



Certified Public Accountants, A.C.

**MUNICIPALITY OF HUNTINGTON  
WEST VIRGINIA**

- A Class II Municipality -

**Single Audit**

**For the Year Ended June 30, 2019**

RFP #18-044

Cabell County

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

**CITY OF HUNTINGTON, WEST VIRGINIA  
MUNICIPAL OFFICIALS  
JUNE 30, 2019**

<u>Office</u>	<u>Name</u>	<u>Term</u>
Mayor:	Steve Williams	01/01/17-12/31/20
Council Members:	Mark Bates	01/01/17-12/31/20
	Alex Vence	01/01/17-12/31/20
	Joyce Clark	01/01/17-12/31/20
	Charles McComas	01/01/17-12/31/20
	Jennifer Wheeler	01/01/17-12/31/20
	Tonia Kay Paige	01/01/17-12/31/20
	Mike Shockley	01/01/17-12/31/20
	Tom McGuffin	01/01/17-12/31/20
	Tina Brooks	01/01/17-12/31/20
	Rebecca Howe	01/01/17-12/31/20
	Carol Polan	01/01/17-12/31/20

**Appointive**

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF FUNDS  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENTAL FUND TYPES**

**Major Governmental Funds**

*General Fund  
Coal Severance Tax  
Community Development Block Grant  
Urban Renewal*

**Nonmajor Governmental Funds**

*Special Revenue Funds*

Capital Improvements  
Safety Town  
Federal Drug  
Westmoreland Fire Protection  
Jean Dean Public Safety

*Capital Projects Fund*

Landfill Reserve

*Debt Service Fund*

Tax Increment Financing

**PROPRIETARY FUND TYPES**

**Major Proprietary Funds**

Sanitation and Trash

Civic Arena

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF FUNDS  
YEAR ENDED JUNE 30, 2019**

**FIDUCIARY FUND TYPES**

*Pension Funds*

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

*Agency Funds*

Police Retirees' Insurance  
Fire Retirees' Insurance  
Asset Seizure

**COMPONENT UNITS**

*Discretely Presented*

Municipal Development Authority  
Municipal Parking Board  
Huntington Water Quality Board

**CITY OF HUNTINGTON, WEST VIRGINIA  
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313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

## INDEPENDENT AUDITOR'S REPORT

March 13, 2020

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 **Municipality of Huntington**, West Virginia (the City), as of and for the year ended June 30, 2019, 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 did not audit the financial statements of the Huntington Water Quality Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Huntington Water Quality Board, is based solely on the report of the other auditors. 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 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.

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**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 Municipality of Huntington, West Virginia, as of June 30, 2019, 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.

**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 89 - 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 agency funds, the discretely presented component unit fund financial statements for the Municipal Development Authority and the Municipal Parking Board and the introductory sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City.

This information is management's responsibility and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules 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, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2020, 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, 2019**

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, 2019. 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 \$(233,007,065) (net position deficit) at the close of fiscal 2019. For fiscal year 2019, net position increased by \$2,769,672 and \$34,731 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 \$21,515,496, an increase of \$3,546,127 over the prior year. As of the close of the current fiscal year, business-type activities reported combined net position deficit of \$(264,419), an increase of \$34,731 over 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 2019, net position increased by \$2,769,672 and \$34,731 in the governmental activities and the business-type activities, respectively. Total primary government revenues were \$64,523,439 with total expenses of \$61,719,036.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

Fiduciary funds

Fiduciary funds such as employee pension plans and agency 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 Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the City of Huntington holds for others in an agency 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, 2019 is \$(233,007,065), an increase of \$2,804,403 compared to June 30, 2018 net position. Net position increased by \$2,769,672 for governmental activities and \$34,731 for business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The following summarizes the statement of net position at June 30, 2019, in comparison with June 30, 2018:

**Summary of Net Position**

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Totals</b>		<b>Amount of Change</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	
<b>Assets</b>							
Current Assets	\$ 25,405,470	\$ 24,784,313	\$ 2,748,163	\$ 2,356,957	\$ 28,153,633	\$ 27,141,270	\$ 1,012,363
Capital assets, net	10,073,840	8,530,714	752,541	806,563	10,826,381	9,337,277	1,489,104
Other non-current assets	761,363	750,274	-	-	761,363	750,274	11,089
<b>Total assets</b>	<u>36,240,673</u>	<u>34,065,301</u>	<u>3,500,704</u>	<u>3,163,520</u>	<u>39,741,377</u>	<u>37,228,821</u>	<u>2,512,556</u>
<b>Deferred outflows of resources</b>	<u>11,952,999</u>	<u>1,791,706</u>	<u>352,802</u>	<u>199,933</u>	<u>12,305,801</u>	<u>1,991,639</u>	<u>10,314,162</u>
<b>Liabilities</b>							
Current liabilities	3,791,983	6,408,055	1,382,986	1,113,102	5,174,969	7,521,157	(2,346,188)
Non-current liabilities	271,845,907	255,499,484	2,535,851	2,350,546	274,381,758	257,850,030	16,531,728
<b>Total liabilities</b>	<u>275,637,890</u>	<u>261,907,539</u>	<u>3,918,837</u>	<u>3,463,648</u>	<u>279,556,727</u>	<u>265,371,187</u>	<u>14,185,540</u>
<b>Deferred inflows of resources</b>	<u>5,298,428</u>	<u>9,461,786</u>	<u>199,088</u>	<u>198,955</u>	<u>5,497,516</u>	<u>9,660,741</u>	<u>(4,163,225)</u>
<b>Net position</b>							
Net investment in capital assets	7,649,445	6,431,280	752,541	794,697	8,401,986	7,225,977	1,176,009
Restricted	7,001,231	7,522,617	-	-	7,001,231	7,522,617	(521,386)
Unrestricted (deficit)	(247,393,322)	(249,466,215)	(1,016,960)	(1,093,847)	(248,410,282)	(250,560,062)	2,149,780
<b>Total net position</b>	<u>\$ (232,742,646)</u>	<u>\$ (235,512,318)</u>	<u>\$ (264,419)</u>	<u>\$ (299,150)</u>	<u>\$ (233,007,065)</u>	<u>\$ (235,811,468)</u>	<u>\$ 2,804,403</u>

Total assets increased 6.7% or \$2,512,556 during the year. Current assets in governmental activities increased \$621,157 and \$391,206 in business-type activities primarily related to changes in bank account balances.

Total liabilities increased 5.3% or \$14,185,540 during the year. Current liabilities in governmental activities decreased \$2,616,072 and increased \$269,884 in business-type activities primarily due to payment of accrued pension liabilities.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The following summarizes the statement of activities for the year ended June 30, 2019, in comparison with the year ended June 30, 2018:

**Summary of Changes in Net Position**

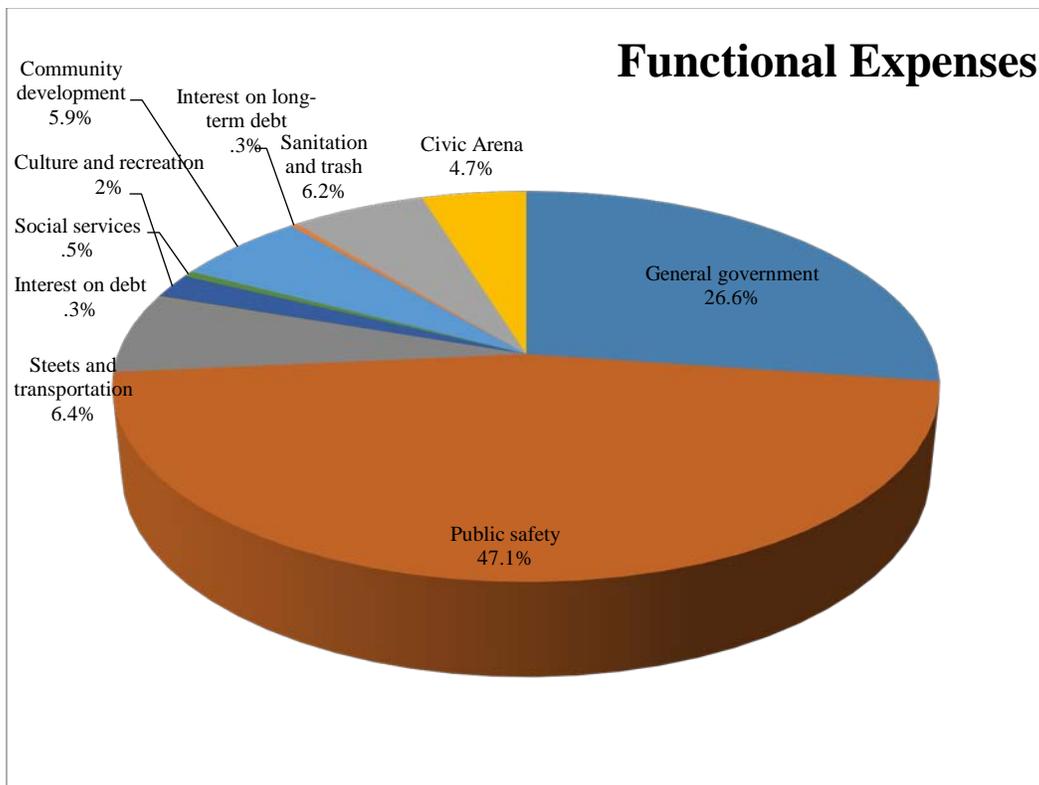
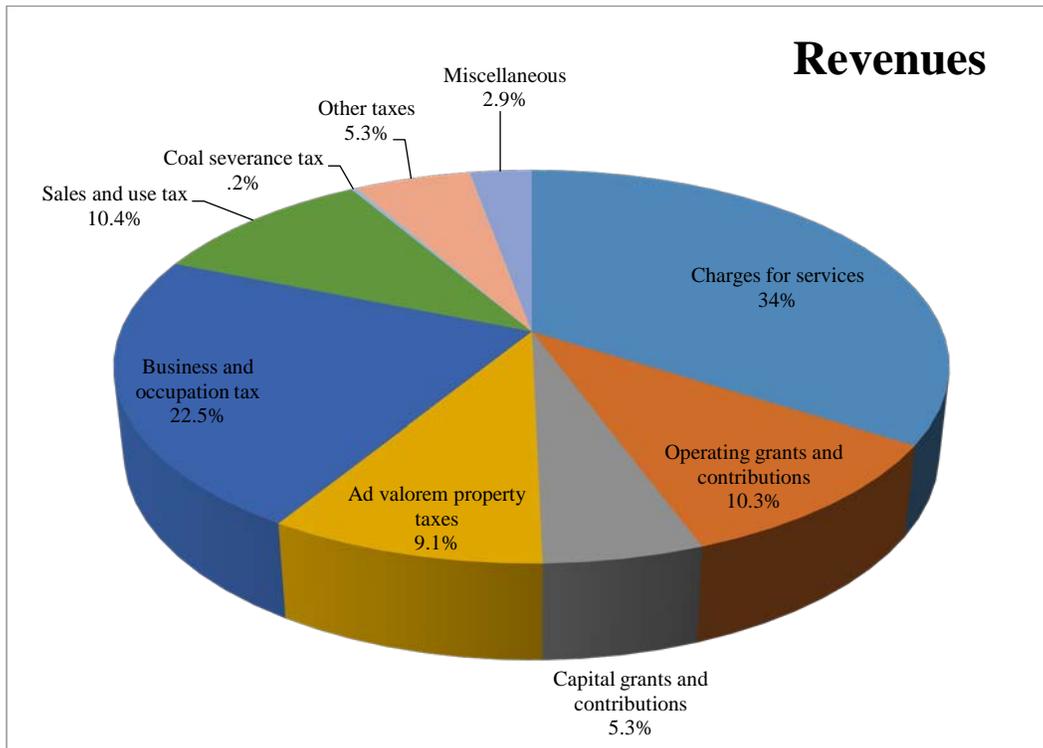
	Governmental Activities		Business Activities		Totals		Amount of Change
	2019	2018	2019	2018	2019	2018	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 16,853,816	\$ 16,306,842	\$ 5,496,053	\$ 4,864,508	\$ 22,349,869	\$ 21,171,350	\$ 1,178,519
Operating grants and contributions	6,658,500	5,861,230	129,857	103,821	6,788,357	5,965,051	823,306
Capital grants and contributions	3,449,152	811,998	-	-	3,449,152	811,998	2,637,154
General revenues:							
Ad valorem property taxes	5,957,829	5,903,901	-	-	5,957,829	5,903,901	53,928
Business and Occupaion tax	14,724,947	13,441,035	-	-	14,724,947	13,441,035	1,283,912
Alcoholic beverages tax	458,047	436,484	-	-	458,047	436,484	21,563
Utility services tax	2,145,561	2,059,699	-	-	2,145,561	2,059,699	85,862
Hotel occupancy tax	778,117	809,657	-	-	778,117	809,657	(31,540)
Animal tax	2,354	2,044	-	-	2,354	2,044	310
Gas and oil severance tax	103,215	64,478	-	-	103,215	64,478	38,737
Amusement tax	15,300	14,331	-	-	15,300	14,331	969
Sales and use tax	6,801,508	6,650,242	-	-	6,801,508	6,650,242	151,266
Coal severance tax	152,320	131,716	-	-	152,320	131,716	20,604
Unrestricted investment earnings	21,246	15,229	600	507	21,846	15,736	6,110
Gain on sale of capital assets	(15,693)	29,581	-	-	(15,693)	29,581	(45,274)
Miscellaneous	1,159,159	787,900	720,155	692,272	1,879,314	1,480,172	399,142
<b>Total revenues</b>	<b>59,265,378</b>	<b>53,326,367</b>	<b>6,346,665</b>	<b>5,661,108</b>	<b>65,612,043</b>	<b>58,987,475</b>	<b>6,624,568</b>
<b>Expenses</b>							
General government	16,481,812	14,214,156	-	-	16,481,812	14,214,156	2,267,656
Public safety	29,117,517	33,347,851	-	-	29,117,517	33,347,851	(4,230,334)
Streets and transportation	4,024,527	3,656,296	-	-	4,024,527	3,656,296	368,231
Health and sanitation	26,560	26,560	-	-	26,560	26,560	-
Culture and recreation	1,248,611	1,123,679	-	-	1,248,611	1,123,679	124,932
Social services	285,141	233,809	-	-	285,141	233,809	51,332
Community development	3,635,890	1,755,340	-	-	3,635,890	1,755,340	1,880,550
Interest on long-term debt	186,212	196,948	-	-	186,212	196,948	(10,736)
Sanitation and trash	-	-	3,812,544	3,465,862	3,812,544	3,465,862	346,682
Civic Arena	-	-	2,900,222	2,429,091	2,900,222	2,429,091	471,131
<b>Total expenses</b>	<b>55,006,270</b>	<b>54,554,639</b>	<b>6,712,766</b>	<b>5,894,953</b>	<b>61,719,036</b>	<b>60,449,592</b>	<b>1,269,444</b>
<b>Increase in net position before transfers</b>	<b>4,259,108</b>	<b>(1,228,272)</b>	<b>(366,101)</b>	<b>(233,845)</b>	<b>3,893,007</b>	<b>(1,462,117)</b>	<b>5,355,124</b>
<b>Transfers</b>	<b>(1,489,436)</b>	<b>(1,444,740)</b>	<b>400,832</b>	<b>598,561</b>	<b>(1,088,604)</b>	<b>(846,179)</b>	<b>(242,425)</b>
<b>Change in net position</b>	<b>2,769,672</b>	<b>(2,673,012)</b>	<b>34,731</b>	<b>364,716</b>	<b>2,804,403</b>	<b>(2,308,296)</b>	<b>5,112,699</b>
<b>Net position- beginning</b>	<b>(235,512,318)</b>	<b>(232,839,306)</b>	<b>(299,150)</b>	<b>(663,866)</b>	<b>(235,811,468)</b>	<b>(233,503,172)</b>	<b>(2,308,296)</b>
<b>Net position- ending</b>	<b>\$ (232,742,646)</b>	<b>\$ (235,512,318)</b>	<b>\$ (264,419)</b>	<b>\$ (299,150)</b>	<b>\$ (233,007,065)</b>	<b>\$ (235,811,468)</b>	<b>\$ 2,804,403</b>

Total revenues increased by \$6,624,568 in comparison to prior year.

Overall expenses and transfers out increased by \$1,027,019 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 2019.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 \$11,292,485, an increase of \$2,946,798 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 \$34,945 to \$32,269 during fiscal year 2019.

*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 \$491,852 during the year.

*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 HURA Land Bank. The HURA fund balance decreased by \$71,004 during the year.

The City's governmental funds reported a combined ending fund balance of \$21,515,496 this year. This compares to the prior year combined ending fund balance of \$17,969,369 for an increase of \$3,546,127. Total unassigned governmental fund balance is \$8,580,945 for fiscal year 2019.

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 \$182,360 during the year.

*Civic Arena Fund*

The Civic Arena fund accounts for operating activities of the Civic Arena. Net position in the Civic Arena fund increased \$217,091 during the year. The increase is primarily due to an increase in events held at the Arena.

In addition to the primary government, the City reports three 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, 2019**

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 \$1.5 million or 2.6% of the total 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.

	Governmental Activities		Business Activities		Total Primary Government		Amount of Change
	2019	2018	2019	2018	2019	2018	
<b>Non-Depreciable Assets</b>							
Land	\$ 941,939	\$ 941,939	\$ -	\$ -	\$ 941,939	\$ 941,939	\$ -
Construction in progress	1,161,601	-	-	-	1,161,601	-	1,161,601
<b>Total non-depreciable assets</b>	<b>2,103,540</b>	<b>941,939</b>	<b>-</b>	<b>-</b>	<b>2,103,540</b>	<b>941,939</b>	<b>1,161,601</b>
<b>Depreciable assets</b>							
Structures and improvements	9,726,291	9,761,702	75,140	75,140	9,801,431	9,836,842	(35,411)
Infrastructure	17,575,152	17,152,897	-	-	17,575,152	17,152,897	422,255
Vehicles	9,471,737	9,222,706	2,086,123	2,040,802	11,557,860	11,263,508	294,352
Machinery and equipment	5,401,155	4,175,317	277,430	277,430	5,678,585	4,452,747	1,225,838
Less: accumulated depreciation	(34,204,035)	(32,723,847)	(1,686,152)	(1,586,809)	(35,890,187)	(34,310,656)	(1,579,531)
<b>Total depreciable assets</b>	<b>7,970,300</b>	<b>7,588,775</b>	<b>752,541</b>	<b>806,563</b>	<b>8,722,841</b>	<b>8,395,338</b>	<b>327,503</b>
<b>Total</b>	<b>\$ 10,073,840</b>	<b>\$ 8,530,714</b>	<b>\$ 752,541</b>	<b>\$ 806,563</b>	<b>\$ 10,826,381</b>	<b>\$ 9,337,277</b>	<b>\$ 1,489,104</b>

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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
	2019	2018	2019	2018	2019	2018	
Tax increment financing	\$ 528,957	\$ 588,957	\$ -	\$ -	\$ 528,957	\$ 588,957	\$ (60,000)
Capital leases	2,398,773	1,510,477	-	11,866	2,398,773	1,522,343	876,430
Other post-employment benefits	93,951,844	79,370,898	2,245,747	1,845,758	96,197,591	81,216,656	14,980,935
Net pension liability – PERS	667,487	1,207,205	197,221	356,690	864,708	1,563,895	(699,187)
Net pension liability – DBP	150,830,268	149,433,026	-	-	150,830,268	149,433,026	1,397,242
Compensated absences	1,401,669	1,339,831	92,883	136,232	1,494,552	1,476,063	18,489
Accrued interest payable	49,909	32,090	-	-	49,909	32,090	17,819
Landfill closure and post-closure costs	22,017,000	22,017,000	-	-	22,017,000	22,017,000	-
<b>Total</b>	<b>\$ 271,845,907</b>	<b>\$ 255,499,484</b>	<b>\$ 2,535,851</b>	<b>\$ 2,350,546</b>	<b>\$ 274,381,758</b>	<b>\$ 257,850,030</b>	<b>\$ 16,531,728</b>

**Economic factors**

The Governing Council and Administration consider many factors each year while preparing the City's operating budget. The budget for the 2020 fiscal year reflects a balanced budget. Approved budgets for the 2020 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, 2019**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Municipal Development Authority	Municipal Parking Board	Water Quality Board
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 7,070,736	\$ 2,719,694	\$ 9,790,430	\$ 2,308,062	\$ 492,911	\$ 4,089,063
Investments	1,791,070	-	1,791,070	-	-	-
Receivables:						
Accounts	2,138,521	193,236	2,331,757	-	23,775	1,599,574
Taxes	6,415,273	-	6,415,273	-	-	-
Loans	6,239,868	-	6,239,868	-	-	-
Other	-	-	-	628	-	48,212
Deposits	-	-	-	-	-	599,700
Assets held for resale	686,973	-	686,973	-	-	-
Internal balances	262,166	(262,166)	-	-	-	-
Due from:						
Primary government	-	-	-	17,500	-	18,110
Component units	43,020	-	43,020	-	-	-
Other governments / funds	387,542	-	387,542	-	-	347,283
Fiduciary funds	95,431	-	95,431	-	-	-
Inventory, at cost	-	66,898	66,898	-	-	27,102
Prepaid expenses	274,870	30,501	305,371	-	2,457	45,819
<b>Total current assets</b>	<b>25,405,470</b>	<b>2,748,163</b>	<b>28,153,633</b>	<b>2,326,190</b>	<b>519,143</b>	<b>6,774,863</b>
Noncurrent assets:						
Regular account	-	-	-	900,237	-	641,342
Reserve account	-	-	-	-	-	2,298,603
Capital assets:						
Nondepreciable:						
Land	941,939	-	941,939	3,005,151	942,877	298,055
CIP	1,161,601	-	1,161,601	210,722	-	627,971
Depreciable:						
Buildings	-	-	-	14,318,712	4,775,401	82,426,934
Structures and improvements	9,726,291	75,140	9,801,431	1,997,189	490,173	13,892,178
System Infrastructure	17,575,152	-	17,575,152	-	-	-
Vehicles	9,471,737	2,086,123	11,557,860	-	-	1,850,103
Machinery and equipment	5,401,155	277,430	5,678,585	200,000	764,198	2,607,255
Furniture and fixtures	-	-	-	2,661,074	-	-
Less: accumulated depreciation	(34,204,035)	(1,686,152)	(35,890,187)	(15,666,993)	(5,410,514)	(65,865,952)
Other debits:						
Net pension asset (MPFRS)	761,363	-	761,363	-	-	-
<b>Total noncurrent assets</b>	<b>10,835,203</b>	<b>752,541</b>	<b>11,587,744</b>	<b>7,626,092</b>	<b>1,562,135</b>	<b>38,776,489</b>
<b>Total assets</b>	<b>36,240,673</b>	<b>3,500,704</b>	<b>39,741,377</b>	<b>9,952,282</b>	<b>2,081,278</b>	<b>45,551,352</b>
<b>DEFERRED OUTFLOWS</b>						
Public Employees Retirement System (PERS):						
Contributions made after measurement date	397,297	117,439	514,736	34,107	7,072	382,222
Changes in contributions	54,264	16,033	70,297	1,443	4,175	112,439
Difference between expected and actual experience	33,112	9,784	42,896	881	2,547	34,678
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	267,523	-	267,523	-	-	-
Changes in contributions	274,465	-	274,465	-	-	-
Difference between expected and actual experience	90,177	-	90,177	-	-	-
<b>Subtotal deferred outflows of resources</b>	<b>1,116,838</b>	<b>143,256</b>	<b>1,260,094</b>	<b>36,431</b>	<b>13,794</b>	<b>529,339</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2019**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Municipal Development Authority	Municipal Parking Board	Water Quality Board
<b>DEFERRED OUTFLOWS CONTINUED</b>						
Defined Benefit Plans (DBP):						
Changes in actual investment experience	\$ 2,084,374	\$ -	2,084,374	\$ -	\$ -	\$ -
Other postemployment benefits	8,751,787	209,546	8,961,333	8,094	-	576,047
Total deferred outflows of resources	11,952,999	352,802	12,305,801	44,525	13,794	1,105,386
<b>LIABILITIES</b>						
Current liabilities payable						
from current assets:						
Accounts payable	1,360,988	389,101	1,750,089	28,660	14,392	677,330
Payroll payable	493,967	103,270	597,237	3,069	10,514	60,365
Line of credit	649,096	-	649,096	-	-	-
Unclaimed property	84,018	-	84,018	-	-	-
Reserve for health claims	777,221	71,201	848,422	2,670	11,347	-
Customer deposits	-	-	-	-	-	487,400
Other accrued expenses	-	196	196	-	-	131,375
Due to:						
Primary government	-	-	-	7,034	35,986	3,746
Component units	4,695	-	4,695	-	-	-
Fiduciary funds	18,526	-	18,526	-	-	-
Other governments / funds	-	-	-	-	-	347,283
Unearned revenues:						
Sponsorship	-	39,948	39,948	-	-	-
Charges for services	-	43,111	43,111	-	-	-
Customer advances	-	4,450	4,450	-	-	-
Ticket sales	-	670,576	670,576	-	-	-
Other unearned revenue	403,472	61,133	464,605	-	2,230	-
Total current liabilities	3,791,983	1,382,986	5,174,969	41,433	74,469	1,707,499
Noncurrent liabilities due within one year:						
Bonds and notes payable	-	-	-	413,174	-	2,387,241
Lease payable	375,483	-	375,483	-	-	-
Tax increment financing bonds payable	35,264	-	35,264	-	-	-
Noncurrent liabilities due						
in more than one year:						
Bonds and notes payable	-	-	-	5,975,872	-	10,657,261
Lease payable	2,023,290	-	2,023,290	-	-	-
Tax increment financing bonds payable	493,693	-	493,693	-	-	-
Accrued interest payable	49,909	-	49,909	74,041	-	24,802
Other postemployment benefits liability	93,951,844	2,245,747	96,197,591	86,746	192,768	367,037
Net pension liability – PERS	667,487	197,221	864,708	17,742	51,360	699,062
Net pension liability – DBP	150,830,268	-	150,830,268	-	-	-
Compensated absences payable	1,401,669	92,883	1,494,552	519	23,281	134,725
Estimated landfill closure and post-closure liability	22,017,000	-	22,017,000	-	-	-
Total noncurrent liabilities	271,845,907	2,535,851	274,381,758	6,568,094	267,409	14,270,128
Total liabilities	\$ 275,637,890	\$ 3,918,837	\$ 279,556,727	\$ 6,609,527	\$ 341,878	\$ 15,977,627

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2019**

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Water Quality Board
<b>DEFERRED INFLOWS</b>						
Public Employees Retirement System (PERS):						
Changes in contributions	\$ 119,713	\$ 35,371	\$ 155,084	\$ 3,182	\$ 9,211	\$ 22,830
Difference between expected and actual experience	1,652	488	2,140	44	127	1,730
Difference between expected and actual investment earnings	392,787	116,056	508,843	10,440	30,223	411,367
Municipal Police and Firefighters Retirement System (MPFRS):						
Changes in contributions	3,717	-	3,717	-	-	-
Changes in investment experience	23,677	-	23,677	-	-	-
Changes in assumptions	44,883	-	44,883	-	-	-
Defined Benefit Plans (DBP):						
Difference between expected and actual experience	138,232	-	138,232	-	-	-
Difference between expected and actual investment earnings	780,590	-	780,590	-	-	-
Difference in assumptions	1,794,602	-	1,794,602	-	-	-
Other postemployment benefits	1,998,575	47,173	2,045,748	1,822	4,049	1,426,106
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>5,298,428</u>	<u>199,088</u>	<u>5,497,516</u>	<u>15,488</u>	<u>43,610</u>	<u>1,862,033</u>
<b>NET POSITION</b>						
Net investment in capital assets	7,649,445	752,541	8,401,986	336,809	1,562,135	22,792,042
Restricted for:						
Debt service	-	-	-	900,237	-	2,266,203
Community development	6,239,868	-	6,239,868	-	-	-
Net pension asset	761,363	-	761,363	-	-	-
Construction	-	-	-	-	-	283,980
Insurance claims	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	117,186
Unrestricted	<u>(247,393,322)</u>	<u>(1,016,960)</u>	<u>(248,410,282)</u>	<u>2,134,746</u>	<u>147,449</u>	<u>3,357,667</u>
Total net position	<u>\$ (232,742,646)</u>	<u>\$ (264,419)</u>	<u>\$ (233,007,065)</u>	<u>\$ 3,371,792</u>	<u>\$ 1,709,584</u>	<u>\$ 28,817,078</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	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	Water Quality Board
<b>Functions/Programs</b>										
<b>Primary government:</b>										
Governmental activities:										
General government	\$ 16,481,812	\$ 2,278,535	\$ 37,600	\$ 1,067,817	\$ (13,097,860)	\$ -	\$ (13,097,860)	\$ -	\$ -	\$ -
Public safety	29,117,517	12,201,214	4,786,080	261,923	(11,868,300)	-	(11,868,300)	-	-	-
Streets and transportation	4,024,527	2,291,242	-	-	(1,733,285)	-	(1,733,285)	-	-	-
Health and sanitation	26,560	67,223	-	4,695	45,358	-	45,358	-	-	-
Culture and recreation	1,248,611	-	-	-	(1,248,611)	-	(1,248,611)	-	-	-
Social services	285,141	-	315,572	-	30,431	-	30,431	-	-	-
Community development	3,635,890	15,602	1,519,248	2,114,717	13,677	-	13,677	-	-	-
Interest on long-term debt	186,212	-	-	-	(186,212)	-	(186,212)	-	-	-
Total governmental activities	<u>55,006,270</u>	<u>16,853,816</u>	<u>6,658,500</u>	<u>3,449,152</u>	<u>(28,044,802)</u>	<u>-</u>	<u>(28,044,802)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:										
Sanitation and trash	3,812,544	3,426,810	-	-	-	(385,734)	(385,734)	-	-	-
Civic arena	2,900,222	2,069,243	129,857	-	-	(701,122)	(701,122)	-	-	-
Total business-type activities	<u>6,712,766</u>	<u>5,496,053</u>	<u>129,857</u>	<u>-</u>	<u>-</u>	<u>(1,086,856)</u>	<u>(1,086,856)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 61,719,036</u>	<u>\$ 22,349,869</u>	<u>\$ 6,788,357</u>	<u>\$ 3,449,152</u>	<u>(28,044,802)</u>	<u>(1,086,856)</u>	<u>(29,131,658)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Component units:</b>										
Municipal Development Authority	\$ 1,825,000	\$ 136,643	\$ 1,313,653	\$ -	-	-	-	(374,704)	-	-
Municipal Parking Board	779,898	863,705	-	-	-	-	-	-	83,807	-
Water Quality Board	15,059,005	16,822,276	-	-	-	-	-	-	-	1,763,271
Total component units	<u>\$ 17,663,903</u>	<u>\$ 17,822,624</u>	<u>\$ 1,313,653</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(374,704)</u>	<u>83,807</u>	<u>1,763,271</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF ACTIVITIES (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Net (Expense) Revenues and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Municipal Development Authority	Municipal Parking Board	Water Quality Board
General revenues:						
Ad valorem property taxes	\$ 5,957,829	\$ -	\$ 5,957,829	\$ 356,976	\$ -	\$ -
Business & occupation tax	14,724,947	-	14,724,947	-	-	-
Alcoholic beverages tax	458,047	-	458,047	-	-	-
Utility services tax	2,145,561	-	2,145,561	-	-	-
Hotel occupancy tax	778,117	-	778,117	-	-	-
Animal tax	2,354	-	2,354	-	-	-
Gas & oil severance tax	103,215	-	103,215	-	-	-
Amusement tax	15,300	-	15,300	-	-	-
Sales and use tax	6,801,508	-	6,801,508	-	-	-
Coal severance tax	152,320	-	152,320	-	-	-
Unrestricted investment earnings	21,246	-	21,246	25,001	245	-
Interest revenue	-	600	600	-	-	60,511
Gains (loss) on disposal of capital assets	(15,693)	-	(15,693)	(123,356)	-	-
Miscellaneous	1,159,159	720,155	1,879,314	991	7,465	23,003
Transfers	(1,489,436)	400,832	(1,088,604)	1,088,605	-	-
Total general revenues and transfers	30,814,474	1,121,587	31,936,061	1,348,217	7,710	83,514
Change in net position before special item	2,769,672	34,731	2,804,403	973,513	91,517	1,846,785
Special Item: Change in benefit terms	-	-	-	-	-	27,884,726
Change in net position	2,769,672	34,731	2,804,403	973,513	91,517	29,731,511
Net position – beginning	(235,512,318)	(299,150)	(235,811,468)	2,398,279	1,618,067	(914,433)
Net position – ending	\$ (232,742,646)	\$ (264,419)	\$ (233,007,065)	\$ 3,371,792	\$ 1,709,584	\$ 28,817,078

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General	Coal Severance Tax	Community Development Block Grant	Huntington Urban Renewal Authority	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
<b>Assets:</b>						
<b>Current:</b>						
Cash and cash equivalents	\$ 5,572,793	\$ 61,605	\$ 284,572	\$ 11,863	\$ 1,139,903	\$ 7,070,736
Investments	329,531	-	-	-	1,461,539	1,791,070
Receivables:						
Taxes	6,412,072	-	-	-	-	6,412,072
Accounts	787,443	-	1,351,078	3,201	-	2,141,722
Loans	-	-	6,239,868	-	-	6,239,868
Assets held for resale	-	-	-	686,973	-	686,973
Due from:						
Other funds	702,232	-	-	1,321	11,195	714,748
Other governments	337,732	49,810	-	-	-	387,542
Fiduciary funds	31,274	-	-	-	64,157	95,431
Prepaid expenses	274,870	-	-	-	-	274,870
<b>Total assets</b>	<b>14,447,947</b>	<b>111,415</b>	<b>7,875,518</b>	<b>703,358</b>	<b>2,676,794</b>	<b>25,815,032</b>
<b>Deferred Outflows:</b>						
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>14,447,947</u>	\$ <u>111,415</u>	\$ <u>7,875,518</u>	\$ <u>703,358</u>	\$ <u>2,676,794</u>	\$ <u>25,815,032</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,263,253	\$ -	\$ 62,822	\$ -	\$ 34,913	\$ 1,360,988
Payroll payable	483,775	-	10,192	-	-	493,967
Line of credit	-	-	-	649,096	-	649,096
Reserve for health claims	762,757	-	14,464	-	-	777,221
Due to:						
Component units	4,695	-	-	-	-	4,695
Other funds	38,917	79,146	54,360	207,941	29,198	409,562
Other governments	-	-	-	-	-	-
Fiduciary funds	18,526	-	-	-	-	18,526
Unearned revenue:						
Other	403,472	-	-	-	-	403,472
Unclaimed property	82,076	-	-	-	1,942	84,018
<b>Total liabilities</b>	<b>3,057,471</b>	<b>79,146</b>	<b>141,838</b>	<b>857,037</b>	<b>66,053</b>	<b>4,201,545</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2019**

	General	Coal Severance Tax	Community Development Block Grant	Huntington Urban Renewal Authority	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Deferred Inflows:</b>						
Unavailable revenue - property taxes	97,991	-	-	-		97,991
Total deferred inflows of resources	97,991	-	-	-	-	97,991
Total liabilities and deferred inflows of resources	3,155,462	79,146	141,838	857,037	66,053	4,299,536
<b>Fund balances:</b>						
Nonspendable	274,870	-	-	686,973	-	961,843
Restricted	-	-	6,239,868	-	-	6,239,868
Committed	578,885	-	-	-	-	578,885
Assigned	986,888	32,269	1,493,812	-	2,640,986	5,153,955
Unassigned	9,451,842	-	-	(840,652)	(30,245)	8,580,945
Total fund balances	11,292,485	32,269	7,733,680	(153,679)	2,610,741	21,515,496
Total liabilities, deferred inflows and fund balances \$	\$ 14,447,947	\$ 111,415	\$ 7,875,518	\$ 703,358	\$ 2,676,794	\$ 25,815,032

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

Total fund balances on the governmental fund's balance sheet	\$ 21,515,496
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.	10,073,840
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).	761,363
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds.	97,991
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	8,751,787
Deferred inflows	(1,998,575)
<i>Public Employees Retirement System (PERS):</i>	
Deferred outflows:	
Contributions made after measurement date	397,297
Difference between expected and actual experience	33,112
Changes in contributions	54,264
Deferred inflows:	
Changes in contributions	(119,713)
Difference between expected and actual investment earnings	(392,787)
Difference between expected and actual experience	(1,652)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>	
Deferred outflows:	
Contributions made after measurement date	267,523
Changes in contributions	274,465
Difference between expected and actual experience	90,177
Deferred inflows:	
Changes in contributions	(3,717)
Change in investment experience	(23,677)
Change in assumptions	(44,883)
<i>Defined Benefits Plans (DBP):</i>	
Deferred outflows:	
Changes in actual investment experience	2,084,374
Deferred inflows:	
Difference between expected and actual experience	(138,232)
Difference in assumptions	(1,794,602)
Difference between expected and actual investment earnings	(780,590)

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2019**

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	\$	(528,957)
Capital leases		(2,398,773)
Accrued interest payable on long-term liabilities		(49,909)
Compensated absences		(1,401,669)
Net pension liability – PERS		(667,487)
Net Pension Liability – DBP		(150,830,268)
Other postemployment benefits payable		(93,951,844)
Estimated landfill closure and post-closure liability		<u>(22,017,000)</u>
Net position of governmental activities (deficit)	\$	<u><u>(232,742,646)</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, 2019**

	General	Coal Severance Tax	Community Development Block Grant	Huntington Urban Renewal Authority	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Ad valorem property taxes	\$ 6,014,337	\$ -	\$ -	\$ -	252,390	\$ 6,266,727
Business & occupation tax	14,724,947	-	-	-	-	14,724,947
Alcoholic beverages tax	458,047	-	-	-	-	458,047
Utility services tax	2,145,561	-	-	-	-	2,145,561
Hotel occupancy tax	778,117	-	-	-	-	778,117
Animal tax	2,354	-	-	-	-	2,354
Gas and oil severance tax	103,215	-	-	-	-	103,215
Amusement tax	15,300	-	-	-	-	15,300
Sales and use tax	6,801,508	-	-	-	-	6,801,508
Coal severance tax	-	152,320	-	-	-	152,320
Licenses and permits, and fees	1,239,442	-	-	-	-	1,239,442
Intergovernmental:						
Federal	2,014,065	-	3,681,032	-	-	5,695,097
State	2,715,026	-	-	-	-	2,715,026
Charges for services	13,494,258	-	-	15,602	67,223	13,577,083
Fines and forfeits	332,165	-	-	-	34,341	366,506
Interest and investment earnings	18,881	56	197	-	2,112	21,246
Franchise fees	496,896	-	-	-	-	496,896
Employee/retirees health insurance	1,670,785	-	-	-	-	1,670,785
Contributions and donations	495,921	-	-	-	1,159,195	1,655,116
Miscellaneous	662,263	-	-	-	-	662,263
<b>Total revenues</b>	<b>54,183,088</b>	<b>152,376</b>	<b>3,681,229</b>	<b>15,602</b>	<b>1,515,261</b>	<b>59,547,556</b>
<b>EXPENDITURES</b>						
Current:						
General government	16,570,220	700	-	31,900	2,400	16,605,220
Public safety	28,281,185	-	-	-	156,067	28,437,252
Streets and transportation	3,605,476	-	-	-	-	3,605,476
Health and sanitation	-	-	-	-	400	400
Culture and recreation	1,114,489	79,145	-	-	-	1,193,634
Social services	-	-	285,141	-	-	285,141
Capital outlay	1,907,344	-	-	-	63,927	1,971,271
Community development	-	-	3,626,813	-	-	3,626,813
Debt service:						
Principal	-	-	-	-	60,000	60,000
Interest	-	-	-	54,706	35,337	90,043
<b>Total expenditures</b>	<b>51,478,714</b>	<b>79,845</b>	<b>3,911,954</b>	<b>86,606</b>	<b>318,131</b>	<b>55,875,250</b>
Excess (deficiency) of revenues over expenditures	\$ 2,704,374	\$ 72,531	\$ (230,725)	\$ (71,004)	\$ 1,197,130	\$ 3,672,306

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, 2019**

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Community Development Block Grant</u>	<u>Huntington Urban Renewal Authority</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 261,127	\$ -	\$ -	\$ -	\$ -	\$ 261,127
Transfers (out)	(1,302,816)	(107,476)	(261,127)	-	-	(1,671,419)
Proceeds from the sales of assets	13,429	-	-	-	-	13,429
Capital leases	<u>1,270,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,270,684</u>
Total other financing sources (uses)	<u>242,424</u>	<u>(107,476)</u>	<u>(261,127)</u>	<u>-</u>	<u>-</u>	<u>(126,179)</u>
Net change in fund balances	2,946,798	(34,945)	(491,852)	(71,004)	1,197,130	3,546,127
Fund balances – beginning	<u>8,345,687</u>	<u>67,214</u>	<u>8,225,532</u>	<u>(82,675)</u>	<u>1,413,611</u>	<u>17,969,369</u>
Fund balances – ending	<u>\$ 11,292,485</u>	<u>\$ 32,269</u>	<u>\$ 7,733,680</u>	<u>\$ (153,679)</u>	<u>\$ 2,610,741</u>	<u>\$ 21,515,496</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, 2019**

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

Net change in fund balances – total governmental funds	\$ 3,546,127
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.	3,196,497
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.	(1,624,249)
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	(173,182)
Accumulated depreciation of assets disposed	144,060
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	(406,889)
Current year deferred taxes	97,991
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	(69,546)
Amount of pension expenses recognized at government-wide level	(230,162)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>	
Contributions made after measurement date	58,591
Amount of pension expenses recognized at government-wide level	(335,496)
<i>Defined Benefits Plans (DBP):</i>	
Amount of employer contributions to pensions	12,401,002
Amount of pension expenses recognized at government-wide level	(7,731,403)

**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, 2019**

The repayment of long-term debt (e.g., bonds, leases) uses financial resources of governmental funds, however, this has no effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount of principal paid, and additions and reductions to deferred discounts or premiums, on long-term debt for the fiscal year.

Tax increment financing revenue bonds	\$	60,000
Capital leases		382,388
Capital lease proceeds are reported as liabilities in the Statement of Net Position instead of as financing transfers in the Governmental Activities.		(1,270,684)
Accrued interest is required to be reported as a liability in the statement of net position of the district-wide financial statements. The following represents the change in accrued interest payable for the year.		(17,819)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the Statement of Activities.		(5,195,716)
Change in compensated absences payable		<u>(61,838)</u>
Change in net position of governmental activities	\$	<u>2,769,672</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, 2019**

	<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	\$ 5,498,163	\$ 5,498,163	\$ 6,014,337	\$ 516,174
Business & occupation tax	13,961,759	13,961,759	14,724,947	763,188
Alcoholic beverages tax	379,096	379,096	458,047	78,951
Utility services tax	2,076,165	2,076,165	2,145,561	69,396
Hotel occupancy tax	750,000	750,000	778,117	28,117
Animal tax	2,206	2,206	2,354	148
Gas and oil severance tax	68,233	68,233	103,215	34,982
Amusement tax	15,000	15,000	15,300	300
Sales and use tax	6,051,261	6,051,261	6,801,508	750,247
Licenses and permits	845,031	845,031	1,239,442	394,411
Intergovernmental:				
Federal	1,500,000	1,500,000	2,014,065	514,065
State	3,206,009	3,206,009	2,715,026	(490,983)
Charges for services	13,710,834	13,710,834	13,494,258	(216,576)
Fines and forfeits	266,795	266,795	332,165	65,370
Interest earnings	6,000	6,000	18,881	12,881
Franchise fees	700,000	700,000	496,896	(203,104)
Employees & retiree health insurance	1,484,000	1,484,000	1,670,785	186,785
Contributions and donations	193,833	193,833	495,921	302,088
Miscellaneous	421,231	421,231	662,263	241,032
<b>Total revenues</b>	<b>51,135,616</b>	<b>51,135,616</b>	<b>54,183,088</b>	<b>3,047,472</b>
<b>EXPENDITURES</b>				
Current:				
General government	22,253,099	23,138,595	16,570,220	6,568,375
Public safety	28,568,409	29,043,503	28,281,185	762,318
Streets and transportation	4,215,324	4,380,564	3,605,476	775,088
Culture and recreation	2,174,325	2,194,325	1,114,489	1,079,836
Capital outlay	2,000,000	2,000,000	1,907,344	92,656
<b>Total expenditures</b>	<b>59,211,157</b>	<b>60,756,987</b>	<b>51,478,714</b>	<b>9,278,273</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(8,075,541)</b>	<b>(9,621,371)</b>	<b>2,704,374</b>	<b>12,325,745</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, 2019**

	<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	\$ -	\$ -	\$ 261,127	\$ 261,127
Transfers (out)	-	-	(1,302,816)	(1,302,816)
Proceeds from the sale of assets	5,000	5,000	13,429	8,429
Proceeds from Capital Leases		<u>1,270,684</u>	<u>1,270,684</u>	
Total other financing sources (uses)	<u>5,000</u>	<u>1,275,684</u>	<u>242,424</u>	<u>(1,033,260)</u>
Net change in fund balance	(8,070,541)	(8,345,687)	2,946,798	11,292,485
Fund balance – beginning	<u>8,070,541</u>	<u>8,345,687</u>	<u>8,345,687</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,292,485</u>	<u>\$ 11,292,485</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, 2019**

	<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	\$ 152,320	\$ 32,320
Interest earnings	15	15	56	41
Total revenues	<u>120,015</u>	<u>120,015</u>	<u>152,376</u>	<u>32,361</u>
<b>EXPENDITURES</b>				
General Government	-	-	700	(700)
Culture and recreation	120,015	187,229	168,821	18,408
Total expenditures	<u>120,015</u>	<u>187,229</u>	<u>187,321</u>	<u>18,408</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(67,214)</u>	<u>(34,945)</u>	<u>50,769</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(67,214)	(34,945)	32,269
Fund balance – beginning	<u>-</u>	<u>67,214</u>	<u>67,214</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,269</u>	<u>\$ 32,269</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ 941,464	\$ 1,778,230	\$ 2,719,694
Receivables:			
Accounts	98,168	95,068	193,236
Due from:			
Other funds	924	94,141	95,065
Inventory, at cost	-	66,898	66,898
Prepaid expenses	14,774	15,727	30,501
Total current assets	<u>1,055,330</u>	<u>2,050,064</u>	<u>3,105,394</u>
Capital assets:			
Depreciable:			
Structures and improvements	75,140	-	75,140
Vehicles	2,086,123	-	2,086,123
Machinery and equipment	277,430	-	277,430
Less: accumulated depreciation	<u>(1,686,152)</u>	<u>-</u>	<u>(1,686,152)</u>
Total capital assets (net of accumulated depreciation)	<u>752,541</u>	<u>-</u>	<u>752,541</u>
Total noncurrent assets	<u>752,541</u>	<u>-</u>	<u>752,541</u>
Total assets	<u>1,807,871</u>	<u>2,050,064</u>	<u>3,857,935</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Changes in pension contribution	16,033	-	16,033
Contributions made after measurement date	117,439	-	117,439
Difference between expected and actual experience	9,784	-	9,784
Other post employment benefits	<u>209,546</u>	<u>-</u>	<u>209,546</u>
Total deferred outflows of resources	<u>352,802</u>	<u>-</u>	<u>352,802</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS (Continued)**  
**JUNE 30, 2019**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
<b>LIABILITIES</b>			
Current liabilities payable from current assets:			
Accounts payable	\$ 22,551	\$ 366,550	\$ 389,101
Reserve for health claims	71,201	-	71,201
Payroll payable	28,460	74,810	103,270
Due to:			
Other funds	140,564	216,863	357,427
Leases payable	-	-	-
Total current liabilities payable from current assets	262,776	658,223	920,999
Unearned revenues:			
Sponsorship	-	39,948	39,948
Charges for services	34,111	9,000	43,111
Ticket sales	-	670,576	670,576
Customer advances	-	4,450	4,450
Other unearned revenue	-	61,133	61,133
Total unearned revenues	34,111	785,107	819,218
Noncurrent liabilities:			
Other postemployment benefits liability	2,245,747	-	2,245,747
Net pension liability – PERS	197,221	-	197,221
Compensated absences payable	68,684	24,199	92,883
Total noncurrent liabilities	2,511,652	24,199	2,535,851
Total liabilities	2,808,539	1,467,529	4,276,068
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Other postemployment benefits deferred inflows	47,173	-	47,173
Changes in contributions	35,371	-	35,371
Difference between expected and actual experience	488	-	488
Difference between expected and actual investment earnings	116,056	-	116,056
Total deferred inflows of resources	199,088	-	199,088
<b>NET POSITION</b>			
Net investment in capital assets	752,541	-	752,541
Unrestricted	(1,599,495)	582,535	(1,016,960)
Total net position	\$ (846,954)	\$ 582,535	\$ (264,419)

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, 2019**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
<b>Operating revenues:</b>			
Sales and services to customers	\$ 3,426,810	\$ 1,646,990	\$ 5,073,800
Contributions	-	129,857	129,857
Rebates and reimbursements	-	502,990	502,990
Rental fees	-	422,253	422,253
Miscellaneous	202,989	14,175	217,164
 Total revenues	 <u>3,629,799</u>	 <u>2,716,265</u>	 <u>6,346,064</u>
<b>Operating expenses:</b>			
Personal services	2,105,332	851,102	2,956,434
Contractual services	574,230	296,263	870,493
Administrative and general	179,644	1,190,393	1,370,037
Miscellaneous	-	189,627	189,627
Liability insurance	72,936	79,864	152,800
Materials and supplies	139,315	1,243	140,558
Utilities	164,554	190,424	354,978
Depreciation	156,978	-	156,978
Maintenance	418,666	101,306	519,972
 Total operating expenses	 <u>3,811,655</u>	 <u>2,900,222</u>	 <u>6,711,877</u>
 Operating income (loss)	 <u>(181,856)</u>	 <u>(183,957)</u>	 <u>(365,813)</u>
<b>Nonoperating revenues (expenses):</b>			
Interest revenue	385	215	600
Interest and fiscal charges	(889)	-	(889)
 Total nonoperating revenues (expenses)	 <u>(504)</u>	 <u>215</u>	 <u>(289)</u>
 Income (loss) before transfers	 <u>(182,360)</u>	 <u>(183,742)</u>	 <u>(366,102)</u>
 Transfers in	 -	 631,622	 631,622
Transfers (out)	-	(230,789)	(230,789)
 Change in net position	 (182,360)	 217,091	 34,731
 Net position at beginning of year	 <u>(664,594)</u>	 <u>365,444</u>	 <u>(299,150)</u>
 Net position at end of year	 <u>\$ (846,954)</u>	 <u>\$ 582,535</u>	 <u>\$ (264,419)</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Non-Major Civic Arena	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 3,424,832	\$ 2,847,830	\$ 6,272,662
Cash paid for goods and services	(1,542,372)	(1,764,978)	(3,307,350)
Other cash payments	-	-	-
Cash paid to employees	(2,046,169)	(835,402)	(2,881,571)
Other cash receipts	227,263	82,617	309,880
Net cash provided (used) by operating activities	<u>63,554</u>	<u>330,067</u>	<u>393,621</u>
<b>Cash flows from noncapital financing activities:</b>	-	(230,789)	(230,789)
Transfers in (out)	-	631,622	631,622
Net cash provided by noncapital financing activities	<u>-</u>	<u>400,833</u>	<u>400,833</u>
<b>Cash flows from capital and related financing activities</b>			
Purchases of capital assets	(102,956)	-	(102,956)
Principal paid on capital debt	(11,866)	-	(11,866)
Interest paid on capital debt	(889)	-	(889)
Net cash (used) by capital and related financing activities	<u>(115,711)</u>	<u>-</u>	<u>(115,711)</u>
<b>Cash flows from investing activities:</b>			
Interest and investment earnings	385	215	600
Net cash provided by investing activities	<u>385</u>	<u>215</u>	<u>600</u>
Net (decrease) in cash and cash equivalents	(51,772)	731,115	679,343
Cash and cash equivalents at beginning year	<u>993,236</u>	<u>1,047,115</u>	<u>2,040,351</u>
Cash and cash equivalents at end of year	<u>\$ 941,464</u>	<u>\$ 1,778,230</u>	<u>\$ 2,719,694</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Non-Major Civic Arena	Total
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (181,856)	\$ (183,957)	\$ (365,813)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	156,978	-	156,978
Decrease (increase) in accounts receivable	(29,491)	36,827	7,336
Increase (decrease) in unearned revenues	27,513	238,770	266,283
Decrease (increase) in customer advances	-	-	-
Decrease (increase) in deferred outflows	(152,869)	-	(152,869)
Decrease (increase) in due from other funds	6,443	(68,724)	(62,281)
Decrease (increase) in inventory	-	(11,710)	(11,710)
Decrease (increase) in prepaid expenses	2,902	(5,341)	(2,439)
Increase (decrease) in accounts payable	4,071	301,193	305,264
Increase (decrease) in other postemployment benefits liability	399,989	-	399,989
Increase (decrease) in payroll payable	3,507	17,513	21,020
Increase (decrease) in compensated absences payable	(41,536)	(1,813)	(43,349)
Increase (decrease) in net pension liability	(159,469)	-	(159,469)
Increase (decrease) in deferred inflows	133	-	133
Increase (decrease) in due to other funds	17,831	7,309	25,140
Increase (decrease) in health care claims payable	9,408	-	9,408
Net cash provided (used) by operations	\$ <u>63,554</u>	\$ <u>330,067</u>	\$ <u>393,621</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	Pension Trust Funds	Agency Funds
<b>ASSETS</b>		
Non-pooled cash	\$ 1,136,007	\$ 2,880,385
Total cash	1,136,007	2,880,385
Investments, at fair value:		
Money market funds	216,935	-
Government securities	9,160,615	
Mutual funds	1,691,734	
Corporate bonds	15,116,887	
Corporate stocks	39,822,177	-
Certificates of deposit	3,177,189	-
Total investments	69,185,537	-
Receivables:		
Accounts receivables	2,860	-
Due from plan members	-	
Due from other governments	-	-
Due from primary government	-	18,526
Total receivables	2,860	18,526
Total assets	70,324,404	2,898,911
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows	-	-
Total assets and deferred outflows of resources	70,324,404	2,898,911

- (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, 2019**

	Pension Trust Funds	Agency Funds
<b>LIABILITIES</b>		
Accounts payable	\$ 13,511	\$ -
Refunds payable and other	-	2,834,054
Due to other governments	-	-
Due to primary government	30,696	64,157
Total liabilities	44,207	2,898,211
<b>DEFERRED INFLOWS</b>		
Deferred inflows	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	44,207	2,898,211
<b>NET POSITION</b>		
Net position restricted for pension benefits	\$ 70,280,197	\$ -

(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.

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 10,237,701
Plan members	534,859
Insurance premium surtax	<u>2,163,302</u>
Total contributions	<u>12,935,862</u>
Investment income:	
Net increase (decrease) in fair value of investments	2,154,096
Interest and dividends	1,785,240
Miscellaneous	<u>77</u>
Net investment income	<u>3,939,413</u>
Total additions	<u>16,875,275</u>
<b>DEDUCTIONS</b>	
Benefits	10,600,827
Administrative expenses	223,859
Refunds of contributions	<u>30,574</u>
Total deductions	<u>10,855,260</u>
Change in net assets	6,020,015
Net position restricted for pension benefits:	
Beginning of year	<u>64,260,182</u>
End of year	<u>\$ 70,280,197</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  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019**

**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, 2019**

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 *Huntington Urban Renewal Fund*, a special revenue fund, accounts for the activities of the Huntington Urban Renewal Authority and the HURA 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.

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 *Agency Funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the City of Huntington, West Virginia holds for others in an agency 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, 2019**

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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**4. Restricted Assets**

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 estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is 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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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 unearned revenue. For fiscal year ended June 30, 2019, the City reported unavailable revenues totaling \$97,991.

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.

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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, 2019.
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.

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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  
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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, 2019, were as follows:

Class II	\$	551,888,190	22.00 cents
Class IV	\$	1,009,816,464	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.

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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. Newly Adopted Statement Issued by Governmental Accounting Standards Board**

The Governmental Accounting Standards Board has issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2018. This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (ARO's). This statement also requires disclosure of information about the nature of a government's ARO's, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The adoption of GASB Statements No. 83 had no impact on the June 30, 2019 financial statements.

The City has implemented Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for reporting periods beginning after June 15, 2018. The primary objective of this statement is to improve the information that is disclosed in notes to the government financial statements related to debt. It clarifies which liabilities government should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) to settle an amount that is fixed at the date the contractual obligation is established.

Statement No. 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt.

**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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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.

The governing body made the following supplementary budgetary appropriations throughout the year:

**General Fund:**

Amount	Description
\$ 885,496	General Government Expenditure Increase
475,904	Public Safety Expenditure Increase
165,240	Streets and Transportation Expenditure Increase
20,000	Culture and Recreation Expenditure Increase
1,270,684	Increase in Proceeds from Capital Leases

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2019, expenditures exceeded appropriations in the funds listed at the function level:

Function	Amount
Transfers Out – General Funds	1,302,816
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, 2019:

Fund	Amount
Coal Severance Tax Fund	\$ 34,945
Community Development Block Grant Fund	491,852
Huntington Urban Renewal Authority	71,004
Sanitation and Trash Fund	182,360
Non-major Governmental Fund – Safety Town	46,464
Non-major Governmental Fund – Westmoreland Fire Protection	343

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 \$(232,742,646) and \$(264,419) as of June 30, 2019. The City has incurred significant debt in excess of anticipated revenues in this and prior years 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.

**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 and Fitch</u>	<u>Moody's Investment Services</u>
<b>Primary Government</b>			
Money Market	\$ 329,531	Not Rated	Not Rated
Other	1,461,539	Not Rated	Not Rated
	<u>\$ 1,791,070</u>		

*Interest Rate Risk*

	<u>0-3 Years</u>
Money Market	\$ 329,531
Other	1,461,539
	<u>\$ 1,791,070</u>

**Fiduciary Funds**

**Policemen's Pension and Relief**

	<u>Fair Value</u>	<u>Credit Risk Rating</u>
		<u>Standard &amp; Poor's and Fitch</u>
Money market funds	\$ 45,635	Not Rated
U.S. Government agency notes	2,932,614	AA+
Municipal obligations	3,477,098	AAA-A
Mutual funds	836,122	Not Rated
Corporate bonds	7,362,918	AA-BBB-
Common stock	23,410,040	Not Rated
Certificate of deposit	1,669,231	Not Rated
Total	<u>\$ 39,733,658</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	\$ 45,635	\$ -	\$ -	\$ -
U.S. Government agency notes	773,499	1,984,111	175,004	-
Municipal obligations	-	732,925	1,942,850	801,323
Mutual funds	836,122	-	-	-
Corporate bonds	886,766	5,690,226	785,926	-
Common stock	23,410,040	-	-	-
Preferred stock	-	-	-	-
Certificate of deposit	299,835	1,369,396	-	-
Total	<u>\$ 26,251,897</u>	<u>\$ 9,776,658</u>	<u>\$ 2,903,780</u>	<u>\$ 801,323</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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 and Fitch</b>
Money market funds	\$ 171,300	Not Rated
U.S. Government agency notes	2,724,900	AAA-B-
Municipal obligations	26,003	A
Mutual funds	855,612	Not Rated
Corporate bonds	7,753,969	AAA-BB-
Common stock	16,010,397	Not Rated
Preferred stock	401,740	Not Rated
Certificate of deposit	1,507,958	Not Rated
<b>Total</b>	<b>\$ 29,451,879</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	\$ 171,300	\$ -	\$ -	\$ -
U.S. Government agency notes	324,730	2,063,840	175,005	161,325
Municipal obligations	-	-	26,003	-
Mutual funds	855,612	-	-	-
Corporate bonds	1,107,991	6,006,559	635,047	4,372
Common stock	16,010,397	-	-	-
Preferred stock	314,785	-	-	86,955
Certificate of deposit	49,957	1,327,445	130,556	-
<b>Total</b>	<b>\$ 18,834,772</b>	<b>\$ 9,397,844</b>	<b>\$ 966,611</b>	<b>\$ 252,652</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, 2019 are as follows:

<b>Fiduciary Funds</b>	<b>Fair Value</b>	Quoted Prices in	Significant Other	Significant
		Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<b>Policemen's Pension and Relief</b>				
U.S. Government agency notes	\$ 2,932,614	\$ 2,932,614	\$ 0	\$ 0
Municipal obligations	3,477,098	3,477,098	0	0
Mutual funds	836,122	836,122	0	0
Corporate bonds	7,362,918	7,362,918	0	0
Common stock	23,410,040	23,410,040	0	0
<b>Total</b>	<b>\$ 38,018,792</b>	<b>\$ 38,018,792</b>	<b>\$ 0</b>	<b>\$ 0</b>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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<b>Fiduciary Funds</b>	<b>Fair Value</b>	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	\$ 2,724,900	\$ 2,724,900	\$ 0	\$ 0
Municipal obligations	26,003	26,003	0	0
Mutual funds	855,612	855,612	0	0
Corporate bonds	7,753,969	7,753,969	0	0
Common stock	16,010,397	16,010,397	0	0
Preferred stock	401,740	401,740	0	0
Total	<u>\$ 27,772,621</u>	<u>\$ 27,772,621</u>	<u>\$ 0</u>	<u>\$ 0</u>

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, 2019. 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, 2019, 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:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
Vanguard Growth Index Fund	\$ 2,289,732	5.76%
Vanguard High Yield Dividend Index Inv.	3,153,432	7.94%

*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 \$9,790,430 and \$4,016,392, 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 \$1,791,070 and \$69,185,537, 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  
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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	\$	9,790,430
Investments		1,791,070
Total	\$	<u>11,581,500</u>
		<u>Fiduciary Funds</u>
Cash and cash equivalents	\$	4,016,392
Investments		69,185,537
Total	\$	<u>73,201,929</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 \$3,208,299 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 \$492,911 were collateralized with securities held by the pledging financial institution’s trust department in the authority’s name.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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	\$ 3,208,299	\$ 492,911
Total	\$ 3,208,299	\$ 492,911
	<b>Municipal Development Authority</b>	<b>Municipal Parking Board</b>
Cash and cash equivalents	\$ 2,308,062	\$ 492,911
Cash and cash equivalents – restricted	900,237	-
Total	\$ 3,208,299	\$ 492,911

**B. Receivables**

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

	General	CDBG	HURA	Sanitation & Trash	Civic Arena	Total
Receivables:						
Accounts	\$ 10,864,739	\$ 1,351,078	\$ 3,201	\$ 11,488,446	\$ 95,068	\$ 23,802,532
Taxes	6,694,940	-	-	-	-	6,694,940
Loans	-	8,023,876	-	-	-	8,023,876
Gross receivables	17,559,679	9,374,954	3,201	11,488,446	95,068	38,521,348
Less: allowance for uncollectible	(10,360,164)	(1,784,008)	-	(11,390,278)	-	(23,534,450)
Net total receivables	\$ 7,199,515	\$ 7,590,946	\$ 3,201	\$ 98,168	\$ 95,068	\$ 14,986,898

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:

	<b>Unavailable</b>
Property taxes receivable (general fund)	\$ 97,991
Total	\$ 97,991

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

	HMDA	HMPB	Total
Receivables:			
Accounts	\$ -	\$ 23,775	\$ 23,775
Loans	3,198,875	-	3,198,875
Gross receivables	3,198,875	23,775	3,222,650
Less: Allowance for uncollectible	(3,198,875)	-	(3,198,875)
Net total receivables	\$ -	\$ 23,775	\$ 23,775

**CITY OF HUNTINGTON, WEST VIRGINIA  
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The amount reported for allowance for uncollectible accounts of the HMDA at June 30, 2019, 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, 2019, 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	\$ 941,939	\$ -	\$ -	\$ 941,939
Construction in progress	-	1,161,601	-	1,161,601
Total capital assets not being depreciated	<u>941,939</u>	<u>1,161,601</u>	<u>-</u>	<u>2,103,540</u>
Capital assets being depreciated:				
Buildings and improvements	9,761,703	30,775	(66,187)	9,726,291
Machinery and equipment	4,890,156	617,994	(106,995)	5,401,155
Vehicles	8,507,865	963,872	-	9,471,737
Infrastructure	17,152,897	422,255	-	17,575,152
Total accumulated depreciation	<u>(32,723,846)</u>	<u>(1,624,249)</u>	<u>144,060</u>	<u>(34,204,035)</u>
Total capital assets being depreciated, net	<u>7,588,775</u>	<u>410,647</u>	<u>29,122</u>	<u>7,970,300</u>
Governmental activities capital assets, net	<u>\$ 8,530,714</u>	<u>\$ 1,572,248</u>	<u>\$ (29,122)</u>	<u>\$ 10,073,840</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	-	-	277,430
Vehicles	2,040,802	102,956	(57,635)	2,086,123
Less: accumulated depreciation	<u>(1,586,809)</u>	<u>(156,978)</u>	<u>57,635</u>	<u>(1,686,152)</u>
Business-type activities capital assets, net	<u>\$ 806,563</u>	<u>\$ (54,022)</u>	<u>\$ -</u>	<u>\$ 752,541</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 311,142
Public safety	729,884
Highways and streets, (including infrastructure assets)	417,960
Health and sanitation	26,160
Culture and recreation	134,122
Community development	4,981
Total depreciation expense-governmental activities	<u>\$ 1,624,249</u>
Business-type activities:	
Sanitation and Trash	<u>\$ 156,978</u>

**Discretely Presented Component Units**

Activity related to capital assets for the Municipal Development Authority for the fiscal year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ -	\$ 210,722	\$ -	\$ 210,722
Construction in process	\$ 3,005,151	\$ -	\$ -	\$ 3,005,151
Total capital assets not being depreciated	<u>3,005,151</u>	<u>210,722</u>	<u>-</u>	<u>3,215,873</u>
Capital assets, being depreciated:				
Buildings and improvements	13,143,808	1,174,904	-	14,318,712
Structures and improvements	1,997,189	-	-	1,997,189
Furniture and fixtures	2,661,074	-	-	2,661,074
Machinery and equipment	200,000	-	-	200,000
Less: accumulated depreciation	<u>(15,014,060)</u>	<u>(652,933)</u>	<u>-</u>	<u>(15,666,993)</u>
Total capital assets being depreciated	<u>2,988,011</u>	<u>521,971</u>	<u>-</u>	<u>3,509,982</u>
Total capital assets, net	<u>\$ 5,993,162</u>	<u>\$ 732,693</u>	<u>\$ -</u>	<u>\$ 6,725,855</u>

Activity related to capital assets for the Municipal Parking Board for the fiscal year ended June 30, 2019, 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	684,515	79,683	-	764,198
Less: accumulated depreciation	<u>(5,379,449)</u>	<u>(31,065)</u>	<u>-</u>	<u>(5,410,514)</u>
Total capital assets being depreciated	<u>570,640</u>	<u>48,618</u>	<u>-</u>	<u>619,258</u>
Total capital assets, net	<u>\$ 1,513,517</u>	<u>\$ 48,618</u>	<u>\$ -</u>	<u>\$ 1,562,135</u>

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

The composition of interfund balances as of June 30, 2019, is as follows:

*Interfund receivables/payables:*

Receivable Fund	Payable Fund	Purpose	Amount
General	Safety Town	Reimbursement	\$ 29,198
General Fund	Sanitation and Trash	Reimbursement	134,866
Landfill Reserve	Sanitation and Trash	Reimbursement	5,697
Federal Drug Fund	General Fund	Reimbursement	2,601
General Fund	Community Development Block Grant	Reimbursement	53,038
HURA	Community Development Block Grant	Reimbursement	1,321
General Fund	Civic Arena	Reimbursement	216,864
Jean Dean Public Safety	General Fund	Reimbursement	2,897
General Fund	HURA	Reimbursement	206,388
Civic Arena	General Fund	Reimbursement	14,995
Civic Arena	Coal Severance Fund	Reimbursement	79,146
Sanitation and Trash	General Fund	Reimbursement	924
		Total \$	<u><u>747,935</u></u>

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

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Municipal Development Authority	Reimbursement	\$ 35,986
General Fund	Municipal Parking Board	Reimbursement	7,034
General Fund	Water Quality Board	Reimbursement	18,857
Municipal Development Authority	General Fund	Reimbursement	17,500
Water Quality Board	General Fund	Reimbursement	4,695
		Total \$	<u><u>84,072</u></u>

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

Receivable Fund	Payable Fund	Purpose	Amount
Federal Drug	Asset Seizure	Reimbursement	\$ 64,157
General Fund	Fire Pension and Relief	Reimbursement	30,574
General Fund	Police Retirees Insurance	Reimbursement	700
Police Retirees Insurance	General Fund	Contributions	18,526
		Total \$	<u><u>113,957</u></u>

*Interfund transfers:*

	Transfers In			
	General Fund	Civic Arena	HMDA	Total Transfer Out
Transfers Out:				
General Fund	\$ -	\$ 445,000	\$ 857,816	1,302,816
Coal Severance	-	186,622	-	186,622
Civic Arena	-	-	230,789	230,789
CDBG	261,127	-	-	261,127
Total Transfers	<u><u>\$ 261,127</u></u>	<u><u>\$ 631,622</u></u>	<u><u>\$ 1,088,605</u></u>	<u><u>\$ 1,981,354</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 Fund	Nonmajor Funds	Total
Nonspendable:						
Prepays	\$ 274,870	\$ -	\$ -	\$ -	\$ -	274,870
Assets held for resale	-	-	-	686,973	-	686,973
Restricted:						
Community development	-	-	6,239,868	-	-	6,239,868
Committed:						
Landfill closures	578,885	-	-	-	-	578,885
Assigned:						
General Government	986,888	-	-	-	-	986,888
Public safety	-	-	-	-	141,669	141,669
Culture and recreation	-	32,269	-	-	-	32,269
Community development	-	-	1,493,812	-	-	1,493,812
Capital projects	-	-	-	-	1,003,538	1,003,538
Public safety building	-	-	-	-	27,259	27,259
Landfill closures	-	-	-	-	1,467,361	1,467,361
Debt service	-	-	-	-	1,159	1,159
Unassigned	9,451,842	-	-	(840,652)	(30,245)	8,580,945
Total fund balances	\$ <u>11,292,485</u>	\$ <u>32,269</u>	\$ <u>7,733,680</u>	\$ <u>(153,679)</u>	\$ <u>2,610,741</u>	\$ <u>21,515,496</u>

**F. Leases**

*Capital Leases*

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

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.

Following is a summary of property held under capital leases:

Asset	Governmental Activities
Machinery, equipment and vehicles	\$ 3,956,893
Less: accumulated depreciation	(2,326,270)
Total	\$ <u>1,630,623</u>

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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending June 30	Governmental Activities
2020	\$ 441,876
2021	330,673
2022	330,674
2023	330,673
2024	330,674
2025 – 2029	992,020
Total minimum lease payments	2,756,590
Less: amount representing interest	(357,817)
Present value of minimum lease payments	\$ 2,398,773

**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. On June 30, 2006, the City issued \$2,450,000 of Tax Increment Financing Revenue Bonds, Series 2006 through United Bank bearing interest rates of 5.50% to 6.75% percent. 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. The total principal remaining to be paid on the bonds is \$528,957. Principal and interest paid for the current year was \$60,000 and \$35,337, respectively.

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

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2019
Primary Government:					
Series 2006	6/30/2034	6-6.75%	\$ 2,450,000	\$ 1,921,043	\$ 528,957

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

Year Ending June 30	Principal	Interest
2020	\$ 35,264	\$ 31,737
2021	35,264	29,622
2022	35,264	28,652
2023	35,264	26,448
2024	35,264	24,244
2025 – 2029	176,319	90,011
2030 – 2034	176,318	34,911
Present value of minimum bond payments	\$ 528,957	\$ 265,625

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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 \$6,389,046 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, 2019
Component Units:					
Municipal Development Authority Series 2010-A	12/29/2023	4%	\$ 3,650,000	\$ 2,000,000	\$ 1,650,000
Municipal Development Authority Series 2010-B	12/29/2031	Varies	5,255,000	430,000	4,825,000
Less Bond Discount			(145,087)	(59,133)	(85,954)
Total component unit			<u>\$ 8,759,913</u>	<u>\$ 2,370,867</u>	<u>\$ 6,389,046</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
2020	\$ 425,000	\$ 434,947
2021	440,000	415,750
2022	465,000	395,388
2023	485,000	372,362
2024	500,000	343,050
2025 – 2029	2,975,000	977,350
2030 – 2031	1,185,000	241,800
Less Bond Discount	(85,954)	-
Totals	<u>\$ 6,389,046</u>	<u>\$ 3,180,647</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 \$1,791,709. Principal and interest paid for the current year and total net revenues were \$487,291 and \$(699,086), 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. Annual principal and interest payments on the bonds are expected to require less than 53 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,863,938. Total interest paid for the current year and total net revenues were \$370,525 and \$(699,086), respectively.

**Changes to Long-term Liabilities**

	Governmental Activities				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Capital leases	\$ 1,510,477	\$ 1,270,684	\$ (382,388)	\$ 2,398,773	\$ 375,483
Tax increment financing	588,957	-	(60,000)	528,957	35,264
Net pension liability – PERS	1,207,205	-	(539,718)	667,487	-
Net pension liability – DBP	149,433,026	1,397,242	-	150,830,268	-
Other post-employment benefits	79,370,898	14,580,946	-	93,951,844	-
Compensated absences	1,339,831	1,401,669	(1,339,831)	1,401,669	1,401,669
Accrued interest payable	32,090	49,909	(32,090)	49,909	49,909
Liability for landfill closure and post-closure costs	22,017,000	-	-	22,017,000	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 255,499,484</b>	<b>\$ 18,700,450</b>	<b>\$ (2,354,027)</b>	<b>\$ 271,845,907</b>	<b>\$ 1,862,325</b>
	Business-Type Activities				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Capital leases	\$ 11,866	\$ -	\$ (11,866)	\$ -	\$ -
Other post-employment benefits	1,845,758	399,989	-	2,245,747	-
Compensated absences	136,232	92,883	(136,232)	92,883	92,883
Net pension liability – PERS	356,690	-	(159,469)	197,221	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 2,350,546</b>	<b>\$ 492,872</b>	<b>\$ (307,567)</b>	<b>\$ 2,535,851</b>	<b>\$ 92,883</b>
	Component Units				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Revenue bonds payable	\$ 6,880,000	\$ -	\$ (405,000)	\$ 6,475,000	\$ 425,000
Less: bond discounts	(97,781)	-	11,827	(85,954)	(11,826)
<b>Total bonds payable</b>	<b>6,782,219</b>	<b>-</b>	<b>(393,173)</b>	<b>6,389,046</b>	<b>413,174</b>
Other post-employment benefits	219,540	59,974	-	279,514	-
Compensated absences	23,770	23,800	(23,770)	23,800	23,800
Net pension liability	124,976	-	(55,874)	69,102	-
<b>Component unit long-term liabilities</b>	<b>\$ 7,150,505</b>	<b>\$ 83,774</b>	<b>\$ (472,817)</b>	<b>\$ 6,761,462</b>	<b>\$ 436,974</b>

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*Short-term Debt – Revolving Line of Credit*

The City’s outstanding note from direct borrowings is comprised of a \$1.5 million revolving line of credit to finance public projects related to housing. The HURA Fund participated in the borrowing. The outstanding note contains a provision 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, 2019, was as follows:

	Beginning Balance	Draws	Repayments	Ending Balance
Note from Direct Borrowing – Line of Credit	\$ 782,344	\$ 55,000	\$ 195,464	\$ 641,880
	\$ 782,344	\$ 55,000	\$ 195,464	\$ 641,880

**H. Restricted Assets**

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

	Municipal Development Authority
Revenue bond regular accounts	\$ 900,237
Total restricted assets	\$ 900,237

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

For the year ended June 30, 2019, 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	\$ 1,053,495
Firemen’s Pension and Relief Fund	1,109,807
Total	\$ 2,163,302

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

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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**

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. Costs to complete the closure and subsequent post-closure costs have been estimated at approximately \$22,017,000. As of June 30, 2019, the Landfill Reserve Fund balance was \$1,467,361 and the General Fund contains \$578,885 in committed funds for landfill closure.

**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.

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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, June 30, 2019.

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, June 30, 2019.

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.I.

Memberships of the plans are as follows:

<u>Group</u>	<u>PPRF</u>	<u>FPRF</u>	<u>Totals</u>
Active Employees	59	66	125
Inactive employees entitled to but not yet receiving benefits	3	3	6
Inactive employees or beneficiaries currently receiving benefits	135	174	309
Total	<u>197</u>	<u>243</u>	<u>440</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	8% 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, 2009 - July 1, 2014	July 1, 2009 - July 1, 2014

**Net Pension Liability**

The net pension liabilities were measured as of June 30, 2019 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, 2018, projected to the measurement date of June 30, 2019.

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*Actuarial Assumptions and Rate of Return*

The total pension liability was determined by an actuarial valuation as of July 30, 2018, rolled forward to June 30, 2019 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, 2009 through June 30, 2014. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

Actuarial assumptions	Policemen's Pension & Relief Fund	Firemen's Pension & Relief Fund
General Inflation Rate	2.75%	2.75%
Wage Inflation Rate	1.00%	1.00%
Salary Increases	1 yr. 20%, 2 yrs. 6.5%, 3 yrs. 3.5%, 4 yrs. 2.75%, 5-9 yrs. 2.5%, 10-29 yrs. 2%, 30-34 yrs. 1.25%, 34+ yrs 0%	1 yr. 20%, 2 yrs. 6.5%, 3 yrs. 3.5%, 4 yrs. 2.75%, 5-9 yrs. 2.5%, 10-29 yrs. 2%, 30-34 yrs. 1.25%, 34+ yrs 0%
Investment Rate of Return	5.50%	5.00%

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2014.

*Rate of return*

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 6.23 percent for the PPRF and 5.98 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, 2019 are summarized in the following chart:

Investment	PPRF		FPRF	
	Long-term Expected Real Rate of Return	Target Asset Allocations	Long-term Expected Real Rate of Return	Target Asset Allocations
Money Market	0.00%	0.00%	0.00%	0.00%
Equities	8.00%	65.00%	8.00%	60.00%
Fixed Income	3.00%	34.00%	3.00%	39.00%
Cash	1.25%	1.00%	1.25%	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.

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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:

	PPRF	FPRF
Total pension liability	\$ 105,087,933	\$ 116,022,532
Plan fiduciary net position	40,327,592	29,952,605
Net pension liability	\$ 64,760,341	\$ 86,069,927
 Plan fiduciary net position as a percentage of the total pension liability	38.38%	25.82%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.5% for the PPRF and 5.0% for the FPRF, and the municipal bond rate was 3.62% 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:

	1% Decrease	Current Discount Rate	1% Increase
PPRF's net pension liability	\$ 79,988,253	\$ 64,763,202	\$ 52,495,849
FPRF's net pension liability	103,332,961	86,068,870	72,230,401

**CITY OF HUNTINGTON, WEST VIRGINIA  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2018	\$ 99,575,020	\$ 37,283,688	\$ 62,291,332
Changes for the year:			
Service Cost	1,600,345	-	1,600,345
Interest	5,342,286	-	5,342,286
Difference between expected and actual experience	3,455,363	-	3,455,363
Contributions - employer	-	5,540,993	(5,540,993)
Contributions - employee	-	283,815	(283,815)
Net investment income	-	2,112,811	(2,112,811)
Benefit payments, including refunds of employee contributions	(4,885,081)	(4,885,081)	-
Administrative expense	-	(2,975)	2,975
Other changes	-	(5,659)	5,659
Net changes	<u>5,512,913</u>	<u>3,043,904</u>	<u>2,469,009</u>
Balance at June 30, 2019	<u>\$ 105,087,933</u>	<u>\$ 40,327,592</u>	<u>\$ 64,760,341</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, 2018	\$ 114,118,188	\$ 26,976,494	\$ 87,141,694
Changes for the year:			
Service Cost	1,630,487	-	1,630,487
Interest	5,562,251	-	5,562,251
Difference between expected and actual experience	457,926	-	457,926
Contributions - employer	-	6,860,010	(6,860,010)
Contributions - employee	-	251,044	(251,044)
Net investment income	-	1,623,796	(1,623,796)
Benefit payments, including refunds of employee contributions	(5,746,320)	(5,746,320)	-
Administrative expense	-	(3,736)	3,736
Other changes	-	(8,683)	8,683
Net changes	<u>1,904,344</u>	<u>2,976,111</u>	<u>(1,071,767)</u>
Balance at June 30, 2019	<u>\$ 116,022,532</u>	<u>\$ 29,952,605</u>	<u>\$ 86,069,927</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Pension Expense and Deferred outflows and Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the government recognized the following pension expenses.

	PPRF	FPRF
Pension Expense	\$ 6,130,020	\$ 2,766,753

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 in expected and actual experience	\$ 1,727,681	\$ 138,232
Changes in Assumption	-	-
Difference between expected and actual investment earnings	-	235,102
Total	\$ 1,727,681	\$ 373,334

**Firemen's Pension and Relief Fund**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 356,693	\$ -
Changes in Assumption	-	1,794,602
Difference between expected and actual investment earnings	-	545,488
Total	\$ 356,693	\$ 2,340,090

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
2020	\$ 1,596,050	\$ (1,630,591)
2021	(155,793)	(191,771)
2022	(78,572)	(112,806)
2023	(7,338)	(48,229)
Total	\$ 1,354,347	\$ (1,983,397)

**Payables to the pension plan**

At June 30, 2019, 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**

	Policemen's Pension and Relief	Firemen's Pension and Relief
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Non-pooled cash	\$ 596,183	\$ 539,824
Total cash	<u>596,183</u>	<u>539,824</u>
Investments, at fair value		
Money market	45,635	171,300
Government securities	6,409,712	2,750,903
Mutual funds	836,122	855,612
Corporate bonds	7,362,918	7,753,969
Corporate stocks	23,410,040	16,412,137
Certificates of deposit	<u>1,669,231</u>	<u>1,507,958</u>
Total investments	<u>39,733,658</u>	<u>29,451,879</u>
Receivables:		
Accounts receivable	2,860	-
Due from other governments	-	-
Due from primary government	<u>-</u>	<u>-</u>
Total receivables	<u>2,860</u>	<u>-</u>
Total assets	40,332,701	29,991,703
<b>LIABILITIES</b>		
Accounts payable	4,987	8,524
Due to other funds	<u>122</u>	<u>30,574</u>
Total liabilities	<u>5,109</u>	<u>39,098</u>
<b>NET POSITION</b>		
Net position held in trust for pension benefits	<u>\$ 40,327,592</u>	<u>\$ 29,952,605</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	\$ 4,487,498	\$ 5,750,203
Plan members	283,815	251,044
Insurance premium surtax	1,053,495	1,109,807
Total contributions	5,824,808	7,111,054
Investment and other income:		
Net increase(decrease) in fair value	1,287,804	866,292
Interest and dividends	951,254	833,986
Miscellaneous	77	-
Total investment and other income	2,239,135	1,700,278
Total additions	8,063,943	8,811,332
<b>DEDUCTIONS</b>		
Benefits	4,885,081	5,715,746
Administrative expenses	134,958	88,901
Refunds of contributions	-	30,574
Total deductions	5,020,039	5,835,221
change in net position	3,043,904	2,976,111
Net position held in trust for pension benefits:		
Beginning of year	37,283,688	26,976,494
End of year	\$ 40,327,592	\$ 29,952,605

**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>
2019	\$ 555,916	100%
2018	653,211	100%
2017	621,963	100%

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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 \$933,810 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 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, 2018, the government's proportion was 0.361589%, which was a decrease of .029675% from its proportion measured as of the prior period.

For the year ended June 30, 2019, 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	\$ 97,661	\$ 28,855	\$ 7,514	\$ 2,596	\$ 136,626

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	\$ -	\$ 549,506
Difference between expected and actual experience	46,323	2,311
Changes in proportion and differences between government contributions and proportionate share of	75,914	167,477
Contributions subsequent to the measurement date	<u>555,916</u>	<u>-</u>
Total	<u>\$ 678,153</u>	<u>\$ 719,294</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, 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:

**CITY OF HUNTINGTON, WEST VIRGINIA  
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Year Ended June 30:

2020	\$ 23,848
2021	(88,842)
2022	(439,038)
2023	(93,025)
Total	<u>\$ (597,057)</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

*Actuarial assumptions*

Inflation rate	3.00%
Salary increases	3.00% - 6.00%
Investment Rate of Return	7.5 %

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on scale AA.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the five-year period ended July 1, 2014.

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	4.50%	27.50%
International Equity	8.60%	27.50%
Fixed Income	3.30%	15.00%
Real Estate	6.00%	10.00%
Private Equity	6.40%	10.00%
Hedge Funds	4.00%	10.00%
Inflation (CPI)	2.10%	100.00%

*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.

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:

**CITY OF HUNTINGTON, WEST VIRGINIA  
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	1% Decrease	Discount Rate	1% Increase
City's proportionate share of PERS pension liability	\$ 3,760,645	\$ 933,810	\$ (1,457,652)

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
2019	\$ 267,523	100%
2018	208,932	100%
2017	200,986	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 \$761,363 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017 rolled forward to June 30, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2017. 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, 2018, the government's proportion was 20.588504%, which was a decrease of 6.130661% from its proportion measured as of the prior period.

For the year ended June 30, 2019, the government recognized the following pension expense.

	MPFRS
	Governmental Activities
Pension expense	\$ (9,382)

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

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**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	\$ -	\$ 23,677
Difference between expected and actual experience	90,177	-
Changes in proportion and differences between contributions and proportionate share of contributions	274,465	3,717
Changes in assumptions	-	44,883
Contributions subsequent to measurement date	267,523	-
<b>Total</b>	<b>\$ 632,165</b>	<b>\$ 72,277</b>

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, 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:

<u>Year Ended June 30:</u>	
2020	\$ 50,973
2021	48,489
2022	40,276
2023	52,605
2024	54,601
Thereafter	45,421
	<b>\$292,365</b>

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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  
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The actuarial assumptions used in the June 30, 2018 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	4.50%	27.50%
International Equity	8.60%	27.50%
Fixed Income	3.30%	15.00%
Real Estate	6.00%	10.00%
Private Equity	6.40%	10.00%
Hedge Funds	4.00%	10.00%
Inflation (CPI)	2.10%	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:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of MPFRS pension asset	\$ 518,419	\$ 761,363	\$ 941,924

*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  
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***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.

Non-uniform employees are eligible to receive retiree health coverage at the earlier of age 50 with 20 years of service; or age 60 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 65.

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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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, 2019, a June 30, 2019 measurement date was used.
Actuarial Valuation Date	July 1, 2018 with results actuarially projected on a “no gain / no loss” basis to get to the June 30, 2019 measurement date. Liabilities as of July 1, 2018 are based on an actuarial valuation date of July 1, 2018 with no adjustments.
Discount Rate	3.51% as of June 30, 2019 and 3.87% as of July 1, 2018 for accounting disclosure purposes. Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.
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, 2017.

<u>Age</u>	<u>Rate</u>
20	3.00%
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 July 2019.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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Mortality RPH-2018 Total Dataset Mortality Table fully generational using scale MP-2018 (RPH-2018 table is created from RPH-2014 table with 8 years of MP-2014 mortality improvement removed, projected to 2018 usingscale MP-2018)

Health Care Trend Rates	FYE	Medical/RX	FYE	Medical/RX
	2020	8.5%	2024	6.5%
	2021	8.0%	2025	6.0%
	2022	7.5%	2026	5.5%
	2023	7.0%	2027+	5.0%

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

At fiscal year-end, the City reported \$96,384,000 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, 2019 for the City’s fiscal year ended June 30, 2019, using the actuarial assumptions and methods described in the appropriate section of this note.

For the year ended June 30, 2019, the City recognized OPEB expense of \$7,755,348 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, 2019:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	5,351,640	-
Change in assumptions	3,641,746	(2,024,606)
	<u>8,993,386</u>	<u>(2,024,606)</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, 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:	
2020	1,573,478
2021	1,573,478
2022	1,573,479
2023	2,248,345
Total	<u><u>6,968,780</u></u>

***Discount Rate***

The discount rate used to measure the OPEB liability was 3.51 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

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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:

Sensitivity of Net OPEB Liability to the Single Discount Rate

1% Decrease	Current Single Discount Rate Assumption	1% Increase
2.5100%	3.5100%	4.5100%
\$ 111,114,520	\$ 96,384,000	\$ 84,539,927

***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	Current Single Discount Rate Assumption	1% Increase
7.50% to 4.00%	8.50% to 5.00%	9.50% to 6.00%
\$ 82,755,342	\$ 96,384,000	\$ 113,544,103

**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.

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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).

**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 City 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 2019 was \$183.

The City's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2019 was \$8,868. 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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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.

***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, 2018 for the City's fiscal year ended June 30, 2019, 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, 2019, the City reported the following proportions and increase/decreases from its proportion as of June 30, 2018:

	2019
Amount of proportionate share of net OPEB liability	\$ 93,104
Percentage of proportionate share of net OPEB liability	0.004339626%
Increase/(decrease) in % from prior proportion measured	-0.000754865%
	2019
City's proportionate share of the net OPEB liability	\$ 93,104
State's proportional share of the net OPEB liability associated with the City	19,242
Total portion of the net OPEB liability associated with the City	\$ 112,346

For the year ended June 30, 2019, the City recognized the following OPEB expense and support provided by the State:

	2019
OPEB expense City	\$ (3,869)
OPEB expense State support	5,882
Total OPEB expense	\$ 2,013
State support revenue	\$ 5,882

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, 2019:

**CITY OF HUNTINGTON, WEST VIRGINIA  
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 1,723
Differences between expected and actual experience	-	1,377
Changes in assumptions	-	9,296
Changes in proportion and differences between contributions and proportionate share of contributions	-	29,459
Contributions subsequent to the measurement date	8,868	-
Total	\$ 8,868	\$ 41,855

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, 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:		2019
	2020	\$ (12,962)
	2021	(12,962)
	2022	(11,395)
	2023	(4,536)
Total		\$ (41,855)

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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*Actuarial assumptions*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

OPEB	June 30, 2018
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Market value
Amortization Method	Level percentage of payroll, closed
Amortization Period	20 years closed as of June 30, 2017
Actuarial Assumptions:	
Investment Rate of Return	7.15%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	Dependent upon pension system. Ranging from 3.0% to 6.5% including inflation
Inflation Rate	2.75%
Discount Rate	7.15%
Healthcare Cost Trends	Actual trend used for 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.5%. Excess trend rate of 0.13% and 0.0% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.
Mortality Rates	Post-Retirement: RP-2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis
Date Range in Most Recent Experience Study	July 1, 2010 to June 30, 2015

The long term expected rate of return of 7.15% on the OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 3.00% 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 WVBTL.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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The long-term expected rate of return on OPEB plan investments were determined using a building-block method in which estimates of expected future real rates of returns (expected returns, net of OPEB 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 best estimates of long-term geometric rates of return for each asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%
Cash	0.0%

***Discount Rate***

The discount rate used to measure the OPEB liability was 7.15 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 (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Proportionate share of net OPEB liability	\$ 109,425	\$ 93,104	\$ 79,498

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Proportionate share of net OPEB liability	\$ 77,038	\$ 93,104	\$ 112,679

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 2,965,426	\$ 3,024,313
Interest	3,216,444	2,964,542
Difference between Expected and Actual Experience	6,689,550	-
Assumption Changes	4,552,183	(3,374,344)
Benefit Payments	(2,350,525)	(2,156,446)
<b>Net Change in OPEB Liability</b>	15,073,078	458,065
<b>Total OPEB Liability - Beginning</b>	81,310,922	80,852,857
<b>Total OPEB Liability - Ending</b>	<u>\$ 96,384,000</u>	<u>\$ 81,310,922</u>
<b>Plan Fiduciary Net Position</b>		
Employer Contributions	\$ 2,350,525	\$ 2,156,446
Benefit Payments	(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>
<b>Net OPEB Liability</b>	\$ 96,384,000	\$ 81,310,922
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	0.00%	0.00%
<b>Covered Employee Payroll</b>	\$ 11,028,839	\$ 10,707,611
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	873.93%	759.38%

Notes to Schedule:

Only two are presented due to the availability of the information in the application of the reporting requirements  
the reporting requirements

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

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution (a)	\$ 2,350,525	\$ 2,156,446
Employer contribution (b)	(2,350,525)	(2,156,446)
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>
Percentage contributed	100%	100%
Covered payroll (f)	\$ 11,028,839	\$ 10,707,611
Actual contribution as a percent of covered payroll [(b)+(c)]/f	21%	20%

Notes to Schedules of Contributions:

Only two years are presented due to the availability of the information in the application of the reporting requirements

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**Retiree Health Benefit Trust**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net OPEB liability (asset) (percentage)	0.004339626%	0.005094491%	0.006116921%
City's proportionate share of the net OPEB liability (asset)	\$ 93,104	\$ 125,273	\$ 151,903
State's proportionate share of the net OPEB liability (asset) associated with the City	<u>19,242</u>	<u>37,931</u>	<u>-</u>
Total	<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%
Plan fiduciary net position as a percentage of the total OPEB liability	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$8,868	\$8,868	\$10,464	\$10,464
Contributions in relation to contractually required contribution	<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>
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	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, 2019**

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

<b>Policemen's Pension and Relief Fund (PPRF)</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	\$ 1,600,345	1,677,226	1,766,856	1,327,865	1,570,562	1,639,476
Interest	5,342,286	5,265,220	5,168,503	4,995,831	4,650,084	4,638,808
Difference between expected and actual experience	3,455,363	(639,606)	(1,547,354)	2,053,752	(1,214,505)	-
Changes in assumptions	-	-	-	10,127,518	(5,215,194)	(3,920,804)
Benefits payments	(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	5,512,913	1,782,682	923,242	14,140,879	(4,286,913)	2,346,998
Total pension liability – beginning	99,575,020	97,792,338	96,869,096	82,728,217	87,015,130	84,668,132
Total pension liability – ending (a)	\$ 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	\$ 5,540,993	5,777,937	5,685,075	4,822,623	5,271,650	5,359,218
Contributions – members	283,815	297,125	335,264	313,939	365,787	359,819
Net investment income	2,239,135	2,203,504	1,997,497	852,569	654,764	2,438,222
Benefits payments	(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	(134,958)	(8,517)	(9,095)	(176,416)	(190,402)	(122,396)
Other	-	-	-	(5,381)	5,441	(10,482)
Net change in plan fiduciary net position	3,043,904	3,749,891	3,543,978	1,443,247	2,029,380	4,103,577
Plan fiduciary net position – beginning	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192	22,413,615
Plan fiduciary net position – ending (b)	\$ 40,327,592	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192
Net pension liability – ending (a) – (b)	\$ 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	38.38%	37.44%	34.29%	31.64%	34.50%	30.47%
Covered employee payroll	\$ 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	1600.39%	1474.16%	1433.32%	1462.11%	1135.69%	1220.73%

Notes to PPRF's Schedule:

Only six 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, 2019**

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

<b>Firemen's Pension and Relief Fund (FPRF)</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	\$ 1,630,487	2,012,547	1,921,250	1,570,937	1,569,989	1,598,605
Interest	5,562,251	5,334,849	5,241,817	5,082,040	4,899,228	4,937,861
Difference between expected and actual experience	457,926	562,398	(188,766)	2,571,967	(1,282,535)	-
Change in assumptions	(5,715,746)	(7,901,702)	-	13,787,848	-	-
Benefits payments	-	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)	(5,160,941)
Refunds	(30,574)	(50,573)	-	(31,367)	-	-
Net change in total pension liability	1,904,344	(5,738,787)	1,313,719	17,507,009	(78,370)	1,375,525
Total pension liability – beginning	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617	99,739,092
Total pension liability – ending (a)	\$ 116,022,532	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617
<b>Plan fiduciary net position</b>						
Contributions – employer	\$ 6,860,010	7,389,517	7,401,751	6,355,707	6,428,342	6,491,137
Contributions – members	251,044	246,681	273,029	283,660	306,473	290,819
Net investment income	1,700,278	1,439,198	1,207,975	815,748	538,263	1,573,446
Benefits payments	(5,715,746)	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)	(5,160,941)
Refunds	(30,574)	(50,573)	-	(31,367)	-	-
Administrative expenses	(88,901)	(68,224)	(9,208)	(58,928)	(58,286)	(54,823)
Other	-	-	-	585	14	-
Net change in plan fiduciary net position	2,976,111	3,260,293	3,212,965	1,890,989	1,949,754	3,139,638
Plan fiduciary net position – beginning	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493	13,522,855
Plan fiduciary net position – ending (b)	\$ 29,952,605	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493
Net pension liability – ending (a) – (b)	\$ 86,069,927	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	25.82%	23.64%	19.79%	17.30%	18.42%	16.48%
Covered employee payroll	\$ 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	2467.20%	2303.56%	2653.04%	2370.69%	2041.36%	2078.12%

**V. SCHEDULES OF INVESTMENT RETURNS**

<b>Policemen's Pension and Relief Fund (PPRF)</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 expense	6.22%	8.72%	8.32%	2.91%	10.00%	10.00%
<b>Firemen's Pension and Relief Fund (FPRF)</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 expense	7.07%	9.06%	7.59%	5.29%	3.75%	9.60%

Notes to FPRF's Schedule:

Only six 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, 2019**

**VI. SCHEDULES OF CONTRIBUTIONS – MULTIYEAR**

<b>Policemen's Pension and Relief Fund (PPRF)</b>		<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution (a)	\$	5,533,885	4,706,545	4,757,747	4,666,572	3,717,462	4,098,151
Employer contribution (b)		(4,487,498)	(4,679,161)	(4,590,520)	(3,775,581)	(4,237,318)	(4,398,765)
State contribution (c)		(1,053,495)	(1,098,776)	(1,094,555)	(1,047,042)	(1,034,332)	(960,453)
Contribution (excess) deficiency	\$	<u>(7,108)</u>	<u>(1,071,392)</u>	<u>(927,328)</u>	<u>(156,051)</u>	<u>(1,554,188)</u>	<u>(1,261,067)</u>
Percentage contributed		100%	123%	119%	103%	142%	131%
Covered payroll (f)	\$	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		137%	137%	127%	105%	110%	108%
<b>Firemen's Pension and Relief Fund (PPRF)</b>		<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution (a)	\$	6,958,630	5,899,587	6,100,163	6,111,224	4,908,882	4,945,075
Employer contribution (b)		(5,750,203)	(6,282,284)	(6,266,667)	(5,233,536)	(5,326,897)	(5,454,415)
State contribution (c)		(1,109,806)	(1,107,233)	(1,135,084)	(1,122,171)	(1,101,445)	(1,036,722)
Contribution (excess) deficiency	\$	<u>98,621</u>	<u>(1,489,930)</u>	<u>(1,301,588)</u>	<u>(244,483)</u>	<u>(1,519,460)</u>	<u>(1,546,062)</u>
Percentage contributed		99%	125%	121%	104%	131%	131%
Covered payroll (f)	\$	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		197%	195%	204%	154%	159%	160%

Notes to Schedules of Contributions:

Only six 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  
SCHEDULE OF THE GOVERNMENT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Public Employees Retirement System**

Last 6 Fiscal Years\*

	2019	2018	2017	2016	2015	2014
Government's proportion of the net pension liability (asset) (Percentage)	0.36%	0.39%	0.37%	0.39%	0.42%	0.37%
Government's proportionate share of the net pension liability (asset) \$	933,910	1,688,871	3,364,705	2,214,475	1,562,223	3,389,265
Government's covered-employee payroll \$	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	15.73%	32.58%	61.96%	41.16%	27.55%	68.11%
Plan fiduciary net position as a percentage of the total pension liability	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%

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

Last 6 Fiscal Years\*

	2019	2018	2017	2016	2015	2014
Government's proportion of the net pension liability (asset) (Percentage)	20.59%	26.72%	30.31%	40.72%	44.71%	52.29%
Government's proportionate share of the net pension asset \$	761,363	750,274	428,554	392,648	303,557	138,564
Government's covered-employee payroll \$	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 liability (asset) as a percentage of its covered-employee payroll	30.97%	31.73%	18.65%	19.64%	20.72%	15.13%
Plan fiduciary net position as a percentage of the total pension liability	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  
SCHEDULE OF THE GOVERNMENTAL CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Public Employees Retirement System**

	Last 6 Fiscal Years*					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 555,916	653,211	621,963	733,057	753,286	822,293
Contributions in relation to the contractually required contribution	(555,916)	(653,211)	(621,963)	(733,057)	(752,950)	(822,293)
Contribution deficiency (excess)	\$ -	-	-	-	336	-
Government's covered-employee payroll	\$ 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%	11.00%	12.00%	13.50%	14.00%	14.50%

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

	Last 6 Fiscal Years*					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 267,523	208,932	200,986	195,277	169,908	124,536
Contributions in relation to the contractually required contribution	(267,523)	(208,932)	(200,986)	(195,277)	(169,908)	(124,536)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Government's covered-employee payroll	\$ 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%

\*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, 2019**

**Note 1 - Changes in Assumptions PERS**

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.

There have been no changes in assumptions since 2015.

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

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.

**SUPPLEMENTARY INFORMATION**

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Tax</u>	<u>Total</u>
	<u>Revenue</u>	<u>Projects</u>	<u>Service</u>	<u>Increment</u>	<u>Nonmajor</u>
				<u>Financing</u>	<u>Governmental</u>
					<u>Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
<b>Assets:</b>					
<b>Current:</b>					
Cash and cash equivalents	\$ 1,138,619	\$ 125	\$ 1,159	\$	1,139,903
Accounts receivable	-	-	-	-	-
Investments	-	1,461,539	-	-	1,461,539
Due from:					-
Other funds	5,498	5,697	-	-	11,195
Fiduciary funds	64,157	-	-	-	64,157
Total assets	<u>1,208,274</u>	<u>1,467,361</u>	<u>1,159</u>	<u>1,159</u>	<u>2,676,794</u>
<b>Deferred Outflows:</b>					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,208,274</u>	<u>\$ 1,467,361</u>	<u>\$ 1,159</u>	<u>\$ 1,159</u>	<u>\$ 2,676,794</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 36,855	\$ -	\$ -	\$	36,855
Due to:					-
Other funds	29,198	-	-	-	29,198
Other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>66,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,053</u>
<b>Deferred Inflows:</b>					
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>66,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,053</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	1,172,466	1,467,361	1,159	-	2,640,986
Unassigned	(30,245)	-	-	-	(30,245)
Total fund balances	<u>1,142,221</u>	<u>1,467,361</u>	<u>1,159</u>	<u>1,159</u>	<u>2,610,741</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,208,274</u>	<u>\$ 1,467,361</u>	<u>\$ 1,159</u>	<u>\$ 1,159</u>	<u>\$ 2,676,794</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, 2019**

	<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	\$ -	\$ -	\$ 252,390	\$ 252,390
Charges for services	-	67,223	-	67,223
Fines and forfeits	34,341	-	-	343,341
Interest and investment earnings	311	1,278	523	2,112
Tax redemption income	-	-	-	-
Contributions and donations	1,159,195	-	-	1,159,195
Total revenues	<u>1,193,847</u>	<u>68,501</u>	<u>252,913</u>	<u>1,515,261</u>
<b>EXPENDITURES</b>				
Current:				
General government	400	-	2,000	2,400
Public safety	156,067	-	-	156,067
Health and sanitation	-	400	-	400
Capital outlay	63,927	-	-	63,927
Debt service:				-
Principal	-	-	60,000	60,000
Interest	-	-	35,337	35,337
Total expenditures	<u>220,394</u>	<u>400</u>	<u>97,337</u>	<u>318,131</u>
Excess (deficiency) of revenues over expenditures	<u>973,453</u>	<u>68,101</u>	<u>155,576</u>	<u>1,197,130</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	-	-
Capital leases	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	973,453	68,101	155,576	1,197,130
Fund balances – beginning	168,768	1,399,260	(154,417)	1,413,611
Fund balances – ending	<u>\$ 1,142,221</u>	<u>\$ 1,467,361</u>	<u>\$ 1,159</u>	<u>\$ 2,610,741</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2019**

	<u>Capital Improvements</u>	<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	\$ 1,003,538	\$ 27,966	\$ 26,089	\$ 56,664	\$ 24,362	\$ 1,138,619
Due from:						-
Other funds	-	-	2,601	-	2,897	5,498
Fiduciary funds	-	-	64,157	-	-	64,157
Total assets	<u>1,003,538</u>	<u>27,966</u>	<u>92,847</u>	<u>56,664</u>	<u>27,259</u>	<u>1,208,274</u>
<b>Deferred Outflows:</b>						
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,003,538</u>	<u>\$ 27,966</u>	<u>\$ 92,847</u>	<u>\$ 56,664</u>	<u>\$ 27,259</u>	<u>\$ 1,208,274</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 29,013	\$ 7,842	\$ -	\$ -	\$ 36,855
Due to:						-
Other funds	-	29,198	-	-	-	29,198
Total liabilities	<u>-</u>	<u>58,211</u>	<u>7,842</u>	<u>-</u>	<u>-</u>	<u>66,053</u>
<b>Deferred Inflows:</b>						
Deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>-</u>	<u>58,211</u>	<u>7,842</u>	<u>-</u>	<u>-</u>	<u>66,053</u>
<b>Fund balances:</b>						
Nonspendable	-	-	-	-	-	-
Assigned	1,003,538	-	85,005	56,664	27,259	1,172,466
Unassigned	-	(30,245)	-	-	-	(30,245)
Total fund balances	<u>1,003,538</u>	<u>(30,245)</u>	<u>85,005</u>	<u>56,664</u>	<u>27,259</u>	<u>1,142,221</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,003,538</u>	<u>\$ 27,966</u>	<u>\$ 92,847</u>	<u>\$ 56,664</u>	<u>\$ 27,259</u>	<u>\$ 1,208,274</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, 2019**

	<u>Capital Improvements</u>	<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	\$ -	\$ -	\$ -	\$ -	\$ 34,341	\$ 34,341
Interest and investment earnings	154	17	74	57	9	311
Grants and contributions	<u>1,000,000</u>	<u>51,238</u>	<u>107,957</u>	<u>-</u>	<u>-</u>	<u>1,159,195</u>
Total revenues	<u>1,000,154</u>	<u>51,255</u>	<u>108,031</u>	<u>57</u>	<u>34,350</u>	<u>1,193,847</u>
<b>EXPENDITURES</b>						
Current:						
General government	400	-	-	-	-	400
Public safety	-	97,719	35,055	400	22,893	156,067
Capital projects	<u>-</u>	<u>-</u>	<u>63,927</u>	<u>-</u>	<u>-</u>	<u>63,927</u>
Total expenditures	<u>400</u>	<u>97,719</u>	<u>98,982</u>	<u>400</u>	<u>22,893</u>	<u>220,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>999,754</u>	<u>(46,464)</u>	<u>9,049</u>	<u>(343)</u>	<u>11,457</u>	<u>973,453</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers (out)	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-
Capital Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>999,754</u>	<u>(46,464)</u>	<u>9,049</u>	<u>(343)</u>	<u>11,457</u>	<u>973,453</u>
Fund balances – beginning	<u>3,784</u>	<u>16,219</u>	<u>75,956</u>	<u>57,007</u>	<u>15,802</u>	<u>168,768</u>
Fund balances – ending	<u>\$ 1,003,538</u>	<u>\$ (30,245)</u>	<u>\$ 85,005</u>	<u>\$ 56,664</u>	<u>\$ 27,259</u>	<u>\$ 1,142,221</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
 COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2019**

	Landfill Reserve
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>Assets:</b>	
Current:	
Cash and cash equivalents	\$ 125
Investments	1,461,539
Due from:	
Other funds	5,697
Total assets	1,467,361
<b>Deferred Outflows:</b>	
Total deferred outflows of resources	-
Total assets and deferred outflows of resources	\$ 1,467,361
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Total liabilities	-
<b>Deferred Inflows:</b>	
Total deferred inflows of resources	-
 <b>FUND BALANCES</b>	
Assigned	1,467,361
Total fund balances	1,467,361
Total liabilities, deferred inflows of resources and fund balances	\$ 1,467,361

**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, 2019**

		Landfill Reserve
<b>REVENUES</b>		
Charges for Services	\$	67,223
Interest and investment earnings		1,278
Total revenues		68,501
 <b>EXPENDITURES</b>		
Current:		
Health and sanitation		400
Total expenditures		400
Excess (deficiency) of revenues over (under) expenditures		68,101
 Other financing sources (uses)		
Transfer out		-
Total other financing sources (uses)		-
Net change in fund balance		68,101
Fund balances – beginning		1,399,260
Fund balances – ending	\$	1,467,361

**CITY OF HUNTINGTON, WEST VIRGINIA  
 COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUND  
 JUNE 30, 2019**

	<u>Tax Increment Financing</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>Assets</b>	
Current:	
Cash and cash equivalents	\$ <u>1,159</u>
Total assets	<u>1,159</u>
<b>Deferred Outflows</b>	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	\$ <u><u>1,159</u></u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	
<b>Liabilities</b>	
Due to other governments	\$ <u>-</u>
Total liabilities	<u>-</u>
<b>Deferred Inflows</b>	
Total deferred inflows of resources	<u>-</u>
<b>FUND BALANCE</b>	
Unassigned	<u>1,159</u>
Total fund balance	<u>1,159</u>
Total liabilities, deferred inflows and fund balance	\$ <u><u>1,159</u></u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

		<u>Tax Increment Financing</u>
<b>REVENUES</b>		
Taxes:		
Ad valorem property taxes	\$	252,390
Interest and investment earnings		<u>523</u>
Total revenues		<u>252,913</u>
<b>EXPENDITURES</b>		
Current:		
General government		2,000
Debt service:		
Principal		60,000
Interest		<u>35,337</u>
Total expenditures		<u>97,337</u>
Net change in fund balance		155,576
Fund balance – beginning		<u>(154,417)</u>
Fund balance – ending	\$	<u><u>1,159</u></u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION –  
 AGENCY FUNDS  
 JUNE 30, 2019**

	<u>Police Retiree's Insurance</u>	<u>Fire Retiree's Insurance</u>	<u>Asset Seizure</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,356,999	\$ 351,566	\$ 1,171,820	\$ 2,880,385
Due from other funds	<u>18,526</u>	<u>-</u>	<u>-</u>	<u>18,526</u>
Total assets	<u>1,375,525</u>	<u>351,566</u>	<u>1,171,820</u>	<u>2,898,911</u>
<b>DEFERRED OUTFLOWS</b>				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,375,525</u>	<u>\$ 351,566</u>	<u>\$ 1,171,820</u>	<u>\$ 2,898,911</u>
<b>LIABILITIES</b>				
Due to primary government	\$ 700	\$ -	\$ 64,157	\$ 64,857
Refunds payable and others	<u>1,374,825</u>	<u>351,566</u>	<u>1,107,663</u>	<u>2,834,054</u>
Total Liabilities	<u>1,375,525</u>	<u>351,566</u>	<u>1,171,820</u>	<u>2,898,911</u>
<b>DEFERRED INFLOWS</b>				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 1,375,525</u>	<u>\$ 351,566</u>	<u>\$ 1,171,820</u>	<u>\$ 2,898,911</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – COMPONENT UNITS**  
**JUNE 30, 2019**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Water Quality Board
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ 2,308,062	\$ 492,911	\$ 4,089,063
Receivables:			
Accounts	-	23,775	1,599,574
Other	-	-	48,212
Interest	628	-	-
Inventory, at cost	0	-	27,102
Prepaid expenses	-	2,457	45,819
Due from other funds	-	-	347,283
Due from primary government	17,500	-	18,110
Total current assets	<u>2,326,190</u>	<u>519,143</u>	<u>6,175,163</u>
Noncurrent assets:			
Regular account	900,237	-	641,342
Reserve account	-	-	2,298,603
Customer Deposits	-	-	599,700
Total restricted assets	<u>900,237</u>	<u>-</u>	<u>3,539,645</u>
Capital assets:			
Nondepreciable:			
Land	3,005,151	942,877	298,055
Construction in process	210,722	-	627,971
Depreciable:			
Buildings	14,318,712	4,775,401	82,426,934
Structures and improvements	1,997,189	490,173	13,892,178
Machinery and equipment	200,000	764,198	4,457,358
Furniture and fixtures	2,661,074	-	-
Less: accumulated depreciation	<u>(15,666,993)</u>	<u>(5,410,514)</u>	<u>(65,865,952)</u>
Total capital assets (net of accumulated depreciation)	<u>6,725,855</u>	<u>1,562,135</u>	<u>35,836,544</u>
Total noncurrent assets	<u>7,626,092</u>	<u>1,562,135</u>	<u>39,376,189</u>
Total assets	<u>9,952,282</u>	<u>2,081,278</u>	<u>45,551,352</u>
<b>DEFERRED OUTFLOWS</b>			
Changes in pension contribution	1,443	4,175	112,439
Contributions made subsequent to measurement date	34,107	7,072	382,222
Difference between expected and actual	881	2,547	34,678
Other post employment benefits	<u>8,094</u>	<u>-</u>	<u>576,047</u>
Total deferred outflows of resources	<u>44,525</u>	<u>13,794</u>	<u>1,105,386</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2019**

	Business-Type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Water Quality Board
<b>LIABILITIES</b>			
Current liabilities payable from current assets:			
Accounts payable	\$ 28,660	\$ 14,392	\$ 677,330
Reserve for health claims	2,670	11,347	14,702
Accrued payroll	3,069	10,514	60,365
Accrued revenue bond/note interest payable	74,041	-	24,802
Other accrued expenses	-	-	116,673
Due to:			
Primary government	7,034	35,986	3,746
Other funds	-	-	347,283
Customer deposits	-	-	487,400
Revenue bonds payable and notes payable	413,174	-	2,387,241
Total current liabilities payable from current assets	<u>528,648</u>	<u>72,239</u>	<u>4,119,542</u>
Unearned revenues:			
Charges for services	-	2,230	-
Total unearned revenues	<u>-</u>	<u>2,230</u>	<u>-</u>
Noncurrent liabilities			
Bonds and notes payable	5,975,872	-	10,657,261
Other postemployment benefits liability	86,746	192,768	367,037
Net pension liability – PERS	17,742	51,360	699,062
Compensated absences payable	519	23,281	134,725
Total noncurrent liabilities	<u>6,080,879</u>	<u>267,409</u>	<u>11,858,085</u>
Total liabilities	<u>6,609,527</u>	<u>341,878</u>	<u>15,977,627</u>
<b>DEFERRED INFLOWS</b>			
Other postemployment benefits deferred inflows	1,822	4,049	1,426,106
Changes in contributions	3,182	9,211	22,830
Change in investment experience	10,440	30,223	411,367
Difference in expected and actual experience	44	127	1,730
Total deferred inflows of resources	<u>15,488</u>	<u>43,610</u>	<u>1,862,033</u>
<b>NET POSITION</b>			
Net investment in capital assets	336,809	1,562,135	22,792,042
Restricted for debt service	900,237	-	2,266,203
Restricted for construction	-	-	283,980
Restricted for customer deposits	-	-	117,186
Unrestricted	2,134,746	147,449	3,357,667
Total net position	<u>\$ 3,371,792</u>	<u>\$ 1,709,584</u>	<u>\$ 28,817,078</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION – COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Business-type Activities – Enterprise Funds</u>		
	<u>Municipal Development Authority</u>	<u>Municipal Parking Board</u>	<u>Water Quality Board</u>
<b>Operating revenues:</b>			
Sales and services to customers	\$ 8,948	\$ 790,106	\$ 16,323,409
Rental fees	127,695	73,599	32,739
Miscellaneous	991	7,465	466,128
	<u>137,634</u>	<u>871,170</u>	<u>16,822,276</u>
<b>Operating expenses:</b>			
Personal services	193,163	541,865	6,048,571
Contractual services	5,608	30,503	626,148
Administrative and general	93,527	93,077	1,967,021
Liability insurance	3,052	21,608	303,671
Materials and supplies	163	17,750	1,779,026
Utilities	9,829	26,855	383,476
Depreciation	652,932	31,065	1,727,909
Maintenance	404,919	17,175	774,122
Miscellaneous	-	-	1,101,272
Loss on sale	123,356	-	-
	<u>1,486,549</u>	<u>779,898</u>	<u>14,711,216</u>
Total operating expenses			
	<u>(1,348,915)</u>	<u>91,272</u>	<u>2,111,060</u>
Operating income (loss)			
<b>Non-operating revenues (expenses):</b>			
Contributions	1,313,653	-	-
Tax increment revenue	356,976	-	-
Investment earnings	25,001	245	60,511
Interest and fiscal charges	(461,807)	-	(347,789)
Miscellaneous	-	-	23,003
Transfers	1,088,605	-	-
	<u>2,322,428</u>	<u>245</u>	<u>(264,275)</u>
Total non-operating revenues (expenses)			
Income (loss) before special item	973,513	91,517	1,846,785
Special item - change in benefit terms	-	-	27,884,726
Net position at beginning of year	<u>2,398,279</u>	<u>1,618,067</u>	<u>(914,433)</u>
Net position at end of year	\$ <u>3,371,792</u>	\$ <u>1,709,584</u>	\$ <u>28,817,078</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Water Quality Board
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 143,515	\$ 842,068	\$ 17,114,279
Cash paid for goods and services	(388,438)	(213,571)	(6,938,572)
Cash paid to employees	(201,465)	(510,354)	(4,586,298)
Other cash receipts	3,241	7,465	-
Other cash payments	(16,509)	(31,458)	(638,099)
Net cash (used) provided by operating activities	<u>(459,656)</u>	<u>94,150</u>	<u>4,951,310</u>
<b>Cash flows from noncapital financing activities:</b>			
Tax increment financing revenues	356,976	-	-
Grants and contributions	1,313,653	-	-
Miscellaneous	-	-	23,003
Transfers	1,088,605	-	-
Net cash provided by noncapital financing activities	<u>2,759,234</u>	<u>-</u>	<u>23,003</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchases of capital assets	(1,385,625)	(79,683)	(299,810)
Principal paid on capital debt	(393,173)	-	(1,216,113)
Interest paid on capital debt	(464,675)	-	(322,987)
Other cash payments	(143,656)	-	(765,600)
Proceeds form sale of assets	20,300	-	-
Net cash provided by capital and related financing activities	<u>(2,366,829)</u>	<u>(79,683)</u>	<u>(2,604,510)</u>
<b>Cash flows from investing activities:</b>			
Interest received	25,001	245	60,511
Net cash provided by investing activities	<u>25,001</u>	<u>245</u>	<u>60,511</u>
Net increase in cash and cash equivalents	(42,250)	14,712	2,430,314
Cash and cash equivalents, July 1, 2018 (including \$4,155,411 in restricted accounts)	<u>3,250,549</u>	<u>478,199</u>	<u>5,198,394</u>
Cash and cash equivalents, June 30, 2019 (including \$4,439,882 in restricted accounts)	<u>\$ 3,208,299</u>	<u>\$ 492,911</u>	<u>\$ 7,628,708</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – COMPONENT UNITS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Municipal Parking Board
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating (loss) income	\$ (1,348,915)	\$ 91,272	\$ 2,111,060
Adjustments to reconcile operating income to net cash provided by operating activities:			
Loss on sale of assets	123,356	-	-
Depreciation expense	652,932	31,065	1,727,909
Amortization expense	-	-	60,382
Difference between pension expense under GASB 68 and deferred outflows of resources for pension contributions made subsequent to the measurement period	-	-	(164,040)
Difference between OPEB expense under GASB 75 less the affects of changes in benefit terms (special item) and deferred outflows of resources for OPEB contributions made subsequent to the measurement period for OPEB	-	-	1,634,750
Decrease (increase) in accounts receivable	6,872	(21,282)	(109,448)
Decrease (increase) in other receivable	-	-	401,451
Decrease (increase) in inventory	-	-	(3,627)
Decrease (increase) due from other funds	-	-	(69,095)
Decrease (increase) due from primary government	(17,500)	-	43,490
Decrease (increase) in prepaid expense	100,000	(2,457)	(1,784)
Decrease (increase) in customer deposits	-	-	21,351
Decrease (increase) in deferred outflows	(2,996)	14,760	-
Increase (decrease) in other postemployment benefits	13,566	46,408	-
Increase (decrease) in accounts payable	28,660	(4,146)	(122,413)
Increase (decrease) in accrued payroll	412	2,603	(12,618)
Increase (decrease) in other accrued expenses	-	-	42,255
Increase (decrease) in due to primary government	3,241	(31,458)	-
Increase (decrease) in due to other funds	-	-	69,095
Increase (decrease) in compensated absences	(3,219)	3,249	4,181
Increase (decrease) in unearned revenue	-	(355)	-
Increase (decrease) in health care claims payable	(2,392)	3,122	(681,589)
Increase (decrease) in net pension liability	(14,346)	(41,528)	-
Increase (decrease) in deferred inflows	673	2,897	-
Net cash (used) provided by operations	\$ (459,656)	\$ 94,150	\$ 4,951,310

**ACCOMPANYING INFORMATION**

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA #	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	\$ 2,386,842	\$ 385,068
Cluster Total			2,386,842	385,068
Emergency Solutions Grant Program	14.231	N/A	215,051	204,275
Home Investment Partnerships Program	14.239	N/A	1,037,257	989,172
FY 2017 Choice Neighborhoods Planning Grant	14.892	N/A	141,565	131,565
<b>Total U.S. Department of Housing and Urban Development</b>			<b>3,780,715</b>	<b>1,710,080</b>
<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	87,995	-
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.818	N/A	9,205	-
<b>Total U.S. Environmental Protection Agency</b>			<b>97,200</b>	<b>-</b>
<b>U.S. Department of Justice – Bureau of Justice Assistance</b>				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	14,687	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	11,312	-
Drug Court Discretionary Grant Program	16.585	N/A	29,453	29,453
Criminal and Juvenile Justice & Mental Health Collaboration Program	16.745	N/A	55,263	-
Second Chance Act Reentry Initiative	16.812	N/A	89,109	59,446
City of Huntington Comprehensive Opioid Abuse Site-based Program	16.838	N/A	103,434	80,372
Pass-Through WV Division of Administrative Services				
Project Safe Neighborhoods Grant	16.609	18-PSN-001	11,845	-
<b>Total U.S. Department of Justice</b>			<b>315,103</b>	<b>169,271</b>
<b>U. S. Department of Homeland Security</b>				
<i>Direct Programs:</i>				
Staffing For Adequate Fire and Emergency Response Grant	97.083	N/A	256,618	-
<i>Pass-Through WV Department of Military Affairs</i>				
Homeland Security Program FY18-Police	97.067	17-LE-20	19,910	-
Homeland Security Program FY 18-City	97.067	17-LE-10	9,961	-
Homeland Security Program FY18-Civic Arena	97.067	17-LE-15	37,358	-
Homeland Security Program FY 18-Fire	97.067	18-SHS-54	16,400	-
Hazard Mitigation Grant- Stormwater Utility	97.039	FEMA-4273-DR-WV-0037	4,695	4,695
<b>Total U. S. Department of Homeland Security</b>			<b>344,942</b>	<b>4,695</b>

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA #	Pass-Through Entity Identity Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services</b>				
<i>Direct Programs:</i>				
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	N/A	97,426	97,426
Integrated Community Program to Address Opioid Crisis	93.137	N/A	253,224	186,461
<b>Total U.S. Department of Health and Human Services</b>			<b>350,650</b>	<b>283,887</b>
<b>U.S. Department of Agriculture</b>				
Pass-Through WV Department of Education				
Child and Adult Care Food Program	10.558	51105	25,621	-
<b>Total U.S. Department of Agriculture</b>			<b>25,621</b>	<b>-</b>
<b>U.S. Department of Transportation</b>				
Pass-Through WV Department of Transportation				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F19-HS-02-402	116,636	29,634
Occupant Protection Grant	20.616	F19-HS-02-405b	54,736	24,612
Traffic Records Grant Program	20.616	F19-HS-02-405c	12,125	-
Impaired Driving Grant Program	20.616	F19-HS-02-405d	122,972	15,089
State and Community Highway Safety	20.600	F18-HS-02-402	64,632	12,651
Occupant Protection Grant Program	20.616	F18-HS-02-405b	30,335	16,618
Impaired Driving Grant Program	20.616	F18-HS-02-405d	61,123	9,387
Seatbelt Performance Incentives Grant	20.609	F18-HS-02-406	1,309	-
Electronic Reporting Grant Program	20.610	F18-HS-02-408	88,688	-
Cluster Total			<b>552,556</b>	<b>107,991</b>
Highway Planning and Construction Cluster:				
DOH Distracted Driving Grant Program	20.205	F19-HS-02-DOHDD	14,096	9,779
DOH Distracted Driving Grant Program	20.205	F18-HS-02-DOHDD	4,704	2,857
DOH Working Zone Grant Program	20.205	F19-HS-02-DOHWZ	1,361	1,361
Cluster Total			<b>20,161</b>	<b>13,997</b>
<b>Total U.S. Department of Transportation</b>			<b>572,717</b>	<b>121,988</b>
<b>Total Federal Assistance</b>			<b>\$ 5,486,948</b>	<b>\$ 2,289,921</b>

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019, consist of:

Program Title	Federal CFDA Number	Amount Outstanding
Community Development Block Grants/Entitlement Grant	14.218	\$ 3,682,273
Home Investment Partnerships Program	14.239	2,557,596

**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 \$313,884 are included in revenues from the Federal government in the General Fund, but are not subject to the Single Audit Act or reportable on the Schedule of Expenditures of Federal Awards.

**NOTE 5 – INDIRECT COST RATE**

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

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

March 13, 2020

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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the **Municipality of Huntington**, West Virginia (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 13, 2020.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion 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.

***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 determination of financial statement amounts. 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 communication is not suitable for any other purpose.



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



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

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

March 13, 2020

City of Huntington  
800 Fifth Avenue  
Huntington, WV 25717

To the Members of Council:

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

We have audited the **Municipality 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 programs for the year ended June 30, 2019. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the City's major federal programs.

***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 programs.

***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for the City's major federal programs 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 programs. However, our audit does not provide a legal determination of the City's compliance.

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***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects with the compliance requirements referred to above that could directly and materially affect the major federal programs for the year ended June 30, 2019.

***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

**Municipality of Huntington, West Virginia**  
 Schedule of Audit Findings  
 2 CFR § 200.515  
 For the Year Ended June 30, 2019

**1. SUMMARY OF AUDIT RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grant Program CFDA # 14.218 Home Investment Partnerships Program CFDA # 14.239
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<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.