



Certified Public Accountants, A.C.

**MUNICIPALITY OF HUNTINGTON
WEST VIRGINIA
- A CLASS II MUNICIPALITY -
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2020
RPF #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
TABLE OF CONTENTS**

	<u>Page</u>
MUNICIPAL OFFICIALS	I
SCHEDULE OF FUNDS	II-III
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4-12
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	13-15
Statement of Activities.....	16-17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18-19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	20-21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22-23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24-25
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	26-27
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Coal Severance Tax Fund.....	28
Statement of Net Position – Proprietary Funds.....	29-30
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	31
Statement of Cash Flows – Proprietary Funds.....	32-33
Statement of Fiduciary Net Position – Fiduciary Funds	34-35
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	36
Notes to the Financial Statements	37-86

**CITY OF HUNTINGTON, WEST VIRGINIA
TABLE OF CONTENTS (CONTINUED)**

Page

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Other Post-Employment Liability and Related Ratios	88
Schedule of Contributions-Multiyear for Other Post-Employment Benefits.....	88
Schedule of Proportionate Share of the Net OPEB Liability.....	89
Schedule of OPEB Contributions	89
Schedules of Changes in the Net Pension Liability and Related Ratios – Policemen’s and Firemen’s Pension and Relief Funds.....	90-91
Schedule of Investment Returns – Policemen’s and Firemen’s Pension and Relief Funds.....	91
Schedules of Contributions – Multiyear – Policemen’s and Firemen’s Pension and Relief Funds....	92
Schedules of the Government’s Proportionate Share of the Net Pension Liabilities.....	93
Schedule of the Governmental Contributions.....	94
Notes to Required Supplementary Information	95

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements:

Combining Balance Sheet – Nonmajor Governmental Funds.....	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	98
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	100
Combining Balance Sheet – Nonmajor Capital Projects Funds	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	102
Combining Balance Sheet – Nonmajor Debt Service Funds.....	103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	104
Combining Statement of Fiduciary Net Position – Agency Funds.....	105
Statement of Net Position – Component Units.....	106-107
Statement of Revenues, Expenses and Changes in Net Position – Component Units	108
Statement of Cash Flows – Component Units	109-110

ACCOMPANYING INFORMATION

Schedule of Expenditures of Federal Awards.....	112-113
Notes to the Schedule of Expenditures of Federal Awards.....	114
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i>	115-116
Independent Auditor’s Report on Compliance with Requirements Applicable to The Major Federal Program and on Internal Control Over Compliance as Required by Uniform Guidance	117-118
Schedule of Findings.....	119

**CITY OF HUNTINGTON, WEST VIRGINIA
MUNICIPAL OFFICIALS
JUNE 30, 2020**

<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
	Mike Shockley	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
	Rebecca Howe	01/01/17-12/31/20
	Tom McGuffin	01/01/17-12/31/20
	Carol Polan	01/01/17-12/31/20
	Ted V. Kluemper, Jr.	08/01/19-12/31/20
	Charles Shaw	03/02/20-12/31/20

Appointive

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

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF FUNDS
YEAR ENDED JUNE 30, 2020**

GOVERNMENTAL FUND TYPES

Major Governmental Funds

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

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 Funds

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

PROPRIETARY FUND TYPES

Major Proprietary Funds

Sanitation and Trash

Civic Arena

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF FUNDS
YEAR ENDED JUNE 30, 2020**

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



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 22, 2021

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, 2020, 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

An independently owned member
RSM US Alliance The RSM logo consists of three horizontal bars in green, blue, and blue, followed by the letters "RSM" in a bold, black, sans-serif font.

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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Coal Severance Tax Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the footnotes to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include the Management's Discussion and Analysis, Schedule of Changes in the Other Post-Employment Liability and Related Ratios, Schedule of Contributions – Multiyear for Other Post-Employment Benefits, Schedules of Proportionate Share of the Net OPEB Liability, Schedules of OPEB Contributions, Schedules of Changes in the Net Pension Liability and Related Ratios, Schedule of Investment Returns and the Schedules of Contributions Multiyear for the Police and Fire Pension Relief Funds, Schedules of the Government's Proportionate Share of the Net Pension Liability and the Schedules of Government Contributions on pages 88 - 95 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 22, 2021, 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 (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020. 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 \$(235,663,349) (net position deficit) at the close of fiscal 2020. For fiscal year 2020, net position decreased by \$1,485,671 and by \$983,991 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 \$28,152,926, an increase of \$6,637,430 over the prior year. As of the close of the current fiscal year, business-type activities reported combined net position deficit of \$(1,435,032), a decrease of \$983,991 from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements.

As noted previously, for fiscal year 2020, net position decreased by \$1,485,671 in the governmental activities and \$983,991 in the business-type activities, respectively. Total primary government revenues were \$63,537,854 with total expenses of \$66,007,516.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

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, 2020 is \$(235,663,349), an decrease of \$2,469,662 compared to June 30, 2019 net position. Net position decreased by \$1,485,671 for governmental activities and decreased \$983,991 for business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The following summarizes the statement of net position at June 30, 2020, in comparison with June 30, 2019:

	Summary of Net Position						Amount of Change
	Governmental Activities		Business Activities		Totals		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
Assets							
Current Assets	\$ 32,616,796	\$ 25,405,470	\$ 892,168	\$ 2,561,541	\$ 33,508,964	\$ 27,967,011	\$ 5,541,953
Capital assets, net	12,165,133	10,073,840	787,448	752,541	12,952,581	10,826,381	2,126,200
Other non-current assets	853,135	761,363	-	-	853,135	761,363	91,772
Total assets	<u>45,635,064</u>	<u>36,240,673</u>	<u>1,679,616</u>	<u>3,314,082</u>	<u>47,314,680</u>	<u>39,554,755</u>	<u>7,759,925</u>
Deferred outflows of resources	<u>15,990,890</u>	<u>11,952,999</u>	<u>406,033</u>	<u>352,802</u>	<u>16,396,923</u>	<u>12,305,801</u>	<u>4,091,122</u>
Liabilities							
Current liabilities	4,448,954	3,791,983	854,858	1,382,986	5,303,812	5,174,969	128,843
Non-current liabilities	287,464,140	271,845,907	2,465,560	2,535,851	289,929,700	274,381,758	15,547,942
Total liabilities	<u>291,913,094</u>	<u>275,637,890</u>	<u>3,320,418</u>	<u>3,918,837</u>	<u>295,233,512</u>	<u>279,556,727</u>	<u>15,676,785</u>
Deferred inflows of resources	<u>3,941,177</u>	<u>5,298,428</u>	<u>200,263</u>	<u>199,088</u>	<u>4,141,440</u>	<u>5,497,516</u>	<u>(1,356,076)</u>
Net position							
Net investment in capital assets	9,779,974	7,649,445	787,448	752,541	10,567,422	8,401,986	2,165,436
Restricted	7,092,067	7,001,231	-	-	7,092,067	7,001,231	90,836
Unrestricted (deficit)	(251,100,358)	(247,393,322)	(2,222,480)	(1,203,582)	(253,322,838)	(248,596,904)	(4,725,934)
Total net position	<u>\$ (234,228,317)</u>	<u>\$ (232,742,646)</u>	<u>\$ (1,435,032)</u>	<u>\$ (451,041)</u>	<u>\$ (235,663,349)</u>	<u>\$ (233,193,687)</u>	<u>\$ (2,469,662)</u>

Total assets increased 19.6% or \$7,759,925 during the year. Current assets in governmental activities increased \$7,211,326 and decreased \$1,669,373 in business-type activities.

Total liabilities increased 5.6% or \$15,676,785 during the year. Current liabilities in governmental activities increased \$656,971 and decreased \$528,128 in business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The following summarizes the statement of activities for the year ended June 30, 2020, in comparison with the year ended June 30, 2019:

Total revenues increased by \$2,564,711 in comparison to prior year.

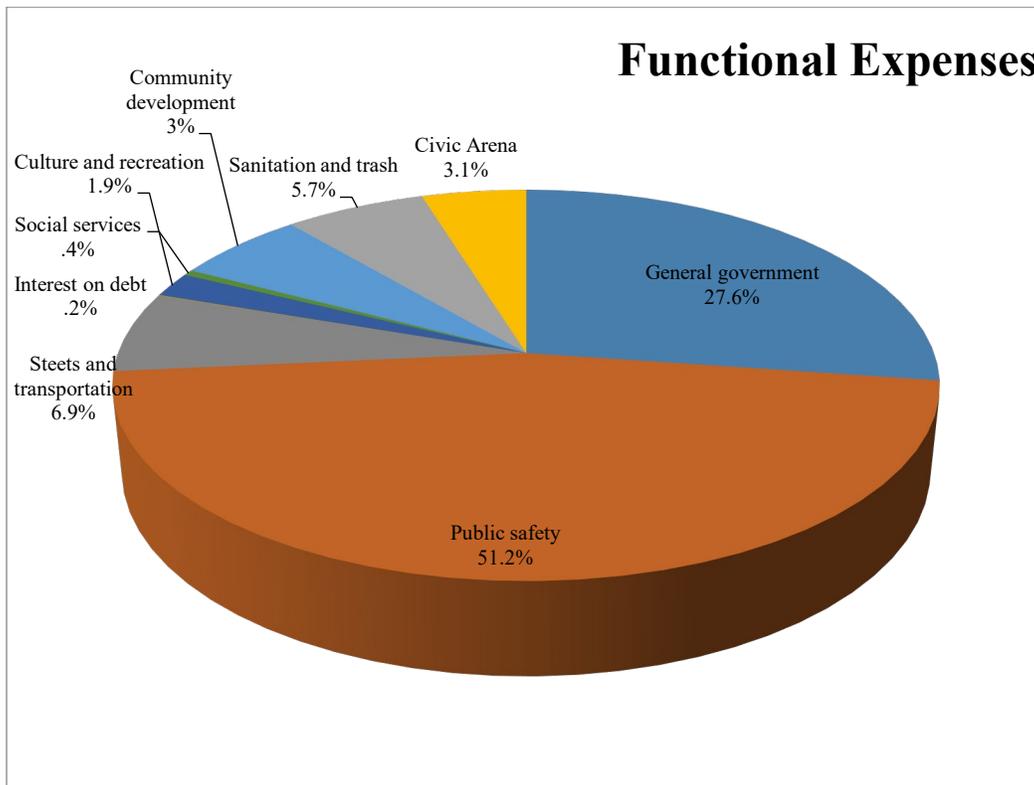
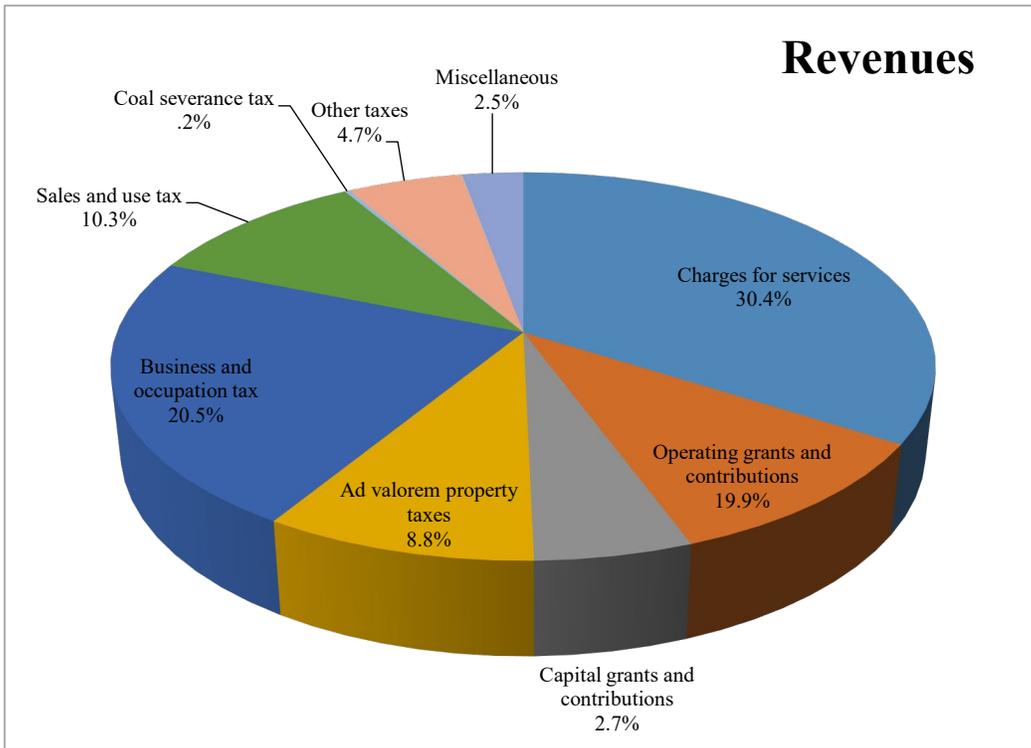
Summary of Changes in Net Position

	Governmental Activities		Business Activities		Totals		Amount of Change
	2020	2019	2020	2019	2020	2019	
Revenues							
Program revenues							
Charges for services	\$ 16,544,727	\$ 16,853,816	\$ 4,181,571	\$ 5,496,053	\$ 20,726,298	\$ 22,349,869	\$ (1,623,571)
Operating grants and contributions	13,488,412	6,658,500	91,394	129,857	13,579,806	6,788,357	6,791,449
Capital grants and contributions	1,853,981	3,449,152	-	-	1,853,981	3,449,152	(1,595,171)
General revenues:							
Ad valorem property taxes	5,985,946	5,957,829	-	-	5,985,946	5,957,829	28,117
Business and Occupaion tax	14,006,326	14,724,947	-	-	14,006,326	14,724,947	(718,621)
Alcoholic beverages tax	489,350	458,047	-	-	489,350	458,047	31,303
Utility services tax	2,019,969	2,145,561	-	-	2,019,969	2,145,561	(125,592)
Hotel occupancy tax	572,895	778,117	-	-	572,895	778,117	(205,222)
Animal tax	2,184	2,354	-	-	2,184	2,354	(170)
Gas and oil severance tax	116,769	103,215	-	-	116,769	103,215	13,554
Amusement tax	7,673	15,300	-	-	7,673	15,300	(7,627)
Sales and use tax	6,993,494	6,801,508	-	-	6,993,494	6,801,508	191,986
Coal severance tax	125,061	152,320	-	-	125,061	152,320	(27,259)
Unrestricted investment earnings	32,263	21,246	309	600	32,572	21,846	10,726
(Loss) Gain on sale of capital assets	10,385	(15,693)	-	-	10,385	(15,693)	26,078
Miscellaneous	1,291,889	1,159,159	362,156	720,155	1,654,045	1,879,314	(225,269)
Total revenues	63,541,324	59,265,378	4,635,430	6,346,665	68,176,754	65,612,043	2,564,711
Expenses							
General government	18,243,486	16,481,812	-	-	18,243,486	16,481,812	1,761,674
Public safety	33,779,816	29,117,517	-	-	33,779,816	29,117,517	4,662,299
Streets and transportation	4,578,744	4,024,527	-	-	4,578,744	4,024,527	554,217
Health and sanitation	33,008	26,560	-	-	33,008	26,560	6,448
Culture and recreation	1,241,330	1,248,611	-	-	1,241,330	1,248,611	(7,281)
Social services	255,886	285,141	-	-	255,886	285,141	(29,255)
Community development	1,978,293	3,635,890	-	-	1,978,293	3,635,890	(1,657,597)
Interest on long-term debt	132,785	186,212	-	-	132,785	186,212	(53,427)
Sanitation and trash	-	-	3,745,611	3,812,544	3,745,611	3,812,544	(66,933)
Civic Arena	-	-	2,018,557	2,900,222	2,018,557	2,900,222	(881,665)
Total expenses	60,243,348	55,006,270	5,764,168	6,712,766	66,007,516	61,719,036	4,288,480
Increase in net position before transfers	3,297,976	4,259,108	(1,128,738)	(366,101)	2,169,238	3,893,007	(1,723,769)
Transfers	(4,783,647)	(1,489,436)	144,747	214,210	(4,638,900)	(1,275,226)	(3,363,674)
Change in net position	(1,485,671)	2,769,672	(983,991)	(151,891)	(2,469,662)	2,617,781	(5,087,443)
Net position- beginning	(232,742,646)	(235,512,318)	(451,041)	(299,150)	(233,193,687)	(235,811,468)	2,617,781
Net position- ending	\$ (234,228,317)	\$ (232,742,646)	\$ (1,435,032)	\$ (451,041)	\$ (235,663,349)	\$ (233,193,687)	\$ (2,469,662)

Overall expenses and transfers out increased by \$7,652,154 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 2020.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 \$17,262,802, an increase of \$5,970,317 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 increased by \$5,052 to \$37,321 during fiscal year 2020.

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 increased \$143,318 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 Land Reuse Agency (LRA) which has responsibility for the Huntington Land Bank. The HURA/LRA fund balance decreased by \$42,807 during the year.

The City's governmental funds reported a combined ending fund balance of \$28,152,926 this year. This compares to the prior year combined ending fund balance of \$21,515,496 for an increase of \$6,637,430. Total unassigned governmental fund balance is \$14,561,136 for fiscal year 2020.

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 \$675,338 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 decreased \$308,653 during the year. The decrease is primarily due to a decrease in events held at the Arena.

In addition to the primary government, the City reports three discretely presented component units. Discretely presented component units are entities which are legally separate from the City, but are financially accountable to the City, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Because of the nature of services they provide, 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, 2020**

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 \$3.1 million or 5% 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
	2020	2019	2020	2019	2020	2019	
Non-Depreciable Assets							
Land	\$ 971,482	\$ 941,939	\$ -	\$ -	\$ 971,482	\$ 941,939	\$ 29,543
Construction in progress	704,539	1,161,601	-	-	704,539	1,161,601	(457,062)
Total non-depreciable assets	<u>1,676,021</u>	<u>2,103,540</u>	<u>-</u>	<u>-</u>	<u>1,676,021</u>	<u>2,103,540</u>	<u>(427,519)</u>
Depreciable assets							
Structures and improvements	10,928,303	9,726,291	75,140	75,140	11,003,443	9,801,431	1,202,012
Infrastructure	18,693,756	17,575,152	-	-	18,693,756	17,575,152	1,118,604
Vehicles	9,932,744	9,471,737	2,288,801	2,086,123	12,221,545	11,557,860	663,685
Machinery and equipment	6,798,353	5,401,155	277,430	277,430	7,075,783	5,678,585	1,397,198
Less: accumulated depreciation	(35,864,044)	(34,204,035)	(1,853,923)	(1,686,152)	(37,717,967)	(35,890,187)	(1,827,780)
Total depreciable assets	<u>10,489,112</u>	<u>7,970,300</u>	<u>787,448</u>	<u>752,541</u>	<u>11,276,560</u>	<u>8,722,841</u>	<u>2,553,719</u>
Total	<u>\$ 12,165,133</u>	<u>\$ 10,073,840</u>	<u>\$ 787,448</u>	<u>\$ 752,541</u>	<u>\$ 12,952,581</u>	<u>\$ 10,826,381</u>	<u>\$ 2,126,200</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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
	2020	2019	2020	2019	2020	2019	
Tax increment financing	\$ 4,668,408	\$ 528,957	\$ -	\$ -	\$ 4,668,408	\$ 528,957	\$ 4,139,451
Capital leases	2,385,159	2,398,773	-	-	2,385,159	2,398,773	(13,614)
Other post-employment benefits	103,271,398	93,951,844	2,198,327	2,245,747	105,469,725	96,197,591	9,272,134
Net pension liability – PERS	559,286	667,487	172,942	197,221	732,228	864,708	(132,480)
Net pension liability – DBP	153,005,832	150,830,268	-	-	153,005,832	150,830,268	2,175,564
Compensated absences	1,539,242	1,401,669	94,291	92,883	1,633,533	1,494,552	138,981
Accrued interest payable	17,815	49,909	-	-	17,815	49,909	(32,094)
Landfill closure and post-closure costs	22,017,000	22,017,000	-	-	22,017,000	22,017,000	-
Total	\$ 287,464,140	\$ 271,845,907	\$ 2,465,560	\$ 2,535,851	\$ 289,929,700	\$ 274,381,758	\$ 15,547,942

Economic factors

The Governing Council and Administration consider many factors each year while preparing the City's operating budget. The budget for the 2021 fiscal year reflects a balanced budget. Approved budgets for the 2021 fiscal year, as well as other documents, are available at 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, 2020

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 6,631,133	\$ 1,185,617	\$ 7,816,750	\$ 1,050,961	\$ 456,745	\$ 4,871,036
Investments	1,856,081	-	1,856,081	-	-	-
Receivables:						
Accounts	2,384,003	199,216	2,583,219	-	39,620	1,666,157
Taxes	5,386,374	-	5,386,374	-	-	-
Loans	6,238,932	-	6,238,932	-	-	-
Other	-	-	-	-	-	225,678
Deposits	-	-	-	-	-	-
Assets held for resale	677,088	-	677,088	-	-	-
Internal balances	575,748	(575,748)	-	-	-	-
Due from:						
Primary government	-	-	-	12,329	-	36,042
Component units	106,500	-	106,500	-	-	-
Other governments	8,493,163	-	8,493,163	-	-	551,891
Fiduciary funds	8,100	-	8,100	-	-	-
Inventory, at cost	-	51,214	51,214	-	-	22,283
Prepaid expenses	259,674	31,869	291,543	181,777	873	10,819
Total current assets	32,616,796	892,168	33,508,964	1,245,067	497,238	7,383,906
Noncurrent assets:						
Regular account	-	-	-	1,743,827	-	-
Restricted account	-	-	-	-	-	5,387,007
Capital assets:						
Nondepreciable:						
Land	971,482	-	971,482	6,715,056	942,877	298,055
CIP	704,539	-	704,539	131,408	-	1,382,659
Depreciable:						
Buildings	-	-	-	17,379,570	4,775,401	82,426,934
Structures and improvements	10,928,303	75,140	11,003,443	1,997,189	490,173	14,293,915
System Infrastructure	18,693,756	-	18,693,756	-	-	-
Vehicles	9,932,744	2,288,801	12,221,545	-	-	3,042,071
Machinery and equipment	6,798,353	277,430	7,075,783	200,000	783,024	3,124,229
Furniture and fixtures	-	-	-	2,664,520	-	-
Less: accumulated depreciation	(35,864,044)	(1,853,923)	(37,717,967)	(15,955,501)	(5,442,793)	(67,355,137)
Other debits:						
Net pension asset (MPFRS)	853,135	-	853,135	-	-	-
Total noncurrent assets	13,018,268	787,448	13,805,716	14,876,069	1,548,682	42,599,733
Total assets	45,635,064	1,679,616	47,314,680	16,121,136	2,045,920	49,983,639
DEFERRED OUTFLOWS						
Public Employees Retirement System (PERS):						
Contributions made after measurement date	405,554	117,837	523,391	15,963	34,602	563,519
Changes in contributions	41,828	12,934	54,762	1,009	3,560	446,113
Difference between expected and actual experience	21,647	6,694	28,341	522	1,842	21,293
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	322,372	-	322,372	-	-	-
Changes in contributions	286,073	-	286,073	-	-	-
Difference between expected and actual experience	136,948	-	136,948	-	-	-
Subtotal deferred outflows of resources	1,214,422	137,465	1,351,887	17,494	40,004	1,030,925

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
DEFERRED OUTFLOWS CONTINUED						
Defined Benefit Plans (DBP):						
Changes in actual investment experience	\$ 708,553	\$ -	708,553	\$ -	\$ -	\$ -
Difference between expected and actual experience	1,454,059	-	1,454,059	-	-	-
Other postemployment benefits	12,613,856	268,568	12,882,424	1,291	-	-
Total deferred outflows of resources	<u>15,990,890</u>	<u>406,033</u>	<u>16,396,923</u>	<u>18,785</u>	<u>40,004</u>	<u>1,030,925</u>
LIABILITIES						
Current liabilities payable						
from current assets:						
Accounts payable	1,636,240	249,110	1,885,350	185,000	2,756	533,248
Payroll payable	587,475	62,441	649,916	5,759	12,654	91,533
Line of credit	643,951	-	643,951	-	-	-
Unclaimed property	84,017	-	84,017	-	-	-
Reserve for health claims	776,637	75,489	852,126	5,377	11,424	-
Customer deposits	-	-	-	-	-	532,044
Other accrued expenses	-	-	-	-	-	148,779
Due to:						
Primary government	-	-	-	20,004	68,796	14,000
Component units	12,580	-	12,580	-	-	-
Fiduciary funds	195,700	-	195,700	-	-	-
Other governments / funds	-	-	-	-	-	551,891
Unearned revenues:						
Sponsorship	-	1,000	1,000	-	-	-
Charges for services	-	166,570	166,570	-	-	-
Customer advances	-	1,150	1,150	-	-	-
Ticket sales	-	271,100	271,100	-	-	-
Other unearned revenue	512,354	27,998	540,352	-	6,355	-
Total current liabilities	<u>4,448,954</u>	<u>854,858</u>	<u>5,303,812</u>	<u>216,140</u>	<u>101,985</u>	<u>1,871,495</u>
Noncurrent liabilities due within one year:						
Bonds and notes payable	-	-	-	428,174	-	1,278,123
Lease payable	386,848	-	386,848	-	-	-
Tax increment financing bonds payable	257,524	-	257,524	-	-	-
Noncurrent liabilities due						
in more than one year:						
Bonds and notes payable	-	-	-	8,303,948	-	12,369,235
Lease payable	1,998,311	-	1,998,311	-	-	-
Tax increment financing bonds payable	4,410,884	-	4,410,884	-	-	-
Accrued interest payable	17,815	-	17,815	101,490	-	27,846
Other postemployment benefits liability	103,271,398	2,198,327	105,469,725	10,569	295,929	473,442
Net pension liability – PERS	559,286	172,942	732,228	13,486	47,599	550,695
Net pension liability – DBP	153,005,832	-	153,005,832	-	-	-
Compensated absences payable	1,539,242	94,291	1,633,533	11,695	28,004	162,346
Estimated landfill closure and post-closure liability	22,017,000	-	22,017,000	-	-	-
Total noncurrent liabilities	<u>287,464,140</u>	<u>2,465,560</u>	<u>289,929,700</u>	<u>8,869,362</u>	<u>371,532</u>	<u>14,861,687</u>
Total liabilities	<u>291,913,094</u>	<u>3,320,418</u>	<u>295,233,512</u>	<u>9,085,502</u>	<u>473,517</u>	<u>16,733,182</u>

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
DEFERRED INFLOWS						
Public Employees Retirement System (PERS):						
Changes in contributions	\$ 57,087	\$ 17,653	\$ 74,740	\$ 1,377	\$ 4,859	\$ 94,506
Difference in assumptions	102,673	31,749	134,422	2,476	8,738	196,992
Difference between expected and actual experience	48,847	15,105	63,952	1,178	4,157	103,254
Difference between expected and actual investment earnings	202,155	62,510	264,665	4,875	17,205	203,955
Municipal Police and Firefighters Retirement System (MPFRS):						
Changes in contributions	13,203	-	13,203	-	-	-
Changes in investment experience	5,024	-	5,024	-	-	-
Changes in assumptions	31,074	-	31,074	-	-	-
Other postemployment benefits	3,481,114	73,246	3,554,360	352	9,860	-
TOTAL DEFERRED INFLOWS OF RESOURCES	3,941,177	200,263	4,141,440	10,258	44,819	598,707
NET POSITION						
Net investment in capital assets	9,779,974	787,448	10,567,422	4,400,120	1,548,682	23,565,368
Restricted for:						
Debt service	-	-	-	1,743,827	-	2,298,076
Community development	6,238,932	-	6,238,932	-	-	-
Net pension asset	853,135	-	853,135	-	-	-
Customer deposits	-	-	-	-	-	18
Construction	-	-	-	-	-	2,234,039
Unrestricted	(251,100,358)	(2,222,480)	(253,322,838)	900,214	18,906	5,585,174
Total net position	\$ (234,228,317)	\$ (1,435,032)	\$ (235,663,349)	\$ 7,044,161	\$ 1,567,588	\$ 33,682,675

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board	
Governmental activities:											
General government	\$ 18,243,486	\$ 2,190,422	\$ -	\$ 42,722	\$ (16,010,342)	\$ -	\$ (16,010,342)	\$ -	\$ -	\$ -	\$ -
Public safety	33,779,816	12,092,326	11,825,798	305,352	(9,556,340)	-	(9,556,340)	-	-	-	-
Streets and transportation	4,578,744	2,193,769	-	-	(2,384,975)	-	(2,384,975)	-	-	-	-
Health and sanitation	33,008	68,210	-	22,984	58,186	-	58,186	-	-	-	-
Culture and recreation	1,241,330	-	70,000	-	(1,171,330)	-	(1,171,330)	-	-	-	-
Social services	255,886	-	256,181	-	295	-	295	-	-	-	-
Community development	1,978,293	-	1,336,433	1,482,923	841,063	-	841,063	-	-	-	-
Interest on long-term debt	132,785	-	-	-	(132,785)	-	(132,785)	-	-	-	-
Total governmental activities	60,243,348	16,544,727	13,488,412	1,853,981	(28,356,228)	-	(28,356,228)	-	-	-	-
Business-type activities:											
Sanitation and trash	3,745,611	2,993,935	-	-	-	(751,676)	(751,676)	-	-	-	-
Civic arena	2,018,557	1,187,636	91,394	-	-	(739,527)	(739,527)	-	-	-	-
Total business-type activities	5,764,168	4,181,571	91,394	-	-	(1,491,203)	(1,491,203)	-	-	-	-
Total primary government	\$ 66,007,516	\$ 20,726,298	\$ 13,579,806	\$ 1,853,981	(28,356,228)	(1,491,203)	(29,847,431)	-	-	-	-
Component units:											
Municipal Development Authority	\$ 1,236,625	\$ 134,771	\$ 200,000	\$ -	-	-	-	(901,854)	-	-	-
Municipal Parking Board	856,247	709,702	-	-	-	-	-	-	(146,545)	-	-
Huntington Water Quality Board	13,334,641	17,244,570	-	-	-	-	-	-	-	3,909,929	-
Total component units	\$ 15,427,513	\$ 18,089,043	\$ 200,000	\$ -	-	-	-	(901,854)	(146,545)	3,909,929	-

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Net (Expense) Revenues and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
General revenues:						
Ad valorem property taxes	\$ 5,985,946	\$ -	\$ 5,985,946	\$ 336,314	\$ -	\$ -
Business & occupation tax	14,006,326	-	14,006,326	-	-	-
Alcoholic beverages tax	489,350	-	489,350	-	-	-
Utility services tax	2,019,969	-	2,019,969	-	-	-
Hotel occupancy tax	572,895	-	572,895	-	-	-
Animal tax	2,184	-	2,184	-	-	-
Gas & oil severance tax	116,769	-	116,769	-	-	-
Amusement tax	7,673	-	7,673	-	-	-
Sales and use tax	6,993,494	-	6,993,494	-	-	-
Coal severance tax	125,061	-	125,061	-	-	-
Unrestricted investment earnings	32,263	-	32,263	24,472	213	-
Interest revenue	-	309	309	-	-	93,743
Gains (loss) on disposal of capital assets	10,385	-	10,385	(476,113)	-	-
Miscellaneous	1,291,889	362,156	1,654,045	50,650	4,336	(181,691)
Transfers	(4,783,647)	144,747	(4,638,900)	4,638,900	-	-
Total general revenues and transfers	<u>26,870,557</u>	<u>507,212</u>	<u>27,377,769</u>	<u>4,574,223</u>	<u>4,549</u>	<u>(87,948)</u>
Change in net position	(1,485,671)	(983,991)	(2,469,662)	3,672,369	(141,996)	3,821,981
Net position – beginning, as restated	(232,742,646)	(451,041)	(233,193,687)	3,371,792	1,709,584	29,860,694
Net position – ending	<u>\$ (234,228,317)</u>	<u>\$ (1,435,032)</u>	<u>\$ (235,663,349)</u>	<u>\$ 7,044,161</u>	<u>\$ 1,567,588</u>	<u>\$ 33,682,675</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General	Coal Severance Tax	Community Development Block Grant	HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS						
Assets:						
Current:						
Cash and cash equivalents	\$ 4,742,399	\$ 35,910	\$ 196,589	\$ 3,686	\$ 1,652,549	\$ 6,631,133
Investments	331,517	-	-	-	1,524,564	1,856,081
Receivables:						
Taxes	5,386,374	-	-	-	-	5,386,374
Accounts	839,468	-	1,542,108	2,427	-	2,384,003
Loans	-	-	6,238,932	-	-	6,238,932
Assets held for resale	-	-	-	677,088	-	677,088
Due from:						
Component units	106,500	-	-	-	-	106,500
Other funds	950,096	-	753	-	17,875	968,724
Other governments	8,471,712	21,451	-	-	-	8,493,163
Fiduciary funds	8,100	-	-	-	-	8,100
Prepaid expenses	259,674	-	-	-	-	259,674
Total assets	21,095,840	57,361	7,978,382	683,201	3,194,988	33,009,772
Deferred Outflows:						
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>21,095,840</u>	\$ <u>57,361</u>	\$ <u>7,978,382</u>	\$ <u>683,201</u>	\$ <u>3,194,988</u>	\$ <u>33,009,772</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,618,788	\$ -	\$ 6,883	\$ -	\$ 10,569	\$ 1,636,240
Payroll payable	575,164	-	12,311	-	-	587,475
Line of credit	-	-	-	643,951	-	643,951
Reserve for health claims	764,764	-	11,873	-	-	776,637
Due to:						
Component units	12,580	-	-	-	-	12,580
Other funds	56,748	20,040	70,317	235,686	10,186	392,977
Other governments	-	-	-	-	-	-
Fiduciary funds	195,699	-	-	-	-	195,699
Unearned revenue:						
Other	512,304	-	-	50	-	512,354
Unclaimed property	82,075	-	-	-	1,942	84,017
Total liabilities	3,818,122	20,040	101,384	879,687	22,697	4,841,930

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2020

	General	Coal Severance Tax	Community Development Block Grant	HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
Deferred Inflows:						
Unavailable revenue - property taxes	14,916	-	-	-		14,916
Total deferred inflows of resources	14,916	-	-	-	-	14,916
Total liabilities and deferred inflows of resources	3,833,038	20,040	101,384	879,687	22,697	4,856,846
Fund balances:						
Nonspendable	259,674	-	-	677,088	-	936,762
Restricted	-	-	6,238,932	-	-	6,238,932
Committed	578,885	-	-	-	-	578,885
Assigned	989,533	37,321	1,638,066	-	3,172,291	5,837,211
Unassigned	15,434,710	-	-	(873,574)	-	14,561,136
Total fund balances	17,262,802	37,321	7,876,998	(196,486)	3,172,291	28,152,926
Total liabilities, deferred inflows and fund balances \$	\$ 21,095,840	\$ 57,361	\$ 7,978,382	\$ 683,201	\$ 3,194,988	\$ 33,009,772

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total fund balances on the governmental fund's balance sheet	\$ 28,152,926
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.	12,165,133
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).	853,135
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds.	14,916
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	12,613,856
Deferred inflows	(3,481,114)
<i>Public Employees Retirement System (PERS):</i>	
Deferred outflows:	
Contributions made after measurement date	405,554
Difference between expected and actual experience	21,647
Changes in contributions	41,828
Deferred inflows:	
Changes in contributions	(57,087)
Difference in assumptions	(102,673)
Difference between expected and actual investment earnings	(202,155)
Difference between expected and actual experience	(48,847)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>	
Deferred outflows:	
Contributions made after measurement date	322,372
Changes in contributions	286,073
Difference between expected and actual experience	136,948
Deferred inflows:	
Changes in contributions	(13,203)
Change in investment experience	(5,024)
Change in assumptions	(31,074)
<i>Defined Benefits Plans (DBP):</i>	
Deferred outflows:	
Changes in actual investment experience	708,553
Difference between expected and actual experience	1,454,059

CITY OF HUNTINGTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (Continued)
JUNE 30, 2020

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	\$	(4,668,408)
Capital leases		(2,385,159)
Accrued interest payable on long-term liabilities		(17,815)
Compensated absences		(1,539,242)
Net pension liability – PERS		(559,286)
Net Pension Liability – DBP		(153,005,832)
Other postemployment benefits payable		(103,271,398)
Estimated landfill closure and post-closure liability		<u>(22,017,000)</u>
Net position of governmental activities (deficit)	\$	<u><u>(234,228,317)</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, 2020

	General	Coal Severance Tax	Community Development Block Grant	HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem property taxes	\$ 5,807,259	\$ -	\$ -	\$ -	\$ 261,762	\$ 6,069,021
Business & occupation tax	14,006,326	-	-	-	-	14,006,326
Alcoholic beverages tax	489,350	-	-	-	-	489,350
Utility services tax	2,019,969	-	-	-	-	2,019,969
Hotel occupancy tax	572,895	-	-	-	-	572,895
Animal tax	2,184	-	-	-	-	2,184
Gas and oil severance tax	116,769	-	-	-	-	116,769
Amusement tax	7,673	-	-	-	-	7,673
Sales and use tax	6,993,494	-	-	-	-	6,993,494
Coal severance tax	-	125,061	-	-	-	125,061
Licenses and permits, and fees	1,014,858	-	-	-	-	1,014,858
Intergovernmental:						
Federal	9,982,765	-	2,640,010	-	-	12,622,775
State	2,274,462	-	-	-	-	2,274,462
Charges for services	13,462,892	-	-	-	68,210	13,531,102
Fines and forfeits	264,744	-	-	-	24,134	288,878
Interest and investment earnings	28,764	31	129	-	3,339	32,263
Franchise fees	496,948	-	-	-	-	496,948
Employee/retirees health insurance	1,709,889	-	-	-	-	1,709,889
Contributions and donations	186,130	-	-	-	259,026	445,156
Miscellaneous	794,941	-	-	-	-	794,941
Total revenues	60,232,312	125,092	2,640,139	-	616,471	63,614,014
EXPENDITURES						
Current:						
General government	18,076,485	700	-	13,745	9,650	18,100,580
Public safety	28,131,014	-	-	-	118,633	28,249,647
Streets and transportation	4,425,842	-	-	-	-	4,425,842
Health and sanitation	-	-	-	-	400	400
Culture and recreation	976,082	-	-	-	-	976,082
Social services	36,875	-	219,011	-	-	255,886
Capital outlay	2,135,151	-	-	-	339,675	2,474,826
Community development	-	-	2,011,670	-	-	2,011,670
Debt service:						
Principal	-	-	-	-	613,949	613,949
Interest	-	-	-	38,002	29,878	67,880
Total expenditures	53,781,449	700	2,230,681	51,747	1,112,185	57,176,762
Excess (deficiency) of revenues over expenditures	6,450,863	124,392	409,458	(51,747)	(495,714)	6,437,252

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, 2020

	<u>General</u>	<u>Coal Severance Tax</u>	<u>Community Development Block Grant</u>	<u>HURA/LRA</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 266,140	\$ -	\$ -	\$ -	\$ -	\$ 266,140
Transfers (out)	(1,349,363)	(119,340)	(266,140)	-	(3,314,944)	(5,049,787)
Proceeds from the sales of assets	2,677	-	-	8,940	-	11,617
Capital leases	600,000	-	-	-	-	600,000
Proceeds from bonds	-	-	-	-	4,753,408	4,753,408
Bond issuance costs	-	-	-	-	(381,200)	(381,200)
Total other financing sources (uses)	<u>(480,546)</u>	<u>(119,340)</u>	<u>(266,140)</u>	<u>8,940</u>	<u>1,057,264</u>	<u>200,178</u>
Net change in fund balances	5,970,317	5,052	143,318	(42,807)	561,550	6,637,430
Fund balances – beginning	<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>
Fund balances – ending	<u>\$ 17,262,802</u>	<u>\$ 37,321</u>	<u>\$ 7,876,998</u>	<u>\$ (196,486)</u>	<u>\$ 3,172,291</u>	<u>\$ 28,152,926</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, 2020**

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

Net change in fund balances – total governmental funds	\$	6,637,430
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.		3,769,782
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.		(1,677,257)
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		(18,480)
Accumulated depreciation of assets disposed		17,248
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		(97,991)
Current year deferred taxes		14,916
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		405,554
Amount of pension expenses recognized at government-wide level		(209,607)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>		
Contributions made after measurement date		322,372
Amount of pension expenses recognized at government-wide level		(94,396)
<i>Defined Benefits Plans (DBP):</i>		
Amount of employer contributions to pensions		10,174,712
Amount of pension expenses recognized at government-wide level		(9,558,614)

**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, 2020**

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

Tax increment financing revenue bonds proceeds	\$	(4,753,400)
Tax increment financing bond principal payments		613,949
Capital leases proceeds		(600,000)
Capital lease principal payments		613,614
Accrued interest is required to be reported as a liability in the statement of net position of the government-wide financial statements. The following represents the change in accrued interest payable for the year.		32,094
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the Statement of Activities.		(6,940,024)
Change in compensated absences payable		<u>(137,573)</u>
Change in net position of governmental activities	\$	<u><u>(1,485,671)</u></u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Ad valorem property taxes	\$ 6,000,000	\$ 6,000,000	\$ 5,807,259	\$ (192,741)
Business & occupation tax	13,500,000	13,500,000	14,006,326	506,326
Alcoholic beverages tax	400,000	400,000	489,350	89,350
Utility services tax	2,050,000	2,050,000	2,019,969	(30,031)
Hotel occupancy tax	800,000	800,000	572,895	(227,105)
Animal tax	2,200	2,200	2,184	(16)
Gas and oil severance tax	103,000	103,000	116,769	13,769
Amusement tax	10,000	10,000	7,673	(2,327)
Sales and use tax	6,500,000	6,500,000	6,993,494	493,494
Licenses and permits	1,025,000	1,025,000	1,014,858	(10,142)
Intergovernmental:				
Federal	2,000,000	2,000,000	9,982,765	7,982,765
State	2,663,302	2,663,302	2,274,462	(388,840)
Charges for services	13,657,000	13,657,000	13,462,892	(194,108)
Fines and forfeits	247,000	247,000	264,744	17,744
Interest earnings	10,000	10,000	28,764	18,764
Franchise fees	700,000	700,000	496,948	(203,052)
Employees & retiree health insurance	1,560,000	1,560,000	1,709,889	149,889
Contributions and donations	558,947	558,947	186,130	(372,817)
Miscellaneous	720,231	720,231	794,941	74,710
Total revenues	52,506,680	52,506,680	60,232,312	7,725,632
EXPENDITURES				
Current:				
General government	22,392,390	23,524,479	18,076,485	5,447,994
Public safety	29,589,980	29,592,018	28,131,014	1,461,004
Streets and transportation	4,282,120	4,767,120	4,425,842	341,278
Culture and recreation	2,299,422	2,299,422	976,082	1,323,340
Social services	106,626	76,626	36,875	39,751
Capital outlay	2,000,000	3,550,000	2,135,151	1,414,849
Total expenditures	60,670,538	63,809,665	53,781,449	10,028,216
Excess (deficiency) of revenues over expenditures	(8,163,858)	(11,302,985)	6,450,863	17,753,848

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, 2020

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 266,140	\$ 266,140
Transfers (out)	-	-	(1,349,363)	(1,349,363)
Proceeds from the sale of assets	10,500	10,500	2,677	(7,823)
Proceeds from capital leases	-	-	600,000	600,000
Total other financing sources (uses)	<u>10,500</u>	<u>10,500</u>	<u>(480,546)</u>	<u>(491,046)</u>
Net change in fund balance	(8,153,358)	(11,292,485)	5,970,317	17,262,802
Fund balance – beginning	<u>8,153,358</u>	<u>11,292,485</u>	<u>11,292,485</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,262,802</u>	<u>\$ 17,262,802</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, 2020

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Coal severance tax	\$ 120,000	\$ 120,000	\$ 125,061	\$ 5,061
Interest earnings	40	40	31	(9)
Total revenues	<u>120,040</u>	<u>120,040</u>	<u>125,092</u>	<u>5,052</u>
EXPENDITURES				
General government	-	-	700	(700)
Culture and recreation	120,140	152,309	-	152,309
Total expenditures	<u>120,140</u>	<u>152,309</u>	<u>700</u>	<u>151,609</u>
Excess (deficiency) of revenues over expenditures	<u>(100)</u>	<u>(32,269)</u>	<u>124,392</u>	<u>156,661</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(119,340)	(119,340)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(119,340)</u>	<u>(119,340)</u>
Net change in fund balance	(100)	(32,269)	5,052	37,321
Fund balance – beginning	<u>100</u>	<u>32,269</u>	<u>32,269</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,321</u>	<u>\$ 37,321</u>

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
ASSETS			
Current:			
Cash and cash equivalents	\$ 604,042	\$ 581,575	\$ 1,185,617
Receivables:			
Accounts	151,340	47,876	199,216
Due from:			
Other funds	2,093	67,565	69,658
Inventory, at cost	-	51,214	51,214
Prepaid expenses	14,771	17,098	31,869
	772,246	765,328	1,537,574
Total current assets			
Capital assets:			
Depreciable:			
Structures and improvements	75,140	-	75,140
Vehicles	2,288,801	-	2,288,801
Machinery and equipment	277,430	-	277,430
Less: accumulated depreciation	(1,853,923)	-	(1,853,923)
	787,448	-	787,448
Total capital assets (net of accumulated depreciation)			
Total noncurrent assets	787,448	-	787,448
Total assets	1,559,694	765,328	2,325,022
DEFERRED OUTFLOWS OF RESOURCES			
Changes in pension contribution	12,934	-	12,934
Contributions made after measurement date	117,837	-	117,837
Difference between expected and actual experience	6,694	-	6,694
Other post employment benefits	268,568	-	268,568
	406,033	-	406,033
Total deferred outflows of resources			

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
JUNE 30, 2020

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
LIABILITIES			
Current liabilities payable from current assets:			
Accounts payable	\$ 148,868	\$ 100,242	\$ 249,110
Reserve for health claims	75,489	-	75,489
Payroll payable	43,522	18,919	62,441
Due to:			
Other funds	419,869	225,537	645,406
Total current liabilities payable from current assets	687,748	344,698	1,032,446
Unearned revenues:			
Sponsorship	-	1,000	1,000
Charges for services	144,070	22,500	166,570
Ticket sales	-	271,100	271,100
Customer advances	-	1,150	1,150
Other unearned revenue	-	27,998	27,998
Total unearned revenues	144,070	323,748	467,818
Noncurrent liabilities:			
Other postemployment benefits liability	2,198,327	-	2,198,327
Net pension liability – PERS	172,942	-	172,942
Compensated absences payable	84,669	9,622	94,291
Total noncurrent liabilities	2,455,938	9,622	2,465,560
Total liabilities	3,287,756	678,068	3,965,824
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits deferred inflows	73,246	-	73,246
Changes in contributions	17,653	-	17,653
Difference in assumptions	31,749	-	31,749
Difference between expected and actual experience	15,105	-	15,105
Difference between expected and actual investment	62,510	-	62,510
Total deferred inflows of resources	200,263	-	200,263
NET POSITION			
Net investment in capital assets	787,448	-	787,448
Unrestricted	(2,309,740)	87,260	(2,222,480)
Total net position	\$ (1,522,292)	\$ 87,260	\$ (1,435,032)

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, 2020**

	Business-type Activities – Enterprise Funds		
	Sanitation and		Total
	Trash	Civic Arena	
Operating revenues:			
Sales and services to customers	\$ 2,993,935	\$ 902,298	\$ 3,896,233
Contributions	-	91,394	91,394
Rebates and reimbursements	-	271,418	271,418
Rental fees	-	285,338	285,338
Miscellaneous	76,066	14,672	90,738
	<u>3,070,001</u>	<u>1,565,120</u>	<u>4,635,121</u>
Operating expenses:			
Personal services	2,041,554	707,260	2,748,814
Contractual services	567,652	272,768	840,420
Administrative and general	164,614	751,814	916,428
Miscellaneous	139,604	23,895	163,499
Liability insurance	70,022	69,337	139,359
Materials and supplies	102,968	864	103,832
Utilities	125,387	163,113	288,500
Depreciation	167,771	-	167,771
Maintenance	366,039	29,506	395,545
	<u>3,745,611</u>	<u>2,018,557</u>	<u>5,764,168</u>
Operating income (loss)	<u>(675,610)</u>	<u>(453,437)</u>	<u>(1,129,047)</u>
Nonoperating revenues (expenses):			
Interest revenue	272	37	309
Interest and fiscal charges	-	-	-
	<u>272</u>	<u>37</u>	<u>309</u>
Income (loss) before transfers	<u>(675,338)</u>	<u>(453,400)</u>	<u>(1,128,738)</u>
Transfers in	-	528,572	528,572
Transfers (out)	-	(383,825)	(383,825)
Change in net position	(675,338)	(308,653)	(983,991)
Net position at beginning of year	<u>(846,954)</u>	<u>395,913</u>	<u>(451,041)</u>
Net position at end of year	<u>\$ (1,522,292)</u>	<u>\$ 87,260</u>	<u>\$ (1,435,032)</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
Cash flows from operating activities			
Cash received from customers	\$ 3,050,722	\$ 1,044,887	\$ 4,095,609
Cash paid for goods and services	(1,405,678)	(1,749,914)	(3,155,592)
Other cash payments	-	-	-
Cash paid to employees	(2,134,262)	(777,728)	(2,911,990)
Other cash receipts	354,202	141,316	495,518
Net cash provided (used) by operating activities	<u>(135,016)</u>	<u>(1,341,439)</u>	<u>(1,476,455)</u>
Cash flows from noncapital financing activities:	-		
Transfers in	-	528,572	528,572
Transfers (out)	-	(383,825)	(383,825)
Net cash provided by noncapital financing activities	<u>-</u>	<u>144,747</u>	<u>144,747</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	(202,678)	-	(202,678)
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Net cash (used) by capital and related financing activities	<u>(202,678)</u>	<u>-</u>	<u>(202,678)</u>
Cash flows from investing activities:			
Interest and investment earnings	272	37	309
Net cash provided by investing activities	<u>272</u>	<u>37</u>	<u>309</u>
Net (decrease) in cash and cash equivalents	(337,422)	(1,196,655)	(1,534,077)
Cash and cash equivalents at beginning year	941,464	1,778,230	2,719,694
Cash and cash equivalents at end of year	<u>\$ 604,042</u>	<u>\$ 581,575</u>	<u>\$ 1,185,617</u>

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities –		
	Enterprise Funds		
	<u>Sanitation and Trash</u>	<u>Civic Arena</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (675,610)	\$ (453,437)	\$ (1,129,047)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	167,771	-	167,771
(Decrease) increase in accounts receivable	(53,172)	47,192	(5,980)
Increase (decrease) in unearned revenues	109,959	(461,359)	(351,400)
Decrease (increase) in customer advances	-	-	-
Decrease (increase) in deferred outflows	(53,231)	-	(53,231)
(Decrease) increase in due from other funds	(1,169)	26,576	25,407
Decrease in inventory	-	15,684	15,684
Decrease (increase) in prepaid expenses	3	(1,371)	(1,368)
Increase (decrease) in accounts payable	126,317	(452,930)	(326,613)
Increase (decrease) in other postemployment benefits	(47,420)	-	(47,420)
Increase (decrease) in payroll payable	15,062	(55,891)	(40,829)
Increase (decrease) in compensated absences payable	15,985	(14,577)	1,408
Increase (decrease) in net pension liability	(24,279)	-	(24,279)
Increase (decrease) in deferred inflows	1,175	-	1,175
Increase (decrease) in due to other funds	279,305	8,674	287,979
Increase (decrease) in health care claims payable	4,288	-	4,288
Net cash provided (used) by operations	\$ <u>(135,016)</u>	\$ <u>(1,341,439)</u>	\$ <u>(1,476,455)</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Non-pooled cash	\$ <u>1,711,475</u>	\$ <u>2,719,471</u>
Total cash	<u>1,711,475</u>	<u>2,719,471</u>
Investments, at fair value:		
Money market funds	2,272,318	-
Government securities	4,402,194	
Mutual funds	3,548,743	
Corporate bonds	17,663,911	
Corporate stocks	42,190,220	-
Certificates of deposit	<u>2,278,087</u>	<u>-</u>
Total investments	<u>72,355,473</u>	<u>-</u>
Receivables:		
Accounts receivables	5,538	-
Due from plan members	-	
Accrued Income	191,563	-
Due from primary government	<u>-</u>	<u>195,698</u>
Total receivables	<u>197,101</u>	<u>195,698</u>
Total assets	<u>74,264,049</u>	<u>2,915,169</u>
DEFERRED OUTFLOWS		
Deferred outflows	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>74,264,049</u>	<u>2,915,169</u>

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

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS (Continued)
JUNE 30, 2020

	Pension Trust Funds	Agency Funds
LIABILITIES		
Accounts payable	\$ 8,498	\$ -
Refunds payable and other	-	2,913,769
Due to other governments	-	-
Due to primary government	6,700	1,400
Total liabilities	15,198	2,915,169
DEFERRED INFLOWS		
Deferred inflows	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	15,198	2,915,169
NET POSITION		
Net position restricted for pension benefits	\$ 74,248,851	\$ -

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

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 10,174,712
Plan members	514,421
Insurance premium surtax	<u>2,271,163</u>
Total contributions	<u>12,960,296</u>
Investment income:	
Accrued Income	191,563
Net increase (decrease) in fair value of investments	320,529
Interest and dividends	1,845,571
Miscellaneous	<u>3,400</u>
Net investment income	<u>2,361,063</u>
Total additions	<u>15,321,359</u>
DEDUCTIONS	
Benefits	11,037,839
Administrative expenses	261,646
Refunds of contributions	<u>53,220</u>
Total deductions	<u>11,352,705</u>
Change in net assets	3,968,654
Net position restricted for pension benefits:	
Beginning of year	<u>70,280,197</u>
End of year	<u>\$ 74,248,851</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, 2020**

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, 2020**

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, 2020**

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 Land Reuse Agency, which has responsibility of the Huntington Land Bank.

The government reports the following major proprietary funds:

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

The *Civic Arena Fund* accounts for operating activities of Mountain Health Arena.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020, the City reported unavailable revenues totaling \$14,916.

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020.
Unrestricted net position	This represents resources derived from other than capital assets or restricted net position. These resources are used for transactions relating to the general operation of the City, and may be used at the discretion of the City to meet current expenses for any lawful purpose.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

E. Property Taxes

All municipalities within the State are authorized to levy taxes not in excess of the following maximum levies per \$100 of assessed valuation: on Class I property, twelve and five-tenths cents (12.5 cents); on Class II property, twenty-five cents (25 cents); on Class IV property, fifty cents (50 cents). In addition, municipalities may provide for an election to lay an excess levy; the rates not to exceed statutory limitations, provided at least sixty percent of the voters cast ballots in favor of the excess levy.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	\$	552,169,202	22.00 cents
Class IV	\$	1,020,113,868	44.00 cents

Tax Incentive Programs

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

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

F. Pension and Other Postemployment Benefit Liabilities

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

Other Post-Employment Benefits (OPEB)

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

G. Recent Statements Issued by Governmental Accounting Standards Board

The Governmental Accounting Standards Board has issued Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018 (postponed one year). This statement establishes criteria for what activities should be reported as fiduciary activities and states how each business-type activity should report their fiduciary activities. The focus of the statement is on whether the government is controlling the asset of the fiduciary activity and the beneficiaries of the fiduciary activity. The City has not yet determined the effect that the adoption of GASB Statement No. 84 may have on its financial statements.

The Governmental Accounting Standards Board has issued Statement No. 90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2018 (postponed one year). This statement establishes the criteria for what a major equity interest is, clarifies how an interest in a legally separate organization should be reported as an investment, and states how an investment is measured using the equity method. This statement also requires reporting of component units that the government acquires 100 percent equity interest to provide information about costs of service. The City has not yet determined the effect that the adoption of GASB Statement No. 90 may have on its financial statements.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

City of Huntington, West Virginia prepares its budget on the modified accrual basis of accounting. The governing body of the City is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain the financial condition of the city and to prepare the levy estimate (budget) for the fiscal year commencing July 1. The budget is then forthwith submitted to the State Auditor for approval. The governing body then reconvenes on the third Tuesday in April to hear objections from the public and formally lay the levy.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments and revenue related revisions to the budget require approval from the governing council and then are submitted to the State Auditor for approval. Revisions become effective when approved by the State Auditor and budgeted amounts in the financial statements reflect only such approved amounts.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

General Fund:

Amount	Description
\$ 1,132,089	General Government Expenditure Increase
2,038	Public Safety Expenditure Increase
485,000	Streets and Transportation Expenditure Increase
(30,000)	Social Services Expenditure Decrease
1,550,000	Capital Outlay Expenditure Increase

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations in the funds listed at the function level:

Function	Amount
Transfers Out – General Funds	\$ 1,349,363
General Government – Coal Severance Tax Fund	700
Transfers Out – Coal Severance Tax Fund	119,340

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, 2020:

Fund	Amount
HURA/LRA	\$ 42,807
Sanitation and Trash Fund	675,338
Civic Arena Fund	308,653
Non-major Governmental Fund – Capital Improvement	299,953
Non-major Governmental Fund – Westmoreland Fire Protection	343
Non-major Governmental Fund – Jean Dean Public Safety	312

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 \$(234,228,317) and \$(1,435,032) as of June 30, 2020. 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.

The HURA/LRA Fund had a deficit fund balance of \$(196,486) at June 30, 2020.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year end, the government had the following investments:

	Fair Value	Credit Risk Rating	
		Standard & Poor's and Fitch	Moody's Investment Services
Primary Government			
Money Market	\$ 331,517	Not Rated	Not Rated
Other	1,524,564	Not Rated	Not Rated
	<u>\$ 1,856,081</u>		

Interest Rate Risk

	0-3 Years
Money Market	\$ 331,517
Other	1,524,564
	<u>\$ 1,856,081</u>

Fiduciary Funds

	Fair Value	Credit Risk Rating
		Standard & Poor's and Fitch
Policemen's Pension and Relief		
Money market funds	\$ 1,255,677	Not Rated
U.S. Government agency notes	1,324,006	AA+
Municipal obligations	2,637,301	AAA-Not Rated
Mutual funds-fixed income	1,627,904	Not Rated
Corporate bonds	8,167,771	AAA-BB+
Common stock	25,217,503	Not Rated
Certificate of deposit	1,194,520	Not Rated
Total	<u>\$ 41,424,682</u>	

Interest Rate Risk

	0-1 Year	1-5 Years	5-10 Years	Over 10 Years
Money market funds	\$ 1,255,677	\$ -	\$ -	\$ -
U.S. Government agency notes	-	1,047,700	276,306	-
Municipal obligations	157,625	1,147,413	707,993	624,270
Mutual funds	1,627,904	-	-	-
Corporate bonds	1,505,801	5,646,558	829,562	185,850
Common stock	25,217,503	-	-	-
Preferred stock	-	-	-	-
Certificate of deposit	613,864	580,656	-	-
Total	<u>\$ 30,378,374</u>	<u>\$ 8,422,327</u>	<u>\$ 1,813,861</u>	<u>\$ 810,120</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Firemen's Pension and Relief	Fair Value	Credit Risk Rating
		Standard & Poor's and Fitch
Money market funds	\$ 1,016,641	Not Rated
U.S. Government agency notes	413,959	AA+-Not Rated
Municipal obligations	26,928	A
Mutual funds – fixed income	1,920,839	Not Rated
Corporate bonds	9,496,140	AAA-Not Rated
Common stock	16,799,842	Not Rated
Preferred stock	172,875	Not Rated
Certificate of deposit	1,083,567	Not Rated
Total	\$ 30,930,791	

Interest Rate Risk

	0-1 Year	1-5 Years	5-10 Years	Over 10 Years
Money market funds	\$ 1,016,641	\$ -	\$ -	\$ -
U.S. Government agency notes	-	202,032	-	211,927
Municipal obligations	-	26,928	-	-
Mutual funds	1,920,839	-	-	-
Corporate bonds	2,130,798	6,082,216	1,013,220	269,906
Common stock	16,799,842	-	-	-
Preferred stock	87,450	-	-	85,425
Certificate of deposit	867,610	215,957	-	-
Total	\$ 22,823,180	\$ 6,527,133	\$ 1,013,220	\$ 567,258

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, 2020 are as follows:

Fiduciary Funds	Fair Value	Quoted Prices in	Significant Other	Significant
		Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Policemen's Pension and Relief				
U.S. Government agency notes	\$ 1,324,006	\$ 1,324,006	\$ 0	\$ 0
Municipal obligations	2,637,301	2,637,301	0	0
Mutual funds	1,627,904	1,627,904	0	0
Corporate bonds	8,167,771	8,167,771	0	0
Common stock	25,217,503	25,217,503	0	0
Total	\$ 38,974,485	\$ 38,974,485	\$ 0	\$ 0

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fiduciary Funds	Fair Value	Quoted Prices in	Significant Other	Significant
		Active Markets for	Observable Inputs	Unobservable Inputs
Firemen's Pension and Relief		Identical Assets	(Level 2)	(Level 3)
		(Level 1)		
U.S. Government agency notes	\$ 413,959	\$ 413,959	\$ 0	\$ 0
Municipal obligations	26,928	26,928	0	0
Mutual funds	1,920,839	1,920,839	0	0
Corporate bonds	9,496,140	9,496,140	0	0
Common stock	16,799,842	16,799,842	0	0
Preferred stock	172,875	172,875	0	0
Total	\$ 28,830,583	\$ 28,830,583	\$ 0	\$ 0

The funds recognize transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2020. 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, 2020, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Concentration of Credit Risks

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

Issuer	Fair Value	Percent
Vanguard Index FDS Growth Fund	\$ 2,829,372	6.83%
Vanguard High Dividend Yield Index Inv.	2,845,282	6.87%

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 \$7,816,750 and \$4,430,946, 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 \$1,856,081 and \$72,355,473, respectively, which were collateralized with securities held by the pledging financial institution's trust department in the government's name or covered by securities held by the government's brokerage firm or the Municipal Bond Commission.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

A reconciliation of cash and investments as shown on the Statement of Net Position of the primary government and Statement of Net Position of the Fiduciary Funds is as follows:

		<u>Primary Government</u>
Cash and cash equivalents	\$	<u>7,816,750</u>
Investments		<u>1,856,081</u>
Total	\$	<u><u>9,672,831</u></u>
		<u>Fiduciary Funds</u>
Cash and cash equivalents	\$	<u>4,430,946</u>
Investments		<u>72,355,473</u>
Total	\$	<u><u>76,786,419</u></u>

For deposits, the Municipal Development Authority could be exposed to risk in the event of a bank failure where the Authority’s deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. At year end, the Authority’s reconciled bank balances of \$2,794,788 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 \$456,745 were collateralized with securities held by the pledging financial institution’s trust department in the authority’s name.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The reconciliation of cash and investments as shown on the Statement of Net Position of the discretely presented component units are as follows:

	Municipal Development Authority	Municipal Parking Board
Cash and cash equivalents	\$ 2,794,788	\$ 456,745
Total	\$ 2,794,788	\$ 456,745
	Municipal Development Authority	Municipal Parking Board
Cash and cash equivalents	\$ 1,050,961	\$ 456,745
Cash and cash equivalents – restricted	1,743,827	-
Total	\$ 2,794,788	\$ 456,745

B. Receivables

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

	General	CDBG	HURA	Sanitation & Trash	Civic Arena	Total
Receivables:						
Accounts	\$ 12,229,867	\$ 1,542,108	\$ 2,427	\$ 11,534,806	\$ 47,876	\$ 25,357,084
Taxes	5,671,538	-	-	-	-	5,671,538
Loans	-	8,022,940	-	-	-	8,022,940
Gross receivables	17,901,405	9,565,048	2,427	11,534,806	47,876	39,051,562
Less: allowance for uncollectible	(11,675,563)	(1,784,008)	-	(11,383,466)	-	(24,843,037)
Net total receivables	\$ 6,225,842	\$ 7,781,040	\$ 2,427	\$ 151,340	\$ 47,876	\$ 14,208,525

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:

	Unavailable
Property taxes receivable (general fund)	\$ 14,916
Total	\$ 14,916

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

	HMDA	HMPB	Total
Receivables:			
Accounts	\$ -	\$ 39,620	\$ 39,620
Loans	3,198,875	-	3,198,875
Gross receivables	3,198,875	39,620	3,238,495
Less: Allowance for uncollectible	(3,198,875)	-	(3,198,875)
Net total receivables	\$ -	\$ 39,620	\$ 39,620

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The amount reported for allowance for uncollectible accounts of the HMDA at June 30, 2020, 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, 2020, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 941,939	\$ 29,543	\$ -	\$ 971,482
Construction in progress	1,161,601	1,440,482	1,897,544	704,539
Total capital assets not being depreciated	<u>2,103,540</u>	<u>1,470,025</u>	<u>1,897,544</u>	<u>1,676,021</u>
Capital assets being depreciated:				
Buildings and improvements	9,726,291	1,202,012	-	10,928,303
Machinery and equipment	5,401,155	1,397,198	-	6,798,353
Vehicles	9,471,737	479,487	18,480	9,932,744
Infrastructure	17,575,152	1,118,604	-	18,693,756
Total accumulated depreciation	<u>(34,204,035)</u>	<u>(1,677,257)</u>	<u>(17,248)</u>	<u>(35,864,044)</u>
Total capital assets being depreciated, net	<u>7,970,300</u>	<u>2,520,044</u>	<u>1,232</u>	<u>10,489,112</u>
Governmental activities capital assets, net	<u>\$ 10,073,840</u>	<u>\$ 3,990,069</u>	<u>\$ 1,898,776</u>	<u>\$ 12,165,133</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets beginning depreciated:				
Structures and improvements	\$ 75,140	\$ -	\$ -	\$ 75,140
Machinery and equipment	277,430	-	-	277,430
Vehicles	2,086,123	202,678	-	2,288,801
Less: accumulated depreciation	<u>(1,686,152)</u>	<u>(167,771)</u>	<u>-</u>	<u>(1,853,923)</u>
Business-type activities capital assets, net	<u>\$ 752,541</u>	<u>\$ 34,907</u>	<u>\$ -</u>	<u>\$ 787,448</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Governmental activities:	
General government	\$ 404,440
Public safety	570,426
Highways and streets, (including infrastructure assets)	404,535
Health and sanitation	32,608
Culture and recreation	265,248
Total depreciation expense-governmental activities	<u>\$ 1,677,257</u>
Business-type activities:	
Sanitation and Trash	<u>\$ 167,771</u>

Discretely Presented Component Units

Activity related to capital assets for the Municipal Development Authority for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,005,151	\$ 3,709,905	\$ -	\$ 6,715,056
Construction in process	210,722	131,408	210,722	131,408
Total capital assets not being depreciated	<u>3,215,873</u>	<u>3,841,313</u>	<u>210,722</u>	<u>6,846,464</u>
Capital assets, being depreciated:				
Buildings and improvements	14,318,712	3,060,858	-	17,379,570
Structures and improvements	1,997,189	-	-	1,997,189
Furniture and fixtures	2,661,074	3,446	-	2,664,520
Machinery and equipment	200,000	-	-	200,000
Less: accumulated depreciation	<u>(15,666,992)</u>	<u>(288,509)</u>	<u>-</u>	<u>(15,955,501)</u>
Total capital assets being depreciated	<u>3,509,983</u>	<u>2,775,795</u>	<u>-</u>	<u>6,285,778</u>
Total capital assets, net	<u>\$ 6,725,856</u>	<u>\$ 6,617,108</u>	<u>\$ 210,722</u>	<u>\$ 13,132,242</u>

Activity related to capital assets for the Municipal Parking Board for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
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	764,198	18,826	-	783,024
Less: accumulated depreciation	<u>(5,410,514)</u>	<u>(32,279)</u>	<u>-</u>	<u>(5,442,793)</u>
Total capital assets being depreciated	<u>619,258</u>	<u>(13,453)</u>	<u>-</u>	<u>605,805</u>
Total capital assets, net	<u>\$ 1,562,135</u>	<u>\$ (13,453)</u>	<u>\$ -</u>	<u>\$ 1,548,682</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Safety Town	Reimbursement	\$ 8,130
General Fund	Sanitation and Trash	Reimbursement	407,670
Landfill Reserve	Sanitation and Trash	Reimbursement	12,199
CDBG Fund	General Fund	Reimbursement	753
General Fund	Community Development Block Grant	Reimbursement	70,317
General Fund	Federal Drug Fund	Reimbursement	456
General Fund	Civic Arena	Reimbursement	225,537
Jean Dean Public Safety	General Fund	Reimbursement	5,676
General Fund	HURA	Reimbursement	235,686
Civic Arena	General Fund	Reimbursement	48,225
Civic Arena	Coal Severance Fund	Reimbursement	19,340
Sanitation and Trash	General Fund	Reimbursement	2,093
General Fund	Capital Improvement	Reimbursement	400
General Fund	Coal Severance Fund	Reimbursement	700
General Fund	Westmoreland Fire Protection	Reimbursement	400
General Fund	Jean Dean Public Safety	Reimbursement	400
General Fund	Landfill Reserve	Reimbursement	400
Total \$			<u>1,038,382</u>

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

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Municipal Development Authority	Reimbursement	\$ 20,004
General Fund	Municipal Parking Board	Reimbursement	68,796
General Fund	Water Quality Board	Reimbursement	17,700
Municipal Development Authority	General Fund	Reimbursement	12,329
Water Quality Board	General Fund	Reimbursement	250
Total \$			<u>119,079</u>

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

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Police Pension and Relief	Reimbursement	\$ 3,350
General Fund	Police Retirees Insurance	Reimbursement	700
General Fund	Fire Retirees Insurance	Reimbursement	700
General Fund	Fire Pension and Relief	Reimbursement	3,350
Fire Retirees Insurance	General Fund	Reimbursement	42,644
Police Retirees Insurance	General Fund	Contributions	153,054
Total \$			<u>203,798</u>

Interfund transfers:

	Transfers In			
	General Fund	Civic Arena	HMDA	Total Transfers Out
Transfers Out:				
General Fund	\$ -	\$ 409,232	\$ 940,131	\$ 1,349,363
Coal Severance	-	119,340	-	119,340
Civic Arena	-	-	383,825	383,825
CDBG	266,140	-	-	266,140
TIF 1	-	-	131,408	131,408
TIF 2	-	-	3,183,536	3,183,536
Total Transfers	<u>\$ 266,140</u>	<u>\$ 528,572</u>	<u>\$ 4,638,900</u>	<u>\$ 5,433,612</u>

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

E. Fund Balance Detail

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

	General Fund	Coal Severance	Community Development Block Grant	HURA/LRA	Nonmajor Funds	Total
Nonspendable:						
Prepays	\$ 259,674	\$ -	\$ -	\$ -	\$ -	259,674
Assets held for resale	-	-	-	677,088	-	677,088
Restricted:						
Community development	-	-	6,238,932	-	-	6,238,932
Committed:						
Landfill closures	578,885	-	-	-	-	578,885
Assigned:						
General Government	989,533	-	-	-	-	989,533
Public safety	-	-	-	-	237,061	237,061
Culture and recreation	-	37,321	-	-	-	37,321
Community development	-	-	1,638,066	-	-	1,638,066
Capital projects	-	-	-	-	703,585	703,585
Public safety building	-	-	-	-	26,947	26,947
Landfill closures	-	-	-	-	1,536,488	1,536,488
Debt service	-	-	-	-	668,210	668,210
Unassigned	15,434,710	-	-	(873,574)	-	14,561,136
Total fund balances	\$ <u>17,262,802</u>	\$ <u>37,321</u>	\$ <u>7,876,998</u>	\$ <u>(196,486)</u>	\$ <u>3,172,291</u>	\$ <u>28,152,926</u>

F. Leases

Capital Leases

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

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

Following is a summary of property held under capital leases:

Asset	Governmental Activities
Buildings, machinery and equipment	\$ 3,547,199
Less: accumulated depreciation	1,014,486
Total	\$ <u>2,532,713</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Year Ending June 30	Governmental Activities
2021	\$ 439,299
2022	530,686
2023	363,973
2024	330,673
2025	330,673
2026 – 2030	661,347
Total minimum lease payments	2,656,651
Less: amount representing interest	(271,491)
Present value of minimum lease payments	\$ 2,385,160

G. Long-term Debt

Tax Increment Financing Revenue Bonds

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

On June 30, 2006, the City issued \$2,450,000 of Tax Increment Financing (TIF) Revenue Bonds-Series 2006 through United Bank bearing interest rates of 5.50% to 6.75%. Bond proceeds were used for infrastructure improvements to the Downtown Tax Increment Financing District (TIF #1). All outstanding principal and accrued interest on the Series 2006 TIF bonds was retired on December 30, 2019, when the Series 2019 TIF bonds were issued. Principal and interest paid for the current year was \$528,957 and \$18,425, respectively.

On December 30, 2019, the City issued \$3,058,000 of Tax Increment and Refunding Bonds-Series 2019 through Wesbanco Bank, Inc. bearing an interest rate of 2.69%. Bond proceeds are being used for infrastructure improvements to the Downtown Tax Increment Financing District (TIF #1), predominately to the Civic Arena plaza area. Series 2019 bonds mature June 1, 2034. Total bond proceeds of \$1,114,408 were drawn and at June 30, 2020. Principal and interest paid for the current year was \$85,000 and \$11,453, respectively.

One June 26, 2020, the City issued \$3,639,000 of Tax Increment Financing (TIF) Revenue Bonds-Series 2020 through the Ohio Valley Bank Company bearing an interest rate of 2.25%. Bond proceeds were used by the Huntington Municipal Development Authority for infrastructure improvements in the Kinetic Park Tax Increment Financing District (TIF #2). Series 2020 TIF bonds mature May 1, 2035. There was no payment of principal or interest paid during the current year.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2020
Primary Government:					
Series 2006	06/30/2034	6.6.75%	\$ 2,450,000	\$ 2,450,000	\$ -
Series 2019	06/01/2034	2.69%	1,114,408	85,000	1,029,408
Component unit:					
Series 2020	05/01/2035	2.25%	3,639,000	-	3,639,000
			<u>\$ 7,203,408</u>	<u>\$ 2,535,000</u>	<u>\$ 4,668,408</u>

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

Year Ending June 30	Principal	Interest
2021	\$ 257,524	\$ 103,883
2022	258,179	103,503
2023	263,878	97,417
2024	270,623	91,194
2025	277,416	84,812
2026 – 2030	1,485,695	322,880
2031 – 2034	1,855,093	138,042
Present value of minimum bond payments	<u>\$ 4,668,408</u>	<u>\$ 941,731</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Revenue Bonds – Component Units

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

The proceeds of these bonds are being used for the development of the City. The bonds are secured by revenues of the Municipal Development Authority, which are required to be in sufficient amount to pay principal and interest on the bonds when due. Revenue bonds outstanding of \$5,975,872 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, 2020
Component Units:					
Municipal Development Authority Series 2010-A	12/29/2023	4.5%	\$ 3,650,000	\$ 2,425,000	\$ 1,225,000
Municipal Development Authority Series 2010-B	12/29/2031	3.75%	5,255,000	430,000	4,825,000
Less Bond Discount			(145,087)	(70,959)	(74,128)
Total component unit			<u>\$ 8,759,913</u>	<u>\$ 2,784,041</u>	<u>\$ 5,975,872</u>

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

Year Ended	<u>Municipal Development Authority</u>	
	Principal	Interest
2021	\$ 440,000	\$ 415,750
2022	465,000	395,388
2023	485,000	372,362
2024	500,000	343,050
2025	595,000	233,750
2026 – 2030	2,975,000	873,400
Thereafter	590,000	112,000
Less Bond Discount	(74,128)	-
Totals	<u>\$ 5,975,872</u>	<u>\$ 2,745,700</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 \$1,302,288. Principal and interest paid for the current year and total net revenues were \$489,422 and \$(857,233), respectively.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 \$7,493,413. Total interest paid for the current year and total net revenues were \$370,525 and \$(857,233), respectively.

Changes to Long-term Liabilities

	Governmental Activities				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Capital leases	\$ 2,398,773	\$ 600,000	\$ (613,614)	\$ 2,385,159	\$ 386,848
Tax increment financing	528,957	4,753,408	(613,957)	4,668,408	257,524
Net pension liability – PERS	667,487	-	(108,210)	559,277	-
Net pension liability – DBP	150,830,268	2,175,564	-	153,005,832	-
Other post-employment benefits	93,951,844	9,319,554	-	103,271,398	-
Compensated absences	1,401,669	1,539,242	(1,401,669)	1,539,242	1,539,242
Accrued interest payable	49,909	17,815	(49,909)	17,815	17,815
Liability for landfill closure and post-closure costs	22,017,000	-	-	22,017,000	-
Governmental activities long-term liabilities	\$ 271,845,907	\$ 18,405,583	\$ (2,787,359)	\$ 287,464,131	\$ 2,201,429

	Business-Type Activities				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Capital leases	\$ -	\$ -	\$ -	\$ -	\$ -
Other post-employment benefits	2,245,747	-	(47,420)	2,198,327	-
Compensated absences	92,883	94,291	(92,883)	94,291	94,291
Net pension liability – PERS	197,221	-	(24,279)	172,942	-
Governmental activities long-term liabilities	\$ 2,535,851	\$ 94,291	\$ (164,582)	\$ 2,465,560	\$ 94,291

	Component Units				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Revenue bonds payable	\$ 6,475,000	\$ -	\$ (425,000)	\$ 6,050,000	\$ 440,000
Less: bond discounts	(85,954)	-	11,826	(74,128)	(11,826)
Total bonds payable	6,389,046	-	(413,174)	5,975,872	428,174
Note Payable – WVEDA	-	2,756,250	-	2,756,250	-
Other post-employment benefits	279,514	27,434	-	306,948	-
Compensated absences	23,800	39,700	(23,800)	39,700	39,700
Net pension liability	69,102	-	(8,017)	61,085	-
Component unit long-term liabilities	\$ 6,761,462	\$ 2,823,384	\$ (444,991)	\$ 9,139,855	\$ 467,874

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Short-term Debt – Revolving Line of Credit

The City's outstanding notes from direct borrowings are comprised of a \$1.5 million revolving line of credit to finance public projects related to housing for the HURA Fund and a \$1.9 million line of credit to facilitate infrastructure repairs at HMDA's Kinetic Park District. The outstanding notes contain provisions that in an event of a default, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due. Short-term debt activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Draws</u>	<u>Repayments</u>	<u>Ending Balance</u>
Notes from direct borrowings:				
Line of Credit – HURA	\$ 641,880	\$ -	\$ (202)	\$ 641,678
Line of Credit – HMDA	-	1,704,905	(1,704,905)	-
	<u>\$ 641,880</u>	<u>\$ 1,704,905</u>	<u>\$ (1,705,107)</u>	<u>\$ 641,678</u>

H. Restricted Assets

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

	<u>Municipal Development Authority</u>
Revenue bond regular accounts	\$ 1,743,827
Total restricted assets	<u>\$ 1,743,827</u>

I. Benefits Funded by the State of West Virginia

For the year ended June 30, 2020, the State of West Virginia contributed estimated payments on behalf of the government's public safety employees as follows:

<u>Plan</u>	<u>Amount</u>
Policemen's Pension and Relief Fund	\$ 1,091,330
Firemen's Pension and Relief Fund	1,179,833
Total	<u>\$ 2,271,163</u>

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

J. Restatement

Beginning net position of the Civic Arena enterprise fund required restatement of \$(186,622) resulting from reimbursements being errantly recorded as contributions in the prior year.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

IV. OTHER INFORMATION

A. Risk Management

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

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

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

B. Commitments and Contingencies and Subsequent Events

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government's management expects such amounts, if any, to be immaterial.

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

The Department of Environmental Protection forced the City to close its landfill in 1994 because it did not have an underlying liner. Some procedures which are required for closure have been completed, however, additional procedures are still required to complete the closure. Costs to complete the closure and subsequent post-closure costs have been estimated at approximately \$22,017,000. As of June 30, 2020, the Landfill Reserve Fund balance was \$1,536,448 and the General Fund contains \$578,885 in committed funds for landfill closure.

The United States and the State of West Virginia declared a state of emergency in March 2020 due to the COVID-19 pandemic. The extent to which fiscal year 2020 revenues and expenditures were affected are included in the accompanying financial statements. The full impact of the continuing emergency measures on future reporting periods cannot be determined, however, the City maintains a solid financial position and management is confident in the City's ability to endure this event.

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

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time 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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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.

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, 2020.

The Firemen's Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. The FPRF's Board consists of a president, who is the elected mayor, and four members, one of which is the pension secretary, from the municipal fire department. The City is authorized in accordance with State Code §8-22 to establish and maintain this plan. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, June 30, 2020.

Actuarial valuations are required to be performed once every three years per state statute. However, the actuarial valuations can be performed in shorter intervals at the discretion of the PPRF and FPRF's Board.

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

Memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	54	60	114
Inactive employees entitled to but not yet receiving benefits	1	4	5
Inactive employees or beneficiaries currently receiving benefits	141	172	313
Total	196	236	432

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	
Plan Members	7% of covered payroll, 9.5% if hired on or after January 1, 2010	7% of covered payroll, 9.5% if hired on or 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, 2020 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, 2019, projected to the measurement date of June 30, 2020.

Actuarial Assumptions and Rate of Return

The total pension liability was determined by an actuarial valuation as of July 1, 2019, rolled forward to June 30, 2020 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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 Blue Collar Mortality Table with generational projection using Scale MP-2014.

Rate of return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 5.83 percent for the PPRF and 5.83 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, 2020 are summarized in the following chart:

Investment	PPRF		FPRF	
	Long-term Expected		Long-term Expected	
	Real Rate of Return	Target Asset Allocations	Real Rate of Return	Target Asset Allocations
Money Market	0.00%	0.00%	0.00%	0.00%
Equities	7.50%	65.00%	7.50%	65.00%
Fixed Income	2.80%	34.00%	2.80%	34.00%
Cash	0.50%	1.00%	0.50%	1.00%

Net Pension Liability, Reserves and Discount Rate

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	\$ 108,284,501	\$ 118,970,182
Plan fiduciary net position	42,283,569	31,965,282
Net pension liability	\$ 66,000,932	\$ 87,004,900
Plan fiduciary net position as a percentage of the total pension liability	39.05%	26.87%

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

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

	1% Decrease	Current Discount Rate	1% Increase
PPRF's net pension liability	\$ 81,574,128	\$ 66,000,932	\$ 53,442,265
FPRF's net pension liability	104,681,893	87,004,900	72,832,072

Changes in Methods/Assumptions Since Prior Valuation

Starting with this July 1, 2019 valuation, which develops the contribution for FY 2021, past benefit overpayments that were approved by the City to continue are funded on a pay-as-you-go basis pursuant to West Virginia Code 8-22-27a(d).

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2019	\$ 105,087,933	\$ 40,327,592	\$ 64,760,341
Changes for the year:			
Service Cost	1,479,995	-	1,479,995
Interest	5,633,626	-	5,633,626
Difference between expected and actual experience	1,399,681	-	1,399,681
Contributions - employer	-	5,607,224	(5,607,224)
Contributions - employee	-	277,648	(277,648)
Net investment income	-	1,394,133	(1,394,133)
Benefit payments, including refunds of employee contributions	(5,316,734)	(5,316,734)	-
Administrative expense	-	(9,210)	9,210
Other changes	-	2,916	(2,916)
Net changes	<u>3,196,568</u>	<u>1,955,977</u>	<u>1,240,591</u>
Balance at June 30, 2020	<u>\$ 108,284,501</u>	<u>\$ 42,283,569</u>	<u>\$ 66,000,932</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, 2019	\$ 116,022,531	\$ 29,952,605	\$ 86,069,926
Changes for the year:			
Service Cost	1,556,769	-	1,556,769
Interest	5,656,769	-	5,656,769
Difference between expected and actual experience	1,508,438	-	1,508,438
Contributions - employer	-	6,838,651	(6,838,651)
Contributions - employee	-	236,773	(236,773)
Net investment income	-	738,093	(738,093)
Benefit payments, including refunds of employee contributions	(5,774,325)	(5,774,325)	-
Administrative expense	-	(26,999)	26,999
Other changes	-	484	(484)
Net changes	<u>2,947,651</u>	<u>2,012,677</u>	<u>934,974</u>
Balance at June 30, 2020	<u>\$ 118,970,182</u>	<u>\$ 31,965,282</u>	<u>\$ 87,004,900</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Pension Expense and Deferred outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the government recognized the following pension expenses.

	PPRF	FPRF
Pension Expense	\$ 7,074,971	\$ 4,754,806

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	\$ 699,840	\$ -
Changes in Assumption	-	-
Difference between expected and actual investment earnings	427,351	-
Total	\$ 1,127,191	\$ -

Firemen's Pension and Relief Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 754,219	\$ -
Changes in Assumption	-	-
Difference between expected and actual investment earnings	281,202	-
Total	\$ 1,035,421	\$ -

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
2021	\$ 711,310	\$ 720,950
2022	88,691	45,696
2023	159,925	110,273
2024	167,265	158,502
Total	\$ 1,127,191	\$ 1,035,421

Payables to the pension plan

At June 30, 2020, 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Pension Trust Funds Financial Statements

	Policemen's Pension and Relief	Firemen's Pension and Relief
ASSETS		
Non-pooled cash	\$ 758,267	\$ 953,208
Total cash	758,267	953,208
Investments, at fair value		
Money market	1,255,677	1,016,641
Government securities	3,961,307	440,887
Mutual funds	1,627,904	1,920,839
Corporate bonds	8,167,771	9,496,140
Corporate stocks	25,217,503	16,972,717
Certificates of deposit	1,194,520	1,083,567
Total investments	41,424,682	30,930,791
Receivables:		
Accounts receivable	-	5,538
Accrued Income	103,970	87,593
Total receivables	103,970	93,131
Total assets	42,286,919	31,977,130
LIABILITIES		
Accounts payable	-	8,498
Due to other funds	3,350	3,350
Total liabilities	3,350	11,848
NET POSITION		
Net position held in trust for pension benefits	\$ 42,283,569	\$ 31,965,282

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>
ADDITIONS		
Contributions:		
Employer	\$ 4,515,894	\$ 5,658,818
Plan members	277,648	236,773
Insurance premium surtax	1,091,330	1,179,833
	<u>5,884,872</u>	<u>7,075,424</u>
Investment and other income:		
Net increase(decrease) in fair value	383,528	(62,999)
Accrued Income	103,970	87,593
Interest and dividends	1,045,832	799,739
Miscellaneous	2,917	483
	<u>1,536,247</u>	<u>824,816</u>
Total additions	<u>7,421,119</u>	<u>7,900,240</u>
DEDUCTIONS		
Benefits	5,307,587	5,730,252
Administrative expenses	148,408	113,238
Refunds of contributions	9,147	44,073
	<u>5,465,142</u>	<u>5,887,563</u>
change in net position	1,955,977	2,012,677
Net position held in trust for pension benefits:		
Beginning of year	40,327,592	29,952,605
End of year	<u>\$ 42,283,569</u>	<u>\$ 31,965,282</u>

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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>
2020	\$ 573,956	100%
2019	555,916	100%
2018	653,211	100%

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 \$793,314 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 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, 2019, the government's proportion was 0.368961%, which was an increase of .007372% from its proportion measured as of the prior period.

For the year ended June 30, 2020, the government recognized the following pension expense.

	Governmental Activities	Business-type Activities	Development Authority	Parking Board	Total
Pension expense	<u>\$ 219,235</u>	<u>\$ 67,792</u>	<u>\$ 5,287</u>	<u>\$ 18,658</u>	<u>\$ 310,972</u>

The primary government and the Parking Board and Municipal Development Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees Retirement System

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 286,745
Difference between expected and actual experience	30,705	69,287
Changes in assumptions	-	145,636
Changes in proportion and differences between government contributions and proportionate share of contributions	59,331	80,975
Contributions subsequent to the measurement date	<u>573,956</u>	<u>-</u>
Total	<u>\$ 663,992</u>	<u>\$ 582,643</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, 2021. 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Year Ended June 30:

2021	\$ (86,308)
2022	(443,087)
2023	(46,458)
2024	83,246
Total	\$ (492,607)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial assumptions

Inflation rate	3.00%
Salary increases	3.10% - 6.50%
Investment Rate of Return	7.5 %

Mortality rates were based on Pub-2010 General Employees Table, below median, headcount weighted, projected with scale MP-2018.

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

The long-term expected rate of return on pension plan investments were determined using a building block method in which estimates of expected future real rates of return (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 long-term geometric rates of return are summarized in the following chart:

<u>Investment</u>	<u>Long-term Expected Real Rate fo Return</u>	<u>Target Asset Allocation</u>
US Equity	5.80%	27.50%
International Equity	7.70%	27.50%
Fixed Income	3.30%	15.00%
Real Estate	6.10%	10.00%
Private Equity	8.80%	10.00%
Hedge Funds	4.40%	10.00%
Inflation (CPI)	2.00%	
		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 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 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	1% Decrease	Discount Rate	1% Increase
City's proportionate share of PERS pension liability	\$ 3,695,318	\$ 793,314	\$ (1,661,601)

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

Trend Information

Fiscal Year	Annual Pension Cost	Percentage Contributed
2020	\$ 322,372	100%
2019	267,523	100%
2018	208,932	100%

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 \$853,135 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018 rolled forward to June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2018. 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, 2019, the government's proportion was 18.607093%, which was a decrease of 1.981411% from its proportion measured as of the prior period.

For the year ended June 30, 2020, the government recognized the following pension expense.

	MPFRS
	Governmental Activities
Pension expense	\$ 81,193

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

Municipal Police Officers & Firefighters Retirement System (MPFRS)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 5,024
Difference between expected and actual experience	136,948	-
Changes in proportion and differences between contributions and proportionate share of contributions	299,276	13,203
Changes in assumptions	-	31,074
Contributions subsequent to measurement date	322,372	-
Total	\$ 758,596	\$ 49,301

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, 2021. 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
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Year Ended June 30:</u>	
2021	\$ 76,858
2022	69,973
2023	80,578
2024	81,815
2025	56,167
Thereafter	<u>21,532</u>
	<u>\$ 386,923</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2018 rolled forward to June 30, 2019 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.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the five-year period ending July 1, 2016.

The long-term expected rate of return on pension plan investments were determined using a building block method in which estimates of expected future real rates of return (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 long-term geometric rates of return are summarized in the following chart:

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Investment</u>	Long-term Expected Real Rate of Return	Target Asset Allocation
US Equity	5.80%	27.50%
International Equity	7.70%	27.50%
Fixed Income	3.30%	15.00%
Real Estate	6.10%	10.00%
Private Equity	8.80%	10.00%
Hedge Funds	4.40%	10.00%
Inflation (CPI)	2.00%	100.00%

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

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

	1% Decrease	Discount Rate	1% Increase
City's proportionate share of MPFRS pension asset	\$ 530,674	\$ 853,135	\$ 1,094,469

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.

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

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

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:

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Measurement Date	For fiscal year ending June 30, 2020, a June 30, 2020 measurement date was used.												
Actuarial Valuation Date	June 30, 2020 with no adjustments to get to the June 30, 2020 measurement date. Liabilities as of July 1, 2019 are based on an actuarial valuation date of July 1, 2018 projected to July 1, 2019 on a “no loss / no gain” basis.												
Discount Rate	2.66% as of June 30, 2020 and 3.51% as of July 1, 2019.												
Payroll Growth	3.00% general wage inflation per year plus the annual merit scale shown below based on the West Virginia Public Employees’ Retirement System actuarial valuation as of June 30, 2019.												
	<table border="0"> <tr> <td style="text-align: right;"><u>Age</u></td> <td style="text-align: left;"><u>Rate</u></td> </tr> <tr> <td style="text-align: right;">20</td> <td style="text-align: left;">3.50%</td> </tr> <tr> <td style="text-align: right;">30</td> <td style="text-align: left;">1.60%</td> </tr> <tr> <td style="text-align: right;">40</td> <td style="text-align: left;">1.10%</td> </tr> <tr> <td style="text-align: right;">50</td> <td style="text-align: left;">0.85%</td> </tr> <tr> <td style="text-align: right;">60+</td> <td style="text-align: left;">0.35%</td> </tr> </table>	<u>Age</u>	<u>Rate</u>	20	3.50%	30	1.60%	40	1.10%	50	0.85%	60+	0.35%
<u>Age</u>	<u>Rate</u>												
20	3.50%												
30	1.60%												
40	1.10%												
50	0.85%												
60+	0.35%												
Inflation Rate	3.00% per year												
Employer Funding Policy	Pay-as-you-go cash basis												
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant’s benefit at retirement; and Annual Service Cost is a constant percentage of the participant’s salary that is assumed to increase according to the Payroll Growth.												
Experience Study	The actuarial assumptions for the City have not been updated since the 2009 valuation.												
Census Data	Census information was provided by the City as of June 2020. We have reviewed it for reasonableness and no material modifications were made to the census data.												
Mortality	General Participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019; Public Safety Participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019; Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted												

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Health Care Trend Rates	FYE	Rates	FYE	Rates
	2021	8.0%	2025	6.0%
	2022	7.5%	2026	5.5%
	2023	7.0%	2024	5.0%
	2024	6.5%	2028+	4.5%

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

At fiscal year-end, the City reported \$105,688,812 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, 2020 for the City’s fiscal year ended June 30, 2020, using the actuarial assumptions and methods described in the appropriate section of this note.

For the year ended June 30, 2020, the City recognized OPEB expense of \$9,642,685 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, 2020:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 4,013,730	\$ 2,171,699
Change in assumptions	8,898,202	1,349,737
	\$ 12,911,932	\$ 3,521,436

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:		
2021	\$	2,572,276
2022		2,572,277
2023		3,247,143
2024		998,800
Total		\$ 9,390,496

Discount Rate

The discount rate used to measure the OPEB liability was 2.66 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⁾ Amounts reported for Other Post-Employment Benefit cost and liabilities do not include those amounts for Huntington Water Quality Board.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Sensitivity of Net OPEB Liability to the Single Discount Rate

1% Decrease	Current Single Discount Rate Assumption	1% Increase
<u>1.6600%</u>	<u>2.6600%</u>	<u>3.6600%</u>
\$ 121,799,937	\$ 105,688,812	\$ 92,749,099

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
<u>7.00% to 3.50%</u>	<u>8.00% to 4.50%</u>	<u>9.00% to 5.50%</u>
\$ 91,647,305	\$ 105,688,812	\$ 123,279,263

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

West Virginia Retiree Health Benefit Trust Fund (RHBT)

Plan description: The City participates in the West Virginia Other Postemployment Benefit Plan (the Plan) a cost-sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as the Chairman of the Board. Four members represent labor, education, public employees and public retirees. Four remaining members represent the public-at-large.

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

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

Contribution requirements:

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

Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rate for fiscal year 2020 was \$173.

The City's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2020 was \$7,937. No amount was payable at year-end.

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

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

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

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, 2019 for the City's fiscal year ended June 30, 2020, 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, 2020, the City reported the following proportions and increase/decreases from its proportion as of June 30, 2019:

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>2020</u>
City's proportionate share of the net OPEB liability	\$ 71,413
State's proportional share of the net OPEB Liability associated with the City	14,614
Total portion of the net OPEB liability associated with the City	<u>\$ 86,027</u>

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

	<u>2020</u>
OPEB expense City	\$ (8,542)
OPEB expense State support	4,330
Total OPEB expense	<u>\$ (4,212)</u>
State support revenue	\$ 4,330

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, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 770
Differences between expected and actual experience	-	8,329
Changes in assumptions	-	14,483
Changes in proportion and differences between contributions and proportionate share of contributions	-	20,651
Changes in proportion for opt-out allocation	-	1,903
Contributions subsequent to the measurement date	<u>7,938</u>	<u>-</u>
Total	<u>\$ 7,938</u>	<u>\$ 46,136</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, 2021. 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:	
2021	\$ (18,376)
2022	(16,785)
2023	(9,633)
2024	<u>(1,342)</u>
Total	<u>\$ (46,136)</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

OPEB	June 30, 2019
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Market value
Amortization Method	Level percentage of payroll over a 20 year
Amortization Period	closed period, 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	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each yer thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020, 9.5% for plan year 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in the plan year end 2031.
Mortality Rates	Post-Retirement: RP-2000 Healthy 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.

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The best estimates of long-term geometric rates of return for each asset class are summarized in the following table:

<u>Asset Class</u>	Long-term Expected Real Rate of Return
Global equity	4.8%
Core plus fixed income	1.2%
Core real estate	4.1%
Hedge Fund	2.4%
Private Equity	6.8%
Cash and cash equivalents	0.3%

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

Discount Rate

The discount rate used to measure the OPEB liability was 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	\$ 85,230	\$ 71,413	\$ 59,851

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	\$ 57,585	\$ 71,413	\$ 88,195

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

Notes to Schedule:

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

SCHEDULE OF CONTRIBUTIONS – MULTIYEAR FOR OTHER POST-EMPLOYMENT BENEFITS

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

Notes to Schedules of Contributions:

Only three 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, 2020**

II. SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Retiree Health Benefit Trust

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

Information prior to 2016 is not available.

This schedule will be built prospectively.

SCHEDULE OF OPEB CONTRIBUTIONS

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

The schedule will be built prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Policemen's Pension and Relief Fund
(PPRF)**

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 1,479,995	1,600,345	1,677,226	1,766,856	1,327,865	1,570,562	1,639,476
Interest	5,633,626	5,342,286	5,265,220	5,168,503	4,995,831	4,650,084	4,638,808
Difference between expected and actual experience	1,399,681	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	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)	(10,482)
Refunds	-	-	-	(29,643)	(47,520)	-	-
Net change in total pension liability	3,196,568	5,512,913	1,782,682	923,242	14,140,879	(4,286,913)	2,346,998
Total pension liability – beginning	105,087,933	99,575,020	97,792,338	96,869,096	82,728,217	87,015,130	84,668,132
Total pension liability – ending (a)	\$ 108,284,501	105,087,933	99,575,020	97,792,338	96,869,096	82,728,217	87,015,130
Plan fiduciary net position							
Contributions – employer	\$ 5,607,224	5,540,993	5,777,937	5,685,075	4,822,623	5,271,650	5,359,218
Contributions – members	277,648	283,815	297,125	335,264	313,939	365,787	359,819
Net investment income	1,394,132	2,239,135	2,203,504	1,997,497	852,569	654,764	2,438,222
Benefits payments	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)	(3,920,804)
Refunds	-	-	-	(29,643)	(47,520)	-	-
Administrative expenses	(9,210)	(134,958)	(8,517)	(9,095)	(176,416)	(190,402)	(122,396)
Other	2,917	-	-	-	(5,381)	5,441	(10,482)
Net change in plan fiduciary net position	1,955,977	3,043,904	3,749,891	3,543,978	1,443,247	2,029,380	4,103,577
Plan fiduciary net position – beginning	40,327,592	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192	22,413,615
Plan fiduciary net position – ending (b)	\$ 42,283,569	40,327,592	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192
Net pension liability – ending (a) – (b)	\$ 66,000,932	64,760,341	62,291,332	64,258,541	66,879,277	54,181,645	60,497,938
Plan fiduciary net position as a percentage of the total pension liability	39.05%	38.38%	37.44%	34.29%	31.64%	34.50%	30.47%
Covered employee payroll	\$ 4,046,524	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	1631.05%	1600.39%	1474.16%	1433.32%	1462.11%	1135.69%	1220.73%

Notes to PPRF's Schedule:

Only seven 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, 2020**

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

Firemen's Pension and Relief Fund (FPRF)	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 1,556,769	1,630,487	2,012,547	1,921,250	1,570,937	1,569,989	1,598,605
Interest	5,656,769	5,562,251	5,334,849	5,241,817	5,082,040	4,899,228	4,937,861
Difference between expected and actual experience	1,508,438	457,926	562,398	(188,766)	2,571,967	(1,282,535)	-
Change in assumptions	(5,730,252)	(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	(44,073)	(30,574)	(50,573)	-	(31,367)	-	-
Net change in total pension liability	2,947,651	1,904,344	(5,738,787)	1,313,719	17,507,009	(78,370)	1,375,525
Total pension liability – beginning	116,022,532	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617	99,739,092
Total pension liability – ending (a)	\$ 118,970,183	116,022,532	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617
Plan fiduciary net position							
Contributions – employer	\$ 6,838,651	6,860,010	7,389,517	7,401,751	6,355,707	6,428,342	6,491,137
Contributions – members	236,773	251,044	246,681	273,029	283,660	306,473	290,819
Net investment income	824,333	1,700,278	1,439,198	1,207,975	815,748	538,263	1,573,446
Benefits payments	(5,730,252)	(5,715,746)	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)	(5,160,941)
Refunds	(44,073)	(30,574)	(50,573)	-	(31,367)	-	-
Administrative expenses	(113,238)	(88,901)	(68,224)	(9,208)	(58,928)	(58,286)	(54,823)
Other	483	-	-	-	585	14	-
Net change in plan fiduciary net position	2,012,677	2,976,111	3,260,293	3,212,965	1,890,989	1,949,754	3,139,638
Plan fiduciary net position – beginning	29,952,605	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493	13,522,855
Plan fiduciary net position – ending (b)	\$ 31,965,282	29,952,605	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493
Net pension liability – ending (a) – (b)	\$ 87,004,901	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	26.87%	25.82%	23.64%	19.79%	17.30%	18.42%	16.48%
Covered employee payroll	\$ 3,402,515	3,488,570	3,782,913	3,623,803	4,135,510	4,037,697	4,063,878
Net pension liability as a percentage of covered employee payroll	2557.08%	2467.20%	2303.56%	2653.04%	2370.69%	2041.36%	2078.12%

V. SCHEDULES OF INVESTMENT RETURNS

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

Notes to FPRF's Schedule:

Only seven 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, 2020**

VI. SCHEDULES OF CONTRIBUTIONS – MULTIYEAR

Policemen's Pension and Relief Fund (PPRF)	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 5,605,198	5,533,885	4,706,545	4,757,747	4,666,572	3,717,462	4,098,151
Employer contribution (b)	(4,515,894)	(4,487,498)	(4,679,161)	(4,590,520)	(3,775,581)	(4,237,318)	(4,398,765)
State contribution (c)	(1,091,330)	(1,053,495)	(1,098,776)	(1,094,555)	(1,047,042)	(1,034,332)	(960,453)
Contribution (excess) deficiency	<u>\$ (2,026)</u>	<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%	100%	123%	119%	103%	142%	131%
Covered payroll (f)	\$ 3,783,881	4,046,524	4,225,541	4,483,206	4,771,286	4,771,286	4,955,880
Actual contribution as a percent of covered payroll	148%	137%	137%	127%	105%	110%	108%
Firemen's Pension and Relief Fund (PPRF)	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (a)	\$ 6,800,972	6,958,630	5,899,587	6,100,163	6,111,224	4,908,882	4,945,075
Employer contribution (b)	(5,658,818)	(5,750,203)	(6,282,284)	(6,266,667)	(5,233,536)	(5,326,897)	(5,454,415)
State contribution (c)	(1,179,833)	(1,109,806)	(1,107,233)	(1,135,084)	(1,122,171)	(1,101,445)	(1,036,722)
Contribution (excess) deficiency	<u>\$ (37,679)</u>	<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	101%	99%	125%	121%	104%	131%	131%
Covered payroll (f)	\$ 3,402,515	3,488,570	3,782,913	3,623,803	4,135,510	4,037,697	4,063,878
Actual contribution as a percent of covered payroll	201%	197%	195%	204%	154%	159%	160%

Notes to Schedules of Contributions:

Only seven 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, 2020**

Public Employees Retirement System

Last 7 Fiscal Years*

2020 2019 2018 2017 2016 2015

Government's proportion of the net pension liability (asset) (Percentage)		0.37%	0.36%	0.39%	0.37%	0.39%	0.42%
Government's proportionate share of the net pension liability (asset) \$	793,314	933,910	1,688,871	3,364,705	2,214,475	1,562,223	
Government's covered-employee payroll \$	5,938,282	5,938,282	5,183,025	5,430,050	5,380,616	5,670,986	
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		13.36%	15.73%	32.58%	61.96%	41.16%	27.55%
Plan fiduciary net position as a percentage of the total pension liability		96.99%	96.33%	93.67%	86.11%	91.29%	93.98%

Municipal Police Officers & Firefighters Retirement System (MPFRS)

Last 7 Fiscal Years*

2020 2019 2018 2017 2016 2015

Government's proportion of the net pension liability (asset) (Percentage)		18.60%	20.59%	26.72%	30.31%	40.72%	44.71%
Government's proportionate share of the net pension asset \$	853,135	761,363	750,274	428,554	392,648	303,557	
Government's covered-employee payroll \$	2,458,024	2,458,024	2,364,541	2,297,375	1,998,916	1,465,130	
Government's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		34.71%	30.97%	31.73%	18.65%	19.64%	20.72%
Plan fiduciary net position as a percentage of the total pension liability		168.31%	184.45%	200.46%	174.30%	189.27%	200.40%

*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, 2020**

	Public Employees Retirement System					
	Last 7 Fiscal Years*					
	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 573,956	555,916	653,211	621,963	733,057	753,286
Contributions in relation to the contractually required contribution	(573,956)	(555,916)	(653,211)	(621,963)	(733,057)	(752,950)
Contribution deficiency (excess)	\$ -	-	-	-	-	336
Government's covered-employee payroll	\$ 5,739,558	5,559,156	5,938,282	5,183,025	5,430,050	5,380,616
Plan fiduciary net position as a percentage of the total pension liability	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%

	Municipal Police Officers & Firefighters Retirement System (MPFRS)					
	Last 7 Fiscal Years*					
	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 322,372	267,523	208,932	200,986	195,277	169,908
Contributions in relation to the contractually required contribution	(322,372)	(267,523)	(208,932)	(200,986)	(195,277)	(169,908)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Government's covered-employee payroll	\$ 3,792,612	3,147,329	2,458,024	2,364,541	2,297,375	1,998,916
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, 2020

Note 1 – Changes in Assumptions/Benefit Terms PERS

Changes in the assumptions between the 2018 and 2019 valuations: Mortality, withdrawal rates, disability rates, retirement rates, salary scales, and non-contributory service loads were changed to reflect the most recent experience study for June 1, 2013 through June 30, 2018.

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

Changes in benefit terms between the 2018 and 2019 valuations: Under HB 3095, a minimum monthly benefit of \$750 was established for current pensioners as of June 3, 2019 who had completed at least 25 years of service. A corresponding minimum of \$375 was set for beneficiaries in pay status under the 50% joint-and-survivor annuity options were the original member had completed at least 25 years of services.

Note 2 – Changes in Assumptions OPEB – West Virginia RHBT

Changes in the assumptions between the 2019 and 2018 valuations: Certain assumptions have been changed since the prior measurement date. The net effect of assumption changes were approximately \$236 million. The assumption changes that most significantly impacted the Total OPEB Liability was an approximate \$11.8 million decrease in the per capita claims cost for Pre-Medicare and Medicare, as well as an approximate \$224.2 million decrease due to capped subsidy costs implemented in December 2019. Certain other assumption changes were noted but did not materially impact the Total OPEB Liability.

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, 2020**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
Current:				
Cash and cash equivalents	\$ 984,214	\$ 125	\$ 668,210	\$ 1,652,549
Accounts receivable	-	-	-	-
Investments	-	1,524,564	-	1,524,564
Due from:				-
Other funds	5,676	12,199	-	17,875
Fiduciary funds	-	-	-	-
Total assets	<u>989,890</u>	<u>1,536,888</u>	<u>668,210</u>	<u>3,194,988</u>
Deferred Outflows:				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 989,890</u>	<u>\$ 1,536,888</u>	<u>\$ 668,210</u>	<u>\$ 3,194,988</u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 12,511	\$ -	\$ -	\$ 12,511
Due to:				-
Other funds	9,786	400	-	10,186
Other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>22,297</u>	<u>400</u>	<u>-</u>	<u>22,697</u>
Deferred Inflows:				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	<u>22,297</u>	<u>400</u>	<u>-</u>	<u>22,697</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	967,593	1,536,488	668,210	3,172,291
Unassigned	-	-	-	-
Total fund balances	<u>967,593</u>	<u>1,536,488</u>	<u>668,210</u>	<u>3,172,291</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 989,890</u>	<u>\$ 1,536,888</u>	<u>\$ 668,210</u>	<u>\$ 3,194,988</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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes:				
Ad valorem property taxes	\$ -	\$ -	\$ 261,762	\$ 261,762
Charges for services	-	68,210	-	68,210
Fines and forfeits	24,134	-	-	24,134
Interest and investment earnings	920	1,317	1,102	3,339
Tax redemption income	-	-	-	-
Contributions and donations	259,026	-	-	259,026
Total revenues	<u>284,080</u>	<u>69,527</u>	<u>262,864</u>	<u>616,471</u>
EXPENDITURES				
Current:				
General government	400	-	9,250	9,650
Public safety	118,633	-	-	118,633
Health and sanitation	-	400	-	400
Capital outlay	339,675	-	-	339,675
Debt service:				-
Principal	-	-	613,949	613,949
Interest	-	-	29,878	29,878
Total expenditures	<u>458,708</u>	<u>400</u>	<u>653,077</u>	<u>1,112,185</u>
Excess (deficiency) of revenues over expenditures	<u>(174,628)</u>	<u>69,127</u>	<u>(390,213)</u>	<u>(495,714)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(3,314,944)	(3,314,944)
Capital leases	-	-	-	-
Proceeds from sale of bonds	-	-	4,753,408	4,753,408
Bond issuance costs	-	-	(381,200)	(381,200)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,057,264</u>	<u>1,057,264</u>
Net change in fund balance	<u>(174,628)</u>	<u>69,127</u>	<u>667,051</u>	<u>561,550</u>
Fund balances – beginning	1,142,221	1,467,361	1,159	2,610,741
Fund balances – ending	<u>\$ 967,593</u>	<u>\$ 1,536,488</u>	<u>\$ 668,210</u>	<u>\$ 3,172,291</u>

CITY OF HUNTINGTON, WEST VIRGINIA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<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>
ASSETS AND DEFERRED OUTFLOWS						
Assets Current:						
Cash and cash equivalents	\$ 703,985	\$ 58,170	\$ 143,667	\$ 56,721	\$ 21,671	\$ 984,214
Due from:						-
Other funds	-	-	-	-	5,676	5,676
Fiduciary funds	-	-	-	-	-	-
Total assets	<u>703,985</u>	<u>58,170</u>	<u>143,667</u>	<u>56,721</u>	<u>27,347</u>	<u>989,890</u>
Deferred Outflows:						
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 703,985</u>	<u>\$ 58,170</u>	<u>\$ 143,667</u>	<u>\$ 56,721</u>	<u>\$ 27,347</u>	<u>\$ 989,890</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 304	\$ 12,207	\$ -	\$ -	\$ 12,511
Due to:						-
Other funds	<u>400</u>	<u>8,130</u>	<u>456</u>	<u>400</u>	<u>400</u>	<u>9,786</u>
Total liabilities	<u>400</u>	<u>8,434</u>	<u>12,663</u>	<u>400</u>	<u>400</u>	<u>22,297</u>
Deferred Inflows:						
Deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>400</u>	<u>8,434</u>	<u>12,663</u>	<u>400</u>	<u>400</u>	<u>22,297</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Assigned	703,585	49,736	131,004	56,321	26,947	967,593
Unassigned	-	-	-	-	-	-
Total fund balances	<u>703,585</u>	<u>49,736</u>	<u>131,004</u>	<u>56,321</u>	<u>26,947</u>	<u>967,593</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 703,985</u>	<u>\$ 58,170</u>	<u>\$ 143,667</u>	<u>\$ 56,721</u>	<u>\$ 27,347</u>	<u>\$ 989,890</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, 2020

	<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>
REVENUES						
Fines and forfeits	\$ -	\$ -	\$ -	\$ -	\$ 24,134	\$ 24,134
Interest and investment earnings	447	67	339	57	10	920
Grants and contributions	-	112,000	147,026	-	-	259,026
Total revenues	<u>447</u>	<u>112,067</u>	<u>147,365</u>	<u>57</u>	<u>24,144</u>	<u>284,080</u>
EXPENDITURES						
Current:						
General government	400	-	-	-	-	400
Public safety	-	32,086	61,691	400	24,456	118,633
Capital projects	300,000	-	39,675	-	-	339,675
Total expenditures	<u>300,400</u>	<u>32,086</u>	<u>101,366</u>	<u>400</u>	<u>24,456</u>	<u>458,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(299,953)</u>	<u>79,981</u>	<u>45,999</u>	<u>(343)</u>	<u>(312)</u>	<u>(174,628)</u>
OTHER FINANCING SOURCES (USES)						
Transfers (out)	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(299,953)</u>	<u>79,981</u>	<u>45,999</u>	<u>(343)</u>	<u>(312)</u>	<u>(174,628)</u>
Fund balances – beginning	1,003,538	(30,245)	85,005	56,664	27,259	1,142,221
Fund balances – ending	<u>\$ 703,585</u>	<u>\$ 49,736</u>	<u>\$ 131,004</u>	<u>\$ 56,321</u>	<u>\$ 26,947</u>	<u>\$ 967,593</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
 COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020**

	Landfill Reserve
ASSETS AND DEFERRED OUTFLOWS	
Assets:	
Current:	
Cash and cash equivalents	\$ 125
Investments	1,524,564
Due from:	
Other funds	12,199
Total assets	1,536,888
Deferred Outflows:	
Total deferred outflows of resources	-
Total assets and deferred outflows of resources	\$ 1,536,888
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Due to other funds	\$ 400
Total liabilities	400
Deferred Inflows:	
Total deferred inflows of resources	-
 FUND BALANCES	
Assigned	1,536,488
Total fund balances	\$ 1,536,488
Total liabilities, deferred inflows of resources and fund balances	\$ 1,536,888

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, 2020

		<u>Landfill Reserve</u>
REVENUES		
Charges for Services	\$	68,210
Interest and investment earnings		1,317
Total revenues		<u>69,527</u>
EXPENDITURES		
Current:		
Health and sanitation		<u>400</u>
Total expenditures		<u>400</u>
Excess (deficiency) of revenues over (under) expenditures		<u>69,127</u>
Other financing sources (uses)		
Transfer out		<u>-</u>
Total other financing sources (uses)		<u>-</u>
Net change in fund balance		69,127
Fund balances – beginning		<u>1,467,361</u>
Fund balances – ending	\$	<u><u>1,536,488</u></u>

**CITY OF HUNTINGTON, WEST VIRGINIA
COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2020**

	Downtown Tax Increment Financing (TIF #1)	Kinetic Park Tax Increment Financing (TIF #2)	Total Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS AND DEFERRED OUTFLOWS			
Assets			
Current:			
Cash and cash equivalents	\$ 394,494	\$ 273,716	\$ 668,210
	<u> </u>	<u> </u>	<u> </u>
Total assets	394,494	273,716	668,210
	<u> </u>	<u> </u>	<u> </u>
Deferred Outflows			
	<u> </u>	<u> </u>	<u> </u>
Total deferred outflows of resources	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets and deferred outflows of resources	\$ 394,494	\$ 273,716	\$ 668,210
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Due to other governments	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Deferred Inflows			
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	-	-	-
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE			
Assigned	394,494	273,716	668,210
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	394,494	273,716	668,210
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows and fund balance	\$ 394,494	\$ 273,716	\$ 668,210
	<u> </u>	<u> </u>	<u> </u>

CITY OF HUNTINGTON, WEST VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Downtown Tax Increment Financing (TIF #1)	Kinetic Park Tax Increment Financing (TIF #2)	Total Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes:			
Ad valorem property taxes	\$ 261,762	\$ -	\$ 261,762
Interest and investment earnings	1,100	2	1,102
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>262,862</u>	<u>2</u>	<u>262,864</u>
EXPENDITURES			
Current:			
General government	\$ 5,000	\$ 4,250	\$ 9,250
Debt service:			
Principal	613,949	-	613,949
Interest	29,878		29,878
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>648,827</u>	<u>4,250</u>	<u>653,077</u>
Excess (deficiency) revenues over expenditures	<u>(385,965)</u>	<u>(4,248)</u>	<u>(390,213)</u>
Other financing sources (uses)			
Transfers out	(131,408)	(3,183,536)	(3,314,944)
Proceeds from sale of bonds	1,114,408	3,639,000	4,753,408
Bond issuance costs	(203,700)	(177,500)	(381,200)
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u>779,300</u>	<u>277,964</u>	<u>1,057,264</u>
Net change in fund balance	393,335	273,716	667,051
Fund balance – beginning	<u>1,159</u>	<u>-</u>	<u>1,159</u>
Fund balance – ending	<u>\$ 394,494</u>	<u>\$ 273,716</u>	<u>\$ 668,210</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION –
AGENCY FUNDS
JUNE 30, 2020**

	<u>Police Retiree's Insurance</u>	<u>Fire Retiree's Insurance</u>	<u>Asset Seizure</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,245,452	\$ 228,164	\$ 1,245,855	\$ 2,719,471
Due from other funds	<u>153,054</u>	<u>42,644</u>	<u>-</u>	<u>195,698</u>
Total assets	<u>1,398,506</u>	<u>270,808</u>	<u>1,245,855</u>	<u>2,915,169</u>
DEFERRED OUTFLOWS				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,398,506</u>	<u>\$ 270,808</u>	<u>\$ 1,245,855</u>	<u>\$ 2,915,169</u>
LIABILITIES				
Due to primary government	\$ 700	\$ 700	\$ -	\$ 1,400
Refunds payable and others	<u>1,397,806</u>	<u>270,108</u>	<u>1,245,855</u>	<u>2,913,769</u>
Total Liabilities	<u>1,398,506</u>	<u>270,808</u>	<u>1,245,855</u>	<u>2,915,169</u>
DEFERRED INFLOWS				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 1,398,506</u>	<u>\$ 270,808</u>	<u>\$ 1,245,855</u>	<u>\$ 2,915,169</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – COMPONENT UNITS
JUNE 30, 2020

Business-type Activities –
Enterprise Funds

	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
ASSETS			
Current:			
Cash and cash equivalents	\$ 1,050,961	\$ 456,745	\$ 4,871,036
Receivables:			
Accounts	-	39,620	1,666,157
Other	-	-	225,678
Inventory, at cost	-	-	22,283
Prepaid expenses	181,777	873	10,819
Due from other funds	-	-	551,891
Due from primary government	12,329	-	36,042
Total current assets	<u>1,245,067</u>	<u>497,238</u>	<u>7,383,906</u>
Noncurrent assets:			
Regular account	1,743,827	-	-
Restricted account	-	-	4,860,686
Customer Deposits	-	-	526,321
Total restricted assets	<u>1,743,827</u>	<u>-</u>	<u>5,387,007</u>
Capital assets:			
Nondepreciable:			
Land	6,715,056	942,877	298,055
Construction in process	131,408	-	1,382,659
Depreciable:			
Buildings	17,379,570	4,775,401	82,426,934
Structures and improvements	1,997,189	490,173	14,293,915
Machinery and equipment	200,000	783,024	6,166,300
Furniture and fixtures	2,664,520	-	-
Less: accumulated depreciation	<u>(15,955,501)</u>	<u>(5,442,793)</u>	<u>(67,355,137)</u>
Total capital assets (net of accumulated depreciation)	<u>13,132,242</u>	<u>1,548,682</u>	<u>37,212,726</u>
Total noncurrent assets	<u>14,876,069</u>	<u>1,548,682</u>	<u>42,599,733</u>
Total assets	<u>16,121,136</u>	<u>2,045,920</u>	<u>49,983,639</u>
DEFERRED OUTFLOWS			
Changes in pension contribution	1,009	3,560	446,113
Contributions made subsequent to measurement	15,963	34,602	563,519
Difference between expected and actual experience	522	1,842	21,293
Other post employment benefits	1,291	-	-
Total deferred outflows of resources	<u>18,785</u>	<u>40,004</u>	<u>1,030,925</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – COMPONENT UNITS (CONTINUED)
JUNE 30, 2020

	Business-Type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES			
Current liabilities payable from current assets:			
Accounts payable	\$ 185,000	\$ 2,756	\$ 533,248
Reserve for health claims	5,377	11,424	-
Accrued payroll	5,759	12,654	91,533
Accrued revenue bond/note interest payable	101,490	-	-
Other accrued expenses	-	-	148,779
Due to:			
Primary government	20,004	68,796	14,000
Other funds	-	-	551,891
Customer deposits	-	-	532,044
Revenue bonds payable and notes payable	428,174	-	1,305,969
	<u>745,804</u>	<u>95,630</u>	<u>3,177,464</u>
Unearned revenues:			
Charges for services	-	6,355	-
Total unearned revenues	<u>-</u>	<u>6,355</u>	<u>-</u>
Noncurrent liabilities			
Bonds and notes payable	8,303,948	-	12,369,235
Other postemployment benefits liability	10,569	295,929	473,442
Net pension liability – PERS	13,486	47,599	550,695
Compensated absences payable	11,695	28,004	162,346
Total noncurrent liabilities	<u>8,339,698</u>	<u>371,532</u>	<u>13,555,718</u>
Total liabilities	<u>9,085,502</u>	<u>473,517</u>	<u>16,733,182</u>
DEFERRED INFLOWS			
Other postemployment benefits deferred inflows	352	9,860	-
Changes in contributions	1,377	4,859	94,506
Change in investment experience	4,875	17,205	203,955
Difference in expected and actual experience	1,178	4,157	103,254
Difference in assumptions	2,476	8,738	196,992
Total deferred inflows of resources	<u>10,258</u>	<u>44,819</u>	<u>598,707</u>
NET POSITION			
Net investment in capital assets	4,400,120	1,548,682	23,565,368
Restricted for debt service	1,743,827	-	2,298,076
Restricted for construction	-	-	2,234,039
Restricted for customer deposits	-	-	18
Unrestricted	900,214	18,906	5,585,174
Total net position	<u>\$ 7,044,161</u>	<u>\$ 1,567,588</u>	<u>\$ 33,682,675</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION – COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Business-type Activities – Enterprise Funds</u>		
	<u>Municipal Development Authority</u>	<u>Municipal Parking Board</u>	<u>Huntington Water Quality Board</u>
Operating revenues:			
Sales and services to customers	\$ 14,771	\$ 633,841	\$ 16,848,968
Rental fees	120,000	75,861	34,350
Miscellaneous	10,000	4,336	361,252
Total revenues	<u>144,771</u>	<u>714,038</u>	<u>17,244,570</u>
Operating expenses:			
Personal services	192,106	625,296	5,458,507
Contractual services	94,443	21,339	747,739
Administrative and general	35,875	108,359	1,313,824
Liability insurance	11,815	18,122	271,227
Materials and supplies	777	11,327	1,704,665
Utilities	5,292	24,754	312,874
Depreciation	288,509	32,279	1,489,185
Maintenance	101,078	14,771	706,526
Miscellaneous	24,582	-	1,330,094
Loss on sale	476,113	-	-
Total operating expenses	<u>1,230,590</u>	<u>856,247</u>	<u>13,334,641</u>
Operating income (loss)	<u>(1,085,819)</u>	<u>(142,209)</u>	<u>3,909,929</u>
Non-operating revenues (expenses):			
Contributions	200,000	-	-
Tax increment revenue	336,314	-	-
Investment earnings	24,472	213	93,743
Interest and fiscal charges	(482,148)	-	(425,453)
Miscellaneous	40,650	-	243,762
Transfers	4,638,900	-	-
Total non-operating revenues (expenses)	<u>4,758,188</u>	<u>213</u>	<u>(87,948)</u>
Income (loss)	3,672,369	(141,996)	3,821,981
Net position at beginning of year	<u>3,371,792</u>	<u>1,709,584</u>	<u>29,860,694</u>
Net position at end of year	<u>\$ 7,044,161</u>	<u>\$ 1,567,588</u>	<u>\$ 33,682,675</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
Cash flows from operating activities:			
Cash received from customers	\$ 135,399	\$ 697,982	\$ 17,000,521
Cash paid for goods and services	(296,592)	(208,647)	(6,357,382)
Cash paid to employees	(238,163)	(544,034)	(5,586,929)
Other cash receipts	28,141	37,146	-
Other cash payments	-	-	(7,678)
Net cash (used) provided by operating activities	<u>(371,215)</u>	<u>(17,553)</u>	<u>5,048,532</u>
Cash flows from noncapital financing activities:			
Tax increment financing revenues	336,314	-	-
Grants and contributions	200,000	-	240,709
Miscellaneous	40,650	-	3,053
Transfers	4,638,900	-	-
Net cash provided by noncapital financing activities	<u>5,215,864</u>	<u>-</u>	<u>243,762</u>
Cash flows from capital and related financing activities:			
Proceeds from debt	2,756,250	-	3,037,516
Purchases of capital assets	(6,694,895)	(18,826)	(2,865,367)
Principal paid on capital debt	(413,174)	-	(2,495,041)
Interest paid on capital debt	(454,700)	-	(422,409)
Other cash payments	(944,113)	-	(11,401)
Proceeds from sale of assets	468,000	-	-
Net cash provided by capital and related financing activities	<u>(5,282,632)</u>	<u>(18,826)</u>	<u>(2,756,702)</u>
Cash flows from investing activities:			
Interest received	24,472	213	93,743
Net cash provided by investing activities	<u>24,472</u>	<u>213</u>	<u>93,743</u>
Net increase (decrease) in cash and cash equivalents	(413,511)	(36,166)	2,629,335
Cash and cash equivalents, July 1, 2019 (including \$4,439,882 in restricted accounts)	<u>3,208,299</u>	<u>492,911</u>	<u>7,628,708</u>
Cash and cash equivalents, June 30, 2020 (including \$6,604,513 in restricted accounts)	<u>\$ 2,794,788</u>	<u>\$ 456,745</u>	<u>\$ 10,258,043</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – COMPONENT UNITS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
	<u> </u>	<u> </u>	<u> </u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating (loss) income	\$ (1,085,819)	\$ (142,209)	\$ 3,909,929
Adjustments to reconcile operating income to net cash provided by operating activities:			
Loss on sale of assets	476,113	-	-
Depreciation expense	288,509	32,279	1,489,185
Amortization expense	-	-	60,381
Decrease (increase) in accounts receivable	628	(15,845)	(66,583)
Decrease (increase) in other receivable	-	-	(177,466)
Decrease (increase) in inventory	-	-	4,819
Decrease (increase) due from other funds	-	-	(204,608)
Decrease (increase) due from primary government	5,171	-	(17,932)
Decrease (increase) in prepaid expense	(181,777)	1,584	35,000
Decrease (increase) in customer deposits	-	-	44,644
Decrease (increase) in deferred outflows	25,740	(26,210)	(187,211)
Increase (decrease) in other postemployment benefits	(76,177)	103,161	-
Increase (decrease) in net pension liability	(4,256)	(3,761)	-
Increase (decrease) in deferred inflows	(5,230)	1,209	-
Increase (decrease) in accounts payable	156,340	(11,636)	(144,082)
Increase (decrease) in accrued payroll	2,690	2,140	31,168
Increase (decrease) in other accrued expenses	-	-	30,823
Increase (decrease) in due to primary government	12,970	32,810	-
Increase (decrease) in due to other funds	-	-	204,608
Increase (decrease) in compensated absences	11,176	4,723	27,621
Increase (decrease) in unearned revenue	-	4,125	-
Increase (decrease) in health care claims payable	2,707	77	-
Increase (decrease) in refunds payable	-	-	(2,018)
Increase (decrease) in due to other governments	-	-	10,254
	<u> </u>	<u> </u>	<u> </u>
Net cash (used) provided by operations	\$ <u>(371,215)</u>	\$ <u>(17,553)</u>	\$ <u>5,048,532</u>

ACCOMPANYING INFORMATION

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA #	Pass-Through Entity Identity Number	Expenditures	Passed Through to Subrecipients
Primary Government				
U.S. Department of Housing and Urban Development				
<i>Direct Programs:</i>				
Community Development Block Grants-				
Entitlement Grants Cluster:				
Community Development Block Grant	14.218	N/A	\$ 1,973,386	\$ 702,680
Cluster Total			<u>1,973,386</u>	<u>702,680</u>
Emergency Solutions Grant Program	14.231	N/A	148,547	148,547
Home Investment Partnerships Program	14.239	N/A	237,783	208,151
FY 2017 Choice Neighborhoods Planning Grant	14.892	N/A	210,983	162,253
Total U.S. Department of Housing and Urban Development			<u>2,570,699</u>	<u>1,221,631</u>
U.S. Environmental Protection Agency				
<i>Direct Programs:</i>				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.818	N/A	138,002	-
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.818	N/A	27,874	-
Total U.S. Environmental Protection Agency			<u>165,876</u>	<u>-</u>
U.S. Department of Justice – Bureau of Justice Assistance				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	6,181	-
Criminal and Juvenile Justice & Mental Health Collaboration Program	16.745	N/A	5,949	-
Second Chance Act Reentry Initiative	16.812	N/A	109,780	98,210
City of Huntington Comprehensive Opioid Abuse Site-based Program	16.838	N/A	85,496	84,063
Pass-Through WV Division of Administrative Services				
Project Safe Neighborhoods Grant	16.609	18-PSN-001	46,715	-
Total U.S. Department of Justice			<u>254,121</u>	<u>182,273</u>
U. S. Department of Homeland Security				
<i>Direct Programs:</i>				
Staffing For Adequate Fire and Emergency Response Grant	97.083	N/A	204,758	-
Pass-Through WV Department of Military Affairs				
Homeland Security Program FY18-Fire	97.067	18-SHS-54	23,374	-
Homeland Security Program FY 19-Police	97.067	19-LE-52	20,090	-
Homeland Security Program FY 19-Police	97.067	19-LE-51	65,000	-
Hazard Mitigation Grant-Stormwater Utility	97.039	FEMA-4273-DR-WV-0037	22,985	22,985
Total U. S. Department of Homeland Security			<u>336,207</u>	<u>22,985</u>
U. S. Department of Treasury				
Pass-Through State of West Virginia				
Coronavirus Relief Fund (CVRF)	21.019	CVRF-2020/06-0086	8,101,895	-
Total U. S. Department of Treasury			<u>8,101,895</u>	<u>\$ -</u>

SEE NOTES TO THIS SCHEDULE

CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA #	Pass-Through Entity Identity Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
<i>Direct Programs:</i>				
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	N/A	19,674	19,674
Integrated Community Program to Address Opioid Crisis	93.137	N/A	273,330	237,141
Total U.S. Department of Health and Human Services			293,004	256,815
U.S. Department of Agriculture				
Pass-Through WV Department of Education				
Child and Adult Care Food Program	10.558	51105	20,789	-
Total U.S. Department of Agriculture			20,789	-
U.S. Department of Transportation				
Pass-Through WV Department of Transportation				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	F19-HS-02-402	79,123	17,391
Occupant Protection Grant	20.616	F19-HS-02-405b	28,893	13,450
Traffic Records Grant Program	20.616	F19-HS-02-405c	1,500	-
Impaired Driving Grant Program	20.616	F19-HS-02-405d	110,987	9,993
State and Community Highway Safety	20.600	F20-HS-02-402	101,097	27,738
Occupant Protection Grant Program	20.616	F20-HS-02-405b	32,553	20,367
Impaired Driving Grant Program	20.616	F20-HS-02-405c	49,850	-
Seatbelt Performance Incentives Grant	20.609	F20-HS-02-405d	102,737	14,374
Cluster Total			506,740	103,313
Highway Planning and Construction Cluster:				
DOH Distracted Driving Grant Program	20.205	F19-HS-02-DOHDD	2,396	1,638
DOH Distracted Driving Grant Program	20.205	F20-HS-10-DOHDD	1,983	-
DOH Working Zone Grant Program	20.205	F19-HS-02-DOHWZ	2,019	1,729
Cluster Total			6,398	3,367
Total U.S. Department of Transportation			513,138	106,680
U.S. Office of National Drug Control Policy				
Pass-Through Financial Commission for Appalachia				
High Intensity Drug Trafficking Area Programs	95.001	G19-AP-0001A	35,597	-
High Intensity Drug Trafficking Area Programs	95.001	G20-AP-0001A	31,090	-
Total U.S. Office of National Drug Control Policy			66,687	-
Total Federal Assistance			\$ 12,322,416	\$ 1,790,384

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020, consist of:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grants/Entitlement Grant	14.218	\$ 3,797,904
Home Investment Partnerships Program	14.239	2,441,028

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 \$156,649 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 22, 2021

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, 2020, 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 22, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City.

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 THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

March 22, 2021

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 program for the year ended June 30, 2020. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

www.perrycpas.com

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

Opinion on 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 program for the year ended June 30, 2020.

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, 2020

1. SUMMARY OF AUDIT RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.