



Certified Public Accountants, A.C.

**CITY OF HUNTINGTON,  
WEST VIRGINIA  
- A CLASS II MUNICIPALITY -  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2021  
RFP #21-042  
CABELL COUNTY**

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**CITY OF HUNTINGTON, WEST VIRGINIA  
MUNICIPAL OFFICIALS  
JUNE 30, 2021**

<u>Office</u>	<u>Name</u>	<u>Term</u>
Mayor:	Steve Williams	01/01/21-12/31/24
Council Members:	Jennifer Wheeler	01/01/21-12/31/24
	Mike Shockley	01/01/21-12/31/24
	Tyler Bowen	01/01/21-12/31/24
	Todd Sweeney	01/01/21-12/31/24
	Tia Rumbaugh	01/01/21-12/31/24
	Teresa Johnson	01/01/21-12/31/24
	Holly Smith Mount	01/01/21-12/31/24
	Pat Jones	01/01/21-12/31/24
	Dale Anderson	01/01/21-12/31/24
	Bob Bailey	01/01/21-12/31/24
	DuRon Jackson	01/01/21-12/31/24

**Appointive**

City Manager:	Hank Dial
Finance Director:	Kathy Moore
City Attorney:	Scott Damron
City Clerk:	Barbara Miller

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF FUNDS  
YEAR ENDED JUNE 30, 2021**

**GOVERNMENTAL FUND TYPES**

**Major Governmental Funds**

*General Fund  
Coal Severance Tax  
Community Development Block Grant  
Urban Renewal/Land Reuse Agency  
American Rescue Plan Act*

**Nonmajor Governmental Funds**

*Special Revenue Funds*

Safety Town  
Federal Drug  
Westmoreland Fire Protection  
Jean Dean Public Safety

*Capital Projects Fund*

Capital Improvements  
Landfill Reserve

*Debt Service Funds*

Tax Increment Financing 1 – Downtown  
Tax Increment Financing 2 – Kinetic Park

**PROPRIETARY FUND TYPES**

**Major Proprietary Funds**

Sanitation and Trash  
Civic Arena

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF FUNDS  
YEAR ENDED JUNE 30, 2021**

**FIDUCIARY FUND TYPES**

*Pension Funds*

Policemen's Pension and Relief  
Firemen's Pension and Relief

*Custodial Funds*

Asset Seizure

**COMPONENT UNITS**

*Discretely Presented*

Municipal Development Authority  
Municipal Parking Board  
Huntington Water Quality Board

## INDEPENDENT AUDITOR'S REPORT

April 27, 2022, except as to Note III. L., which is as of October 25, 2022

City of Huntington  
800 Fifth Avenue  
Huntington, WV 25717

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component units and the aggregate remaining fund information of the **City of Huntington**, West Virginia (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***Opinion***

In our opinion, 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 major fund, the discretely presented component units and the aggregate remaining fund information of the City of Huntington, West Virginia, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Coal Severance Tax Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note III. J. to the financial statements, during the year ended June 30, 2021, the City adopted new guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include the Management's Discussion and Analysis, Schedule of Changes in the Other Post-Employment Liability and Related Ratios, Schedule of Contributions – Multiyear for Other Post-Employment Benefits, Schedules of Proportionate Share of the Net OPEB Liability, Schedules of OPEB Contributions, Schedules of Changes in the Net Pension Liability and Related Ratios, Schedule of Investment Returns and the Schedules of Contributions Multiyear for the Police and Fire Pension Relief Funds, Schedules of the Government's Proportionate Share of the Net Pension Liability and the Schedules of Government Contributions on pages 90 - 96 listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

Also, the supplementary information of the individual and combining fund financial statements for the special revenue, capital projects, debt service and custodial funds, the discretely presented component unit fund financial statements, the introductory section, and the Schedule of State Grants Receipts and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City.



The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022, except as to Note III. L., which is as of October 25, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Management's discussion and analysis of the City of Huntington's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. This information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Please read this discussion and analysis in conjunction with the City's basic financial statements, which immediately follow this section.

**Financial Highlights**

The City of Huntington's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$(217,532,185) (net position deficit) at the close of fiscal 2021. For fiscal year 2021, net position increased by \$17,969,746 and decreased by \$1,508,842 in the governmental activities and the business-type activities, respectively.

As of the close of the current fiscal year, governmental funds reported combined ending fund balance of \$40,056,157, an increase of \$10,235,317 over the prior year. As of the close of the current fiscal year, business-type activities reported combined net position deficit of \$(2,941,528), a decrease of \$1,508,842 from the prior year.

**Overview of the Financial Statements**

This discussion and analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund level financial statements, and (3) notes to the financial statements. The City also includes additional information in this report to supplement the basic financial statements.

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 services. 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, although the latter are excluded from the government-wide financial statements.

As noted previously, for fiscal year 2021, net position increased by \$17,969,746 and decreased by \$1,508,842 in the governmental activities and the business-type activities, respectively. Total primary government revenues were \$68,708,869 with total expenses of \$52,247,965.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. GASB 75 takes an earnings approach to OPEB accounting; however, the nature of West Virginia's statewide OPEB systems and state law governing that system requires additional explanation in order to properly understand the information presented in these statements.

Under GASB 75, the net OPEB asset/liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future OPEB benefits attributable to active and inactive employee's past service.
2. Minus plan assets available to pay these benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net OPEB liability. Changes in OPEB benefits, contribution rates, and return on investments affect the balance of the net OPEB liability but are outside the control of the local government. Due to the unique nature of how the net OPEB liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 75, the City's statements prepared on an accrual basis of accounting include an annual OPEB expense for their proportionate share of each plan's *change* in net OPEB asset/liability not accounted for as deferred inflows/outflows of resources.

#### *Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The City uses funds to demonstrate and ensure compliance and fiscal accountability. All of the funds of the government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. In governmental and proprietary fund financial statements, major funds are discretely reported while others are combined into a single aggregated presentation.

#### Governmental Funds

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. 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 and 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. 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.

#### Proprietary Funds

The City charges fees to customers to help cover the cost of certain services it provides. The City's Civic Arena and Sanitations and Trash funds are included here.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Fiduciary funds

Fiduciary funds such as employee pension plans and custodial funds are reported as fiduciary in the fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to City programs.

The pension trust funds account for the resources that are required to be held in trust for the members and beneficiaries of defined benefit plans. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

The custodial funds are used to account for assets that the City of Huntington holds for others in a custodial capacity.

*Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential for a full understanding of the government-wide and fund level financial statements. The notes to the financial statements begin immediately following the basic financial statements.

*Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligations to provided pension benefits and other post-employment benefits (OPEB) to its employees.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual schedules for non-major and fiduciary funds are presented in a subsequent section of this report.

**Government-wide financial analysis**

The City's net position at June 30, 2021 is \$(217,532,185), an increase of \$16,460,904 compared to June 30, 2020 net position. Net position increased by \$17,969,746 for governmental activities and decreased \$1,508,842 for business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following summarizes the statement of net position at June 30, 2021, in comparison with June 30, 2020:

**Summary of Net Position**

	Governmental Activities		Business Activities		Totals		Amount of Change
	2021	2020	2021	2020	2021	2020	
<b>Assets</b>							
Current Assets	\$ 63,401,055	\$ 34,090,412	\$ (691,793)	\$ 892,168	\$ 62,709,262	\$ 34,982,580	\$ 27,726,682
Capital assets, net	14,394,941	12,165,133	798,798	787,448	15,193,739	12,952,581	2,241,158
Other non-current assets	1,071,922	853,135	-	-	1,071,922	853,135	218,787
<b>Total assets</b>	<u>78,867,918</u>	<u>47,108,680</u>	<u>107,005</u>	<u>1,679,616</u>	<u>78,974,923</u>	<u>48,788,296</u>	<u>30,186,627</u>
<b>Deferred outflows of resources</b>	<u>16,659,160</u>	<u>15,990,890</u>	<u>629,587</u>	<u>406,033</u>	<u>17,288,747</u>	<u>16,396,923</u>	<u>891,824</u>
<b>Liabilities</b>							
Current liabilities	23,323,384	4,254,656	665,243	852,512	23,988,627	5,107,168	18,881,459
Non-current liabilities	268,729,626	287,464,140	2,914,467	2,465,560	271,644,093	289,929,700	(18,285,607)
<b>Total liabilities</b>	<u>292,053,010</u>	<u>291,718,796</u>	<u>3,579,710</u>	<u>3,318,072</u>	<u>295,632,720</u>	<u>295,036,868</u>	<u>595,852</u>
<b>Deferred inflows of resources</b>	<u>18,064,725</u>	<u>3,941,177</u>	<u>98,410</u>	<u>200,263</u>	<u>18,163,135</u>	<u>4,141,440</u>	<u>14,021,695</u>
<b>Net position</b>							
Net investment in capital assets	12,316,895	9,779,974	798,798	787,448	13,115,693	10,567,422	2,548,271
Restricted	9,623,773	8,759,981	-	-	9,623,773	8,759,981	863,792
Unrestricted (deficit)	(236,531,325)	(251,100,358)	(3,740,326)	(2,220,134)	(240,271,651)	(253,320,492)	13,048,841
<b>Total net position, restated</b>	<u>\$ (214,590,657)</u>	<u>\$ (232,560,403)</u>	<u>\$ (2,941,528)</u>	<u>\$ (1,432,686)</u>	<u>\$ (217,532,185)</u>	<u>\$ (233,993,089)</u>	<u>\$ 16,460,904</u>

Total assets increased 61.9% or \$30,186,627 during the year. Current assets in governmental activities increased \$29,310,643 and decreased \$1,583,961 in business-type activities.

Total liabilities increased 0.2% or \$595,852 during the year. Current liabilities in governmental activities increased \$19,068,728 and \$187,269 in business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following summarizes the statement of activities for the year ended June 30, 2021, in comparison with the year ended June 30, 2020:

**Summary of Changes in Net Position**

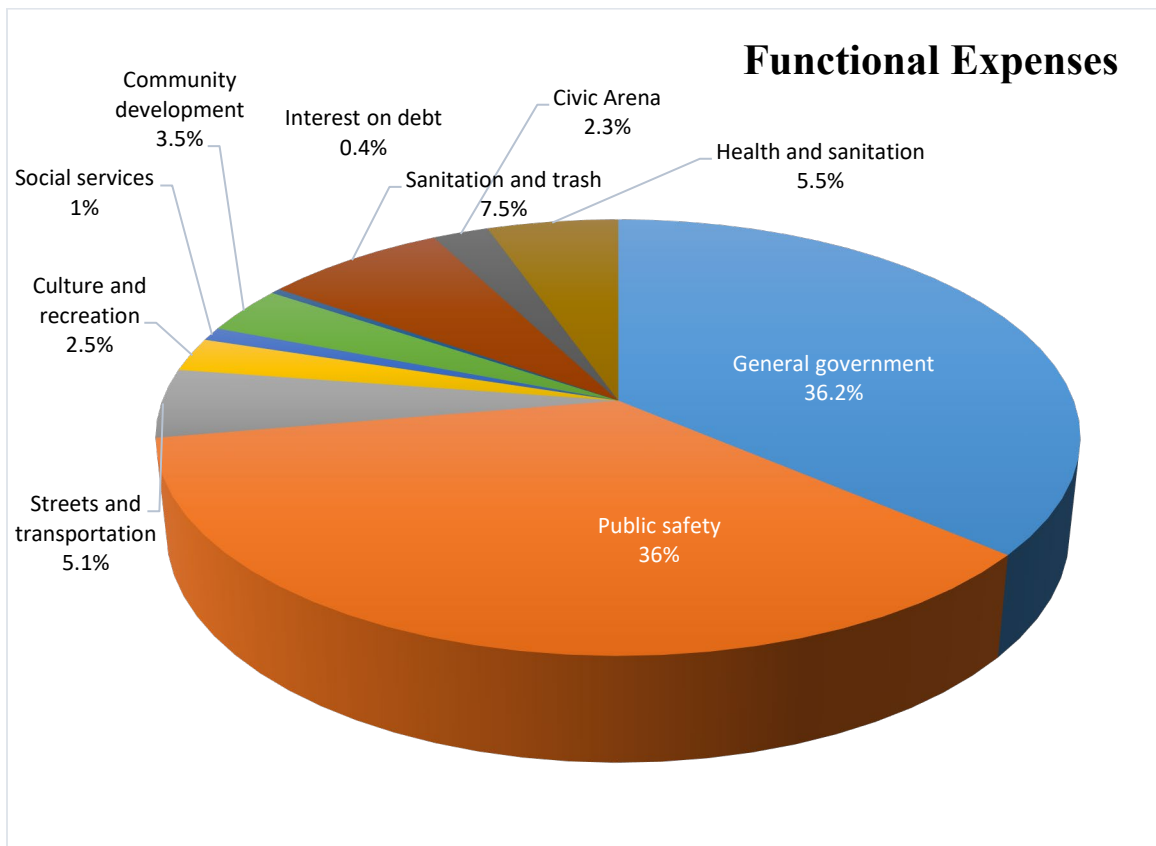
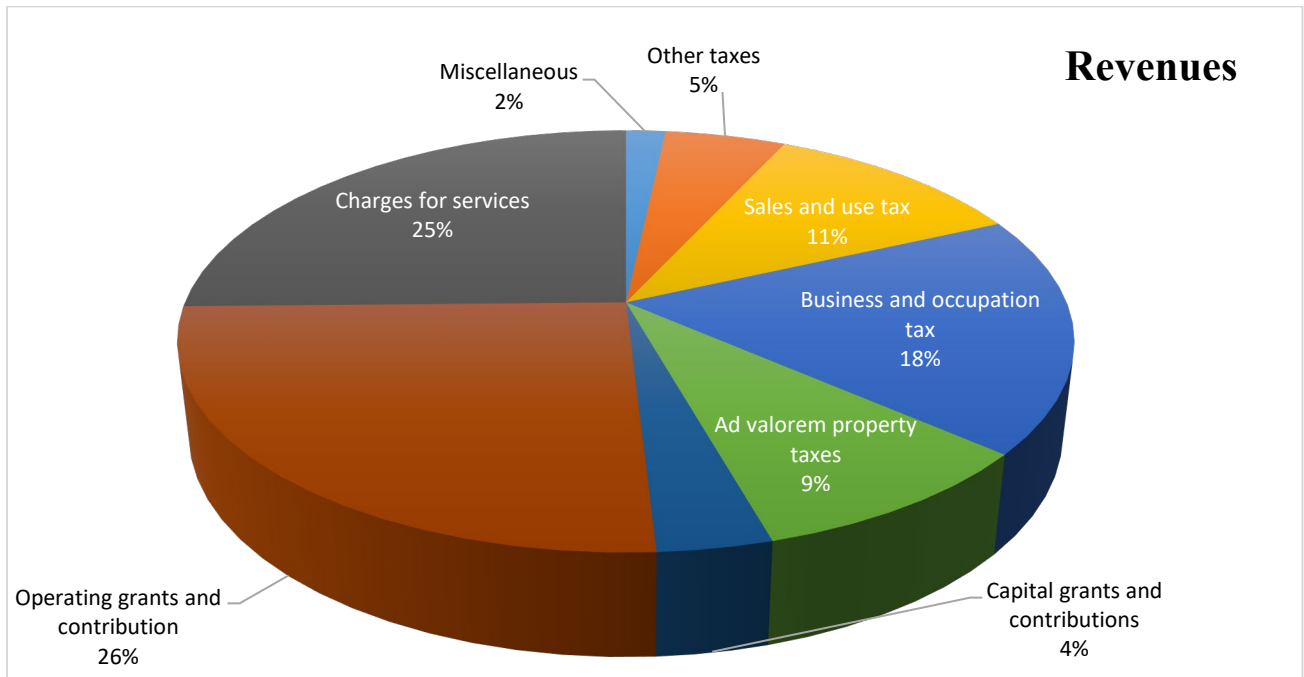
	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Totals</b>		<b>Amount of Change</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 16,335,726	\$ 16,544,727	\$ 1,837,123	\$ 4,181,571	\$ 18,172,849	\$ 20,726,298	\$ (2,553,449)
Operating grants and contributions	17,684,124	13,488,412	641,378	91,394	18,325,502	13,579,806	4,745,696
Capital grants and contributions	2,520,160	1,853,981	-	-	2,520,160	1,853,981	666,179
General revenues:							
Ad valorem property taxes	6,630,522	5,985,946	-	-	6,630,522	5,985,946	644,576
Business and Occupaion tax	13,026,294	14,006,326	-	-	13,026,294	14,006,326	(980,032)
Alcoholic beverages tax	599,002	489,350	-	-	599,002	489,350	109,652
Utility services tax	2,259,808	2,019,969	-	-	2,259,808	2,019,969	239,839
Hotel occupancy tax	615,984	572,895	-	-	615,984	572,895	43,089
Animal tax	2,051	2,184	-	-	2,051	2,184	(133)
Gas and oil severance tax	78,443	116,769	-	-	78,443	116,769	(38,326)
Amusement tax	91,902	7,673	-	-	91,902	7,673	84,229
Sales and use tax	8,212,139	6,993,494	-	-	8,212,139	6,993,494	1,218,645
Coal severance tax	92,549	125,061	-	-	92,549	125,061	(32,512)
Interest revenue	63,056	33,702	85	309	63,141	34,011	29,130
(Loss) Gain on sale of capital assets	12,549	10,385	-	-	12,549	10,385	2,164
Miscellaneous	794,082	1,291,889	279,600	362,156	1,073,682	1,654,045	(580,363)
<b>Total revenues</b>	<b>69,018,391</b>	<b>63,542,763</b>	<b>2,758,186</b>	<b>4,635,430</b>	<b>71,776,577</b>	<b>68,178,193</b>	<b>3,598,384</b>
<b>Expenses</b>							
General government	18,914,887	18,243,486	-	-	18,914,887	18,243,486	671,401
Public safety	18,825,333	33,840,741	-	-	18,825,333	33,840,741	(15,015,408)
Streets and transportation	2,670,745	4,578,744	-	-	2,670,745	4,578,744	(1,907,999)
Health and sanitation	2,841,892	33,008	-	-	2,841,892	33,008	2,808,884
Culture and recreation	1,289,665	1,241,330	-	-	1,289,665	1,241,330	48,335
Social services	534,834	255,886	-	-	534,834	255,886	278,948
Community development	1,821,774	1,978,293	-	-	1,821,774	1,978,293	(156,519)
Interest on long-term debt	204,597	132,785	-	-	204,597	132,785	71,812
Sanitation and trash	-	-	3,926,546	3,745,611	3,926,546	3,745,611	180,935
Civic Arena	-	-	1,217,692	2,016,211	1,217,692	2,016,211	(798,519)
<b>Total expenses</b>	<b>47,103,727</b>	<b>60,304,273</b>	<b>5,144,238</b>	<b>5,761,822</b>	<b>52,247,965</b>	<b>66,066,095</b>	<b>(13,818,130)</b>
<b>Increase in net position before transfers</b>	<b>21,914,664</b>	<b>3,238,490</b>	<b>(2,386,052)</b>	<b>(1,126,392)</b>	<b>19,528,612</b>	<b>2,112,098</b>	<b>17,416,514</b>
<b>Transfers</b>	<b>(3,944,918)</b>	<b>(4,783,647)</b>	<b>877,210</b>	<b>144,747</b>	<b>(3,067,708)</b>	<b>(4,638,900)</b>	<b>1,571,192</b>
<b>Change in net position</b>	<b>17,969,746</b>	<b>(1,545,157)</b>	<b>(1,508,842)</b>	<b>(981,645)</b>	<b>16,460,904</b>	<b>(2,526,802)</b>	<b>18,987,706</b>
<b>Net position-beginning, restated</b>	<b>(232,560,403)</b>	<b>(231,015,246)</b>	<b>(1,432,686)</b>	<b>(451,041)</b>	<b>(233,993,089)</b>	<b>(231,466,287)</b>	<b>(2,526,802)</b>
<b>Net position-ending</b>	<b>\$ (214,590,657)</b>	<b>\$ (232,560,403)</b>	<b>\$ (2,941,528)</b>	<b>\$ (1,432,686)</b>	<b>\$ (217,532,185)</b>	<b>\$ (233,993,089)</b>	<b>\$ 16,460,904</b>

Total revenues increased by \$3,598,384 in comparison to prior year.

Overall expenses and transfers decreased by \$15,389,322 in comparison to prior year.

Graphic presentations of the Summary of Changes in Net Position for the primary government follow to assist in the analysis of the City's activities for fiscal year 2021.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Financial Analysis of the Government's Funds**

The City reports the following major governmental funds:

*General Fund* — 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. At the end of the current fiscal year, fund balance for the General fund was \$29,297,342, an increase of \$10,366,626 during the year. Key factors were increases in collections and federal and other grant revenues. See General fund budgetary highlights for more information.

*Coal Severance 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 municipalities. The City has dedicated these revenues to culture and recreation expenditures. The fund balance of the Coal Severance fund decreased by \$27,478 to \$9,843 during fiscal year 2021.

*Community Development Block Grant (CDBG) Fund* — The Community Development Block Grant fund (CDBG) a special revenue fund, accounts for the CDBG Entitlement Program. The CDBG Entitlement Program provides grants to metropolitan areas and urban counties for community development. The CDBG fund balance decreased \$239,117 during the year.

*The American Rescue Plan Act–2021 Fund* — The American Rescue Plan Act–2021 Fund, a special revenue fund, accounts for any federal financial assistance received pursuant to the American Rescue Plan Act (ARPA) of 2021. During fiscal year 2021, there was \$20,317,155 of ARPA revenues received, of which \$20,314,484 was recorded as Unearned Revenue, and no ARPA expenditures. The June 30, 2021, fund balance was \$2,671.

*The Huntington Urban Renewal Authority (HURA) Fund* — The Huntington Urban Renewal Authority (HURA) Fund, a special revenue fund, accounts for the activities of the HURA and the Land Reuse Agency (LRA) which has responsibility for the Huntington Land Bank. The HURA/LRA fund balance decreased by \$10,145 during the year.

The City's governmental funds reported a combined ending fund balance of \$40,056,157 this year. This compares to the prior year combined ending fund balance of \$29,820,840 for an increase of \$10,235,317. Total unassigned governmental fund balance is \$24,970,473 for fiscal year 2021.

**Proprietary Funds**

The government reports the following major proprietary funds:

*Sanitation and Trash Fund* — The Sanitation and Trash fund serves the City by providing garbage collection and disposal services to the public. Net position in the Sanitation and Trash fund decreased \$1,505,178 during the year. The decrease is the result of a temporary suspension of refuse fees to provide relief to citizens during the COVID-19 pandemic.

*Civic Arena Fund* — The Civic Arena fund accounts for operating activities of the Civic Arena. Net position in the Civic Arena fund decreased \$3,664 during the year. The decrease is primarily due to a decrease in events held at the Arena.

In addition to the primary government, the City reports discretely presented components 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 the City's ability to impose its will on them, or a financial benefit/burden relationship exists, the following component units are discretely presented. The discretely presented component units are presented on the government-wide statements.



**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The *Huntington Municipal Development Authority* serves the City of Huntington, West Virginia, and is governed by a Board comprised of fifteen members appointed by the City that includes three business representatives, three industry representatives, three labor representatives, one member of the council and five additional representatives. The Municipal Development Authority develops property on behalf of the City and also provides services to external parties. The rates for user charges and bond issuance authorization are approved by the government's elected council.

The *Municipal Parking Board* serves all citizens of the City by providing parking services and is governed by a seven-member board appointed by the City. The rates for user charges and bond issuance authorization are provided by the government's elected council.

The *Water Quality Board* serves all citizens of the City of Huntington and is governed by a three-member board comprised of the Mayor and two members appointed by the City. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

Complete financial statements for the Water Quality Board can be obtained at the entity's administrative offices.

**General Fund Budgetary Highlights**

During the year, the City revised the General Fund budget. Differences in expenditures and other financing uses between the original and the final amended budget are primarily due to mid-year supplements for unanticipated expenditures and unspent amounts carried forward from prior years. The difference between the original budget and the final amended budget was an increase of approximately \$12.8 million or 18% of the final budgeted general fund expenditures.

**Capital asset and debt administration**

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.

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total Primary Government</u>		<u>Amount of Change</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<b>Non-Depreciable Assets</b>							
Land	\$ 1,026,166	\$ 971,482	\$ -	\$ -	\$ 1,026,166	\$ 971,482	\$ 54,684
Construction in progress	1,765,258	704,539	-	-	1,765,258	704,539	1,060,719
<b>Total non-depreciable assets</b>	<u>2,791,424</u>	<u>1,676,021</u>	<u>-</u>	<u>-</u>	<u>2,791,424</u>	<u>1,676,021</u>	<u>1,115,403</u>
<b>Depreciable assets</b>							
Structures and improvements	11,365,661	10,928,303	75,140	75,140	11,440,801	11,003,443	437,358
Infrastructure	19,070,931	18,693,756	-	-	19,070,931	18,693,756	377,175
Vehicles	10,953,184	9,932,744	2,465,611	2,288,801	13,418,795	12,221,545	1,197,250
Machinery and equipment	7,838,262	6,798,353	312,130	277,430	8,150,392	7,075,783	1,074,609
Less: accumulated depreciation	<u>(37,624,521)</u>	<u>(35,864,044)</u>	<u>(2,054,083)</u>	<u>(1,853,923)</u>	<u>(39,678,604)</u>	<u>(37,717,967)</u>	<u>(1,960,637)</u>
<b>Total depreciable assets</b>	<u>11,603,517</u>	<u>10,489,112</u>	<u>798,798</u>	<u>787,448</u>	<u>12,402,315</u>	<u>11,276,560</u>	<u>1,125,755</u>
<b>Total</b>	<u>\$ 14,394,941</u>	<u>\$ 12,165,133</u>	<u>\$ 798,798</u>	<u>\$ 787,448</u>	<u>\$ 15,193,739</u>	<u>\$ 12,952,581</u>	<u>\$ 2,241,158</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

	Governmental Activities		Business Activities		Total Primary Government		Amount of Change
	2021	2020	2021	2020	2021	2020	
Tax increment financing	\$ 5,955,554	\$ 4,668,408	\$ -	\$ -	\$ 5,955,554	\$ 4,668,408	\$ 1,287,146
Capital leases	2,078,046	2,385,159	-	-	2,078,046	2,385,159	(307,113)
Other post-employment benefits	112,997,525	103,271,398	2,419,333	2,198,327	115,416,858	105,469,725	9,947,133
Net pension liability – PERS	1,401,366	559,277	406,337	172,942	1,807,703	732,219	1,075,484
Net pension liability – DBP	119,833,816	153,005,832	-	-	119,833,816	153,005,832	(33,172,016)
Compensated absences	1,617,402	1,539,242	88,797	94,291	1,706,199	1,633,533	72,666
Accrued interest payable	26,481	17,815	-	-	26,481	17,815	8,666
Landfill closure and post-closure costs	24,819,436	22,017,000	-	-	24,819,436	22,017,000	2,802,436
<b>Total</b>	<b>\$ 268,729,626</b>	<b>\$ 287,464,131</b>	<b>\$ 2,914,467</b>	<b>\$ 2,465,560</b>	<b>\$ 271,644,093</b>	<b>\$ 289,929,691</b>	<b>\$ (18,285,598)</b>

**Economic factors**

The Governing Council and Administration consider many factors each year while preparing the City's operating budget. The budget for the 2022 fiscal year reflects a balanced budget. Approved budgets for the 2022 fiscal year, as well as other documents, are available at [www.cityofhuntington.com](http://www.cityofhuntington.com).

**Requests for information**

This financial report is designed to provide a general overview of finances for our citizens, taxpayers and those with an interest in the City's finances. Requests for additional information should be addressed to the Finance Director, City of Huntington, P.O. Box 1659, Huntington, West Virginia, 25717-1659.

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 44,191,667	\$ 1,025,801	\$ 45,217,468	\$ 732,095	\$ 293,087	\$ 7,792,939
Investments	1,916,393	-	1,916,393	-	-	-
Receivables:						
Accounts	1,746,889	208,387	1,955,276	7,500	52,293	1,299,537
Taxes	6,093,332	-	6,093,332	-	-	-
Loans	6,015,105	-	6,015,105	-	-	-
Other	31,317	-	31,317	-	-	51,737
Deposits	-	-	-	-	-	-
Assets held for resale	670,352	-	670,352	-	-	-
Internal balances	2,030,935	(2,030,935)	-	-	-	-
Due from:						
Primary government	-	-	-	12,329	-	-
Component units	73,205	-	73,205	-	-	-
Other governments	397,234	-	397,234	-	-	2,718
Fiduciary funds	1,893	-	1,893	-	-	-
Inventory, at cost	-	73,176	73,176	-	-	15,002
Prepaid expenses	232,733	31,778	264,511	162,733	2,541	53,310
<b>Total current assets</b>	<b>63,401,055</b>	<b>(691,793)</b>	<b>62,709,262</b>	<b>914,657</b>	<b>347,921</b>	<b>9,215,243</b>
Noncurrent assets:						
Regular account	-	-	-	-	-	662,585
Reserve account	-	-	-	1,746,812	-	4,511,224
Customer deposits	-	-	-	-	-	684,922
Capital assets:						
Nondepreciable:						
Land	1,026,166	-	1,026,166	6,715,056	942,877	298,055
CIP	1,765,258	-	1,765,258	2,313,094	-	2,961,959
Depreciable:						
Buildings	11,365,661	-	11,365,661	15,528,219	4,775,401	84,889,738
Structures and improvements	-	75,140	75,140	1,997,189	490,173	14,335,288
System Infrastructure	19,070,931	-	19,070,931	-	-	-
Vehicles	10,953,184	2,465,611	13,418,795	-	-	3,071,570
Machinery and equipment	7,838,262	312,130	8,150,392	2,051,351	794,034	3,177,246
Furniture and fixtures	-	-	-	2,664,520	-	-
Less: accumulated depreciation	(37,624,521)	(2,054,083)	(39,678,604)	(16,211,991)	(5,475,293)	(69,095,302)
Other debits:						
Net pension asset (MPFRS)	1,071,922	-	1,071,922	-	-	-
<b>Total noncurrent assets</b>	<b>15,466,863</b>	<b>798,798</b>	<b>16,265,661</b>	<b>16,804,250</b>	<b>1,527,192</b>	<b>45,497,285</b>
<b>Total assets</b>	<b>78,867,918</b>	<b>107,005</b>	<b>78,974,923</b>	<b>17,718,907</b>	<b>1,875,113</b>	<b>54,712,528</b>
<b>DEFERRED OUTFLOWS</b>						
Public Employees Retirement System (PERS):						
Contributions made after measurement date	462,554	121,087	583,641	16,337	34,450	414,395
Changes in contributions	19,716	5,717	25,433	781	1,673	52,368
Changes in investment earnings	444,162	128,788	572,950	17,591	37,694	435,803
Difference between expected and actual experience	206,224	59,796	266,020	8,167	17,502	202,343
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	367,662	-	367,662	-	-	-
Changes in contributions	300,025	-	300,025	-	-	-
Changes in investment earnings	79,014	-	79,014	-	-	-
Difference between expected and actual experience	100,097	-	100,097	-	-	-
<b>Subtotal deferred outflows of resources</b>	<b>1,979,454</b>	<b>315,388</b>	<b>2,294,842</b>	<b>42,876</b>	<b>91,319</b>	<b>1,104,909</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2021**

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>DEFERRED OUTFLOWS CONTINUED</b>						
Other postemployment benefits	\$ 14,679,706	\$ 314,199	14,993,905	\$ 1,503	\$ 45,100	\$ 1,369,601
Total deferred outflows of resources	16,659,160	629,587	17,288,747	44,379	136,419	2,474,510
<b>LIABILITIES</b>						
Current liabilities payable						
from current assets:						
Accounts payable	963,359	201,954	1,165,313	-	11,329	963,700
Refunds payable	-	-	-	-	-	16,113
Payroll payable	721,961	83,872	805,833	9,552	21,525	65,675
Unclaimed property	84,123	-	84,123	-	-	-
Reserve for health claims	740,668	69,372	810,040	4,941	11,940	-
Customer deposits	-	-	-	-	-	603,382
Other accrued expenses	-	-	-	-	-	148,380
Due to:						
Primary government	-	-	-	9,287	64,547	-
Component units	11,500	23,505	35,005	-	-	-
Unearned revenues:						
Sponsorship	-	300	300	-	-	-
Charges for services	-	145,290	145,290	-	5,310	-
Customer advances	-	750	750	-	-	-
Ticket sales	-	122,525	122,525	-	-	-
Other unearned revenue	20,801,773	17,675	20,819,448	-	-	-
Total current liabilities	23,323,384	665,243	23,988,627	23,780	114,651	1,797,250
Noncurrent liabilities due within one year:						
Bonds and notes payable	-	-	-	453,174	-	1,270,482
Lease payable	431,817	-	431,817	-	-	-
Tax increment financing bonds payable	362,000	-	362,000	-	-	-
Noncurrent liabilities due						
in more than one year:						
Bonds and notes payable	-	-	-	7,850,775	-	14,332,436
Lease payable	1,646,229	-	1,646,229	-	-	-
Tax increment financing bonds payable	5,593,554	-	5,593,554	-	-	-
Accrued interest payable	26,481	-	26,481	171,506	-	57,437
Other postemployment benefits liability	112,997,525	2,419,333	115,416,858	11,576	347,273	360,678
Net pension liability – PERS	1,401,366	406,337	1,807,703	55,499	118,928	1,374,994
Net pension liability – DBP	119,833,816	-	119,833,816	-	-	-
Compensated absences payable	1,617,402	88,797	1,706,199	21,431	23,884	189,552
Estimated landfill closure and post-closure liability	24,819,436	-	24,819,436	-	-	-
Total noncurrent liabilities	268,729,626	2,914,467	271,644,093	8,563,961	490,085	17,585,579
Total liabilities	292,053,010	3,579,710	295,632,720	8,587,741	604,736	19,382,829

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2021**

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>DEFERRED INFLOWS</b>						
Public Employees Retirement System (PERS):						
Changes in contributions	\$ 25,679	\$ 7,446	\$ 33,125	\$ 1,017	\$ 2,179	\$ 47,054
Difference between expected and actual experience	28,890	8,377	37,267	1,144	2,452	-
Difference in assumptions	61,746	17,904	79,650	2,445	5,240	60,585
Difference between expected and actual investment earnings	-	-	-	-	-	28,347
Municipal Police and Firefighters						
Retirement System (MPFRS):						
Changes in contributions	10,687	-	10,687	-	-	-
Difference between expected and actual experience	53,648	-	53,648	-	-	-
Changes in assumptions	19,882	-	19,882	-	-	-
Defined Benefit Plans (DBP):						
Difference between expected and actual experience	180,902	-	180,902	-	-	-
Difference between expected and actual investment earnings	10,154,146	-	10,154,146	-	-	-
Difference in assumptions	4,440,422	-	4,440,422	-	-	-
Other postemployment benefits	3,088,723	64,683	3,153,406	309	9,285	1,070,059
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>18,064,725</b>	<b>98,410</b>	<b>18,163,135</b>	<b>4,915</b>	<b>19,156</b>	<b>1,206,045</b>
<b>NET POSITION</b>						
Net investment in capital assets	12,316,895	798,798	13,115,693	6,753,489	1,527,192	24,035,636
Restricted for:						
Economic development	-	-	-	1,746,812	-	-
Community development	6,017,776	-	6,017,776	-	-	-
Net pension asset	1,071,922	-	1,071,922	-	-	-
Retiree insurance	1,625,588	-	1,625,588	-	-	-
Customer deposits	-	-	-	-	-	85,976
Construction	-	-	-	-	-	2,504,759
Insurance claims	-	-	-	-	-	355,771
Debt service	908,487	-	908,487	-	-	2,313,279
Unrestricted	(236,531,325)	(3,740,326)	(240,271,651)	670,329	(139,552)	7,302,743
Total net position	<u>\$ (214,590,657)</u>	<u>\$ (2,941,528)</u>	<u>\$ (217,532,185)</u>	<u>\$ 9,170,630</u>	<u>\$ 1,387,640</u>	<u>\$ 36,598,164</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board	
<b>Primary government:</b>											
Governmental activities:											
General government	\$ 18,914,887	\$ 2,257,739	\$ -	\$ 32,098	\$ (16,625,050)	\$ -	\$ (16,625,050)	\$ -	\$ -	\$ -	\$ -
Public safety	18,825,333	12,235,712	15,879,621	1,032,709	10,322,709	-	10,322,709	-	-	-	-
Streets and transportation	2,670,745	1,768,516	-	-	(902,229)	-	(902,229)	-	-	-	-
Health and sanitation	2,841,892	73,759	-	17,932	(2,750,201)	-	(2,750,201)	-	-	-	-
Culture and recreation	1,289,665	-	-	500,000	(789,665)	-	(789,665)	-	-	-	-
Social services	534,834	-	453,040	-	(81,794)	-	(81,794)	-	-	-	-
Community development	1,821,774	-	1,351,463	937,421	467,110	-	467,110	-	-	-	-
Interest on long-term debt	204,597	-	-	-	(204,597)	-	(204,597)	-	-	-	-
<b>Total governmental activities</b>	<b>47,103,727</b>	<b>16,335,726</b>	<b>17,684,124</b>	<b>2,520,160</b>	<b>(10,563,717)</b>	<b>-</b>	<b>(10,563,717)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business-type activities:											
Sanitation and trash	3,926,546	1,647,123	583,228	-	-	(1,696,195)	(1,696,195)	-	-	-	-
Civic arena	1,217,692	190,000	58,150	-	-	(969,542)	(969,542)	-	-	-	-
<b>Total business-type activities</b>	<b>5,144,238</b>	<b>1,837,123</b>	<b>641,378</b>	<b>-</b>	<b>-</b>	<b>(2,665,737)</b>	<b>(2,665,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 52,247,965</b>	<b>\$ 18,172,849</b>	<b>\$ 18,325,502</b>	<b>\$ 2,520,160</b>	<b>(10,563,717)</b>	<b>(2,665,737)</b>	<b>(13,229,454)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Component units:</b>											
Municipal Development Authority	\$ 1,373,111	\$ 131,514	\$ 264,754	\$ -	-	-	-	(976,843)	-	-	-
Municipal Parking Board	804,001	621,135	-	-	-	-	-	-	(182,866)	-	-
Huntington Water Quality Board	14,227,892	16,957,228	182,494	-	-	-	-	-	-	2,911,830	-
<b>Total component units</b>	<b>\$ 16,405,004</b>	<b>\$ 17,709,877</b>	<b>\$ 447,248</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(976,843)</b>	<b>(182,866)</b>	<b>2,911,830</b>	<b>-</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF ACTIVITIES (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Net (Expense) Revenues and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
General revenues:						
Ad valorem property taxes	\$ 6,630,522	\$ -	\$ 6,630,522	\$ -	\$ -	\$ -
Business & occupation tax	13,026,294	-	13,026,294	-	-	-
Alcoholic beverages tax	599,002	-	599,002	-	-	-
Utility services tax	2,259,808	-	2,259,808	-	-	-
Hotel occupancy tax	615,984	-	615,984	-	-	-
Animal tax	2,051	-	2,051	-	-	-
Gas & oil severance tax	78,443	-	78,443	-	-	-
Amusement tax	91,902	-	91,902	-	-	-
Sales and use tax	8,212,139	-	8,212,139	-	-	-
Coal severance tax	92,549	-	92,549	-	-	-
Interest revenue	63,056	85	63,141	5,550	56	22,169
Gains (loss) on disposal of capital assets	12,549	-	12,549	-	-	-
Miscellaneous	794,082	279,600	1,073,682	30,054	2,862	(18,510)
Transfers	(3,944,918)	877,210	(3,067,708)	3,067,708	-	-
<b>Total general revenues and transfers</b>	<u>28,533,463</u>	<u>1,156,895</u>	<u>29,690,358</u>	<u>3,103,312</u>	<u>2,918</u>	<u>3,659</u>
Change in net position	17,969,746	(1,508,842)	16,460,904	2,126,469	(179,948)	2,915,489
Net position – beginning, restated	(232,560,403)	(1,432,686)	(233,993,089)	7,044,161	1,567,588	33,682,675
Net position – ending	\$ <u>(214,590,657)</u>	\$ <u>(2,941,528)</u>	\$ <u>(217,532,185)</u>	\$ <u>9,170,630</u>	\$ <u>1,387,640</u>	\$ <u>36,598,164</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General	Coal Severance Tax	Community Development Block Grant	HURA/LRA	American Rescue Plan (ARPA)	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS</b>							
<b>Assets:</b>							
<b>Current:</b>							
Cash and cash equivalents	\$ 21,905,623	\$ 41,001	\$ 240,909	\$ 4,482	\$ 20,317,155	\$ 1,682,497	\$ 44,191,667
Investments	354,006	-	-	-	-	1,562,386	1,916,392
Receivables:							
Taxes	6,059,202	-	-	-	-	34,130	6,093,332
Accounts	256,888	-	1,487,674	2,327	-	-	1,746,889
Loans	-	-	6,015,105	-	-	-	6,015,105
Assets held for resale	-	-	-	670,352	-	-	670,352
Other	31,218	-	-	-	-	-	31,218
Due from:							
Component units	73,205	-	-	-	-	-	73,205
Other funds	3,034,330	-	-	-	-	50,626	3,084,956
Other governments	369,273	27,961	-	-	-	-	397,234
Fiduciary funds	1,893	-	-	-	-	-	1,893
Prepaid expenses	232,733	-	-	-	-	-	232,733
<b>Total assets</b>	<b>32,318,371</b>	<b>68,962</b>	<b>7,743,688</b>	<b>677,161</b>	<b>20,317,155</b>	<b>3,329,639</b>	<b>64,454,976</b>
<b>Deferred Outflows:</b>							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>32,318,371</u>	\$ <u>68,962</u>	\$ <u>7,743,688</u>	\$ <u>677,161</u>	\$ <u>20,317,155</u>	\$ <u>3,329,639</u>	\$ <u>64,454,976</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 902,706	\$ -	\$ 56,292	\$ -	\$ -	\$ 4,361	\$ 963,359
Payroll payable	707,328	-	14,633	-	-	-	721,961
Reserve for health claims	731,199	-	9,469	-	-	-	740,668
Due to:							
Component units	11,500	-	-	-	-	-	11,500
Other funds	80,043	59,119	25,413	883,792	-	5,554	1,053,921
Unearned revenue:							
Other	487,289	-	-	-	20,314,484	-	20,801,773
Unclaimed property	82,181	-	-	-	-	1,942	84,123
<b>Total liabilities</b>	<b>3,002,246</b>	<b>59,119</b>	<b>105,807</b>	<b>883,792</b>	<b>20,314,484</b>	<b>11,857</b>	<b>24,377,305</b>

SEE ACCOMPANYING NOTES



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2021**

	General	Coal Severance Tax	Community Development Block Grant	HURA/LRA	American Rescue Plan (ARPA)	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Deferred Inflows:</b>							
Unavailable revenue – property taxes	18,783	-	-	-	-	2,731	21,514
Total deferred inflows of resources	18,783	-	-	-	-	2,731	21,514
Total liabilities and deferred inflows of resources	3,021,029	59,119	105,807	883,792	20,314,484	14,588	24,398,819
<b>Fund balances:</b>							
Nonspendable	232,733	-	-	670,352	-	-	903,085
Restricted	-	-	6,015,105	-	2,671	908,487	6,926,263
Committed	2,204,473	-	-	-	-	-	2,204,473
Assigned	1,012,680	9,843	1,622,776	-	-	2,406,564	5,051,863
Unassigned	25,847,456	-	-	(876,983)	-	-	24,970,473
Total fund balances	29,297,342	9,843	7,637,881	(206,631)	2,671	3,315,051	40,056,157
Total liabilities, deferred inflows and fund balances \$	<u>32,318,371</u>	<u>\$ 68,962</u>	<u>\$ 7,743,688</u>	<u>\$ 677,161</u>	<u>\$ 20,317,155</u>	<u>\$ 3,329,639</u>	<u>\$ 64,454,976</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Total fund balances on the governmental fund's balance sheet	\$ 40,056,157
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	14,394,941
Other long-term assets that are not available to pay for current-year expenditures. This is the net pension asset for the Municipal Police Officers and Firefighters Retirement System (MPFRS).	1,071,922
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds.	21,514
Deferred inflows and outflows related to pension activities are not required to be reported in the funds, but are required to be reported at the government-wide level.	
<i>Other Postemployment Benefits:</i>	
Deferred outflows	14,679,706
Deferred inflows	(3,088,723)
<i>Public Employees Retirement System (PERS):</i>	
Deferred outflows:	
Contributions made after measurement date	462,554
Changes in investment earnings	444,162
Difference between expected and actual experience	206,224
Changes in contributions	19,716
Deferred inflows:	
Changes in contributions	(25,679)
Difference in assumptions	(61,746)
Difference between expected and actual experience	(28,890)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>	
Deferred outflows:	
Contributions made after measurement date	367,662
Changes in contributions	300,025
Changes in investment earnings	79,014
Difference between expected and actual experience	100,097
Deferred inflows:	
Changes in contributions	(10,687)
Difference between expected and actual experience	(53,648)
Change in assumptions	(19,882)
<i>Defined Benefits Plans (DBP):</i>	
Deferred inflows:	
Difference between expected and actual experience	(180,902)
Difference between expected and actual investment earnings	(10,154,146)
Difference in assumptions	(4,440,422)

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2021**

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Tax increment financing revenue bonds	\$	(5,955,554)
Capital leases		(2,078,046)
Accrued interest payable on long-term liabilities		(26,481)
Compensated absences		(1,617,402)
Net pension liability – PERS		(1,401,366)
Net Pension Liability – DBP		(119,833,816)
Other postemployment benefits payable		(112,997,525)
Estimated landfill closure and post-closure liability		<u>(24,819,436)</u>
Net position of governmental activities (deficit)	\$	<u><u>(214,590,657)</u></u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General	Coal Severance Tax	Community Development Block Grant	HURA/LRA	American Rescue Plan (ARPA)	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes:							
Ad valorem property taxes	\$ 5,868,603	\$ -	\$ -	\$ -	\$ -	755,321	\$ 6,623,924
Business & occupation tax	13,026,294	-	-	-	-	-	13,026,294
Alcoholic beverages tax	599,002	-	-	-	-	-	599,002
Utility services tax	2,259,808	-	-	-	-	-	2,259,808
Hotel occupancy tax	615,984	-	-	-	-	-	615,984
Animal tax	2,051	-	-	-	-	-	2,051
Gas and oil severance tax	78,443	-	-	-	-	-	78,443
Amusement tax	91,902	-	-	-	-	-	91,902
Sales and use tax	8,212,139	-	-	-	-	-	8,212,139
Coal severance tax	-	92,549	-	-	-	-	92,549
Licenses and permits, and fees	1,098,562	-	-	-	-	-	1,098,562
Intergovernmental:							
Federal	14,456,738	-	2,317,022	-	-	-	16,773,760
State	2,305,130	-	-	-	-	-	2,305,130
Charges for services	13,197,010	-	-	-	-	73,759	13,270,769
Fines and forfeits	234,725	-	-	-	-	18,830	253,555
Interest and investment earnings	57,908	8	53	-	2,671	2,416	63,056
Franchise fees	477,533	-	-	-	-	-	477,533
Employee/retirees health insurance	1,712,840	-	-	-	-	-	1,712,840
Contributions and donations	737,376	-	-	-	-	313,018	1,050,394
Miscellaneous	316,549	-	-	-	-	-	316,549
Total revenues	<u>65,348,597</u>	<u>92,557</u>	<u>2,317,075</u>	<u>-</u>	<u>2,671</u>	<u>1,163,344</u>	<u>68,924,244</u>
<b>EXPENDITURES</b>							
Current:							
General government	17,603,653	700	-	6,336	-	5,173	17,615,862
Public safety	29,066,546	-	-	-	-	117,040	29,183,586
Streets and transportation	2,668,377	-	-	-	-	-	2,668,377
Health and sanitation	-	-	-	-	-	400	400
Culture and recreation	1,013,615	-	-	-	-	-	1,013,615
Social services	82,573	-	452,261	-	-	-	534,834
Capital outlay	3,426,827	-	-	-	-	387,547	3,814,374
Community development	-	-	1,815,072	-	-	-	1,815,072
Debt service:							
Principal	-	-	-	-	-	365,000	365,000
Interest	-	-	-	5,198	-	115,151	120,349
Total expenditures	<u>53,861,591</u>	<u>700</u>	<u>2,267,333</u>	<u>11,534</u>	<u>-</u>	<u>990,311</u>	<u>57,131,469</u>
Excess (deficiency) of revenues over expenditures	<u>11,487,006</u>	<u>91,857</u>	<u>49,742</u>	<u>(11,534)</u>	<u>2,671</u>	<u>173,033</u>	<u>11,792,775</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Community Development Block Grant</u>	<u>HURA/LRA</u>	<u>American Rescue Plan (ARPA)</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	\$ 288,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 288,859
Transfers (out)	(1,613,624)	(119,335)	(288,859)	-	-	(1,682,419)	(3,704,237)
Proceeds from the sales of assets	11,160	-	-	1,389	-	-	12,549
Capital leases	193,225	-	-	-	-	-	193,225
Proceeds from bonds	-	-	-	-	-	1,652,146	1,652,146
Bond issuance costs	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,120,380)</u>	<u>(119,335)</u>	<u>(288,859)</u>	<u>1,389</u>	<u>-</u>	<u>(30,273)</u>	<u>(1,557,458)</u>
Net change in fund balances	10,366,626	(27,478)	(239,117)	(10,145)	2,671	142,760	10,235,317
Fund balances – beginning, restated	<u>18,930,716</u>	<u>37,321</u>	<u>7,876,998</u>	<u>(196,486)</u>	<u>-</u>	<u>3,172,291</u>	<u>29,820,840</u>
Fund balances – ending	<u>\$ 29,297,342</u>	<u>\$ 9,843</u>	<u>\$ 7,637,881</u>	<u>\$ (206,631)</u>	<u>\$ 2,671</u>	<u>\$ 3,315,051</u>	<u>\$ 40,056,157</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, 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, 2021**

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

Net change in fund balances – total governmental funds	\$ 10,235,317
Capital outlays are reported as an expenditure in the governmental funds, but are considered an asset at the government-wide level. This is the amount of capital assets increased during the fiscal year.	3,990,293
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense charged during the year.	(1,760,476)
Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net position in the statement of activities.	
Cost of assets disposed	-
Accumulated depreciation of assets disposed	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between prior and current year unavailable unearned revenues.	
Prior year deferred taxes	(14,916)
Current year deferred taxes	21,514
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68.	
<i>Public Employees Retirement System (PERS):</i>	
Contributions made after measurement date	462,554
Amount of pension expenses recognized at government-wide level	(346,569)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>	
Contributions made after measurement date	367,662
Amount of pension expenses recognized at government-wide level	(82,386)
<i>Defined Benefits Plans (DBP):</i>	
Amount of employer contributions to pensions	10,161,239
Amount of pension expenses recognized at government-wide level	6,072,695

**CITY OF HUNTINGTON, WEST VIRGINIA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of long-term debt uses financial resources of governmental funds. Neither transaction affects net position of the government-wide financial statements.

Tax increment financing revenue bonds proceeds	\$	(1,652,146)
Tax increment financing bond principal payments		365,000
Capital leases proceeds		(193,225)
Capital lease principal payments		500,338

Accrued interest is required to be reported as a liability in the statement of net position of the government-wide financial statements. The following represents the change in accrued interest payable for the year. (8,666)

The estimated landfill closure and post-closure liability requires annual reevaluation for the effects of inflation or deflation. The following represents the increase to the liability for inflation. (2,802,436)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the Statement of Activities. (7,267,886)

Change in compensated absences payable		<u>(78,160)</u>
Change in net position of governmental activities	\$	<u><u>17,969,746</u></u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Ad valorem property taxes	\$ 6,000,000	\$ 6,000,000	\$ 5,868,603	\$ (131,397)
Business & occupation tax	13,500,000	13,500,000	13,026,294	(473,706)
Alcoholic beverages tax	400,000	400,000	599,002	199,002
Utility services tax	2,050,000	2,050,000	2,259,808	209,808
Hotel occupancy tax	800,000	800,000	615,984	(184,016)
Animal tax	2,200	2,200	2,051	(149)
Gas and oil severance tax	103,000	103,000	78,443	(24,557)
Amusement tax	10,000	10,000	91,902	81,902
Sales and use tax	6,500,000	6,500,000	8,212,139	1,712,139
Licenses and permits	985,000	985,000	1,098,562	113,562
Intergovernmental:				
Federal	1,800,000	3,150,000	14,456,738	11,306,738
State	2,471,162	2,471,162	2,305,130	(166,032)
Charges for services	13,832,000	13,832,000	13,197,010	(634,990)
Fines and forfeits	231,000	231,000	234,725	3,725
Interest earnings	20,000	20,000	57,908	37,908
Franchise fees	500,000	500,000	477,533	(22,467)
Employees & retiree health insurance	1,560,000	1,560,000	1,712,840	152,840
Contributions and donations	729,394	1,029,394	737,376	(292,018)
Miscellaneous	473,200	548,200	316,549	(231,651)
<b>Total revenues</b>	<b>51,966,956</b>	<b>53,691,956</b>	<b>65,348,597</b>	<b>11,656,641</b>
<b>EXPENDITURES</b>				
Current:				
General government	20,208,355	26,519,880	17,603,653	8,916,227
Public safety	30,424,235	30,971,159	29,066,546	1,904,613
Streets and transportation	4,286,381	4,573,905	2,668,377	1,905,528
Culture and recreation	2,298,000	2,798,000	1,013,615	1,784,385
Social services	98,841	98,841	82,573	16,268
Capital outlay	1,000,000	6,200,000	3,426,827	2,773,173
<b>Total expenditures</b>	<b>58,315,812</b>	<b>71,161,785</b>	<b>53,861,591</b>	<b>17,300,194</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,348,856)</b>	<b>(17,469,829)</b>	<b>11,487,006</b>	<b>28,956,835</b>

SEE ACCOMPANYING NOTES



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 288,859	\$ 288,859
Transfers (out)	-	-	(1,613,624)	(1,613,624)
Proceeds from the sale of assets	5,000	5,000	11,160	6,160
Proceeds from capital leases	-	202,027	193,225	(8,802)
Total other financing sources (uses)	<u>5,000</u>	<u>207,027</u>	<u>(1,120,380)</u>	<u>(1,327,407)</u>
Net change in fund balance	(6,343,856)	(17,262,802)	10,366,626	27,629,428
Fund balance – beginning, restated	<u>6,343,856</u>	<u>17,262,802</u>	<u>18,930,716</u>	<u>1,667,914</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,297,342</u>	<u>\$ 29,297,342</u>

**CITY OF HUNTINGTON, 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, 2021**

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Coal severance tax	\$ 120,000	\$ 120,000	\$ 92,549	\$ (27,451)
Interest earnings	<u>35</u>	<u>35</u>	<u>8</u>	<u>(27)</u>
Total revenues	<u>120,035</u>	<u>120,035</u>	<u>92,557</u>	<u>(27,478)</u>
<b>EXPENDITURES</b>				
General government	-	-	700	(700)
Culture and recreation	<u>120,135</u>	<u>157,356</u>	<u>-</u>	<u>157,356</u>
Total expenditures	<u>120,135</u>	<u>157,356</u>	<u>700</u>	<u>156,656</u>
Excess (deficiency) of revenues over expenditures	<u>(100)</u>	<u>(37,321)</u>	<u>91,857</u>	<u>129,178</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>-</u>	<u>-</u>	<u>(119,335)</u>	<u>(119,335)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(119,335)</u>	<u>(119,335)</u>
Net change in fund balance	(100)	(37,321)	(27,478)	9,843
Fund balance – beginning	<u>100</u>	<u>37,321</u>	<u>37,321</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,843</u>	<u>\$ 9,843</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-type Activities –		
	Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ 637,322	\$ 388,479	\$ 1,025,801
Receivables:			
Accounts	128,513	79,874	208,387
Due from:			
Other funds	-	78,048	78,048
Inventory, at cost	-	73,176	73,176
Prepaid expenses	15,581	16,197	31,778
Total current assets	<u>781,416</u>	<u>635,774</u>	<u>1,417,190</u>
Capital assets:			
Depreciable:			
Structures and improvements	75,140	-	75,140
Vehicles	2,465,611	-	2,465,611
Machinery and equipment	312,130	-	312,130
Less: accumulated depreciation	<u>(2,054,083)</u>	<u>-</u>	<u>(2,054,083)</u>
Total capital assets (net of accumulated depreciation)	<u>798,798</u>	<u>-</u>	<u>798,798</u>
Total noncurrent assets	<u>798,798</u>	<u>-</u>	<u>798,798</u>
Total assets	<u>1,580,214</u>	<u>635,774</u>	<u>2,215,988</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in pension contribution	5,717	-	5,717
Contributions made after measurement date	121,087	-	121,087
Change in investment earnings	128,788	-	128,788
Difference between expected and actual experience	59,796	-	59,796
Other post employment benefits	<u>314,199</u>	<u>-</u>	<u>314,199</u>
Total deferred outflows of resources	<u>629,587</u>	<u>-</u>	<u>629,587</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)**  
**JUNE 30, 2021**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
<b>LIABILITIES</b>			
Current liabilities payable from current assets:			
Accounts payable	\$ 82,686	\$ 119,268	\$ 201,954
Reserve for health claims	69,372	-	69,372
Payroll payable	47,706	36,166	83,872
Due to:			
Other funds	1,905,398	227,090	2,132,488
Total current liabilities payable from current assets	2,105,162	382,524	2,487,686
Unearned revenues:			
Sponsorship	-	300	300
Charges for services	137,790	7,500	145,290
Ticket sales	-	122,525	122,525
Customer advances	-	750	750
Other unearned revenue	-	17,675	17,675
Total unearned revenues	137,790	148,750	286,540
Noncurrent liabilities:			
Other postemployment benefits liability	2,419,333	-	2,419,333
Net pension liability – PERS	406,337	-	406,337
Compensated absences payable	70,239	18,558	88,797
Total noncurrent liabilities	2,895,909	18,558	2,914,467
Total liabilities	5,138,861	549,832	5,688,693
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Other postemployment benefits deferred inflows	64,683	-	64,683
Changes in contributions	7,446	-	7,446
Difference in assumptions	17,904	-	17,904
Difference between expected and actual experience	8,377	-	8,377
Total deferred inflows of resources	98,410	-	98,410
<b>NET POSITION</b>			
Net investment in capital assets	798,798	-	798,798
Unrestricted	(3,826,268)	85,942	(3,740,326)
Total net position	\$ (3,027,470)	\$ 85,942	\$ (2,941,528)

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities – Enterprise Funds		
	Sanitation and		Total
	Trash	Civic Arena	
<b>Operating revenues:</b>			
Sales and services to customers	\$ 1,647,123	\$ 44,415	\$ 1,691,538
Grants and contributions	583,228	58,150	641,378
Rebates and reimbursements	-	87,660	87,660
Rental fees	-	145,585	145,585
Miscellaneous	190,939	1,001	191,940
	<u>2,421,290</u>	<u>336,811</u>	<u>2,758,101</u>
<b>Operating expenses:</b>			
Personal services	2,284,522	584,767	2,869,289
Contractual services	567,140	269,078	836,218
Administrative and general	268,066	130,659	398,725
Miscellaneous	-	12,821	12,821
Liability insurance	90,915	55,952	146,867
Materials and supplies	95,746	105	95,851
Utilities	87,050	132,807	219,857
Depreciation	202,734	-	202,734
Maintenance	330,373	31,503	361,876
	<u>3,926,546</u>	<u>1,217,692</u>	<u>5,144,238</u>
Operating income (loss)	<u>(1,505,256)</u>	<u>(880,881)</u>	<u>(2,386,137)</u>
<b>Nonoperating revenues (expenses):</b>			
Interest revenue	78	7	85
Interest and fiscal charges	-	-	-
	<u>78</u>	<u>7</u>	<u>85</u>
Income (loss) before transfers	<u>(1,505,178)</u>	<u>(880,874)</u>	<u>(2,386,052)</u>
Transfers in	-	877,210	877,210
Transfers (out)	-	-	-
	<u>(1,505,178)</u>	<u>(3,664)</u>	<u>(1,508,842)</u>
Change in net position			
Net position at beginning of year (Restated - See Note III. K.)	<u>(1,522,292)</u>	<u>89,606</u>	<u>(1,432,686)</u>
Net position at end of year	<u>\$ (3,027,470)</u>	<u>\$ 85,942</u>	<u>\$ (2,941,528)</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 1,663,670	\$ 70,664	\$ 1,734,334
Cash paid for goods and services	(1,506,282)	(634,960)	(2,141,242)
Other cash payments	-	-	-
Cash paid to employees	(2,171,891)	(558,584)	(2,730,475)
Other cash receipts	2,261,789	52,567	2,314,356
Net cash provided (used) by operating activities	<u>247,286</u>	<u>(1,070,313)</u>	<u>(823,027)</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in	-	877,210	877,210
Transfers (out)	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>877,210</u>	<u>877,210</u>
<b>Cash flows from capital and related financing activities</b>			
Purchases of capital assets	(214,084)	-	214,084
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Net cash (used) by capital and related financing activities	<u>(214,084)</u>	<u>-</u>	<u>214,084</u>
<b>Cash flows from investing activities:</b>			
Interest and investment earnings	<u>78</u>	<u>7</u>	<u>85</u>
Net cash provided by investing activities	<u>78</u>	<u>7</u>	<u>85</u>
Net (decrease) in cash and cash equivalents	33,280	(193,096)	(159,816)
Cash and cash equivalents at beginning year	<u>604,042</u>	<u>581,575</u>	<u>1,185,617</u>
Cash and cash equivalents at end of year	<u>\$ 637,322</u>	<u>\$ 388,479</u>	<u>\$ 1,025,801</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities – Enterprise Funds		
	<u>Sanitation and Trash</u>	<u>Non-Major Civic Arena</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (1,505,256)	\$ (880,881)	\$ (2,386,137)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	202,734	-	202,734
Decrease (increase) in accounts receivable	22,827	(31,998)	(9,171)
Increase (decrease) in unearned revenues	(6,280)	(174,998)	(181,278)
Decrease (increase) in deferred outflows	(223,554)	-	(223,554)
Decrease (increase) in due from other funds	2,093	(10,483)	(8,390)
Decrease (increase) in inventory	-	(21,962)	(21,962)
Decrease (increase) in prepaid expenses	(810)	901	91
Increase (decrease) in accounts payable	(66,182)	19,026	(47,156)
Increase (decrease) in other postemployment benefits	221,006	-	221,006
Increase (decrease) in payroll payable	4,184	17,247	21,431
Increase (decrease) in compensated absences payable	(14,430)	8,936	(5,494)
Increase (decrease) in net pension liability	233,395	-	233,395
Increase (decrease) in deferred inflows	(101,853)	-	(101,853)
Increase (decrease) in due to other funds	1,485,529	3,899	1,489,428
Increase (decrease) in health care claims payable	(6,117)	-	(6,117)
Net cash provided (used) by operations	<u>\$ 247,286</u>	<u>\$ (1,070,313)</u>	<u>\$ (823,027)</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**JUNE 30, 2021**

	<u>Pension Trust Funds</u>	<u>Custodial Fund–Asset Seizure</u>
<b>ASSETS</b>		
Non-pooled cash	\$ 1,039,031	\$ 1,412,059
Total cash	<u>1,039,031</u>	<u>1,412,059</u>
Investments, at fair value:		
Money market funds	862,589	-
Fixed income securities	31,244,465	-
Equities	<u>60,099,833</u>	<u>-</u>
Total investments	<u>92,206,887</u>	<u>-</u>
Receivables:		
Accounts receivables	2,250	-
Accrued income	151,010	-
Due from other governments	-	-
Due from primary government	<u>-</u>	<u>-</u>
Total receivables	<u>153,260</u>	<u>-</u>
Total assets	<u>93,399,178</u>	<u>1,412,059</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>93,399,178</u>	<u>1,412,059</u>

(1) A schedule of changes in net pension liability and related ratios for each plan is presented in the Required Supplementary Information section of this report.



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS (Continued)**  
**JUNE 30, 2021**

	Pension Trust Funds	Custodial Fund–Asset Seizure
<b>LIABILITIES</b>		
Accounts payable	\$ 8,043	\$ -
Refunds payable and other	-	-
Due to other governments	-	-
Due to primary government	1,893	-
Total liabilities	9,936	-
<b>DEFERRED INFLOWS</b>		
Deferred inflows	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	9,936	-
<b>NET POSITION</b>		
Net position restricted for pension benefits	93,389,242	-
Individuals, organizations, and other governments	-	1,412,059
	\$ 93,389,242	\$ 1,412,059

(1) A schedule of changes in net pension liability and related ratios for each plan is presented in the Required Supplementary Information section of this report.

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Pension Trust Funds	Custodial Fund–Asset Seizure
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 10,161,239	\$ -
Plan members	460,528	-
Insurance premium surtax	2,305,131	-
Asset seizures	-	352,096
Total contributions	12,926,898	352,096
Investment income:		
Net increase (decrease) in fair value of investments	16,124,606	-
Interest and dividends	1,702,617	267
Miscellaneous	41	-
Net investment income	17,827,264	267
Total additions	30,754,162	352,363
<b>DEDUCTIONS</b>		
Benefits	11,333,604	-
Administrative expenses	280,167	-
Refunds of contributions	-	36,824
Other	-	149,335
Total deductions	11,613,771	186,159
Change in net position	19,140,391	166,204
Net position:		
Beginning of year, custodial funds restated	74,248,851	1,245,855
End of year	\$ 93,389,242	\$ 1,412,059

(1) A schedule of changes in net pension liability and related ratios for each plan is presented in the Required Supplementary Information section of this report.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Huntington, West Virginia (the City), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

**A. Reporting Entity**

The City of Huntington is a municipal corporation governed by an elected mayor and eleven-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, fire protection, 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 for the by the Governmental Account 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 based on (1) the appointment of the government 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.

*Discretely Presented Component Units*

Discretely presented component units 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 GASB Statement No. 61. The discretely presented component units are presented on the government-wide statements.

The *Huntington Municipal Development Authority* serves the City of Huntington, West Virginia, and is governed by a board comprised of fifteen members appointed by the City and is comprised of three business representatives, three industry representatives, three labor representatives, one member of the council and five additional representatives. The Municipal Development Authority develops property on behalf of the City and also provides services to external parties. The rates for user charges and bond issuance authorization are approved by the government's elected council.

The *Municipal Parking Board* serves all citizens of the City by providing parking services and is governed by a seven-member Board appointed by the City. The rates for user charges and bond issuance authorization are approved by the government's elected council.

The *Water Quality Board* serves all citizens of the City and is governed by a three-member board comprised of the Mayor and two members appointed by the City. The rates for user charges and bond issuance authorizations are approved by the City's elected council. Complete financial statements for the Water Quality Board can be obtained at the entity's administrative offices.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 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 grants and contributions that are restricted to meeting 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. Combining financial statements for the nonmajor governmental funds and for the discretely presented component units are included as supplementary information.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and collectible. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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 Sanitation and Trash and the Civic Arena Fund (enterprise funds), Municipal Development Authority and Municipal Parking Board (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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial services 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 municipalities.

The *Community Development Block Grant Fund*, a special revenue fund, accounts for the CDBG Entitlement Program. The CDBG Entitlement Program provides grants to metropolitan areas and urban counties for community development.

The *American Rescue Plan Act-2021 Fund*, a special revenue fund, accounts for any federal financial assistance received pursuant to the American Rescue Plan Act (ARPA).

The *Huntington Urban Renewal Fund*, a special revenue fund, accounts for the activities of the Huntington Urban Renewal Authority and the Land Reuse Agency, which has responsibility of the Huntington Land Bank.

The government reports the following major proprietary funds:

The *Sanitation and Trash Fund* serves the City by providing garbage collection and disposal services to the public.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The *Civic Arena Fund* accounts for operating activities of the City's civic arena.

Additionally, the government reports the following fund types:

The *Pension (and other employee benefit) Trust Funds* account for the resources that are required to be held in trust for the members and beneficiaries of defined benefit plans or other employee benefit plans. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

The *Custodial Funds* are used to account for assets that the City of Huntington, West Virginia holds for others in a custodial capacity.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Deposits and Investments**

The City of Huntington, 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 Statements of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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 system not listed on an established market are reported as estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash investments and fair values are presented in Note III.A.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the State of West Virginia; obligations of the Federal Mortgage Association; indebtedness secured by first lien deeds of trust for property situated within this State if the payment is substantially insured or guaranteed by the Federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded in the top three ratings, at the time of acquisition; interest earning deposits which are fully insured or collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

State statute §8-13-22c placed limitations on 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 over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than five percent of the portfolio be 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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Municipal pension funds are governed as to type of investment by *West Virginia Code §8-22-22*. Pension funds are permitted to invest in all of the above-mentioned types of investments with the exception 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 five percent of the total pension fund assets; and (2) at no time can the non-real estate equity portion of the portfolio exceed seventy-five 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*

All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day the following March and becomes delinquent on April first. 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.

## **3. Inventories and Prepaid Items**

The Civic Center inventories are valued at cost using the first-in/first-out (FIFO) method.

The cost of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
 NOTES TO THE FINANCIAL STATEMENTS  
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**4. Restricted Assets**

Restricted assets include resources in which the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law or enabling legislation.

Certain proceeds of the discretely presented component units revenue bonds, as well as certain proceeds set aside for the repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

The “regular” account is used to segregate resources accumulated for debt service payments over the next twelve months.

The “reserve” account is used to report resources set aside to make up potential future deficiencies in the regular account.

The “renewal and replacement” account is used to report resources set aside to meet unexpected contingencies or fund asset renewals and replacements.

“The “reserve for construction” account is used to report those proceeds of revenue bond that are restricted for use in construction.

**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 if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is not 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
Structures and improvements	40-50
Infrastructure	40-50
Machinery and equipment	5-10
Vehicles	5-10
Furniture and fixtures	5-10



**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**6. Compensated Absences**

Full-time, permanent employees are granted and may accumulate vacation, other paid time off and compensatory time benefits in varying amounts to specified maximums depending on tenure and benefit group with the City. Employees are entitled to their accrued vacation, personal time and compensatory time upon termination. All vacation pay is accrued when incurred. There is no liability calculated for unpaid accumulated sick leave unless the employee is eligible for retirement.

When a permanent employee retires, the employee may elect to have a portion of accrued sick leave converted to accrued vacation and/or insurance benefits depending upon which benefit group the employee belongs. Compensated absences are reported as accrued when incurred in the government-wide and proprietary financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

**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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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. Deferred Outflow/Inflows of Resources/ Unearned Revenue**

Under both accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete those assets must be offset by a corresponding liability for unearned revenue. Property tax collections and other receivables that are not received soon enough after year end to pay liabilities of the current period, are required to be presented as unavailable revenue. For fiscal year ended June 30, 2021, the City reported unavailable revenues totaling \$21,514.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources which represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pensions and other post-employment benefits (OPEB). In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include pension and other post-employment benefits inflows.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. Net Position/Fund Balances**

Net position is classified into four categories according to external donor restrictions or availability of assets for satisfaction of obligations. The City's net position is classified as follows:

Net investment in capital assets	This represents the City's total investment in capital assets, net of accumulated depreciation and reduced by the balances of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
Restricted net position, expendable	This includes resources in which the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
Restricted net position, nonexpendable	This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. The City does not have any restricted nonexpendable assets as of June 30, 2021.
Unrestricted net position	This represents resources derived from other than capital assets or restricted net position. These resources are used for transactions relating to the general operation of the City, and may be used at the discretion of the City to meet current expenses for any lawful purpose.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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In the governmental fund financial statements, fund balance is reported in five classifications.

Nonspendable	Inventories and prepaid amounts represent fund balance amounts that are not in spendable form.
Restricted	The restricted category is the portion of fund balance that is externally imposed by creditors, grantors, contributors or laws or regulations. It also is imposed by law through constitutional provisions or enabling legislation.
Committed	The committed category is the portion of fund balance whose use is constrained by limitations that have been approved by an ordinance (the highest level of formal action) of the City Council, and that remain binding unless removed in the same manner. The approval does not automatically lapse at the end of the fiscal year.
Assigned	The assigned category is the portion of the fund balance that has been approved by formal action of the City Council, or other official authorized to assign amounts, for any amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
Unassigned	The unassigned category is the portion of fund balance that has not been reported in any other classification. Only the general fund can report a positive amount of unassigned fund balance. However, any governmental fund in a deficit position could report a negative amount of unassigned fund balance.

The City Council is the government's highest level of decision-making authority. The Council would take formal action to establish, and modify or rescind, a fund balance commitment or to assign fund balance amounts to a specific purpose. The government has adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The government has the authority to deviate from this policy if it is in the best interest of the City.

**E. Property Taxes**

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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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The rate levied by the Municipality per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2021, were as follows:

Class of Property	Assessed Valuation for Tax Purposes	Current Expense
Class II	\$ 556,468,126	22.00 cents
Class IV	\$ 1,044,278,213	44.00 cents

*Tax Incentive Programs*

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, the City is required to disclose certain information about tax abatement as defined in the statement. For purposes of GASB No.77, a tax abatement is a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which one or more governments promise to forgo tax revenues to which they are otherwise entitled and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City.

The purpose of the tax incentive program is to attract new and existing firms and to promote expansion of existing businesses and industry. It is the intent of the City to provide and create jobs for local and area residents; to create long-term tax base growth through the replacement reconstruction and expansion of existing business and technological facilities, where appropriate, and environmentally sound; to encourage the construction of new facilities, when necessary; and to create the potential for generating new demands for existing local businesses. It is further the intent of the City to encourage substantial investment in new equipment and other personal and real property subject to taxation.

**F. Pension and Other Postemployment Benefit Liabilities**

For purposes of measuring the pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the pension/OPEB plan’s fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

**Other Post-Employment Benefits (OPEB)**

It is the City’s policy to permit employees to accumulate earned but unused sick pay benefits. Sick benefits can be accumulated for unlimited days and carried forward to the subsequent fiscal year. When separated from employment, employees’ sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee’s accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee’s health insurance premiums. The greater retirement benefit is only applicable to a Tier I Member of PERS who was hired for the first time prior to July 1, 2015. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board. The payment of health insurance premiums must be absorbed by the last agency employing the retiree and is included as part of the OPEB liability.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost. See Note VI for further discussion.

**G. Recent Statements Issued by Governmental Accounting Standards Board**

The Governmental Accounting Standards Board has issued Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018 (postponed one year). This statement establishes criteria for what activities should be reported as fiduciary activities and states how each business-type activity should report their fiduciary activities. The focus of the statement is on whether the government is controlling the asset of the fiduciary activity and the beneficiaries of the fiduciary activity.

The Governmental Accounting Standards Board has issued Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2018 (postponed one year). This statement establishes the criteria for what a major equity interest is, clarifies how an interest in a legally separate organization should be reported as an investment, and states how an investment is measured using the equity method. This statement also requires reporting of component units that the government acquires 100 percent equity interest to provide information about costs of service.

The Governmental Accounting Standards Board has issued Statement No. 93, *Replacement of Interbank Offered Rates*. As a result of global reference rate reform, London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of GASB Statement No. 93 is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of the statement are effective for fiscal years beginning after June 15, 2020.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. 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. All annual appropriations lapse at fiscal year-end.

City of Huntington, West Virginia prepares its budget on the modified accrual basis of accounting. 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. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then are submitted 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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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The governing body made the following supplementary budgetary appropriations throughout the year:

**General Fund:**

<u>Amount</u>	<u>Description</u>
\$ 6,311,525	General Government Expenditure Increase
546,924	Public Safety Expenditure Increase
287,524	Streets and Transportation Expenditure Increase
500,000	Culture and Recreation Expenditure Increase
5,200,000	Capital Outlay Expenditure Increase

**Coal Severance Fund:**

<u>Amount</u>	<u>Description</u>
\$ 37,221	Culture and Recreation Expenditure Increase

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2021, expenditures exceeded appropriations in the funds listed at the function level:

<u>Function</u>	<u>Amount</u>
Transfers Out – General Fund	\$ 1,613,624
General Government – Coal Severance Tax Fund	700

The over expenditures in these functions were funded by other sources within each fund and had no impact on the financial results of the funds.

**C. Deficiencies in Net Changes in Fund Balances**

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2021:

<u>Fund</u>	<u>Amount</u>
Coal Severance Tax Fund	\$ 27,478
Community Development Block Grant	239,117
HURA/LRA	10,145
Sanitation and Trash Fund	1,505,178
Civic Arena Fund	3,664
Non-major Governmental Fund – Capital Improvement	220,021
Non-major Governmental Fund – Westmoreland Fire Protection	344

Funds sufficient to provide for the excess expenditures were made available from other sources within each fund and the deficiencies had no impact on the financial results of the funds.

**D. Deficit Net Position**

The Governmental and Business-Type Activities had deficit net position of \$(214,590,657) and \$(2,941,528) as of June 30, 2021. The City has incurred significant debt for the Net Pension Liability and Other Post-employment Benefits obligation as estimated within the actuarial evaluations. The City has affected funding strategies to reduce these debts in the future.

HURA/LRA Fund had a deficit fund balance of \$(206,631) at June 30, 2021. Sanitation and Trash Fund had a net position deficit of \$(3,027,470) at June 30, 2021.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard &amp; Poor's</u>	<u>Moody's Investment Services</u>
<b>Primary Government</b>			
Money Market	\$ 354,006	Not Rated	Not Rated
Other	1,562,386	Not Rated	Not Rated
	<u>\$ 1,916,392</u>		

*Interest Rate Risk*

	<u>0-3 Years</u>
Money Market	\$ 354,006
Other	1,562,386
	<u>\$ 1,916,392</u>

**Fiduciary Funds**

<b>Policemen's Pension and Relief</b>	<u>Fair Value</u>	<u>Credit Risk Rating</u>
		<u>Standard &amp; Poor's</u>
Money market funds	\$ 337,302	Not Rated
U.S. Government agency notes	1,653,488	AA+
Municipal obligations	2,018,915	AAA-Not Rated
Mutual funds – fixed income	3,140,073	Not Rated
Corporate bonds	9,077,857	AAA-BB+
Common stock	35,204,678	Not Rated
Preferred stock	320,901	Not Rated
Certificate of deposit	566,785	Not Rated
Total	<u>\$ 52,319,999</u>	

*Interest Rate Risk*

	<u>0-1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>Over 10 Years</u>
Money market funds	\$ 337,302	\$ -	\$ -	\$ -
U.S. Government agency notes	-	1,428,472	225,016	-
Municipal obligations	-	1,243,632	775,283	-
Mutual funds – fixed income	3,140,073	-	-	-
Corporate bonds	1,667,352	5,756,632	1,432,529	221,344
Common stock	35,204,678	-	-	-
Preferred stock	62,475	258,426	-	-
Certificate of deposit	257,263	309,522	-	-
Total	<u>\$ 40,669,143</u>	<u>\$ 8,996,684</u>	<u>\$ 2,432,828</u>	<u>\$ 221,344</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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<b>Firemen's Pension and Relief</b>	<b>Fair Value</b>	<b>Credit Risk Rating</b>
		<b>Standard &amp; Poor's</b>
Money market funds	\$ 525,287	Not Rated
U.S. Government agency notes	592,152	AA+ to Not Rated
Municipal obligations	132,020	A+ to A
Mutual funds – fixed income	4,458,542	Not Rated
Corporate bonds	8,971,417	AAA to Not Rated
Common stock	24,895,155	Not Rated
Preferred stock	312,315	Not Rated
Certificate of deposit	-	Not Rated
<b>Total</b>	<b>\$ 39,886,888</b>	

*Interest Rate Risk*

	<b>0-1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>Over 10 Years</b>
Money market funds	\$ 525,287	\$ -	\$ -	\$ -
U.S. Government agency notes	-	249,842	216,641	125,669
Municipal obligations	-	132,020	-	-
Mutual funds – fixed income	4,458,542	-	-	-
Corporate bonds	1,690,228	5,721,183	1,249,406	310,600
Common stock	24,895,155	-	-	-
Preferred stock	101,355	210,960	-	-
Certificate of deposit	-	-	-	-
<b>Total</b>	<b>\$ 31,670,567</b>	<b>\$ 6,314,005</b>	<b>\$ 1,466,047</b>	<b>\$ 436,269</b>

*Investments Measured at Fair Value*

Investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2021 are as follows:

<b>Fiduciary Funds</b>	<b>Fair Value</b>	Quoted Prices in		Significant Unobservable Inputs (Level 3)
		Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
<b>Policemen's Pension and Relief</b>				
U.S. Government agency notes	\$ 1,653,488	\$ 1,653,488	\$ 0	\$ 0
Municipal obligations	2,018,915	2,018,915	0	0
Mutual funds – fixed income	3,140,073	3,140,073	0	0
Corporate bonds	9,077,857	9,077,857	0	0
Preferred stock	320,901	320,901	0	0
Common stock	35,204,678	35,204,678	0	0
<b>Total</b>	<b>\$ 51,415,912</b>	<b>\$ 51,415,912</b>	<b>\$ 0</b>	<b>\$ 0</b>



**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Fiduciary Funds	Fair Value	Quoted Prices in	Significant Other	Significant
		Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Firemen's Pension and Relief</b>				
U.S. Government agency notes	\$ 592,152	\$ 592,152	\$ 0	0
Municipal obligations	132,020	132,020	0	0
Mutual funds – fixed income	4,458,542	4,458,542	0	0
Corporate bonds	8,971,417	8,971,417	0	0
Common stock	24,895,155	24,895,155	0	0
Preferred stock	312,315	312,315	0	0
Total	\$ 39,361,601	\$ 39,361,601	\$ 0	0

The funds recognize transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2021. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted on active markets for those securities.

*Interest Rate Risk*

The government does not have a policy for interest rate risk.

*Credit Risk*

State law limits investments as described in Note I.D.1. It's the government's policy to limit its investments. The government does not have a policy for credit risk in addition to state regulations. As of June 30, 2021, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

*Concentration of Credit Risks*

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires disclosure when the investment in any one issuer equals or exceeds 5% of the total amount of investments. At year end, the Policemen's Pension and Relief Fund has the following investments held in these issuers:

Issuer	Fair Value	Percent
Vanguard Index FDS Growth Fund Admiral	\$ 4,013,425	7.67%
Vanguard High Dividend Yield Index FD	2,985,050	5.71%

*Custodial Credit Risk*

For deposits, the government could be exposed to risk in the event of a bank failure where the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. At year end, the primary government's and fiduciary funds' reconciled bank balances were \$45,217,468 and \$2,451,090, respectively, which were collateralized with securities held by the pledging financial institution's trust department in the government's name.

For investments, the government could be exposed to risk in the event of the failure of the counterparty where the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The government does not have a deposit policy for custodial credit risk. At year end, the primary government's and fiduciary funds' investment balances were \$1,916,393 and \$92,206,887, respectively, which were collateralized with securities held by the pledging financial institution's trust department in the government's name or covered by securities held by the government's brokerage firm or the Municipal Bond Commission.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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A reconciliation of cash and investments as shown on the Statement of Net Position of the primary government and Statement of Net Position of the Fiduciary Funds is as follows:

		<u>Primary Government</u>
Cash and cash equivalents	\$	<u>45,217,468</u>
Investments		<u>1,916,393</u>
Total	\$	<u><u>47,133,861</u></u>
		<u>Fiduciary Funds</u>
Cash and cash equivalents	\$	<u>2,451,090</u>
Investments		<u>92,206,887</u>
Total	\$	<u><u>94,657,977</u></u>

For deposits, the Municipal Development Authority could be exposed to risk in the event of a bank failure where the Authority’s deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. At year end, the Authority’s reconciled bank balances of \$2,478,907 were collateralized with securities held by the pledging financial institution’s trust department in the authority’s name.

For deposits, the Municipal Parking Board could be exposed to risk in the event of a bank failure where the Board’s deposits may not be returned. The Board does not have a deposit policy for custodial credit risk. At year end, the Board’s reconciled bank balances of \$293,087 were collateralized with securities held by the pledging financial institution’s trust department in the authority’s name.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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The reconciliation of cash and investments as shown on the Statement of Net Position of the discretely presented component units are as follows:

	<b>Municipal Development Authority</b>	<b>Municipal Parking Board</b>
Cash and cash equivalents	\$ 2,478,907	\$ 293,087
Total	\$ 2,478,907	\$ 293,087
	<b>Municipal Development Authority</b>	<b>Municipal Parking Board</b>
Cash and cash equivalents	\$ 732,095	\$ 293,087
Cash and cash equivalents – restricted	1,746,812	-
Total	\$ 2,478,907	\$ 293,087

**B. Receivables**

Receivables at year end for the primary government’s individual major funds and nonmajor funds in the aggregate, are as follows:

	General	CDBG	HURA	TIF #1	Sanitation & Trash	Civic Arena	Total
Receivables:							
Accounts	\$ 12,833,315	\$ 1,487,674	\$ 2,327	\$ -	\$ 10,913,724	\$ 79,874	\$ 25,316,914
Taxes	6,350,155	-	-	50,320	-	-	6,400,475
Loans	-	7,799,113	-	-	-	-	7,799,113
Gross receivables	19,183,470	9,286,787	2,327	50,320	10,913,724	79,874	39,516,502
Less: allowance for uncollectible	(12,867,380)	(1,784,008)	-	(16,190)	(10,785,211)	-	(25,452,789)
Net total receivables	\$ 6,316,090	\$ 7,502,779	\$ 2,327	\$ 34,130	\$ 128,513	\$ 79,874	\$ 14,063,713

Governmental funds report unavailable revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, unavailable revenue reported in the governmental funds were as follows:

Property taxes receivable (General fund)	\$ 18,783
Property taxes receivable (TIF #1)	2,731
Total	\$ 21,514

Receivables at year end for the component units (HMDA and HMPB) are as follows:

	HMDA	HMPB	Total
Receivables:			
Accounts	\$ 7,500	\$ 52,293	\$ 59,793
Loans	3,198,875	-	3,198,875
Gross receivables	3,206,375	52,293	3,258,668
Less: Allowance for uncollectible	(3,198,875)	-	(3,198,875)
Net total receivables	\$ 7,500	\$ 52,293	\$ 59,793

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The amount reported for allowance for uncollectible accounts of the HMDA at June 30, 2021, was determined based upon the City's lien position on certain assets associated with the Ebenezer Medical Outreach, Inc./Douglass Centre Limited Partnership and the Huntington High L.P. loans. It was determined that the assets of the borrowers are not sufficient to make payments on the outstanding loans, and it is doubtful that the payments will be made in the future.

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	<b>Primary Government</b>			<b>Ending Balance</b>
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 971,482	\$ 54,684	\$ -	\$ 1,026,166
Construction in progress	704,539	1,573,821	513,102	1,765,258
Total capital assets not being depreciated	<u>1,676,021</u>	<u>1,628,505</u>	<u>513,102</u>	<u>2,791,424</u>
Capital assets being depreciated:				
Buildings and improvements	10,928,303	437,358	-	11,365,661
Machinery and equipment	6,798,353	1,039,909	-	7,838,262
Vehicles	9,932,744	1,020,440	-	10,953,184
Infrastructure	18,693,756	377,175	-	19,070,931
Total accumulated depreciation	<u>(35,864,045)</u>	<u>(1,760,476)</u>	<u>-</u>	<u>(37,624,521)</u>
Total capital assets being depreciated, net	<u>10,489,111</u>	<u>1,114,406</u>	<u>-</u>	<u>11,603,517</u>
Governmental activities capital assets, net	<u>\$ 12,165,132</u>	<u>\$ 2,742,911</u>	<u>\$ 513,102</u>	<u>\$ 14,394,941</u>
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets beginning depreciated:				
Structures and improvements	\$ 75,140	\$ -	\$ -	\$ 75,140
Machinery and equipment	277,430	34,700	-	312,130
Vehicles	2,288,801	202,549	25,739	2,465,611
Less: accumulated depreciation	<u>(1,853,923)</u>	<u>(202,734)</u>	<u>(2,574)</u>	<u>(2,054,083)</u>
Business-type activities capital assets, net	<u>\$ 787,448</u>	<u>\$ 34,515</u>	<u>\$ 23,165</u>	<u>\$ 798,798</u>

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

Governmental activities:	
General government	\$ 385,594
Public safety	758,292
Highways and streets, (including infrastructure assets)	301,484
Health and sanitation	39,056
Culture and recreation	276,050
Total depreciation expense-governmental activities	<u>\$ 1,760,476</u>
Business-type activities:	
Sanitation and Trash	<u>\$ 202,734</u>

**Discretely Presented Component Units**

Activity related to capital assets for the Municipal Development Authority for the fiscal year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Reclassification</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 6,715,056	\$ -	\$ -	\$ -	\$ 6,715,056
Construction in process	131,408	-	2,181,686	-	2,313,094
Total capital assets not being depreciated	<u>6,846,464</u>	<u>-</u>	<u>2,181,686</u>	<u>-</u>	<u>9,028,150</u>
Capital assets, being depreciated:					
Buildings and improvements	17,379,570	(1,851,351)	-	-	15,528,219
Structures and improvements	1,997,189	-	-	-	1,997,189
Furniture and fixtures	2,664,520	-	-	-	2,664,520
Machinery and equipment	200,000	1,851,351	-	-	2,051,351
Less: accumulated depreciation	<u>(15,955,501)</u>	<u>-</u>	<u>(256,490)</u>	<u>-</u>	<u>(16,211,991)</u>
Total capital assets being depreciated	<u>6,285,778</u>	<u>-</u>	<u>(256,490)</u>	<u>-</u>	<u>6,029,288</u>
Total capital assets, net	<u>\$ 13,132,242</u>	<u>\$ -</u>	<u>\$ 1,925,196</u>	<u>\$ -</u>	<u>\$ 15,057,438</u>

Activity related to capital assets for the Municipal Parking Board for the fiscal year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 942,877	\$ -	\$ -	\$ 942,877
Total capital assets not being depreciated	<u>942,877</u>	<u>-</u>	<u>-</u>	<u>942,877</u>
Capital assets, being depreciated:				
Buildings	4,775,401	-	-	4,775,401
Structures and improvements	490,173	-	-	490,173
Machinery and equipment	783,024	11,010	-	794,034
Less: accumulated depreciation	<u>(5,442,793)</u>	<u>(32,500)</u>	<u>-</u>	<u>(5,475,293)</u>
Total capital assets being depreciated	<u>605,805</u>	<u>(21,490)</u>	<u>-</u>	<u>584,315</u>
Total capital assets, net	<u>\$ 1,548,682</u>	<u>\$ (21,490)</u>	<u>\$ -</u>	<u>\$ 1,527,192</u>

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**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2021, is as follows:

*Interfund receivables/payables:*

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Safety Town	Reimbursement	\$ 5,554
General Fund	Sanitation and Trash	Reimbursement	1,833,263
Landfill Reserve	Sanitation and Trash	Reimbursement	48,631
General Fund	Community Development Block Grant	Reimbursement	25,413
General Fund	Civic Arena	Reimbursement	227,090
Jean Dean Public Safety	General Fund	Reimbursement	1,995
General Fund	HURA	Reimbursement	883,792
Civic Arena	General Fund	Reimbursement	78,048
General Fund	Coal Severance Fund	Reimbursement	59,119
Total \$			<u><u>3,162,905</u></u>

*Interfund receivables/payables for the primary government and component units:*

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Municipal Development Authority	Reimbursement	\$ 8,458
General Fund	Municipal Parking Board	Reimbursement	64,547
General Fund	Water Quality Board	Reimbursement	200
Municipal Development Authority	General Fund	Reimbursement	11,500
Water Quality Board	Sanitation and Trash	Reimbursement	23,505
Total \$			<u><u>108,210</u></u>

*Interfund receivables/payables for the primary government and fiduciary funds:*

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Fire Pension and Relief	Reimbursement	1,893
Total \$			<u><u>1,893</u></u>

*Interfund transfers:*

	Transfers In			
	General Fund	Civic Arena	HMDA	Total Transfers Out
Transfers Out:				
General Fund	\$ -	\$ 757,875	\$ 1,385,290	\$ 2,143,165
Coal Severance	-	119,335	-	119,335
CDBG	288,859	-	-	288,859
TIF 1	-	-	1,652,146	1,652,146
TIF 2	-	-	30,273	30,273
Total Transfers	<u><u>\$ 288,859</u></u>	<u><u>\$ 877,210</u></u>	<u><u>\$ 3,067,709</u></u>	<u><u>\$ 4,233,778</u></u>

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

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**E. Fund Balance Detail**

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

	General Fund	Coal Severance	Community Development Block Grant	HURA/LRA	ARPA	Nonmajor Funds	Total
Nonspendable:							
Prepays	\$ 232,733	\$ -	\$ -	\$ -	\$ -	\$ -	232,733
Assets held for resale	-	-	-	670,352	-	-	670,352
Restricted:							
Community development	-	-	6,015,105	-	2,671	-	6,017,776
Debt service	-	-	-	-	-	675,830	675,830
Capital projects	-	-	-	-	-	232,657	232,657
Committed:							
Landfill closures	578,885	-	-	-	-	-	578,885
Retirees' insurance	1,625,588	-	-	-	-	-	1,625,588
Assigned:							
General Government	1,012,680	-	-	-	-	-	1,012,680
Public safety	-	-	-	-	-	284,052	284,052
Culture and recreation	-	9,843	-	-	-	-	9,843
Community development	-	-	1,622,776	-	-	-	1,622,776
Capital projects	-	-	-	-	-	483,564	483,564
Public safety building	-	-	-	-	-	27,806	27,806
Landfill closures	-	-	-	-	-	1,611,142	1,611,142
Unassigned	25,847,456	-	-	(876,983)	-	-	24,970,473
Total fund balances	\$ 29,297,342	\$ 9,843	\$ 7,637,881	\$ (206,631)	\$ 2,671	\$ 3,315,051	\$ 40,056,157

**F. Leases**

*Capital Leases*

The general government has entered into a real property lease agreement as lessee to finance the acquisition property from the State of West Virginia. This lease agreement qualifies as a capital lease for accounting purposes, and, therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

The general government has entered into capital lease-purchase agreements whereby energy conservation equipment has been installed in several buildings. At the end of the contract period, the government will have ownership of the equipment.

The general government has entered into a capital lease-purchase agreement to purchase a body worn camera system for the Huntington Police Department. At the end of the contract period, the government will have ownership of the equipment.

Following is a summary of property held under capital leases:

Asset	Governmental Activities
Buildings, machinery and equipment	\$ 3,749,226
Less: accumulated depreciation	1,246,536
Total	\$ 2,502,690

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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Year Ending June 30	Governmental Activities
2022	\$ 479,704
2023	404,378
2024	371,079
2025	371,079
2026	330,673
2027 – 2031	330,673
Total minimum lease payments	2,287,586
Less: amount representing interest	(209,540)
Present value of minimum lease payments	\$ 2,078,046

**G. Long-term Debt**

*Tax Increment Financing Revenue Bonds*

The City has issued bonds where the government pledges income derived from ad valorem property taxes from a specific district to pay debt service. These bonds are payable solely from the ad valorem property tax collected from the specified tax district. These bonds do not constitute a general obligation of the City and are payable only if the tax revenue is collected from the specified tax district. If the tax revenues are not collected, the City is not required to pay off the debt.

On June 30, 2006, the City issued \$2,450,000 of Tax Increment Financing (TIF) Revenue Bonds-Series 2006 through United Bank bearing interest rates of 5.50% to 6.75%. Bond proceeds were used for infrastructure improvements to the Downtown Tax Increment Financing District (TIF #1). All outstanding principal and accrued interest on the Series 2006 TIF bonds was retired on December 30, 2019, when the Series 2019 TIF bonds were issued.

On December 30, 2019, the City issued \$3,058,000 of Tax Increment and Refunding Bonds-Series 2019 through Wesbanco Bank, Inc. bearing an interest rate of 2.69%. Bond proceeds are being used for infrastructure improvements to the Downtown Tax Increment Financing District (TIF #1), predominately to the Civic Arena plaza area. Series 2019 bonds mature June 1, 2034. Total bond proceeds of \$2,766,554 were drawn and at June 30, 2021. Principal and interest paid for the current year was \$169,000 and \$38,960, respectively.

On June 26, 2020, the City issued \$3,639,000 of Tax Increment Financing (TIF) Revenue Bonds-Series 2020 through the Ohio Valley Bank Company bearing an interest rate of 2.25%. Bond proceeds were used by the Huntington Municipal Development Authority for infrastructure improvements in the Kinetic Park Tax Increment Financing District (TIF #2). Series 2020 TIF bonds mature May 1, 2035. Principal and interest paid for the current year was \$196,000 and \$76,191, respectively.



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Tax increment financing bonds outstanding at the end of the year are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2021
Primary Government:					
Series 2019	06/01/2034	2.69%	\$ 2,766,554	\$ 254,000	\$ 2,512,554
Series 2020	05/01/2035	2.25%	3,639,000	196,000	3,443,000
			<u>\$ 6,405,554</u>	<u>\$ 450,000</u>	<u>\$ 5,955,554</u>

Debt service requirements to maturity for Tax Increment Financing Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest
2022	\$ 362,000	\$ 145,055
2023	371,000	136,175
2024	380,000	127,071
2025	390,000	117,747
2026	399,000	108,175
2027 – 2031	2,147,000	388,971
2032 – 2035	1,906,554	113,622
Present value of minimum bond payments	<u>\$ 5,955,554</u>	<u>\$ 1,136,816</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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*Revenue Bonds – Component Units*

The Municipal Development Authority, a discretely presented component unit of the City, has issued bonds where the government pledges income derived from acquired or constructed assets to pay debt service.

The proceeds of these bonds are being used for the development of the City. The bonds are secured by revenues of the Municipal Development Authority, which are required to be in sufficient amount to pay principal and interest on the bonds when due. Revenue bonds outstanding of \$5,547,697 at year end are as follows:

Revenue Bonds outstanding at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2021
Component Units:					
Municipal Development Authority Series 2010-A	12/29/2023	4.5%	\$ 3,650,000	\$ 2,865,000	\$ 785,000
Municipal Development Authority Series 2010-B	12/29/2031	3.75%	5,255,000	430,000	4,825,000
Less Bond Discount			(145,087)	(82,786)	(62,301)
Total component unit			<u>\$ 8,759,913</u>	<u>\$ 3,212,214</u>	<u>\$ 5,547,699</u>

The discretely presented component unit's revenue bond debt service requirements to maturity are as follows:

Year Ended	<b>Municipal Development Authority</b>	
	Principal	Interest
2022	\$ 465,000	\$ 395,388
2023	485,000	372,362
2024	500,000	343,050
2025	520,000	308,750
2026	545,000	269,400
2027 – 2031	3,095,000	641,000
Less Bond Discount	(62,301)	-
Totals	<u>\$ 5,547,699</u>	<u>\$ 2,329,950</u>

*Pledged Revenues*

The Municipal Development Authority has pledged future lease revenues, net of specified operating expenses, to repay \$3,650,000 in lease revenue bonds issued in December 2010. Proceeds from the bonds provided financing for renovations to the Jean Dean Public Safety Building and the Civic Arena. The bonds are payable from lease net revenues and are payable through 2023. The total principal and interest remaining to be paid on the bonds is \$817,063. Principal and interest paid for the current year and total net revenues were \$485,225 and \$410,371, respectively.

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The Municipal Development Authority has pledged future lease revenues, net of specified operating expenses, to repay \$5,255,000 in lease revenue bonds issued in December 2010. Proceeds from the bonds provided financing for maintenance and upgrades to the Civic Arena. The bonds are payable solely from lease net revenues and are payable through 2031. The total principal and interest remaining to be paid on the bonds is \$7,122,888. Total interest paid for the current year and total net revenues were \$370,525 and \$410,371, respectively.

**Changes to Long-term Liabilities**

	Governmental Activities				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Capital leases	\$ 2,385,159	\$ 193,225	\$ (500,338)	\$ 2,078,046	\$ 431,817
Tax increment financing	4,668,408	1,652,146	(365,000)	5,955,554	362,000
Net pension liability – PERS	559,277	842,089	-	1,401,366	-
Net pension liability – DBP	153,005,832	-	(33,172,016)	119,833,816	-
Other post-employment benefits	103,271,398	9,726,127	-	112,997,525	-
Compensated absences	1,539,242	1,617,402	(1,539,242)	1,617,402	1,617,402
Accrued interest payable	17,815	26,481	(17,815)	26,481	26,481
Liability for landfill closure and post-closure costs	22,017,000	2,802,436	-	24,819,436	-
Governmental activities long-term liabilities	<u>\$ 287,464,131</u>	<u>\$ 16,859,906</u>	<u>\$ (35,594,411)</u>	<u>\$ 268,729,626</u>	<u>\$ 2,437,700</u>
	Business-Type Activities				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Other post-employment benefits	\$ 2,198,327	\$ 221,006	\$ -	\$ 2,419,333	\$ -
Compensated absences	94,291	88,797	(94,291)	88,797	88,797
Net pension liability – PERS	172,942	233,395	-	406,337	-
Governmental activities long-term liabilities	<u>\$ 2,465,560</u>	<u>\$ 543,198</u>	<u>\$ (94,291)</u>	<u>\$ 2,914,467</u>	<u>\$ 88,797</u>
	Component Units				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Revenue bonds payable	\$ 6,050,000	\$ -	\$ 440,000	\$ 5,610,000	\$ 465,000
Less: bond discounts	(74,128)	-	(11,827)	(62,301)	(11,826)
Total bonds payable	<u>5,975,872</u>	<u>-</u>	<u>(428,173)</u>	<u>5,547,699</u>	<u>453,174</u>
Note Payable – WVEDA	2,756,250	-	-	2,756,250	-
Other post-employment benefits	306,948	51,901	-	358,849	-
Compensated absences	39,700	45,315	(39,700)	45,315	45,315
Net pension liability	61,085	113,342	-	174,427	-
Component unit long-term liabilities	<u>\$ 9,139,855</u>	<u>\$ 210,558</u>	<u>\$ (467,873)</u>	<u>\$ 8,882,540</u>	<u>\$ 498,489</u>

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On January 28, 2020, Huntington Municipal Development Authority signed a \$2,756,250 Note payable to West Virginia Economic Development Authority to partially finance the acquisition of property. The loan bears interest at 2.66% per annum. Monthly interest-only payments have been deferred until July 28, 2021. Final payment of all principal and accrued interest is due on January 30, 2035, unless the property is sold or leased, at which time the principal shall be due.

*Short-term Debt – Revolving Line of Credit*

The City’s outstanding notes from direct borrowings are comprised of a \$1.5 million revolving line of credit to finance public projects related to housing for the HURA Fund and a \$1.9 million line of credit to facilitate infrastructure repairs at HMDA’s Kinetic Park District. The outstanding notes contain provisions that in an event of a default, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due. Short-term debt activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Draws	Repayments	Ending Balance
Notes from direct borrowings:				
Line of Credit – HURA	\$ 641,678	\$ -	\$ (641,678)	\$ -
	\$ 641,678	\$ -	\$ (641,678)	\$ -

**H. Restricted Assets**

The balances of the restricted asset account for the component units are as follows:

	Municipal Development Authority
Restricted economic development account	\$ 1,746,812
Total restricted assets	\$ 1,746,812

**I. Benefits Funded by the State of West Virginia**

For the year ended June 30, 2021, the State of West Virginia contributed estimated payments on behalf of the government’s public safety employees as follows:

Plan	Amount
Policemen’s Pension and Relief Fund	\$ 1,129,546
Firemen’s Pension and Relief Fund	1,175,584
Total	\$ 2,305,130

State contributions are funded by allocations of the State’s insurance premium tax.

**J. Change in Accounting Principles**

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting Police Retirees’ Insurance and Fire Retirees’ Insurance as fiduciary funds. These funds have been consolidated with the General Fund. These fund reclassifications resulted in the restatement of the City’s financial statements.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**K. Restatement of Fund Balances and Net Position**

The implementation of GASB 84 had the following effect on fund balance as reported at June 30, 2020:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance as previously reported	\$ 17,262,802	\$ 10,890,124	\$ 28,152,926
GASB Statement No. 84	\$ <u>1,667,914</u>	\$ <u>-</u>	\$ <u>1,667,914</u>
Restated Fund Balance, at June 30, 2020	\$ <u><u>18,930,716</u></u>	\$ <u><u>10,890,124</u></u>	\$ <u><u>29,820,840</u></u>

The implementation of the GASB 84 pronouncement had the following effect on the net position of the Governmental Activities as reported at June 30, 2020:

	<u>Governmental Activities</u>
Net position as previously reported	\$ (234,228,317)
GASB Statement No. 84	\$ <u>1,667,914</u>
Restated net position at June 30, 2020	\$ <u><u>(232,560,403)</u></u>

Additionally, beginning net position of the Civic Arena Enterprise Fund required restatement of \$2,346, resulting from an overstatement of amounts due to the primary government in the prior year.

**L. Subsequent Discovery of Fact**

On May 20, 2021, the City received the first tranche of U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funding through the American Rescue Plan Act of 2021 (ARPA). Upon receipt, the funds were deposited into a unique bank account and recorded in a separate governmental fund. No American Rescue Plan Act funds were spent during Fiscal Year 2021 and all fund assets were reported as restricted fund balance at the end of the fiscal year. Subsequent to the issuance of the Fiscal Year 2021 financial statements, management became aware of guidance that requires SLFRF resources to be reported as liabilities until applicable eligibility requirements are met. As such, the financial statements have been revised to reflect appropriate reporting at June 30, 2021.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**IV. OTHER INFORMATION**

**A. Risk Management**

The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with Insurance Systems, Inc. for these various risks.

Workers' Compensation Fund (WCF): Private insurance companies could begin to offer workers compensation coverage to government employers beginning July 1, 2010. Workers compensation coverage is self-insured for this entity by the Self Insurance Unit through Risk Management Services Company. The discretely presented component unit (Huntington Municipal Parking Board) has coverage through BrickStreet Insurance.

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

**B. Commitments and Contingencies and Subsequent Events**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those 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's management 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 management that resolution of these matters will not have a material effect on the financial condition of the government.

The Department of Environmental Protection forced the City to close its landfill in 1994 because it did not have an underlying liner. Some procedures which are required for closure have been completed, however, additional procedures are still required to complete the closure. After reevaluation for annual inflation or deflation, costs to complete the closure and subsequent post-closure costs have been estimated at approximately \$24,819,436. The actual cost incurred may differ due to inflation, changes in regulations or changes in technology. As of June 30, 2021, the Landfill Reserve Fund balance was \$1,611,142 and the General Fund contains \$578,885 in committed funds for landfill closure.

All other commitments, contingencies and subsequent events have been evaluated by management and have been properly disclosed through the date of this report.

**C. Deferred Compensation Plan**

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

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

**A. Policemen’s and Firemen’s Pension and Relief Funds (PPRF and FPRF)**

*Plan Descriptions, Contribution Information, and Funding Policies*

The City of Huntington, 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. The PPRF’s Board consists of a chair, who is the elected mayor, and four members, one of which is the pension secretary, from the municipal police department. The City is authorized in accordance with State Code §8-22 to establish and maintain this plan. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2020.

The Firemen’s Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. The FPRF’s Board consists of a president, who is the elected mayor, and four members, one of which is the pension secretary, from the municipal fire department. The City is authorized in accordance with State Code §8-22 to establish and maintain this plan. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2020.

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 Board.

The investment policies of the PPRF and the FPRF are restricted by State Code and may be restricted further as determined by the Boards. For additional information relating to the basis of accounting and reported investment values, see Notes I.C., I.D.1., and III.A.

Memberships of the plans are as follows:

<u>Group</u>	<u>PPRF</u>	<u>FPRF</u>	<u>Totals</u>
Active Employees	46	52	98
Inactive employees entitled to but not yet receiving benefits	1	7	8
Inactive employees or beneficiaries currently receiving benefits	146	169	315
Total	<u>193</u>	<u>228</u>	<u>421</u>

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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 forty years in accordance with West Virginia State Code §8-22-10, commencing on January 1, 2010, with level dollar payments. The sponsor finances benefits using the Optional funding policy as defined in state statutes. Sponsor contributions are equal to the normal cost, net of employee contributions, plus an amortization of the unfunded actuarial liability net of the premium tax allocation applicable to the plan year.	
Plan Members	7% of covered payroll, 9.5% if hired after January 1, 2010	7% of covered payroll, 9.5% if hired after January 1, 2010
Period Required to Vest	No vesting occurs. If separation from employment occurs the member is entitled to a refund of his/her contributions only.	
Post-Retirement Benefit Increases	Cost of living adjustments after two years of retirement. Adjustment calculated on the first \$15,000 of the total annual benefit in the first year and then the cumulative index for the preceeding year. The supplemental pension benefit shall not exceed four percent.	
Eligibility for Distribution	Members are eligible at the earlier of age 50 with 20 years of credited service or age 65.	
Provision for:		
Disability Benefits	Yes	Yes
Death Benefits	Yes	Yes
Experience Study	July 1, 2014 – July 1, 2017	July 1, 2014 – July 1, 2017

**Net Pension Liability**

The net pension liabilities were measured as of June 30, 2021 for both plans, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, projected to the measurement date of June 30, 2021.



**CITY OF HUNTINGTON, WEST VIRGINIA  
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*Actuarial Assumptions and Rate of Return*

The total pension liability was determined by an actuarial valuation as of July 1, 2020, rolled forward to June 30, 2021 for both plans, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the values were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

Actuarial assumptions	<u>Policemen's Pension &amp; Relief Fund</u>	<u>Firemen's Pension &amp; Relief Fund</u>
General Inflation Rate	2.50%	2.50%
Wage Inflation Rate	1.00%	1.00%
Salary Increases	1 yr. 9%, 2 yrs. 6.5%, 3 yrs. 6%, 4-28 yrs. 5%, 29-33 yrs. 4%, 34+ yrs 3.5%	1 yr. 9%, 2 yrs. 6.5%, 3 yrs. 6%, 4-28 yrs. 5%, 29-33 yrs. 4%, 34+ yrs 3.5%
Investment Rate of Return	5.75%	5.00%

Mortality rates were based on the SOA PubS-2010(B) Mortality Table with generational projection using Scale MP-2019.

*Rate of return*

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 6.27 percent for the PPRF and 6.27 percent for the FPRF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate rates of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021 are summarized in the following chart:

<u>Investment</u>	<u>PPRF</u>		<u>FPRF</u>	
	Long-term Expected		Long-term Expected	
	Real Rate of Return	Target Asset Allocations	Real Rate of Return	Target Asset Allocations
Money Market	0.00%	0.00%	0.00%	0.00%
Equities	8.00%	65.00%	8.00%	65.00%
Fixed Income	2.90%	34.00%	2.90%	34.00%
Cash	0.50%	1.00%	0.50%	1.00%

*Net Pension Liability, Reserves and Discount Rate*

Current year net pension liability for the PPRF and FPRF are shown below. The annual required contributions were made by the PPRF or the FPRF.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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*Reserves*

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

*Net Pension Liability*

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

	<u>PPRF</u>	<u>FPRF</u>
Total pension liability	\$ 102,041,991	\$ 111,181,067
Plan fiduciary net position	<u>52,945,970</u>	<u>40,443,272</u>
Net pension liability	<u>\$ 49,096,021</u>	<u>\$ 70,737,795</u>
 Plan fiduciary net position as a percentage of the total pension liability	 51.89%	 36.38%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.75% for the PPRF and 5.0% for the FPRF, and the municipal bond rate was 3.13% for both plans. The projection of cash flows used to determine the discount rate assumed that the plan sponsor would make the statutory required contributions as defined by the funding policy. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments, on the behalf of current plan members, for all future plan years. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PPRF's net pension liability	\$ 62,578,389	\$ 49,096,021	\$ 38,105,885
FPRF's net pension liability	\$ 86,199,979	\$ 70,737,795	\$ 58,217,204

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**Changes in the Net Pension Liability – Policemen’s Pension and Relief Fund**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Liability (b)	Net Pension Liability (a-b)
Balance at June 30, 2020	\$ 108,284,501	\$ 42,283,569	\$ 66,000,932
Changes for the year:			
Service Cost	1,314,602	-	1,314,602
Interest	5,802,509	-	5,802,509
Difference between expected and actual experience	1,101,389	-	1,101,389
Changes of assumptions	(8,892,309)	-	(8,892,309)
Contributions – employer	-	5,657,305	(5,657,305)
Contributions – employee	-	244,427	(244,427)
Net investment income	-	10,338,534	(10,338,534)
Benefit payments, including refunds of employee contributions	(5,568,701)	(5,568,701)	-
Administrative expense	-	(9,205)	9,205
Other changes	-	41	(41)
Net changes	<u>(6,242,510)</u>	<u>10,662,401</u>	<u>(16,904,911)</u>
Balance at June 30, 2021	<u>\$ 102,041,991</u>	<u>\$ 52,945,970</u>	<u>\$ 49,096,021</u>

**Changes in the Net Pension Liability – Firemen’s Pension and Relief Fund**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Liability (b)	Net Pension Liability (a-b)
Balance at June 30, 2020	\$ 118,970,182	\$ 31,965,282	\$ 87,004,900
Changes for the year:			
Service Cost	1,414,053	-	1,414,053
Interest	5,804,386	-	5,804,386
Difference between expected and actual experience	(361,805)	-	(361,805)
Changes of assumptions	(8,880,845)	-	(8,880,845)
Contributions – employer	-	6,809,065	(6,809,065)
Contributions – employee	-	216,101	(216,101)
Net investment income	-	7,231,031	(7,231,031)
Benefit payments, including refunds of employee contributions	(5,764,904)	(5,764,904)	-
Administrative expense	-	(13,303)	13,303
Net changes	<u>(7,789,115)</u>	<u>8,477,990</u>	<u>(16,267,105)</u>
Balance at June 30, 2021	<u>\$ 111,181,067</u>	<u>\$ 40,443,272</u>	<u>\$ 70,737,795</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**Pension Expense and Deferred outflows and Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the government recognized the following pension expenses.

	PPRF	FPRF
Pension Expense	\$ (4,133,071)	\$ 365,508

The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Policemen's Pension and Relief Fund**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual investment earnings	\$ -	\$ 5,987,344
Total	\$ -	\$ 5,987,344

**Firemen's Pension and Relief Fund**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 180,902
Changes in Assumption	-	4,440,422
Difference between expected and actual investment earnings	-	4,166,802
Total	\$ -	\$ 8,788,126

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	PPRF	FPRF
2022	\$ (1,512,115)	\$ (5,695,946)
2023	(1,440,881)	(1,010,046)
2024	(1,433,541)	(961,817)
2025	(1,600,807)	(1,120,317)
Total	\$ (5,987,344)	\$ (8,788,126)

**Payables to the pension plan**

At June 30, 2021, all contributions were current, and the City had no liabilities payable to the Policemen's and Firemen's Pension and Relief Funds.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**Pension Trust Funds Financial Statements**

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>
<b>ASSETS</b>		
Non-pooled cash	\$ 536,792	\$ 502,239
Total cash	<u>536,792</u>	<u>502,239</u>
Investments, at fair value		
Money market	337,303	525,286
Fixed income securities	16,778,018	14,466,447
Equities	<u>35,204,678</u>	<u>24,895,155</u>
Total investments	<u>52,319,999</u>	<u>39,886,888</u>
Receivables:		
Accounts receivable	-	2,250
Accrued income	89,303	61,707
Due from other governments	-	-
Due from primary government	<u>-</u>	<u>-</u>
Total receivables	<u>89,303</u>	<u>63,957</u>
Total assets	<u>52,946,094</u>	<u>40,453,084</u>
<b>LIABILITIES</b>		
Accounts payable	124	7,919
Due to other funds	<u>-</u>	<u>1,893</u>
Total liabilities	<u>124</u>	<u>9,812</u>
<b>NET POSITION</b>		
Net position held in trust for pension benefits	<u>\$ 52,945,970</u>	<u>\$ 40,443,272</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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	Policemen's Pension and Relief	Firemen's Pension and Relief
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 4,527,758	\$ 5,633,481
Plan members	244,427	216,101
Insurance premium surtax	1,129,547	1,175,584
Total contributions	5,901,732	7,025,166
Investment and other income:		
Net increase (decrease) in fair value	9,562,188	6,562,418
Interest and dividends	936,276	766,341
Miscellaneous	41	-
Total investment and other income	10,498,505	7,328,759
Total additions	16,400,237	14,353,925
<b>DEDUCTIONS</b>		
Benefits	5,568,701	5,764,903
Administrative expenses	169,135	111,032
Refunds of contributions	-	-
Total deductions	5,737,836	5,875,935
Change in net position	10,662,401	8,477,990
Net position held in trust for pension benefits:		
Beginning of year	42,283,569	31,965,282
End of year	\$ 52,945,970	\$ 40,443,272

**B. Public Employees Retirement System (PERS)**

***General Information about the Pension Plans***

The City of Huntington, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of civilian 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:

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**Public Employees Retirement System (PERS)**

Eligibility to participate	All full-time employees, except those covered by other pension plans.
Authority establishing contribution obligations and benefits	West Virginia State Code 5-10d discusses the Consolidated Public Retirement Board, which administers all public retirement plans in the state of West Virginia.
Plan member's contribution rate hired before 7/1/2015	4.50%
City's contribution rate hired before 7/1/2015	10.00%
Plan member's contribution rate hired after 7/1/2015	6.00%
City's contribution rate hired after 7/1/2015	10.00%
Period required to vest	Five years for plan members hired before 7/1/2015. Ten years for plan members hired on or after 7/1/2015.
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 (age 62 and ten years of service for plan members hired on or after July 1, 2015). The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit. For those hired after July 1, 2015, the average salary is the average of the five consecutive highest annual earnings out of the last fifteen years.
Deferred retirement portion	No
Provision for:	
Cost of living	No
Death benefits	Yes

*Trend Information*

**Public Employees Retirement System (PERS)**

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2021	\$ 634,428	100%
2020	573,956	100%
2019	555,916	100%

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

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At fiscal year-end, the City reported a liability of \$1,982,130 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to that date. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2020, the government's proportion was 0.374927%, which was an increase of 0.005966% from its proportion measured as of the prior period.

For the year ended June 30, 2021, the government recognized the following pension expense.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Development Authority</u>	<u>Parking Board</u>	<u>Total</u>
Pension expense	\$ 344,220	\$ 99,809	\$ 29,212	\$ 13,633	\$ 486,874

The primary government and the parking Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Public Employees Retirement System**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 628,235	\$ -
Difference between expected and actual experience	291,689	40,863
Changes in assumptions	-	87,335
Changes in proportion and differences between government contributions and proportionate share of contributions	27,887	36,321
Contributions subsequent to the measurement date	<u>634,428</u>	<u>-</u>
Total	<u>\$ 1,582,239</u>	<u>\$ 164,519</u>

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



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Year Ended June 30:

2022	\$ (103,819)
2023	298,722
2024	362,260
2025	<u>226,129</u>
Total	<u>\$ 783,292</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

*Actuarial assumptions*

Inflation rate	3.00%
Salary increases	3.35% – 6.50%
Investment Rate of Return	7.5 %

Mortality rates were based on the Pub-2010 general employees table, below median, head count weighted, projected with scale MP-2018.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the five-year period ended July 1, 2018.

The long-term expected rate of return on pension plan investments were determined using a building block method in which best-estimate rates of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class included are summarized in the following chart:

<u>Investment</u>	Long-term Expected Real Rate <u>fo Return</u>	Target Asset <u>Allocation</u>
US Equity	5.50%	27.50%
International Equity	7.00%	27.50%
Fixed Income	2.20%	15.00%
Real Estate	6.60%	10.00%
Private Equity	8.50%	10.00%
Hedge Funds	4.00%	10.00%
Inflation (CPI)	2.00%	
		<u>100.00%</u>

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent for PERS. The projection of cash flows used to determine the discount rate assumed that employer contributions will the current funding policies. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of PERS pension liability	\$ 5,050,214	\$ 1,982,130	\$ (611,990)

Pension plans' fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report.

**C. Municipal Police Officers & Firefighters Retirement system (MPFRS)**

The City of Huntington, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of hired Municipal public safety employees after January 1, 2010. 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:

**Municipal Police Officers and Firefighters Retirement System**

Eligibility to participate	City public safety employees not covered under other pension plans.
Authority establishing contribution obligations and benefit provisions	Chapter 8, Article 22A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.
Plan member's contribution rate	8.50%
City's contribution rate	8.50%
Period required to vest	Five years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 10 years or more of contributing service or age 50 if the sum of his/her age plus years of credited service is equal to or greater than 70 or age 62 with 5 years of service. The final average salary (five highest consecutive years in the last 10) times the years of service times applicable benefit percentage (2.6%, 2%, or 1%) equals the annual retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of Living	No
Death Benefits	Yes

**CITY OF HUNTINGTON, WEST VIRGINIA  
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*Trend Information*

Fiscal Year	Annual Pension Cost	Percentage Contributed
2021	\$ 367,662	100%
2020	322,372	100%
2019	267,523	100%

MPFRS 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 Ave S.E., Charleston, WV 25304.

***Pension Assets, Pension Expense, and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At fiscal year-end, the government reported an asset of \$1,071,922 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019 rolled forward to June 30, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2019. The government's proportion of the net pension asset was based on a projection of the government's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2020, the government's proportion was 17.139781%, which was a decrease of 1.467312% from its proportion measured as of the prior period.

For the year ended June 30, 2021, the government recognized the following pension expense.

	MPFRS
	Governmental Activities
Pension expense	\$ 82,386

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The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Municipal Police Officers & Firefighters Retirement System (MPFRS)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 79,014	\$ -
Difference between expected and actual experience	100,097	53,648
Changes in proportion and differences between contributions and proportionate share of contributions	300,025	10,687
Changes in assumptions	-	19,882
Contributions subsequent to measurement date	367,662	-
Total	\$ 846,798	\$ 84,217

The amount reported as deferred outflows of resources related to pensions resulting from government contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 91,785
2023	101,561
2024	102,484
2025	75,527
2026	20,818
Thereafter	2,744
	\$ 394,919

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial assumptions

Inflation rate	3.00%
Salary increases	3.25% - 4.75%
Investment Rate of Return	7.50%

Mortality rates:

Active – 100% of RP-2014 Non-Annuitant tables (sex-distinct), Scale MP-2016 fully generational;  
 Healthy Male Retirees – 103% of RP-2014 Male Healthy Annuitant table, Scale MP-2016 fully generational;  
 Healthy Female Retirees – 100% of RP-2014 Female Healthy Annuitant tables, Scale MP-2016 fully generational;  
 Disabled Males – 100% of RP-2014 Male Disabled Annuitant table, Scale MP-2016 fully generational;  
 Disabled Females – 100% of RP-2014 Female Disabled Annuitant table, Scale MP-2016 fully generational.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2016.

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate rates of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class included are summarized in the following chart:

<u>Investment</u>	Long-term Expected	
	Real Rate fo Return	Target Asset Allocation
US Equity	5.50%	27.50%
International Equity	7.00%	27.50%
Fixed Income	2.20%	15.00%
Real Estate	6.60%	10.00%
Private Equity	8.50%	10.00%
Hedge Funds	4.00%	10.00%
Inflation (CPI)	2.00%	100.00%
		100.00%

*Discount rate.* The discount rate used to measure the total pension asset was 7.50 percent for MPFRS. The projection of cash flows used to determine the discount rate assumed that the employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension asset.

The following chart presents the sensitivity of the net pension asset to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
City's proportionate share of MPFRS pension asset	\$ 687,133	\$ 1,071,922	\$ 1,359,699

*Pension plans' fiduciary net position.* Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report.

**VI. OTHER POST-EMPLOYMENT BENEFIT PLAN**

In addition to the pension benefits described in Note V, the government provides post-retirement health and vision benefits for certain retirees and their dependents. The benefits vary depending on the years of service and sick leave accumulated by the retiree.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***A. Plan Descriptions, Contribution Information, and Funding Policies***

The City of Huntington, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System and the City of Huntington's Policemen's Pension & Relief Fund and the Firemen's Pension & Relief Fund. The City maintains a single employer self-insured defined benefit health plan administered by Highmark, a third-party administrator. The plan benefits, benefit levels, employee contributions and employer contributions were authorized by the City Council and any amendments to the plan must be approved and authorized by the Council. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the General Fund, Sanitation and Trash Fund, Community Development Block Grant Fund, Municipal Parking Board and the Municipal Development Authority.<sup>(1)</sup>

Non-uniform employees that were members of PERS prior to 7/1/2015 (Tier I) are eligible to receive full retiree health coverage at the earlier of age 55 with 25 years of service; or age 60 with 5 years of service. Non-uniform employees that were members of PERS on or after 7/1/2015 (Tier II) are eligible to receive full retiree health coverage at age 62 with 10 years of service.

Police and fire uniform employees are eligible to receive retiree health care coverage at the earlier of age 50 with 20 years of service or age 60 with 10 years of service.

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

The City does not have a practice of increasing the retiree contributions for employees hired prior to July 1, 2000. For GASB 75 purposes, it was assumed these rates remain level in future years.

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

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

<sup>(1)</sup>Amounts reported for Other Post-Employment Benefit cost and liabilities do not include those amounts for Huntington Water Quality Board.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**B. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to most recent valuation date:

Measurement Date	For fiscal year ending June 30, 2021, a June 30, 2021 measurement date was used.
Actuarial Valuation Date	July 1, 2020 with results actuarially projected on a “no gain/no loss” basis to get to the June 30, 2021 measurement date. Liabilities as of July 1, 2020 are based on an actuarial valuation date of July 1, 2020 projected to July 1, 2020 with no adjustments.
Discount Rate	2.19% as of June 30, 2021 and 2.66% as of July 1, 2020.
Payroll Growth	3.00% general wage inflation per year plus the annual merit scale shown below based on the West Virginia Public Employees’ Retirement System actuarial valuation as of June 30, 2019.

<u>Age</u>	<u>Rate</u>
20	3.50%
30	1.60%
40	1.10%
50	0.85%
60+	0.35%

Inflation Rate	3.00% per year
Employer Funding Policy	Pay-as-you-go cash basis
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant’s benefit at retirement; and Annual Service Cost is a constant percentage of the participant’s salary that is assumed to increase according to the Payroll Growth.
Experience Study	The actuarial assumptions for the City have not been updated since at least the 2009 valuation.
Census Data	Census information was provided by the City as of June 2020.
Mortality	General Participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019; Public Safety Participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019; Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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Health Care Trend Rates	FYE	Medical/RX	FYE	Medical/RX
	2022	7.5%	2026	5.5%
	2023	7.0%	2027	5.0%
	2024	6.5%	2028+	4.5%
	2025	6.0%		

***C. OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB***

At fiscal year-end, the City reported \$115,757,570 for its net OPEB liability related to its single employer self-insured defined benefit health plan. The net OPEB liability was measured as of June 30, 2021 for the City’s fiscal year ended June 30, 2021, using the actuarial assumptions and methods described in the appropriate section of this note.

For the year ended June 30, 2021, the City recognized OPEB expense of \$10,581,061 related to its single employer self-insured defined benefit health plan.

The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2021:

	Deferred	Deferred
	<u>Outflows</u>	<u>Inflows</u>
Difference between expected and actual experience	\$ 2,675,820	\$ 2,420,007
Change in assumptions	12,357,635	674,868
	<u>\$ 15,033,455</u>	<u>\$ 3,094,875</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability on June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ 3,596,349
2023	4,271,215
2024	2,022,872
2025	1,024,072
2026	1,024,072
Total	<u>\$ 11,938,580</u>

***Discount Rate***

The discount rate used to measure the OPEB liability was 2.19 percent. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

Sensitivity of Net OPEB Liability to the Single Discount Rate

1% Decrease 1.19%	Current Single Discount Rate Assumption 2.19%	1% Increase 3.19%
\$ 133,622,780	\$ 115,757,570	\$ 141,474,387

***Healthcare Cost Trend Rate***

The following table presents the City’s proportionate share of its net OPEB liability calculated using the healthcare cost trend rate of percent and the impact of using a discount rate that is 1% higher or lower than the current rate.

Sensitivity of Net OPEB Liability to the Health Care Trend Rate

1% Decrease 6.50% to 3.50%	Current Single Discount Rate Assumption 7.50% to 4.50%	1% Increase 8.50% to 5.50%
\$ 99,301,384	\$ 115,757,570	\$ 136,552,357

**West Virginia Retiree Health Benefit Trust Fund (RHBT)**

Plan description:

The City participates in the West Virginia Other Postemployment Benefit Plan (the Plan) a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board.

The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as the Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

RHBT issues publicly available reports that include a full description of the other post-employment benefit plan regarding benefit provisions, assumptions and membership information that can be obtained by contacting Public Employees Insurance Agency, 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, by calling (888) 680-7342 or can be found on the PEIA website at [www.peia.wv.gov](http://www.peia.wv.gov).

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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Benefits Provided:

The City's employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the PERS or meet certain other eligibility requirements of other CPRB sponsored retirement plans. RHBT provides medical and prescription drug insurance and life insurance benefits to those qualified participants. Life insurance is provided through a vendor and is fully funded by member contributions. The medical and prescription drug insurance is provided through two options; Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses or External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses.

The RHBT Medicare-eligible retired employees and their Medicare-eligible dependents receive medical and drug coverage from a Medicare Advantage Plan. Under this arrangement, the vendor assumes the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option. The RHBT collects employer contributions for Managed Care Organization (MCO) participants and remits capitation payments to the MCO. Survivors of retirees have the option of purchasing the medical and prescription drug coverage.

Eligible participants hired after June 30, 2010, will be required to fully fund premium contributions upon retirement. The Plan is a closed plan to new entrants.

Contribution requirements:

Employer contributions consist of pay as you go premiums, commonly referred to as paygo, and retiree leave conversion billings. Employees are not required to contribute to the OPEB plan.

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rate for fiscal year 2021 was \$168.

The City's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2021 was \$5,676. No amount was payable at year-end.

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

The State of West Virginia (the State) is a nonemployer contributing entity that provides funding through Senate Bill 419, effective July 1, 2012 and amended by West Virginia Code §11-21-96. For fiscal years beginning on and after July 1, 2016, this Senate Bill and corresponding State Code section requires that an annual amount of \$30 million from the State shall be dedicated for payment of the unfunded liability of the RHBT fund. The \$30 million annual contribution is to continue through July 1, 2037, or until the unfunded liability has been eliminated, whichever comes first.

The State is a nonemployer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 Million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2020.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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***OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB***

At fiscal year-end, the City reported the following liability for its proportionate share of the net OPEB liability. The net pension liability was measured as of June 30, 2020 for the City’s fiscal year ended June 30, 2021, using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2021, the City reported the following proportions and increase/decreases from its proportion as of June 30, 2020:

	2021
City’s proportionate share of the net OPEB liability	\$ 18,137
State’s proportionate share of the net OPEB liability associated with the City	4,011
Total portion of the net OPEB liability associated with the City	\$ 22,148

For the year ended June 30, 2020, the City recognized the following OPEB expense and support provided by the State:

	2021
OPEB expense City	\$ (24,727)
OPEB expense State support	3,380
Total OPEB expense	\$ (21,347)
State support revenue	\$ 3,380

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2021:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 1,377	\$ -
Differences between expected and actual experience	-	11,760
Changes in assumptions	-	40,939
Changes in proportion and differences between contributions and proportionate share of	-	14,275
Changes in proportion for opt-out allocation	-	1,151
Contributions subsequent to the measurement date	5,676	-
Total	<u>\$ 7,053</u>	<u>\$ 68,125</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability on June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2022	\$	(29,576)
2023		(22,504)
2024		(14,441)
2025		<u>(227)</u>
Total	\$	<u>(66,748)</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Actuarial assumptions*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>OPEB</b>	<b>June 30, 2020</b>
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Market value
Amortization Method	Level percentage of payroll over a 20-year closed period
Amortization Period	Closed as of June 30, 2017
Actuarial Assumptions:	
Investment Rate of Return	6.65% net of OPEB plan investment expense, including inflation
Projected Salary Increases	Dependent upon pension system. Ranging from 2.75% to 5.18% including inflation
Inflation Rate	2.25%
Discount Rate	6.65%
Healthcare Cost Trends	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of -31.11% for plan year end 2022, 9.15% for plan year 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in the plan year end 2036.
Mortality Rates	Post-Retirement: RP-2000 Health Annuity Mortality Table projected with Scale AA on a fully generational basis
Date Range in Most Recent Experience Study	July 1, 2015 to June 30, 2020

The long term expected rate of return of 6.65% on the OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 2.50% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The long-term expected rate of return on OPEB plan investments were determined using a building-block method in which best estimates ranges of expected future rates of returns are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of long-term geometric rates of return for each asset class are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global Equity	6.8%
Core Plus Fixed Income	4.1%
Core Real Estate	6.1%
Hedge Fund	4.4%
Private Equity	8.8%

Real returns by asset class, shown in the above table, were estimated using a static inflation assumption of 2.0%. Consequently, real returns may not reflect the potential volatility of inflation by asset class.

***Discount Rate***

The discount rate used to measure the OPEB liability was 6.65 percent. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position for each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the discount rates as used in the actuarial evaluation, and what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
Proportionate share of net OPEB liability	\$ 25,866	\$ 18,137	\$ 11,667

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***Healthcare Cost Trend Rate***

The following table presents the City’s proportionate share of its net OPEB liability calculated using the healthcare cost trend rate of percent and the impact of using a discount rate that is 1% higher or lower than the current rate.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Proportionate share of net OPEB liability	\$ 10,913	\$ 18,137	\$ 26,862

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**I. SCHEDULE OF CHANGES IN THE OTHER POST-EMPLOYMENT LIABILITY AND RELATED RATIOS**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>				
Service Cost	\$ 4,104,643	\$ 3,608,679	\$ 2,965,426	\$ 3,024,313
Interest	2,880,070	3,461,730	3,216,444	2,964,542
Difference between Expected and Actual Experience	(949,480)	(2,714,624)	6,689,550	-
Assumption Changes	7,093,913	7,708,616	4,552,183	(3,374,344)
Benefit Payments	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
<b>Net Change in OPEB Liability</b>	10,068,758	9,304,812	15,073,078	458,065
<b>Total OPEB Liability - Beginning</b>	105,688,812	96,384,000	81,310,922	80,852,857
<b>Total OPEB Liability - Ending</b>	<u>\$ 115,757,570</u>	<u>\$ 105,688,812</u>	<u>\$ 96,384,000</u>	<u>\$ 81,310,922</u>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 3,060,388	\$ 2,759,589	\$ 2,350,525	\$ 2,156,446
Benefit Payments	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
<b>Net Change in Plan Fiduciary Net Position</b>	-	-	-	-
<b>Plan Fiduciary Net Position - Beginning</b>	-	-	-	-
<b>Plan Fiduciary Net Position - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net OPEB Liability</b>	\$ 115,757,570	\$ 105,688,812	\$ 96,384,000	\$ 81,310,922
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	0.00%	0.00%	0.00%	0.00%
<b>Covered Employee Payroll</b>	\$ 15,155,628	\$ 14,714,202	\$ 11,028,839	\$ 10,707,611
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	763.79%	718.28%	873.93%	759.38%

Notes to Schedule:

Only four years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**SCHEDULE OF CONTRIBUTIONS – MULTIYEAR FOR OTHER POST-EMPLOYMENT BENEFITS**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution (a)	\$ 3,060,388	\$ 2,759,589	\$ 2,350,525	\$ 2,156,446
Employer contribution (b)	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage contributed	100%	100%	100%	100%
Covered payroll (f)	\$ 15,155,628	\$ 14,714,202	\$ 11,028,839	\$ 10,707,611
Actual contribution as a percent of covered payroll [(b)+(c)]/f	20%	19%	21%	20%

Notes to Schedules of Contributions:

Only four years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**II. SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

	Retiree Health Benefit Trust				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net OPEB liability (asset) (percentage)	0.004106304%	0.004304265%	0.004339626%	0.005094491%	0.006116921%
City's proportionate share of the net OPEB liability (asset)	\$ 18,137	\$ 71,413	\$ 93,104	\$ 125,273	\$ 151,903
State's proportionate share of the net OPEB liability (asset) associated with the City	<u>4,011</u>	<u>14,614</u>	<u>19,242</u>	<u>37,931</u>	<u>-</u>
Total	<u>\$ 22,148</u>	<u>\$ 86,027</u>	<u>\$ 112,346</u>	<u>\$ 163,204</u>	<u>\$ 151,903</u>
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	73.49%	39.69%	30.98%	25.10%	21.64%

Information prior to 2016 is not available.

This schedule will be built prospectively.

**SCHEDULE OF OPEB CONTRIBUTIONS**

	Retiree Health Benefit Trust					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 5,676	\$ 7,937	\$ 8,868	\$ 8,868	\$ 10,464	\$ 10,464
Contributions in relation to contractually required contribution	<u>(5,676)</u>	<u>(7,937)</u>	<u>(8,868)</u>	<u>(8,868)</u>	<u>(10,464)</u>	<u>(10,464)</u>
Contribution deficit (surplus)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

The schedule will be built prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**III. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

<b>Policemen's Pension and Relief Fund (PPRF)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>								
Service cost	\$ 1,314,602	1,479,995	1,600,345	1,677,226	1,766,856	1,327,865	1,570,562	1,639,476
Interest	5,802,509	5,633,626	5,342,286	5,265,220	5,168,503	4,995,831	4,650,084	4,638,808
Difference between expected and actual experience	1,101,389	1,399,681	3,455,363	(639,606)	(1,547,354)	2,053,752	(1,214,505)	-
Changes in assumptions	(8,892,309)	-	-	-	-	10,127,518	(5,215,194)	(3,920,804)
Benefits payments	(5,568,701)	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)	(10,482)
Refunds	-	-	-	-	(29,643)	(47,520)	-	-
Net change in total pension liability	(6,242,510)	3,196,568	5,512,913	1,782,682	923,242	14,140,879	(4,286,913)	2,346,998
Total pension liability – beginning	108,284,501	105,087,933	99,575,020	97,792,338	96,869,096	82,728,217	87,015,130	84,668,132
Total pension liability – ending (a)	\$ 102,041,991	108,284,501	105,087,933	99,575,020	97,792,338	96,869,096	82,728,217	87,015,130
<b>Plan fiduciary net position</b>								
Contributions – employer	\$ 5,657,305	5,607,224	5,540,993	5,777,937	5,685,075	4,822,623	5,271,650	5,359,218
Contributions – members	244,427	277,648	283,815	297,125	335,264	313,939	365,787	359,819
Net investment income	10,338,534	1,394,132	2,239,135	2,203,504	1,997,497	852,569	654,764	2,438,222
Benefits payments	(5,568,701)	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)	(3,920,804)
Refunds	-	-	-	-	(29,643)	(47,520)	-	-
Administrative expenses	(9,205)	(9,210)	(134,958)	(8,517)	(9,095)	(176,416)	(190,402)	(122,396)
Other	41	2,917	-	-	-	(5,381)	5,441	(10,482)
Net change in plan fiduciary net position	10,662,401	1,955,977	3,043,904	3,749,891	3,543,978	1,443,247	2,029,380	4,103,577
Plan fiduciary net position – beginning	42,283,569	40,327,592	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192	22,413,615
Plan fiduciary net position – ending (b)	\$ 52,945,970	42,283,569	40,327,592	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192
Net pension liability – ending (a) – (b)	\$ 49,096,021	66,000,932	64,760,341	62,291,332	64,258,541	66,879,277	54,181,645	60,497,938
Plan fiduciary net position as a percentage of the total pension liability	51.89%	39.05%	38.38%	37.44%	34.29%	30.96%	34.51%	30.47%
Covered employee payroll	\$ 3,303,872	3,783,881	4,046,524	4,425,541	4,483,206	4,573,783	4,771,286	4,955,880
Net pension liability as a percentage of covered employee payroll	1486.01%	1744.27%	1600.39%	1407.54%	1433.32%	1462.23%	1135.58%	1220.73%

Notes to PPRF's Schedule:

Only eight years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**III. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
(CONTINUED)**

<b>Firemen's Pension and Relief Fund (FPRF)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>								
Service cost	\$ 1,414,053	1,556,769	1,630,487	2,012,547	1,921,250	1,570,937	1,569,989	1,598,605
Interest	5,804,386	5,656,769	5,562,251	5,334,849	5,241,817	5,082,040	4,899,228	4,937,861
Difference between expected and actual experience	(361,805)	1,508,438	457,926	562,398	(188,766)	2,571,967	(1,282,535)	-
Change in assumptions	(8,880,845)	(5,730,252)	(5,715,746)	(7,901,702)	-	13,787,848	-	-
Benefits payments	(5,764,904)	-	-	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)	(5,160,941)
Refunds	-	(44,073)	(30,575)	(50,573)	-	(31,367)	-	-
Net change in total pension liability	(7,789,115)	2,947,651	1,904,343	(5,738,787)	1,313,719	17,507,009	(78,370)	1,375,525
Total pension liability – beginning	118,970,182	116,022,531	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617	99,739,092
Total pension liability – ending (a)	\$ 111,181,067	118,970,182	116,022,531	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617
<b>Plan fiduciary net position</b>								
Contributions – employer	\$ 6,809,065	6,838,651	6,860,010	7,389,517	7,401,751	6,355,707	6,428,342	6,491,137
Contributions – members	216,101	236,773	251,044	246,681	273,029	283,660	306,473	290,819
Net investment income	7,231,031	824,333	1,700,278	1,439,198	1,207,975	815,748	538,263	1,573,446
Benefits payments	(5,764,904)	(5,730,252)	(5,715,746)	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)	(5,160,941)
Refunds	-	(44,073)	(30,574)	(50,573)	-	(31,367)	-	-
Administrative expenses	(13,303)	(113,238)	(88,901)	(68,224)	(9,208)	(58,928)	(58,286)	(54,823)
Other	-	483	-	-	-	585	14	-
Net change in plan fiduciary net position	8,477,990	2,012,677	2,976,111	3,260,293	3,212,965	1,890,989	1,949,754	3,139,638
Plan fiduciary net position – beginning	31,965,282	29,952,605	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493	13,522,855
Plan fiduciary net position – ending (b)	\$ 40,443,272	31,965,282	29,952,605	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493
Net pension liability – ending (a) – (b)	\$ 70,737,795	87,004,900	86,069,926	87,141,694	96,140,774	98,040,020	82,424,000	84,452,124
Plan fiduciary net position as a percentage of the total pension liability	36.38%	26.87%	25.82%	23.64%	19.79%	17.30%	18.42%	16.48%
Covered employee payroll	\$ 3,054,751	3,402,515	3,488,570	3,782,913	3,623,803	4,135,510	4,037,697	4,063,878
Net pension liability as a percentage of covered employee payroll	2315.66%	2557.08%	2467.20%	2303.56%	2653.04%	2370.69%	2041.36%	2078.12%

Notes to FPRF's Schedule:

Only eight years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**IV. SCHEDULES OF INVESTMENT RETURNS**

<b>Policemen's Pension and Relief Fund (PPRF)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money – weighted rate of return, net of investment	6.27%	5.83%	6.22%	8.72%	8.32%	2.91%	10.00%	10.00%
<b>Firemen's Pension and Relief Fund (FPRF)</b>								
Annual money – weighted rate of return, net of investment	6.27%	5.83%	7.07%	9.06%	7.59%	5.29%	3.75%	9.60%

Notes to Schedule:

Only eight years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**V. SCHEDULES OF CONTRIBUTIONS – MULTIYEAR**

<b>Policemen's Pension and Relief Fund (PPRF)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution (a)	\$ 5,599,399	5,605,198	5,533,885	4,706,545	4,757,747	4,666,572	3,717,462	4,098,151
Employer contribution (b)	(4,527,758)	(4,515,894)	(4,487,498)	(4,679,161)	(4,590,520)	(3,775,581)	(4,237,318)	(4,398,765)
State contribution (c)	(1,129,547)	(1,091,330)	(1,053,495)	(1,098,776)	(1,094,555)	(1,047,042)	(1,034,332)	(960,453)
Contribution (excess) deficiency	\$ (57,906)	(2,026)	(7,108)	(1,071,392)	(927,328)	(156,051)	(1,554,188)	(1,261,067)
Percentage contributed	101%	100%	100%	123%	119%	103%	142%	131%
Covered payroll (f)	\$ 3,303,872	3,783,881	4,046,524	4,225,541	4,483,206	4,771,286	4,771,286	4,955,880
Actual contribution as a percent of covered payroll [(b)+(c)]/f	171%	148%	137%	137%	127%	101%	110%	108%
<b>Firemen's Pension and Relief Fund (FPRF)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution (a)	\$ 6,816,641	6,800,972	6,958,630	5,899,587	6,100,163	6,111,224	4,908,882	4,945,075
Employer contribution (b)	(5,633,481)	(5,658,818)	(5,750,203)	(6,282,284)	(6,266,667)	(5,233,536)	(5,326,897)	(5,454,415)
State contribution (c)	(1,175,584)	(1,179,833)	(1,109,806)	(1,107,233)	(1,135,084)	(1,122,171)	(1,101,445)	(1,036,722)
Contribution (excess) deficiency	\$ 7,576	(37,679)	98,621	(1,489,930)	(1,301,588)	(244,483)	(1,519,460)	(1,546,062)
Percentage contributed	100%	101%	99%	125%	121%	104%	131%	131%
Covered payroll (f)	\$ 3,054,751	3,402,515	3,488,570	3,782,913	3,623,803	4,135,510	4,037,697	4,063,878
Actual contribution as a percent of covered payroll [(b)+(c)]/f	223%	201%	197%	195%	204%	154%	159%	160%

Notes to Schedules of Contributions:

Only eight years are presented due to the availability of the information in the application of the reporting requirements prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE OF THE GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITIES**

	<b>Public Employees Retirement System</b>							
	Last 8 Fiscal Years*							
	2021	2020	2019	2018	2017	2016	2015	2014
Government's proportion of the net pension liability (asset) (Percentage)	0.37%	0.37%	0.36%	0.39%	0.37%	0.39%	0.42%	0.37%
Government's proportionate share of the net pension liability (asset) \$	1,982,130	793,314	933,910	1,688,871	3,364,705	2,214,475	1,562,223	3,389,265
Government's covered-employee payroll \$	5,739,558	5,559,160	5,938,282	5,183,025	5,430,050	5,380,616	5,670,986	4,976,029
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.53%	14.27%	15.73%	32.58%	61.96%	41.16%	27.55%	68.11%
Plan fiduciary net position as a percentage of the total pension liability	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%
	<b>Municipal Police Officers &amp; Firefighters Retirement System (MPFRS)</b>							
	Last 8 Fiscal Years*							
	2021	2020	2019	2018	2017	2016	2015	2014
Government's proportion of the net pension asset (Percentage)	17.14%	18.60%	20.59%	26.72%	30.31%	40.72%	44.71%	52.29%
Government's proportionate share of the net pension asset \$	1,071,922	853,135	761,363	750,274	428,554	392,648	303,557	138,564
Government's covered-employee payroll \$	3,792,612	3,147,329	2,458,024	2,364,541	2,297,375	1,998,916	1,465,130	915,691
Government's proportionate share of the net pension asset as a percentage of its covered-employee payroll	28.26%	27.11%	30.97%	31.73%	18.65%	19.64%	20.72%	15.13%
Plan fiduciary net position as a percentage of the total pension asset	172.43%	168.31%	184.45%	200.46%	174.30%	189.27%	200.40%	224.40%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHEDULE OF THE GOVERNMENTAL CONTRIBUTIONS**

	<b>Public Employees Retirement System</b>							
	Last 8 Fiscal Years*							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 634,428	573,956	555,916	653,211	621,963	733,057	753,286	822,293
Contributions in relation to the contractually required contribution	(634,428)	(573,956)	(555,916)	(653,211)	(621,963)	(733,057)	(752,950)	(822,293)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	336	-
Government's covered-employee payroll	\$ 6,344,281	5,739,558	5,559,156	5,938,282	5,183,025	5,430,050	5,380,616	5,670,986
Plan fiduciary net position as a percentage of the total pension liability	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%

**Municipal Police Officers & Firefighters Retirement System (MPFRS)**

	<b>Municipal Police Officers &amp; Firefighters Retirement System (MPFRS)</b>							
	Last 8 Fiscal Years*							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 367,662	322,372	267,523	208,932	200,986	195,277	169,908	124,536
Contributions in relation to the contractually required contribution	(367,662)	(322,372)	(267,523)	(208,932)	(200,986)	(195,277)	(169,908)	(124,536)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Government's covered-employee payroll	\$ 4,325,435	3,792,612	3,147,329	2,458,024	2,364,541	2,297,375	1,998,916	1,465,130
Plan fiduciary net position as a percentage of the total pension liability	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Note 1 - Changes in Assumptions/Benefit Terms PERS**

Changes in the assumptions between the 2018 and 2019 valuations:

Mortality, withdrawal rates, disability rates, retirement rates, salary scales, and non-contributory service loads were changed to reflect the most recent experience study for June 1, 2013 through June 30, 2018.

Changes in the assumptions between the 2015 and 2014 valuations:

Projected salary increases went from 4.25-6% in 2014 to 3-6% in 2015; the inflation rate went from 2.2% in 2015 to 1.9% in 2015; mortality rates changed due to from the Gam model to RP-2000 model; withdrawal rates went from 1-31.2% in 2014 to 1.75-35.8% in 2015; disability rates went from 0-.8% in 2014 to 0-.675% in 2015;. The range of the experience study was 2004-2009 in 2014 and 2009-2014 in 2015. These changes in assumptions lead to deferred inflows of \$89,556,000 in 2015.

Changes in benefit terms between the 2018 and 2019 valuations:

Under HB 3095, a minimum monthly benefit of \$750 was established for current pensioners as of June 3, 2019 who had completed at least 25 years of service. A corresponding minimum of \$375 was set for beneficiaries in pay status under the 50% joint-and-survivor annuity options were the original member had completed at least 25 years of services.

**Note 2 – Changes in Assumptions OPEB – West Virginia RHBT**

Changes in the assumptions between the 2020 and 2018 valuations:

Certain assumptions have been changed since the prior actuarial valuation as of June 30, 2018 and a measurement date of June 30, 2020. The net effect of the assumption changes was approximately \$1,147 million. The major changes include:

- General/Price inflation –Decrease price inflation rate from 2.75% to 2.25%.
- Discount Rate – Decrease discount rate from 7.15% to 6.65%.
- Wage inflation – Decrease wage inflation rate from 4.00% to 2.75% for PERS.
- Salary increase – Develop salary increase assumptions based on experience specific to the OPEB covered group.

Changes in the assumptions between the 2019 and 2018 valuations:

Certain assumptions have been changed since the prior measurement date. The net effect of assumption changes we approximately \$236 million. The assumption changes that most significantly impacted the Total OPEB Liability was an approximate \$11.8 million decrease in the per capita claims cost for Pre-Medicare and Medicare, as well as an approximate \$224.2 million decrease due to capped subsidy costs implemented in December 2019. Certain other assumption changes were noted but did not materially impact the Total OPEB Liability.



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in the assumptions between the 2018 and 2017 valuations:

Certain assumptions have been changed since the prior measurement date. The assumption changes that most significantly impacted the Net OPEB Liability are as follows: the inclusion of waived annuitants increased the liability by approximately \$17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately \$68 million; a change in certain healthcare-related assumptions decreased the liability by approximately \$232 million; and an update to the mortality tables increased the liability by approximately \$25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

Changes in the assumptions between the 2016 and 2015 valuations:

Certain economic and behavioral assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claims costs, the likelihood that a member selects healthcare coverage and the likelihood that a retiree selects one-person, two person or family coverage. These assumptions were updated based on a recent experience study performed by the RHBT actuaries using five-year experience data through June 30, 2015. The updated per capita claims costs were also based on recent claims, enrollment and premium information as of the valuation date.

For the June 30, 2016 valuation, the retiree healthcare participation assumption for each retirement plan is slightly higher than the previous assumption used in the June 30, 2015 OPEB valuation. More members who were covered as actives will be assumed to participate as retirees.

The 2016 and 2015 valuations include consideration of the \$30 million annual appropriations under Senate Bill 419, through July 1, 2037, or if earlier, the year the benefit obligation is fully funded. Additionally, the presentation of covered payroll was changed for the June 30, 2015, actuarial valuation. Participating employees hired before July 1, 2010, pay retiree premiums that are subsidized based on years of service at retirement. Participating employees hired on or after July 1, 2010, are required to fully fund premium contributions upon retirement. Consequently, beginning June 30, 2015, actuarial valuation covered payroll represents only the payroll for those OPEB eligible participating employees that were hired before July 1, 2010, allowing a better representation of the UAAL as a percentage of covered payroll, whereas, for the prior years, covered payroll is in total for all participating employees.

**Note 3 – Changes in Assumptions Policemen’s Pension Plan**

Changes in the assumptions between the 2021 and 2020 valuations: The discount rate changed from 5.50% to 5.75%. Changes were made to salary scale assumptions, pay spiking assumptions, inflation, cost-of-living increases, mortality rates, retirement rates, termination rates, disability rates marital status, and non-spouse beneficiary loads.

**Note 4 – Changes in Assumptions Firemen’s Pension Plan**

Changes in the assumptions between the 2021 and 2020 valuations: Changes were made to salary scale assumptions, pay spiking assumptions, inflation, cost-of-living increases, mortality rates, retirement rates, termination rates, disability rates marital status, and non-spouse beneficiary loads.

**SUPPLEMENTARY INFORMATION**

**CITY OF HUNTINGTON, WEST VIRGINIA  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>Assets:</b>				
<b>Current:</b>				
Cash and cash equivalents	\$ 321,720	\$ 483,689	\$ 877,088	\$ 1,682,497
Accounts receivable	-	-	34,130	34,130
Investments	-	1,562,386	-	1,562,386
Due from:				
Other funds	1,995	48,631	-	50,626
Total assets	<u>323,715</u>	<u>2,094,706</u>	<u>911,218</u>	<u>3,329,639</u>
<b>Deferred Outflows:</b>				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 323,715</u>	<u>\$ 2,094,706</u>	<u>\$ 911,218</u>	<u>\$ 3,329,639</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,361	\$ -	\$ -	\$ 4,361
Due to:				
Other funds	5,554	-	-	5,554
Unclaimed property	1,942	-	-	1,942
Total liabilities	<u>11,857</u>	<u>-</u>	<u>-</u>	<u>11,857</u>
<b>Deferred Inflows:</b>				
Total deferred inflows of resources	-	-	2,731	2,731
Total liabilities and deferred inflows of resources	<u>11,857</u>	<u>-</u>	<u>2,731</u>	<u>14,588</u>
<b>Fund Balances:</b>				
Restricted	-	-	908,487	908,487
Assigned	311,858	2,094,706	-	2,406,564
Total fund balances	<u>311,858</u>	<u>2,094,706</u>	<u>908,487</u>	<u>3,315,051</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 323,715</u>	<u>\$ 2,094,706</u>	<u>\$ 911,218</u>	<u>\$ 3,329,639</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem property taxes	\$ -	\$ -	\$ 755,321	\$ 755,321
Charges for services	-	73,759	-	73,759
Fines and forfeits	18,830	-	-	18,830
Interest and investment earnings	589	1,674	153	2,416
Contributions and donations	313,018	-	-	313,018
Total revenues	<u>332,437</u>	<u>75,433</u>	<u>755,474</u>	<u>1,163,344</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	400	4,773	5,173
Public safety	117,040	-	-	117,040
Health and sanitation	-	400	-	400
Capital outlay	167,547	220,000	-	387,547
Debt service:				
Principal	-	-	365,000	365,000
Interest	-	-	115,151	115,151
Total expenditures	<u>284,587</u>	<u>220,800</u>	<u>484,924</u>	<u>990,311</u>
Excess (deficiency) of revenues over expenditures	<u>47,850</u>	<u>(145,367)</u>	<u>270,550</u>	<u>173,033</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	(1,682,419)	(1,682,419)
Proceeds from sale of bonds	-	-	1,652,146	1,652,146
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(30,273)</u>	<u>(30,273)</u>
Net change in fund balance	47,850	(145,367)	240,277	142,760
Fund balances – beginning	264,008	2,240,073	668,210	3,172,291
Fund balances – ending	<u>\$ 311,858</u>	<u>\$ 2,094,706</u>	<u>\$ 908,487</u>	<u>\$ 3,315,051</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	<u>Safety Town</u>	<u>Federal Drug</u>	<u>Westmoreland Fire Protection</u>	<u>Jean Dean Public Safety</u>	<u>Total Nonmajor Special Revenue Fund</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
<b>Assets Current:</b>					
Cash and cash equivalents	\$ 86,152	\$ 153,780	\$ 55,977	\$ 25,811	\$ 321,720
Due from:					
Other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,995</u>	<u>1,995</u>
Total assets	<u>86,152</u>	<u>153,780</u>	<u>55,977</u>	<u>27,806</u>	<u>323,715</u>
<b>Deferred Outflows:</b>					
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 86,152</u>	<u>\$ 153,780</u>	<u>\$ 55,977</u>	<u>\$ 27,806</u>	<u>\$ 323,715</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,780	\$ 2,581	\$ -	\$ -	\$ 4,361
Due to:					
Other funds	5,554	-	-	-	5,554
Unclaimed property	<u>-</u>	<u>1,942</u>	<u>-</u>	<u>-</u>	<u>1,942</u>
Total liabilities	<u>7,334</u>	<u>4,523</u>	<u>-</u>	<u>-</u>	<u>11,857</u>
<b>Deferred Inflows:</b>					
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>7,334</u>	<u>4,523</u>	<u>-</u>	<u>-</u>	<u>11,857</u>
<b>Fund balances:</b>					
Assigned	78,818	149,257	55,977	27,806	311,858
Total fund balances	<u>78,818</u>	<u>149,257</u>	<u>55,977</u>	<u>27,806</u>	<u>311,858</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 86,152</u>	<u>\$ 153,780</u>	<u>\$ 55,977</u>	<u>\$ 27,806</u>	<u>\$ 323,715</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Safety Town</u>	<u>Federal Drug</u>	<u>Westmoreland Fire Protection</u>	<u>Jean Dean Public Safety</u>	<u>Total Nonmajor Special Revenue Fund</u>
<b>REVENUES</b>					
Fines and forfeits	\$ -	\$ -	\$ -	\$ 18,830	\$ 18,830
Interest and investment earnings	105	425	56	3	589
Grants and contributions	100,000	213,018	-	-	313,018
Total revenues	<u>100,105</u>	<u>213,443</u>	<u>56</u>	<u>18,833</u>	<u>332,437</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	71,023	27,643	400	17,974	117,040
Capital projects	-	167,547	-	-	167,547
Total expenditures	<u>71,023</u>	<u>195,190</u>	<u>400</u>	<u>17,974</u>	<u>284,587</u>
<b>Net change in fund balance</b>	29,082	18,253	(344)	859	47,850
Fund balances – beginning	49,736	131,004	56,321	26,947	264,008
Fund balances – ending	<u>\$ 78,818</u>	<u>\$ 149,257</u>	<u>\$ 55,977</u>	<u>\$ 27,806</u>	<u>\$ 311,858</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2021**

	<u>Capital Improvements</u>	<u>Landfill Reserve</u>	<u>Total Capital Projects Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>Assets:</b>			
Current:			
Cash and cash equivalents	\$ 483,564	\$ 125	\$ 483,689
Investments	-	1,562,386	1,562,386
Due from:			
Other funds	-	48,631	48,631
Total assets	<u>483,564</u>	<u>1,611,142</u>	<u>2,094,706</u>
<b>Deferred Outflows:</b>			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 483,564</u>	<u>\$ 1,611,142</u>	<u>\$ 2,094,706</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred Inflows:</b>			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Assigned	<u>483,564</u>	<u>1,611,142</u>	<u>2,094,706</u>
Total fund balances	<u>483,564</u>	<u>1,611,142</u>	<u>2,094,706</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 483,564</u>	<u>\$ 1,611,142</u>	<u>\$ 2,094,706</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Capital</u> <u>Improvements</u>	<u>Landfill</u> <u>Reserve</u>	<u>Total Capital</u> <u>Projects Funds</u>
<b>REVENUES</b>			
Charges for Services	\$ -	\$ 73,759	\$ 73,759
Interest and investment earnings	379	1,295	1,674
Total revenues	<u>379</u>	<u>75,054</u>	<u>75,433</u>
<b>EXPENDITURES</b>			
Current:			
General government	400	-	400
Health and sanitation	-	400	400
Capital outlay	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Total expenditures	<u>220,400</u>	<u>400</u>	<u>220,800</u>
Net change in fund balance	(220,021)	74,654	(145,367)
Fund balances – beginning	<u>703,585</u>	<u>1,536,488</u>	<u>2,240,073</u>
Fund balances – ending	<u>\$ 483,564</u>	<u>\$ 1,611,142</u>	<u>\$ 2,094,706</u>



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2021**

	Downtown Tax Increment Financing (TIF #1)	Kinetic Park Tax Increment Financing (TIF #2)	Total Debt Service Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 523,133	\$ 353,955	\$ 877,088
Taxes receivable	34,130	-	34,130
Total assets	<u>557,263</u>	<u>353,955</u>	<u>911,218</u>
<b>Deferred Outflows</b>			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 557,263</u>	<u>\$ 353,955</u>	<u>\$ 911,218</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred Inflows</b>			
Total deferred inflows of resources – property taxes	<u>2,731</u>	<u>-</u>	<u>2,731</u>
<b>FUND BALANCE</b>			
Restricted for debt service	321,875	353,955	675,830
Restricted for capital projects	232,657	-	232,657
Total fund balance	<u>554,532</u>	<u>353,955</u>	<u>908,487</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 557,263</u>	<u>\$ 353,955</u>	<u>\$ 911,218</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Downtown Tax Increment Financing (TIF #1)</u>	<u>Kinetic Park Tax Increment Financing (TIF #2)</u>	<u>Total Debt Service Funds</u>
<b>REVENUES</b>			
Taxes:			
Ad valorem property taxes	\$ 370,441	\$ 384,880	\$ 755,321
Interest and investment earnings	80	73	153
	<u>370,521</u>	<u>384,953</u>	<u>755,474</u>
Total revenues	<u>370,521</u>	<u>384,953</u>	<u>755,474</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,523	2,250	4,773
Debt service:			
Principal	169,000	196,000	365,000
Interest	38,960	76,191	115,151
	<u>210,483</u>	<u>274,441</u>	<u>484,924</u>
Total expenditures	<u>210,483</u>	<u>274,441</u>	<u>484,924</u>
Excess (deficiency) revenues over expenditures	<u>160,038</u>	<u>110,512</u>	<u>270,550</u>
Other financing sources (uses)			
Transfers out	(1,652,146)	(30,273)	(1,682,419)
Proceeds from sale of bonds	1,652,146	-	1,652,146
	<u>-</u>	<u>(30,273)</u>	<u>(30,273)</u>
Total other financing sources (uses)	<u>-</u>	<u>(30,273)</u>	<u>(30,273)</u>
Net change in fund balance	160,038	80,239	240,277
Fund balance – beginning	<u>394,494</u>	<u>273,716</u>	<u>668,210</u>
Fund balance – ending	<u>\$ 554,532</u>	<u>\$ 353,955</u>	<u>\$ 908,487</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – COMPONENT UNITS**  
**JUNE 30, 2021**

	Business-type Activities –		
	Municipal Development Authority	Enterprise Funds Municipal Parking Board	Huntington Water Quality Board
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ 732,095	\$ 293,087	\$ 7,792,939
Receivables:			
Accounts	7,500	52,293	1,299,537
Other	-	-	51,737
Inventory, at cost	-	-	15,002
Prepaid expenses	162,733	2,541	53,310
Due from other funds	-	-	425,912
Due from other governments	-	-	2,718
Due from primary government	12,329	-	-
Total current assets	<u>914,657</u>	<u>347,921</u>	<u>9,641,155</u>
Noncurrent assets:			
Regular account	-	-	662,585
Reserve account	1,746,812	-	4,511,224
Customer Deposits	-	-	684,922
Total restricted assets	<u>1,746,812</u>	<u>-</u>	<u>5,858,731</u>
Capital assets:			
Nondepreciable:			
Land	6,715,056	942,877	298,055
Construction in process	2,313,094	-	2,961,959
Depreciable:			
Buildings	15,528,219	4,775,401	84,889,738
Structures and improvements	1,997,189	490,173	14,335,288
Vehicles	-	-	3,071,570
Machinery and equipment	2,051,351	794,034	3,177,246
Furniture and fixtures	2,664,520	-	-
Less: accumulated depreciation	<u>(16,211,991)</u>	<u>(5,475,293)</u>	<u>(69,095,302)</u>
Total capital assets (net of accumulated depreciation)	<u>15,057,438</u>	<u>1,527,192</u>	<u>39,638,554</u>
Total noncurrent assets	<u>16,804,250</u>	<u>1,527,192</u>	<u>45,497,285</u>
Total assets	<u>17,718,907</u>	<u>1,875,113</u>	<u>55,138,440</u>
<b>DEFERRED OUTFLOWS</b>			
Changes in pension contribution	781	1,673	52,368
Contributions made subsequent to measurement date	16,337	34,450	414,395
Difference between expected and actual experience	8,167	17,502	202,343
Differences between projected and actual investment earnings	17,591	37,694	435,803
Other post employment benefits	<u>1,503</u>	<u>45,100</u>	<u>1,369,601</u>
Total deferred outflows of resources	<u>44,379</u>	<u>136,419</u>	<u>2,474,510</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2021**

	Business-Type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>LIABILITIES</b>			
Current liabilities payable from current assets:			
Accounts payable	\$ -	\$ 11,329	\$ 963,700
Refunds payable	-	-	16,113
Reserve for health claims	4,941	11,940	-
Accrued payroll	9,552	21,525	65,675
Accrued revenue bond/note interest payable	171,506	-	57,437
Other accrued expenses	-	-	148,380
Due to:			
Primary government	9,287	64,547	-
Other funds	-	-	425,912
Customer deposits	-	-	603,382
Revenue bonds payable and notes payable	453,174	-	1,270,482
Total current liabilities payable from current assets	<u>648,460</u>	<u>109,341</u>	<u>3,551,081</u>
Unearned revenues:			
Charges for services	-	5,310	-
Total unearned revenues	<u>-</u>	<u>5,310</u>	<u>-</u>
Noncurrent liabilities			
Bonds and notes payable	7,850,775	-	14,332,436
Other postemployment benefits liability	11,576	347,273	360,678
Net pension liability – PERS	55,499	118,928	1,374,994
Compensated absences payable	21,431	23,884	189,552
Total noncurrent liabilities	<u>7,939,281</u>	<u>490,085</u>	<u>16,257,660</u>
Total liabilities	<u>8,587,741</u>	<u>604,736</u>	<u>19,808,741</u>
<b>DEFERRED INFLOWS</b>			
Other postemployment benefits deferred inflows	309	9,285	1,070,059
Changes in contributions	1,017	2,179	47,054
Change in investment experience	-	-	28,347
Difference in expected and actual experience	1,144	2,452	-
Difference in assumptions	2,445	5,240	60,585
Total deferred inflows of resources	<u>4,915</u>	<u>19,156</u>	<u>1,206,045</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,753,489	1,527,192	24,035,636
Restricted for economic development	1,746,812	-	-
Restricted for debt service	-	-	2,313,279
Restricted for construction	-	-	2,504,759
Restricted for insurance claims	-	-	355,771
Restricted for customer deposits	-	-	85,976
Unrestricted	670,329	(139,552)	7,302,743
Total net position	<u>\$ 9,170,630</u>	<u>\$ 1,387,640</u>	<u>\$ 36,598,164</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION – COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>Operating revenues:</b>			
Sales and services to customers	\$ 11,514	\$ 550,722	\$ 16,542,183
Fines and forfeits	-	-	278,514
Rental fees	120,000	70,413	34,370
Miscellaneous	30,054	2,862	102,161
Total revenues	<u>161,568</u>	<u>623,997</u>	<u>16,957,228</u>
<b>Operating expenses:</b>			
Personal services	258,881	548,192	5,771,500
Contractual services	200,325	25,806	978,652
Administrative and general	35,873	109,135	880,489
Rents	-	-	30,357
Taxes	-	-	471,403
Fuel and oil	-	-	126,813
Liability insurance	23,385	18,315	219,572
Materials and supplies	1,007	15,701	1,777,154
Utilities	6,729	28,612	858,901
Depreciation	256,489	32,500	1,740,166
Amortization	-	-	60,382
Maintenance	66,749	25,740	517,718
Miscellaneous	26,080	-	381,845
Total operating expenses	<u>875,518</u>	<u>804,001</u>	<u>13,814,952</u>
Operating income (loss)	<u>(713,950)</u>	<u>(180,004)</u>	<u>3,142,276</u>
<b>Non-operating revenues (expenses):</b>			
Contributions	200,000	-	-
Investment earnings	5,550	56	22,169
Interest and fiscal charges	(497,593)	-	(412,940)
Operating grants and contributions	64,754	-	182,494
Miscellaneous	-	-	(18,510)
Transfers	3,067,708	-	-
Total non-operating revenues (expenses)	<u>2,840,419</u>	<u>56</u>	<u>(226,787)</u>
Income (loss)	2,126,469	(179,948)	2,915,489
Net position at beginning of year	<u>7,044,161</u>	<u>1,567,588</u>	<u>33,682,675</u>
Net position at end of year	<u>\$ 9,170,630</u>	<u>\$ 1,387,640</u>	<u>\$ 36,598,164</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 124,014	\$ 607,417	\$ 17,497,789
Cash paid for goods and services	(526,104)	(216,404)	(11,606,559)
Cash paid to employees	(233,705)	(542,330)	-
Other cash receipts	30,054	2,862	-
Other cash payments	(10,717)	(4,249)	-
Net cash (used) provided by operating activities	<u>(616,458)</u>	<u>(152,704)</u>	<u>5,891,230</u>
<b>Cash flows from noncapital financing activities:</b>			
Grants and contributions	264,754	-	-
Transfers	3,067,708	-	-
Net cash provided by noncapital financing activities	<u>3,332,462</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from capital debt	-	-	3,191,395
Purchases of capital assets	(2,181,685)	(11,010)	(171,292)
Acquisition and construction of capital assets	-	-	(3,994,701)
Principal paid on capital debt	(428,173)	-	(1,296,218)
Interest paid on capital debt	(427,577)	-	(412,940)
Net cash provided by capital and related financing activities	<u>(3,037,435)</u>	<u>(11,010)</u>	<u>(2,683,756)</u>
<b>Cash flows from investing activities:</b>			
Operating grant	-	-	182,494
Miscellaneous	-	-	(18,510)
Interest received	5,550	56	22,169
Net cash provided by investing activities	<u>5,550</u>	<u>56</u>	<u>186,153</u>
Net increase (decrease) in cash and cash equivalents	(315,881)	(163,658)	3,393,627
Cash and cash equivalents, July 1, 2020 (including \$7,130,834 in restricted accounts)	<u>2,794,788</u>	<u>456,745</u>	<u>10,258,043</u>
Cash and cash equivalents, June 30, 2021 (including \$7,605,543 in restricted accounts)	<u>\$ 2,478,907</u>	<u>\$ 293,087</u>	<u>\$ 13,651,670</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – COMPONENT UNITS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating (loss) income	\$ (713,950)	\$ (180,004)	\$ 3,142,276
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	256,489	32,500	1,740,166
Amortization expense	-	-	60,382
Decrease (increase) in accounts receivable	(7,500)	(12,673)	540,561
Decrease (increase) in inventory	-	-	7,281
Decrease (increase) due from other funds	-	-	125,979
Decrease (increase) due from primary government	-	-	33,324
Decrease (increase) in prepaid expense	19,044	(1,668)	(42,491)
Decrease (increase) in customer deposits	-	-	71,338
Decrease (increase) in deferred outflows	(25,594)	(96,415)	(1,443,585)
Increase (decrease) in other postemployment benefits	1,007	51,344	(112,764)
Increase (decrease) in accounts payable	(185,000)	8,573	430,452
Increase (decrease) in refunds payable	-	-	668
Increase (decrease) in accrued payroll	3,793	8,871	(25,858)
Increase (decrease) in other accrued expenses	-	-	15,046
Increase (decrease) in accrued interest payable	-	-	29,591
Increase (decrease) in due to primary government	(10,717)	(4,249)	(14,000)
Increase (decrease) in due to other funds	-	-	(125,979)
Increase (decrease) in compensated absences	9,736	(4,120)	27,206
Increase (decrease) in unearned revenue	-	(1,045)	-
Increase (decrease) in health care claims payable	(436)	516	-
Increase (decrease) in net pension liability	42,013	71,329	824,299
Increase (decrease) in deferred inflows	(5,343)	(25,663)	607,338
Net cash (used) provided by operations	\$ <u>(616,458)</u>	\$ <u>(152,704)</u>	\$ <u>5,891,230</u>

**ACCOMPANYING INFORMATION**



**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing #	Pass-Through Entity Identity Number	Expenditures	Passed Through to Subrecipients
<b>Primary Government</b>				
<b>U.S. Department of Housing and Urban Development</b>				
<i>Direct Programs:</i>				
Community Development Block Grants– Entitlement Grants Cluster:				
Community Development Block Grant	14.218	N/A	1,189,520	107,708
COVID-19 Community Development Block Grant-CV	14.218	N/A	351,979	40,000
Cluster Total			<u>1,541,499</u>	<u>147,708</u>
Emergency Solutions Grant Program	14.231	N/A	51,586	51,586
COVID-19 Emergency Solutions Grant Program-CV	14.231	N/A	338,455	338,455
Total Emergency Solutions Grant Program			<u>390,041</u>	<u>390,041</u>
Home Investment Partnerships Program	14.239	N/A	417,465	312,483
<b>Total U.S. Department of Housing and Urban Development</b>			<u>2,349,005</u>	<u>850,232</u>
<b>U.S. Environmental Protection Agency</b>				
<i>Direct Programs:</i>				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.818	N/A	274,114	-
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	64,754	64,754
<b>Total U.S. Environmental Protection Agency</b>			<u>338,868</u>	<u>64,754</u>
<b>U.S. Department of Justice – Bureau of Justice Assistance</b>				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant Program–2017	16.738	N/A	1,725	-
Edward Byrne Memorial Justice Assistance Grant Program–2018	16.738	N/A	19,328	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>21,053</u>	<u>-</u>
Second Chance Act Reentry Initiative	16.812	N/A	118,191	106,106
City of Huntington Comprehensive Opioid Abuse Site-based Program	16.838	N/A	77,424	44,332
COVID-19 BJA FY 20 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	143,980	-
Pass-Through WV Division of Administrative Services				
Project Safe Neighborhoods Grant–2018	16.609	18-PSN-001	21,382	-
Project Safe Neighborhoods Grant–2019	16.609	19-PSN-001	46,268	-
Total Project Safe Neighborhoods Grant			<u>67,650</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<u>428,298</u>	<u>150,438</u>
<b>U. S. Department of Homeland Security</b>				
<i>Direct Programs:</i>				
Staffing For Adequate Fire and Emergency Response Grant	97.083	N/A	111,681	-
Assistance to Firefighters Grant Program	97.044	N/A	40,248	-
Pass-Through WV Department of Military Affairs				
Homeland Security Program FY18–Fire	97.067	18-SHS-54	15,226	-
Hazard Mitigation Grant-Stormwater Utility	97.039	FEMA-4273-DR-WV-0037	17,932	17,932
<b>Total U. S. Department of Homeland Security</b>			<u>185,087</u>	<u>17,932</u>
<b>U. S. Department of Treasury</b>				
Pass-Through State of West Virginia				
COVID-19 Coronavirus Relief Fund (CVRF)–Primary Government	21.019	Multiple	11,870,325	-
COVID-19 Coronavirus Relief Fund (CVRF)–Arena	21.019	CVRF-2020	500,000	-
COVID-19 Coronavirus Relief Fund (CVRF)–Sanitation Fund	21.019	CVRF-2020/10-8648	583,228	-
Pass-Through Workforce West Virginia				
COVID-19 Coronavirus Relief Fund (CVRF)	21.019	N/A	5,268	-
<b>Total U. S. Department of Treasury</b>			<u>12,958,821</u>	<u>-</u>

SEE NOTES TO THIS SCHEDULE

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing #	Pass-Through Entity Identity Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services</b>				
<i>Direct Programs:</i>				
Integrated Community Program to Address Opioid Crisis	93.137	N/A	230,773	161,025
<b>Total U.S. Department of Health and Human Services</b>			<u>230,773</u>	<u>161,025</u>
<b>U.S. Department of Interior-National Park Services</b>				
Pass-Through WV Development Office				
Outdoor Recreation, Acquisition, Development and Planning Grant	15.916	P20AP00479	500,000	-
<b>Total U.S. Department of Interior</b>			<u>500,000</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
Pass-Through WV Department of Transportation				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F20-HS-02-402	57,936	14,971
State and Community Highway Safety	20.600	F21-HS-02-402	93,270	32,532
Total State and Community Highway Safety			<u>151,206</u>	<u>47,503</u>
Occupant Protection Grant	20.616	F20-HS-02-405b	28,763	14,198
Traffic Records Grant Program	20.616	F20-HS-02-405c	14,611	-
Impaired Driving Grant Program	20.616	F20-HS-02-405d	46,554	4,664
Occupant Protection Grant Program	20.616	F21-HS-02-405b	26,718	14,109
Traffic Records Grant Program	20.616	F21-HS-02-405c	57,664	-
Impaired Driving Grant Program	20.616	F21-HS-02-405d	80,564	10,971
Total National Priority Safety Programs			<u>254,874</u>	<u>43,942</u>
Cluster Total			<u>406,080</u>	<u>91,445</u>
Highway Planning and Construction Cluster:				
DOH Distracted Driving Grant Program	20.205	F20-HS-10-DOHDD	3,892	2,255
DOH Working Zone Grant Program	20.205	F21-HS-02-DOHWZ	4,255	4,255
Cluster Total			<u>8,147</u>	<u>6,510</u>
<b>Total U.S. Department of Transportation</b>			<u>414,227</u>	<u>97,955</u>
<b>U.S. Office of National Drug Control Policy</b>				
Pass-Through Financial Commission for Appalachia				
High Intensity Drug Trafficking Area Programs	95.001	G20-AP-0001A	30,680	-
High Intensity Drug Trafficking Area Programs	95.001	G21-AP-0001A	40,724	-
<b>Total U.S. Office of National Drug Control Policy</b>			<u>71,404</u>	<u>-</u>
<b>Total Federal Assistance</b>			<u>\$ 17,476,483</u>	<u>\$ 1,342,336</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 – LOANS OUTSTANDING**

The loan programs listed below are administered directly by the City of Huntington and balances and transactions relating to these programs are included in the City of Huntington's Community Development Block Grant (CDBG) Fund financial statements. Loans made during the year are included in the federal expenditures presented in the Schedule of Federal Awards. The balances of loans outstanding, net of estimated allowances for uncollectible amounts at June 30, 2021, consist of:

Program Title	Assistance Listing Number	Amount Outstanding
Community Development Block Grants/Entitlement Grant	14.218	\$ 3,775,761
Home Investment Partnerships Program	14.239	2,239,345

**NOTE 3 – MATCHING REQUIREMENTS**

Certain federal programs require the City to contribute Federal (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE 4 – FEDERAL SUBSIDIES**

Federal interest rate subsidies related to the City's Build America Bonds totaling \$157,232 are included in revenues in the General Fund, but are not subject to the Single Audit Act nor reportable on the Schedule of Expenditures of Federal Awards.

**NOTE 5 – PASS-THROUGH ENTITY IDENTIFYING NUMBERS**

The following program had multiple pass-through identifying numbers.

<u>Program Title</u>	<u>Assistance Listing</u>	<u>Pass-Through Entity Identifying Numbers</u>
Coronavirus Relief Fund (CVRF)	21.019	CVRF 2020/08-3652 CVRF 2020/09-7598 CVRF 2020/11-9208 CVRF 2020/11-9207 CVRF 2020/12-9426 CVRF 2020/11-9285 CVRF 2020/12-9617

**NOTE 6 – INDIRECT COST RATE**

In those instances where indirect costs are allowable, the City has elected to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Name of State Grant</u>	<u>Grant #</u>	<u>State Agency</u>	<u>D- Direct P- Pass-Through</u>	<u>Grant provided to a sub-recipient</u>	<u>Award Amount</u>	<u>Under (Over) Expended Beginning of Year</u>	<u>Total Current Year State Award Revenues</u>	<u>Total Current Year State Award Expenditures</u>	<u>Under (Over) Expended End of Year</u>
Affordable Housing Fund Program- Permanent Gap Homeownership Loan	N/A	West Virginia Housing Development Fund	Direct	N/A	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ -</u>
Affordable Housing Fund Program- Housing Counseling Loan	N/A	West Virginia Housing Development Fund	Direct	N/A	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total					<u>\$ 115,000</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ -</u>

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

April 27, 2022, except as to Note III. L., which is as of October 25, 2022

City of Huntington  
800 Fifth Avenue  
Huntington, WV 25717

To the Members of Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component units, and the aggregate remaining fund information of the **City of Huntington**, West Virginia (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated April 27, 2022, except as to Note III. L., which is as of October 25, 2022, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City’s internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City’s financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
*Marietta, Ohio*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

April 27, 2022, except as to Note III. L., which is as of October 25, 2022

City of Huntington  
800 Fifth Avenue  
Huntington, WV 25717

To the Members of Council:

***Report on Compliance for the Major Federal Program***

We have audited the **City of Huntington**, West Virginia (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the City's major federal program.

***Management's Responsibility***

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

***Opinion on the Major Federal Programs***

In our opinion, the City complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2021.

***Report on Internal Control Over Compliance***

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**City of Huntington, West Virginia**  
 Schedule of Audit Findings  
 2 CFR § 200.515  
 For the Year Ended June 30, 2021

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Coronavirus Relief Fund (Assistance Listing #21.019)
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.