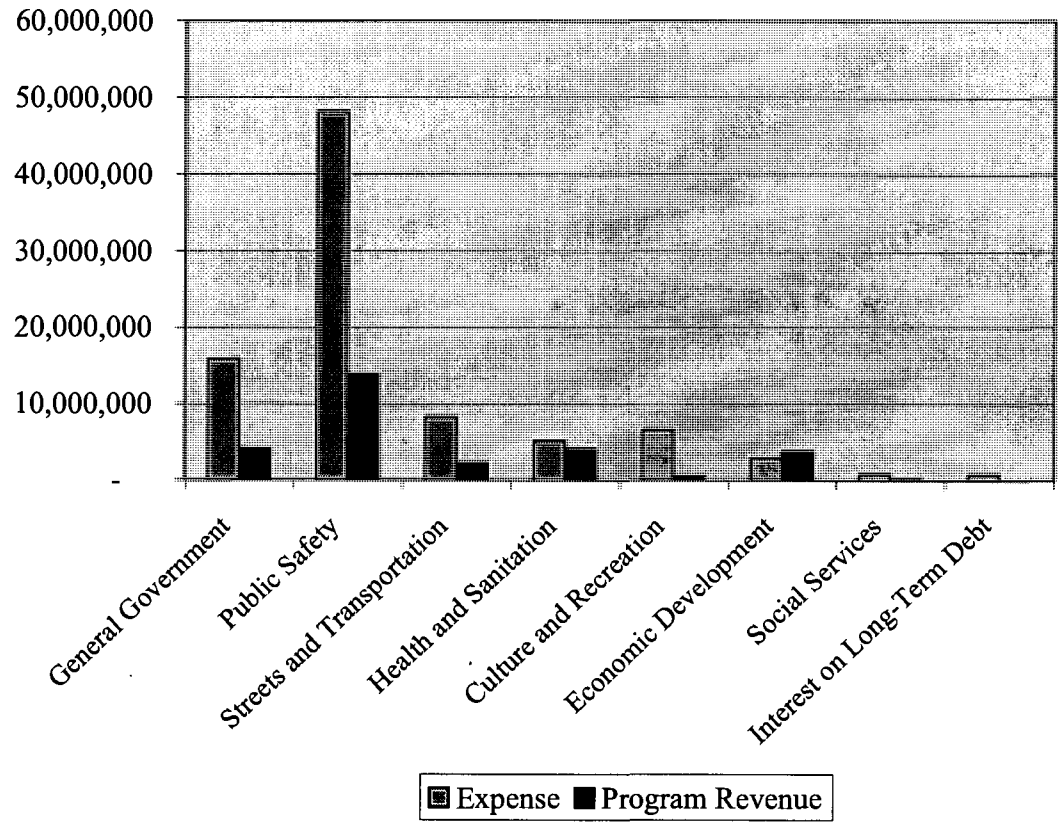
Increase in Net Assets						
Before Transfers	$ (6,295,148)	$ (4,697,468)	$ (1,030,729)	$ (1,326,451)	$ (7,325,877)	$ (6,023,919)
Transfers	(1,192,468)	(1,453,917)	1,192,468	1,453,917	-	-
Increase in Net Assets	(7,487,616)	(6,151,385)	161,739	127,466	(7,325,877)	(6,023,919)
Net Assets- beginning	51,793,680	57,945,065	13,142,847	13,015,381	64,936,527	70,960,446
Net Assets- ending	$ 44,306,064	$ 51,793,680	$ 13,304,586	$ 13,142,847	$ 57,610,650	$ 64,936,527

Business-type activities. Total net assets of the City's business-type activities ($13,304,586) increased one percent over prior year. Operating revenues reflected a significant four percent ($231,358) increase over prior year. The primary contributing factor for this increase for the Civic Center was room rental for conferences and exhibits including associated charges that increase with these types of events. The Parking System increase is primarily attributed to more aggressive collection of parking fees and fines. The operating expenses for the Civic Center increased four percent. Two primary factors are increases in utilities and salaries. The Parking System operating expenses decreased two percent from prior year even though utility cost increased four percent. Centralized contract arrangements for garage maintenance with the General Fund and the corresponding employee reduction of two resulted in a seven percent decrease in personnel costs offsetting the approximate three percent increase in contracted service costs. The Civic Center total Net Assets decreased $638,137 partially attributable to a total decrease in net capital assets of $714,967 even with $354,716 additions during the 2008 fiscal year. Most of the facilities assets are older and fully depreciated. Another contributing factor is an increase in current liabilities primarily for health care costs. The Parking System net assets increased $799,876 attributable to increased operating revenues, decreased operating expense, and reduction of debt interest costs for the past three years due to the 2005 refunding of its debt.

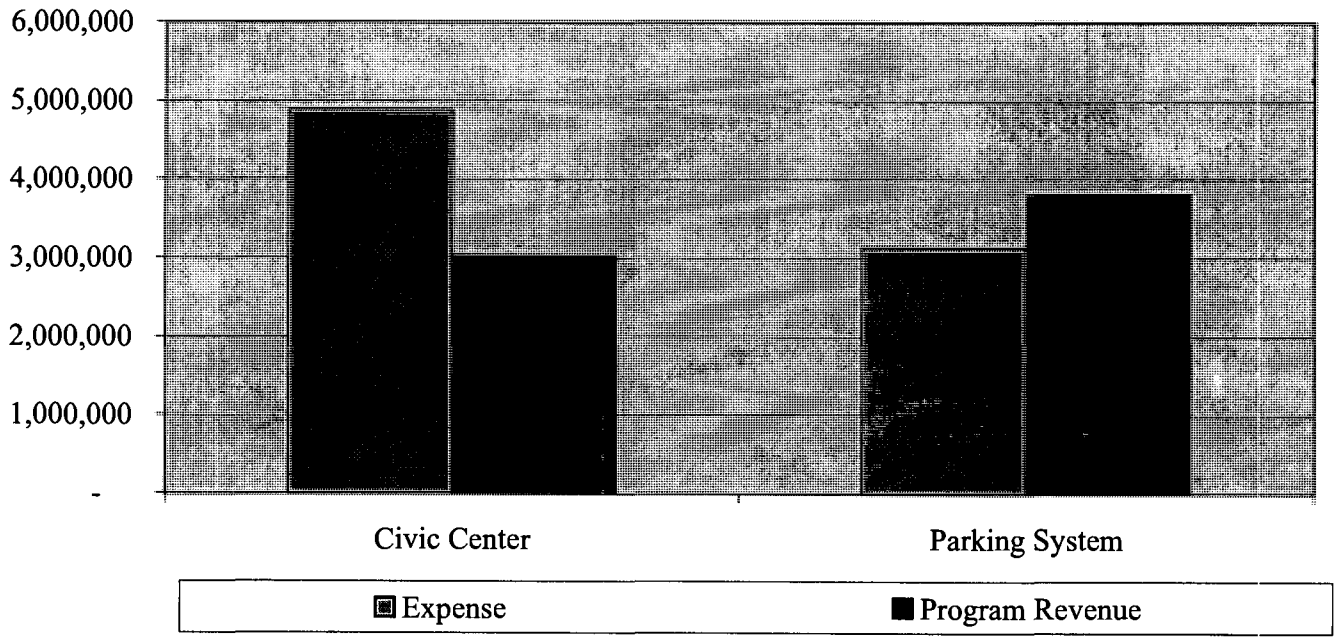
Revenue by Source-Governmental Activities

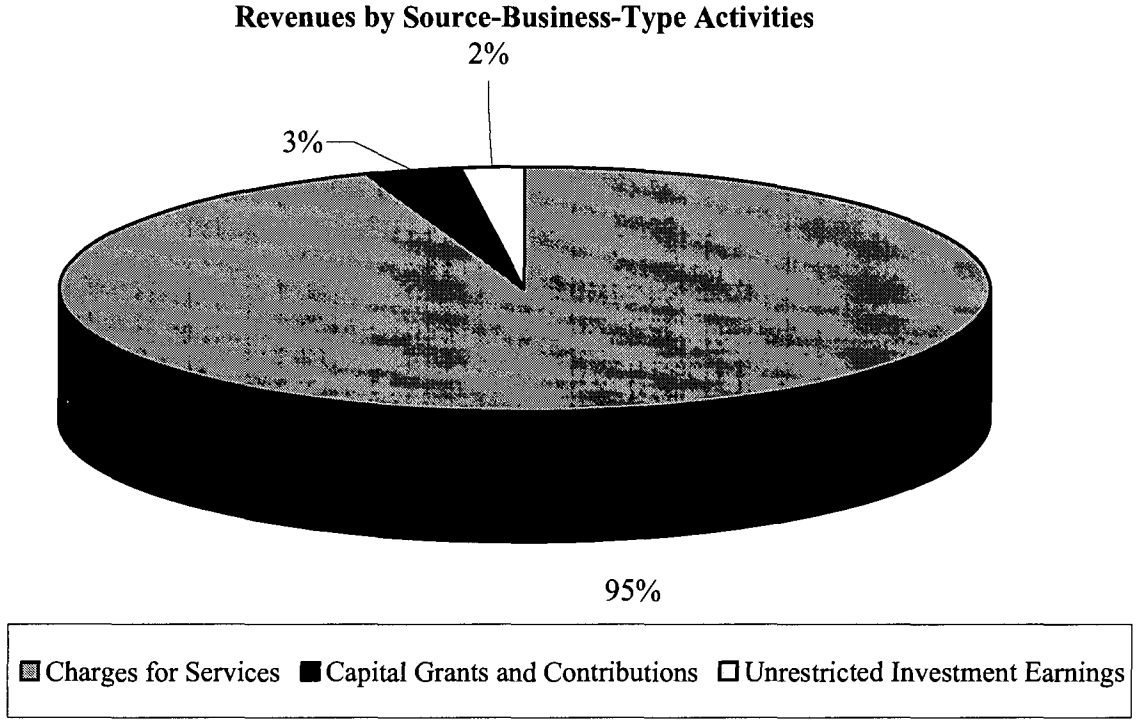


Expenses and Program Revenues-Governmental Activities



Expenses and Program Revenues-Business-Type Activities





Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Charleston's Governmental Funds reported combined ending fund balances of $34,019,105, an increase of $3,200,023 in comparison with the prior year. Approximately 50 percent of this amount ($16,872,399) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior year ($2,433,241), 2) to pay debt service ($3,912,531), 3) to generate income to pay for the perpetual care of the municipal cemetery ($1,564,488), or 4) for community development, capital projects or public safety measures ($9,236,446).

The General Fund is the chief operating fund of the City of Charleston. At the end of the current fiscal year, unreserved fund balance of the General Fund was $15,036,189, while total fund balance reached $19,574,933. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21 percent of total General Fund expenditures, while total fund balance represents 27 percent of that same amount.

The fund balance of the City of Charleston's General Fund increased significantly by $1,404,344 during the current fiscal year. This is attributable for the most part to significant revenue increases collected by the General Fund which were discussed in detail in the section, Financial Analysis of the City as a Whole-Governmental Activities.

Expenditures increased $7,884,653, however, $3,886,331 was due to the inclusion of contributions from the State of West Virginia on behalf of the police and fire pensions as public safety expenditures and the corresponding intergovernmental revenue in accordance with GAAP. These on-behalf contributions for fiscal year 2007 in the amount of $3,830,447 were not included in the General Fund financial statements but only in the pension fund statements for the 2007 fiscal year. Consequently, restating the 2007 General Fund expenditures would result in a total increase from 2007 to 2008 of $4,054,206. The most significant increase was for general government expenditures which for the most part was due to rising operational, salary and healthcare costs. Public safety costs and highways and streets increased due to enhanced police safety measures, maintenance of streets, and fuel costs.

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 1998 bond debt service. Coal severance has continued to increase (five percent) over the prior year as it has for three prior fiscal years due to rising coal prices. The Community Development and HOME Funds are funded totally by HUD federal grants for community development. The grant revenues received were less due to an allocation reduction of approximately five percent.

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

General Fund Budgetary Highlights

The City periodically revises the budget throughout the year to recognize projects carried over from the previous year, grants, and contributions received for various projects, and to adjust budgets to reflect actual circumstances. Appropriations between the original budget and the final amended budget reflected an increase of twelve percent ($8,279,094). The most significant can be briefly summarized as follows:

Legal expenses were increased $1,610,232 for the Court Costs and Damages Reserve Fund for general liability claims. The City has adopted the policy of carry forward of any remaining budgeted funds at year end to have the additional reserve in place to provide for any unforeseen circumstances.

Salary and benefit costs were increased approximately $150,000 for Council approved salary increases for the Mayor and Municipal Court Judge and promotions in positions for in-house attorney salaries.

The Mayor's contributions to various entities were increased approximately $102,229.

Grant revenues were increased to recognize a grant from the Department of Military Affairs and the corresponding expenditures for fire equipment in the amount of $407,843 and for a recycling grant and the corresponding purchase of a refuse truck in the amount of $55,000. In addition, police grant reimbursements and contributions for capital items were increased in the amount of $120,000 and the corresponding expenditure.

Capital projects costs were increased approximately $1,310,418 to carry over remaining funds for unfinished projects and equipment purchases from prior year.

City Manager professional services remaining budgeted funds in the amount of $536,123 were carried forward for various contracted services that were not completed by the 2007 fiscal year-end.

City service fee revenue was increased in the amount of $708,000 and the corresponding police equipment purchases and transfers to the City Service Fee Project Fund due to the January 1, 2008 approved increase from $1 to $2 per week per person working within the City. This revenue is dedicated to public safety and street and infrastructure maintenance.

These amendments were budgeted from available fund balance and increases in various charges for services, grants, and contributions. These and other miscellaneous items had the net increase of $8,278,464. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates.

The City's general fund balance of $19,574,933 differs from the general fund's budgetary fund balance of $9,862,751 reported in the budgetary financial statement principally because budgetary fund balance excludes accrual of Business and Occupation Taxes. The total Business and Occupation Tax accrual in the amount of $9,712,182 has not been reappropriated for budgetary purposes, only actual cash collections are budgeted each fiscal year.

Capital Asset and Debt Administration

Capital Assets. The City of Charleston's investment in Capital Assets for its governmental and business-type activities as of June 30, 2008, amounted to $113,128,280 (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. The total decrease in the City of Charleston's investment in capital assets for the current fiscal year was two percent. This decrease is primarily attributed to less capital outlay and disposal of obsolete equipment and vehicles.

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

Several projects were completed during the fiscal year, including City Hall internal renovations in the approximate amount of $284,610, Appalachian Power Park facilities in the amount of $77,988, City Health Clinic in the amount of $62,326, public safety buildings in the amount of $71,757, and community improvements in the amount of $247,198.

A variety of projects for renovations, landslides, retaining walls, and various small projects were remaining in construction in progress as of the end of the current fiscal year in the amount of $1,301,039.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$ 7,450,037	$ 7,420,037	$ 4,366,447	$ 4,366,447	$ 11,816,484	$ 11,786,484
Construction in Progress	1,301,039	456,164	147,845	129,069	1,448,884	585,233
Buildings & Improvements	30,537,797	31,043,338	19,869,645	21,403,147	50,407,442	52,446,485
Other Improvements	7,190,264	7,714,782	480,002	507,890	7,670,266	8,222,672
Machinery & Equipment	8,010,595	7,197,415	562,159	455,483	8,572,754	7,652,898
Infrastructure	33,212,450	34,909,259	-	-	33,212,450	34,909,259
Total	$ 87,702,182	$ 88,740,995	$ 25,426,098	$ 26,862,036	$ 113,128,280	$ 115,603,031

Additional information on the City of Charleston's capital assets can be found in Note IV.C. on pages 65 through 67 of this report.

Long-term debt. At the end of the current fiscal year, the City of Charleston had total general obligation bonded debt outstanding of $2,645,000. The full amount is backed by the full faith and credit of the government. The remainder of the City of Charleston's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

City of Charleston's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	$ 2,645,000	$ 3,830,000	$ -	$ -	$ 2,645,000	$ 3,830,000
Revenue Bonds	4,147,126	4,403,417	14,917,361	16,007,070	19,064,487	20,410,487
Total	$ 6,792,126	$ 8,233,417	$ 14,917,361	$ 16,007,070	$ 21,709,487	$ 24,240,487

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

State statutes limit the amount of general obligation debt a governmental entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Charleston is $133,569,425, which is significantly in excess of the City of Charleston's outstanding general obligation bonds.

Additional information on the City of Charleston's long-term debt can be found in Note IV.F. on pages 69 and 70 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 at a ten year low during June at 4.7 percent. The average for the past twelve months was 4.2 percent and is currently at 3.4 percent. In addition, the last twelve months reflected increases in the labor market for construction and mining, professional and business services, and education and health services. Other sectors remained stable except for manufacturing and information which realized the most decline.

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

Inflationary trends in the region compare favorably to national indices.

In March 2008, the City of Charleston approved a balanced budget for the fiscal year 2009, with General Fund appropriations of $75,806,860, down by $2,290,748 from the final 2008 budget. The increase to the final budget for 2008 was mostly attributable to reappropriated amounts for unfinished projects from fiscal year 2007.

Requests for Information

This financial report is designed to provide a general overview of the City of Charleston's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Controller (City Auditor), 501 Virginia Street, East, P.O. Box 2749, Charleston, WV 25330.

CITY OF CHARLESTON, WEST VIRGINIA
THE GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are presented on pages 28 through 31. 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, 2008

	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	$ 16,792,489	$ 1,255,348	$ 18,047,837	$ 3,263,524	$ 5,733,401	$ 954,852
Investments	1,385,315	--	1,385,315	--	--	--
Receivables:						
Accounts	4,001,931	176,481	4,178,412	1,178,799	2,328,233	227,731
Accrued interest	47,847	244	48,091	--	1,929	--
Taxes	11,213,047	--	11,213,047	--	--	--
Rents	--	--	--	--	1,302	--
Other	--	--	--	24,465	--	--
Loans	5,200,956	--	5,200,956	--	1,052,264	--
Grants	403,898	71,212	475,110	--	196,956	--
Internal balances	559,306	(559,306)	--	--	--	--
Due from:						
Component units	58,575	--	58,575	--	--	--
Inventories	--	--	--	48,231	--	81
Prepaid insurance and lease	859,405	209,003	1,068,408	273,227	585	2,629
Restricted assets:						
Regular account	--	296,202	296,202	1,843,514	--	--
Reserve account	--	--	--	5,188,213	--	--
Renewal and replacement	--	--	--	4,211,823	--	--
Reserve for bond retirement	--	607,866	607,866	--	--	--
Restricted cash	2,139,597	--	2,139,597	--	--	--
Reserve for construction	--	--	--	1,099,305	--	--
Reserve for health care	--	--	--	1,467,465	--	--
Customer deposits	--	62,929	62,929	--	--	--
Total current assets	42,662,366	2,119,979	44,782,345	18,598,566	9,314,670	1,185,293
Noncurrent assets						
Restricted:						
Revenue bond covenant accounts	--	1,151,869	1,151,869	--	--	--
Deferred charges	13,211	--	13,211	94,806	--	--
Capital assets not being depreciated:						
Land	7,450,037	4,366,447	11,816,484	1,432,257	7,740,763	--
Construction in progress	1,301,039	147,845	1,448,884	860,685	--	--
Capital assets being depreciated:						
Buildings and improvements	58,792,015	64,016,867	122,808,882	29,543,707	--	146,545
Vehicles	15,437,844	--	15,437,844	--	--	--
Infrastructure	77,041,582	--	77,041,582	--	--	--
Transmission and distribution	--	--	--	103,020,610	--	--

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
Machinery & equipment	$ 14,073,063	$ 1,795,691	$ 15,868,754	$ 5,802,611	$ 20,754	$ 227,880
Less: accumulated depreciation	(86,393,398)	(44,900,752)	(131,294,150)	(43,559,143)	(15,895)	(193,218)
Total capital assets	87,702,182	25,426,098	113,128,280	97,100,727	7,745,622	181,207
Total noncurrent assets	87,715,393	26,577,967	114,293,360	97,195,533	7,745,622	181,207
Total assets	$ 130,377,759	$ 28,697,946	$ 159,075,705	$ 115,794,099	$ 17,060,292	$ 1,366,500
LIABILITIES						
Current liabilities:						
Current liabilities payable from current assets:						
Accounts payable	1,364,182	132,929	1,497,111	582,487	56,178	--
Payroll payable	741,763	37,659	779,422	66,122	3,050	6,944
Other accrued expenses	36,946	4,504	41,450	--	7,741	--
Solicitation bonds payable	25,685	--	25,685	--	--	--
Benefits payable	60,709	8,949	69,658	156,492	--	--
Reserve for future insurance claims	655,000	35,000	690,000	--	--	--
Due to:						
Primary government	--	--	--	58,575	--	--
Current liabilities payable from restricted assets:						
Accrued bond interest payable	366,209	99,885	466,094	650,763	--	--
Accrued capital lease interest payable	510,918	--	510,918	--	--	--
Customer deposits	--	80,770	80,770	--	--	--
Deferred revenues:						
Unearned revenue	5,274,028	--	5,274,028	--	7,700	--
Due within one year	9,009,844	1,326,303	10,336,147	2,049,023	26,700	
Total current liabilities	18,045,284	1,725,999	19,771,283	3,563,462	101,369	6,944
Noncurrent liabilities:						
Due in more than one year	68,026,411	13,667,361	81,693,772	67,192,031	--	--
Total noncurrent liabilities	68,026,411	13,667,361	81,693,772	67,192,031	--	--
Total liabilities	86,071,695	15,393,360	101,465,055	70,755,493	101,369	6,944

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Sanitary Board	Urban Renewal Authority	Convention & Visitor's Bureau
NET ASSETS						
Invested in capital assets (net of related debt)	$ 69,648,983	$ 10,508,737	$ 80,157,720	$ 28,652,200	$ 7,745,622	$ 181,207
Restricted for:						
Debt service	3,912,531	2,055,937	5,968,468	11,888,646	--	--
Capital projects	5,900,528	--	5,900,528	--	--	--
Community development projects	2,476,291	--	2,476,291	--	--	--
Public safety and streets	859,627	--	859,627	--	--	--
Perpetual care:						
Expendable	553,215	--	553,215	--	--	--
Nonexpendable	1,011,273	--	1,011,273	--	--	--
Unrestricted	(40,056,384)	739,912	(39,316,472)	4,497,760	9,213,301	1,178,349
Total net assets	$ 44,306,064	$ 13,304,586	$ 57,610,650	$ 45,038,606	$ 16,958,923	$ 1,359,556

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, 2008

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Sanitary Board	Component Units: Urban Renewal Authority	Component Units: Convention & Visitor's Bureau
Primary government:										
Governmental activities:										
General government	$ 15,897,074	$ 3,535,513	$ 559,015	$ 102,682	$ (11,699,864)	$ --	$ (11,699,864)	$ --	$ --	$ --
Public safety	48,241,928	8,163,860	5,373,221	385,805	(34,319,042)	--	(34,319,042)	--	--	--
Streets and transportation	8,346,954	2,071,313	--	247,519	(6,028,122)	--	(6,028,122)	--	--	--
Health and sanitation	5,207,158	4,193,130	--	--	(1,014,028)	--	(1,014,028)	--	--	--
Culture and recreation	6,675,344	95,038	252,655	247,793	(6,079,858)	--	(6,079,858)	--	--	--
Interest on long-term debt	783,299	--	--	--	(783,299)	--	(783,299)	--	--	--
Social services	822,953	191,635	16,299	--	(615,019)	--	(615,019)	--	--	--
Economic development	2,995,622	--	3,340,438	488,176	832,992	--	832,992	--	--	--
Total governmental activities	88,970,332	18,250,489	9,541,628	1,471,975	(59,706,240)	--	(59,706,240)	--	--	--
Business-type activities:										
Civic Center	4,889,784	2,809,183	--	224,125	--	(1,856,476)	(1,856,476)	--	--	--
Parking System	3,140,715	3,808,861	--	--	--	668,146	668,146	--	--	--
Total business-type activities	8,030,499	6,618,044	--	224,125	--	(1,188,330)	(1,188,330)	--	--	--
Total primary government	$ 97,000,831	$ 24,868,533	$ 9,541,628	$ 1,696,100	(59,706,240)	(1,188,330)	(60,894,570)	--	--	--
Component units:										
Sanitary Board	14,203,918	14,413,883	--	9,911	--	--	--	219,876	--	--
Urban Renewal Authority	1,608,746	3,080,460	1,412,798	--	--	--	--	--	2,884,512	--
Convention & Visitor's Bureau	1,367,094	65,417	1,516,131	--	--	--	--	--	--	214,454
Total component units	$ 17,179,758	$ 17,559,760	$ 2,928,929	$ 9,911	--	--	--	219,876	2,884,512	214,454
General revenues:										
Ad valorem property taxes					10,355,037	--	10,355,037	--	--	--
Business & occupation tax					36,666,641	--	36,666,641	--	--	--
Alcoholic beverages tax					800,647	--	800,647	--	--	--
Utility services tax					2,307,808	--	2,307,808	--	--	--
Hotel occupancy tax					2,567,145	--	2,567,145	--	--	--
Amusement tax					187,168	--	187,168	--	--	--
Other taxes					60,277	--	60,277	--	--	--
Unrestricted investment earnings					336,531	157,601	494,132	627,413	270,810	--
Gain on sale of capital assets					129,838	--	129,838	--	--	--
Miscellaneous					--	--	--	163,892	--	--
Transfers					(1,192,468)	1,192,468	--	--	--	--
Total general revenues and transfers					52,218,624	1,350,069	53,568,693	791,305	270,810	--
Change in net assets					(7,487,616)	161,739	(7,325,877)	1,011,181	3,155,322	214,454
Net assets - beginning					51,793,680	13,142,847	64,936,527	44,027,425	13,803,601	1,145,102
Net assets - ending					$ 44,306,064	$ 13,304,586	$ 57,610,650	$ 45,038,606	$ 16,958,923	$ 1,359,556

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


THE CITY OF CHARLESTON
WEST VIRGINIA

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 80.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 5,588,585	$ 61,725	$ 3,090	$ 427	$ 11,138,662	$ 16,792,489
Investments	--	--	--	--	1,385,315	1,385,315
Receivables:						
Taxes	11,098,675	--	--	--	114,372	11,213,047
Accounts	3,531,478	--		--	470,453	4,001,931
Grants	--	--	140,612	9,351	253,935	403,898
Loans	--	--	1,465,114	3,458,234	277,608	5,200,956
Accrued interest	32,284	--	1,745	--	13,818	47,847
Due from:						
Other funds	1,040,661	--	--	--	21,519	1,062,180
Component units	25,739	--	--	--	32,836	58,575
Prepaid insurance	859,405	--	--	--	--	859,405
Restricted cash	190,551	--	--	--	1,949,046	2,139,597
Total assets	$ 22,367,378	$ 61,725	$ 1,610,561	$ 3,468,012	$ 15,657,564	$ 43,165,240
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	733,629	--	96,939	440	533,174	1,364,182
Payroll payable	741,763	--	--	--	--	741,763
Other accrued expenditures	36,946	--	--	--	--	36,946
Solicitation bonds payable	25,685	--	--	--	--	25,685
Benefits payable	60,709	--	--	--	--	60,709
Reserve for future insurance claims	655,000	--	--	--	--	655,000
Due to:						
Other funds	29,806	--	43,606	8,911	420,550	502,873
Deferred revenues:						
Unearned revenue	102,423	--	1,332,207	3,458,661	380,737	5,274,028
Taxes	406,484	--	--	--	78,465	484,949
Total liabilities	2,792,445	--	1,472,752	3,468,012	1,412,926	9,146,135

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:						
Reserved for:						
Encumbrances	$ 2,433,241	$ --	$ --	$ --	$ --	$ 2,433,241
Perpetual care	--	--	--	--	1,564,488	1,564,488
Debt service	190,551	61,725	--	--	3,660,255	3,912,531
Community development	--	--	137,809	--	2,338,482	2,476,291
Capital projects	1,243,786	--	--	--	4,656,742	5,900,528
Public safety and streets	671,166	--	--	--	188,461	859,627
Unreserved, reported in:						
General fund	15,036,189	--	--	--	--	15,036,189
Special revenue funds	--	--	--	--	1,836,210	1,836,210
Total fund balances	19,574,933	61,725	137,809	--	14,244,638	34,019,105
Total liabilities and fund balances	$ 22,367,378	$ 61,725	$ 1,610,561	$ 3,468,012	$ 15,657,564	$ 43,165,240

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, 2008

Total fund balances on the governmental fund's balance sheet	$	34,019,105
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.		87,702,182
Deferral of bond issuance cost which is amortized over the life of the bonds is not reported in the funds.		13,211
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds.		484,949
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).		(77,913,383)
Net assets of governmental activities	$	44,306,064

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, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem property taxes	$ 8,884,761	$ --	$ --	$ --	$ 1,554,191	$ 10,438,952
Business & occupation tax	36,666,641	--	--	--	--	36,666,641
Alcoholic beverages tax	800,647	--	--	--	--	800,647
Utility services tax	2,307,808	--	--	--	--	2,307,808
Hotel occupancy tax	2,567,145	--	--	--	--	2,567,145
Animal tax	7,093	--	--	--	--	7,093
Gas and oil severance tax	53,184	--	--	--	--	53,184
Amusement tax	187,168	--	--	--	--	187,168
Licenses and permits	1,455,775	--	--	--	--	1,455,775
Intergovernmental:						
Federal	478,258	--	2,151,455	840,297	1,880,165	5,350,175
State	3,886,331	202,094	--	--	--	4,088,425
Charges for services	11,241,480	--	--	--	4,077,375	15,318,855
Fines and forfeits	--	--	--	--	1,206,087	1,206,087
Interest and investment earnings	338,357	903	20,918	--	418,807	778,985
Reimbursements	1,298,671	--	2,760	--	194,556	1,495,987
Payments in lieu of taxes	56,260	--	--	--	--	56,260
Contributions and donations	323,472	--	--	--	78,470	401,942
Miscellaneous	411,301	--	--	--	4,994	416,295
Total revenues	70,964,352	202,997	2,175,133	840,297	9,414,645	83,597,424
EXPENDITURES						
Current:						
General government	14,852,161	--	--	--	395,704	15,247,865
Public safety	36,972,969	--	--	--	1,142,218	38,115,187
Streets and transportation	7,794,833	--	--	--	720	7,795,553
Health and sanitation	4,143,185	--	--	--	1,105,669	5,248,854
Culture and recreation	5,816,312	--	--	--	--	5,816,312
Social services	768,542	--	--	--	60,328	828,870
Economic development	--	--	2,152,978	840,297	1,011,212	4,004,487
Debt service:						
Principal	446,291	--	--	--	1,315,000	1,761,291
Interest	431,020	--	--	--	442,654	873,674
Capital outlay:						
Highways and streets	--	--	--	--	1,980,606	1,980,606
Total expenditures	71,225,313	--	2,152,978	840,297	7,454,111	81,672,699

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2008

	General	Coal Severance Tax	Community Development	HOME	Other Nonmajor Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over (under) expenditures	$ (260,961)	$ 202,997	$ 22,155	$ --	$ 1,960,534	$ 1,924,725
OTHER FINANCING SOURCES (USES)						
Transfers in	3,587,533	--	--	--	3,571,932	7,159,465
Transfers (out)	(4,385,727)	(192,776)	--	--	(3,769,163)	(8,347,666)
Sale of capital assets	136,957	--	--	--	--	136,957
Capital leases	2,326,542	--	--	--	--	2,326,542
Total other financing sources (uses)	1,665,305	(192,776)	--	--	(197,231)	1,275,298
Net change in fund balances	1,404,344	10,221	22,155	--	1,763,303	3,200,023
Fund balances - beginning	18,170,589	51,504	115,654	--	12,481,335	30,819,082
Fund balances - ending	$ 19,574,933	$ 61,725	$ 137,809	$ --	$ 14,244,638	$ 34,019,105

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, 2008

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

Net change in fund balances - total governmental funds	$	3,200,023
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs 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).		(1,031,695)
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.		(7,119)
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).		(83,915)
The issuance of long term debt (e.g, bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items (Note II.B).		1,258,475
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).		(10,823,385)
Change in net assets of governmental activities	$	(7,487,616)

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, 2008

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 8,650,000	$ 8,650,000	$ 8,884,761	$ --	$ 8,884,761	$ 234,761
Business & occupation	34,250,000	34,073,736	36,666,641	(673,951)	35,992,690	1,918,954
Utility	2,250,000	2,250,000	2,307,808	--	2,307,808	57,808
Hotel motel	2,600,000	2,600,000	2,567,145	--	2,567,145	(32,855)
Alcoholic beverages	600,000	600,000	800,647	--	800,647	200,647
Amusement	175,000	175,000	187,168	--	187,168	12,168
Animal	6,000	6,000	7,093	--	7,093	1,093
Gas & oil severance	60,000	60,000	53,184	--	53,184	(6,816)
Licenses and permits	1,487,000	1,451,000	1,455,775	--	1,455,775	4,775
Charges for services	8,917,297	9,625,297	11,241,480	--	11,241,480	1,616,183
Intergovernmental:						
Federal	80,000	491,108	478,258	--	478,258	(12,850)
State	--	55,000	3,886,331	(3,886,331)	--	(55,000)
Interest and investment earnings	400,000	400,000	338,357	--	338,357	(61,643)
Reimbursements	1,319,117	1,414,117	1,298,671	--	1,298,671	(115,446)
Payments in lieu of taxes	7,000	7,000	56,260	--	56,260	49,260
Contributions and donations	288,000	386,263	323,472	--	323,472	(62,791)
Miscellaneous	444,600	450,277	411,301	--	411,301	(38,976)
Total revenues	61,534,014	62,694,798	70,964,352	(4,560,282)	66,404,070	3,709,272
EXPENDITURES						
General government:						
Medical & Life insurance	--	700,000	--	--	--	700,000
Mayor's office	314,477	482,978	375,093	--	375,093	107,885
City council	134,720	134,720	119,637	--	119,637	15,083
City manager	3,520,161	4,056,284	3,422,706	--	3,422,706	633,578
City treasurer	145,853	145,853	136,124	--	136,124	9,729
City collector	928,689	928,689	858,723	--	858,723	69,966
City clerk	152,844	152,844	148,730	--	148,730	4,114
Municipal court	396,965	408,780	401,946	--	401,946	6,834
Legal	931,617	2,541,851	921,594	--	921,594	1,620,257
Accounting	470,550	470,550	442,656	--	442,656	27,894
Engineering	836,371	836,371	573,411	--	573,411	262,960
MOECD	566,595	538,394	515,680	--	515,680	22,714
Human resources	492,425	492,425	455,504	--	455,504	36,921
Contributions to Main Street Program	25,000	25,000	25,000	--	25,000	--
Mail room	241,225	241,226	206,417	--	206,417	34,809
Building commission	628,795	650,795	602,558	--	602,558	48,237
Planning	514,343	514,343	500,567	--	500,567	13,776

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, 2008

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Information systems	$ 634,155	$ 634,155	$ 558,107	$ --	$ 558,107	$ 76,048
Building maintenance	1,505,729	1,505,729	2,018,632	--	2,018,632	(512,903)
Internal audit	83,020	83,020	82,663	--	82,663	357
Morris Square	--	--	115,513	--	115,513	(115,513)
Employee health clinic	--	--	196,145	--	196,145	(196,145)
Public works	283,295	283,296	263,205	--	263,205	20,091
Public grounds	1,326,852	1,326,852	1,273,130	--	1,273,130	53,722
Contingency	147,642	153,843	--	--	--	153,843
Total general government	14,281,323	17,307,998	14,213,741	--	14,213,741	2,394,257
Public safety:						
Police	14,830,094	15,001,872	16,714,780	(1,849,497)	14,865,283	136,589
Fire	15,132,149	15,249,869	17,054,897	(2,036,834)	15,018,063	231,806
Traffic engineering	1,049,442	1,049,442	1,002,204	--	1,002,204	47,238
C-K emergency services	145,743	145,742	119,489	--	119,489	26,253
Total public safety	31,157,428	31,446,925	34,891,370	(3,886,331)	31,005,039	441,886
Streets and transportation:						
Streets and transportation	3,858,053	3,956,357	3,743,978	--	3,743,978	212,379
Equipment maintenance	2,665,680	2,696,618	2,721,708	--	2,721,708	(25,090)
Total streets and transportation	6,523,733	6,652,975	6,465,686	--	6,465,686	187,289
Health and sanitation:						
Refuse collection & recycling	3,410,099	3,410,841	3,217,268	--	3,217,268	193,573
Kanawha-Charleston health	200,000	200,000	200,000	--	200,000	--
CARES	42,000	42,000	42,000	--	42,000	--
Total health and sanitation	3,652,099	3,652,841	3,459,268	--	3,459,268	193,573
Culture and recreation:						
Parks and recreation	2,982,689	2,978,139	2,457,355	--	2,457,355	520,784
Convention and visitor's bureau	1,300,000	1,323,670	1,333,730	--	1,333,730	(10,060)
Cultural/fairs/festivals	276,000	276,000	267,567	--	267,567	8,433
Contribution to Charleston YWCA	25,000	25,000	25,000	--	25,000	--
Festival Fund for the Arts	70,000	70,000	70,000	--	70,000	--
Municipal auditorium	242,512	242,512	217,419	--	217,419	25,093
Charleston Area Alliance	175,000	175,000	175,000	--	175,000	--
Library	875,000	850,000	850,000	--	850,000	--
Stadium Maintenance Reimb.	100,000	100,000	100,000	--	100,000	--
Appalachian Power Park	--	--	149,805	--	149,805	(149,805)
Total culture and recreation	6,046,201	6,040,321	5,645,876	--	5,645,876	544,250

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, 2008

	Budgeted Amounts		Actual Modified Accrual Basis	Adjustments Budget Basis	Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final				
Social services:						
Spring hill cemetery	$ 569,689	$ 569,689	$ 533,684	$ --	$ 533,684	$ 36,005
Human rights	194,208	194,208	180,263	--	180,263	13,945
Contribution Tiskelwah Center	--	6,000	6,000	--	--	6,000
Total social services	763,897	769,897	719,947	--	719,947	49,950
Capital projects:						
General government	411,825	1,949,393	638,419	--	638,419	1,310,974
Public safety	1,614,177	2,697,284	2,081,599	--	2,081,599	615,685
Streets and transportation	783,261	1,109,277	1,329,147	--	1,329,147	(219,870)
Health and sanitation	582,990	749,079	683,917	--	683,917	65,162
Culture and recreation	51,556	235,044	170,437	--	170,437	64,607
Social services	34,445	48,595	48,595	--	48,595	--
Total capital projects	3,478,254	6,788,672	4,952,114	--	4,952,114	1,836,558
Debt service:						
Principal	446,823	446,823	446,291	--	446,291	532
Interest	429,288	429,288	429,820	--	429,820	(532)
Bond Service Charges	--	--	1,200	--	1,200	(1,200)
Total debt service	876,111	876,111	877,311	--	877,311	(1,200)
Total expenditures	66,779,046	73,535,740	71,225,313	(3,886,331)	67,338,982	5,646,563
Excess of revenues over (under) expenditures	(5,245,032)	(10,840,942)	(260,961)	(673,951)	(934,912)	9,906,030
OTHER FINANCING SOURCES (USES)						
Transfers in	3,700,000	3,792,450	3,587,533	--	3,587,533	(204,917)
Transfers out	(3,039,468)	(4,561,868)	(4,385,727)	--	(4,385,727)	176,141
Capital lease proceeds	1,434,500	2,328,000	2,326,542	--	2,326,542	(1,458)
Sale of capital assets	150,000	150,000	136,957	--	136,957	(13,043)
Total other financing sources (uses)	2,245,032	1,708,582	1,665,305	--	1,665,305	(43,277)
Net change in fund balance	(3,000,000)	(9,132,360)	1,404,344	(673,951)	730,393	9,862,753
Fund balance-beginning	3,000,000	9,132,360	18,170,589	(9,038,231)	9,132,358	(2)
Fund balance-ending	$ --	$ --	$ 19,574,933	$ (9,712,182)	$ 9,862,751	$ 9,862,751

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental:				
State	$ 180,000	$ 180,000	$ 202,094	$ 22,094
Interest and investment earnings	125	125	903	778
Total revenues	180,125	180,125	202,997	22,872
Excess (deficiency) of revenues over (under) expenditures	180,125	180,125	202,997	22,872
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(180,325)	(231,629)	(192,776)	38,853
Total other financing sources (uses)	(180,325)	(231,629)	(192,776)	38,853
Net change in fund balance	(200)	(51,504)	10,221	61,725
Fund balances - beginning	200	51,504	51,504	--
Fund balances - ending	$ --	$ --	$ 61,725	$ 61,725

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, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 83,186	$ 1,172,162	$ 1,255,348
Receivables:			
Accounts	18	176,463	176,481
Interest	- -	244	244
Grants	71,212	- -	71,212
Due from:			
Other funds	- -	9,056	9,056
Prepaid insurance and lease	78,703	130,300	209,003
Restricted:			
Regular account	- -	296,202	296,202
Revenue bond covenant accounts	324,007	283,859	607,866
Customer deposits	62,929	- -	62,929
Total current assets	620,055	2,068,286	2,688,341
Noncurrent assets:			
Restricted:			
Revenue bond covenant accounts	- -	1,151,869	1,151,869
Capital assets not being depreciated:			
Land	300,000	4,066,447	4,366,447
Construction in progress	50,456	97,389	147,845
Capital assets being depreciated:			
Buildings and improvements	35,919,293	28,097,574	64,016,867
Machinery and equipment	863,229	932,462	1,795,691
Less: accumulated depreciation	(23,921,021)	(20,979,731)	(44,900,752)
Total capital assets (net of accumulated depreciation)	13,211,957	12,214,141	25,426,098
Total noncurrent assets	13,211,957	13,366,010	26,577,967
Total assets	$ 13,832,012	$ 15,434,296	$ 29,266,308

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
LIABILITIES			
Current liabilities:			
Accounts payable	$ 80,932	$ 51,997	$ 132,929
Benefits payable	17,290	26,659	43,949
Payroll payable	19,721	17,938	37,659
Other accrued expenses	4,504	- -	4,504
Compensated absences payable	44,966	31,337	76,303
Customer deposits payable	77,130	3,640	80,770
Due to:			
Other funds	568,362	- -	568,362
Accrued interest payable	71,564	28,321	99,885
Revenue bonds payable-current	280,000	970,000	1,250,000
Total current liabilities	1,164,469	1,129,892	2,294,361
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discount)	6,867,135	6,800,226	13,667,361
Total noncurrent liabilities	6,867,135	6,800,226	13,667,361
Total liabilities	8,031,604	7,930,118	15,961,722
NET ASSETS			
Invested in capital assets (net of related debt)	6,064,822	4,443,915	10,508,737
Restricted for debt service	324,007	1,731,930	2,055,937
Unrestricted	(588,421)	1,328,333	739,912
Total net assets	$ 5,800,408	$ 7,504,178	$ 13,304,586

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, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Operating revenues:			
Sales and services to customers	$ 1,717,916	$ 3,796,367	$ 5,514,283
Rental fees	1,091,267	--	1,091,267
Miscellaneous	--	12,494	12,494
Total operating revenues	2,809,183	3,808,861	6,618,044
Operating expenses:			
Administrative and general	--	1,785,542	1,785,542
Recreational	3,352,484	--	3,352,484
Depreciation	1,069,683	867,655	1,937,338
Total operating expenses	4,422,167	2,653,197	7,075,364
Operating income (loss)	(1,612,984)	1,155,664	(457,320)
Nonoperating revenues (expenses):			
Investment earnings	30,138	127,463	157,601
Interest and fiscal charges	(467,617)	(487,518)	(955,135)
Total nonoperating revenues (expenses)	(437,479)	(360,055)	(797,534)
Income (loss) before contributions and transfers	(2,050,463)	795,609	(1,254,854)
Capital contributions	224,125	4,267	228,392
Transfers in	1,303,093	--	1,303,093
Transfers (out)	(114,892)	--	(114,892)
Change in net assets	(638,137)	799,876	161,739
Total net assets - beginning	6,438,545	6,704,302	13,142,847
Total net assets - ending	$ 5,800,408	$ 7,504,178	$ 13,304,586

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, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Cash flows from operating activities:			
Receipts from customers and users	$ 2,868,867	$ 3,773,067	$ 6,641,934
Payments to suppliers	(1,907,791)	(721,911)	(2,629,702)
Payments to employees	(1,283,541)	(1,075,310)	(2,358,851)
Net cash provided (used) by operating activities	(322,465)	1,975,846	1,653,381
Cash flows from noncapital financing activities:			
Transfers in from other funds	388,165	- -	388,165
Net cash provided (used) by noncapital financing activities	388,165	- -	388,165
Cash flows from capital and related financing activities:			
Transfers from other funds for capital debt	733,298	- -	733,298
Transfers from other funds for capital projects	181,630	- -	181,630
Transfers to other funds for capital projects	(114,892)	- -	(114,892)
Capital contributions	224,125	- -	224,125
Acquisition and construction of capital assets	(354,716)	(142,417)	(497,133)
Principal paid on capital debt	(270,000)	(935,000)	(1,205,000)
Interest and fees paid on capital debt	(451,379)	(393,545)	(844,924)
Net cash provided (used) by capital and related financing activities	(51,934)	(1,470,962)	(1,522,896)
Cash flows from investing activities:			
Interest and dividends received	30,138	127,463	157,601
Net cash provided (used) by investing activities	30,138	127,463	157,601
Net increase (decrease) in cash and cash equivalents	43,904	632,347	676,251
Cash and cash equivalents, July 1, 2007 (including $300,515 and $1,688,562 in restricted)	363,289	2,271,745	2,635,034
Cash and cash equivalents, June 30, 2008 (including $324,007 and $1,731,930 in restricted)	$ 407,193	$ 2,904,092	$ 3,311,285

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds		
	Civic Center	Parking System	Totals
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ (1,612,984)	$ 1,155,664	$ (457,320)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,069,683	867,655	1,937,338
Decrease (increase) in accounts receivable	(71,230)	(27,809)	(99,039)
Decrease (increase) in due from other funds	76,880	(9,056)	67,824
Decrease (increase) in restricted deposits	11,844	- -	11,844
Decrease (increase) in prepaid insurance	(24,995)	5,169	(19,826)
Increase (decrease) in customer deposits	42,190	- -	42,190
Increase (decrease) in accounts payable	(44,546)	21,678	(22,868)
Increase (decrease) in payroll payable	2,893	5,856	8,749
Increase (decrease) in other accrued expenses	29	1,071	1,100
Increase (decrease) in due to other funds	227,771	(44,382)	183,389
Net cash provided by operations	$ (322,465)	$ 1,975,846	$ 1,653,381
Noncash investing, capital & financing activities:			
Contribution of capital asset from governmental fund	- -	4,267	4,267
	$ - -	$ 4,267	$ 4,267

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

CITY OF CHARLESTON, WEST VIRGINIA
FIDUCIARY FUND FINANCIAL STATEMENTS

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

Policemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time police employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code which allows the City to contribute 108% of the previous year's contribution. The State also requires the pension plan to obtain an actuarial evaluation to determine solvency every three years. The Board may elect to obtain an actuarial evaluation in shorter intervals if deemed appropriate.

Firemen's Pension and Relief Fund This fund provides retirement benefits for substantially all full-time fire department employees and designated beneficiaries. The Board of Directors oversees the financial activities of the Pension Plan. The City is required to make annual contributions to the fund in accordance with West Virginia State Code which allows the City to contribute 108% of the previous year's contribution. The State also requires the pension plan to obtain an actuarial evaluation to determine solvency every three years. The Board may elect to obtain an actuarial evaluation in shorter intervals if deemed appropriate.

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

The individual Agency Fund descriptions and financial statements begin on page 105.

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
June 30, 2008

	Pension Trust Funds			
	Policemen's Pension and Relief	Firemen's Pension and Relief	Total Pension Trust Funds	Agency Funds
ASSETS				
Non-pooled cash	$ 2,496,075	$ 2,850,986	$ 5,347,061	$ 1,584,611
Total cash	2,496,075	2,850,986	5,347,061	1,584,611
Investments, at fair value:				
Federal government securities	2,995,224	1,088,076	4,083,300	--
Managed bond funds	706,879	--	706,879	--
Managed stock funds	7,845,768	4,346,527	12,192,295	--
Total investments	11,547,871	5,434,603	16,982,474	--
Receivables:				
Interest	46,836	1,883	48,719	127
Accounts receivable	3,325	--	3,325	32,055
Total receivables	50,161	1,883	52,044	32,182
Total assets	$ 14,094,107	$ 8,287,472	$ 22,381,579	$ 1,616,793
LIABILITIES				
Accounts payable	1,807	600	2,407	--
Refunds payable and other	--	--	--	1,616,793
Benefits payable	--	448,795	448,795	--
Total liabilities	1,807	449,395	451,202	1,616,793
NET ASSETS				
Net assets held in trust for pension benefits	$ 14,092,300	$ 7,838,077	$ 21,930,377	$ --

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, 2008

	Pension Trust Funds		
	Policemen's Pension and Relief	Firemen's Pension and Relief	Totals
ADDITIONS			
Contributions:			
Employer	$ 1,792,201	$ 2,827,560	$ 4,619,761
Plan members	713,672	702,322	1,415,994
State of West Virginia insurance premium surtax allocations	1,849,497	2,036,834	3,886,331
Total contributions	4,355,370	5,566,716	9,922,086
Investment earnings:			
Net increase (decrease) in fair value of investments	(1,256,692)	(651,314)	(1,908,006)
Interest and dividends	445,323	248,915	694,238
Less: investment expense	(119,384)	(68,492)	(187,876)
Net investment income	(930,753)	(470,891)	(1,401,644)
Total additions	3,424,617	5,095,825	8,520,442
DEDUCTIONS			
Benefits	4,872,987	5,428,301	10,301,288
Administrative expenses	29,694	9,976	39,670
Refunds of contributions	11,759	15,808	27,567
Total deductions	4,914,440	5,454,085	10,368,525
Change in net assets	(1,489,823)	(358,260)	(1,848,083)
Net assets held in trust for pension benefits:			
Beginning of year	15,582,123	8,196,337	23,778,460
End of year	$ 14,092,300	$ 7,838,077	$ 21,930,377

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Charleston, West Virginia, 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* 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*. was established in 1979, as a nonprofit corporation. The Bureau is governed by a board comprised of members stipulated to be no less than fifteen but no more than nineteen which consists of three permanent members (the City of Charleston Civic Center Manager, Director of Yeager Airport, and Mayor of the City of Charleston) and the remainder of the board members are appointed by the City Council. The primary purpose of the bureau is to operate a convention and visitor's bureau for the Charleston, West Virginia area and to advance, stimulate, and promote exhibits, conferences and conventions. The bureau derives most of its revenue from hotel room taxes. The City of Charleston contributes 50% of the Hotel Occupancy Taxes collected to the Bureau. If these taxes were discontinued, the bureau's ability to continue in business would be threatened.

Complete financial statements for each of the individual component units can be obtained at the entity's administrative offices.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e, the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements; however, if applicable, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor governmental funds are combined into a single column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial sources of the general government, except those required to be accounted for in another fund.

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

The *Community Development Fund*, a special revenue fund, accounts for federal grants received from the U.S. Housing and Urban Development for the purpose of developing "viable urban communities", which are achieved by providing decent housing, a suitable living environment, and expanded economic opportunities principally for low-and moderate income people.

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

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 System, which accumulates resources for pension benefit payments to qualified public safety employees. These funds are accounted for in essentially the same manner as the proprietary funds, using the accrual basis of accounting.

The *Agency Funds* account for assets held by the City of Charleston, West Virginia for others in a custodial capacity. The two Civic Center Agency Funds account for revenues from event ticket sales, subsequently dispersed to promoters, and for State grant revenues for advertising subsequently dispersed to advertising vendors. The police agency funds account for forfeited funds and confiscated property subsequently dispersed upon court order to the appropriate party. Agency funds are accounted for using the accrual basis of accounting and do not present results of operations or have a measurement focus.

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

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Civic Center and Parking System (enterprise funds) and the Sanitary Board, Urban Renewal Authority, and Convention and Visitor's Bureau (discretely presented component units) are charges to customers for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

In accordance with generally accepted accounting principles, the City reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The composition of investments and fair values are presented in Note IV.A.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the federal mortgage association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades; interest earning deposits which are fully insured and collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

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

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

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, 2008.

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

All municipalities within the state are authorized to levy taxes not in excess of the following maximum levies per $100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5 cents); On Class II property, twenty-five cents (25 cents); On Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

The rates levied by the City per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2008, were as follows:

Class of Property	Assessed Valuation For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ 29,755	5.75 cents	5.03 cents	1.84 cents
Class II	$ 1,053,556,896	11.50 cents	10.06 cents	3.67 cents
Class IV	$ 1,598,249,819	23.00 cents	20.12 cents	7.34 cents

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

3. Prepaid Items

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

4. Restricted Assets

Certain assets of the Civic Center and Parking System enterprise fund revenue bonds as well as certain proceeds set aside for their repayment are classified as restricted assets because their use is limited by applicable bond covenants. Certain assets of the Solid Waste, a governmental special revenue fund, are restricted for solid waste landfill closure expenditures.

The "regular" account is used to segregate resources accumulated for debt service payments over the next twelve months.

The "restricted cash" account is used to report resources set aside to pay for potential solid waste capital expenditures.

The "reserve for bond retirement" account is used to segregate resources accumulated for debt service payments.

The "customer deposit" account is used to report the segregation of returnable cash deposits from customers of the utility upon initial receipt of the service.

5. Capital Assets and Depreciation

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

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

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

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

Assets	Years
Buildings	40
System infrastructure, transmission and distribution	40-50
Equipment	05-10
Vehicles	03-05
Office and computer equipment	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.

When a permanent full time employee retires, the employee may elect to have any accrued sick leave converted to insurance benefits based on the formula of two days sick leave for one month single coverage insurance premium or three days sick leave for one month family coverage insurance premium. A liability has been accrued for all employees who have actually retired at June 30, 2008, converted accrued sick leave to insurance premiums, and the actual costs to the City has been calculated. The accrued benefit for June 30, 2008, was $492,585.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

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

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 $77,913,383 difference are as follows:

Bonds payable:	$	(6,805,337)
Less: issuance cost (to be amortized as interest expense)		13,211
Accrued interest payable		(877,128)
Capital leases payable		(11,261,072)
Claims and judgments		(4,318,101)
Compensated absences		(1,718,193)
Net pension obligation		(52,946,763)
Net adjustment to decrease fund balance-total governmental funds to arrive at net assets-governmental activities	$	(77,913,383)

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 depreciation expense exceeded capital outlays for the current period." The details of the $1,031,695 difference are as follows:

Capital outlays	$	6,096,365
Depreciation expense		(7,128,060)
Net adjustment to decrease net change in fund balance-total governmental funds to arrive at changes in net assets of governmental activities	$	(1,031,695)

Another element of that reconciliation states that, "The issuance of long-term debt (i.e. bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities." The details of this $1,258,475 difference are as follows:

Debt issued or incurred:		
Capital lease financing	$	(2,328,000)
Principle repayments:		
General obligation, revenue bonds, and capital leases		3,496,100
Reduction of accrued interest expense		90,375
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	$	1,258,475

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 $10,823,385 difference are as follows:

Compensated absences	$	(90,788)
Claims and judgments		482,956
Net pension obligation		(11,215,553)
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	$	(10,823,385)

Another element of reconciliation is the difference of $4,267 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 proprietary funds. The governmental funds did not record the transfer because only financial resources are accounted for in a governmental fund; however, the proprietary funds recorded the transaction not as a transfer but as capital contribution revenue in the lower portion of their operating statements. 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 $4,267.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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, except that business and occupation taxes are not reported on the modified accrual basis for budgetary purposes. All annual appropriations lapse at fiscal year end.

The City of Charleston, West Virginia prepares its budget on the cash/cash plus encumbrances basis of accounting. Therefore, a reconciliation has been performed on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) for the General Fund.

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

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

Amount	Description
$ 3,026,045	General Government Expenditure Increase
3,310,418	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.

WV Code 11-8-26 states in part that "...a local fiscal body shall not expend money or incur obligations: (1) In an unauthorized manner; (2) For an unauthorized purpose; (3) In excess of the amount allocated to the fund in the levy order; (4) In excess of the funds available for current expenses...". The municipal officials of the City of Charleston incurred expenditures for certain items in the General Fund in excess of the amounts allocated for those items in the official levy estimate (budget) as last revised. Specifically, expenditures in the following categories exceeded budgeted amounts: General Government $824,561; Streets and Transportation $25,000; Culture and Recreation $159,865; Capital Projects $219,870; and Debt Service $1,732. However, the total expenditures of the General Fund did not exceed the total appropriations. This noncompliance occurred because the City failed to submit the Council approved budget revisions to the State Auditor's Office by the required deadline. Subsequent to year end the management of the City of Charleston has implemented additional policies and procedures that will ensure compliance with budgetary requirements.

A reconciliation from the budgetary basis to the GAAP Modified Accrual Fund Basis is due to the recording of business and occupation tax revenues on the cash basis for budgetary purposes and the accrual basis for GAAP purposes in the amount of $673,951 is as follows:

	Net Change in Fund Balance	Fund Balance
Budgetary Basis	$ 730,393	$ 9,862,751
Basis of Accounting Difference	673,951	9,712,182
GAAP Basis	$ 1,404,344	$ 19,574,933

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had the following investments:

		Credit Risk Rating	
		Standard & Poor's	Moody's Investment
Primary Government	Fair Value	and Fitch	Services
State Investment Management Board pool	$ 1,808,436	AAA	AAA
Repurchase Agreements-FNMA	988,225	Not Rated	Not Rated
U.S. Government Agency Securities	475,235	Not Rated	Aaa
Corporate Bonds-Merrill Lynch	114,579	Not Rated	A1
Corporate Bonds-Bank America Corp	98,209	Not Rated	Aa2
Corporate Bonds-General Electric	144,015	Not Rated	Aaa
Mutual Bond Fund	103,536	Not Rated	Not Rated
Total Rated Securities	3,732,235		
Total Unrated Securities	449,741		
	$ 4,181,976		

Policemen's Pension and Relief			
U.S. Government Agency Securities	$ 2,231,157	AAA	Not Rated
FHLMC-Mortgage/Asset Backed	523,249	Not Rated	Not Rated
FNMA-Mortgage/Asset Backed	240,818	Not Rated	Not Rated
Corporate Bonds-Bank America Corp	505,515	AA	AA2
Corporate Bonds-JP Morgan & Company	201,364	A+	AA3
Total Rated Securities	3,702,103		
Total Unrated Securities	7,845,768		
	$ 11,547,871		
Firemen's Pension and Relief			
U.S. Government Agency Securities	$ 1,088,076	AAA	Not Rated
Total Rated Securities	1,088,076		
Total Unrated Securities	4,346,527		
	$ 5,434,603		
Civic Center Ticket Agency Fund			
Repurchase Agreement	$ 676,000	Not Rated	AAA

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

Credit Risk

It's the government's policy to limit its investments as stated in the West Virginia State Code §8-13-22a and c and §8-22-22 and §8-22-22a. The specific investments allowed for municipal and pension investments are fully described with all applicable limitations in Note I.D.1. The government does not have a policy for credit risk in addition to governing statutes. As of June 30, 2008, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Interest Rate Risk

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

Security Type	Fair Value	Less than 1 Year	1-5	6-10	More than 10 Years
Primary Government:					
State Investment Management Board Pool	$ 1,808,436	$ 1,808,436	$ -	$ -	$ -
Repurchase Agreements	988,225	988,225	-	-	-
U.S. Government Agencies	475,235	-	475,235	-	-
Corporate Bonds-Bank of America	98,209	-	98,209	-	-
Corporate Bonds-Merrill Lynch	114,579	114,579	-	-	-
Corporate Bonds-General Electric	144,015	-	96,425	-	47,590
Mutual funds	103,536	103,536	-	-	-
Policemen's Pension & Relief Fund:					
U.S. Government Agency Securities	2,231,157	1,230,817	1,000,340	-	-
FHLMC-Mortgage/Asset Backed	523,249	-	41,234	218,502	263,513
FNMA-Mortgage/Asset Backed	240,818	-	-	-	240,818
Corporate Bonds-Bank of America	505,515	505,515	-	-	-
Corporate Bonds-JP Morgan & Co.	201,364	201,364	-	-	-
Firemen's Pension & Relief Fund:					
U.S. Government Agency Securities	1,088,076	-	500,265	587,811	-
Civic Center Ticket Agency Fund:					
Repurchase Agreement	676,000	676,000	-	-	-
Totals	$ 9,198,414	$ 5,628,472	$ 2,211,708	$ 806,313	$ 551,921

Concentration of Credit Risk

The government has adopted the provisions contained in West Virginia Code §8-13-22a and c and §8-22-22 and §8-22-22a as it's investment policy which does not allow for an investment in any one issuer that is in excess of nine percent of the government's total investment or ten percent of the pension fund total investment. Other limitations on investments are more fully described in Note I.D.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 Police Pension Fund had two common stock investments in ISHARES RUSSELL MIDCAP Growth Index and ISHARES RUSSELL MIDCAP Value Index that were six percent and six percent, respectively, of the total portfolio; and Spring Hill Cemetery had three corporate bond investments in Bank America Corporation, General Electric and Merrill Lynch that were six, nine, and seven percent, respectively, of the total portfolio and one mutual fund investment in Federated Ultrashort that was six percent of the total portfolio at June 30, 2008.

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.

B. Receivables

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

	General	Community Development	HOME	Parking System	Civic Center
Receivables:					
Accounts	$ 4,197,196	$ -	$ -	$ 197,963	$ 18
Accrued interest	32,284	1,745	-	242	-
Taxes	11,538,347	-	-	-	-
Loans	-	1,953,485	3,458,234	-	-
Grants	-	140,612	9,351	-	71,212
Gross receivables	15,767,827	2,095,842	3,467,585	198,205	71,230
Less: allowance for uncollectible	(1,105,390)	(488,371)	-	(21,500)	-
Net total receivables	$ 14,662,437	$ 1,607,471	$ 3,467,585	$ 176,705	$ 71,230

	Nonmajor Funds and Fiduciary Funds	Total
Receivables:		
Accounts	$ 2,668,487	$ 7,063,664
Accrued interest	62,664	96,935
Taxes	152,496	11,690,843
Loans	332,672	5,744,391
Grants	254,135	475,310
Gross receivables	3,470,454	25,071,143
Less: allowance for uncollectible	(2,256,042)	(3,871,303)
Net total receivables	$ 1,214,412	$ 21,199,840

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	$ 484,949	$ -
Prepaid License Fees , Cemetery Fees, and Recycling Grant (general fund)	-	102,423
Grant drawdowns prior to meeting all eligibility requirements	-	5,171,605
Total deferred/unearned revenue for governmental funds	$ 484,949	$ 5,274,028

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 7,420,037	$ 30,000	$ -	$ 7,450,037
Construction in progress	456,164	1,738,601	(893,726)	1,301,039
Total capital assets not being depreciated	7,876,201	1,768,601	(893,726)	8,751,076
Capital assets being depreciated:				
Buildings and improvements	44,804,080	632,302	(3,190)	45,433,192
Structures and improvements	13,357,337	1,486	-	13,358,823
Machinery and equipment	12,476,484	1,570,472	(278,110)	13,768,846
Vehicles	14,605,698	1,857,822	(1,025,676)	15,437,844
Furniture	303,308	5,875	(4,966)	304,217
Infrastructure	75,888,048	1,153,534	-	77,041,582
Total capital assets being depreciated	161,434,955	5,221,491	(1,311,942)	165,344,504
Less accumulated depreciation:				
Buildings and improvements	(13,760,742)	(1,137,843)	3,190	(14,895,395)
Structures and improvements	(5,642,556)	(526,003)	-	(6,168,559)
Machinery and equipment	(9,520,877)	(1,060,228)	270,990	(10,310,115)
Vehicles	(10,465,007)	(1,518,852)	1,025,676	(10,958,183)
Furniture	(202,190)	(34,790)	4,966	(232,014)
Infrastructure	(40,978,789)	(2,850,343)	-	(43,829,132)
Total accumulated depreciation	(80,570,161)	(7,128,059)	1,304,822	(86,393,398)
Total capital assets being depreciated, net	80,864,794	(1,906,568)	(7,120)	78,951,106
Governmental activities capital assets, ne	$ 88,740,995	$ (137,967)	$ (900,846)	$ 87,702,182

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 4,366,447	$ -	$ -	$ 4,366,447
Construction in progress	129,069	445,204	(426,428)	147,845
Total capital assets, not being depreciated	4,495,516	445,204	(426,428)	4,514,292
Capital assets being depreciated:				
Buildings and improvements	63,001,924	247,371	-	63,249,295
Structures and improvement	767,572	-	-	767,572
Machinery and equipment	1,384,277	235,253	-	1,619,530
Vehicles	176,161	-	-	176,161
Total capital assets being depreciated	65,329,934	482,624	-	65,812,558
Less accumulated depreciation:				
Buildings and improvements	(41,598,777)	(1,780,873)	-	(43,379,650)
Structures and improvements	(259,682)	(27,888)	-	(287,570)
Machinery and equipment	(1,008,482)	(94,936)	-	(1,103,418)
Vehicles	(96,473)	(33,641)	-	(130,114)
Total accumulated depreciation	(42,963,414)	(1,937,338)	-	(44,900,752)
Total capital assets being depreciated, net	22,366,520	(1,454,714)	-	20,911,806
Business-type activities capital assets, net	$ 26,862,036	$ (1,009,510)	$ (426,428)	$ 25,426,098

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

Governmental activities:	
General government	$ 3,227,546
Public safety	1,559,034
Highways and streets, including depreciation of general infrastructure assets	563,631
Health and sanitation	609,390
Culture and recreation	1,106,735
Social services	61,724
Total depreciation expense-governmental activitie:	$ 7,128,060
Business-type activities:	
Civic Center	$ 1,069,683
Parking System	867,655
Total depreciation expense-business-type activitie:	$ 1,937,338

Construction in Progress

The government has active construction projects as of June 30, 2008. The projects include street, retaining walls, and bridge repairs, City Hall renovations and additions, recreation facilities renovations and greenspace. At year end, the amounts for governmental activities spent-to-date are as follows:

Project	Spent-to-Date	Funded
North Hills Drainage	$ 26,704	General Fund
Ball Park Additions	2,217	General Fund
Landslide Twilight Drive	2,500	General Fund & State DOH Grant
Landslide Pansy & Comos Drives	2,200	General Fund
Fire Station Renovations	1,800	General Fund
City Hall Renovations & Additions	296,731	General Fund
Municipal Auditorium Stage Lighting	3,737	General Fund
MOECD-Sojourners' Renovations	43,457	CDBG Grants
Auditorium	11,795	General Fund
Bridge & Retaining Walls Projects	600,754	General Fund and CDBG Grants
Feasibility Study-Civic Center	38,968	General Fund
Lighting Design for Lee St. Bridge and Elk River Bridge	26,040	Donations and General Fund
RSLC Veteran's Transitional Housing Project	128,154	CDBG Grants
Greenspace	115,982	General Fund and CDBG Grants
Total	$ 1,301,039	

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008 is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund	Purpose	Amount
General	Civic Center	Reimbursements Insurance	$ 497,150
	Civic Center	Reimbursement Loan	71,212
	CDBG	Reimbursement Salary & Utilities	43,606
	HOME	Reimbursement Salary & Utilities	8,911
	Nonmajor Governmental Fund	Reimbursements Salaries, loans, and transfer of fines	419,782
Parking System	General Fund	Overpayment Reimbursement	9,056
Nonmajor Governmental Funds	General Fund	Transfer of funds	20,750
Nonmajor Governmental Funds	Nonmajor Governmental Fund	Reimbursement capital projects	769
	Total		$ 1,071,236

Interfund transfers:

	Transfers In			
	General Fund	Nonmajor Governmental	Civic Center	Total Transfers In
Transfers out:				
General fund	$ -	$ 3,457,040	$ 928,687	$ 4,385,727
Coal severance tax	-	-	192,776	192,776
Nonmajor governmental funds	3,587,533	-	-	3,587,533
Civic Center	-	114,892	181,630	296,522
Total Transfers Out	$ 3,587,533	$ 3,571,932	$ 1,303,093	$ 8,462,558

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

E. Leases

Capital Leases

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

On November 1, 2004, the City of Charleston entered into a Contract of Lease-Purchase with the West Virginia Economic Development Authority in the amount of $8,000,000 with 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 government has entered into lease agreements as lessee for financing the acquisition of machinery and equipment for its Civic Center and Parking System. These lease agreements qualify as capital leases for accounting purposes, and, therefore have been recorded at the present value of future minimum lease payments as of the inception date in the Civic Center and Parking System enterprise fund. All outstanding lease obligations for the Civic Center and Parking System had been fully satisfied as of June 30, 2008.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Civic Center	Parking System
Machinery, equipment and vehicles	$ 9,620,252	$ 28,677	$ 218,399
Less: accumulated depreciation	(7,005,463)	(28,677)	(218,269)
Total	$ 2,614,789	$ -	$ 130

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

Year Ending June 30	Governmental Activities
2009	$ 2,264,610
2010	1,897,859
2011	1,626,379
2012	1,289,243
2013	928,168
2014 - 2018	3,557,815
2019 - 2023	2,637,648
2024 - 2028	956,729
Total minimum lease payments	15,158,451
Less: amount representing interest	(3,897,379)
Present value of minimum lease payments	$ 11,261,072

F. Long-term Debt

General Obligation Bonds

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

Governmental Activities

Purpose	Maturity Date	Interest Rates	Issued	Retired	Balance June 30, 2008
Public Improvement Bonds					
Series 1989	2010	7.1-7.2%	$ 15,000,000	$ 12,355,000	$ 2,645,000
Total			$ 15,000,000	$ 12,355,000	$ 2,645,000

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

Year Ending June 30	Governmental Activities Principal	Interest
2009	$ 1,275,000	$ 144,540
2010	1,370,000	49,320
Total	$ 2,645,000	$ 193,860

Revenue Bonds

The City issues bonds where the government pledges designated revenues to pay debt service. The bonds are issued to acquire or construct assets. Revenue Bonds outstanding, net of unamortized issuance costs of $995,851 (Fire Station $13,211; Parking System $679,775, and Civic Center $302,865) at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2008
Governmental activities:					
Public Safety Center Series 1999	2024	5.00-5.70%	$ 1,500,000	$ 330,000	$ 1,170,000
Charleston Building Commission 1999	2024	5.30-5.95%	2,895,000	630,000	2,265,000
Fire Station Series 2002B	2013	3.81%	1,300,000	587,874	712,126
Total governmental activities			$ 5,695,000	$ 1,547,874	$ 4,147,126
Business-type activities:					
Parking System Refunding Series 2005A	2016	2.50-4.50%	$ 8,710,000	$ 2,455,854	$ 6,254,146
Parking System Refunding Series 2005B	2013	3.00-4.40%	2,655,000	1,138,920	1,516,080
Civic Center Improvement Series 1998	2023	4.60-5.10%	3,635,000	943,389	2,691,611
Civic Center Improvement Series 1999	2024	4.51-6.71%	4,060,000	847,534	3,212,466
Civic Center Lease Revenue Series 1999	2024	5.20-6.70%	1,610,000	366,942	1,243,058
Total revenue bonds			$ 20,670,000	$ 5,752,639	$ 14,917,361

Revenue bond debt service requirements to maturity are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	$ 271,701	$ 221,670	$ 1,134,709	$ 794,159
2010	281,767	209,334	1,179,709	742,110
2011	297,027	196,539	1,219,709	685,528
2012	307,490	183,026	1,274,709	626,109
2013	324,141	165,165	1,149,709	561,990
2014 - 2018	1,015,000	664,483	5,239,665	1,818,960
2019 - 2023	1,335,000	336,103	2,651,492	808,320
2024 - 2028	315,000	18,480	1,067,659	69,947
Totals	$ 4,147,126	$ 1,994,800	$ 14,917,361	$ 6,107,123

Changes in Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds payable	$ 3,830,000	$ -	$ (1,185,000)	$ 2,645,000	$ 1,275,000
Revenue Bonds	4,419,270	-	(258,933)	4,160,337	271,701
Less: deferred amounts:					
Issuance costs	(15,853)	-	2,642	(13,211)	-
Total bonds payable	8,233,417	-	(1,441,291)	6,792,126	1,546,701
Capital leases	10,987,881	2,328,000	(2,054,809)	11,261,072	1,753,691
Net pension obligation	41,731,210	52,946,763	(41,731,210)	52,946,763	-
Claims and judgments	4,801,056	4,318,101	(4,801,056)	4,318,101	3,991,259
Compensated absences	1,627,405	1,718,193	(1,627,405)	1,718,193	1,718,193
Governmental activities Long-term liabilities	$ 67,380,969	$ 61,311,057	$ (51,655,771)	$ 77,036,255	$ 9,009,844

	Business-type Activities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	$ 17,105,000	$ -	$ (1,205,000)	$ 15,900,000	$ 1,250,000
Less: deferred amounts:					
Issuance costs	(1,097,930)	-	115,291	(982,639)	-
Total bonds payable	16,007,070	-	(1,089,709)	14,917,361	1,250,000
Compensated absences	73,534	76,303	(73,534)	76,303	76,303
Business-type activities Long-term liabilities	$ 16,080,604	$ 76,303	$ (1,163,243)	$ 14,993,664	$ 1,326,303

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

G. Restricted Assets

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

	Governmental Activities	Business-type Activities
Customer deposits	$ -	$ 62,929
Cash - contractual agreement	1,868,364	-
Capital lease debt service	190,551	-
General obligation bond debt service account	79,989	-
Revenue bond operations and maintenance account	-	296,202
Revenue bond debt service account	693	607,866
Revenue bond reserve account	-	1,151,869
Total restricted assets	$ 2,139,597	$ 2,118,866

H. Benefits Funded by the State of West Virginia

For the year ended June 30, 2008, 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	$ 1,849,497
Firemen's Pension and Relief Fund	2,036,834
Total	$ 3,886,331

V. OTHER INFORMATION

A. Risk Management

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

Workers' Compensation Fund (WCF): West Virginia utilizes a single private insurance company, Brick Street Insurance, to provide workers' compensation coverage to all employers in the state. Other private insurance companies may begin to offer coverage to private sector employers beginning July 1, 2008, and to government employers July 1, 2012. For the most part, all employers in the State, including governmental entities, must have coverage. The cost of all coverage, as determined by Brick Street, is paid by the employers. The WCF risk pool retains the risk related to the compensation of injured employees under the program.

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

Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments include an amount for claims that have been incurred but not reported (IBNRs). An excess coverage insurance policy covers individual claims in excess of $300,000 for liability retention and loss and $500,000 for workers' comp retention-all employees. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2008	Year Ended 6/30/2007
Unpaid claims, beginning of fiscal year	$ 4,801,056	$ 3,809,459
Incurred claims (including IBNRs)	4,318,101	4,801,056
Claims paid	(4,801,056)	(3,809,459)
Unpaid claims, end of fiscal year	$ 4,318,101	$ 4,801,056

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

B. Contingent Liabilities

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

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

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

C. Deferred Compensation Plan

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

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

D. Joint Venture

The Kanawha-Charleston Board of Health is a multi-government arrangement which qualifies as a joint venture. An annual contract is signed between the Board, Kanawha County and the City of Charleston. The Kanawha-Charleston Board of Health is a separate and specific activity which is jointly controlled by the County and City due to their shared responsibility for appointment of the five-member Board. In addition, there is an ongoing financial responsibility for the participating governments pursuant to Article 2, Chapter 16, 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. Other Post-employment Benefits

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.

F. Donor-Restricted Endowment

The City of Charleston was a recipient of a donor-restricted endowment for the Spring Hill Cemetery. The corpus of the trust is non-expendable and only the income earned from the trust may be spent for the general care and maintenance of the cemetery. The government's council at its regular meeting held on November 16, 1970, adopted a resolution authorizing the creation of Spring Hill, Inc. and charged the corporation with the management of funds it might receive for the perpetual care of Spring Hill Cemetery. The corporation qualified as a tax-exempt organization under Section 501(c)(13) of the Internal Revenue Code of 1954. The unspent endowment earnings of $553,215 since the inception may be spent for the general maintenance of the cemetery. This amount is reported in the government's net assets as restricted for perpetual care-expendable.

G. Prior Period Adjustment

Beginning net assets for governmental activities was restated for a correction of an error by the net effect of the change which was zero. A vehicle was erroneously reported donated in fiscal year 2004 by the Police Department which had a book value of $12,292 and a loss was reported on the donation for the 2004 fiscal year in the same amount. During inventory at the latter part of the 2008 fiscal year, it was discovered that this vehicle was still in use by the City's Police Department. The vehicle was purchased in 2002 and had been depreciated for two years and had a remaining estimated life of three years at the time of the donation; consequently, at July 1, 2007 the vehicle would have been fully depreciated. The beginning capital assets were restated including the cost of the vehicle of $20,486 and the beginning accumulated depreciation restated at the same amount. The net effect to beginning capital assets and to the governmental net assets at July 1, 2007 was zero.

VI. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

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

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

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2006.

Actuarial valuations are required to be performed once every three years per state statute. However, the actuarial valuations can be performed in shorter intervals at the discretion of the PPRF and FPRF's boards. The boards have the valuations performed every two years in accordance with GAAP. For additional information relating to basis of accounting and reported investment values, see Notes I.C., I.D.1. and IV.A.

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

Memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	184	193	377
Vested Terminated Benefits	2	2	4
Retirees and Beneficiaries Currently Receiving Benefits	202	217	419
Total	388	412	800

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

	PPRF	FPRF
Determination of contribution requirements	Actuarially determined	Actuarially determined
Employer	Contributes annually an amount which, together with contributions from the members and the allocable portion of the state premium tax fund, will be sufficient to meet the normal cost of the fund and amortize any actuarial deficiency over a period of not more than thirty years in accordance with West Virginia State Code §8-22-10. However, municipalities may utilize an alternative contribution method which allows the City to contribute no less than 107% of the prior year contribution provided the actuary certifies in writing that the fund will be solvent over the next 15 years under this method as authorized by West Virginia State Code §8-22-20c(1). In no event can the employer contribution be less than the normal cost as determined by the actuary. The City of Charleston contributes 108% of the prior year's contributions for both the police and fire pension plans.	
Plan Members	8% of covered payroll	8% of covered payroll
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Post-Retirement Benefit Increases	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees).	
Eligibility for Distribution	20 years of credited service or age 65; whichever comes first. Must be at least age 50.	
Provisions for:	PPRF	FPRF
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:

	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
Valuation Date	7/1/2007	7/1/2006
Actuarial Cost Method	Entry age normal-Closed Group	Entry Age Normal-Closed Group
Amortization Method	Level with a 24-year closed period ending June 30, 2031	Level with a 25 year closed period ending June 30, 2031
Amortization Period	Level with a 24-year closed period ending June 30, 2031	Level with a 25 year closed period ending June 30, 2031
Actuarial Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions:		
Investment Rate of Return	7.0% per year, net of expenses	7.0% per year, net of expenses
Projected Salary Increases	4% per year	4% per year
Post-Retirement Benefit Increases	None	None
Inflation	3.00%	3.00%
Cost of Living Adjustments	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees).	On July 1 following two years of retirement, benefit equal to the percentage increase in the Consumer Price Index, limited to 4% (2% for some disability retirees).

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

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

Benefits, Refund, and Administrative Costs

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

Reserves

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

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	$ 7,240,761	$ 8,275,064
Interest on short-term	1,586,111	1,335,074
Adjustment to annual required contribution	(1,412,639)	(1,189,057)
Annual pension cost	7,414,233	8,421,081
Contributions made	(1,792,201)	(2,827,560)
Increase in net pension obligation	5,622,032	5,593,521
Net pension obligation at beginning of the year	22,658,730	19,072,480
Net pension obligation at the end of the year	$ 28,280,762	$ 24,666,001

VI.A.4. Trend Information

Policemen's Pension and Relief Fund (PPRF)

Fiscal Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
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
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

VI.A.5. Funding progress

SCHEDULE OF FUNDING PROGRESS:

Policemen's Pension and Relief Fund (PPRF)

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

Firemen's Pension and Relief Fund (FPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/06	$ 7,121,731	$ 97,573,128	$ 90,451,397	7.30%	$ 8,589,398	1053%

The schedule of funding progress included in the required supplementary information immediately following the notes indicates the actuarial value of the plan assets is (increasing 38% for the PPRF and increasing 8% for the FPRF) over time relative to the actuarial accrued liability for both pension plans (is increasing 46% for the PPRF and increasing 37% for the FPRF) over time relative to the actuarial accrued liability.

VI.B.1 Plan Descriptions, Contribution Information and Funding Policies

Public Employees Retirement System (PERS)

The City of Charleston, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of general City employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and state appropriations, as necessary.

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

	Public Employees' Retirement System (PERS)
Eligibility to participate:	All City full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefit provisions:	State Statute
Plan member's contribution rate:	4.50%
City's contribution rate:	10.50%
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
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.

THE CITY OF CHARLESTON
WEST VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

I. SCHEDULES OF FUNDING PROGRESS

Policemen's Pension and Relief Fund (PPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/97	$ 11,329,860	$ 65,658,421	$ 54,328,561	17.26%	$ 6,430,212	845%
7/1/99	13,183,185	68,856,200	55,673,015	19.15%	6,545,780	851%
7/1/01	14,436,077	76,015,300	61,579,223	18.99%	6,606,800	932%
7/1/03	13,955,874	86,255,000	72,299,126	16.18%	6,916,700	1045%
7/1/05	14,028,062	90,598,400	76,570,338	15.00%	7,901,100	969%
7/1/07	15,582,123	95,751,500	80,169,377	16.27%	8,666,547	925%

Firemen's Pension and Relief Fund (FPRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % covered payroll (b-a)/c
7/1/98	$ 6,613,424	$ 71,358,728	$ 64,745,304	9.27%	$ 7,063,357	917%
7/1/00	6,492,763	68,627,600	62,134,837	9.46%	7,140,380	870%
7/1/02	6,281,501	79,213,700	72,932,199	7.93%	7,674,090	950%
7/1/04	6,427,687	87,142,700	80,715,013	7.38%	7,818,820	1032%
7/1/06	7,121,731	97,573,128	90,451,397	7.30%	8,589,398	1053%

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, 2008

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,502,928	$ 4,929,094	$ 3,542,613	$ 164,027	$ 11,138,662
Investments	--	--	--	1,385,315	1,385,315
Receivables:					
Taxes	--	--	114,372	--	114,372
Accounts	464,380	6,073	--	--	470,453
Grants	253,935	--	--	--	253,935
Loans	277,608	--	--	--	277,608
Accrued interest	1,073	700	1,053	10,992	13,818
Due from:					
Other funds	--	15,706	--	5,813	21,519
Component units	32,836	--	--	--	32,836
Restricted cash	1,868,364	--	80,682	--	1,949,046
Total assets	$ 5,401,124	$ 4,951,573	$ 3,738,720	$ 1,566,147	$ 15,657,564
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	261,710	269,805	--	1,659	533,174
Due to:					
Other funds	395,524	25,026	--	--	420,550
Deferred revenue:					
Unearned revenue	380,737	--	--	--	380,737
Taxes	--	--	78,465	--	78,465
Total liabilities	1,037,971	294,831	78,465	1,659	1,412,926
Fund balances:					
Reserved for:					
Perpetual care	--	--	--	1,564,488	1,564,488
Debt service	--	--	3,660,255	--	3,660,255
Community development	2,338,482	--	--	--	2,338,482
Capital projects	--	4,656,742	--	--	4,656,742
Public safety	188,461	--	--	--	188,461
Unreserved	1,836,210	--	--	--	1,836,210
Total fund balances	4,363,153	4,656,742	3,660,255	1,564,488	14,244,638
Total liabilities and fund balances	$ 5,401,124	$ 4,951,573	$ 3,738,720	$ 1,566,147	$ 15,657,564

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, 2008

	Special Revenue	Capital Projects	Debt Service	Permanent	Total Nonmajor Governmental Funds
REVENUES					
Taxes:					
Ad valorem property taxes	$ --	$ --	$ 1,554,191	$ --	$ 1,554,191
Intergovernmental:					
Federal	1,880,165	--	--	--	1,880,165
Charges for services	4,062,811	14,564	--	--	4,077,375
Fines and forfeits	1,206,087	--	--	--	1,206,087
Interest and investment earnings	160,687	135,913	141,400	(19,193)	418,807
Reimbursements	--	194,556	--	--	194,556
Contributions and donations	69,289	--	--	9,181	78,470
Miscellaneous	4,994	--	--	--	4,994
Total revenues	7,384,033	345,033	1,695,591	(10,012)	9,414,645
EXPENDITURES					
Current:					
General government	395,704	--	--	--	395,704
Public safety	1,142,218	--	--	--	1,142,218
Streets and transportation	720	--	--	--	720
Health and sanitation	1,105,669	--	--	--	1,105,669
Social services	--	--	--	60,328	60,328
Economic development	1,011,212	--	--	--	1,011,212
Debt service:					
Principal	--	--	1,315,000	--	1,315,000
Interest	--	--	442,654	--	442,654
Capital outlay:					
Streets and transportation	--	1,980,606	--	--	1,980,606
Total expenditures	3,655,523	1,980,606	1,757,654	60,328	7,454,111
Excess (deficiency) of revenues over (under) expenditures	3,728,510	(1,635,573)	(62,063)	(70,340)	1,960,534
OTHER FINANCING SOURCES (USES)					
Transfers in	20,000	3,177,409	333,542	40,981	3,571,932
Transfers (out)	(3,546,315)	(208,698)	--	(14,150)	(3,769,163)
Total other financing sources (uses)	(3,526,315)	2,968,711	333,542	26,831	(197,231)
Net change in fund balances	202,195	1,333,138	271,479	(43,509)	1,763,303
Fund balances - beginning	4,160,958	3,323,604	3,388,776	1,607,997	12,481,335
Fund balances - ending	$ 4,363,153	$ 4,656,742	$ 3,660,255	$ 1,564,488	$ 14,244,638

CITY OF CHARLESTON, WEST VIRGINIA
SPECIAL REVENUE FUNDS

Nonmajor Funds

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

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

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

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

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

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

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

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

Historic Preservation Fund This fund was established to account for federal grants received from U.S. Department of 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.

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

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

Homeland Security Assistance to Firefighters Fund This fund was established to account for federal grants received from the U.S. Department of Homeland Security for the purchase of portable and mobile radios for use on the WV I RP for the Charleston Fire Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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


THE CITY OF CHARLESTON
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2008

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Cops Meth Grant	DOT Federal Grant
ASSETS					
Cash and cash equivalents	$ 54,447	$ 227,883	$ 20,392	$ 9,754	$ --
Receivables:					
Accounts	4,728	325	--	--	--
Grants	--	--	--	--	400
Loans	--	--	--	--	--
Interest	8	39	3	--	--
Due from:					
Component units	--	--	--	--	--
Restricted cash	--	--	--	--	--
Total assets	$ 59,183	$ 228,247	$ 20,395	$ 9,754	$ 400
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	--	316	--	--	--
Due to:					
Other funds	--	16,490	--	--	400
Deferred revenue:					
Unearned revenue	--	162,399	--	9,754	--
Total liabilities	--	179,205	--	9,754	400
Fund balances:					
Reserved for:					
Community development	--	--	20,395	--	--
Public safety	59,183	49,042	--	--	--
Unreserved	--	--	--	--	--
Total fund balances	59,183	49,042	20,395	--	--
Total liabilities and fund balances	$ 59,183	$ 228,247	$ 20,395	$ 9,754	$ 400

Employee Health Insurance	EPA Brownfields Grant	FEMA -WV Flood Mitigation	Historic Preservation	Homeland Security Grant	Homeland Security Assistance to Firefighters	Human Rights
$ 1,124,911	$ --	$ 10,561	$ --	$ 21,419	$ --	$ 198,754
--	--	--	200	--	--	--
--	--	--	2,000	--	--	--
--	--	--	--	--	--	--
334	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
$ 1,125,245	$ --	$ 10,561	$ 2,200	$ 21,419	$ --	$ 198,754
--	--	--	--	4,901	--	250
--	--	--	2,200	--	--	--
--	--	10,561	--	15,739	--	182,284
--	--	10,561	2,200	20,640	--	182,534
--	--	--	--	--	--	--
--	--	--	--	779	--	--
1,125,245	--	--	--	--	--	16,220
1,125,245	--	--	--	779	--	16,220
$ 1,125,245	$ --	$ 10,561	$ 2,200	$ 21,419	$ --	$ 198,754

Metro Loan	Municipal Beautification	Municipal Court	Municipal Stabilization	Police & Fire Donations	Police Grants	Rental Rehabilitation
$ 5,842	$ 24,034	$ 246,155	$ 89,047	$ 50,330	$ 134,465	$ 161,259
--	--	118,742	--	--	--	--
--	--	--	--	--	219,351	--
112,418	--	--	--	--	--	165,190
58	3	--	24	9	--	42
--	--	--	--	--	--	--
--	--	--	--	--	--	--
$ 118,318	$ 24,037	$ 364,897	$ 89,071	$ 50,339	$ 353,816	$ 326,491
--	--	15,344	--	7,750	139,384	15,379
--	--	198,441	--	--	177,564	--
--	--	--	--	--	--	--
--	--	213,785	--	7,750	316,948	15,379
118,318	--	--	--	--	--	311,112
--	--	--	--	42,589	36,868	--
--	24,037	151,112	89,071	--	--	--
118,318	24,037	151,112	89,071	42,589	36,868	311,112
$ 118,318	$ 24,037	$ 364,897	$ 89,071	$ 50,339	$ 353,816	$ 326,491

Sister Cities	Solid Waste	Special Demolition	Supportive Housing	Wayfinding Commission	Total Nonmajor Special Revenue Funds
$ 1,258	$ 80,953	$ 32,638	$ --	$ 8,826	$ 2,502,928
--	340,385	--	--	--	464,380
--	--	--	32,184	--	253,935
--	--	--	--	--	277,608
--	553	--	--	--	1,073
--	32,836	--	--	--	32,836
--	1,868,364	--	--	--	1,868,364
$ 1,258	$ 2,323,091	$ 32,638	$ 32,184	$ 8,826	$ 5,401,124
--	46,631	--	31,755	--	261,710
--	--	--	429	--	395,524
--	--	--	--	--	380,737
--	46,631	--	32,184	--	1,037,971
--	1,879,831	--	--	8,826	2,338,482
--	--	--	--	--	188,461
1,258	396,629	32,638	--	--	1,836,210
1,258	2,276,460	32,638	--	8,826	4,363,153
$ 1,258	$ 2,323,091	$ 32,638	$ 32,184	$ 8,826	$ 5,401,124


THE CITY OF CHARLESTON
WEST VIRGINIA

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, 2008

	Asset Forfeiture and Reimbursement	Byrne Justice Assistance Grant	Charleston Land Trust Commission	Cops Meth Grant	DOT Federal Grant
REVENUES					
Intergovernmental:					
Federal	$ --	$ 114,085	$ --	$ 37,496	$ 535,811
Charges for services	--	--	--	--	--
Fines and forfeits	56,185	--	--	--	--
Interest and investment earnings	2,005	9,116	348	--	--
Contributions and donations	--	--	49,030	--	--
Miscellaneous	--	--	--	--	--
Total revenues	58,190	123,201	49,378	37,496	535,811
EXPENDITURES					
Current:					
General government	--	--	--	--	--
Public safety	43,432	114,085	--	37,496	--
Streets and transportation	--	--	--	--	--
Health and sanitation	--	--	--	--	--
Economic development	--	--	30,000	--	535,811
Total expenditures	43,432	114,085	30,000	37,496	535,811
Excess (deficiency) of revenues over (under) expenditures	14,758	9,116	19,378	--	--
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	--	--	--
Transfers (out)	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--
Net change in fund balances	14,758	9,116	19,378	--	--
Fund balances - beginning	44,425	39,926	1,017	--	--
Fund balances - ending	$ 59,183	$ 49,042	$ 20,395	$ --	$ --

Employee Health Insurance	EPA Brownfields Grant	FEMA -WV Flood Mitigation	Historic Preservation	Homeland Security Grant	Homeland Security Assistance to Firefighters	Human Rights
$ --	$ 46,765	$ --	$ 3,600	$ 4,901	$ 232,265	$ 26,311
--	--	--	--	--	--	--
--	--	--	--	--	--	--
46,947	--	--	--	--	--	--
--	--	--	200	--	--	--
--	--	--	--	--	--	--
46,947	46,765	--	3,800	4,901	232,265	26,311
--	--	--	--	--	--	--
--	--	--	--	4,901	232,265	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	46,765	--	3,800	--	--	26,311
--	46,765	--	3,800	4,901	232,265	26,311
46,947	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
46,947	--	--	--	--		--
1,078,298	--	--	--	779	--	16,220
$ 1,125,245	$ --	$ --	$ --	$ 779	$ --	$ 16,220

Metro Loan	Municipal Beautification	Municipal Court	Municipal Stabilization	Police & Fire Donations	Police Grants
$ --	$ --	$ --	$ --	$ --	$ 701,832
--	2,081	--	--	--	--
--	--	1,149,902	--	--	--
309	927	--	3,664	1,691	--
--	1,250	--	--	18,809	--
--	--	--	--	--	--
309	4,258	1,149,902	3,664	20,500	701,832
--	--	395,704	--	--	--
--	--	--	--	8,209	701,830
--	720	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	720	395,704	--	8,209	701,830
309	3,538	754,198	3,664	12,291	2
--	--	--	--	--	--
--	--	(746,315)	--	--	--
--	--	(746,315)	--	--	--
309	3,538	7,883	3,664	12,291	2
118,009	20,499	143,229	85,407	30,298	36,866
$ 118,318	$ 24,037	$ 151,112	$ 89,071	$ 42,589	$ 36,868

Rental Rehabilitation	Sister Cities	Solid Waste	Special Demolition	Supportive Housing	Wayfinding Commission	Total Nonmajor Special Revenue Funds
$ --	$ --	$ --	$ --	$ 177,099	$ --	$ 1,880,165
--	--	4,060,730	--	--	--	4,062,811
--	--	--	--	--	--	1,206,087
--	50	94,362	1,247	--	21	160,687
--	--	--	--	--	--	69,289
--	--	--	4,994	--	--	4,994
--	50	4,155,092	6,241	177,099	21	7,384,033
--	--	--	--	--	--	395,704
--	--	--	--	--	--	1,142,218
--	--	--	--	--	--	720
--	--	1,105,669	--	--	--	1,105,669
180,231	--	--	--	177,099	11,195	1,011,212
180,231	--	1,105,669	--	177,099	11,195	3,655,523
(180,231)	50	3,049,423	6,241	--	(11,174)	3,728,510
--	--	--	--	--	20,000	20,000
--	--	(2,800,000)	--	--		(3,546,315)
--	--	(2,800,000)	--	--	20,000	(3,526,315)
(180,231)	50	249,423	6,241	--	8,826	202,195
491,343	1,208	2,027,037	26,397	--	--	4,160,958
$ 311,112	$ 1,258	$ 2,276,460	$ 32,638	$ --	$ 8,826	$ 4,363,153


THE CITY OF CHARLESTON
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

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

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

City Service Fee Project Fund This fund receives transfers from the General Fund of the city service fee revenues that are dedicated for street maintenance 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.

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
CAPITAL PROJECTS FUNDS

Nonmajor Funds

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

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

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

The 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 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.

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.


• THE CITY OF CHARLESTON •
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2008

	Ball Park Maintenance	Ball Park Stadium	Bridge	City Service Fee Project
ASSETS				
Cash and cash equivalents	$ 17,015	$ 185,171	$ 107	$ 2,433,900
Receivables:				
Accounts	--	--	--	6,023
Accrued interest	--	--	--	399
Due from:				
Other funds	--	--	--	14,937
Total assets	17,015	185,171	107	2,455,259
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	430	--	--	255,007
Due to:				
Other funds	769	--	--	--
Total liabilities	1,199	--	--	255,007
FUND BALANCES				
Reserved for:				
Capital projects	15,816	185,171	107	2,200,252
Total fund balances	15,816	185,171	107	2,200,252
Total liabilities and fund balances	$ 17,015	$ 185,171	$ 107	$ 2,455,259

Civic Center Capital Improvements	General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Soccer Field	South Side Recreation	Total Nonmajor Capital Projects Funds
$ 357,349	$ 1,616,563	$ 141,115	$ 165,440	$ 2,970	$ 9,464	$ 4,929,094
--	--	--	50	--	--	6,073
--	298	--	--	--	3	700
--	769	--	--	--	--	15,706
357,349	1,617,630	141,115	165,490	2,970	9,467	4,951,573
--	14,368	--	--	--	--	269,805
--	--	--	24,257	--	--	25,026
--	14,368	--	24,257	--	--	294,831
357,349	1,603,262	141,115	141,233	2,970	9,467	4,656,742
357,349	1,603,262	141,115	141,233	2,970	9,467	4,656,742
$ 357,349	$ 1,617,630	$ 141,115	$ 165,490	$ 2,970	$ 9,467	$ 4,951,573

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, 2008

	Ball Park Maintenance	Ball Park Stadium	Bridge	City Service Fee Project	Civic Center Capital Improvements
REVENUES					
Charges for services	$ --	$ --	$ --	$ --	$ --
Interest and investment earnings	489	7,634	350	54,088	15,738
Reimbursements	--	--	--	193,431	--
Total revenues	489	7,634	350	247,519	15,738
EXPENDITURES					
Current:					
Capital projects	10,776	--	12,000	1,438,166	--
Total expenditures	10,776	--	12,000	1,438,166	--
Excess (deficiency) of revenues over (under) expenditures	(10,287)	7,634	(11,650)	(1,190,647)	15,738
OTHER FINANCING SOURCES (USES)					
Transfers in	25,000	--	--	2,071,313	114,892
Transfers (out)	--	--	--	--	(181,630)
Total other financing sources (uses)	25,000	--	--	2,071,313	(66,738)
Net change in fund balances	14,713	7,634	(11,650)	880,666	(51,000)
Fund balances - beginning	1,103	177,537	11,757	1,319,586	408,349
Fund balances - ending	$ 15,816	$ 185,171	$ 107	$ 2,200,252	$ 357,349

General Maintenance	Infrastructure	Municipal Auditorium Capital Improvements	Soccer Field	South Side Recreation	Total Nonmajor Capital Projects Funds
$ --	$ --	$ 14,564	$ --	$ --	$ 14,564
44,971	5,760	6,371	118	394	135,913
1,125	--	--	--	--	194,556
46,096	5,760	20,935	118	394	345,033
519,664	--	--	--	--	1,980,606
519,664	--	--	--	--	1,980,606
(473,568)	5,760	20,935	118	394	(1,635,573)
966,204	--	--	--	--	3,177,409
--	--	(27,068)	--	--	(208,698)
966,204	--	(27,068)	--	--	2,968,711
492,636	5,760	(6,133)	118	394	1,333,138
1,110,626	135,355	147,366	2,852	9,073	3,323,604
$ 1,603,262	$ 141,115	$ 141,233	$ 2,970	$ 9,467	$ 4,656,742


THE CITY OF CHARLESTON
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
DEBT SERVICE FUND

Nonmajor Fund

Debt Service Sinking Fund This fund is used to account for the accumulation of resources and payment of general long-term debt principal and interest from governmental resources.

CITY OF CHARLESTON, WEST VIRGINIA
BALANCE SHEET - NONMAJOR DEBT SERVICE FUND
June 30, 2008

	Sinking Fund
ASSETS	
Cash and cash equivalents	$ 3,542,613
Receivables:	
Taxes	114,372
Accrued interest	1,053
Restricted cash	80,682
Total assets	$ 3,738,720
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Deferred revenue:	
Taxes	78,465
Total liabilities	78,465
FUND BALANCE	
Reserved for:	
Debt service	3,660,255
Total fund balance	3,660,255
Total liabilities and fund balance	$ 3,738,720

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, 2008

	Sinking Fund
REVENUES	
Taxes:	
Ad valorem property taxes	$ 1,554,191
Interest and investment earnings	141,400
Total revenues	1,695,591
EXPENDITURES	
Current:	
Principal	1,315,000
Interest	442,654
Total expenditures	1,757,654
Excess (deficiency) of revenues over (under) expenditures	(62,063)
OTHER FINANCING SOURCES (USES)	
Transfers in	333,542
Total other financing sources (uses)	333,542
Net change in fund balance	271,479
Fund balance - beginning	3,388,776
Fund balance - ending	$ 3,660,255


• THE CITY OF CHARLESTON •
WEST VIRGINIA

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, 2008

	Spring Hill Cemetery
ASSETS	
Cash and cash equivalents	$ 164,027
Investments	1,385,315
Receivables:	
Accrued interest	10,992
Due from:	
Other funds	5,813
Total assets	$ 1,566,147
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	1,659
Total liabilities	1,659
FUND BALANCE	
Reserved for:	
Perpetual care	1,564,488
Total liabilities and fund balance	$ 1,566,147

CITY OF CHARLESTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
NONMAJOR PERMANENT FUND
For the Fiscal Year Ended June 30, 2008

	Spring Hill Cemetery
REVENUES	
Interest and investment earnings	$ (19,193)
Contributions and donations	9,181
Total revenues	(10,012)
EXPENDITURES	
Current:	
Social services	60,328
Total expenditures	60,328
Excess (deficiency) of revenues over (under) expenditures	(70,340)
OTHER FINANCING SOURCES (USES)	
Transfers in	40,981
Transfer out	(14,150)
Total other financing sources (uses)	26,831
Net change in fund balance	(43,509)
Fund balance - beginning	1,607,997
Fund balance - ending	$ 1,564,488


THE CITY OF CHARLESTON
WEST VIRGINIA

CITY OF CHARLESTON, WEST VIRGINIA
AGENCY FUNDS

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

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

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

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

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

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
June 30, 2008

	Civic Center Ticket	Civic Center Tourism Grant	Metro Drug Enforcement Task Force	Pending Forfeiture	Police Asset & Liability	Total Agency Funds
ASSETS						
Cash and cash equivalents	$ 791,432	$ 8,545	$ 55,408	$ 723,047	$ 6,179	$ 1,584,611
Receivables:						
Accounts	--	--	32,055	--	--	32,055
Interest	--	--	7	119	1	127
Total assets	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793
LIABILITIES						
Refunds payable and others	791,432	8,545	87,470	723,166	6,180	1,616,793
Total liabilities	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793

CITY OF CHARLESTON, WEST VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2008

	Civic Center Ticket	Civic Center Tourism Grant	Metro Drug Enforcement Task Force	Pending Forfeiture	Police Asset & Liability	Total Agency Funds
ASSETS						
Cash and cash equivalents July, 1, 2007	$ 408,910	$ 9,099	$ 24,529	$ 671,465	$ 5,924	$ 1,119,927
Receivables, July 1, 2007	--	--	36,670	--	--	36,670
Additions-Cash	228,127,082	23,318	259,596	193,330	255	228,603,581
Deductions-Cash	(227,744,560)	(23,872)	(228,717)	(141,748)	--	(228,138,897)
Additions-Receivable	--	--	32,824	119	1	32,944
Deductions-Receivable	--	--	(37,432)	--	--	(37,432)
Cash and cash equivalents June 30, 2008	791,432	8,545	55,408	723,047	6,179	1,584,611
Receivables, June 30, 2008	--	--	32,062	119	1	32,182
Total Assets, June 30, 2008	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793
LIABILITIES						
Refunds payable and others July 1, 2007	408,910	9,099	61,199	671,465	5,924	1,156,597
Additions	228,127,082	23,318	213,390	193,449	256	228,557,495
Deductions	(227,744,560)	(23,872)	(187,119)	(141,748)	--	(228,097,299)
June 30, 2008	$ 791,432	$ 8,545	$ 87,470	$ 723,166	$ 6,180	$ 1,616,793


THE CITY OF CHARLESTON
WEST VIRGINIA

STATISTICAL SECTION

CITY OF CHARLESTON, WEST VIRGINIA
STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the City's audited financial statements for the relevant year. The City implemented Governmental Accounting Standards Board Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF CHARLESTON, WEST VIRGINIA
Table 1
Net Assets by Component -
Last Six Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
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
Restricted	10,893,812	11,422,818	9,488,250	10,392,753	12,211,193	14,713,465
Unrestricted	(20,073,060)	(16,200,296)	(15,967,485)	(20,756,708)	(32,287,210)	(40,056,384)
Total governmental activities net assets	$ 39,285,664	$ 50,942,072	$ 59,969,487	$ 57,945,065	$ 51,793,680	$ 44,306,064
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
Restricted	371,033	3,597,002	1,855,216	1,967,296	1,989,077	2,055,937
Unrestricted	(284,787)	(137,205)	196,325	140,807	298,804	739,912
Total business-type activities	$ 9,662,376	$ 12,595,599	$ 12,536,831	$ 13,015,381	$ 13,142,847	$ 13,304,586
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
Restricted	14,603,845	15,019,820	11,343,466	12,360,049	14,200,270	16,769,402
Unrestricted	(20,357,847)	(16,337,501)	(15,771,160)	(20,615,905)	(31,988,406)	(39,316,472)
Total primary government net assets	$ 52,687,040	$ 63,537,671	$ 72,506,318	$ 70,960,446	$ 64,936,527	$ 57,610,650

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 Six Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities						
General government	$ 16,007,554	$ 12,892,126	$ 18,117,093	$ 15,595,021	$ 16,226,688	$ 15,897,074
Public safety	31,452,519	34,016,023	34,256,666	35,437,345	39,543,593	48,241,928
Streets and transportation	5,535,598	6,173,346	3,185,260	6,454,730	7,993,195	8,346,954
Health and sanitation	4,021,705	4,503,132	3,672,291	4,302,817	5,354,317	5,207,158
Culture and recreation	4,786,629	4,659,938	5,930,600	6,962,595	6,378,521	6,675,344
Social services	803,574	648,972	637,832	666,342	360,025	822,953
Economic development	1,814,596	1,494,515	2,351,533	2,746,483	3,358,208	2,995,622
Administrative and general	24,095	-	-	-	-	-
Interest on long-term debt	972,348	724,960	1,082,377	982,256	881,524	783,299
Total governmental activities	65,418,618	65,113,012	69,233,652	73,147,589	80,096,071	88,970,332
Business-type activities						
Civic center	3,703,883	4,041,658	4,266,734	4,515,951	4,735,314	4,889,784
Parking system	3,601,138	3,522,269	3,347,906	3,141,969	3,233,036	3,140,715
Total business-type activities	7,305,021	7,563,927	7,614,640	7,657,920	7,968,350	8,030,499
Total primary government	$ 72,723,639	$ 72,676,939	$ 76,848,292	$ 80,805,509	$ 88,064,421	$ 97,000,831
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
Public safety	22,898	5,563,713	5,718,864	5,575,741	6,837,529	8,163,860
Culture and recreation	56,114	124,499	140,381	113,375	129,364	95,038
Streets and transportation	-	3,981	4,858	2,183,248	1,615,441	2,071,313
Health and sanitation	-	4,070,540	4,382,690	4,024,738	4,167,357	4,193,130
Economic development	-	-	2,252	-	-	-
Social services	-	131,898	154,468	194,080	213,931	191,635
Operating grants and contributions	3,421,187	5,136,988	4,802,708	4,720,285	4,730,700	9,541,628
Capital grants and contributions	3,072,562	11,506,048	5,075,683	2,194,445	2,107,864	1,471,975
Total governmental activities program revenues	18,784,983	30,704,828	26,208,410	22,627,542	23,510,836	29,264,092

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities						
Charges for services						
Rentals	$ 2,845,573	$ 3,402,583	$ 3,504,671	$ 3,488,733	$ 3,653,123	$ 1,091,267
Catering services	574,527	533,695	966,151	683,345	722,995	698,859
Parking violations	301,391	545,797	454,985	525,906	606,142	690,898
Parking meters	491,997	505,994	492,123	486,990	529,717	550,322
Other	746,539	732,283	847,534	827,436	874,709	3,586,698
Capital grants and contributions	5,253	63,615	26,032	40,334	73,344	224,125
Total business-type activities program revenues	4,965,280	5,783,967	6,291,496	6,052,744	6,460,030	6,842,169
Net (expense) revenue						
Governmental activities	(46,633,635)	(34,408,184)	(43,025,242)	(50,520,047)	(56,585,235)	(59,706,240)
Business-type activities	(2,339,741)	(1,779,960)	(1,323,144)	(1,605,176)	(1,508,320)	(1,188,330)
Total primary government net (expense) revenue	$ (48,973,376)	$ (36,188,144)	$ (44,348,386)	$ (52,125,223)	$ (58,093,555)	$ (60,894,570)
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
Business and occupation taxes	31,619,878	32,820,776	32,863,908	33,681,586	35,567,872	36,666,641
Utility taxes	1,828,769	2,118,914	2,017,526	2,140,036	2,120,895	2,307,808
Hotel occupancy taxes	1,042,551	1,034,995	1,143,828	2,311,414	2,433,977	2,567,145
Other taxes	835,165	1,019,372	710,085	967,036	768,397	1,048,092
Unrestricted grants and contributions	15,766	100	2,000	-	-	-
Investment earnings	118,440	89,052	195,021	411,672	445,379	336,531
Gain (Loss) on sale of capital assets	100,251	59,158	5,768,495	709,370	162,017	129,838
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)
Total governmental activities	44,566,152	45,664,592	52,052,657	48,495,625	50,433,850	52,218,624

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Business-type activities						
Investment earnings	$ 112,953	$ 47,948	$ 116,038	$ 120,926	$ 176,954	$ 157,601
Miscellaneous	(2,947)	125	267	900	4,915	-
Transfers	1,810,573	1,326,109	1,148,072	1,961,899	1,453,917	-
Total business-type activities	1,920,579	1,374,182	1,264,377	2,083,725	1,635,786	157,601
Total primary government	46,486,731	47,038,774	53,317,034	50,579,350	52,069,636	52,376,225
Change in net assets						
Governmental activities	(2,067,483)	11,256,408	9,027,415	(2,024,422)	(6,151,385)	(7,487,616)
Business-type activities	(419,162)	(405,778)	(58,767)	478,549	127,466	161,739
Total primary government	$ (2,486,645)	$ 10,850,630	$ 8,968,648	$ (1,545,873)	$ (6,023,919)	$ (7,325,877)

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	$ 500,273	$ 1,340,740	$ 207,189	$ 386,378	$ 786,001	$ 3,849,291	$ 6,097,480	$ 3,321,573	$ 4,086,968	$ 4,538,744
Unreserved	8,653,536	7,799,077	7,949,764	10,217,347	10,770,000	12,733,620	14,391,977	14,665,775	14,083,621	15,036,189
Total general fund	$ 9,153,809	$ 9,139,817	$ 8,156,953	$ 10,603,725	$ 11,556,001	$ 16,582,911	$ 20,489,457	$ 17,987,348	$ 18,170,589	$ 19,574,933
All other governmental funds										
Reserved	13,503,663	9,090,857	11,030,994	10,022,027	8,168,578	9,419,244	7,420,690	9,754,460	10,918,600	12,607,962
Unreserved, reported in:										
Special revenue funds	965,816	1,065,521	853,424	199,302	450,603	593,582	1,021,116	1,717,429	1,729,893	1,836,210
Total all other Governmental funds	$ 14,469,479	$ 10,156,378	$ 11,884,418	$ 10,221,329	$ 8,619,181	$ 10,012,826	$ 8,441,806	$ 11,471,889	$ 12,648,493	$ 14,444,172

For comparability from year to year, the fiscal years 1998 through 2002 include Spring Hill Cemetery, that was classified as nonexpendable trust and Municipal Court classified as an expendable trust fund until implementation of GASB 34 effective for the fiscal year ended June 30, 2003. Spring Hill Cemetery became a Permanent Fund and Municipal Court became a Special Revenue Fund which are governmental funds.

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

	Fiscal Years									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	$ 40,979,657	$ 42,089,550	$ 43,380,813	$ 44,007,787	$ 45,950,963	$ 46,654,270	$ 46,430,717	$ 49,242,614	$ 51,334,552	$ 53,028,638
Licenses and permits	1,079,859	1,182,805	1,022,220	1,187,156	1,300,538	1,506,119	1,406,671	1,507,731	1,585,869	1,455,775
Fines and forfeitures	75,527	42,593	-	-	736,997	958,049	1,237,831	1,425,243	1,334,183	1,206,087
Charges for services	5,331,534	5,008,778	8,533,508	9,208,473	9,854,411	11,420,219	13,242,403	12,545,403	13,455,536	15,318,855
Intergovernmental	4,819,869	4,601,036	6,280,671	5,079,259	6,683,885	15,992,003	8,696,949	5,595,090	4,928,969	9,438,800
Investment earnings	903,906	877,084	611,407	1,783,495	253,535	285,676	549,103	818,789	1,184,506	778,985
Other revenues	4,503,162	3,390,532	2,177,551	296,932	1,087,700	1,742,909	2,109,403	2,098,938	2,426,221	2,370,284
Total revenues	57,693,514	57,192,378	62,006,170	61,563,102	65,868,029	78,559,245	73,673,077	73,233,808	76,249,836	83,597,424
Expenditures										
General government	8,753,579	8,976,103	9,114,612	12,358,471	10,520,913	10,441,852	12,386,355	12,680,635	14,029,365	15,247,865
Public safety	26,358,522	27,979,123	28,051,845	26,808,819	26,094,332	27,419,019	30,988,041	32,091,386	32,351,932	38,115,187
Streets & transportation	4,672,643	4,566,118	4,729,577	5,024,285	5,148,866	5,352,417	6,369,531	6,517,185	7,007,636	7,795,553
Health & sanitation	4,556,427	4,468,889	4,534,159	3,896,761	3,714,943	4,048,560	4,579,408	4,976,157	5,090,595	5,248,854
Culture & recreation	4,521,687	4,004,158	3,947,486	3,705,715	4,209,369	11,838,552	4,463,030	5,453,355	5,852,014	5,816,312
Economic development	2,970,635	2,612,439		-	4,882,570	5,673,238	2,990,521	3,640,671	4,043,828	4,004,487
Social services	1,337,583	1,271,407	5,185,443	1,590,703	762,201	584,404	647,150	665,296	856,383	828,870
Capital outlay	557,910	4,834,992	2,044,730	2,315,862	8,507,509	5,041,945	22,074,584	5,011,702	3,311,765	1,980,606
Debt service:										
Principal	1,303,509	1,449,793	1,550,620	1,645,965	1,740,766	1,104,052	1,183,247	1,517,603	1,651,681	1,761,291
Interest	1,008,325	1,166,586	1,075,033	974,550	879,354	840,682	735,873	1,079,040	979,118	873,674
Total expenditures	56,040,820	61,329,608	60,233,505	58,321,131	66,460,823	72,344,721	86,417,740	73,633,030	75,174,317	81,672,699
Excess of revenues over (under) expenditures	1,652,694	(4,137,230)	1,772,665	3,241,971	(592,794)	6,214,524	(12,744,663)	(399,222)	1,075,519	1,924,725
Special item-legal settlement	-	-	-	-	-	-	-	300,978	-	-
Other financing sources (uses)										
Proceeds from borrowing	4,236,900	-	-	-	1,000,000	1,532,141	10,116,502	1,573,000	1,317,227	2,326,542
Transfers in	1,920,121	2,359,575	2,876,444	3,672,484	6,809,247	13,675,581	15,311,778	10,755,743	8,002,458	7,159,465
Transfers out	(1,814,298)	(2,660,216)	(244,566)	(5,173,750)	(8,619,820)	(15,001,691)	(16,459,853)	(12,573,603)	(9,209,992)	(8,347,666)
Other	-	-	-	(101,743)	75,100	-	6,111,760	871,075	174,632	136,957
Total other financing sources (uses)	4,342,723	(300,641)	2,631,878	(1,603,009)	(735,473)	206,031	15,080,187	626,215	284,325	1,275,298
Net change in fund balance	5,995,417	(4,437,871)	4,404,543	1,638,962	(1,328,267)	6,420,555	2,335,524	527,971	1,359,844	3,200,023
Debt service as a percentage of noncapital expenditures	4%	5%	5%	5%	5%	3%	3%	4%	4%	3%

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

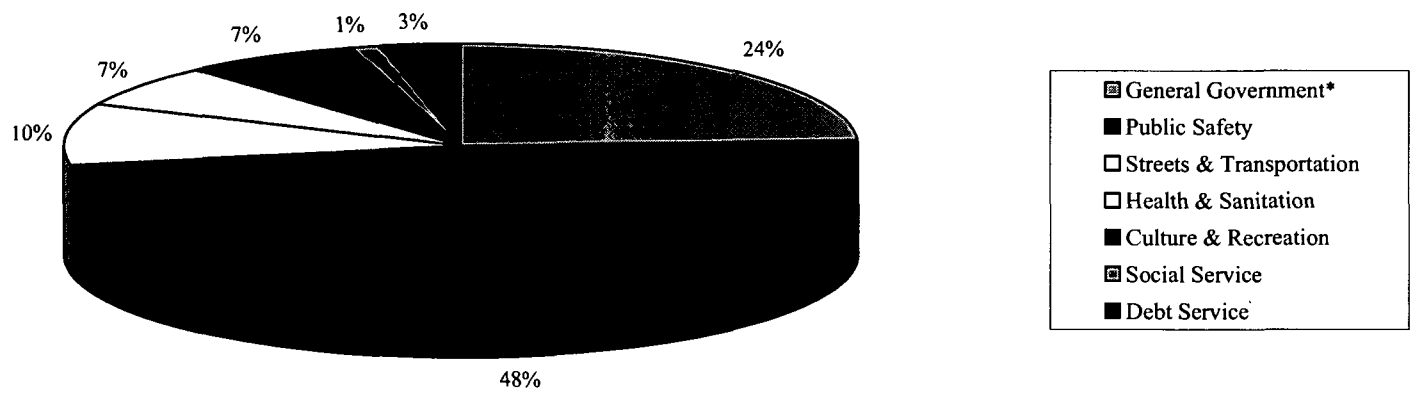
CITY OF CHARLESTON, WEST VIRGINIA
Table 5
Expenditures By Function - Governmental Fund Types - For the Last Ten Fiscal Years

Fiscal Year	General Government*	Public Safety	Streets & Transportation	Health & Sanitation	Culture & Recreation	Social Service	Debt Service	Total
1999	$ 9,311,489	$ 26,367,194	$ 4,672,643	$ 4,556,427	$ 5,171,846	$ 855,784	$ 2,311,834	$ 53,247,217
2000	13,811,098	28,012,413	4,566,118	4,468,889	4,684,300	800,279	2,616,379	58,959,476
2001	11,116,089	28,087,348	4,729,577	4,534,159	4,660,454	768,317	2,625,653	56,521,597
2002	11,874,851	26,827,964	5,024,285	3,896,761	4,481,027	843,389	2,620,515	55,568,792
2003	16,188,083	27,673,867	5,992,898	4,003,528	4,331,771	779,292	2,620,120	61,589,559
2004	16,786,059	28,759,664	6,090,358	4,503,661	4,136,695	625,152	1,944,734	62,846,323
2005	15,376,877	30,988,041	6,369,531	4,579,408	4,463,030	647,150	1,919,120	64,343,157
2006	16,321,306	32,091,386	6,517,185	4,976,157	5,453,355	665,296	2,596,643	68,621,328
2007	18,073,193	32,351,932	7,007,636	5,090,595	5,852,014	856,383	2,630,799	71,862,552
2008	19,252,352	38,115,187	7,795,553	5,248,854	5,816,312	828,870	2,634,965	79,692,093

Includes General Fund, Special Revenue Funds and Debt Service Fund

*Includes expenditures for economic development

Expenditures by Function - Governmental Fund Types for the Current Year

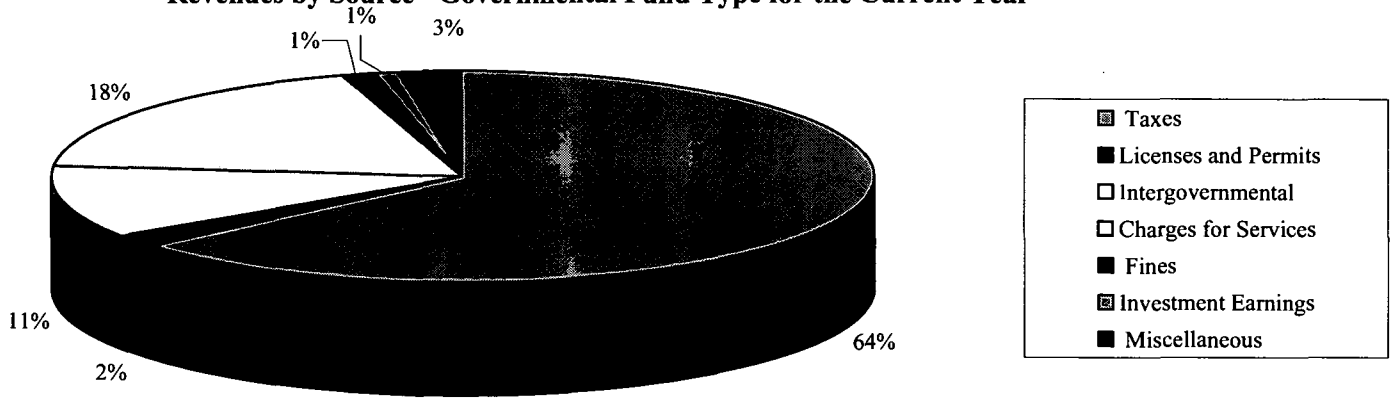


CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Revenues By Source - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines	Investment Earnings	Miscellaneous	Total
1999	$ 40,979,657	$ 1,079,859	$ 4,819,869	$ 5,331,534	$ 575,620	$ 933,616	$ 2,588,893	$ 56,309,048
2000	42,301,042	996,157	4,601,036	5,008,778	515,577	756,930	3,187,980	57,367,500
2001	42,973,988	1,012,299	6,280,671	8,382,185	443,906	550,378	1,330,120	60,973,547
2002	42,949,413	1,187,156	5,079,259	8,409,624	512,910	502,177	1,243,416	59,883,955
2003	45,950,963	1,300,538	6,683,885	9,854,411	736,997	197,678	942,927	65,667,399
2004	46,654,270	1,506,119	15,307,826	11,272,407	1,036,914	233,624	1,847,187	77,858,347
2005	46,430,717	1,406,671	8,696,949	13,209,907	1,237,831	429,158	1,999,821	73,411,054
2006	49,242,614	1,507,731	5,588,637	12,536,018	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

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

Revenues by Source - Governmental Fund Type for the Current Year



CITY OF CHARLESTON, WEST VIRGINIA
Table 6
Detailed Revenues From Taxes - Governmental Fund Types -
For the Last Ten Fiscal Years

Fiscal Year	Property Tax	Business & Occupation Tax	Utility Tax	Consumer Sales Tax Liquor	Hotel Occupancy Tax	Amusement Tax	Miscellaneous Taxes	Total
1999	$ 8,736,763	$ 28,800,353	$ 1,826,150	$ 475,703	$ 934,866	$ 173,041	$ 32,781	$ 40,979,657
2000	8,973,825	29,884,642	1,844,282	487,448	967,708	120,958	22,179	42,301,042
2001	9,934,635	29,527,633	1,910,094	485,955	978,270	116,548	20,853	42,973,988
2002	10,599,134	28,259,242	2,194,803	661,348	1,101,583	105,954	27,349	42,949,413
2003	10,800,456	31,619,878	1,828,767	371,664	1,042,551	264,742	22,905	45,950,963
2004	9,820,894	32,820,776	2,118,914	625,700	1,034,995	201,089	31,902	46,654,270
2005	9,844,571	32,714,707	2,017,526	474,137	1,143,828	190,822	45,126	46,430,717
2006	10,142,543	33,681,586	2,140,036	746,717	2,311,414	163,005	57,314	49,242,615
2007	10,443,411	35,567,872	2,120,895	551,366	2,433,977	161,559	55,472	51,334,552
2008	10,438,952	36,666,641	2,307,808	800,647	2,567,145	187,168	60,277	53,028,638

CITY OF CHARLESTON, WEST VIRGINIA
Table 7
Property Tax Levies and Collections - General Fund -
For the Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1999	$ 5,911,003	$ 5,850,000	98.97%	$ 388,997	$ 6,238,997	105.55%	$ 402,696	6.81%
2000	6,183,592	5,857,584	94.73%	441,408	6,298,992	101.87%	421,268	6.81%
2001	7,008,126	6,000,772	85.63%	551,912	6,552,684	93.50%	461,146	6.58%
2002	7,620,982	6,594,784	86.53%	538,483	7,133,267	93.60%	501,473	6.58%
2003	7,734,464	6,763,663	87.45%	693,878	7,457,541	96.42%	508,940	6.58%
2004	7,715,097	9,187,869	119.09%	633,025	9,820,894	127.29%	506,278	6.56%
2005	7,875,027	6,912,926	87.78%	1,386,381	8,299,307	105.39%	515,819	6.55%
2006	7,983,561	8,261,230	103.48%	322,779	8,584,009	107.52%	510,092	6.39%
2007	8,309,807	8,327,767	100.22%	548,019	8,875,786	106.81%	470,677	5.66%
2008	8,393,656	8,540,242	101.75%	344,519	8,884,761	105.85%	406,484	4.84%

CITY OF CHARLESTON, WEST VIRGINIA
Table 8
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class -
Fiscal Years 2008, 2007, 2006 and 2005

		Fiscal Year 2008				
	Class	Rate per $1.00 Gross Revenue	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1	Production of Natural Resources	1.00%	10	0.16%	$ 3,921	0.01%
2	Manufacturing	0.30%	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%	1	0.02%	792,692	2.32%
7	Natural Gas Companies	3.00%	2	0.03%	890,233	2.60%
8	Water Companies	4.00%	1	0.02%	656,817	1.92%
9	All Other Public Utilities	2.00%	4	0.06%	81,902	0.24%
10	Contracting	2.00%	763	11.99%	3,264,605	9.54%
11	Amusement	0.50%	46	0.72%	302,396	0.88%
12	Service & All Other Businesses	1.00%	2,153	33.83%	14,381,469	42.01%
13	Rents and Royalties	1.00%	1,627	25.57%	2,102,504	6.14%
14	Banking and Other Financial Institutions	1.00%	75	1.18%	1,999,636	5.84%
	Totals		6,364	100.00%	$ 34,231,326	100.00%

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

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

Source: City of Charleston Revenue System

CITY OF CHARLESTON, WEST VIRGINIA
Table 8 (Continued)
Principal Revenue Source
Business and Occupation Tax Revenue Filers By Class

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

Source: City of Charleston Revenue System

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

CITY OF CHARLESTON, WEST VIRGINIA
Table 9
Ratio of Outstanding General Obligation Bonds to Assessed Value, Estimated Actual Taxable Value and Net Debt Per Capita - For the Last Ten Fiscal Years

Fiscal Year	Assessed Value	Estimated Actual Taxable Value of Property	Gross Bonded Debt	Debt Service Fund	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
1999	$ 2,056,034,665	$ 1,233,620,799	$ 13,822,144	$ 1,392,148	$ 12,429,996	0.60%	1.01%	228
2000	2,127,257,787	1,276,354,672	12,442,351	1,656,423	10,785,928	0.51%	0.85%	202
2001	2,221,087,692	1,332,652,615	10,981,731	1,989,499	8,992,232	0.40%	0.67%	169
2002	2,452,868,321	1,471,720,993	9,435,766	2,224,206	7,211,560	0.29%	0.49%	137
2003	2,479,903,422	1,487,942,053	7,795,000	2,474,126	5,320,874	0.21%	0.36%	102
2004	2,454,272,860	1,472,563,716	6,910,000	2,589,805	4,320,195	0.18%	0.29%	83
2005	2,499,526,545	1,499,715,927	5,955,000	2,761,237	3,193,763	0.13%	0.21%	62
2006	2,531,327,042	1,518,796,225	4,930,000	2,955,244	1,974,756	0.08%	0.13%	39
2007	2,623,069,250	1,573,841,550	3,830,000	3,346,560	483,440	0.02%	0.03%	10
2008	2,651,836,470	1,591,101,882	2,645,000	3,622,601	(977,601)	-0.04%	-0.06%	(19)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Assessed value does not include exempt property. The Kanawha County Assessor estimates actual taxable value of property at sixty percent.
Population data can be found in the Table of Demographic Statistics.

CITY OF CHARLESTON, WEST VIRGINIA
Table 10
Ratio of Outstanding Debt by Type -
For the Last Ten Fiscal Years

	Governmental Activities			Business-type Activities				
Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
1999	$ 13,822,144	$ 4,395,000	$ 3,050,368	$ 17,584,944	$ -	$ 38,852,456	28.93%	712
2000	12,442,351	4,325,000	3,603,497	22,413,842	-	42,784,690	31.15%	800
2001	10,981,731	4,235,000	4,149,658	21,811,928	87,742	41,266,059	28.75%	774
2002	9,435,766	4,135,000	3,785,174	21,135,016	67,765	38,558,721	26.12%	733
2003	7,795,000	5,228,274	3,483,971	20,413,104	83,754	37,004,103	24.41%	712
2004	6,910,000	5,115,948	3,351,270	19,641,190	47,913	35,066,321	22.29%	677
2005	5,955,000	4,887,701	11,705,822	18,076,489	15,787	40,640,799	24.81%	787
2006	4,930,000	4,650,098	11,491,961	17,056,779	-	38,128,838	22.53%	745
2007	3,830,000	4,418,825	10,987,881	16,007,070	-	35,243,776	20.13%	694
2008	2,645,000	4,147,126	11,261,072	14,917,361	-	32,970,559	18.16%	653

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Table 13 on Demographic Statistics for personal income and population data.

CITY OF CHARLESTON, WEST VIRGINIA
Table 11
Revenue Bond Coverage - Civic Center Revenue Bonds -
For the Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements				General Fund & Coal Severance Subsidy
				Principal	Interest	Total	Coverage	
1999	$ 1,853,815	$ 2,117,219	$ (263,404)	$ -	$ -	$ -	0.00%	$ 368,645
2000	1,867,185	2,277,377	(410,192)	80,000	356,854	436,854	-93.90%	730,393
2001	1,855,981	2,189,865	(333,884)	150,000	529,130	679,130	-49.16%	1,160,028
2002	1,707,687	1,995,034	(287,347)	195,000	407,515	602,515	-47.69%	1,162,232
2003	2,230,497	2,403,291	(172,794)	210,000	511,434	721,434	-23.95%	1,112,067
2004	2,213,020	3,507,409	(1,294,389)	220,000	510,913	730,913	-177.09%	1,140,375
2005	2,801,245	3,758,036	(956,791)	230,000	504,424	734,424	-130.28%	1,091,309
2006	2,533,883	4,019,922	(1,486,039)	245,000	475,718	720,718	-206.19%	1,137,268
2007	2,848,127	4,252,177	(1,404,050)	255,000	465,415	720,415	-194.89%	1,081,807
2008	3,063,446	4,422,167	(1,358,721)	270,000	519,124	789,124	-172.18%	1,121,463

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

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1999	$ 3,323,525	$ 1,379,910	$ 1,943,615	$ 510,000	$ 981,493	$ 1,491,493	130.31%
2000	3,242,592	1,414,248	1,828,344	525,000	956,408	1,481,408	123.42%
2001	3,547,799	1,440,989	2,106,810	555,000	929,638	1,484,638	141.91%
2002	3,232,847	1,444,653	1,788,194	585,000	900,148	1,485,148	120.41%
2003	2,844,789	1,524,145	1,320,644	615,000	867,995	1,482,995	89.05%
2004	3,619,020	2,506,190	1,112,830	655,000	830,341	1,485,341	74.92%
2005	3,606,556	2,473,235	1,133,321	875,000	839,929	1,714,929	66.09%
2006	3,784,728	2,591,777	1,192,951	890,000	449,604	1,339,604	89.05%
2007	4,040,726	2,716,769	1,323,957	910,000	421,403	1,331,403	99.44%
2008	3,940,591	2,653,197	1,287,394	935,000	390,455	1,325,455	97.13%

CITY OF CHARLESTON, WEST VIRGINIA
Table 13
Demographic Statistics -
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	Unemployment Rate
1999	54,598	$ 1,343,111	$ 25,661	5.3
2000	53,484	1,373,469	26,765	4.6
2001	53,340	1,435,379	27,915	5.0
2002	52,610	1,476,237	29,116	6.2
2003	51,971	1,515,994	30,368	6.2
2004	51,813	1,573,043	31,674	5.3
2005	51,648	1,638,275	33,036	5.1
2006	51,156	1,692,240	34,456	4.8
2007	50,773	1,751,161	35,938	4.0
2008	50,478	1,815,189	37,483	4.7

BEA Regional Economic Accounts
Bureau of Economic Analysis/U.S. Department of Commerce
Personal Income is based on an average annual growth rate of TPI of 4.0%
Per Capital Income is based on an average annual growth rate of PCPI of 4.3%

CITY OF CHARLESTON, WEST VIRGINIA
Table 14
Legal Debt Margin Information -
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	$ 2,651,836,470
Debt limit (5% of assessed value)	132,591,824
Debt applicable to limit:	
General obligation bonds	2,645,000
Less: amount set aside for repayment of general obligation debt	3,622,601
Total net debt applicable to limit	977,601
Legal debt margin	$ 133,569,425

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	$ 92,685,438	$ 96,393,094	$ 101,040,920	$ 112,412,476	$ 113,745,197	$ 112,773,976	$ 114,708,065	$ 115,320,129	$ 119,639,489	$ 132,591,824
Total debt applicable to limit	13,822,144	12,442,351	10,981,731	9,435,766	7,795,000	6,910,000	5,955,000	4,930,000	3,830,000	2,645,000
Legal debt margin	$ 80,255,442	$ 85,577,166	$ 92,048,688	$ 105,200,915	$ 108,424,323	$ 108,453,781	$ 111,514,302	$ 113,430,666	$ 119,156,049	$ 133,569,425
Total net debt applicable to the limit as a percentage of debt limit	17%	15%	12%	9%	7%	6%	5%	4%	3%	2%

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 15
Employment/Unemployment and Change -
Last Ten Fiscal Years

Date	Employment		Unemployment	
	Total	% Change Year Ago	Rate	Unit Change Year Ago
1999	28,575	1.6	4.7	-0.3
2000	25,241	-11.7	4.4	-0.3
2001	24,880	-1.4	4.3	-0.2
2002	24,277	-2.4	4.8	0.5
2003	23,738	-2.2	4.8	0.0
2004	23,695	-0.2	4.3	-0.5
2005	23,665	-0.1	4.3	0.0
2006	23,781	0.5	4.7	0.4
2007	23,899	0.5	4.5	-0.2
2008	24,110	0.4	4.7	0.3

U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

CITY OF CHARLESTON, WEST VIRGINIA
Table 16
Kanawha County
Ten Largest Employers in Kanawha County and Rank -
June 30, 2008 and 1999

Rank	2008 Company Name	1999 Company Name
1	Charleston Area Medical Center, Inc.	Kanawha County Board of Education
2	Kanawha County Board of Education	Charleston Area Medical Center
3	Minneapolis Postal Data Center	Union Carbide Corporation
4	Herbert J. Thomas Memorial Hospital Association	US Postal Data Center
5	Wal-Mart Associates, Inc.	WV Department of Highways
6	West Virginia Department of Highways	The Kroger Company
7	City of Charleston Municipality	Herbert J. Thomas Memorial Hospital
8	Kroger	Shawnee Hills, Inc.
9	West Virginia Department of Health and Human Resources	Rhone-Poulenc, Inc.
10	Dow (Union Carbide Corp)	Columbia Gas Transmission Corporation

Workforce West Virginia, an agency of the Department of Commerce

CITY OF CHARLESTON, WEST VIRGINIA
Table 17
Operating Indicators by Function/Program -
Last Four Fiscal Years

Function/Program	Fiscal Year 2004	2005	2006	2007	2008
Police					
Physical arrest	4,281	4,990	6,314	6,270	7,649
Citations written	10,402	16,460	19,946	23,494	20,804
Offenses charged	15,646	28,207	29,659	29,195	24,006
Fire					
Emergency medical responses	12,289	11,157	12,373	18,926	17,788
Fire responses	5,318	8,661	9,000	12,214	13,131
Inspections	1,064	1,019	1,019	1,156	1,124
Refuse collection					
Refuse collected (tons annually)	28,113	27,461	27,869	30,571	26,977
Recyclables collected (tons annually)	1,254	1,350	1,380	1,293	1,072
Yard waste collected (tons annually)	4,238	3,428	2,658	2,271	1,653
Sludge (tons annually)	3,630	2,170	2,289	5,175	5,641
Other public works					
Streets resurfaced (Miles)	Unavailable	27.50	25.58	9.30	10.56
Potholes repaired	113	83	34	177	27
Parking systems					
Parking violations	54,162	52,995	64,418	62,942	98,187
Civic center					
Number of events (annual average)	2,000	2,000	2,000	2,000	2,000
Municipal auditorium					
events (number of days annual average)	115-120	115-120	115-120	115-120	115-120

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 18
Capital Asset Statistics by Function / Program -
Last Four Fiscal Years

Function/Program	Fiscal Years				
	2004	2005	2006	2007	2008
Police					
Stations	1	1	1	1	1
Zone offices	5	5	5	5	5
Patrol units	100	90	90	94	94
Fire stations	8	9	9	9	9
Refuse collection					
Collection trucks	30	30	30	30	30
Other public works					
Street (miles)	300	300	300	300	300
Traffic signals	152	152	152	152	152
Parks and recreation					
Community centers	3	3	3	3	3
Neighborhood centers	3	3	3	3	3
Parks	6	6	6	6	6
Parks acreage	115	115	115	115	115
Swimming pools	5	5	5	5	5
Tennis courts	16	16	16	16	16
Parking system					
Number of parking garages	6	6	6	6	6
Number of parking meters	108	1,073	1,098	1,100	1,150
Civic center					
Types of facilities	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 19

Full-Time Equivalent City Government Employees By Function / Program

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Management	58	61	58	58	58	61	44	42	47	48
Finance	22	22	20	20	21	21	21	23	26	26
Planning	12	12	13	14	14	15	17	17	17	17
Building	6	6	5	4	3	3	4	14	14	14
Engineering	10	8	6	6	5	6	8	8	8	8
Other	16	46	45	48	42	52	39	32	31	32
Police										
Officers	182	182	172	163	162	164	168	171	180	179
Civilians	59	37	33	42	44	46	45	29	28	28
Fire										
Officers	205	197	196	197	197	188	190	191	187	191
Civilians	5	5	5	5	5	5	5	5	5	4
Other public safety	14	13	12	8	9	8	9	9	8	8
Refuse collection	90	77	71	58	58	72	77	69	74	66
Public works	88	84	83	97	99	97	119	120	119	118
Parks and recreation	118	106	91	76	85	88	80	90	87	93
Social services	26	10	21	18	20	21	19	19	17	21
Civic center	27	29	22	29	32	34	44	30	24	23
Parking system	37	37	37	37	37	38	36	35	28	26
Total	975	932	890	880	891	919	925	904	900	902

Sources: City of Charleston Payroll


THE CITY OF CHARLESTON
WEST VIRGINIA

Appendix C

Proposed Form of Bond Counsel Opinion

PROPOSED FORM OF BOND COUNSEL OPINION

Jackson Kelly PLLC, Bond Counsel, proposes to issue its approving opinion in substantially the form set forth below upon the issuance of the Bonds.

December 17, 2009

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Re: The City of Charleston, West Virginia
Civic Center Improvement Refunding Bonds, Series 2009 A

Ladies and Gentlemen:

We have acted as bond counsel to The City of Charleston, West Virginia (the "Issuer"), a municipal corporation, in connection with the issuance of its $3,275,000 Civic Center Improvement Refunding Bonds, Series 2009 A, dated the date hereof (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and under and pursuant to a Bond Ordinance duly passed by the Issuer on November 2, 2009, effective November 16, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 7, 2009 and a Certificate of Determination executed December 9, 2009 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance the Bonds are authorized and issued. Capitalized terms used and not otherwise defined herein shall have the respective meanings given them in the Ordinance.

In connection with the issuance of the Bonds, the Issuer has executed a Tax and Non-Arbitrage Certificate, dated as of the date hereof (the "Tax Certificate"), which, among other things, sets forth restrictions on the investment and expenditure of the Bonds proceeds and earnings thereon, to ensure that the requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

Regarding questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the herein-described documents and certifications furnished to us by or on behalf of the Issuer (including certifications as to matters which are material to paragraph 4 below), without undertaking to verify the same by independent investigation.

The Bonds are issued in the form of a series of fully registered Bonds.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with the power to adopt the Ordinance, which has been duly and lawfully enacted and adopted by the Issuer, is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the Ordinance is required.

2. The Issuer is duly authorized to issue the Bonds, which Bonds have been duly and validly authorized and issued in accordance with the Act and in accordance with the Ordinance, and constitutes a valid, binding special and limited revenue obligation of the Issuer as provided in the Ordinance, payable and enforceable in accordance with their terms and the terms of the Ordinance and are entitled to the benefits of the Ordinance and of the Act.

3. The Bonds are secured by the Tax Revenues, as defined in the Ordinance and from funds on deposit in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account, and are on parity with the Issuer's Civic Center Improvement Bonds, Series 1998, all as more fully described in the Ordinance. In addition, the Ordinance imposes a statutory mortgage lien on the Tax Revenues.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable in the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Ordinance and the Tax Certificate and other documents relating thereto. Failure to comply with certain of such representations, covenants and certifications could cause the interest on the Bonds to be includable in a holder's gross income retroactive to the date of issuance of the Bonds. Except as described herein, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and has covenanted that it does not reasonably expect to issue more than $30,000,000 of tax-exempt obligations (other than certain private activity bonds and refunding bonds) during the calendar year 2009. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code, and the provisions of the Code which disallow all deductibility of interest expense incurred by financial institutions on debt incurred or continued to purchase or carry most tax-exempt obligations do not apply to the Bonds.

6. Under the Act, as presently written and applied, the Bonds and any interest thereon is exempt from all taxation except inheritance, estate and transfer taxes.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Ordinance and the pledges set forth therein are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, and by the exercise of judicial discretion. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We have not been engaged, or undertaken, to review the accuracy, completeness or sufficiency of the Official Statement or other offering material related to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We have examined the executed and authenticated Bond numbered AR-1 and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

Appendix D

Form of Continuing Disclosure Certificate

Form of Continuing Disclosure Certificate

$3,275,000
CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS
SERIES 2009 A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Certificate") is executed and delivered this 17th day of December, 2009, by the City of Charleston (the "City"), in connection with the issuance of its $3,275,000 Civic Center Improvement Refunding Bonds, Series 2009 (the "Bonds"). The Bonds are being issued pursuant to a bond ordinance enacted by the Council of the City on November 16, 2009, and a supplemental resolution adopted by the Council of the City on December 7, 2009 (collectively, the "Ordinance"). The City covenants and agrees as follows:

SECTION 1. Purpose of Certificate. This Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Purchase Contract, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")), provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the City's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a qualified independent auditor.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries).

"Bonds" shall mean the $3,275,000 Civic Center Improvement Refunding Bonds, Series 2009 A.

"Dissemination Agent" shall initially mean the City and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, effective as of July 1, 2009.

"Purchase Contract" shall mean the Bond Purchase Agreement dated December 9, 2009, between the Underwriter and the City, by which the Underwriter offered to purchase the Bonds from the City upon the terms set forth therein.

"Repository" shall mean the National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

"Underwriter" shall mean Crews & Associates, Inc., the original underwriter of the Bonds, who is required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 360 days after the end of the City's fiscal year (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2009, provide to each Repository Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Certificate. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate. If the City's fiscal year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent (if other than the City). If the City is unable to provide to the Repositories its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the City shall send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Financial Information and Audited Financial Statements the name and address of each Repository; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Financial Information and Audited Financial Statements have been provided pursuant to this Certificate, stating the date it was provided and listing the Repositories to which it was provided.

(d) Effective on July 1, 2009 and thereafter, all documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic formant and shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. The City's Annual Financial Information and Audited Financial Statements shall contain or include by reference the following:

Within three hundred sixty (360) days of the City's fiscal year ended June 30, 2009, and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, such information and data of the City for the prior fiscal year, including the audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, except as provided by the Ordinance;

11. rating changes.

(b) Whenever the City obtains knowledge of the occurrence of any of the Listed Events, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the City determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the City shall promptly file a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected the Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the City may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of holders of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the City shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in

narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such information or include it is any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the City to comply with this Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Certificate shall inure solely to the benefit of the City, the Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: CITY OF CHARLESTON (WEST VIRGINIA)

Name of Issue: $3,275,000 CITY OF CHARLESTON CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

Date of Issuance: December 17, 2009

Notice is hereby given that the City has not provided an Annual Report with respect to the above-named bonds as required by its covenant made in connection with the above-referenced bond issue. The City anticipates that the Annual Report will be filed by _____.

Dated this ___ day of _____, 20__.

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Mayor

Appendix E

Bond Ordinance


THE CITY OF CHARLESTON
WEST VIRGINIA

Bill No. 7403

Adopted by Council:
November 2, 2009

Introduced in Council
October 19, 2009

Referred to
Finance Committee

Introduced by
Robert Reishman

A BILL AUTHORIZING THE REFUNDING OF THE CIVIC CENTER IMPROVEMENT BONDS, SERIES 1999, OF THE CITY OF CHARLESTON; AND AUTHORIZING THE ISSUANCE OF CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A, OF THE CITY OF CHARLESTON, IN THE AMOUNT OF $3,500,000, TO FINANCE THE COST OF SUCH REFUNDING AND THE COST OF ISSUANCE FOR SUCH BONDS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BONDS; PROVIDING A STATUTORY MORTGAGE LIEN ON SPECIFIED TAX REVENUES DEDICATED FOR SUCH PURPOSES; DESIGNATING SUCH BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF CITY OF CHARLESTON, WEST VIRGINIA:

Table of Contents

Subject

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS
Section 1.01. Authority for this Ordinance....4
Section 1.02. Findings and Determinations....4
Section 1.03. Ordinance to Constitute Contract....5
Section 1.04. Definitions....5

ARTICLE II
AUTHORIZATION OF REFUNDING AND REDEMPTION
OF THE SERIES 1999 BONDS
Section 2.01. Authorization of Refunding and Redemption of the Series 1999 Bonds....9

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION
AND ISSUANCE OF BONDS
Section 3.01. Authorization of Bonds....9

Section 3.02. Description of Bonds 9
Section 3.03. Execution of Bonds 10
Section 3.04. Authentication and Registration 10
Section 3.05. Book Entry System for Bonds 10
Section 3.06. Negotiability, Registration, Transfer and Exchange of Bonds 12
Section 3.07. Registrar 12
Section 3.08. Bond Mutilated, Destroyed, Stolen or Lost 12
Section 3.09. Term Bonds 13
Section 3.10. Bond Secured by Pledge of Revenues 14
Section 3.11. Notice of Redemption 14
Section 3.12. Form of Bond 15
(FORM OF BOND) 16

ARTICLE IV
REVENUES AND APPLICATION THEREOF;
DISPOSITION OP BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank 21
Section 4.02. Establishment of Funds and Accounts with Commission 21
Section 4.03. Disposition of Proceeds of Series 2009 A Bonds 21
Section 4.04. Covenants of the Issuer as to Revenues and Funds 22

ARTICLE V
GENERAL COVENANTS

Section 5.01. General Statement 23
Section 5.02. Issuance of Additional Parity Bonds or Obligations 23
Section 5.03. Insurance and Bonds 24
Section 5.04. Statutory Mortgage 24
Section 5.05. Events of Default 25
Section 5.06. Enforcement 25
Section 5.07. Reserved 25
Section 5.08. Tax Covenants as to Tax Exempt Status of Bond 25
Section 5.09. Designation of Series 2009 A Bonds as "Qualified Tax-Exempt Obligations" 26

ARTICLE VI
INVESTMENTS; NON-ARBITRAGE

Section 6.01. Investments 27
Section 6.02. Arbitrage 27
Section 6.03. Tax Certificate and Rebate 28

ARTICLE VII
MISCELLANEOUS

Section 7.01. Defeasance of Bond 29

Section 7.02. Reserved....29
Section 7.03. Delivery of Bonds....29
Section 7.04. Severability of Invalid Provision....29
Section 7.05. Conflicting Provisions Repealed....29
Section 7.06. Table of Contents and Headings....29
Section 7.07. Modification or Amendment....29
Section 7.08. Covenant of Due Procedure, Etc....29
Section 7.09. Supplemental Resolutions....30
Section 7.10. Effective Time....30
Section 7.11 Statutory Notice and Public Hearing....30

EXHIBIT A - Notice of Public Hearing and Abstract of Bond Ordinance....34

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended (the "Act') and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The City of Charleston (the "City" or "Issuer") is a municipal corporation and political subdivision of the State of West Virginia located in Kanawha County, West Virginia.

B. The Issuer now has a public facility known as the Charleston Civic Center (the "Facility"). In 1999 the City permanently financed the acquisition, construction, equipping and improving of the Facility through the issuance of its Civic Center Improvement Bonds, Series 1999 dated December 23, 1999 in the aggregate principal amount of $4,060,000 (the "Refunded Bonds").

C. The City may now refund the Refunded Bonds at a savings to the City. The City hereby determines that it would be a benefit to refund the Refunded Bonds with proceeds from the issuance of its Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds") in the aggregate principal amount not to exceed $3,500,000.

D. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2009 A Bonds presented to the City by the Original Purchaser, and after making allowance for the use of cash on hand of the City, the Series 2009 A Bonds show a net present value debt service savings to the City after deducting all expenses of the refunding and the costs of issuing the Series 2009 A Bonds.

E. The City shall not sell the Series 2009 A Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph D above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2009 A Bonds, and the City shall not issue the Series 2009 A Bonds without having obtained from an Independent Certified Public Accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2009 A Bonds and the net interest cost in dollars of the Prior Bonds.

F. The period of usefulness of the Facility is not less than twenty-five (25) years.

G. There are outstanding the Issuer's Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds") in the aggregate principal amount of $3,635,000 with which the Series 2009 A Bonds will rank on a parity as to lien on and source of and security for payment.

H. The Issuer is not in default under the terms of any document and has complied with all requirements with respect to the issuance of the Series 2009 A Bonds.

I. The estimated revenues to be derived in each year from hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes will be sufficient to pay all the principal of and interest on the Series 2009 A Bonds (as hereinafter defined) and all debt service and other payments provided for herein.

J. The Issuer has complied with all requirements of West Virginia law relating to the issuance of the Bonds, or will have so complied prior to issuance of the Bonds.

K. It is in the best interests of the Issuer that the Bonds be sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to the terms and provisions of a Bond Purchase Agreement to be entered into between the Purchaser and the City.

L. The City shall not permit at any time any of the proceeds of the Series 2009 A Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Series 2009 A Bonds from the treatment afforded by Section 103(a) of the Code.

M. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2009 A Bonds.

N. The Series 2009 A Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bonds by the Purchasers, this Ordinance (the "Ordinance") shall be deemed to be and shall constitute a contract between the Issuer and the Purchasers, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bonds.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code, as amended.

"City Clerk" means the City Clerk of the Governing Body.

"Commission" means the West Virginia Municipal Bonds Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Depository Bank" means the bank or trust company which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated in the Supplemental Resolution.

"Escrow Agent" shall mean the Escrow Agent with respect to each Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"Escrow Agreement" shall mean the agreements between the City and the Escrow Agent, substantially in the form of the agreement attached to a resolution supplemental hereto and by this reference made a part hereof, relating to the refunding and defeasance of the Prior Bonds.

"Escrow Fund" shall mean the escrow fund created by each Escrow Agreement.

"Facility" or "Facilities" means all the land and tangible properties of the Charleston Civic Center Coliseum and also any tangible properties which may hereafter be added to the Facility by addition, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the City Council of the Issuer.

"Government Obligations" means direct obligations of or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Herein" means in this Ordinance.

"Holder of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Issuer" or "City" means City of Charleston, Kanawha County, West Virginia, and, where appropriate, also means the Governing Body.

"Mayor" means the Mayor or the Acting Mayor of the Governing Body.

"Ordinance" means this Ordinance and all resolutions supplemental hereto.

"Prior Ordinance" means the Ordinance authorizing the Series 1998 Bonds enacted September 8, 1998.

"Project" means the Project as defined in the Ordinance of the City authorizing the issuance of the Refunded Bonds enacted December 6, 1999.

"Purchasers" means Crews & Associates, Inc. and any successor or successors thereto.

"Qualified Investments" means and include any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank Facility; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any Bonds, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said lime accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Treasury Investments pursuant to Chapter 12, Article 6C, of the West Virginia Code of 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Redemption Accounts" means the redemption account within the Series 2009 A Sinking Fund established by Section 4.01 of this Ordinance.

"Redemption Price" means the price paid for redemption of the Series 2009 A Bonds as set forth in the redemption provisions determined in the Supplemental Resolution.

"Refunded Bonds" or "Series 1999 Bonds" means the $4,060,000 City of Charleston Civic Center Improvement Bonds, Series 1999, to be refunded by the Series 2009 A Bonds.

"Registrar" or "Bond Registrar" means the Bank or Trust Company designated by the Issuer in the Supplemental Resolution.

"Representation Letter" means the DTC Letter of Representation of the City.

"Series 1998 Bonds" means the City's Civic Center Improvement Bonds, Series 1998 issued on September 11, 1998, in the aggregate principal amount of $3,635,000.

"Series 2009 A Bonds" or "Bonds" means the City's Civic Center Improvement Refunding Bonds, Series 2009 A, authorized by this Ordinance.

"Tax Revenues" means (i) the specified tax revenues dedicated for such purposes by the City to pay debt service on the Series 2009 A Bonds and consisting of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received or collected by the City and (ii) any other revenues dedicated for such purposes by the City to pay debt service on the Series 2009 A Bonds and the Series 1998 Bonds and on any additional bonds issued under the Ordinance.

"Term Bonds" means the Series 2009 A Bonds subject to mandatory sinking fund redemption, as described by Section 3.09 of this Ordinance.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations; words importing the masculine, feminine or neuter genders shall include any other gender; and any requirement for execution, sealing and/or attestation of the Bonds or any certificate or other document by the City Clerk shall mean that such Bond certificate or other document which may be executed, sealed and/or attested by an Acting City Clerk.

ARTICLE II

AUTHORIZATION OF REFUNDING AND REDEMPTION OF THE SERIES 1999 BONDS

Section 2.01. Authorization of Refunding and Redemption of the Series 1999 Bonds. The lien of the Series 1999 Bonds outstanding as of the date of issuance of the Note imposed by the Prior Ordinance on the Tax Revenues is hereby ordered terminated, discharged and released upon the payment onto the Series 1999 Escrow Fund from the proceeds of the Series 2009 A Bonds, together with other moneys available therefor, including those moneys transferred as provided below, of the following: (a) an amount equal to the fiscal and paying agent charges, and (b) an amount which will be simultaneously invested in United States Treasury Obligations bearing interest and having maturities sufficient to provide (i) for the payment of the principal of the Series 1999 Bonds as the same mature on each principal payment date established with respect thereto prior to the Series 1999 Bonds Redemption Date, if any, established for such Series 1999 Bonds, (ii) for the payment of the redemption price of the Series 1999 Bonds outstanding on the Series 1999 Bonds Redemption Date, if any, established for such Series 1999 Bonds, and (iii) for the payment of the interest on the Series 1999 Bonds as the same becomes due. Contemporaneously with the deposit of proceeds of the Series 2009 A Bonds into the Series 1999 Escrow Fund, and as prescribed by the Series 1999 Escrow Agreement, the amounts on deposit in the sinking fund created and maintained on behalf of the Series 1999 Bonds shall be deposited into the Series 1999 Escrow Fund and simultaneously invested as provided in the Series 1999 Escrow Agreement. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bonds of the Issuer to be known as "City of Charleston, Civic Center Improvement Refunding Bonds, Series 2009 A" in the principal amount not to exceed $3,500,000, is hereby authorized to be issued for the purpose of financing the cost of refunding the Refunded Bonds.

Section 3.02. Description of Bonds. The Bonds shall be issued in registered form, from No. R-1 upward, and shall be dated on the date of delivery. The Bonds shall bear interest from the date, payable semi-annually at the rates per annum and shall be sold for the par value thereof as set forth herein or in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the

Paying Agent mailed to the Registered Owner thereof at the address that appears on the books of the Registrar or, in the event of a default in the payment on the Series 2009 A Bonds, that special record date to be fixed by the Registrar by notice given to the Registered Owners not less than ten (10) days prior to said special record date (the "Special Record Date") or, if requested in the case of such an owner of $1,000,000 or more in principal amount of Series 2009 A Bonds, by wire transfer to a domestic bank account specified in writing at least five (5) days prior to the Record Date by such owner.

The Series 2009 A Bonds shall, at the option of the City, be redeemable in whole or in part, at the times, in the manner, and upon payment of the redemption prices, as provided in the Supplemental Resolution.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor or and its corporate seal shall be affixed thereto and attested by the City Clerk, and the Mayor and the City Clerk are hereby authorized to execute the Bonds and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in a resolution supplemental hereto, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered, and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by any authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Book Entry System for Bonds. A. Each series of the Series 2009 A Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2009 A Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2009 A Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2009 A Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2009 A Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2009 A Bond or any other evidence of ownership of the Series 2009 A Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all

or any portion of the Series 2009 A Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2009 A Bonds, the City and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2009 A Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2009 A Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Registered Owner under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2009 A Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2009 A Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2009 A Bonds so redeemed, but DTC may return such Series 2009 A Bonds and make an appropriate notation on the Series 2009 A Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2009 A Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2009 A Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2009 A Bonds, selecting the Series 2009 A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the Registered Owners under this Ordinance, registering the transfer of Series 2009 A Bonds, obtaining any consent or other action to be taken by the Registered Owners and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2009 A Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Registered Owner with respect to (i) the Series 2009 A Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2009 A Bonds, (iv) any notice which is permitted or required to be given to the Registered Owners under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2009 A Bonds or (vi) any consent given or other action taken by DTC as Registered Owner.

E. The book entry system for registration of the ownership of the Series 2009 A Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities

depository for the Series 2009 A Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2009 A Bonds. In either of such events (unless in the case described in clause (ii) above, the City appoints a successor securities depository), the Series 2009 A Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2009 A Bonds.

Section 3.06 Negotiability, Registration, Transfer and Exchange of Bonds. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bonds shall be transferable except by means of transfer of registration of the Bonds representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Ordinance.

Whenever the Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer,

No registration of transfer of a Bond shall be permitted to be made after the 15th day next preceding any installment payment date on that Bond.

Section 3.07. Registrar. The Registrar will keep or cause to be kept by its agent at its office, sufficient books for the registration and transfer of the Bonds, and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or social security numbers of the settlor and beneficiaries of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.08. Bond Mutilated, Destroyed. Stolen or Lost, In case any of the Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer, If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.09. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the City from the Revenue Fund and into the Redemption Accounts for the Series 2009 A Bonds in accordance with Subsection 4.04(B) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to $1/12^{th}$ of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the City may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The City shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Commission may use the moneys in the Redemption Accounts for the Series 2009 A Bonds to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Commission shall advise the City and the Registrar of any

Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Sinking Funds of the Series 2009 A Bonds), as will exhaust as nearly as practicable the Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.10. Bonds Secured by Pledge of Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a lien on the Tax Revenues derived from and a statutory mortgage lien on the hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended) and coal severance taxes pledged therefor, Such lien shall be on a parity with the liens securing $3,635,000 City of Charleston (West Virginia), Civic Center Improvement Bonds, Series 1998 (the 'Series 1998 Bonds") and any other additional bonds, issued pursuant to Section 5.02 of this Ordinance.

Section 3.11. Notice of Redemption. (a) The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Bond Register. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

(b) If at the time of mailing of any notice of redemption the City shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of such moneys with the Paying Agent not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited. If such moneys are not deposited by such date and time, the Registrar promptly shall notify the Owners of all Bonds called for redemption of such fact.

(c) So long as DTC (as CEDE & CO.) is the Registered Owner of the Series 2009 A Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2009 A Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date, the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

Section 3.12. Form of Bond. Subject to the provisions hereof the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any supplemental resolution adopted after the date of adoption hereof and prior to the issuance thereof

(FORM OF BOND)

No.R-__ $_____

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS, SERIES 2009 A

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
_____%	_____ 1, 2009	December 1, 20__	_____

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ _____

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer") hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York New York or at such other place as may hereafter be designated in writing the principal sum of _____ and 00/100 Dollars ($), plus interest on the unpaid principal balance at the rate of_____ (_%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on June 1 and December 1 of each year, beginning _____ 1, 2010, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

At the option of the City, this Bond is subject to redemption prior to maturity on or after _____ 1, 20__, in whole or in part, at any time, in inverse order of maturity by lot within a maturity, at par, plus interest, if any, accrued to the date for redemption.

If the Registered Owner at any time assigns this Bond and insures the payment thereof; Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE CITY'S CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, DATED SEPTEMBER 1, 1998,

ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,635,000 (THE "SERIES 1998 BONDS").

This Bond, the Series 1998 Bonds and any other additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer or refunding other parity bonds, is payable solely from (i) the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes, and (ii) any other revenues dedicate for such purposes by the City to pay debt service on the Series 2009 A Bonds, Series 1998 Bonds and on any additional bonds issued under the Ordinance (the "Tax Revenues"). This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the collection of the Tax Revenues.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

CITY OF CHARLESTON

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: _____, 2009

_____,
as Registrar

By: _____
Authorized Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED:_____

In the presence of:

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund (established by the Prior Ordinance);

(2) Costs of Issuance Fund; and

(3) Series 2009 A Bonds Rebate Fund.

Section 4,02. Establishment of Funds and Accounts with Commission. The following special fund is hereby created and established with the Commission:

(1) Series 2009 A Bonds Sinking Fund (including a Redemption Account, if necessary).

Section 4.03. Disposition of Proceeds of Series 2009 A Bonds. Upon the issuance and delivery of the Series 2009 A Bonds, the City shall forthwith deposit the proceeds thereof as follows:

A. An amount of the proceeds of the Series 2009 A Bonds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Series 1999 Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

B. The balance of the proceeds of the Series 2009 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2009 A Bonds and miscellaneous costs of refunding the Prior Bonds at the written direction of the City. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the City to the Redemption Accounts for the Series 2009 A Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Registered Owners of the Series 2009 A Bonds.

Section 4.04. Covenants of the Issuer as to Revenues and Funds, So long as any of the Series 2009 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2009 A Bonds Sinking Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2009 A Bonds as follows:

(A) Revenue Fund. The Tax Revenues shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein. Provided, however, the amount of Tax Revenues on deposit in the Revenue Fund shall be sufficient to make the next deposit of interest and/or principal into the Series 2009 Bonds Sinking Fund, with any excess Tax Revenues available to the Issuer.

(B) Disposition of Revenues. The Tax Revenues at any time of interest and/or principal on deposit in the Revenue Fund shall be disposed of as follows:

The Issuer shall on or before the due date of payment of each installment of interest and/or principal on the Bonds, transfer from the Revenue Fund and simultaneously deposit into (i) the Series 1998 Bonds Sinking Fund, the amount required to pay the interest on the Series 1998 Bonds, and to amortize the principal of the Series 1998 Bonds over the life of the Series 1998 Bonds, and (ii) the Series 2009 A Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Series 2009 A Bonds, and to amortize the principal of the Series 2009 A Bonds over the life of the Series 2009 A Bonds.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2009 A Bonds Sinking Fund, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the other accounts herein provided, and all amounts required the other accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

The Commission and the Depository Bank at the direction of the Issuer, shall keep all funds invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof Investments in any fund or account under this Bond Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder,

including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

(C) Change of Depository Agent and Fiscal Agent. The Issuer may designate another bank or trust company insured by FDIC as Fiscal Agent and Depository Bank if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by ordinance that said Bank or its successor should no longer serve as Fiscal Agent or Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchasers,

(D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the Commission and to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission and the Depository Bank then due.

(E) Investment of Excess Balances. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of state and municipal funds under the laws of the State.

(F) Remittances. Any remittances made by the Issuer to the Commission and to the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited,

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchasers.

Section 5.02. Issuance of Additional Parity Bonds or Obligations. Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Series 2009 A Bonds may be issued at any time upon the Issuer's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Series 2009 A Bonds, the Series 1998 Bonds and any additional parity bonds issued during the most recent fiscal year and a projected debt service coverage ratio of 110% of Tax Revenues to pay debt service on the Series 2009 A Bonds, the Series 1998 Bonds, any additional bonds issued and the additional parity bonds to be issued over the next 3 years. In the event that the collection of Tax Revenues falls below one hundred ten percent (110%) the City will use its best efforts to request and secure legislative approval to increase the rates and /or percentages from the different components of Tax Revenues which are paid to the City.

Section 5.03. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the Facility, procure, carry and maintain, so long as the Bonds remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon any portion of the Facility now in use, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the Facility, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the Facility, such insurance to be procured not later than the date of delivery of the Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the Facility, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer,

(d) Workers' Compensation Coverage for all Employees of the City Eligible Therefor and Performance and Payment Bonds. Workers' compensation insurance will be maintained as required by the laws of the State of West Virginia

(e) Fidelity Bonds will be provided as to every member of the Governing Body and every officer and employee of the City having custody of the Revenue Fund or of any revenues or other funds of the Facility in an amount at least equal to the total annual debt service requirements for all outstanding loans.

(f) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section and so long as the Bonds are outstanding, the Issuer will carry insurance and Bonds or cause insurance and Bonds to be carried for the protection of the Issuer of such types and in such amounts as the Purchasers may specify, with insurance carriers or Bonding companies acceptable to the Purchasers.

Section 5.04. Statutory Mortgage. For the further protection of the holders of the Bonds, a statutory mortgage lien upon the Tax Revenues is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take

effect immediately upon delivery of the Bonds. Such statutory mortgage lien shall be on a parity with the statutory mortgage lien granted on behalf of the holders of the Series 1998 Bonds.

Section 5.05. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof on the Series 2009 A Bonds, the Series 1998 Bonds or any additional parity bonds issued and/or;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law or of this Bond Ordinance.

Section 5.06. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Registered Owner may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights and shall have all rights prescribed by the Act, W.Va. Code and other applicable law.

Section 5.07. Reserved.

Section 5.08. Tax Covenants as to Tax Exempt Status of Bonds.

1. The Issuer covenants that (a) it shall not permit or cause to be done any act or thing which would result in the loss of exemption from tax of interest on the Bonds under Section 103(a) of the Internal Revenue Code and the regulations thereunder, or under any successor or similar provision of the Internal Revenue Code hereinafter enacted and applicable to the Bonds and regulations thereunder (b) it shall not invest or otherwise use or permit or cause to be invested or used, any of the proceeds of the Bonds, or moneys deemed to be proceeds of the Bonds under the Internal Revenue Code, directly or indirectly, in any manner which would result in such Bonds being classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Service Code or regulations thereunder, and each shall comply with the requirements of such Section and (c) no part of the proceeds of the Bonds or any funds held under the Ordinance shall at any time be used directly or indirectly for any purpose for which would cause the Bonds to be subject to treatment as a "private activity bond" under the Internal Revenue Code or regulations thereunder and to that end the Issuer will comply with the applicable law as long as the Bonds are outstanding.

2. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any

underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and that (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent *(5%)* of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for the Issuer in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local governmental units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149 (b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereof including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Holder) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Holder) which would adversely affect such exclusion.

Section 5.09. Designation of Series 2009 A Bonds as "Qualified Tax-Exempt Obligations". The City hereby designates the Series 2009 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2009 A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more that $30,000,000 in aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the City to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2009 A Bonds, have

been or shall be issued by the City, including all subordinate entities of the City, during the calendar year 2009.

ARTICLE VI

INVESTMENTS; NON-ARBITRAGE

Section 6.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 6.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the City, at least once each year, or more often as reasonably requested by the City, a summary of such funds, accounts and investment earnings. The City shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest on the Series 2009 A Bonds from gross income for federal income tax purposes.

Section 6.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2009 A Bonds in such manner and to such extent as may be necessary, so that the Series 2009 A Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2009 A Bonds) so that the interest on the Series 2009 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.03. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2009 A Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2009 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City shall deposit, or cause to be deposited, in the respective Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in such Rebate Funds to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, such Rebate Funds shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from such Rebate Funds, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in such Rebate Funds following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in such Rebate Funds are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 6.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay the required rebate amounts and any and all penalties and interest from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2009 A Bonds from gross income for federal income tax purposes.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Defeasance of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Ordinance, then with respect to the Bonds, the pledge of Tax Revenues and other moneys and securities pledged under this Bonds Ordinance and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Reserved.

Section 7.03. Delivery of Bonds. The Mayor and City Clerk of the Governing Body are hereby authorized and directed to cause the Series 2009 A Bonds to be delivered to the Registered Holder as soon as the Purchasers will accept such delivery.

Section 7.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof and shall in no way affect the validity of all the other provisions hereof or the Bonds,

Section 7.05. Conflicting Provisions Repealed. All ordinances and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Modification or Amendment. The Bond Ordinance may not be modified or amended in any material manner after final passage without the prior written consent of the Purchasers and/or holder of the Bonds,

Section 7.08. Covenant of Due Procedure. Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Ordinance.

Section 7.10. Effective Time. This Ordinance shall take effect immediately upon its adoption.

Section 7.11 Statutory Notice and Public Hearing. A notice of public hearing and abstract of this Bond Ordinance in the form set forth in Exhibit A attached hereto and incorporated by reference, shall be published once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the Charleston Gazette, a qualified newspaper published and of general circulation in the City of Charleston, together with a notice stating that this Bond Ordinance will be adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the City Council upon a date certain, not less than ten (10) days subsequent to the date of the first publication of such notice and abstract of this Bond Ordinance, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objection and suggestions will be heard, and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading – October 19, 2009.

Passed on Second Reading – November 2, 2009.

Passed Following Public Hearing – November 16, 2009.

CITY OF CHARLESTON

[SEAL]

By: _____
Mayor

Attest:

By:_____
City Clerk

CERTIFICATION

I, James W. Reishman, City Clerk of the City of Charleston, hereby certify that the foregoing is a true and correct copy of an Ordinance enacted at a meeting of the City Council of the City of Charleston held on November 2, 2009, and effective following a public hearing thereon held on November 16, 2009. I further hereby certify that the action of said City Council set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this ____ day of _____, 2009.

_____
Clerk

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this ___ day of _____, 2009, by Danny Jones, the Mayor of the City of Charleston, a municipal corporation and a political subdivision of the State of West Virginia, on behalf of said municipality.

My commission expires _____.

_____
NOTARY PUBLIC

Prepared by:
S. Ryan White, Esquire
JACKSON KELLY PLLC
P.O. Box 553
1600 Laidley Towner
Charleston, WV 25322

EXHIBIT A

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on November 2, 2009, the Council of The City of Charleston, West Virginia (the "City") adopted an ordinance which, among other things:

1. Authorizing the refunding of the Civic Center Improvement Bonds, Series 1999 of The City of Charleston; authorizing the issuance of not more than $3,500,000 in Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to finance the cost of such refunding and to pay other costs of issuance; providing for the rights and remedies of and security for the holders of such bonds, providing a statutory mortgage lien on specified tax revenues dedicated for such purposes and providing general terms and providing when the ordinance shall take effect.

2. Directed that the Series 2009 A Bonds be issued in such principal amounts, bear interest at such rate or rates, not exceeding the then legal maximum rate, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the continuation of the Revenue Fund and the disposition of the Tax Revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a Sinking Fund for the Series 2009 A Bonds.

4. Provided that the Series 2009 A Bonds shall not be or constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the pledged Tax Revenues; pledged the Tax Revenues to payment of the Series 2009 A Bonds and established the rights of the registered owners of the Bonds to such Tax Revenues.

5. Provided certain conditions for the issuance of additional bonds.

6. Established the events of default and the remedies of the registered owners.

The City contemplates the issuance of the Series 2009 A Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Charleston at a regular meeting on November 16, 2009,

at 7:00 p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on November 2, 2009, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

James M. Reishman
City Clerk -- The City of Charleston, West Virginia


THE CITY OF CHARLESTON
WEST VIRGINIA

$3,275,000
CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS
SERIES 2009 A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Certificate") is executed and delivered this 17th day of December, 2009, by the City of Charleston (the "City"), in connection with the issuance of its $3,275,000 Civic Center Improvement Refunding Bonds, Series 2009 (the "Bonds"). The Bonds are being issued pursuant to a bond ordinance enacted by the Council of the City on November 16, 2009, and a supplemental resolution adopted by the Council of the City on December 7, 2009 (collectively, the "Ordinance"). The City covenants and agrees as follows:

SECTION 1. Purpose of Certificate. This Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Purchase Contract, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")), provided at least annually, of the type included in those sections of the final official statement with respect to the Bonds attached thereto as Appendix B, which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the City's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a qualified independent auditor.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any the Bonds (including persons holding the Bonds through nominees, depositories or other intermediaries).

"Bonds" shall mean the $3,275,000 Civic Center Improvement Refunding Bonds, Series 2009 A.

"Dissemination Agent" shall initially mean the City and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, effective as of July 1, 2009.

"Purchase Contract" shall mean the Bond Purchase Agreement dated December 9, 2009, between the Underwriter and the City, by which the Underwriter offered to purchase the Bonds from the City upon the terms set forth therein.

"Repository" shall mean the National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

"Underwriter" shall mean Crews & Associates, Inc., the original underwriter of the Bonds, who is required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 360 days after the end of the City's fiscal year (presently June 30), commencing with the report for the Fiscal Year ending June 30, 2009, provide to each Repository Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Certificate. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate. If the City's fiscal year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Financial Information and Audited Financial Statements to the Dissemination Agent (if other than the City). If the City is unable to provide to the Repositories its Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the City shall send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Financial Information and Audited Financial Statements the name and address of each Repository; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Financial Information and Audited Financial Statements have been provided pursuant to this Certificate, stating the date it was provided and listing the Repositories to which it was provided.

(d) Effective on July 1, 2009 and thereafter, all documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic formant and shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. The City's Annual Financial Information and Audited Financial Statements shall contain or include by reference the following:

Within three hundred sixty (360) days of the City's fiscal year ended June 30, 2009, and each subsequent fiscal year, for delivery to each Repository in the format required by the Rule, such information and data of the City for the prior fiscal year, including the audited financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities, except as provided by the Ordinance;

11. rating changes.

(b) Whenever the City obtains knowledge of the occurrence of any of the Listed Events, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the City determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the City shall promptly file a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected the Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the City may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of holders of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the City shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in

narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such information or include it is any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the City to comply with this Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Certificate shall inure solely to the benefit of the City, the Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Mayor

THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

GENERAL CERTIFICATE ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. SIGNATURES
5. DELIVERY AND PAYMENT
6. NO ADVERSE FINANCIAL CHANGE
7. MEETINGS
8. INCUMBENCY AND OFFICIAL NAME
9. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
10. INSURANCE
11. OFFICIAL STATEMENT CERTIFICATION
12. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 8(C)(5)
13. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK
14. IRS INFORMATION RETURN
15. SPECIMEN BONDS
16. RELIANCE
17. CONFLICTS OF INTEREST
18. QUALIFIED TAX-EXEMPT OBLIGATIONS
19. COUNTERPARTS

We, the undersigned Mayor and City Clerk of The City of Charleston, West Virginia (the "Issuer"), and the undersigned City Attorney to the Issuer, hereby certify in connection with The City of Charleston, West Virginia Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance duly enacted on November 16, 2009, as supplemented by a Supplemental Resolution duly adopted on December 7, 2009, and a Certificate of Determination dated December 9, 2009 (collectively, the "Ordinance"), and the Bond Purchase Agreement dated December 9, 2009 (the "Bond Purchase Agreement"), by and between the Issuer and Crews & Associates, Inc. (the "Underwriter").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance and

delivery of the Series 2009 A Bonds, or the collection of the Gross Revenues of the System nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2009 A Bonds, nor in any manner affecting the validity or enforceability of the Series 2009 A Bonds, the Ordinance, the Bond Purchase Agreement or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Series 2009 A Bonds; nor in any manner questioning the valid existence of the Issuer, the City Council or the authority or titles of the Mayor, City Clerk, and the council members of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the issuance, sale and delivery of the Series 2009 A Bonds, which is not set forth in the Official Statement relating to the Series 2009 A Bonds.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals and certificates required by law for the issuance of the Series 2009 A Bonds have been or will be duly and timely obtained and remain in full force and effect.

4. SIGNATURES: As of the date hereof, the Series 2009 A Bonds were duly signed by the manual signature of the Mayor and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed thereon and attested by manual signature of the City Clerk of the Issuer.

5. DELIVERY AND PAYMENT: The undersigned Mayor did, on the date hereof, deliver to the Underwriter, the entire issue of the Series 2009 A Bonds, in various denominations and numbered AR-1 to AR-5, inclusive.

6. NO ADVERSE FINANCIAL CHANGE: There has been no adverse change in the financial condition of the Issuer or the System of the Issuer since December 9, 2009.

7. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2009 A Bonds, the operation of the System, including without limitation, the imposition of rates and charges, were authorized or enacted at meetings of the Council of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Council of the Issuer and all applicable statutes, including without limitation, Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and a quorum of duly elected, appointed, qualified and acting members of the Council was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Charleston." The Issuer is a municipal corporation of

the State of West Virginia in Kanawha County of said State. The Governing Body of the Issuer is its Council, consisting of twenty-six Council members, the Mayor and the City Clerk, all duly elected or appointed, qualified and acting, whose names and dates of commencement and termination of their current terms of office are listed below:

Office	Name	Date Of Commencement Of Office	Date Of Termination Of Office
Mayor	Danny Jones	July 1, 2007	June 30, 2011
City Clerk	James M. Reishman	July 1, 2007	June 30, 2011
Council Member	Patrick Jones	July 1, 2007	June 30, 2011
Council Member	William Kirk	July 1, 2007	June 30, 2011
Council Member	James Lanham	July 1, 2007	June 30, 2011
Council Member	James Ealy	July 1, 2007	June 30, 2011
Council Member	Teresa Reed	July 1, 2007	June 30, 2011
Council Member	Edward Talkington	July 1, 2007	June 30, 2011
Council Member	Adam Henry Knauff	July 1, 2007	June 30, 2011
Council Member	Bob White	July 1, 2007	June 30, 2011
Council Member	Cubert Smith	July 1, 2007	June 30, 2011
Council Member	Robert Sheets	July 1, 2007	June 30, 2011
Council Member	Marc R. Weintraub	July 1, 2007	June 30, 2011
Council Member	Jim Harris, Jr.	July 1, 2007	June 30, 2011
Council Member	Susie Salisbury	July 1, 2007	June 30, 2011
Council Member	Jack E. Harrison	July 1, 2007	June 30, 2011
Council Member	David Kent Higgins	July 1, 2007	June 30, 2011
Council Member	Lewis Payne	July 1, 2007	June 30, 2011
Council Member	Bobby Reishman	July 1, 2007	June 30, 2011
Council Member	John H. Miller, Jr.	July 1, 2007	June 30, 2011
Council Member	Greg Burton	July 1, 2007	June 30, 2011
Council Member	Cheryle M. Hall	July 1, 2007	June 30, 2011
Council Member	Mike Clowser	July 1, 2007	June 30, 2011
Council Member	Mary Jean Davis	July 1, 2007	June 30, 2011
Council Member	Tom Lane	July 1, 2007	June 30, 2011
Council Member	Kasey Russell	July 1, 2007	June 30, 2011
Council Member	Harry Deitzler	July 1, 2007	June 30, 2011
Council Member	Jerry L. Ware	July 1, 2007	June 30, 2011
Council Member	Will Hanna	July 1, 2007	June 30, 2011

The duly appointed and acting City Attorney for the Issuer is Paul D. Ellis, Esquire, of Charleston, West Virginia.

9. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for two successive weeks, with not less than six full days between each publication, the first such publication occurring not less than ten days before the date stated below for the public hearing, in the Charleston Gazette, one qualified newspaper published and of general circulation in the Issuer, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2009 A Bonds described in the Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on November 16, 2009, at 7:00 p.m., prevailing time, in the council chambers of the City Hall in Charleston, West Virginia, and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing and remains in full force and effect.

10. INSURANCE: The Issuer will maintain all insurance required under the Ordinance.

11. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

12. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 8(c)(5): In addition to the foregoing, the undersigned hereby certifies, as of the date hereof, that: (i) the representations and warranties of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (ii) (a) except as set forth in the Official Statement, no litigation is pending or, to their knowledge, threatened in any court to restrain or enjoin the issuance or delivery of any of the Series 2009 A Bonds, or in any way contesting or affecting the validity of the Series 2009 A Bonds, the Ordinance, or the Bond Purchase Agreement, or contesting the powers of the Issuer or any authority for the issuance of the Series 2009 A Bonds or the Ordinance, and (b) except as set forth in the Official Statement, there is no litigation pending, or, to the knowledge of the Mayor, threatened against the Issuer in any way affecting the existence of the Issuer or the titles

of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Series 2009 A Bonds, or the collection of revenues and assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Series 2009 A Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2009 A Bonds, the Ordinance or the Bond Purchase Agreement, or contesting the powers of the Issuer with respect to the Series 2009 A Bonds, the Ordinance or the Bond Purchase Agreement or any transaction described in or contemplated by the Official Statement, which certificates shall be in form and substance acceptable to us; and (iii) to the best of our knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect.

13. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK: The Issuer hereby confirms the appointment of Bank of New York Mellon, West Paterson, New Jersey, as the Registrar and the Depository Bank, and the West Virginia Municipal Bond Commission as Paying Agent.

14. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G for the Series 2009 A Bonds and will cause such executed Form 8038-G to be filed in a timely manner with the applicable Internal Revenue Service Center. The information set forth in such Form 8038-G is true, correct and complete in all respects.

15. SPECIMEN BONDS: Attached hereto as Exhibit A is a specimen of the Series 2009 A Bonds which, except as to execution and authentication, is identical in all respects with the form attached to the Ordinance.

16. RELIANCE: The undersigned acknowledge that it is intended that interest on the Series 2009 A Bonds be exempt from federal income tax in the hands of the owners thereof, that the firm of Jackson Kelly PLLC is rendering opinions on the date hereof to said effect and with respect to other matters, and that, in rendering such opinions, said firm is relying, among other things, upon the statements made herein. Said firm is entitled to rely upon such statements.

17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer or the City Council has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer to any contractor supplying the Issuer, relating to the Series 2009 A Bonds or the Ordinance, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

18. QUALIFIED TAX-EXEMPT OBLIGATIONS: The Issuer has designated the Series 2009 A Bonds as "qualified tax-exempt obligations" for calendar year 2009 within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

19. COUNTERPARTS: This Certificate may be executed in counterparts and all such parts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of The City of Charleston, West Virginia, on this 17th day of December, 2009.

[SEAL]

Signature	Official Title
	Mayor
	City Clerk
	City Attorney

EXHIBIT A

See Specimen Series 2009 A Bond (Tab No. 6).

THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

CERTIFICATE OF UNDERWRITER

The undersigned hereby certifies the following as of the date of this certificate, relating to the sale and delivery of the above-captioned bonds (the "Series 2009 A Bonds") by The City of Charleston (the "Issuer").

1. The Series 2009 A Bonds have been purchased for reoffering by, and are being delivered on this date to Crews & Associates, Inc. (the "Underwriter"). The Series 2009 A Bonds have been reoffered, and a substantial amount (at least 10 percent of each maturity) thereof sold to purchasers other than bond houses, brokers or other intermediaries at initial offering prices (net of accrued interest) not exceeding the respective prices of or, in the case of obligations sold on a yield basis, at yields (net of accrued interest) no lower than the respective yields on the Series 2009 A Bonds set forth on the cover of the Official Statement, dated December 9, 2009, relating to the Series 2009 A Bonds. The Initial Offering Price of the Series 2009 A Bonds is $3,275,000.00.

2. The undersigned certifies that, calculated in the manner provided by the Code and the Regulations thereunder, and on the basis of the Issue Price, the Yield on the Series 2009 A Bonds is 4.114061% per annum. The foregoing yield refers to the discount rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Series 2009 A Bonds, produces an amount equal to the Issue Price of the Series 2009 A Bonds. The calculation of the foregoing yield is made on the basis of semi-annual compounding using a 360-day year and upon the assumption that payments are made on the last day of each semi-annual interest period ending June 1 and December 1. The calculation of the foregoing yield has been made assuming no optional redemption of the Series 2009 A Bonds prior to the maturity date thereof.

3. The undersigned certifies that, calculated in the manner provided by the Code and the Regulations thereunder, the weighted average maturity of the Series 2009 A Bonds is 8.797 years.

4. The CUSIP Number assigned to the final maturity of the Issuer is 160519CA0.

5. To the best of the knowledge and belief of the undersigned, no other governmental obligations are being issued by the Issuer, or any related entity, at substantially the same time and pursuant to a common plan of financing and which will be paid out of substantially the same source of funds or which will have substantially the

same claim to be paid out of substantially the same source of funds as the Series 2009 A Bonds or which will be paid directly or indirectly from proceeds derived from the sale of the Series 2009 A Bonds.

6. To the best knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations set forth herein, and in the Tax and Non-Arbitrage Certificate of the Issuer, and said expectations are reasonable.

WITNESS my signature on this 17th day of December, 2009.

CREWS & ASSOCIATES, INC.

By: _____

Its: Vice President

THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

REGISTRAR'S CERTIFICATE

Bank of New York Mellon, West Paterson, New Jersey (the "Bank"), as Registrar for the above-captioned Series 2009 A Bonds (the "Series 2009 A Bonds"), hereby certifies as follows, all capitalized terms used herein have the same meanings set forth in the Bond Ordinance of The City of Charleston (the "Issuer") enacted on December 7, 2009, as supplemented by a Supplemental Resolution adopted on December 7, 2009 (collectively, the "Ordinance"):

1. The Bank is a New York Mellon banking corporation duly organized, validly existing, and in good standing under the laws of New York, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Ordinance and to serve in the capacities of Registrar under the Ordinance.

2. The Bank has duly authorized, by all necessary action, the authentication of the Series 2009 A Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Ordinance, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Series 2009 A Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Series 2009 A Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Thomas A. Vlahakis	Vice President	

5. There have been filed with the Bank all of the documents listed in the Ordinance and the Series 2009 A Bonds have been duly authenticated and delivered to the Original Purchaser, and proceeds of the Series 2009 A Bonds have been deposited as required by the Ordinance.

6. Attached hereto as Exhibit A is a correct listing of the Series 2009 A Bonds numbers, CUSIP numbers, maturity dates, principal amounts and interest rates of the Series 2009 A Bonds.

WITNESS my signature on this 17th day of December, 2009.

BANK OF NEW YORK MELLON

By: _____

Its: Vice President

EXHIBIT A

SERIES 2009 A BONDS TERMS

Bond No.	CUSIP	Maturity Date	Principal Amount	Interest Rate	Yield
AR-1	160519BW3	June 1, 2012	$475,000	3.000%	3.000%
AR-2	160519BX1	June 1, 2015	580,000	3.500	3.500
AR-3	160519BY9	June 1, 2018	655,000	4.000	4.000
AR-4	160519BZ6	June 1, 2021	730,000	4.200	4.200
AR-5	160519CA0	June 1, 2024	835,000	4.400	4.400

Herman & Cormany

Certified Public Accountants, A.C.

Accountants & Consultants

December 17, 2009

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Jackson Kelly PLLC
P.O. Box 553
Charleston, West Virginia 25322

Crews & Associates, Inc.
P.O. Box 2764
Charleston, West Virginia 25330-2764

THE CITY OF CHARLESTON, WEST VIRGINIA
$3,275,000 Civic Center Improvement Refunding Bonds, Series 2009 A

CERTIFICATE OF CERTIFIED PUBLIC ACCOUNTANT

The undersigned hereby certifies as follows:

1. I am a certified public accountant licensed to practice in the State of West Virginia and independent from The City of Charleston, West Virginia (the "City").

2. Attached as Exhibit A and incorporated herein by reference is a schedule reflecting the debt service on the City's Civic Center Improvement Bonds, Series 1999 (the "Prior Bonds"); attached as Exhibit B and incorporated herein by reference is a schedule reflecting the debt service on the City's Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"); and attached as Exhibit C and incorporated herein by reference is a schedule showing the net savings to the City from the refunding. These debt service schedules were based on the principal and interest schedules of the respective bond issues.

1031 Quarrier Street, Suite 511 • Charleston, WV 25301-2397 • (304) 345-2320 • (304) 345-2325 fax
www.herman-cormanycpas.com

3. Based on my review, comparison and analysis of the net interest costs in dollars of the Prior Bonds and the Series 2009 A Bonds and based on the anticipated sale of the Series 2009 A Bonds to Crews & Associates, Inc., pursuant to a Bond Purchase Agreement, the issuance of the Series 2009 A Bonds will result in a net interest savings to the City after deducting the expenses of the refunding. For purposes of this computation, net interest cost has been assumed to be the total of interest to accrue on the Series 2009 A Bonds from their date of issuance to their date of maturity and the total amount of interest which would accrue on the Prior Bonds from their date of issuance to their date of maturity, if not refunded.

WITNESS my signature this 17th day of December, 2009.

Herman & Company, CPAs

JACKSONKELLY
ATTORNEYS AT LAW PLLC
500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

December 17, 2009

The City of Charleston
P.O. Box 2749
Charleston, WV 25330

Re: The City of Charleston, West Virginia
Civic Center Improvement Refunding Bonds, Series 2009 A

Ladies and Gentlemen:

We have acted as bond counsel to The City of Charleston, West Virginia (the "Issuer"), a municipal corporation, in connection with the issuance of its $3,275,000 Civic Center Improvement Refunding Bonds, Series 2009 A, dated the date hereof (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and under and pursuant to a Bond Ordinance duly passed by the Issuer on November 2, 2009, effective November 16, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 7, 2009 and a Certificate of Determination executed December 9, 2009 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance the Bonds are authorized and issued. Capitalized terms used and not otherwise defined herein shall have the respective meanings given them in the Ordinance.

In connection with the issuance of the Bonds, the Issuer has executed a Tax and Non-Arbitrage Certificate, dated as of the date hereof (the "Tax Certificate"), which, among other things, sets forth restrictions on the investment and expenditure of the Bonds proceeds and earnings thereon, to ensure that the requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

Regarding questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the herein-described documents and certifications furnished to us by or on behalf of the Issuer (including certifications as to matters which are material to paragraph 4 below), without undertaking to verify the same by independent investigation.

The Bonds are issued in the form of a series of fully registered Bonds.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with the power to adopt the Ordinance, which has been duly and lawfully enacted and adopted by the Issuer, is in full force and effect and is valid and binding upon the Issuer and enforceable in accordance with its terms, and no other authorization for the Ordinance is required.

2. The Issuer is duly authorized to issue the Bonds, which Bonds have been duly and validly authorized and issued in accordance with the Act and in accordance with the Ordinance, and constitutes a valid, binding special and limited revenue obligation of the Issuer as provided in the Ordinance, payable and enforceable in accordance with their terms and the terms of the Ordinance and are entitled to the benefits of the Ordinance and of the Act.

3. The Bonds are secured by the Tax Revenues, as defined in the Ordinance and from funds on deposit in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account, and are on parity with the Issuer's Civic Center Improvement Bonds, Series 1998, all as more fully described in the Ordinance. In addition, the Ordinance imposes a statutory mortgage lien on the Tax Revenues.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable in the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Ordinance and the Tax Certificate and other documents relating thereto. Failure to comply with certain of such representations, covenants and certifications could cause the interest on the Bonds to be

includable in a holder's gross income retroactive to the date of issuance of the Bonds. Except as described herein, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and has covenanted that it does not reasonably expect to issue more than $30,000,000 of tax-exempt obligations (other than certain private activity bonds and refunding bonds) during the calendar year 2009. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code, and the provisions of the Code which disallow all deductibility of interest expense incurred by financial institutions on debt incurred or continued to purchase or carry most tax-exempt obligations do not apply to the Bonds.

6. Under the Act, as presently written and applied, the Bonds and any interest thereon is exempt from all taxation except inheritance, estate and transfer taxes.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Ordinance and the pledges set forth therein are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, and by the exercise of judicial discretion. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We have not been engaged, or undertaken, to review the accuracy, completeness or sufficiency of the Official Statement or other offering material related to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We have examined the executed and authenticated Bond numbered AR-1 and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

Jackson Kelly PLLC

JACKSONKELLY
ATTORNEYS AT LAW PLLC

500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

December 17, 2009

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, West Virginia 25301

The Bank of New York Mellon
385 Rifle Camp Road
3rd Floor
West Paterson, New Jersey 07424

Re: $3,275,000 The City of Charleston
Civic Center Improvement Refunding Bonds, Series 2009 A

Ladies and Gentlemen:

We have delivered our bond counsel opinion of even date herewith, a copy of which is attached. You may rely upon this opinion as if specifically addressed to you in so far as it relates to the due authorization, execution, and delivery of the Bonds, to the validity of the Bonds, to the excludability from gross income for federal income tax purposes of the interest on the Bonds and to the exemption of the Bonds and the interest thereon from taxation by the State of West Virginia.

Very truly yours,

Jackson Kelly PLLC

Jackson Kelly PLLC

JACKSONKELLY
ATTORNEYS AT LAW PLLC
500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

December 17, 2009

The City of Charleston
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Re: The City of Charleston, West Virginia
$3,275,000 Civic Center Improvement Refunding Bonds,
Series 2009 A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the above-referenced Series 2009 A Bonds (the "Series 2009 A Bonds") of The City of Charleston (the "Issuer"), issued pursuant to the Constitution and laws of the State, including particularly Chapter 8, Article 12, Chapter 8, Article 16 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act") and pursuant to an Ordinance enacted by the City Council on November 16, 2009, as supplemented by a supplemental resolution of the Issuer adopted December 7, 2009 and a Certificate of Determination executed December 9, 2009 (collectively, the "Ordinance"). We are herewith rendering our final approving opinion of even date in connection with the authorization, issuance and delivery of the Series 2009 A Bonds to Crews & Associates, Inc., as the Underwriter named in the Bond Purchase Agreement dated December 9, 2009 (the "Bond Purchase Agreement"), relating to the Series 2009 A Bonds.

In rendering this opinion, we reviewed records of the acts taken by the Issuer in connection with the authorization, sale and issuance of the Series 2009 A Bonds, including a record of proceedings of the Issuer relating to the authorization, execution and delivery of the Bond Purchase Agreement, and we were present at various meetings for the preparation of various parts of the Official Statement relating to the Series 2009 A Bonds, dated and executed by the Mayor of the Issuer on December 9, 2009 (the "Official Statement").

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the

Clarksburg, WV • Martinsburg, WV • Morgantown, WV • Wheeling, WV
Denver, CO • Lexington, KY • Pittsburgh, PA • Washington, DC

Underwriter and that it is a binding agreement of the Underwriter in accordance with its terms) constitutes a binding agreement of the Issuer in accordance with its terms;

2. The Series 2009 A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

3. The statements contained in the Official Statement under the caption "TAX MATTERS" are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption; and

4. The statements contained in the Official Statement under the captions "INTRODUCTION," "FINANCING PLAN," "THE BONDS," "SECURITY FOR THE BONDS" and in Appendix C except for financial or statistical data therein which no opinion is hereby expressed insofar as such statements contained under such captions purport to summarize certain provisions of the Bonds and certain provisions of the Ordinance, are true, correct and complete in all material respects and present a fair summary of the matters intended to be summarized therein.

Very truly yours,

Jackson Kelly PLLC

OFFICE OF THE CITY ATTORNEY

City of Charleston | P.O. Box 2749, Charleston WV 25330 | 304-348-8031
Writer's Fax: 304-348-0770 | Writer's email: paul.ellis@cityofcharleston.org

Paul D. Ellis
City Attorney of Charleston

December 17, 2009

The City of Charleston
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: The City of Charleston, West Virginia
$3,275,000 Civic Center Improvement Refunding,
Series 2009 A

Ladies and Gentlemen:

I am the General Counsel to The City of Charleston, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Series 2009 A Bonds"), a Bond Purchase Agreement, dated December 9, 2009, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and between the Issuer and the Underwriters named therein, a Bond Ordinance duly passed by the Issuer on November 2, 2009, effective November 16, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 7, 2009 (collectively, the "Ordinance"), and other documents relating to the Series 2009 A Bonds and the Issuer, including the Continuing Disclosure Certificate, the Preliminary Official Statement dated December 4, 2009, the Official Statement dated December 9, 2009, and the Tax and Non-Arbitrage Certificate (collectively with the Bond Purchase Agreement and Ordinance, the "Bond Documents"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Purchase Agreement and the Ordinance when used herein.

I am of the opinion that:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to operate and maintain the Civic Center and to enact the Ordinance, all under the Act and other applicable provisions of law.

2. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The members and officers of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

4. The Ordinance has been duly adopted and enacted by the Issuer and is in full force and effect. The Issuer has full power and authority to consummate all transactions contemplated by the Series 2009 A Bonds and the Bond Documents.

5. To the best of my knowledge, the execution and delivery of the Series 2009 A Bonds and the Bond Purchase Agreement and the consummation of the transactions contemplated by the Series 2009 A Bonds, the Bond Purchase Agreement, the Ordinance and the Bond Documents, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach or default under any ordinance, order, resolution, agreement or other document to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

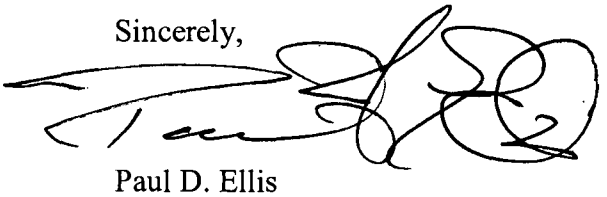
6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement, the Series 2009 A Bonds and the Ordinance or the validity of the Series 2009 A Bonds.

7. Based on my experience as general counsel for the Issuer and on my review, I have no reason to believe that the information regarding the Issuer in the Official Statement contains any untrue statement of a material fact or omits any material facts necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

8. I hereby consent to the references made to us in the Official Statement.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Sincerely,



Paul D. Ellis
City Attorney of Charleston

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

December 17, 2009

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, West Virginia 25301

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriter"), in connection with the issuance and sale by City of Charleston, West Virginia (the "Issuer"), of its Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds") which are being delivered and sold pursuant to a Bond Purchase Agreement dated December 9, 2009 (the "Bond Purchase Agreement"), by and between the Underwriter and the Issuer. In connection with rendering this opinion, we have examined the Official Statement, the Bond Purchase Agreement and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Bond Purchase Agreement.

Based upon the foregoing, it is our opinion that (i) the Series 2009 A Bonds are exempt from registration under the Securities Act of 1933, as amended, and are municipal securities under the Securities Exchange Act of 1934, as amended, (ii) the Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, in connection with the offering and sale of the Series 2009 A Bonds, and (iii) the Continuing Disclosure Agreement containing the undertaking of the Issuer to provide certain information in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, complies with the requirements of Section b(5) of such Rule.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the Issuer, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe (excluding therefrom all information in Appendix A, all financial and statistical data and projections included in the Official Statement, including the entirety of Appendix B and all information concerning the Deposit Trust Company and the book-entry only system for the Series 2009 A Bonds, on which we express no

opinion) that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The Bond Purchase Agreement has been validly authorized, executed and delivered by the Underwriter and, assuming due authorization, execution and delivery by the Issuer, and due approval by the City, constitutes a valid and binding agreement, enforceable in accordance with its terms, except as such may be limited by bankruptcy, insolvency, reorganization, moratorium and other such laws affecting the respective parties, the exercise of judicial discretion or the availability of equitable remedies.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2009 A Bonds.

Very truly yours,

STEPTOE & JOHNSON PLLC

ESCROW AGREEMENT

This AGREEMENT, made and entered into the 17th day of December, 2009, by and between THE CITY OF CHARLESTON, WEST VIRGINIA (hereinafter referred to as the "City") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION (hereinafter referred to as the "Escrow Trustee" or "Escrow Agent").

WITNESSETH THAT:

WHEREAS, pursuant to Bill No. 6620 adopted on December 6, 1999 (the "Series 1999 Ordinance"), the City issued its Civic Center Improvement Bonds, Series 1999, dated December 1, 1999, in the original principal amount of $4,060,000, of which $3,115,000 is currently outstanding (the "Series 1999 Bonds");

WHEREAS, the Series 1999 Bonds mature on the dates and bear interest at the rates set forth in Schedule A hereto and are subject to optional redemption at the price of 102% plus interest accrued to the redemption date (the "Redemption Price") on and after December 1, 2009;

WHEREAS, the City has determined to issue its Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), pursuant to Bill No. 7403 adopted November 2, 2009, effective November 16, 2009, as supplemented by resolution adopted on December 7, 2009 (collectively, the "Ordinance"), the proceeds of which will be used to refund the Series 1999 Bonds;

WHEREAS, the City shall prepay and defease the Series 1999 Bonds by depositing with the Escrow Agent on December 17, 2009 (the "Closing Date") a portion of the proceeds of the Series 2009 A Bonds in the amount of $3,141,569.64 (the "Redemption Deposit Amount"), which amount will be deposited by the Escrow Agent in the Escrow Fund, and a portion of the proceeds of the Series 2009 A Bonds in the amount of $1,400 (the "Paying Agent Fees"), which amount shall be applied to fees due and owing the Municipal Bond Commission as Paying Agent for the Series 1999 Bonds;

WHEREAS, the City has found it desirable to appoint the Escrow Trustee for the purposes of holding the monies used for redemption, receiving payment of the principal thereof and interest thereon when due, disbursing to the paying agents such amounts as may be necessary to provide for the redemption of the Series 1999 Bonds;

WHEREAS, the Redemption Deposit Amount, along with funds then already on deposit in the Series 1999 Bonds Sinking Fund, therein in the total amount of $3,204,439.33, are in such amounts as to insure the payment on or about January 19, 2010 (the "Redemption Date") by the Registrar, pursuant to the Ordinance of the Redemption Price; and

WHEREAS, the City has taken all action necessary to appoint and designate the Commission as the Escrow Trustee to accomplish such purposes;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 1999 Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. Receipt of true and correct copies of the Ordinance and the Prior Ordinances are hereby acknowledged by the Escrow Trustee. Reference herein to or citation herein of any provisions of either the Prior Ordinances or the Ordinance shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

2. There is hereby created and established with the Escrow Trustee a special and irrevocable trust fund designated the "The City of Charleston, West Virginia, Series 1999 Civic Center Improvement Revenue Bonds Escrow Fund" (hereinafter referred to as the "Escrow Fund"), to be held in the custody of the Escrow Trustee, separate and apart from other funds of the City, the Commission or the Escrow Trustee. The deposit of investments or moneys in the Escrow Fund shall constitute an irrevocable deposit of said investments or moneys in trust for, and such moneys and the investments thereof, together with any income or interest earned thereon, shall be applied, except as otherwise provided herein, to, the redemption of the Series 1999 Bonds.

3. Concurrently with the delivery of the Series 2009 A Bonds, the City shall deposit and cause to be deposited $3,141,569.64 from the proceeds of sale of the Series 2009 A Bonds, and $62,869.69 from the sinking fund created and maintained on account of the Series 1999 Bonds into the Escrow Fund with the Escrow Trustee (total deposit $3,204,439.33), and the Escrow Trustee shall invest the Escrow Fund into the Board of Treasury Investments West Virginia Government Money Market Pool (the "Money Market Pool").

4. The transferred funds shall be credited to the Escrow Fund. The Escrow Trustee shall deposit any proceeds (whether principal, interest or otherwise) derived from the Money Market Pool in the Escrow Fund.

5. The Escrow Trustee shall deposit directly with the paying agent or agents therefor, in immediately available funds, from the amounts held in the Escrow Fund on or about January 19, 2010, the amount necessary to pay the Redemption Price on the Series 1999 Bonds in accordance with the Series 1999 Ordinance and in accordance with the attached Schedule A.

6. The holders of the Series 1999 Bonds shall have an express lien on all moneys and assets in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

7. After the payment of all the Series 1999 Bonds, and the interest thereon, the amounts remaining in the Escrow Fund shall be transferred to the Sinking Fund established under the Ordinance as set forth in the Supplemental Resolution.

8. Concurrently with the delivery of the Series 2009 A Bonds, the Escrow Trustee shall be paid its fees and expenses incurred with respect to this Agreement. Future fees and expenses of the Escrow Trustee and the paying agents for the Series 1999 Bonds shall be promptly paid by the City from the Tax Revenues described in the Ordinance as they accrue.

In no event, however, shall the Escrow Trustee or the paying agents have any lien whatsoever upon any of the moneys in the Escrow Fund, for the payment of such fees or expenses.

9. The City and the Escrow Trustee independently hereby covenant that no part of the moneys or funds at any time in the Escrow Fund, shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the 1999 Bonds or the Series 2009 A Bonds to be "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986, as amended.

10. The Escrow Trustee shall have no responsibility in respect of the validity or sufficiency of this Agreement. The liability of the Escrow Trustee for the payment of the principal of and the interest on the Series 1999 Bonds shall be limited to the application of the moneys available for such purposes in the Escrow Fund. The Escrow Trustee shall not be liable or responsible because of the failure of the City to perform any act required of it by this Agreement or because of the loss of any moneys arising through the

insolvency or the act or default or omission of any depository, other than the Escrow Trustee, in which such moneys shall have been deposited.

11. If any outstanding Series 1999 Bonds or coupons are not presented for payment when due as provided in the Redemption Notice, and moneys are held by the Escrow Trustee for payment thereof but not including any funds held by the paying agent for the Prior Bonds, such moneys shall be held for such purposes for a period of two (2) years from the date such payment was due as provided in the Redemption Notice, at which time such moneys shall be paid to the City. Prior to such repayment by the Escrow Trustee to the City, the Escrow Trustee shall notify EMMA, or any similar organization that said moneys remain unclaimed and that after a date named in said notice, which date shall be the date of such repayment and shall not be less than thirty (30) days after the date of such notice, such moneys shall be paid to the City as its absolute property and free from trust. The City shall pay any costs incurred with respect to such notice.

12. Concurrently with the execution of this Agreement and the defeasance of the lien of the Series 1999 Bonds, the Escrow Trustee, at the express direction of the City, shall pay from the funds held by it in the respective sinking funds created and maintained under the Prior Ordinances the sum of $62,869.69 into the Escrow Fund, and the City will cause $3,141,569.64 from the proceeds of the Series 2009 A Bonds to be deposited into the Escrow Fund.

13. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

14. The Escrow Trustee shall be responsible for the preparation, publication and mailing of the notice of redemption in accordance with the provisions of the Series 1999 Ordinance in the form attached as Schedule B. The costs of any required publication and mailing of any notice of redemption shall be paid by the City and under no circumstance shall the Escrow Trustee have any claim on moneys on deposit in the Escrow Fund for payment of such costs, but shall look solely to the City for such payment. The Escrow Trustee shall act on behalf of the City in the conduct of the proceedings for the redemption of the outstanding bonds to be redeemed in accordance with the Series 1999 Ordinance.

15. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

16. This Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

17. This Agreement shall terminate on the earlier of the date on which all the outstanding Series 1999 Bonds have been paid and discharged in accordance with the respective provisions of the Series 1999 Ordinance or, as described in Paragraph 11, above, one (1) year after the last date on which payment on the Series 1999 Bonds is due, as provided in the Redemption Notice. Amounts in the Escrow Fund shall be transferred as provided in Paragraph 7 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

THE CITY OF CHARLESTON, WEST VIRGINIA

By _____
Its Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By _____
Its Executive Director

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

THE CITY OF CHARLESTON, WEST VIRGINIA

By _____
Its Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By _____
Its Executive Director

SCHEDULE A

Series 1999

Year	Amount	Coupon	Yield	Redemption Premium	Redemption Price
2015	$ 910,000	6.25%	6.25%	102%	$ 928,200
2020	$ 1,065,000	6.60%	6.60%	102%	$ 1,086,300
2024	$1,140,000	6.70%	6.70%	102%	$1,162,800

SCHEDULE B

FORM OF

NOTICE OF REDEMPTION

THE CITY OF CHARLESTON, WEST VIRGINIA

CIVIC CENTER IMPROVEMENT BONDS, SERIES 1999

Dated: December 23, 1999

CUSIP NUMBERS: 160519BT0, 160519BU7 and 160519BV5

TO THE OWNERS OF ALL THE ABOVE-CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that all The City of Charleston, West Virginia, Civic Center Improvement Bonds, Series 1999 (the "Series 1999 Bonds"), have been ordered by The City of Charleston (the "Issuer") to be redeemed on January 19, 2010 (the "Redemption Date"), in accordance with the provisions of the Ordinance authorizing issuance of the Series 1999 Bonds.

All Series 1999 Bonds outstanding on the Redemption Date are to be surrendered to:

By Mail:

The Bank of New York Mellon
P.O. Box 396
East Syracuse, NY 13057
Attn: Bond Redemption Unit

By Hand Delivery / Overnight Mail:

The Bank of New York Mellon
111 Sander Creek Parkway
East Syracuse, NY 13057
Attn: Bond Redemption Unit

in exchange for the Redemption Price provided for in the Series 1999 Ordinance. Upon the surrender of the Series 1999 Bonds to The Bank of New York Mellon, The Bank of New York Mellon will deliver to you the monies equal to such Redemption Price.

Such redemption is subject to the issuance and delivery of the Series 2009 A Bonds on December 17, 2009, and shall be of no effect unless the Series 2009 A Bonds are so issued and delivered. If the Series 2009 A Bonds are not issued and delivered on such date, the Registrar of the Series 1999 Bonds shall promptly notify the owners of the Series 1999 Bonds of such fact.

No representation is made as to the accuracy or correctness of the CUSIP numbers printed on the Series 1999 Bonds or as contained in this notice or the mailing of this notice (including any failure to mail such notice).

THE CITY OF CHARLESTON,
WEST VIRGINIA

/s/ Danny Jones
Mayor

Dated: December 17, 2009

NOTICE OF REDEMPTION

THE CITY OF CHARLESTON, WEST VIRGINIA

CIVIC CENTER IMPROVEMENT BONDS, SERIES 1999

Dated: December 23, 1999

CUSIP NUMBERS: 160519BT0, 160519BU7 and 160519BV5

TO THE OWNERS OF ALL THE ABOVE-CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that all The City of Charleston, West Virginia, Civic Center Improvement Bonds, Series 1999 (the "Series 1999 Bonds"), have been ordered by The City of Charleston (the "Issuer") to be redeemed on January 19, 2010 (the "Redemption Date"), in accordance with the provisions of the Ordinance authorizing issuance of the Series 1999 Bonds.

All Series 1999 Bonds outstanding on the Redemption Date are to be surrendered to:

By Mail:

The Bank of New York Mellon
P.O. Box 396
East Syracuse, NY 13057
Attn: Bond Redemption Unit

By Hand Delivery / Overnight Mail:

The Bank of New York Mellon
111 Sander Creek Parkway
East Syracuse, NY 13057
Attn: Bond Redemption Unit

in exchange for the Redemption Price provided for in the Series 1999 Ordinance. Upon the surrender of the Series 1999 Bonds to The Bank of New York Mellon, The Bank of New York Mellon will deliver to you the monies equal to such Redemption Price.

Such redemption is subject to the issuance and delivery of the Series 2009 A Bonds on December 17, 2009, and shall be of no effect unless the Series 2009 A Bonds are so issued and delivered. If the Series 2009 A Bonds are not issued and delivered on such date, the Registrar of the Series 1999 Bonds shall promptly notify the owners of the Series 1999 Bonds of such fact.

No representation is made as to the accuracy or correctness of the CUSIP numbers printed on the Series 1999 Bonds or as contained in this notice or the mailing of this notice (including any failure to mail such notice).

THE CITY OF CHARLESTON,
WEST VIRGINIA

/s/ Danny Jones
Mayor

Dated: December 17, 2009

THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

LETTER OF INSTRUCTIONS
TO REGISTRAR OF SERIES 1999 BONDS

Bank of New York Mellon
385 Rifle Camp Road 3rd Floor
West Paterson, NJ 07424

Re: The City of Charleston Civic Center Improvement Bonds, Series 1999

Ladies and Gentlemen:

The City of Charleston (the "Issuer") intends to call for redemption its Civic Center Improvement Bonds, Series 1999 (the "Series 1999 Bonds") on the Redemption Date, being January 19, 2010, pursuant to a Bond Ordinance enacted by the Council of the Issuer on December 6, 1999, as supplemented by a Supplemental Resolution adopted on December 20, 1999 (collectively, the "Ordinance").

The Bank of New York Mellon serves as Registrar of the Series 1999 Bonds. In connection with the redemption of the Series 1999 Bonds in exchange for the Redemption Price, you are hereby requested to:

1. Provide the Notice of Redemption, substantially in the form attached hereto, by first-class mail, postage prepaid, to the registered owners and the rating agencies of the Series 1999 Bonds, in accordance with the redemption and mandatory tender notice provisions of the Ordinance. The Notice of Redemption must be mailed by December 18, 2009.

2. Provide the Notice of Redemption, substantially in the form attached hereto, to all nationally recognized municipal securities information repositories.

Please provide a copy of the notice requested above to the Issuer and to the Issuer's Bond Counsel, Jackson Kelly PLLC. The Issuer will pay your fees and extraordinary costs involved in providing these notices upon the submission of an invoice for services.

Dated this 17th day of December, 2009.

THE CITY OF CHARLESTON

Mayor

JACKSONKELLY
ATTORNEYS AT LAW PLLC
500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

DIRECT NO. (304) 340-1318 FAX NO. (304) 340-1272

EMAIL: sgee@jacksonkelly.com

December 17, 2009

VIA FAX AND REGULAR MAIL

Ms. Sara Boardman
Executive Director
West Virginia Municipal
Bond Commission
1207 Quarrier Street, Suite 401
Charleston, WV 25301

Re: The City of Charleston, West Virginia
Civic Center Improvement Refunding Bonds, Series 2009 A

Dear Sara:

Jackson Kelly PLLC serves as bond counsel for The City of Charleston (the "Issuer"). We wish to advise you that on December 17, 2009 (the "Delivery Date"), the Issuer will deliver the above-captioned bonds (the "Series 2009 A Bonds") to The Depository Trust Company ("DTC") for the benefit of Crews and Associates, Inc. (the "Purchaser"), in exchange for the purchase price of the Series 2009 A Bonds.

On the Closing Date, funds on deposit in the Series 1999 Civic Center Improvement Sinking Fund (the "Series 1999 Sinking Fund") established and existing for the Series 1999 Bonds, in the amount of $62,869.69, shall be transferred to the Series 1999 Civic Center Improvement Bonds Escrow Fund (the "Escrow Fund") established with the Commission pursuant to an Escrow Agreement dated December 17, 2009 between the Commission and the Issuer. These amounts along with proceeds of the Series 2009 A Bonds in the amount of $3,141,569.64 transferred to the Escrow Fund shall be used to redeem the Series 1999 Bonds in accordance with the Notice of Redemption dated December 17, 2009. Following said payments and transfers, the Series 1999 Sinking Fund accounts should be closed.

Any earnings accrued but not posted in the Series 1999 Sinking Fund as of December 17, 2009, shall be transferred to the Series 2009 A Sinking Fund.

Please call me if you have any questions.

Very truly yours,

Samme L. Gee

SLG/lp

Copy of letter via email to:
David Molgaard
Greg Isaacs
John Stump, Esquire

THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 17th day of December, 2009, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation (the "Issuer"), and THE BANK OF NEW YORK MELLON, West Paterson, New Jersey (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its Civic Center Improvement Refunding Bonds, Series 2009 A (the "Series 2009 A Bonds"), in the total aggregate principal amount of $3,275,000, pursuant to a Bond Ordinance enacted by the Issuer on November 16, 2009, and a Supplemental Resolution duly adopted December 7, 2009 (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the Issuer of a Registrar for the Series 2009 A Bonds;

WHEREAS, the Issuer has requested that the Costs of Issuance Fund be held and administered by the Registrar; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2009 A Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Series 2009 A Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Series 2009 A Bonds from gross income for federal income

tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. Upon the written request of the Issuer, the Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer. The Registrar shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct and in no event shall the Registrar be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Registrar has been advised of the likelihood of such loss or damage and regardless of the form of action.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule and to promptly reimburse the Registrar for any expenses reasonably incurred in carrying out its duties hereunder.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that to the knowledge of the undersigned, as applicable, neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

ISSUER:

The City of Charleston
P.O. Box 2749

Charleston, WV 25330
Attention: Mayor

REGISTRAR:

The Bank of New York Mellon
385 Rifle Camp Road 3rd Floor
West Paterson, NJ 07424
Attention: Corporate Trust Department

The Issuer and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby directed and authorized to authenticate and deliver the Series 2009 A Bonds in accordance with the Ordinance.

9. It is expressly understood and agreed that the Registrar's duties and obligations in connection with this Agreement are confined to those expressly defined herein and no additional covenants or obligations shall be read into this Agreement against the Registrar.

10. This Agreement shall be governed by the laws of the State of West Virginia, without regard to conflict of law principles.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first above-written.

THE CITY OF CHARLESTON

_____
Mayor

THE BANK OF NEW YORK MELLON

_____
Authorized Officer

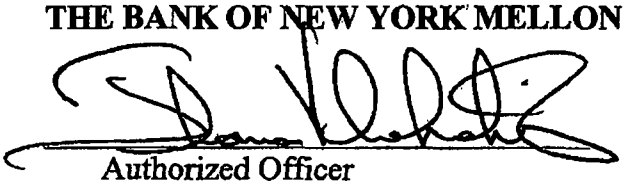
IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first above-written.

THE CITY OF CHARLESTON

_____

Mayor

THE BANK OF NEW YORK MELLON



Authorized Officer

EXHIBIT A

See Bond Ordinance (Tab No. 2)
See Supplemental Resolution (Tab No. 3)

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT REFUNDING BONDS,
SERIES 2009 A

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Crews & Associates, Inc. (the "Original Purchaser") that he is the duly elected and acting Mayor of the City of Charleston, West Virginia (the "Issuer"), authorized to execute and deliver this Certificate and further certifies on behalf of the Issuer to the Original Purchaser as follows:

(1) This Certificate is delivered to enable the Original Purchaser to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the Issuer's Civic Center Improvement Refunding Bonds, Series 2009 A (the "Bonds");

(2) In connection with the issuance of the Bonds, there has been prepared an Official Statement setting forth information concerning the Bonds and the Issuer of the Bonds (the "Official Statement");

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms depending on such matters, all with respect to the Bonds;

(4) The Official Statement with such changes as have been agreed to by the parties is, except for the Permitted Omissions, deemed final within the meaning of the Rule as of this date, and the information therein is accurate and complete except for the Permitted Omissions;

(5) If, at any time prior to the award of Bonds, any event occurs as a result of which the Official Statement might include an untrue statement of a material fact or unit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Original Purchaser thereof; and

(6) The Issuer has delivered to the Original Purchaser a final Official Statement pursuant to paragraph (b)(3) of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 17th day of December, 2009.

CITY OF CHARLESTON (WEST VIRGINIA)

By: _____
Its: Mayor