

**PERRY**

**& Associates CPAs**

**PASSION** *Beyond the Numbers*

**CITY OF HUNTINGTON,  
WEST VIRGINIA  
- A CLASS II MUNICIPALITY -  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2022  
RFP #21-042  
CABELL COUNTY**

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**CITY OF HUNTINGTON, WEST VIRGINIA  
MUNICIPAL OFFICIALS  
JUNE 30, 2022**

<u>Office</u>	<u>Name</u>	<u>Term</u>
Mayor:	Steve Williams	01/01/21-12/31/24
Council Members:	Holly Smith Mount	01/01/21-12/31/24
	Mike Shockley	01/01/21-12/31/24
	Tyler Bowen	01/01/21-12/31/24
	Todd Sweeney	01/01/21-12/31/24
	Tia Rumbaugh	01/01/21-12/31/24
	Teresa Johnson	01/01/21-12/31/24
	Pat Jones	01/01/21-12/31/24
	Dale Anderson	01/01/21-11/28/22
	Bob Bailey	01/01/21-12/31/24
	DuRon Jackson	01/01/21-12/31/24
	Sarah Walling	07/22/21-12/31/24
	Ally Layman	12/10/22-12/31/24

**Appointive**

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF FUNDS  
YEAR ENDED JUNE 30, 2022**

**GOVERNMENTAL FUND TYPES**

**Major Governmental Funds**

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

**Nonmajor Governmental Funds**

*Special Revenue Funds*

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, 2022**

**FIDUCIARY FUND TYPES**

*Pension Funds*

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

*Custodial Fund*

Asset Seizure

**COMPONENT UNITS**

*Discretely Presented*

Municipal Development Authority  
Municipal Parking Board  
Huntington Water Quality Board

**INDEPENDENT AUDITOR’S REPORT**

City of Huntington  
800 Fifth Avenue  
Huntington, WV 25717

To the Members of Council:

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component units and the aggregate remaining fund information of the **City of Huntington**, West Virginia (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component units and the aggregate remaining fund information of the City of Huntington, West Virginia as of June 30, 2022, 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 for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

As discussed in Note III. K. to the financial statements, during 2022, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that 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 95 - 101 listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, the discretely presented component unit fund financial statements, the Schedule of State Grant Receipts and Expenditures and the Schedule of Expenditures of Federal Awards 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

***Other Information (Continued)***

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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

March 24, 2023

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022. 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 \$(193,732,306) (net position deficit) at the close of fiscal 2022. For fiscal year 2022, net position increased by \$23,045,819 and by \$741,477 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 \$54,841,213, an increase of \$14,785,056 over the prior year. As of the close of the current fiscal year, business-type activities reported combined net position deficit of \$(2,200,051), an increase of \$741,477 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 2022, net position increased by \$23,045,819 and by \$741,477 in the governmental activities and the business-type activities, respectively. Total primary government revenues were \$88,016,966 with total expenses of \$64,229,670.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 Sanitation 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, 2022**

Fiduciary funds

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

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

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

*Notes to the Financial Statements*

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

*Other Information*

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

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

**Government-wide financial analysis**

The City's net position at June 30, 2022 is \$(193,732,306), an increase of \$23,787,296 compared to June 30, 2021 net position. Net position increased by \$23,045,819 for governmental activities and \$741,477 for business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following summarizes the statement of net position at June 30, 2022, in comparison with June 30, 2021:

**Summary of Net Position**

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Totals</b>		<b>Amount of Change</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	
<b>Assets</b>							
Current Assets	\$ 82,591,505	\$ 63,401,055	\$ 267,232	\$ (691,793)	\$ 82,858,737	\$ 62,709,262	\$ 20,149,475
Capital assets, net	22,106,408	20,130,559	866,296	798,798	22,972,704	20,929,357	2,043,347
Other non-current assets	4,420,977	1,071,922	676,654	-	5,097,631	1,071,922	4,025,709
<b>Total assets</b>	<b>109,118,890</b>	<b>84,603,536</b>	<b>1,810,182</b>	<b>107,005</b>	<b>110,929,072</b>	<b>84,710,541</b>	<b>26,218,531</b>
<b>Deferred outflows of resources</b>	<b>16,918,604</b>	<b>16,659,160</b>	<b>534,851</b>	<b>629,587</b>	<b>17,453,455</b>	<b>17,288,747</b>	<b>164,708</b>
<b>Liabilities</b>							
Current liabilities	27,196,701	23,323,384	1,570,703	665,243	28,767,404	23,988,627	4,778,777
Non-current liabilities	254,576,935	274,452,661	1,609,588	2,914,467	256,186,523	277,367,128	(21,180,605)
<b>Total liabilities</b>	<b>281,773,636</b>	<b>297,776,045</b>	<b>3,180,291</b>	<b>3,579,710</b>	<b>284,953,927</b>	<b>301,355,755</b>	<b>(16,401,828)</b>
<b>Deferred inflows of resources</b>	<b>35,796,113</b>	<b>18,064,725</b>	<b>1,364,793</b>	<b>98,410</b>	<b>37,160,906</b>	<b>18,163,135</b>	<b>18,997,771</b>
<b>Net position</b>							
Net investment in capital assets	15,333,712	12,329,478	866,296	798,798	16,200,008	13,128,276	3,071,732
Restricted	12,782,098	9,623,773	676,654	-	13,458,752	9,623,773	3,834,979
Unrestricted (deficit)	(219,648,065)	(236,531,325)	(3,743,001)	(3,740,326)	(223,391,066)	(240,271,651)	16,880,585
<b>Total net position, restated</b>	<b>\$ (191,532,255)</b>	<b>\$ (214,578,074)</b>	<b>\$ (2,200,051)</b>	<b>\$ (2,941,528)</b>	<b>\$ (193,732,306)</b>	<b>\$ (217,519,602)</b>	<b>\$ 23,787,296</b>

Total assets increased 31% or \$26,218,531 during the year. Current assets in governmental activities increased \$19,190,450 and \$959,025 in business-type activities.

Total liabilities decreased 5% or \$16,401,828 during the year. Current liabilities in governmental activities increased by \$3,873,317 and \$905,460 in business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The following summarizes the statement of activities for the year ended June 30, 2022, in comparison with the year ended June 30, 2021:

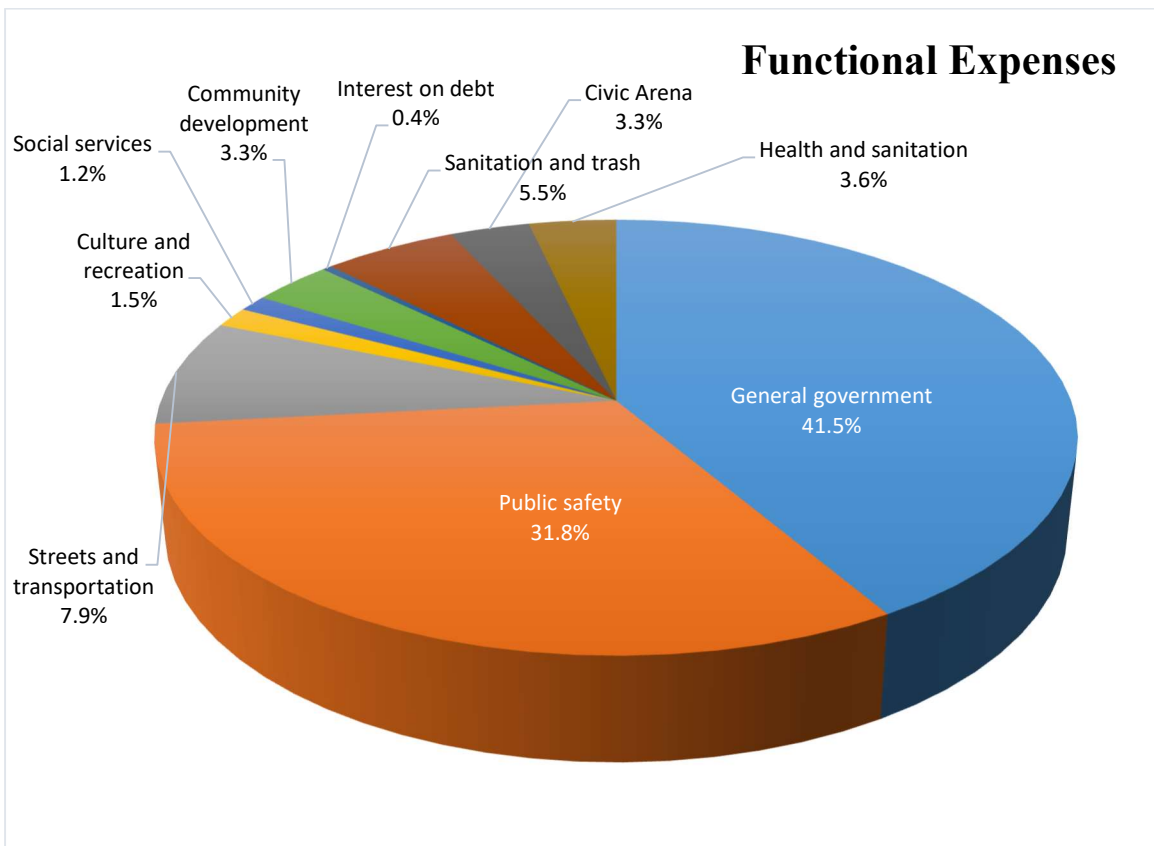
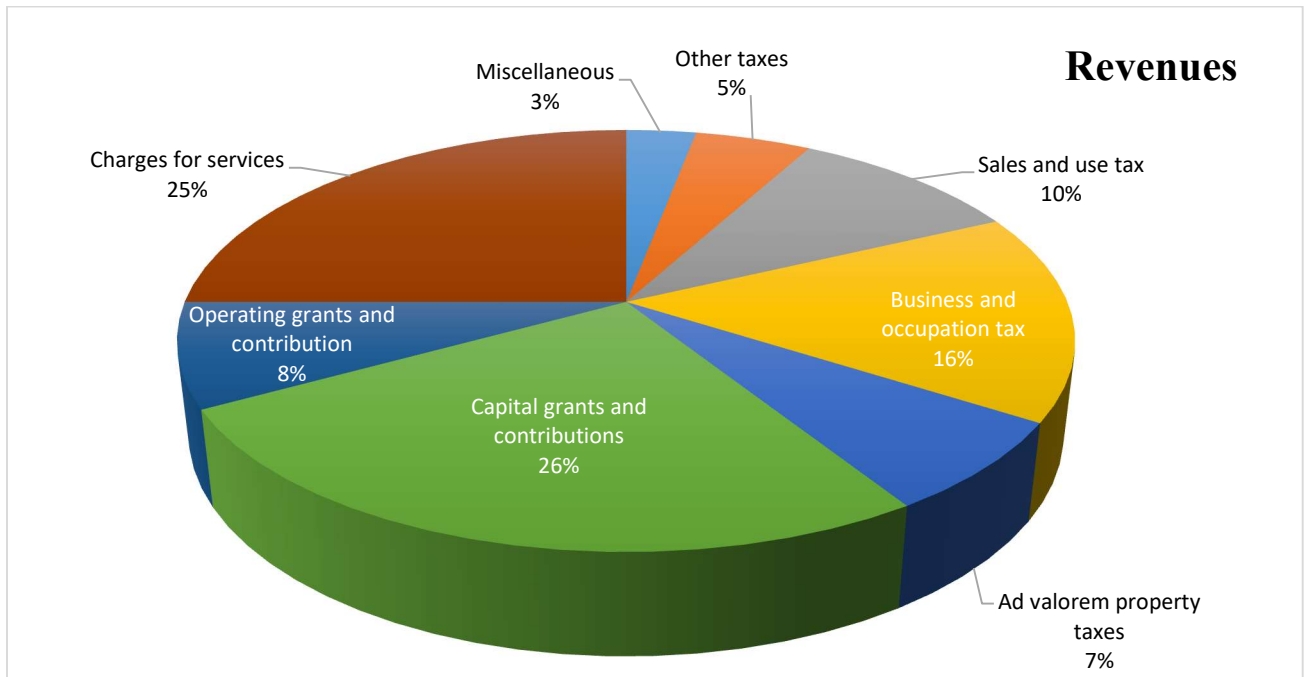
	Summary of Changes in Net Position						Amount of Change
	Governmental Activities		Business Activities		Totals		
	2022	2021	2022	2021	2022	2021	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 17,105,761	\$ 16,335,726	\$ 5,118,783	\$ 1,837,123	\$ 22,224,544	\$ 18,172,849	\$ 4,051,695
Operating grants and contributions	6,931,905	17,684,124	89,068	641,378	7,020,973	18,325,502	(11,304,529)
Capital grants and contributions	23,406,212	2,520,160	-	-	23,406,212	2,520,160	20,886,052
General revenues:			-	-			
Ad valorem property taxes	6,460,762	6,630,522	-	-	6,460,762	6,630,522	(169,760)
Business and Occupaion tax	14,428,886	13,026,294	-	-	14,428,886	13,026,294	1,402,592
Alcoholic beverages tax	604,925	599,002	-	-	604,925	599,002	5,923
Utility services tax	2,298,084	2,259,808	-	-	2,298,084	2,259,808	38,276
Hotel occupancy tax	1,072,041	615,984	-	-	1,072,041	615,984	456,057
Animal tax	2,018	2,051	-	-	2,018	2,051	(33)
Gas and oil severance tax	86,422	78,443	-	-	86,422	78,443	7,979
Amusement tax	8,084	91,902	-	-	8,084	91,902	(83,818)
Sales and use tax	8,565,320	8,212,139	-	-	8,565,320	8,212,139	353,181
Coal severance tax	183,032	92,549	-	-	183,032	92,549	90,483
Interest revenue	63,183	63,056	429	85	63,612	63,141	471
(Loss) Gain on sale of capital assets	39,378	12,549	-	-	39,378	12,549	26,829
Miscellaneous	2,172,887	794,082	706,303	279,600	2,879,190	1,073,682	1,805,508
<b>Total revenues</b>	<u>83,428,900</u>	<u>69,018,391</u>	<u>5,914,583</u>	<u>2,758,186</u>	<u>89,343,483</u>	<u>71,776,577</u>	<u>17,566,906</u>
<b>Expenses</b>							
General government	26,669,270	18,914,887	-	-	26,669,270	18,914,887	7,754,383
Public safety	20,451,519	18,825,333	-	-	20,451,519	18,825,333	1,626,186
Streets and transportation	5,102,799	2,670,745	-	-	5,102,799	2,670,745	2,432,054
Health and sanitation	2,288,037	2,841,892	-	-	2,288,037	2,841,892	(553,855)
Culture and recreation	942,610	1,289,665	-	-	942,610	1,289,665	(347,055)
Social services	797,462	534,834	-	-	797,462	534,834	262,628
Community development	2,091,007	1,821,774	-	-	2,091,007	1,821,774	269,233
Interest on long-term debt	277,184	204,597	-	-	277,184	204,597	72,587
Sanitation and trash	-	-	3,523,862	3,926,546	3,523,862	3,926,546	(402,684)
Civic Arena	-	-	2,085,920	1,217,692	2,085,920	1,217,692	868,228
<b>Total expenses</b>	<u>58,619,888</u>	<u>47,103,727</u>	<u>5,609,782</u>	<u>5,144,238</u>	<u>64,229,670</u>	<u>52,247,965</u>	<u>11,981,705</u>
<b>Increase in net position before transfers</b>	24,809,012	21,914,664	304,801	(2,386,052)	25,113,813	19,528,612	5,585,201
<b>Transfers</b>	(1,763,193)	(3,944,918)	436,676	877,210	(1,326,517)	(3,067,708)	1,741,191
<b>Change in net position</b>	23,045,819	17,969,746	741,477	(1,508,842)	23,787,296	16,460,904	7,326,392
<b>Net position-beginning, restated</b>	(214,578,074)	(232,547,820)	(2,941,528)	(1,432,686)	(217,519,602)	(233,980,506)	16,460,904
<b>Net position-ending</b>	<u>\$ (191,532,255)</u>	<u>\$ (214,578,074)</u>	<u>\$ (2,200,051)</u>	<u>\$ (2,941,528)</u>	<u>\$ (193,732,306)</u>	<u>\$ (217,519,602)</u>	<u>\$ 23,787,296</u>

Total revenues increased by \$17,566,906 in comparison to prior year.

Overall expenses and transfers increased by \$13,722,896 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 2022.

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**





**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 \$18,355,218, a decrease of \$10,942,124 during the year. 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 \$102,323 to \$112,166 during fiscal year 2022.

*Community Development Block Grant (CDBG) Fund* — The Community Development Block Grant fund (CDBG), a special revenue fund, accounts for the CDBG Entitlement Program. The CDBG Entitlement Program provides grants to metropolitan areas and urban counties for community development. The CDBG fund balance decreased \$148,789 to \$7,489,092 during the year.

*Capital Improvements Fund* — The Capital Improvements fund, a capital projects fund, accounts for the capital improvement activities of the City. The Capital Improvements fund balance increased \$25,687,961 to \$26,171,525 during the year.

*The American Rescue Plan Act–2021 Fund* — The American Rescue Plan Act–2021 Fund, a special revenue fund, accounts for any federal financial assistance received pursuant to the American Rescue Plan Act (ARPA) of 2021. During fiscal year 2022, there was \$20,009,753 of ARPA revenues and \$19,999,811 of ARPA expenditures. The June 30, 2022, fund balance was \$12,613.

*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 \$47,785 during the year.

The City's governmental funds reported a combined ending fund balance of \$54,841,213 this year. This compares to the prior year combined ending fund balance of \$40,056,157 for an increase of \$14,785,056. Total unassigned governmental fund balance is \$13,420,634 for fiscal year 2022.

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 increased \$709,772 during the year.

*Civic Arena Fund* — The Civic Arena fund accounts for operating activities of the Civic Arena. Net position in the Civic Arena fund increased by \$31,705 during the year. The increase is primarily due to an increase in events held at the Arena.

In addition to the primary government, the City reports 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, 2022**

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 Huntington Municipal Development Authority and 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 \$14.7 million or 18% of the final budgeted general fund expenditures.

**Capital asset and debt administration**

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

	Governmental Activities		Business Activities		Total Primary Government		Amount of Change
	2022	2021	2022	2021	2022	2021	
<b>Non-Depreciable Assets</b>							
Land	\$ 1,106,166	\$ 1,026,166	\$ -	\$ -	\$ 1,106,166	\$ 1,026,166	\$ 80,000
Construction in progress	4,144,362	1,765,258	-	-	4,144,362	1,765,258	2,379,104
<b>Total non-depreciable assets</b>	<b>5,250,528</b>	<b>2,791,424</b>	<b>-</b>	<b>-</b>	<b>5,250,528</b>	<b>2,791,424</b>	<b>2,459,104</b>
<b>Depreciable assets</b>							
Structures and improvements	11,655,784	11,365,661	75,140	75,140	11,730,924	11,440,801	290,123
Infrastructure	19,743,824	19,070,931	-	-	19,743,824	19,070,931	672,893
Vehicles	11,334,878	10,953,184	2,618,811	2,465,611	13,953,689	13,418,795	534,894
Machinery and equipment	8,363,738	7,838,262	429,330	312,130	8,793,068	8,150,392	642,676
Leased assets	5,836,590	5,817,535	-	-	5,836,590	5,817,535	19,055
Less: accumulated depreciation/amortization	(40,078,934)	(37,706,435)	(2,256,985)	(2,054,083)	(42,335,919)	(39,760,518)	(2,575,401)
<b>Total depreciable assets</b>	<b>16,855,880</b>	<b>17,339,138</b>	<b>866,296</b>	<b>798,798</b>	<b>17,722,176</b>	<b>18,137,936</b>	<b>(415,760)</b>
<b>Total</b>	<b>\$ 22,106,408</b>	<b>\$ 20,130,562</b>	<b>\$ 866,296</b>	<b>\$ 798,798</b>	<b>\$ 22,972,704</b>	<b>\$ 20,929,360</b>	<b>\$ 2,043,344</b>

**CITY OF HUNTINGTON, WEST VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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
	2022	2021	2022	2021	2022	2021	
Bonds and notes payable	\$ 1,536,268	\$ 2,078,046	\$ -	\$ -	\$ 1,536,268	\$ 2,078,046	\$ (541,778)
Tax increment financing	5,885,000	5,955,554	-	-	5,885,000	5,955,554	(70,554)
Leases payable	5,236,428	5,723,038	-	-	5,236,428	5,723,038	(486,610)
Net pension liability – PERS	-	1,401,366	-	406,337	-	1,807,703	(1,807,703)
Net pension liability – DBP	127,264,964	119,833,816	-	-	127,264,964	119,833,816	7,431,148
Other post-employment benefits	85,928,408	112,997,525	1,506,736	2,419,333	87,435,144	115,416,858	(27,981,714)
Compensated absences	1,569,214	1,617,402	102,852	88,797	1,672,066	1,706,199	(34,133)
Accrued interest payable	88,636	26,481	-	-	88,636	26,481	62,155
Landfill closure and post-closure costs	27,068,017	24,819,436	-	-	27,068,017	24,819,436	2,248,581
<b>Total</b>	<b>\$ 254,576,935</b>	<b>\$ 274,452,664</b>	<b>\$ 1,609,588</b>	<b>\$ 2,914,467</b>	<b>\$ 256,186,523</b>	<b>\$ 277,367,131</b>	<b>\$ (21,180,608)</b>

**Economic factors**

The Governing Council and Administration consider many factors each year while preparing the City's operating budget. The budget for the 2023 fiscal year reflects a balanced budget. Approved budgets for the 2023 fiscal year, as well as other documents, are available at [www.cityofhuntington.com](http://www.cityofhuntington.com).

**Requests for information**

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

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 61,591,380	\$ 2,369,935	\$ 63,961,315	\$ 512,964	\$ 252,406	\$ 9,405,488
Investments	2,016,260	-	2,016,260	-	-	-
Receivables:						
Accounts	1,631,775	176,838	1,808,613	26,029	2,001	996,526
Taxes	6,416,828	-	6,416,828	-	-	-
Loans	6,147,370	-	6,147,370	-	-	-
Assets held for resale	647,671	-	647,671	-	-	-
Internal balances	2,382,431	(2,382,431)	-	-	-	-
Due from:						
Primary government	-	-	-	12,329	-	-
Component units	75,579	-	75,579	-	-	-
Other governments	962,306	-	962,306	360,079	-	10,649
Fiduciary funds	100,580	-	100,580	-	-	-
Inventory, at cost	-	70,820	70,820	-	-	25,468
Prepaid expenses	260,235	32,070	292,305	143,689	625	62,239
Leases receivable	359,090	-	359,090	5,145,000	203,970	-
<b>Total current assets</b>	<b>82,591,505</b>	<b>267,232</b>	<b>82,858,737</b>	<b>6,200,090</b>	<b>459,002</b>	<b>10,500,370</b>
Noncurrent assets:						
Regular account	-	-	-	-	-	654,872
Reserve account	-	-	-	-	-	4,719,077
Restricted account	-	-	-	1,027,938	-	-
Customer deposits	-	-	-	-	-	693,141
Capital assets:						
Nondepreciable:						
Land	1,106,166	-	1,106,166	10,335,860	942,877	402,220
CIP	4,144,362	-	4,144,362	984,879	-	7,976,946
Depreciable:						
Buildings	11,655,784	-	11,655,784	14,330,995	4,792,439	100,195,172
Structures and improvements	-	75,140	75,140	2,029,025	490,173	-
System Infrastructure	19,743,824	-	19,743,824	-	-	-
Vehicles	11,334,878	2,618,811	13,953,689	-	-	3,076,918
Machinery and equipment	8,363,738	429,330	8,793,068	2,051,351	797,525	3,232,042
Furniture and fixtures	-	-	-	2,893,878	-	-
Intangible assets – lease use	5,836,590	-	5,836,590	-	-	-
Less: accumulated depreciation and amortization	(40,078,934)	(2,256,985)	(42,335,919)	(16,292,599)	(5,508,333)	(70,641,231)
Other debits:						
Net pension asset (PERS)	2,582,622	676,654	3,259,276	92,110	191,305	2,280,825
Net pension asset (MPFRS)	1,837,429	-	1,837,429	-	-	-
Net OPEB asset (RHBT)	926	-	926	-	-	24,892
<b>Total noncurrent assets</b>	<b>26,527,385</b>	<b>1,542,950</b>	<b>28,070,335</b>	<b>17,453,437</b>	<b>1,705,986</b>	<b>52,614,874</b>
<b>Total assets</b>	<b>109,118,890</b>	<b>1,810,182</b>	<b>110,929,072</b>	<b>23,653,527</b>	<b>2,164,988</b>	<b>63,115,244</b>
<b>DEFERRED OUTFLOWS</b>						
Public Employees Retirement System (PERS):						
Contributions made after measurement date	611,129	141,158	752,287	17,533	35,637	486,085
Changes in contributions	55,788	14,617	70,405	1,990	4,132	34,952
Changes in assumptions	491,384	128,744	620,128	17,525	36,399	433,962
Difference between expected and actual experience	294,743	77,224	371,967	10,512	21,833	260,301
Municipal Police Officers and Firefighters Retirement System (MPFRS):						
Contributions made after measurement date	427,177	-	427,177	-	-	-
Changes in contributions	243,690	-	243,690	-	-	-
Changes in assumptions	200,848	-	200,848	-	-	-
Difference between expected and actual experience	121,384	-	121,384	-	-	-
<b>Subtotal deferred outflows of resources</b>	<b>2,446,143</b>	<b>361,743</b>	<b>2,807,886</b>	<b>47,560</b>	<b>98,001</b>	<b>1,215,300</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2022**

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>DEFERRED OUTFLOWS CONTINUED</b>						
Defined Benefit Plans (DBP):						
Changes in investment earnings	\$ 4,590,985	\$ -	\$ 4,590,985	\$ -	\$ -	\$ -
Other postemployment benefits	9,881,476	173,108	10,054,584	2,033	13,681	882,041
Total deferred outflows of resources	<u>16,918,604</u>	<u>534,851</u>	<u>17,453,455</u>	<u>49,593</u>	<u>111,682</u>	<u>2,097,341</u>
<b>LIABILITIES</b>						
Current liabilities payable						
from current assets:						
Accounts payable	2,424,221	333,373	2,757,594	75,958	385	968,255
Refunds payable	-	-	-	-	-	19,426
Payroll payable	815,525	131,862	947,387	7,111	13,785	63,889
Unclaimed property	93,669	-	93,669	-	-	-
Reserve for health claims	842,450	71,176	913,626	5,601	7,466	-
Customer deposits	-	-	-	-	-	619,993
Other accrued expenses	-	-	-	36,440	-	173,642
Due to:						
Primary government	-	-	-	16,899	57,680	-
Component units	12,221	-	12,221	-	-	-
Other governments	4,535	-	4,535	-	-	-
Unearned revenues:						
Grants	22,614,645	-	22,614,645	-	-	-
Sponsorship	-	23,250	23,250	-	-	-
Charges for services	-	147,154	147,154	-	3,695	-
Customer advances	-	38,278	38,278	-	-	-
Ticket sales	-	731,736	731,736	-	-	-
Other unearned revenue	389,435	93,874	483,309	-	-	-
Total current liabilities	<u>27,196,701</u>	<u>1,570,703</u>	<u>28,767,404</u>	<u>142,009</u>	<u>83,011</u>	<u>1,845,205</u>
Noncurrent liabilities due within one year:						
Bonds and notes payable (including financed purchases)	238,990	-	238,990	773,174	-	8,538,929
Lease payable	528,166	-	528,166	-	-	-
Tax increment financing bonds payable	371,000	-	371,000	-	-	-
Noncurrent liabilities due in more than one year:						
Bonds and notes payable (including financed purchases)	1,297,278	-	1,297,278	7,377,601	-	8,043,038
Lease payable	4,708,262	-	4,708,262	-	-	-
Tax increment financing bonds payable	5,514,000	-	5,514,000	-	-	-
Accrued interest payable	88,636	-	88,636	247,343	-	18,043
Other postemployment benefits liability	85,928,408	1,506,736	87,435,144	17,692	119,084	25,200
Net pension obligation payable	-	-	-	-	-	23,400
Net pension liability – DBP	127,264,964	-	127,264,964	-	-	-
Compensated absences payable	1,569,214	102,852	1,672,066	17,268	28,810	179,357
Estimated landfill closure and post-closure liability	27,068,017	-	27,068,017	-	-	-
Total noncurrent liabilities	<u>254,576,935</u>	<u>1,609,588</u>	<u>256,186,523</u>	<u>8,433,078</u>	<u>147,894</u>	<u>16,827,967</u>
Total liabilities	<u>281,773,636</u>	<u>3,180,291</u>	<u>284,953,927</u>	<u>8,575,087</u>	<u>230,905</u>	<u>18,673,172</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2022**

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>DEFERRED INFLOWS</b>						
Public Employees Retirement System (PERS):						
Changes in contributions	\$ -	\$ -	\$ -	\$ -	\$ -	37,125
Difference between expected and actual experience	9,790	2,565	12,355	349	725	8,646
Difference in assumptions	20,933	5,485	26,418	746	1,551	18,487
Difference between expected and actual investment earnings	3,307,918	866,683	4,174,601	117,978	245,031	2,921,366
Municipal Police and Firefighters Retirement System (MPFRS):						
Changes in contributions	8,171	-	8,171	-	-	-
Difference between expected and actual investment earnings	459,778	-	459,778	-	-	-
Difference between expected and actual experience	42,594	-	42,594	-	-	-
Changes in assumptions	10,944	-	10,944	-	-	-
Defined Benefit Plans (DBP):						
Difference between expected and actual experience	281,265	-	281,265	-	-	-
Difference in assumptions	3,297,660	-	3,297,660	-	-	-
Other postemployment benefits	27,998,103	490,060	28,488,163	5,754	38,732	876,141
Lease deferred inflows	358,957	-	358,957	5,145,000	203,970	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>35,796,113</b>	<b>1,364,793</b>	<b>37,160,906</b>	<b>5,269,827</b>	<b>490,009</b>	<b>3,861,765</b>
<b>NET POSITION</b>						
Net investment in capital assets	15,333,712	866,296	16,200,008	8,182,614	1,514,681	27,660,100
Restricted for:						
Economic development	-	-	-	1,027,938	-	-
Community development	5,859,540	-	5,859,540	-	-	-
Net pension/OPEB asset	4,420,977	676,654	5,097,631	92,110	191,305	-
Retiree insurance	1,557,675	-	1,557,675	-	-	-
Customer deposits	-	-	-	-	-	90,054
Construction	-	-	-	-	-	2,699,484
Insurance claims	-	-	-	-	-	367,311
Debt service	943,906	-	943,906	-	-	2,307,154
Unrestricted	(219,648,065)	(3,743,001)	(223,391,066)	555,544	(150,230)	9,553,545
Total net position	\$ (191,532,255)	\$ (2,200,051)	\$ (193,732,306)	\$ 9,858,206	\$ 1,555,756	\$ 42,677,648

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board	
<b>Primary government:</b>											
Governmental activities:											
General government	\$ 26,669,270	\$ 2,314,750	\$ 1,000	\$ 15,923	\$ (24,337,597)	\$ -	\$ (24,337,597)	\$ -	\$ -	\$ -	\$ -
Public safety	20,451,519	12,246,905	3,327,584	158,036	(4,718,994)	-	(4,718,994)	-	-	-	-
Streets and transportation	5,102,799	2,473,002	-	-	(2,629,797)	-	(2,629,797)	-	-	-	-
Health and sanitation	2,288,037	71,104	-	234,589	(1,982,344)	-	(1,982,344)	-	-	-	-
Culture and recreation	942,610	-	1,853,479	932,956	1,843,825	-	1,843,825	-	-	-	-
Social services	797,462	-	389,269	-	(408,193)	-	(408,193)	-	-	-	-
Community development	2,091,007	-	1,360,573	22,064,708	21,334,274	-	21,334,274	-	-	-	-
Interest on long-term debt	277,184	-	-	-	(277,184)	-	(277,184)	-	-	-	-
<b>Total governmental activities</b>	<b>58,619,888</b>	<b>17,105,761</b>	<b>6,931,905</b>	<b>23,406,212</b>	<b>(11,176,010)</b>	<b>-</b>	<b>(11,176,010)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business-type activities:											
Sanitation and trash	3,523,862	4,153,577	-	-	-	629,715	629,715	-	-	-	-
Civic arena	2,085,920	965,206	89,068	-	-	(1,031,646)	(1,031,646)	-	-	-	-
<b>Total business-type activities</b>	<b>5,609,782</b>	<b>5,118,783</b>	<b>89,068</b>	<b>-</b>	<b>-</b>	<b>(401,931)</b>	<b>(401,931)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 64,229,670</b>	<b>\$ 22,224,544</b>	<b>\$ 7,020,973</b>	<b>\$ 23,406,212</b>	<b>(11,176,010)</b>	<b>(401,931)</b>	<b>(11,577,941)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Component units:</b>											
Municipal Development Authority	\$ 1,470,612	\$ 121,241	\$ 200,000	\$ 467,246	-	-	-	(682,125)	-	-	-
Municipal Parking Board	593,432	720,727	-	-	-	-	-	-	127,295	-	-
Huntington Water Quality Board	14,350,746	17,454,425	2,824,711	-	-	-	-	-	-	5,928,390	-
<b>Total component units</b>	<b>\$ 16,414,790</b>	<b>\$ 18,296,393</b>	<b>\$ 3,024,711</b>	<b>\$ 467,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(682,125)</b>	<b>127,295</b>	<b>5,928,390</b>	<b>-</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
STATEMENT OF ACTIVITIES (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Net (Expense) Revenues and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
General revenues:						
Ad valorem property taxes	\$ 6,460,762	\$ -	\$ 6,460,762	\$ -	\$ -	\$ -
Business & occupation tax	14,428,886	-	14,428,886	-	-	-
Alcoholic beverages tax	604,925	-	604,925	-	-	-
Utility services tax	2,298,084	-	2,298,084	-	-	-
Hotel occupancy tax	1,072,041	-	1,072,041	-	-	-
Animal tax	2,018	-	2,018	-	-	-
Gas & oil severance tax	86,422	-	86,422	-	-	-
Amusement tax	8,084	-	8,084	-	-	-
Sales and use tax	8,565,320	-	8,565,320	-	-	-
Coal severance tax	183,032	-	183,032	-	-	-
Interest revenue	63,183	429	63,612	1,191	109	16,128
Gains (loss) on disposal of capital assets	39,378	-	39,378	-	-	-
Miscellaneous	2,172,887	706,303	2,879,190	41,993	40,712	134,966
Transfers	(1,763,193)	436,676	(1,326,517)	1,326,517	-	-
	34,221,829	1,143,408	35,365,237	1,369,701	40,821	151,094
Total general revenues and transfers						
Change in net position	23,045,819	741,477	23,787,296	687,576	168,116	6,079,484
Net position – beginning, as restated	(214,578,074)	(2,941,528)	(217,519,602)	9,170,630	1,387,640	36,598,164
Net position – ending	\$ (191,532,255)	\$ (2,200,051)	\$ (193,732,306)	\$ 9,858,206	\$ 1,555,756	\$ 42,677,648

SEE ACCOMPANYING NOTES



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS</b>								
<b>Assets:</b>								
<b>Current:</b>								
Cash and cash equivalents	\$ 13,110,383	\$ 50,347	\$ 306,483	\$ 26,171,525	\$ 20,654,201	\$ 5,896	\$ 1,292,545	\$ 61,591,380
Investments	357,085	-	-	-	-	-	1,659,175	2,016,260
Receivables:								
Taxes	6,410,334	-	-	-	-	-	6,494	6,416,828
Accounts	106,193	-	1,523,255	-	-	2,327	-	1,631,775
Loans	300,000	-	5,847,370	-	-	-	-	6,147,370
Assets held for resale	-	-	-	-	-	647,671	-	647,671
Other	359,090	-	-	-	-	-	-	359,090
Due from:								
Component units	75,579	-	-	-	-	-	-	75,579
Other funds	3,456,022	-	3,900	-	-	-	28,855	3,488,777
Other governments	900,487	61,819	-	-	-	-	-	962,306
Fiduciary funds	100,580	-	-	-	-	-	-	100,580
Prepaid expenses	260,235	-	-	-	-	-	-	260,235
<b>Total assets</b>	<b>25,435,988</b>	<b>112,166</b>	<b>7,681,008</b>	<b>26,171,525</b>	<b>20,654,201</b>	<b>655,894</b>	<b>2,987,069</b>	<b>83,697,851</b>
<b>Deferred Outflows:</b>								
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 25,435,988	\$ 112,166	\$ 7,681,008	\$ 26,171,525	\$ 20,654,201	\$ 655,894	\$ 2,987,069	\$ 83,697,851
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 2,326,671	\$ -	\$ 71,833	\$ -	\$ 5,000	\$ -	\$ 20,717	\$ 2,424,221
Payroll payable	796,437	-	19,088	-	-	-	-	815,525
Line of credit	-	-	-	-	-	-	-	-
Reserve for health claims	830,549	-	11,901	-	-	-	-	842,450
Due to:								
Component units	12,221	-	-	-	-	-	-	12,221
Other funds	95,295	-	89,094	-	7,432	910,310	4,215	1,106,346
Other governments	4,535	-	-	-	-	-	-	4,535
Unearned revenue:								
Grant advances	1,985,489	-	-	-	20,629,156	-	-	22,614,645
Other	389,435	-	-	-	-	-	-	389,435
Unclaimed property	91,727	-	-	-	-	-	1,942	93,669
<b>Total liabilities</b>	<b>6,532,359</b>	<b>-</b>	<b>191,916</b>	<b>-</b>	<b>20,641,588</b>	<b>910,310</b>	<b>26,874</b>	<b>28,303,047</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2022**

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Deferred Inflows:</b>								
Unavailable revenue – lease receivables	358,957	-	-	-	-	-	-	358,957
Unavailable revenue – property taxes	189,454	-	-	-	-	-	5,180	194,634
Total deferred inflows of resources	548,411	-	-	-	-	-	5,180	553,591
Total liabilities and deferred inflows of resources	7,080,770	-	191,916	-	20,641,588	910,310	32,054	28,856,638
<b>Fund balances:</b>								
Nonspendable	579,513	-	-	-	-	647,671	-	1,227,184
Restricted	300,000	-	5,846,927	-	12,613	-	943,906	7,103,446
Committed	2,136,560	-	-	-	-	-	-	2,136,560
Assigned	1,016,424	112,166	1,642,165	26,171,525	-	-	2,011,109	30,953,389
Unassigned	14,322,721	-	-	-	-	(902,087)	-	13,420,634
Total fund balances	18,355,218	112,166	7,489,092	26,171,525	12,613	(254,416)	2,955,015	54,841,213
Total liabilities, deferred inflows and fund balances \$	<u>25,435,988</u>	<u>\$ 112,166</u>	<u>\$ 7,681,008</u>	<u>\$ 26,171,525</u>	<u>\$ 20,654,201</u>	<u>\$ 655,894</u>	<u>\$ 2,987,069</u>	<u>\$ 83,697,851</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

Total fund balances on the governmental fund's balance sheet	\$ 54,841,213
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.	22,106,408
Other long-term assets that are not available to pay for current-year expenditures.	
This is the net pension asset for the Municipal Police Officers and Firefighters Retirement System (MPFRS).	1,837,429
This is the net pension asset (PERS).	2,582,622
This is the net OPEB asset (RHBT).	926
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds.	194,634
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	9,881,476
Deferred inflows	(27,998,103)
<i>Public Employees Retirement System (PERS):</i>	
Deferred outflows:	
Contributions made after measurement date	611,129
Changes in assumptions	491,384
Difference between expected and actual experience	294,743
Changes in contributions	55,788
Deferred inflows:	
Difference in assumptions	(20,933)
Difference between expected and actual investment earnings	(3,307,918)
Difference between expected and actual experience	(9,790)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>	
Deferred outflows:	
Contributions made after measurement date	427,177
Changes in contributions	243,690
Changes in assumptions	200,848
Difference between expected and actual experience	121,384
Deferred inflows:	
Changes in contributions	(8,171)
Difference between expected and actual experience	(42,594)
Changes in investment earnings	(459,778)
Change in assumptions	(10,944)
<i>Defined Benefits Plans (DBP):</i>	
Deferred outflows:	
Changes in investment earnings	4,590,985
Deferred inflows:	
Difference between expected and actual experience	(281,265)
Change in assumptions	(3,297,660)

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2022**

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

Leases payable	\$	(5,236,428)
Tax increment financing revenue bonds		(5,885,000)
Financed purchases		(1,536,268)
Accrued interest payable on long-term liabilities		(88,636)
Compensated absences		(1,569,214)
Net Pension Liability – DBP		(127,264,964)
Other postemployment benefits payable		(85,928,408)
Estimated landfill closure and post-closure liability		<u>(27,068,017)</u>
Net position of governmental activities (deficit)	\$	<u><u>(191,532,255)</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, 2022**

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes:								
Ad valorem property taxes	\$ 5,623,794	\$ -	\$ -	\$ -	\$ -	\$ -	663,848	\$ 6,287,642
Business & occupation tax	14,428,886	-	-	-	-	-	-	14,428,886
Alcoholic beverages tax	604,925	-	-	-	-	-	-	604,925
Utility services tax	2,298,084	-	-	-	-	-	-	2,298,084
Hotel occupancy tax	1,072,041	-	-	-	-	-	-	1,072,041
Animal tax	2,018	-	-	-	-	-	-	2,018
Gas and oil severance tax	86,422	-	-	-	-	-	-	86,422
Amusement tax	8,084	-	-	-	-	-	-	8,084
Sales and use tax	8,565,320	-	-	-	-	-	-	8,565,320
Coal severance tax	-	183,032	-	-	-	-	-	183,032
Licenses and permits, and fees	1,129,375	-	-	-	-	-	-	1,129,375
Intergovernmental:								
Federal	4,824,129	-	2,712,890	-	19,999,811	-	-	27,536,830
State	2,356,310	-	-	-	-	-	-	2,356,310
Charges for services	13,928,634	-	-	-	-	-	71,103	13,999,737
Fines and forfeits	218,785	-	-	-	-	-	22,030	240,815
Interest and investment earnings	46,779	21	352	3,361	9,942	-	2,728	63,183
Franchise fees	588,266	-	-	-	-	-	-	588,266
Employee/retirees health insurance	1,735,834	-	-	-	-	-	-	1,735,834
Contributions and donations	248,428	-	-	-	-	-	196,549	444,977
Miscellaneous	1,584,321	-	-	-	-	-	300	1,584,621
<b>Total revenues</b>	<b>59,350,435</b>	<b>183,053</b>	<b>2,713,242</b>	<b>3,361</b>	<b>20,009,753</b>	<b>-</b>	<b>956,558</b>	<b>83,216,402</b>
<b>EXPENDITURES</b>								
Current:								
General government	22,025,800	700	-	400	1,999,811	48,103	4,750	24,079,564
Public safety	26,365,825	-	-	-	-	-	102,305	26,468,130
Streets and transportation	5,711,910	-	-	-	-	-	-	5,711,910
Health and sanitation	-	-	-	-	-	-	400	400
Culture and recreation	655,201	-	-	-	-	-	-	655,201
Social services	74,570	-	722,892	-	-	-	-	797,462
Capital outlay	4,213,471	-	4,694	2,315,000	-	-	101,204	6,634,369
Community development	-	-	2,139,139	-	-	-	-	2,139,139
Debt service:								
Principal	-	-	-	-	-	-	362,000	362,000
Interest	-	-	-	-	-	-	150,497	150,497
<b>Total expenditures</b>	<b>59,046,777</b>	<b>700</b>	<b>2,866,725</b>	<b>2,315,400</b>	<b>1,999,811</b>	<b>48,103</b>	<b>721,156</b>	<b>66,998,672</b>
Excess (deficiency) of revenues over expenditures	303,658	182,353	(153,483)	(2,312,039)	18,009,942	(48,103)	235,402	16,217,730

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, 2022**

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ 18,033,876	\$ -	\$ -	\$ 28,000,000	\$ -	\$ -	\$ -	\$ 46,033,876
Transfers (out)	(29,318,718)	(80,030)	-	-	(18,000,000)	-	(398,320)	(47,797,068)
Proceeds from the sales of assets	39,060	-	-	-	-	318	-	39,378
Proceeds from leases	-	-	4,694	-	-	-	-	4,694
Proceeds from bonds	-	-	-	-	-	-	286,446	286,446
Bond issuance costs	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(11,245,782)</u>	<u>(80,030)</u>	<u>4,694</u>	<u>28,000,000</u>	<u>(18,000,000)</u>	<u>318</u>	<u>(111,874)</u>	<u>(1,432,674)</u>
Net change in fund balances	(10,942,124)	102,323	(148,789)	25,687,961	9,942	(47,785)	123,528	14,785,056
Fund balances – beginning	<u>29,297,342</u>	<u>9,843</u>	<u>7,637,881</u>	<u>483,564</u>	<u>2,671</u>	<u>(206,631)</u>	<u>2,831,487</u>	<u>40,056,157</u>
Fund balances – ending	<u>\$ 18,355,218</u>	<u>\$ 112,166</u>	<u>\$ 7,489,092</u>	<u>\$ 26,171,525</u>	<u>\$ 12,613</u>	<u>\$ (254,416)</u>	<u>\$ 2,955,015</u>	<u>\$ 54,841,213</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, 2022**

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

Net change in fund balances – total governmental funds	\$	14,785,056
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.		4,348,345
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.		(2,372,499)
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		(21,514)
Current year deferred taxes		194,634
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		611,129
Amount of pension expenses recognized at government-wide level		470,921
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>		
Contributions made after measurement date		427,177
Amount of pension expenses recognized at government-wide level		47,361
<i>Defined Benefits Plans (DBP):</i>		
Amount of pension expenses recognized at government-wide level		8,356,382

**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, 2022**

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	\$	(291,446)
Tax increment financing bond principal payments		362,000
Financed purchases principal payments		541,778
Leases proceeds		(4,694)
Lease principal payments		491,304
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.		(62,155)
The estimated landfill closure and post-closure liability requires annual reevaluation for the effects of inflation or deflation. The following represents the increase to the liability for inflation.		(2,248,581)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the Statement of Activities.		(2,637,567)
Change in compensated absences payable		<u>48,188</u>
Change in net position of governmental activities	\$	<u><u>23,045,819</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, 2022**

	Budgeted Amounts		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Ad valorem property taxes	\$ 6,000,000	\$ 6,000,000	\$ 5,623,794	\$ (376,206)
Business & occupation tax	11,500,000	11,500,000	14,428,886	2,928,886
Alcoholic beverages tax	400,000	400,000	604,925	204,925
Utility services tax	2,050,000	2,050,000	2,298,084	248,084
Hotel occupancy tax	450,000	1,100,000	1,072,041	(27,959)
Animal tax	2,200	2,200	2,018	(182)
Gas and oil severance tax	103,000	103,000	86,422	(16,578)
Amusement tax	10,000	10,000	8,084	(1,916)
Sales and use tax	6,500,000	6,500,000	8,565,320	2,065,320
Licenses and permits	935,000	935,000	1,129,375	194,375
Intergovernmental:				
Federal	2,300,000	7,172,375	4,824,129	(2,348,246)
State	2,505,130	2,505,130	2,356,310	(148,820)
Charges for services	12,829,000	12,829,000	13,928,634	1,099,634
Fines and forfeits	171,000	171,000	218,785	47,785
Interest earnings	20,000	20,000	46,779	26,779
Franchise fees	500,000	500,000	588,266	88,266
Employees & retiree health insurance	1,560,000	1,560,000	1,735,834	175,834
Contributions and donations	470,000	470,000	248,428	(221,572)
Miscellaneous	465,000	465,000	1,584,321	1,119,321
<b>Total revenues</b>	<b>48,770,330</b>	<b>54,292,705</b>	<b>59,350,435</b>	<b>5,057,730</b>
<b>EXPENDITURES</b>				
Current:				
General government	25,076,865	31,284,094	22,025,800	9,258,294
Public safety	30,742,126	30,801,511	26,365,825	4,435,686
Streets and transportation	4,380,376	4,509,876	5,711,910	(1,202,034)
Health and sanitation	400,000	400,000	-	400,000
Culture and recreation	1,300,000	1,450,000	655,201	794,799
Social services	102,604	102,604	74,570	28,034
Capital outlay	3,000,000	3,200,000	4,213,471	(1,013,471)
<b>Total expenditures</b>	<b>65,001,971</b>	<b>71,748,085</b>	<b>59,046,777</b>	<b>12,701,308</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(16,231,641)</b>	<b>(17,455,380)</b>	<b>303,658</b>	<b>17,759,038</b>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 18,000,000	\$ 18,033,876	\$ 33,876
Transfers (out)	(3,363,000)	(29,363,000)	(29,318,718)	44,282
Proceeds from the sale of assets	5,000	5,000	39,060	34,060
Total other financing sources (uses)	<u>(3,358,000)</u>	<u>(11,358,000)</u>	<u>(11,245,782)</u>	<u>112,218</u>
Net change in fund balance	(19,589,641)	(28,813,380)	(10,942,124)	17,871,256
Fund balance – beginning	<u>19,589,641</u>	<u>28,813,380</u>	<u>29,297,342</u>	<u>483,962</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,355,218</u>	<u>\$ 18,355,218</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, 2022**

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Coal severance tax	\$ 100,000	\$ 100,000	\$ 183,032	\$ 83,032
Interest earnings	<u>20</u>	<u>20</u>	<u>21</u>	<u>1</u>
Total revenues	<u>100,020</u>	<u>100,020</u>	<u>183,053</u>	<u>83,033</u>
<b>EXPENDITURES</b>				
General government	-	-	700	(700)
Culture and recreation	<u>120,020</u>	<u>109,863</u>	<u>-</u>	<u>109,863</u>
Total expenditures	<u>120,020</u>	<u>109,863</u>	<u>700</u>	<u>109,163</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(9,843)</u>	<u>182,353</u>	<u>192,196</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	<u>-</u>	<u>-</u>	<u>(80,030)</u>	<u>(80,030)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(80,030)</u>	<u>(80,030)</u>
Net change in fund balance	(20,000)	(9,843)	102,323	112,166
Fund balance – beginning	<u>20,000</u>	<u>9,843</u>	<u>9,843</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,166</u>	<u>\$ 112,166</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ 1,037,125	\$ 1,332,810	\$ 2,369,935
Receivables:			
Accounts	145,834	31,004	176,838
Due from:			
Other funds	43,193	43,528	86,721
Inventory, at cost	-	70,820	70,820
Prepaid expenses	16,035	16,035	32,070
	<u>1,242,187</u>	<u>1,494,197</u>	<u>2,736,384</u>
Capital assets:			
Depreciable:			
Structures and improvements	75,140	-	75,140
Vehicles	2,618,811	-	2,618,811
Machinery and equipment	429,330	-	429,330
Less: accumulated depreciation	<u>(2,256,985)</u>	<u>-</u>	<u>(2,256,985)</u>
Total capital assets (net of accumulated depreciation)	<u>866,296</u>	<u>-</u>	<u>866,296</u>
Other debits:			
Net pension asset (PERS)	<u>676,654</u>	<u>-</u>	<u>676,654</u>
Total noncurrent assets	<u>1,542,950</u>	<u>-</u>	<u>1,542,950</u>
Total assets	<u>2,785,137</u>	<u>1,494,197</u>	<u>4,279,334</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Contributions made after measurement date	141,158	-	141,158
Changes in contributions	14,617	-	14,617
Changes in assumptions	128,744	-	128,744
Difference between expected and actual experience	77,224	-	77,224
Other post employment benefits	<u>173,108</u>	<u>-</u>	<u>173,108</u>
Total deferred outflows of resources	<u>534,851</u>	<u>-</u>	<u>534,851</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)**  
**JUNE 30, 2022**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
<b>LIABILITIES</b>			
Current liabilities payable from current assets:			
Accounts payable	\$ 91,987	\$ 241,386	\$ 333,373
Reserve for health claims	71,176	-	71,176
Payroll payable	65,436	66,426	131,862
Due to:			
Other funds	2,300,585	168,567	2,469,152
Total current liabilities payable from current assets	2,529,184	476,379	3,005,563
Unearned revenues:			
Sponsorship	-	23,250	23,250
Charges for services	144,654	2,500	147,154
Ticket sales	-	731,736	731,736
Customer advances	-	38,278	38,278
Other unearned revenue	-	93,874	93,874
Total unearned revenues	144,654	889,638	1,034,292
Noncurrent liabilities:			
Other postemployment benefits liability	1,506,736	-	1,506,736
Compensated absences payable	92,319	10,533	102,852
Total noncurrent liabilities	1,599,055	10,533	1,609,588
Total liabilities	4,272,893	1,376,550	5,649,443
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Difference between expected and actual experience	2,565	-	2,565
Difference in assumptions	5,485	-	5,485
Difference between expected and actual investment earnings	866,683	-	866,683
Other post employment benefits	490,060	-	490,060
Total deferred inflows of resources	1,364,793	-	1,364,793
<b>NET POSITION</b>			
Net investment in capital assets	866,296	-	866,296
Unrestricted	(3,183,994)	117,647	(3,066,347)
Total net position	\$ (2,317,698)	\$ 117,647	\$ (2,200,051)

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, 2022**

	Business-type Activities – Enterprise Funds		
	Sanitation and	Civic Arena	Total
	Trash		
<b>Operating revenues:</b>			
Sales and services to customers	\$ 4,153,577	\$ 566,950	\$ 4,720,527
Grants and contributions	-	89,068	89,068
Rebates and reimbursements	-	617,811	617,811
Rental fees	-	398,256	398,256
Miscellaneous	79,636	8,856	88,492
Total revenues	<u>4,233,213</u>	<u>1,680,941</u>	<u>5,914,154</u>
<b>Operating expenses:</b>			
Personal services	1,789,284	793,353	2,582,637
Contractual services	636,166	274,874	911,040
Administrative and general	224,613	643,301	867,914
Miscellaneous	32,547	43,084	75,631
Liability insurance	95,940	62,897	158,837
Materials and supplies	160,291	2,601	162,892
Utilities	112,268	173,618	285,886
Depreciation	202,902	-	202,902
Maintenance	269,851	92,192	362,043
Total operating expenses	<u>3,523,862</u>	<u>2,085,920</u>	<u>5,609,782</u>
Operating income (loss)	<u>709,351</u>	<u>(404,979)</u>	<u>304,372</u>
<b>Nonoperating revenues (expenses):</b>			
Interest revenue	421	8	429
Total nonoperating revenues (expenses)	<u>421</u>	<u>8</u>	<u>429</u>
Income (loss) before transfers	<u>709,772</u>	<u>(404,971)</u>	<u>304,801</u>
Transfers in	-	436,676	436,676
Change in net position	709,772	31,705	741,477
Net position at beginning of year	<u>(3,027,470)</u>	<u>85,942</u>	<u>(2,941,528)</u>
Net position at end of year	<u>\$ (2,317,698)</u>	<u>\$ 117,647</u>	<u>\$ (2,200,051)</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities – Enterprise Funds		
	Sanitation and Trash	Civic Arena	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 4,143,120	\$ 2,329,881	\$ 6,473,001
Cash paid for goods and services	(1,522,829)	(1,167,931)	(2,690,760)
Other cash payments	-	(58,523)	(58,523)
Cash paid to employees	(2,382,139)	(771,118)	(3,153,257)
Other cash receipts	431,630	175,338	606,968
Net cash provided (used) by operating activities	<u>669,782</u>	<u>507,647</u>	<u>1,177,429</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in	<u>-</u>	<u>436,676</u>	<u>436,676</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>436,676</u>	<u>436,676</u>
<b>Cash flows from capital and related financing activities</b>			
Purchases of capital assets	<u>(270,400)</u>	<u>-</u>	<u>(270,400)</u>
Net cash (used) by capital and related financing activities	<u>(270,400)</u>	<u>-</u>	<u>(270,400)</u>
<b>Cash flows from investing activities:</b>			
Interest and investment earnings	<u>421</u>	<u>8</u>	<u>429</u>
Net cash provided by investing activities	<u>421</u>	<u>8</u>	<u>429</u>
Net (decrease) in cash and cash equivalents	399,803	944,331	1,344,134
Cash and cash equivalents at beginning year	<u>637,322</u>	<u>388,479</u>	<u>1,025,801</u>
Cash and cash equivalents at end of year	<u>\$ 1,037,125</u>	<u>\$ 1,332,810</u>	<u>\$ 2,369,935</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities – Enterprise Funds		
	<u>Sanitation and Trash</u>	<u>Non-Major Civic Arena</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 709,351	\$ (404,979)	\$ 304,372
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	202,902	-	202,902
Decrease (increase) in accounts receivable	(17,321)	5,976	(11,345)
Increase (decrease) in unearned revenues	6,864	740,888	747,752
Decrease (increase) in deferred outflows	94,736	-	94,736
Decrease (increase) in net pension asset	(676,654)	-	(676,654)
Decrease (increase) in due from other funds	(43,193)	77,414	34,221
Decrease (increase) in inventory	-	2,356	2,356
Decrease (increase) in prepaid expenses	(454)	162	(292)
Increase (decrease) in accounts payable	9,301	122,118	131,419
Increase (decrease) in other postemployment benefits liability	(912,597)	-	(912,597)
Increase (decrease) in payroll payable	17,730	30,260	47,990
Increase (decrease) in compensated absences payable	22,080	(8,025)	14,055
Increase (decrease) in net pension liability	(406,337)	-	(406,337)
Increase (decrease) in deferred inflows	1,266,383	-	1,266,383
Increase (decrease) in due to other funds	395,187	(58,523)	336,664
Increase (decrease) in health care claims payable	<u>1,804</u>	<u>-</u>	<u>1,804</u>
Net cash provided (used) by operations	<u>\$ 669,782</u>	<u>\$ 507,647</u>	<u>\$ 1,177,429</u>



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**JUNE 30, 2022**

	<u>Pension Trust Funds</u>	<u>Custodial Fund–Asset Seizure</u>
<b>ASSETS</b>		
Non-pooled cash	\$ 487,394	\$ 1,468,246
Total cash	<u>487,394</u>	<u>1,468,246</u>
Investments, at fair value:		
Money market funds	519,131	-
Fixed income securities	29,822,281	-
Equities	<u>51,249,146</u>	<u>-</u>
Total investments	<u>81,590,558</u>	<u>-</u>
Receivables:		
Accrued income	149,558	-
Due from other governments	<u>169,462</u>	<u>-</u>
Total receivables	<u>319,020</u>	<u>-</u>
Total assets	<u>82,396,972</u>	<u>1,468,246</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>82,396,972</u>	<u>1,468,246</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, 2022**

	Pension Trust Funds	Custodial Fund–Asset Seizure
<b>LIABILITIES</b>		
Accounts payable	\$ 7,806	\$ -
Refunds payable and other	7,022	-
Due to primary government	100,000	-
Total liabilities	114,828	-
<b>DEFERRED INFLOWS</b>		
Deferred inflows	-	-
Total liabilities and deferred inflows of resources	114,828	-
<b>NET POSITION</b>		
Net position restricted for pension benefits	82,282,144	-
Individuals, organizations, and other governments	-	1,468,246
	\$ 82,282,144	\$ 1,468,246

(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, 2022**

	Pension Trust Funds	Custodial Fund–Asset Seizure
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 7,950,819	\$ -
Plan members	490,906	-
Insurance premium surtax	2,253,164	-
Asset seizures	-	148,874
	10,694,889	148,874
Investment income:		
Net increase (decrease) in fair value of investments	(11,554,057)	-
Interest and dividends	1,690,887	2,282
	(9,863,170)	2,282
Net investment income	(9,863,170)	2,282
	831,719	151,156
<b>DEDUCTIONS</b>		
Benefits	11,617,157	-
Administrative expenses	321,660	-
Refunds of contributions	-	35,296
Other	-	59,673
	11,938,817	94,969
Change in net position	(11,107,098)	56,187
Net position:		
Beginning of year	93,389,242	1,412,059
End of year	\$ 82,282,144	\$ 1,468,246

(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, 2022**

**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, 2022**

**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.

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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, Municipal Parking Board, and Water Quality 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 *Capital Improvements Fund*, a capital projects fund, accounts for the capital improvement activities of the City.

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

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

The government reports the following major proprietary funds:

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

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Additionally, the government reports the following fund types:

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

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

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

**1. Deposits and Investments**

The City of Huntington, West Virginia's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition. For purposes of the Statements of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the City reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement system not listed on an established market are reported as estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash investments and fair values are presented in Note III.A.

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

State statute §8-13-22c placed limitations on the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than five percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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  
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**4. Restricted Assets**

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

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

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

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

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

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

**5. Capital Assets and Depreciation**

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is 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  
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**6. Compensated Absences**

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

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

**7. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Under both accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete those assets must be offset by a corresponding liability for unearned revenue. Property tax collections, leases, and other receivables that are not received soon enough after year end to pay liabilities of the current period, are required to be presented as unavailable revenue. For fiscal year ended June 30, 2022, the City reported unavailable revenues totaling \$553,591.

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  
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**9. Net Position/Fund Balances**

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

Net investment in capital assets	This represents the City's total investment in capital assets, net of accumulated depreciation and reduced by the balances of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
Restricted net position, expendable	This includes resources in which the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
Restricted net position, nonexpendable	This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. The City does not have any restricted nonexpendable assets as of June 30, 2022.
Unrestricted net position	This represents resources derived from other than capital assets or restricted net position. These resources are used for transactions relating to the general operation of the City, and may be used at the discretion of the City to meet current expenses for any lawful purpose.

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

Nonspendable	Inventories, non-current leases receivable, 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.

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The rate levied by the Municipality per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2022, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>
Class II	\$ 567,164,876	22.00 cents
Class IV	\$ 1,023,664,089	44.00 cents

*Tax Incentive Programs*

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

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

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

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

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

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

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

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

The Governmental Accounting Standards Board has issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019 (postponed one year). This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operational leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financials of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Key information about leasing arrangements is disclosed in later footnotes.

The Governmental Accounting Standards Board has issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019 (postponed one year). This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest costs incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The Governmental Accounting Standards Board has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Certain Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, effective for fiscal years beginning after June 15, 2021. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

**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.

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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.

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

**General Fund:**

Amount	Description
\$ 6,207,229	General Government Expenditure Increase
59,385	Public Safety Expenditure Increase
129,500	Streets and Transportation Expenditure Increase
150,000	Culture and Recreation Expenditure Increase
200,000	Capital Outlay Expenditure Increase
18,000,000	Transfers in increase
26,000,000	Transfers out increase

**Coal Severance Fund:**

Amount	Description
\$ 10,157	Culture and Recreation Expenditure Decrease

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2022, expenditures exceeded appropriations in the funds listed at the function level:

Function	Amount
General Fund – Streets and transportation	\$ 1,202,034
General Fund – Capital outlays	1,013,471
Coal Severance Tax Fund – General government	700
Coal Severance Tax Fund – Transfers out	80,030

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, 2022:

Fund	Amount
General Fund	\$ 10,942,124
Community Development Block Grant	148,789
HURA/LRA	47,785
Non-major Governmental Fund – Federal drug fund	33,073
Non-major Governmental Fund – Westmoreland Fire Protection	344
Non-major Debt Service Fund – TIF #2	43,680

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.

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**D. Deficit Net Position**

The Governmental and Business-Type Activities had deficit net position of \$(191,532,255) and \$(2,200,051) as of June 30, 2022. The City has incurred significant debt for the Net Pension Liability and Other Post-employment Benefits obligation as estimated within the actuarial evaluations. The City has affected funding strategies to reduce these debts in the future.

HURA/LRA Fund had a deficit fund balance of \$(254,416) at June 30, 2022. Sanitation and Trash Fund had a net position deficit of \$(2,317,698) at June 30, 2022.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

At year end, the government had the following investments:

	<u>Fair Value</u>	<u>Credit Risk Rating</u>	
		<u>Standard &amp; Poor's</u>	<u>Moody's Investment Services</u>
<b>Primary Government</b>			
Money Market	\$ 357,085	Not Rated	Not Rated
Other	1,659,175	Not Rated	Not Rated
	<u>\$ 2,016,260</u>		

*Interest Rate Risk*

	<u>0-3 Years</u>
Money Market	\$ 357,085
Other	1,659,175
	<u>\$ 2,016,260</u>

<b>Fiduciary Funds</b>	<u>Fair Value</u>	<u>Credit Risk Rating</u>
		<u>Standard &amp; Poor's</u>
<b>Policemen's Pension and Relief</b>		
Money market funds	\$ 361,020	Not Rated
U.S. Government agency notes	3,200,224	AA+
Municipal obligations	1,786,925	AAA-Not Rated
Mutual funds – fixed income	2,962,751	Not Rated
Corporate bonds	7,983,611	AAA-BB+
Preferred stock	281,484	Not Rated
Certificate of deposit	300,537	Not Rated
Equities	28,384,432	Not Rated
Total	<u>\$ 45,260,984</u>	



**CITY OF HUNTINGTON, WEST VIRGINIA  
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*Interest Rate Risk*

	<u>0-1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>Over 10 Years</u>
Money market funds	\$ 361,020	\$ -	\$ -	\$ -
U.S. Government agency notes	995,940	2,070,601	133,683	-
Municipal obligations	-	1,282,465	504,460	-
Mutual funds – fixed income	2,962,751	-	-	-
Corporate bonds	1,823,081	5,913,502	89,348	157,680
Common stock	28,384,432	-	-	-
Preferred stock	43,050	238,434	-	-
Certificate of deposit	300,537	-	-	-
Total	<u>\$ 34,870,811</u>	<u>\$ 9,505,002</u>	<u>\$ 727,491</u>	<u>\$ 157,680</u>

<b>Firemen’s Pension and Relief</b>	<b>Fair Value</b>	<b>Credit Risk Rating</b>
		<b>Standard &amp; Poor’s</b>
Money market funds	\$ 158,111	Not Rated
U.S. Government agency notes	1,587,273	AA+ to Not Rated
Municipal obligations	358,037	AA+ to Not Rated
Mutual funds – fixed income	3,326,128	Not Rated
Corporate bonds	7,547,667	AAA to Not Rated
Preferred stock	237,690	Not Rated
Certificate of deposit	249,954	Not Rated
Equities	22,864,714	Not Rated
Total	<u>\$ 36,329,574</u>	

*Interest Rate Risk*

	<u>0-1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>Over 10 Years</u>
Money market funds	\$ 158,111	\$ -	\$ -	\$ -
U.S. Government agency notes	64,229	977,110	466,206	79,728
Municipal obligations	-	358,037	-	-
Mutual funds – fixed income	3,326,128	-	-	-
Corporate bonds	1,451,289	5,779,737	89,348	227,293
Preferred stock	43,050	194,640	-	-
Certificate of deposit	100,129	149,825	-	-
Equities	22,864,714	-	-	-
Total	<u>\$ 28,007,650</u>	<u>\$ 7,459,349</u>	<u>\$ 555,554</u>	<u>\$ 307,021</u>

*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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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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, 2022 are as follows:

<b>Fiduciary Funds</b>		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Policemen's Pension and Relief</b>	<b>Fair Value</b>			
U.S. Government agency notes	\$ 3,200,224	\$ 3,200,224	\$ 0	\$ 0
Municipal obligations	1,786,925	1,786,925	0	0
Mutual funds – fixed income	2,962,751	2,962,751	0	0
Corporate bonds	7,983,611	7,983,611	0	0
Preferred stock	281,484	281,484	0	0
Equities	28,384,432	28,384,432	0	0
<b>Total</b>	<b>\$ 44,599,427</b>	<b>\$ 44,599,427</b>	<b>\$ 0</b>	<b>\$ 0</b>

<b>Fiduciary Funds</b>		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Firemen's Pension and Relief</b>	<b>Fair Value</b>			
U.S. Government agency notes	\$ 1,587,273	\$ 1,587,273	\$ 0	\$ 0
Municipal obligations	358,037	358,037	0	0
Mutual funds – fixed income	3,326,128	3,326,128	0	0
Corporate bonds	7,547,667	7,547,667	0	0
Preferred stock	237,690	237,690	0	0
Equities	22,864,714	22,864,714	0	0
<b>Total</b>	<b>\$ 35,921,509</b>	<b>\$ 35,921,509</b>	<b>\$ 0</b>	<b>\$ 0</b>

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, 2022. 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, 2022, 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:

<b>Issuer</b>	<b>Fair Value</b>	<b>Percent</b>
Vanguard Index FDS Growth Fund Admiral	\$ 2,464,415	5.44%

**CITY OF HUNTINGTON, WEST VIRGINIA  
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*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 \$63,961,315 and \$1,955,640, 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 \$2,016,260 and \$81,590,558, 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.

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:

		Primary Government
Cash and cash equivalents	\$	63,961,315
Investments		2,016,260
Total	\$	65,977,575
		Fiduciary Funds
Cash and cash equivalents	\$	1,955,640
Investments		81,590,558
Total	\$	83,546,198

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 \$1,540,902 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 \$252,406 were collateralized with securities held by the pledging financial institution’s trust department in the authority’s name.

For deposits, the Water Quality 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 \$15,472,578 were collateralized with securities held by the pledging financial institution’s trust department in the authority’s name.

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

	<b>Municipal Development Authority</b>	<b>Municipal Parking Board</b>	<b>Water Quality Board</b>
Cash and cash equivalents	\$ 1,540,902	\$ 252,406	\$ 15,472,578
Total	\$ 1,540,902	\$ 252,406	\$ 15,472,578
	<b>Municipal Development Authority</b>	<b>Municipal Parking Board</b>	<b>Water Quality Board</b>
Cash and cash equivalents	\$ 512,964	\$ 252,406	\$ 9,405,488
Cash and cash equivalents – restricted	1,027,938	-	6,067,090
Total	\$ 1,540,902	\$ 252,406	\$ 15,472,578

**B. Receivables**

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

	General	CDBG	HURA	TIF #1	Sanitation & Trash	Civic Arena	Total
Receivables:							
Accounts	\$ 13,134,171	\$ 1,523,255	\$ 2,327	\$ 20,662	\$ 10,903,850	\$ 31,004	\$ 25,615,269
Taxes	6,697,928	-	-	-	-	-	6,697,928
Loans	300,000	7,631,378	-	-	-	-	7,931,378
Leases	359,090	-	-	-	-	-	359,090
Gross receivables	20,491,189	9,154,633	2,327	20,662	10,903,850	31,004	40,603,665
Less: allowance for uncollectible	(13,315,572)	(1,784,008)	-	(14,168)	(10,758,016)	-	(25,871,764)
Net total receivables	\$ 7,175,617	\$ 7,370,625	\$ 2,327	\$ 6,494	\$ 145,834	\$ 31,004	\$ 14,731,901

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

	<b>Unavailable</b>
Property taxes receivable (General fund)	\$ 189,454
Property taxes receivable (TIF #1)	5,180
Leases receivable (General fund)	358,957
Total	\$ 553,591

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

	HMDA	HMPB	HWQB	Total
Receivables:				
Accounts	\$ 26,029	\$ 2,001	\$ 1,881,871	\$ 1,909,901
Other	360,079	-	-	360,079
Loans	3,198,875	-	-	3,198,875
Leases	5,145,000	203,970	-	5,348,970
Gross receivables	8,729,983	205,971	1,881,871	10,817,825
Less: Allowance for uncollectible	(3,198,875)	-	(885,345)	(4,084,220)
Net total receivables	\$ 5,531,108	\$ 205,971	\$ 996,526	\$ 6,733,605

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The amount reported for allowance for uncollectible accounts of the HMDA at June 30, 2022, 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, 2022, was as follows:

	<b>Primary Government</b>			<b>Ending Balance</b>
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,026,166	\$ 80,000	\$ -	\$ 1,106,166
Construction in progress	1,765,258	2,474,813	95,709	4,144,362
Total capital assets not being depreciated	<u>2,791,424</u>	<u>2,554,813</u>	<u>95,709</u>	<u>5,250,528</u>
Capital assets being depreciated:				
Buildings and improvements	11,365,661	290,123	-	11,655,784
Leased buildings (intangible asset)	5,610,000	-	-	5,610,000
Machinery and equipment	7,838,262	525,476	-	8,363,738
Vehicles	10,953,184	381,694	-	11,334,878
Leased equipment (intangible asset)	207,535	19,055	-	226,590
Infrastructure	19,070,928	672,896	-	19,743,824
Total accumulated depreciation and amortization	<u>(37,706,435)</u>	<u>(2,372,499)</u>	<u>-</u>	<u>(40,078,934)</u>
Total capital assets being depreciated, net	<u>17,339,135</u>	<u>(483,255)</u>	<u>-</u>	<u>16,855,880</u>
Governmental activities capital assets, net	<u>\$ 20,130,559</u>	<u>\$ 2,071,558</u>	<u>\$ 95,709</u>	<u>\$ 22,106,408</u>
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets beginning depreciated:				
Structures and improvements	\$ 75,140	\$ -	\$ -	\$ 75,140
Machinery and equipment	312,130	117,200	-	429,330
Vehicles	2,465,611	153,200	-	2,618,811
Less: accumulated depreciation	<u>(2,054,083)</u>	<u>(202,902)</u>	<u>-</u>	<u>(2,256,985)</u>
Business-type activities capital assets, net	<u>\$ 798,798</u>	<u>\$ 67,498</u>	<u>\$ -</u>	<u>\$ 866,296</u>

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

Governmental activities:	
General government	\$ 531,619
Public safety	824,390
Highways and streets, (including infrastructure assets)	229,425
Health and sanitation	39,056
Community development	600
Culture and recreation	747,409
Total depreciation expense-governmental activities	<u>\$ 2,372,499</u>
Business-type activities:	
Sanitation and Trash	<u>\$ 202,902</u>

**Discretely Presented Component Units**

Activity related to capital assets for the Municipal Development Authority for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Reclassification</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 6,715,056	\$ 3,407,594	\$ 213,210	\$ -	\$ 10,335,860
Construction in process	<u>2,313,094</u>	<u>-</u>	<u>1,238,066</u>	<u>2,566,281</u>	<u>984,879</u>
Total capital assets not being depreciated	<u>9,028,150</u>	<u>3,407,594</u>	<u>1,451,276</u>	<u>2,566,281</u>	<u>11,320,739</u>
Capital assets, being depreciated:					
Buildings and improvements	15,528,219	(3,536,040)	2,338,816	-	14,330,995
Structures and improvements	1,997,189	-	31,836	-	2,029,025
Furniture and fixtures	2,664,520	-	229,358	-	2,893,878
Machinery and equipment	2,051,351	-	-	-	2,051,351
Less: accumulated depreciation	<u>(16,211,991)</u>	<u>128,446</u>	<u>(209,054)</u>	<u>-</u>	<u>(16,292,599)</u>
Total capital assets being depreciated	<u>6,029,288</u>	<u>(3,407,594)</u>	<u>2,390,956</u>	<u>-</u>	<u>5,012,650</u>
Total capital assets, net	<u>\$ 15,057,438</u>	<u>\$ -</u>	<u>\$ 3,842,232</u>	<u>\$ 2,566,281</u>	<u>\$ 16,333,389</u>

Activity related to capital assets for the Municipal Parking Board for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 942,877	\$ -	\$ -	\$ 942,877
Total capital assets not being depreciated	<u>942,877</u>	<u>-</u>	<u>-</u>	<u>942,877</u>
Capital assets, being depreciated:				
Buildings	4,775,401	17,038	-	4,792,439
Structures and improvements	490,173	-	-	490,173
Machinery and equipment	794,034	3,491	-	797,525
Less: accumulated depreciation	<u>(5,475,293)</u>	<u>(33,040)</u>	<u>-</u>	<u>(5,508,333)</u>
Total capital assets being depreciated	<u>584,315</u>	<u>(12,511)</u>	<u>-</u>	<u>571,804</u>
Total capital assets, net	<u>\$ 1,527,192</u>	<u>\$ (12,511)</u>	<u>\$ -</u>	<u>\$ 1,514,681</u>

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Activity related to capital assets for the Water Quality Board for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 298,055	\$ 104,165	\$ -	\$ 402,220
Construction in progress	<u>2,961,959</u>	<u>5,014,987</u>	<u>-</u>	<u>7,976,946</u>
Total capital assets, not being depreciated	<u>3,260,014</u>	<u>5,119,152</u>	<u>-</u>	<u>8,379,166</u>
Capital assets, being depreciated:				
Buildings	99,225,026	970,146	-	100,195,172
Vehicles	3,071,570	57,112	(51,764)	3,076,918
Machinery and equipment	3,177,246	54,796	-	3,232,042
Less: accumulated depreciation	<u>(69,095,302)</u>	<u>(1,597,693)</u>	<u>51,764</u>	<u>(70,641,231)</u>
Total capital assets being depreciated, net	<u>36,378,540</u>	<u>(515,639)</u>	<u>-</u>	<u>35,862,901</u>
Business-type activities capital assets, net	<u>\$ 39,638,554</u>	<u>\$ 4,603,513</u>	<u>\$ -</u>	<u>\$ 44,242,067</u>

Depreciation expense was charged to the funds of the Board as follows:

<b>Business-type activities</b>	
Water Quality Board	\$ 8,091
Sanitary Board	1,433,650
Stormwater Utility Board	<u>155,952</u>
Total depreciation expense – business-type activities	<u>\$ 1,597,693</u>

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

The composition of interfund balances as of June 30, 2022, is as follows:

*Interfund receivables/payables:*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Safety Town	Reimbursement	\$ 4,215
General Fund	Sanitation and Trash	Reimbursement	2,276,404
Federal Drug	General Fund	Reimbursement	2,300
Community Development Block Grant	General Fund	Reimbursement	3,900
Landfill Reserve	Sanitation and Trash	Reimbursement	24,180
General Fund	Community Development Block Grant	Reimbursement	89,094
General Fund	Civic Arena	Reimbursement	168,566
Jean Dean Public Safety	General Fund	Reimbursement	2,375
General Fund	HURA	Reimbursement	910,310
Civic Arena	General Fund	Reimbursement	43,528
General Fund	ARPA	Reimbursement	7,432
Sanitation and Trash	General Fund	Reimbursement	43,193
		Total \$	<u>3,575,497</u>

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

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Municipal Development Authority	Reimbursement	\$ 16,900
General Fund	Municipal Parking Board	Reimbursement	57,680
General Fund	Water Quality Board	Reimbursement	998
Municipal Development Authority	General Fund	Reimbursement	12,329
		Total \$	<u>87,907</u>

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

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Fire Pension and Relief	Reimbursement	\$ 413
General Fund	Police Pension and Relief	Reimbursement	100,167
		Total \$	<u>100,580</u>

*Interfund transfers:*

	Transfers In				Total Transfers
	General Fund	Civic Arena	HMDA	Capital Improvement Fund	
Transfers Out:					
General Fund	\$ -	\$ 356,646	\$ 962,072	\$ 28,000,000	\$ 29,318,718
Coal Severance	-	80,030	-	-	80,030
ARPA	18,000,000	-	-	-	18,000,000
TIF 1	33,876	-	253,186	-	287,062
TIF 2	-	-	111,258	-	111,258
Total Transfers	<u>\$ 18,033,876</u>	<u>\$ 436,676</u>	<u>\$ 1,326,516</u>	<u>\$ 28,000,000</u>	<u>\$ 47,797,068</u>

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



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**E. Fund Balance Detail**

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

	General Fund	Coal Severance	Community Development Block Grant	Capital Improvements	HURA/LRA	ARPA	Nonmajor Funds	Total
Nonspendable:								
Prepays	\$ 260,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,235
Lease receivables	319,278	-	-	-	-	-	-	319,278
Assets held for resale	-	-	-	-	647,671	-	-	647,671
Restricted:								
Community development	-	-	5,846,927	-	-	12,613	-	5,859,540
Debt service	-	-	-	-	-	-	943,906	943,906
Revolving loan fund	300,000	-	-	-	-	-	-	300,000
Committed:								
Landfill closures	578,885	-	-	-	-	-	-	578,885
Retiree insurance	1,557,675	-	-	-	-	-	-	1,557,675
Assigned:								
General Government	1,016,424	-	-	-	-	-	-	1,016,424
Public safety	-	-	-	-	-	-	297,502	297,502
Culture and recreation	-	112,166	-	-	-	-	-	112,166
Community development	-	-	1,642,165	-	-	-	-	1,642,165
Capital projects	-	-	-	26,171,525	-	-	-	26,171,525
Public safety building	-	-	-	-	-	-	30,127	30,127
Landfill closures	-	-	-	-	-	-	1,683,480	1,683,480
Unassigned	14,322,721	-	-	-	(902,087)	-	-	13,420,634
<b>Total fund balances</b>	<b>\$ 18,355,218</b>	<b>\$ 112,166</b>	<b>\$ 7,489,092</b>	<b>\$ 26,171,525</b>	<b>\$ (254,416)</b>	<b>\$ 12,613</b>	<b>\$ 2,955,015</b>	<b>\$ 54,841,213</b>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**F. Leases**

Lease expense and liability consisted of the following at June 30, 2022:

**Primary Government**

	Fiscal 2022 Lease Expense	Remaining Lease Liability
On July 30, 2018, the City entered into a lease agreement for the use of one copier with a booklet maker finisher for the Planning and Development Department. The lease is payable in 60 monthly payments of 600.00 including interest. The final lease payment is due June 2023 with a fair market purchase option.	7,200	7,200
On August 9, 2018, the City entered into a lease agreement for the use of two copiers at Huntington Police Department. The lease is payable in 60 monthly payments of \$367.76. The final lease payment is due August 2023 with a fair market purchase option.	4,413	4,781
On August 21, 2019, the City entered into a lease agreement for the use of two copiers at Huntington Police Department. The lease is payable in 60 monthly payments of \$373.09 including interest at 3.0% per annum. The final lease payment is due July 2024 with a fair market purchase option.	4,477	9,327
On August 21, 2019, the City entered into a lease agreement for the use of two copiers at Huntington Fire Department. The lease is payable in 60 monthly payments of \$178.46 including interest at 3.0% per annum. The final lease payment is due July 2024 with a fair market purchase option.	2,142	4,462
On August 21, 2019, the City entered into a lease agreement for the use of fifteen copiers at Huntington City Hall. The lease is payable in 60 monthly payments of \$1,753.70 including interest at 3.0% per annum. The final lease payment is due July 2024 with a fair market purchase option.	21,044	43,843
On June 24, 2021, the City entered into a lease agreement for the use of one copier at Huntington City Hall-Legal Department. The lease is payable in 60 monthly payments of \$185.91 including interest at 3.0% per annum. The final lease payment is due June 2026 with a fair market purchase option.	2,231	8,738
On July 22, 2021, the City entered into a lease agreement for the use of a postage machine for the Planning and Development Department. The lease is payable in 15 quarterly payments of \$234.69. The final lease payment is due June 2026 with a fair market purchase option.	939	3,755
On December 22, 2021, the City entered into a lease agreement for the use of a postage machine at Huntington City Hall. The lease is payable in 15 quarterly payments of payments of \$718.08. The final lease payment is due December 2026.	1,436	12,925
Total minimum lease payments	\$ 43,882	\$ 95,031
Less: amount representing interest		3,603
Present value of minimum lease payments		\$ 91,428

**Component Unit-HMPB**

	Lease Expense	Remaining Lease Liability
The component unit- Huntington Municipal Parking Board has entered into a lease with the Huntington Municipal Development Authority for the use of three municipal parking lots (#14, #48, and #86) which are owned by HMDA. The lease is payable in monthly payments of \$2,500.00 per lot with no interest. The agreement is month to month until each lot is sold by HMDA.	\$ 90,000	\$ -
The component unit- Huntington Municipal Parking Board has entered into a lease with Capital Ventures for the use of 29 metered parking spaces on Lot #36. The lease is payable in monthly payments of \$1,000.00 with no interest. The agreement is month to month and allows either party to cancel with 90 days notice.	12,000	-
Present value of minimum lease payments	\$ 102,000	\$ -

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The total remaining lease obligations and the net present value of these minimum lease payments as of June 30, 2022 under non-cancelable lease agreements were as follows:

Year Ending June 30	Governmental Activities
2023	\$ 45,319
2024	34,073
2025	8,347
2026	5,856
2027	1,436
Total minimum lease payments	95,031
Less: amount representing interest	(3,603)
Present value of minimum lease payments	\$ 91,428

**G. Financed Purchases**

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

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

Following is a summary of property held under financed purchases:

Asset	Governmental Activities
Buildings, machinery and equipment	\$ 3,149,226
Less: accumulated depreciation	(1,463,421)
Total	\$ 1,685,805

The total remaining financed purchase obligations as of June 30, 2022 were as follows:

Year Ending June 30	Governmental Activities
2023	\$ 294,421
2024	371,079
2025	382,715
2026	342,731
2027	342,239
Total financed purchase payments	1,733,185
Less: amount representing interest	(196,917)
Principal on financed purchase payments	\$ 1,536,268

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**H. 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 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. Principal and interest paid for the current year was \$167,000 and \$73,029, 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. Principal and interest paid for the current year was \$195,000 and \$77,468, respectively.

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

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2022
Primary Government:					
Series 2019	06/01/2034	2.69%	\$ 3,058,000	\$ 421,000	\$ 2,637,000
Series 2020	05/01/2035	2.25%	3,639,000	391,000	3,248,000
			<u>\$ 6,697,000</u>	<u>\$ 812,000</u>	<u>\$ 5,885,000</u>

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

Year Ending June 30	Principal	Interest
2023	\$ 371,000	\$ 144,015
2024	380,000	134,911
2025	390,000	125,587
2026	399,000	116,015
2027	409,000	106,219
2028 – 2032	2,200,000	375,432
2033 – 2035	<u>1,736,000</u>	<u>83,660</u>
Present value of minimum bond payments	<u>\$ 5,885,000</u>	<u>\$ 1,085,839</u>

*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.

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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 \$5,094,525 at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2022
HMDA					
Municipal Development Authority Series 2010-A	12/29/2023	4.5%	\$ 3,650,000	\$ 3,330,000	\$ 320,000
Municipal Development Authority Series 2010-B	12/29/2031	6.5%	5,255,000	430,000	4,825,000
Less Bond Discount			(145,087)	(94,612)	(50,475)
Total HMDA			<u>\$ 8,759,913</u>	<u>\$ 3,665,388</u>	<u>\$ 5,094,525</u>

The Water Quality Board issues bonds where the government pledges income derived from acquired or constructed assets to pay debt service.

The proceeds of these bonds are being used on Sanitary facility operating, construction, and maintenance. The bonds are secured by the revenues of the Sanitary Board fund, which are required to be in sufficient amount to pay principal and interest on the bonds when due. Revenues bonds outstanding at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2022
Series 2000	10/31/2022	2.00%	\$ 1,559,119	\$ 1,559,119	\$ -
Series 2010-A	3/1/2030	2.00%	4,022,945	2,271,327	1,751,618
Series 2010-B	12/1/2031	2.00%	2,622,055	1,246,129	1,375,926
Series 2015 A	11/1/2035	3.28%	5,630,000	1,030,000	4,600,000
Series 2016 A	11/1/2023	2.02%	2,816,000	2,024,000	792,000
Less Discount			(622,914)	(562,139)	(60,775)
Total revenue bonds			<u>\$ 16,027,205</u>	<u>\$ 7,568,436</u>	<u>\$ 8,458,769</u>

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

Year Ended	Municipal Development Authority		Water Quality Board	
	Principal	Interest	Principal	Interest
2023	\$ 485,000	\$ 372,363	\$ 1,000,956	\$ 216,252
2024	500,000	343,050	1,025,885	193,223
2025	520,000	233,750	642,956	173,712
2026	545,000	219,400	655,169	157,874
2027	565,000	195,000	672,529	141,665
2028 – 2032	2,530,000	571,000	2,987,049	456,747
2033 – 2037	-	-	1,535,000	109,585
Less Bond Discount	(50,475)	-	(60,775)	-
Totals	<u>\$ 5,094,525</u>	<u>\$ 1,934,563</u>	<u>\$ 8,458,769</u>	<u>\$ 1,449,058</u>

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*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 \$327,200. Principal and interest paid for the current year and total net revenues were \$489,863 and \$201,895, respectively.

The Municipal Development Authority has pledged future lease revenues, net of specified operating expenses, to repay \$5,255,000 in lease revenue bonds issued in December 2010. Proceeds from the bonds provided financing for maintenance and upgrades to the Civic Arena. The bonds are payable solely from lease net revenues and are payable through 2031. The total principal and interest remaining to be paid on the bonds is \$6,752,363. Total interest paid for the current year and total net revenues were \$370,525 and \$201,895, respectively.

*Utility Pledged Revenues*

The Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay \$1,559,119 in sewer system revenue bonds issued in October, 2020. Proceeds from the bonds provided financing for the maintenance and system upgrades of the treatment facility. The bonds are payable solely from sewer customer net revenues and are payable through October 31, 2022. Annual principal and interest payments on the bonds are expected to require less than three percent of net revenues. The bond was paid off in 2022. Principal and interest paid for the current year and total customer net revenues were \$55,113 and \$4,749,228, respectively.

The Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay \$4,022,945 in sewer system revenue bonds issued in January, 2010. Proceeds from the bonds provided financing for the maintenance and system upgrades of the treatment facility. The bonds are payable solely from sewer customer net revenues and are payable through March, 2030. Annual principal and interest payments on the bonds are expected to require less than eight percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,893,421. Principal and interest paid for the current year and total customer net revenues were \$244,547 and \$4,749,228, respectively.

The Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2,622,055 in sewer system revenue bonds issued in November, 2010. Proceeds from the bonds provided financing for the maintenance and system upgrades of the treatment facility. The bonds are payable solely from sewer customer net revenues and are payable through December, 2031. Annual principal and interest payments on the bonds are expected to require less than five percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,514,202. Principal and interest paid for the current year and total customer net revenues were \$159,391 and \$4,749,228, respectively.

The Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay \$5,530,000 in sewer system revenue bonds issued in November, 2015. Proceeds from the bonds provided financing for the maintenance and system upgrades of the treatment facility. The bonds are payable solely from sewer customer net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than five percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,751,079. Interest paid for the current year and total customer net revenues were \$410,806 and \$4,749,228, respectively.

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The Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2,816,000 in sewer system revenue bonds issued in November, 2015. Proceeds from the bonds provided financing for the maintenance and system upgrades of the treatment facility. The bonds are payable solely from sewer customer net revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require less than five percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$808,079. Principal and interest paid for the current year and total customer net revenues were \$403,877 and \$4,749,228, respectively.

*Notes Payable – Component Units*

<u>Purpose</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2022</u>
<b>Stormwater::</b>					
20 Stormwater BAN	5/1/2023	2.03%	\$ 2,286,519	\$ --	\$ 2,286,519
Equipment Loan	2/4/2025	3.90%	152,947	70,189	82,758
<b>Sanitary Board::</b>					
19 Sewer Ban	12/1/2022	2.03%	5,008,385	-	5,008,385
Equipment Loan	12/3/2024	3.90%	471,732	232,183	239,549
Equipment Loan	1/3/2025	3.90%	498,392	237,008	261,384
<b>Water Quality Board:</b>					
Building Mortgage	10/30/2034	4.40%	332,052	87,449	244,603
<b>Totals</b>			<u>\$ 8,750,027</u>	<u>\$ 626,829</u>	<u>\$ 8,123,198</u>

Debt service requirements to maturity are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 7,537,973	\$ 179,700
2024	252,995	21,686
2025	134,538	12,095
2026	17,263	9,486
2027	18,147	8,603
2028-2032	105,647	28,103
2033-2037	56,635	3,339
<b>Totals</b>	<u>\$ 8,123,198</u>	<u>\$ 263,012</u>

The Water Quality Board entered into a loan agreement with City National Bank to finance the purchase of the Water Quality Board Facility. The Water Quality Board entered into an agreement to finance \$332,053 at an interest rate of 4.4% with a maturity date of October 30, 2034. This note is secured by the Water Quality Board office building. This note contains a provision that in the event of default the repayment outstanding amounts become immediately due. Events that cause default include: the Board is unable to make payment when due, the Board makes false or misleading statements, insolvency of the Board, defective collateralization, creditor or forfeiture proceedings, adverse change, or the lender believes itself to be insecure.

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The Sanitary Board entered into a loan agreement with the Municipal Bond Commission as the paying agent and United Bank appointed as registrar, to temporarily finance the expansion and maintenance project in anticipation of receiving a bond. The Sanitary Board entered into an agreement to finance \$654,175, bearing interest at 2.03%, with a maturity dated of December 1, 2022. The note is secured by pledge of future revenue bonds and surplus revenues. In the event of default, the registered owner of the note may bring suit for any unpaid principal and interest then due. Events that cause default include: the Board does not make punctual principal and interest payments, the Board fails to observe covenants, agreements or conditions contained in the note agreement, or the issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable of the United States of America. An additional \$2,897,708 was drawn on this note in fiscal year 2021. An additional \$1,456,502 was drawn on this note in 2022.

The Stormwater Utility Board entered into a loan agreement with the Municipal Bond Commission as the paying agent and Wesbanco Bank appointed as registrar, to temporarily finance the expansion and maintenance project in anticipation of receiving a bond. The Stormwater Utility Board entered into an agreement to finance \$1,260,270, bearing interest at 2.03%, with a maturity date of May 1, 2023. The note contains provisions that in the event of default the repayment of outstanding amounts may become immediately due, the lender may accelerate indebtedness, assemble and sell the collateral, appoint receiver, and other remedies of a secured creditor under the provision of the Uniform Commercial Code. Events that cause default include; the Board does not make payments when due, the Board makes false or misleading statements, insolvency of the Board, creditor or forfeiture proceedings, and failure to comply with or perform any other term, obligation, covenant or condition within the note agreement or any other agreement between the lender and the borrower's, agreements or conditions contained in the note agreement, or the issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable of the United States of America. An additional \$293,687 was drawn on this note in fiscal year 2021. An additional \$732,562 was drawn on this note in 2022.

The Sanitary Board entered into a loan agreement with Wesbanco Bank to finance the purchase of machinery and equipment. The Sanitary Board entered into an agreement to finance \$471,732, bearing interest at 3.9%, with a maturity dated of December 3, 2024. The note is secured by 2019 Case 580SN Loader, 2019-8-4 Aluminum Service Truck Bed, 2019 Dodge 5500 Service Truck. In the event of default, the registered owner of the note may bring suit for any unpaid principal and interest then due. Events that cause default include: the Board does not make punctual principal and interest payments, the Board fails to observe covenants, agreements or conditions contained in the note agreement, or the issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable of the United States of America.

The Sanitary Board entered into a loan agreement with Wesbanco Bank to finance the purchase of machinery and equipment. The Sanitary Board entered into an agreement to finance \$498,392, bearing interest at 3.9%, with a maturity date of January 3, 2025. The note is secured by 2019 Kenworth T470 with 900-ECO 9-year truck mounted combination sewer cleaner and all attachments and accessories. This note contains provisions that in the event of default the repayment of outstanding amounts may become immediately due, the lender may accelerate indebtedness, assemble and sell the collateral, appoint receiver, and other remedies of a secured creditor under the provisions of the Uniform Commercial Code. Events that cause default include: the Board does not make punctual principal and interest payments, the Board fails to observe covenants, agreements or conditions contained in the note agreement, or the issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable of the United States of America.



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The Stormwater Utility Board entered into a loan agreement with Wesbanco Bank to finance the purchase of machinery and equipment. The Stormwater Utility Board entered into an agreement to finance \$152,947, bearing interest at 3.9%, with a maturity dated of February 2, 2025. The note is secured by 2019 Ford F550 Diesel 4x4 Bucket Truck with one Altee Model At48M Articulating Telescopic Aerial Device and all attachments and accessories. This note contains provisions that in the event of default the repayment of outstanding amounts may become immediately due, the lender may accelerate indebtedness, assemble and sell the collateral, appoint receiver, and other remedies of a secured creditor under the provisions of the Uniform Commercial Code. Events that cause default include: the Board does not make punctual principal and interest payments, the Board fails to observe covenants, agreements or conditions contained in the note agreement, or the issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable of the United States of America.

**Changes to Long-term Liabilities**

	Governmental Activities				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Bonds and notes payable	\$ 2,078,046	\$ -	\$ 541,778	\$ 1,536,268	\$ 238,990
Tax increment financing	5,955,554	291,446	362,000	5,885,000	371,000
Leases	5,723,038	19,055	505,665	5,236,428	528,166
Net pension liability – PERS	1,401,366	-	1,401,366	-	-
Net pension liability – DBP	119,833,816	7,431,148	-	127,264,964	-
Other post-employment benefits	112,997,525	-	27,069,117	85,928,408	-
Compensated absences	1,617,402	1,569,214	1,617,402	1,569,214	1,569,214
Accrued interest payable	26,481	88,636	26,481	88,636	88,636
Liability for landfill closure and post-closure costs	24,819,436	2,248,581	-	27,068,017	-
Governmental activities long-term liabilities	<u>\$ 274,452,664</u>	<u>\$ 11,648,080</u>	<u>\$ 31,523,809</u>	<u>\$ 254,576,935</u>	<u>\$ 2,796,006</u>
	Business-Type Activities				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Other post-employment benefits	\$ 2,419,333	\$ -	\$ 912,597	\$ 1,506,736	\$ -
Compensated absences	88,797	102,852	88,797	102,852	89,185
Net pension liability – PERS	406,337	-	406,337	-	-
Business-Type activities long-term liabilities	<u>\$ 2,914,467</u>	<u>\$ 102,852</u>	<u>\$ 1,407,731</u>	<u>\$ 1,609,588</u>	<u>\$ 89,185</u>
	Component Units – HMDA				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Revenue bonds payable	\$ 5,610,000	\$ -	\$ 465,000	\$ 5,145,000	\$ 485,000
Less: bond discounts	(62,301)	-	(11,826)	(50,475)	(11,826)
Total bonds payable	5,547,699	-	453,174	5,094,525	473,174
Note Payable – RLF	-	300,000	-	300,000	300,000
Note Payable – WVVEDA	2,756,250	-	-	2,756,250	-
Other post-employment benefits	11,576	6,116	-	17,692	-
Compensated absences	21,431	17,268	21,431	17,268	17,268
Accrued interest payable	171,506	247,343	171,506	247,343	247,343
Net pension liability	55,499	-	55,499	-	-
Component unit long-term liabilities	<u>\$ 8,563,961</u>	<u>\$ 570,727</u>	<u>\$ 701,610</u>	<u>\$ 8,433,078</u>	<u>\$ 1,037,785</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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	Component Units – HMPB				
	Beginning	Additions	Reductions	End Balance	Due Within One Year
	Balance				
Other post-employment benefits	\$ 347,273	\$ -	\$ 228,189	\$ 119,084	\$ -
Compensated absences	23,884	28,810	23,884	28,810	28,810
Net pension liability	118,928	-	118,928	-	-
Component unit long-term liabilities	\$ 490,085	\$ 28,810	\$ 371,001	\$ 147,894	\$ 28,810

	Component Units – WQB				
	Beginning	Additions	Reductions	End Balance	Due Within One Year
	Balance				
Revenue bonds payable	\$ 9,555,819	\$ -	\$ 1,036,275	\$ 8,519,544	\$ 1,000,956
Less: Bond Discount	(121,157)	-	(60,382)	(60,775)	-
Notes payable	6,168,256	2,189,064	234,122	8,123,198	7,537,973
Compensated absences	189,552	-	10,195	179,357	-
Other post-employment benefits	360,678	-	335,478	25,200	-
Net pension liability	1,374,994	-	1,351,594	23,400	-
Accrued interest payable	57,437	18,043	57,437	18,043	18,043
Component unit long-term liabilities	\$ 17,585,579	\$ 2,207,107	\$ 2,964,719	\$ 16,827,967	\$ 8,556,972

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

On March 11, 2020, HMDA signed \$300,000 promissory note for a City of Huntington Brownfield Revolving Loan Fund (RLF) Loan. The loan bears 0.0% interest through March 11, 2025 and 1.0% thereafter. Final payment all principal and accrued interests due March 31, 2050.

**I. Restricted Assets**

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

	Municipal Development Authority	Water Quality Board
Revenue bond operations and maintenance accounts	\$ -	\$ 2,307,154
Restricted economic development	1,027,938	-
Reserve for insurance claims	-	367,311
Reserve for construction	-	2,699,484
Customer deposits	-	693,141
Total restricted assets	\$ 1,027,938	\$ 6,067,090

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

For the year ended June 30, 2022, the State of West Virginia contributed estimated payments on behalf of the government's public safety employees as follows:

Plan	Amount
Policemen's Pension and Relief Fund	\$ 1,121,406
Firemen's Pension and Relief Fund	1,131,758
Total	\$ 2,253,164

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
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**K. Change in Accounting Principles**

GASB Statement No. 87 changes the accounting and financial reporting of leases for state and local governments by establishing a single model for lease accounting based on the principle that leases are financings of the right to use an underlying financial asset. Changes adopted to conform to the provisions of this statement have been applied retroactively by restating financial statements.

**L. Restatement of Fund Balances and Net Position**

The implementation of the GASB 87 pronouncement had the following effect on the net position of the Governmental Activities as reported at June 30, 2021:

		Governmental Activities
Net position as previously reported	\$	(214,590,657)
GASB Statement No. 87	\$	12,583
Restated net position at June 30, 2021	\$	(214,578,074)

**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. The discretely presented component unit (Huntington Water Quality Board) has coverage through City 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.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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The Department of Environmental Protection forced the City to close its landfill in 1994 because it did not have an underlying liner. Some procedures which are required for closure have been completed, however, additional procedures are still required to complete the closure. After reevaluation for annual inflation or deflation, costs to complete the closure and subsequent post-closure costs have been estimated at approximately \$27,068,017. The actual cost incurred may differ due to inflation, changes in regulations or changes in technology. As of June 30, 2022, the Landfill Reserve Fund balance was \$1,683,480 and the General Fund contains \$578,885 in committed funds for landfill closure.

On July 8, 2022, the Huntington Municipal Development Authority (HMDA) a component unit of City of Huntington, created a limited liability corporation called Downtown Investment LLC to acquire majority equity interest in Metropolitan Huntington, the company that manages Pullman Square. Downtown Investment LLC used \$7 million to acquire 72.5% of Metropolitan Huntington. Moving forward, Downtown Investment LLC will be reported as a component unit of HMDA.

Subsequent to year end, the Huntington Building Commission, a blended component unit of the City of Huntington, pledged future lease revenue to repay \$2,600,000 of Series 2022 lease revenue bonds which were issued on December 29, 2022. The bonds were issued with a 3.60% interest rate and mature February 1, 2038. Proceeds from the bonds provided financing for renovations to the Municipal Garage Building (formerly the Huntington Armory).

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**

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

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

**V. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

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

*Plan Descriptions, Contribution Information, and Funding Policies*

The City of Huntington, West Virginia participates in two single employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

The Policemen's Pension and Relief Fund (PPRF) provides retirement benefits for substantially all full-time police employees. The PPRF's Board consists of a chair, who is the elected mayor, and four members, one of which is the pension secretary, from the municipal police department. The City is authorized in accordance with State Code §8-22 to establish and maintain this plan. Unless otherwise indicated, PPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021.

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The Firemen’s Pension and Relief Fund (FPRF) provides retirement benefits for substantially all full-time fire employees. The FPRF’s Board consists of a president, who is the elected mayor, and four members, one of which is the pension secretary, from the municipal fire department. The City is authorized in accordance with State Code §8-22 to establish and maintain this plan. Unless otherwise indicated, FPRF information in this Note is provided as of the latest actuarial valuation, July 1, 2021.

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

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

Memberships of the plans are as follows:

Group	PPRF	FPRF	Totals
Active Employees	44	51	95
Inactive employees entitled to but not yet receiving benefits	1	6	7
Inactive employees or beneficiaries currently receiving benefits	148	167	315
Total	193	224	417

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

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

**Net Pension Liability**

The net pension liabilities were measured as of June 30, 2022 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, 2021, projected to the measurement date of June 30, 2022.

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

The total pension liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022 for both plans, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the values were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

Actuarial assumptions	<u>Policemen's Pension &amp; Relief Fund</u>	<u>Firemen's Pension &amp; Relief Fund</u>
General Inflation Rate	2.50%	2.50%
Wage Inflation Rate	1.00%	1.00%
Salary Increases	1 yr. 9%, 2 yrs. 6.5%, 3 yrs. 6%, 4-28 yrs. 5%, 29-33 yrs. 4%, 34+ yrs 3.5%	1 yr. 9%, 2 yrs. 6.5%, 3 yrs. 6%, 4-28 yrs. 5%, 29-33 yrs. 4%, 34+ yrs 3.5%
Investment Rate of Return	5.75%	5.50%

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

*Rate of return*

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 7.02 percent for the PPRF and 7.02 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, 2022 are summarized in the following chart:

<u>Investment</u>	<u>PPRF</u>		<u>FPRF</u>	
	Long-term Expected		Long-term Expected	
	Real Rate of Return	Target Asset Allocations	Real Rate of Return	Target Asset Allocations
Money Market	0.00%	0.00%	0.00%	0.00%
Equities	9.00%	65.00%	9.00%	65.00%
Fixed Income	3.40%	34.00%	3.40%	34.00%
Cash	1.50%	1.00%	1.50%	1.00%

**CITY OF HUNTINGTON, WEST VIRGINIA  
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*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.

*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	\$ 104,316,229	\$ 105,230,881
Plan fiduciary net position	45,327,731	36,954,415
Net pension liability	\$ 58,988,498	\$ 68,276,466
 Plan fiduciary net position as a percentage of the total pension liability	43.45%	35.12%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.75% for the PPRF and 5.50% for the FPRF, and the municipal bond rate was 3.69% 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	\$ 72,629,633	\$ 58,988,498	\$ 47,851,989
FPRF's net pension liability	\$ 82,198,178	\$ 68,276,466	\$ 56,921,918



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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Liability (b)	Net Pension Liability (a-b)
Balance at June 30, 2021	\$ 102,041,991	\$ 52,945,970	\$ 49,096,021
Changes for the year:			
Service Cost	960,545	-	960,545
Interest	5,694,266	-	5,694,266
Difference between expected and actual experience	1,641,967	-	1,641,967
Contributions – employer	-	4,428,631	(4,428,631)
Contributions – employee	-	247,237	(247,237)
Net investment income	-	(6,256,306)	6,256,306
Benefit payments, including refunds of employee contributions	(6,022,540)	(6,022,540)	-
Administrative expense	-	(15,261)	15,261
Net changes	<u>2,274,238</u>	<u>(7,618,239)</u>	<u>9,892,477</u>
Balance at June 30, 2022	<u>\$ 104,316,229</u>	<u>\$ 45,327,731</u>	<u>\$ 58,988,498</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, 2021	\$ 111,181,067	\$ 40,443,272	\$ 70,737,795
Changes for the year:			
Service Cost	1,383,095	-	1,383,095
Interest	5,419,188	-	5,419,188
Difference between expected and actual experience	(562,531)	-	(562,531)
Changes of assumptions	(6,595,321)	-	(6,595,321)
Contributions – employer	-	5,775,354	(5,775,354)
Contributions – employee	-	243,669	(243,669)
Net investment income	-	(3,903,909)	3,903,909
Benefit payments, including refunds of employee contributions	(5,594,617)	(5,594,617)	-
Administrative expense	-	(9,354)	9,354
Net changes	<u>(5,950,186)</u>	<u>(3,488,857)</u>	<u>(2,461,329)</u>
Balance at June 30, 2022	<u>\$ 105,230,881</u>	<u>\$ 36,954,415</u>	<u>\$ 68,276,466</u>

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

For the year ended June 30, 2022, the government recognized the following pension expenses.

	PPRF	FPRF
Pension Expense	\$ 5,399,759	\$ (3,552,156)

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
Net difference between expected and actual investment earnings	\$ 2,934,005	\$ -
Total	\$ 2,934,005	\$ -

**Firemen's Pension and Relief Fund**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 281,265
Changes in Assumptions	-	3,297,660
Net difference between expected and actual investment earnings	1,656,980	-
Total	\$ 1,656,980	\$ 3,578,925

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

	PPRF	FPRF
Year Ended June 30:		
2023	\$ 411,428	\$ (3,401,681)
2024	418,768	225,473
2025	251,502	66,973
2026	1,852,307	1,187,290
Total	\$ 2,934,005	\$ (1,921,945)

**Payables to the pension plan**

At June 30, 2022, 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  
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**Pension Trust Funds Financial Statements**

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>
<b>ASSETS</b>		
Non-pooled cash	\$ -	\$ 487,394
Total cash	<u>-</u>	<u>487,394</u>
Investments, at fair value		
Money market	361,020	158,111
Fixed income securities	16,515,532	13,306,749
Equities	<u>28,384,432</u>	<u>22,864,714</u>
Total investments	<u>45,260,984</u>	<u>36,329,574</u>
Receivables:		
Accrued income	92,084	57,474
Due from other governments	<u>81,751</u>	<u>87,711</u>
Total receivables	<u>173,835</u>	<u>145,185</u>
Total assets	<u>45,434,819</u>	<u>36,962,153</u>
<b>LIABILITIES</b>		
Accounts payable	67	7,739
Due to other funds	100,000	-
Other	<u>7,022</u>	<u>-</u>
Total liabilities	<u>107,089</u>	<u>7,739</u>
<b>NET POSITION</b>		
Net position held in trust for pension benefits	<u>\$ 45,327,730</u>	<u>\$ 36,954,414</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
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	Policemen's Pension and Relief	Firemen's Pension and Relief
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 3,307,223	\$ 4,643,596
Plan members	247,237	243,669
Insurance premium surtax	1,121,406	1,131,758
Total contributions	4,675,866	6,019,023
Investment and other income:		
Net increase (decrease) in fair value	(7,007,961)	(4,546,096)
Interest and dividends	935,474	755,413
Total investment and other income	(6,072,487)	(3,790,683)
Total additions	(1,396,621)	2,228,340
<b>DEDUCTIONS</b>		
Benefits	6,022,540	5,594,617
Administrative expenses	199,079	122,581
Total deductions	6,221,619	5,717,198
Change in net position	(7,618,240)	(3,488,858)
Net position held in trust for pension benefits:		
Beginning of year	52,945,970	40,443,272
End of year	\$ 45,327,730	\$ 36,954,414

**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  
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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>
2022	\$ 805,457	100%
2021	634,428	100%
2020	573,956	100%

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, 4101 MacCorkle Ave S.E., Charleston, WV 25304.

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

At fiscal year-end, the City reported an asset of \$3,542,691 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020 rolled forward to that date. 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, 2021, the government's proportion was 0.403525%, which was an increase of 0.028598% from its proportion measured as of the prior period.

For the year ended June 30, 2022, the government recognized the following pension expense.

	Governmental Activities	Business-type Activities	Development Authority	Parking Board	Total
Pension expense	\$ (497,274)	\$ (130,287)	\$ (36,835)	\$ (17,735)	\$ (682,131)

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

**Public Employees Retirement System**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 4,537,610
Difference between expected and actual experience	404,312	13,429
Changes in assumptions	674,052	28,715
Changes in proportion and differences between government contributions and proportionate share of contributions	76,527	-
Contributions subsequent to the measurement date	805,457	-
Total	\$ 1,960,348	\$ 4,579,754

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, 2023. 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  
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Year Ended June 30:

2023	\$	(616,028)
2024		(547,081)
2025		(925,247)
2026		<u>(1,336,507)</u>
Total	\$	<u><u>(3,424,863)</u></u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

*Actuarial assumptions*

Inflation rate	2.75%
Salary increases	2.75% – 6.75%
Investment Rate of Return	7.25%

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended July 1, 2020.

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

<u>Investment</u>	<u>Long-term Expected Real Rate fo Return</u>	<u>Target Asset Allocation</u>
US Equity	5.50%	27.50%
International Equity	7.00%	27.50%
Fixed Income	2.20%	15.00%
Real Estate	6.60%	10.00%
Private Equity	8.50%	10.00%
Hedge Funds	4.00%	10.00%
Inflation (CPI)	2.10%	<u>100.00%</u>

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 percent for PERS. The projection of cash flows used to determine the discount rate assumed that employer contributions will the current funding policies. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
City’s proportionate share of PERS pension liability/(asset)	\$ 40,482	\$ (3,542,691)	\$ (6,567,063)

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

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

The City of Huntington, West Virginia participates in a state-wide, cost-sharing, multiple-employer defined benefit plan on behalf of hired Municipal public safety employees after January 1, 2010. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

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

**Municipal Police Officers and Firefighters Retirement System**

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



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

Fiscal Year	Annual Pension Cost	Percentage Contributed
2022	\$ 427,177	100%
2021	367,662	100%
2020	322,372	100%

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

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

At fiscal year-end, the government reported an asset of \$1,837,429 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020 rolled forward to June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020. 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, 2021, the government's proportion was 16.835521%, which was a decrease of 0.304260% from its proportion measured as of the prior period.

For the year ended June 30, 2022, the government recognized the following pension expense.

	MPFRS
	Governmental Activities
Pension expense	\$ 93,969

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	\$ -	\$ 459,778
Difference between expected and actual experience	121,384	42,594
Changes in proportion and differences between contributions and proportionate share of contributions	243,690	8,171
Changes in assumptions	200,848	10,944
Contributions subsequent to measurement date	427,177	-
Total	\$ 993,099	\$ 521,487

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2023	\$ 10,593
2024	11,031
2025	(15,413)
2026	(69,702)
2027	43,307
Thereafter	<u>64,619</u>
	<u>\$ 44,435</u>

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 for all plans, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial assumptions

Inflation rate	2.75%
Salary increases	3.25% - 4.75%
Investment Rate of Return	7.25%

Mortality rates:

Active – 100% of Pub-2010 Safety Employee Table, Amount weighted, projected generationally with Scale MP-2020;

Healthy Male Retirees – 98% of Pub-2010 Safety Retiree Male Table, Amount weighted, projected generationally with Scale MP-2020;

Healthy Female Retirees – 99% of Pub-2010 Safety Retiree Female Table, Amount weighted, projected generationally with Scale MP-2020;

Disabled Males – 124% of Pub-2010 Safety Disabled Male Table, Amount weighted, projected generationally with Scale MP-2020;

Disabled Females – 100% of Pub-2010 Safety Disabled Female Table, Amount-weighted, projected generationally with Scale MP-2020.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020.

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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	Long-term Expected	Target
<u>Investment</u>	<u>Real Rate of Return</u>	<u>Asset Allocation</u>
US Equity	5.50%	27.50%
International Equity	7.00%	27.50%
Fixed Income	2.20%	15.00%
Real Estate	6.60%	10.00%
Private Equity	8.50%	10.00%
Hedge Funds	4.00%	10.00%
Inflation (CPI)	2.10%	10.00%
		<u>100.00%</u>

*Discount rate.* The discount rate used to measure the total pension asset was 7.25 percent for MPFRS. The projection of cash flows used to determine the discount rate assumed that the employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension asset.

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of MPFRS pension asset	<u>\$ 1,237,579</u>	<u>\$ 1,837,429</u>	<u>\$ 2,288,789</u>

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
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**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.<sup>(1)</sup>

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

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

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

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

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

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

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

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

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

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

Measurement Date	For fiscal year ending June 30, 2022, a June 30, 2022 measurement date was used.
Actuarial Valuation Date	July 1, 2021 with results actuarially projected on a “no gain/no loss” basis to get to the June 30, 2022 measurement date. Liabilities as of July 1, 2021 are based on an actuarial valuation date of July 1, 2020 projected to July 1, 2021 with no adjustments.
Discount Rate	4.09% as of June 30, 2022 and 2.19% as of July 1, 2021.
Payroll Growth	3.00% general wage inflation per year plus the annual merit scale shown below based on the West Virginia Public Employees’ Retirement System actuarial valuation as of June 30, 2019.

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

Inflation Rate	3.00% per year
Employer Funding Policy	Pay-as-you-go cash basis
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant’s benefit at retirement; and Annual Service Cost is a constant percentage of the participant’s salary that is assumed to increase according to the Payroll Growth.
Experience Study	The actuarial assumptions for the City have not been updated since at least the 2009 valuation.
Census Data	Census information was provided by the City as of June 2022.

**CITY OF HUNTINGTON, WEST VIRGINIA  
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Mortality	General Participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021; Public Safety Participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021; Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021 Disabled Participants: SOA Pub-2010 Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2021			
Health Care Trend Rates	FYE	Medical/RX	FYE	Medical/RX
	2023	7.5%	2027	5.5%
	2024	7.0%	2028	5.0%
	2025	6.5%	2029+	4.5%
	2026	6.0%		

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

At fiscal year-end, the City reported \$87,571,920 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, 2022 for the City’s fiscal year ended June 30, 2022, using the actuarial assumptions and methods described in the appropriate section of this note.

For the year ended June 30, 2022, the City recognized OPEB expense of \$5,532,174 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, 2022:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,337,910	\$ 10,144,561
Change in assumptions	8,723,157	18,337,868
	<u>\$ 10,061,067</u>	<u>\$ 28,482,429</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability on June 30, 2023. 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:	
2023	\$ (1,081,504)
2024	(3,329,847)
2025	(4,328,647)
2026	(4,328,646)
2027	<u>(5,352,718)</u>
Total	<u>\$ (18,421,362)</u>

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

The discount rate used to measure the OPEB liability was 4.09 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:

Sensitivity of Net OPEB Liability to the Single Discount Rate

1% Decrease 3.09%	Current Single Discount Rate Assumption 4.09%	1% Increase 5.09%
\$ 98,999,096	\$ 87,571,920	\$ 78,129,364

***Healthcare Cost Trend Rate***

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

Sensitivity of Net OPEB Liability to the Health Care Trend Rate

1% Decrease 6.50% to 3.50%	Current Single Discount Rate Assumption 7.50% to 4.50%	1% Increase 8.50% to 5.50%
\$ 77,369,392	\$ 87,571,920	\$ 100,017,154

**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.

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

**Benefits Provided:**

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

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

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

**Contribution requirements:**

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

Paygo premiums are established by the Finance 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 2022 was \$160.

The City's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2022 was \$9,231. No amount was payable at year-end.

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

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



**CITY OF HUNTINGTON, WEST VIRGINIA  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

***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/(asset) for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2021 for the City's fiscal year ended June 30, 2022, using the actuarial assumptions and methods described in the appropriate section of this note. The government's proportion of the net OPEB liability/(asset) was based on a projection of the government's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, the City reported the following proportions and increase/decreases from its proportion as of June 30, 2021:

	2022
City's proportionate share of the net OPEB liability/(asset)	\$ (926)
State's proportionate share of the net OPEB liability/(asset) associated with the City	(296)
Total portion of the net OPEB liability /(asset) associated with the City	\$ (1,222)

For the year ended June 30, 2022, the City recognized the following OPEB expense and support provided by the State:

	2022
OPEB expense City	\$ (29,911)
OPEB expense State support	4,083
Total OPEB expense	\$ (25,828)
State support revenue	\$ 4,083

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, 2022:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 6,387
Differences between expected and actual experience	-	6,375
Changes in assumptions	-	19,584
Changes in proportion and differences between contributions and proportionate share of	-	17,450
Changes in proportion for opt-out allocation	-	424
Contributions subsequent to the measurement date	9,231	-
Total	\$ 9,231	\$ 50,220

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2023. 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:			
	2023	\$	(24,709)
	2024		(17,827)
	2025		(5,828)
	2026		(1,856)
Total		\$	<u>(50,220)</u>

***Actuarial assumptions***

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>OPEB</b>	<b>June 30, 2021</b>
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Market value
Amortization Method	Level percentage of payroll over a 20-year closed period
Amortization Period	Closed as of June 30, 2017
 Actuarial Assumptions:	
Investment Rate of Return	6.65% net of OPEB plan investment expense, including inflation
Projected Salary Increases	Dependent upon pension system. Ranging from 2.75% to 5.18% including inflation
Inflation Rate	2.25%
Discount Rate	6.65%
Healthcare Cost Trends	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of -31.11% for plan year end 2022, 9.15% for plan year 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in the plan year end 2036.
Mortality Rates	Post-Retirement: RP-2000 Health Annuity Mortality Table projected with Scale AA on a fully generational basis
Date Range in Most Recent Experience Study	July 1, 2015 to June 30, 2020

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

Long-term pre-funding assets are invested the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of long-term geometric rates of return for each asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	4.8%
Core Plus Fixed Income	2.1%
Core Real Estate	4.1%
Hedge Fund	2.4%
Private Equity	6.8%

Real returns by asset class, shown in the above table, were estimated using a static inflation assumption of 2.25%. Consequently, real returns may not reflect the potential volatility of inflation by asset class.

***Discount Rate***

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
Proportionate share of net OPEB liability/(asset)	\$ 4,966	\$ (926)	\$ (5,817)

***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/(asset)	\$ (6,833)	\$ (926)	\$ 6,271

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>					
Service Cost	\$ 4,687,369	\$ 4,104,643	\$ 3,608,679	\$ 2,965,426	\$ 3,024,313
Interest	2,601,175	2,880,070	3,461,730	3,216,444	2,964,542
Difference between Expected and Actual Experience	(10,110,871)	(949,480)	(2,714,624)	6,689,550	-
Assumption Changes	(22,005,442)	7,093,913	7,708,616	4,552,183	(3,374,344)
Benefit Payments	(3,357,881)	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
<b>Net Change in OPEB Liability</b>	<b>(28,185,650)</b>	<b>10,068,758</b>	<b>9,304,812</b>	<b>15,073,078</b>	<b>458,065</b>
<b>Total OPEB Liability - Beginning</b>	<b>115,757,570</b>	<b>105,688,812</b>	<b>96,384,000</b>	<b>81,310,922</b>	<b>80,852,857</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 87,571,920</b>	<b>\$ 115,757,570</b>	<b>\$ 105,688,812</b>	<b>\$ 96,384,000</b>	<b>\$ 81,310,922</b>
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 3,357,881	\$ 3,060,388	\$ 2,759,589	\$ 2,350,525	\$ 2,156,446
Benefit Payments	(3,357,881)	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB Liability</b>	<b>\$ 87,571,920</b>	<b>\$ 115,757,570</b>	<b>\$ 105,688,812</b>	<b>\$ 96,384,000</b>	<b>\$ 81,310,922</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Employee Payroll</b>	<b>\$ 18,638,543</b>	<b>\$ 15,155,628</b>	<b>\$ 14,714,202</b>	<b>\$ 11,028,839</b>	<b>\$ 10,707,611</b>
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>469.84%</b>	<b>763.79%</b>	<b>718.28%</b>	<b>873.93%</b>	<b>759.38%</b>

Notes to Schedule:

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

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution (a)	\$ 3,357,881	\$ 3,060,388	\$ 2,759,589	\$ 2,350,525	\$ 2,156,446
Employer contribution (b)	(3,357,881)	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage contributed	100%	100%	100%	100%	100%
Covered payroll (f)	\$ 18,638,543	\$ 15,155,628	\$ 14,714,202	\$ 11,028,839	\$ 10,707,611
Actual contribution as a percent of covered payroll [(b)+(c)]/f	18%	20%	19%	21%	20%

Notes to Schedules of Contributions:

Only five 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, 2022**

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

	<b>Retiree Health Benefit Trust</b>					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net OPEB liability (asset) (percentage)	0.003112554%	0.004106304%	0.004304265%	0.004339626%	0.005094491%	0.006116921%
City's proportionate share of the net OPEB liability (asset)	\$ (926)	\$ 18,137	\$ 71,413	\$ 93,104	\$ 125,273	\$ 151,903
State's proportionate share of the net OPEB liability (asset) associated with the City	<u>(296)</u>	<u>4,011</u>	<u>14,614</u>	<u>19,242</u>	<u>37,931</u>	<u>-</u>
<b>Total</b>	<u>\$ (1,222)</u>	<u>\$ 22,148</u>	<u>\$ 86,027</u>	<u>\$ 112,346</u>	<u>\$ 163,204</u>	<u>\$ 151,903</u>
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	39.69%	30.98%	25.10%	21.64%
<b>Information prior to 2016 is not available.</b>						
<b>This schedule will be built prospectively.</b>						

**SCHEDULE OF OPEB CONTRIBUTIONS**

	<b>Retiree Health Benefit Trust</b>						
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 9,231	\$ 5,676	\$ 7,937	\$ 8,868	\$ 8,868	\$ 10,464	\$ 10,464
Contributions in relation to contractually required contribution	<u>(9,231)</u>	<u>(5,676)</u>	<u>(7,937)</u>	<u>(8,868)</u>	<u>(8,868)</u>	<u>(10,464)</u>	<u>(10,464)</u>
Contribution deficit (surplus)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**The schedule will be built prospectively.**

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

<b>Policemen's Pension and Relief Fund (PPRF)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>									
Service cost	\$ 960,545	1,314,602	1,479,995	1,600,345	1,677,226	1,766,856	1,327,865	1,570,562	1,639,476
Interest	5,694,266	5,802,509	5,633,626	5,342,286	5,265,220	5,168,503	4,995,831	4,650,084	4,638,808
Difference between expected and actual experience	1,641,967	1,101,389	1,399,681	3,455,363	(639,606)	(1,547,354)	2,053,752	(1,214,505)	-
Changes in assumptions	-	(8,892,309)	-	-	-	-	10,127,518	(5,215,194)	(3,920,804)
Benefits payments	(6,022,540)	(5,568,701)	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)	(10,482)
Refunds	-	-	-	-	-	(29,643)	(47,520)	-	-
Net change in total pension liability	2,274,238	(6,242,510)	3,196,568	5,512,913	1,782,682	923,242	14,140,879	(4,286,913)	2,346,998
Total pension liability – beginning	102,041,991	108,284,501	105,087,933	99,575,020	97,792,338	96,869,096	82,728,217	87,015,130	84,668,132
Total pension liability – ending (a)	\$ 104,316,229	102,041,991	108,284,501	105,087,933	99,575,020	97,792,338	96,869,096	82,728,217	87,015,130
<b>Plan fiduciary net position</b>									
Contributions – employer	\$ 4,428,631	5,657,305	5,607,224	5,540,993	5,777,937	5,685,075	4,822,623	5,271,650	5,359,218
Contributions – members	247,237	244,427	277,648	283,815	297,125	335,264	313,939	365,787	359,819
Net investment income	(6,256,306)	10,338,534	1,394,132	2,239,135	2,203,504	1,997,497	852,569	654,764	2,438,222
Benefits payments	(6,022,540)	(5,568,701)	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)	(3,920,804)
Refunds	-	-	-	-	-	(29,643)	(47,520)	-	-
Administrative expenses	(15,261)	(9,205)	(9,210)	(134,958)	(8,517)	(9,095)	(176,416)	(190,402)	(122,396)
Other	-	41	2,917	-	-	-	(5,381)	5,441	(10,482)
Net change in plan fiduciary net position	(7,618,239)	10,662,401	1,955,977	3,043,904	3,749,891	3,543,978	1,443,247	2,029,380	4,103,577
Plan fiduciary net position – beginning	52,945,970	42,283,569	40,327,592	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192	22,413,615
Plan fiduciary net position – ending (b)	\$ 45,327,731	52,945,970	42,283,569	40,327,592	37,283,688	33,533,797	29,989,819	28,546,572	26,517,192
Net pension liability – ending (a) – (b)	\$ 58,988,498	49,096,021	66,000,932	64,760,341	62,291,332	64,258,541	66,879,277	54,181,645	60,497,938
Plan fiduciary net position as a percentage of the total pension liability	43.45%	51.89%	39.05%	38.38%	37.44%	34.29%	30.96%	34.50%	30.47%
Covered employee payroll	\$ 3,240,023	3,303,872	3,783,881	4,046,524	4,225,541	4,483,206	4,573,783	4,771,286	4,955,880
Net pension liability as a percentage of covered employee payroll	1820.62%	1486.01%	1744.27%	1600.47%	1474.16%	1433.32%	1462.11%	1135.69%	1220.73%

Notes to PPRF's Schedule:

Only nine 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, 2022**

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

<b>Firemen's Pension and Relief Fund (FPRF)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>									
Service cost	\$ 1,383,095	1,414,053	1,556,769	1,630,487	2,012,547	1,921,250	1,570,937	1,569,989	1,598,605
Interest	5,419,188	5,804,386	5,656,769	5,562,251	5,334,849	5,241,817	5,082,040	4,899,228	4,937,861
Difference between expected and actual experience	(562,531)	(361,805)	1,508,438	457,926	562,398	(188,766)	2,571,967	(1,282,535)	-
Change in assumptions	(6,595,321)	(8,880,845)	(5,730,252)	(5,746,321)	(7,901,702)	-	13,787,848	-	-
Benefits payments	(5,594,617)	(5,764,904)	-	-	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)	(5,160,941)
Refunds	-	-	(44,073)	-	(50,573)	-	(31,367)	-	-
Net change in total pension liability	(5,950,186)	(7,789,115)	2,947,651	1,904,343	(5,738,787)	1,313,719	17,507,009	(78,370)	1,375,525
Total pension liability – beginning	111,181,067	118,970,182	116,022,531	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617	99,739,092
Total pension liability – ending (a)	\$ 105,230,881	111,181,067	118,970,182	116,022,531	114,118,188	119,856,975	118,543,256	101,036,247	101,114,617
<b>Plan fiduciary net position</b>									
Contributions – employer	\$ 5,775,354	6,809,065	6,838,651	6,860,009	7,389,517	7,401,751	6,355,707	6,428,342	6,491,137
Contributions – members	243,669	216,101	236,773	251,044	246,681	273,029	283,660	306,473	290,819
Net investment income	(3,903,909)	7,231,031	737,037	1,623,796	1,439,198	1,207,975	815,748	538,263	1,573,446
Benefits payments	(5,594,617)	(5,764,904)	(5,774,325)	(5,746,321)	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)	(5,160,941)
Refunds	-	-	-	-	(50,573)	-	(31,367)	-	-
Administrative expenses	(9,354)	(13,303)	(26,999)	(3,736)	(68,224)	(9,208)	(58,928)	(58,286)	(54,823)
Other	-	-	484	(7,625)	-	-	585	14	-
Net change in plan fiduciary net position	(3,488,857)	8,477,990	2,011,621	2,977,167	3,260,293	3,212,965	1,890,989	1,949,754	3,139,638
Plan fiduciary net position – beginning	40,443,272	31,965,282	26,976,494	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493	13,522,855
Plan fiduciary net position – ending (b)	\$ 36,954,415	40,443,272	28,988,115	29,953,661	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493
Net pension liability – ending (a) – (b)	\$ 68,276,466	70,737,795	89,982,067	86,068,870	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	35.12%	36.38%	26.87%	25.82%	23.64%	19.79%	17.30%	18.42%	16.48%
Covered employee payroll	\$ 3,094,186	3,054,751	3,402,515	3,488,570	3,782,913	3,623,803	4,135,510	4,037,697	4,063,878
Net pension liability as a percentage of covered employee payroll	2206.61%	2315.66%	2557.08%	2467.20%	2303.56%	2653.04%	2370.69%	2041.36%	2078.12%

Notes to FPRF's Schedule:

Only nine 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, 2022**

**IV. SCHEDULES OF INVESTMENT RETURNS**

<b>Policemen's Pension and Relief Fund (PPRF)</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money – weighted rate of return, net of investment	7.02%	6.27%	5.83%	6.22%	8.72%	8.32%	2.91%	10.00%	10.00%

<b>Firemen's Pension and Relief Fund (FPRF)</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money – weighted rate of return, net of investment	7.02%	6.27%	5.83%	7.07%	9.06%	7.59%	5.29%	3.75%	9.60%

Notes to Schedule:

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

**V. SCHEDULES OF CONTRIBUTIONS – MULTIYEAR**

<b>Policemen's Pension and Relief Fund (PPRF)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution (a)	\$ 4,388,464	5,599,399	5,605,198	5,533,885	4,706,545	4,757,747	4,666,572	3,717,462	4,098,151
Employer contribution (b)	(3,307,224)	(4,527,758)	(4,515,894)	(4,487,498)	(4,679,161)	(4,590,520)	(3,775,581)	(4,237,318)	(4,398,765)
State contribution (c)	(1,121,407)	(1,129,547)	(1,091,330)	(1,053,495)	(1,098,776)	(1,094,555)	(1,047,042)	(1,034,332)	(960,453)
Contribution (excess) deficiency	\$ (40,167)	(57,906)	(2,026)	(7,108)	(1,071,392)	(927,328)	(156,051)	(1,554,188)	(1,261,067)
Percentage contributed	100%	100%	100%	100%	123%	119%	103%	142%	131%
Covered payroll (f)	\$ 3,240,023	3,303,872	3,783,881	4,046,524	4,225,541	4,483,206	4,771,286	4,771,286	4,955,880
Actual contribution as a percent of covered payroll [(b)+(c)]/f	137%	171%	148%	137%	137%	127%	105%	110%	108%

<b>Firemen's Pension and Relief Fund (PPRF)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution (a)	\$ 5,761,384	6,816,641	6,800,972	6,958,630	5,899,587	6,100,163	6,111,224	4,908,882	4,945,075
Employer contribution (b)	(4,643,596)	(5,633,481)	(5,658,818)	(5,750,203)	(6,282,284)	(6,266,667)	(5,233,536)	(5,326,897)	(5,454,415)
State contribution (c)	(1,131,758)	(1,175,584)	(1,179,833)	(1,109,806)	(1,107,233)	(1,135,084)	(1,122,171)	(1,101,445)	(1,036,722)
Contribution (excess) deficiency	\$ (13,970)	7,576	(37,679)	98,621	(1,489,930)	(1,301,588)	(244,483)	(1,519,460)	(1,546,062)
Percentage contributed	100%	100%	101%	99%	125%	121%	104%	131%	131%
Covered payroll (f)	\$ 3,094,186	3,054,751	3,402,515	3,488,570	3,782,913	3,623,803	4,135,510	4,037,697	4,063,878
Actual contribution as a percent of covered payroll [(b)+(c)]/f	187%	223%	201%	197%	195%	204%	154%	159%	160%

Notes to Schedules of Contributions:

Only nine 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, 2022**

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

	<b>Public Employees Retirement System</b>								
	Last 9 Fiscal Years*								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Government’s proportion of the net pension liability (asset) (Percentage)	0.40%	0.37%	0.37%	0.36%	0.39%	0.37%	0.39%	0.42%	0.37%
Government’s proportionate share of the net pension liability (asset) \$	(3,542,691)	1,982,130	793,314	933,910	1,688,871	3,364,705	2,214,475	1,562,223	3,389,265
Government’s covered-employee payroll \$	6,344,281	5,739,558	5,559,160	5,938,282	5,183,025	5,430,050	5,380,616	5,670,986	4,976,029
Government’s proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	55.84%	34.53%	14.29%	15.73%	32.58%	61.96%	41.16%	27.55%	68.11%
Plan fiduciary net position as a percentage of the total pension liability	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%	79.70%
	<b>Municipal Police Officers &amp; Firefighters Retirement System (MPFRS)</b>								
	Last 9 Fiscal Years*								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Government’s proportion of the net pension asset (Percentage)	16.84%	17.14%	18.60%	20.59%	26.72%	30.31%	40.72%	44.71%	52.29%
Government’s proportionate share of the net pension asset \$	1,837,429	1,071,922	853,135	761,363	750,274	428,554	392,648	303,557	138,564
Government’s covered-employee payroll \$	4,325,435	3,792,612	3,147,329	2,458,024	2,364,541	2,297,375	1,998,916	1,465,130	915,691
Government’s proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.48%	28.26%	27.10%	30.97%	31.73%	18.65%	19.64%	20.72%	15.13%
Plan fiduciary net position as a percentage of the total pension liability	182.78%	172.43%	168.31%	184.45%	200.46%	174.30%	189.27%	200.40%	224.40%

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

**CITY OF HUNTINGTON, WEST VIRGINIA  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SCHEDULE OF THE GOVERNMENTAL CONTRIBUTIONS**

		<b>Public Employees Retirement System</b>								
		Last 9 Fiscal Years*								
		2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$	805,457	634,428	573,956	555,916	653,211	621,963	733,057	753,286	822,293
Contributions in relation to the contractually required contribution		(805,457)	(634,428)	(573,956)	(555,916)	(653,211)	(621,963)	(733,057)	(752,950)	(822,293)
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	336	-
Government's covered-employee payroll	\$	8,054,570	6,344,281	5,739,558	5,559,156	5,938,282	5,183,025	5,430,050	5,380,616	5,670,986
Plan fiduciary net position as a percentage of the total pension liability		10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%
		<b>Municipal Police Officers &amp; Firefighters Retirement System (MPFRS)</b>								
		Last 9 Fiscal Years*								
		2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$	427,177	367,662	322,372	267,523	208,932	200,986	195,277	169,908	124,536
Contributions in relation to the contractually required contribution		(427,177)	(367,662)	(322,372)	(267,523)	(208,932)	(200,986)	(195,277)	(169,908)	(124,536)
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-
Government's covered-employee payroll	\$	5,025,612	4,325,435	3,792,612	3,147,329	2,458,024	2,364,541	2,297,375	1,998,916	1,465,130
Plan fiduciary net position as a percentage of the total pension liability		8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	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, 2022**

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

Changes in the assumptions between the 2021 and 2020 valuations:

Projected salary increases went from 3.1-5.3% (state) and 3.35-6.5% (nonstate) in 2020 to 2.75-5.55% (state) and 3.60-6.75% (nonstate) in 2021; the inflation rate dropped from 3% in 2020 to 2.75% in 2021. These changes in assumptions lead to deferred outflows of \$236,067,000 in 2021.

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

Changes in benefit terms between the 2018 and 2019 valuations:

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

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

Changes in the assumptions between the 2020 and 2018 valuations:

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

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

Changes in the assumptions between the 2019 and 2018 valuations:

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

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in the assumptions between the 2018 and 2017 valuations:

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

Changes in the assumptions between the 2016 and 2015 valuations:

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

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

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

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

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

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

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

**Note 5 – Changes in Assumptions City of Huntington OPEB**

Changes in the assumptions between the 2022 and 2021 valuations: The discount rate increased from 2.19% to 4.09%.

**SUPPLEMENTARY INFORMATION**

**CITY OF HUNTINGTON, WEST VIRGINIA  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service  Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>Assets:</b>				
<b>Current:</b>				
Cash and cash equivalents	\$ 349,828	\$ 125	\$ 942,592	\$ 1,292,545
Taxes receivable	-	-	6,494	6,494
Investments	-	1,659,175	-	1,659,175
Due from:				
Other funds	4,675	24,180	-	28,855
Total assets	<u>354,503</u>	<u>1,683,480</u>	<u>949,086</u>	<u>2,987,069</u>
<b>Deferred Outflows:</b>				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 354,503</u>	<u>\$ 1,683,480</u>	<u>\$ 949,086</u>	<u>\$ 2,987,069</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 20,717	\$ -	\$ -	\$ 20,717
Due to:				
Other funds	4,215	-	-	4,215
Unclaimed property	1,942	-	-	1,942
Total liabilities	<u>26,874</u>	<u>-</u>	<u>-</u>	<u>26,874</u>
<b>Deferred Inflows:</b>				
Total deferred inflows of resources	-	-	5,180	5,180
Total liabilities and deferred inflows of resources	<u>26,874</u>	<u>-</u>	<u>5,180</u>	<u>32,054</u>
<b>Fund Balances:</b>				
Restricted	-	-	943,906	943,906
Assigned	327,629	1,683,480	-	2,011,109
Total fund balances	<u>327,629</u>	<u>1,683,480</u>	<u>943,906</u>	<u>2,955,015</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 354,503</u>	<u>\$ 1,683,480</u>	<u>\$ 949,086</u>	<u>\$ 2,987,069</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, 2022**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem property taxes	\$ -	\$ -	\$ 663,848	\$ 663,848
Charges for services	-	71,103	-	71,103
Fines and forfeits	22,030	-	-	22,030
Interest and investment earnings	401	1,635	692	2,728
Contributions and donations	196,549	-	-	196,549
Other	300	-	-	300
Total revenues	<u>219,280</u>	<u>72,738</u>	<u>664,540</u>	<u>956,558</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	4,750	4,750
Public safety	102,305	-	-	102,305
Health and sanitation	-	400	-	400
Capital outlay	101,204	-	-	101,204
Debt service:				
Principal	-	-	362,000	362,000
Interest	-	-	150,497	150,497
Total expenditures	<u>203,509</u>	<u>400</u>	<u>517,247</u>	<u>721,156</u>
Excess (deficiency) of revenues over expenditures	<u>15,771</u>	<u>72,338</u>	<u>147,293</u>	<u>235,402</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	(398,320)	(398,320)
Proceeds from sale of bonds	-	-	286,446	286,446
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(111,874)</u>	<u>(111,874)</u>
Net change in fund balance	15,771	72,338	35,419	123,528
Fund balances – beginning	311,858	1,611,142	908,487	2,831,487
Fund balances – ending	<u>\$ 327,629</u>	<u>\$ 1,683,480</u>	<u>\$ 943,906</u>	<u>\$ 2,955,015</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2022**

	<u>Safety Town</u>	<u>Federal Drug</u>	<u>Westmoreland Fire Protection</u>	<u>Jean Dean Public Safety</u>	<u>Total Nonmajor Special Revenue Fund</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
<b>Assets Current:</b>					
Cash and cash equivalents	\$ 129,931	\$ 129,220	\$ 55,633	\$ 35,044	\$ 349,828
Due from:					
Other funds	<u>-</u>	<u>2,300</u>	<u>-</u>	<u>2,375</u>	<u>4,675</u>
Total assets	<u>129,931</u>	<u>131,520</u>	<u>55,633</u>	<u>37,419</u>	<u>354,503</u>
<b>Deferred Outflows:</b>					
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 129,931</u>	<u>\$ 131,520</u>	<u>\$ 55,633</u>	<u>\$ 37,419</u>	<u>\$ 354,503</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 31	\$ 13,394	\$ -	\$ 7,292	\$ 20,717
Due to:					
Other funds	4,215	-	-	-	4,215
Unclaimed property	<u>-</u>	<u>1,942</u>	<u>-</u>	<u>-</u>	<u>1,942</u>
Total liabilities	<u>4,246</u>	<u>15,336</u>	<u>-</u>	<u>7,292</u>	<u>26,874</u>
<b>Deferred Inflows:</b>					
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>4,246</u>	<u>15,336</u>	<u>-</u>	<u>7,292</u>	<u>26,874</u>
<b>Fund balances:</b>					
Assigned	<u>125,685</u>	<u>116,184</u>	<u>55,633</u>	<u>30,127</u>	<u>327,629</u>
Total fund balances	<u>125,685</u>	<u>116,184</u>	<u>55,633</u>	<u>30,127</u>	<u>327,629</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 129,931</u>	<u>\$ 131,520</u>	<u>\$ 55,633</u>	<u>\$ 37,419</u>	<u>\$ 354,503</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, 2022**

	Safety Town	Federal Drug	Westmoreland Fire Protection	Jean Dean Public Safety	Total Nonmajor Special Revenue Fund
<b>REVENUES</b>					
Fines and forfeits	\$ -	\$ -	\$ -	22,030	\$ 22,030
Interest and investment earnings	114	228	56	3	401
Grants and contributions	102,853	93,696	-	-	196,549
Other	-	300	-	-	300
Total revenues	<u>102,967</u>	<u>94,224</u>	<u>56</u>	<u>22,033</u>	<u>219,280</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	56,100	26,093	400	19,712	102,305
Capital projects	-	101,204	-	-	101,204
Total expenditures	<u>56,100</u>	<u>127,297</u>	<u>400</u>	<u>19,712</u>	<u>203,509</u>
<b>Net change in fund balance</b>	46,867	(33,073)	(344)	2,321	15,771
Fund balances – beginning	78,818	149,257	55,977	27,806	311,858
Fund balances – ending	\$ <u>125,685</u>	\$ <u>116,184</u>	\$ <u>55,633</u>	\$ <u>30,127</u>	\$ <u>327,629</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
 COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2022**

		<u>Landfill Reserve</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
<b>Assets:</b>		
Current:		
Cash and cash equivalents	\$	125
Investments		1,659,175
Due from:		
Other funds		<u>24,180</u>
Total assets		<u>1,683,480</u>
<b>Deferred Outflows:</b>		
Total deferred outflows of resources		<u>-</u>
Total assets and deferred outflows of resources	\$	<u><u>1,683,480</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Total liabilities	\$	<u>-</u>
<b>Deferred Inflows:</b>		
Total deferred inflows of resources		<u>-</u>
 <b>FUND BALANCES</b>		
Assigned		<u>1,683,480</u>
Total fund balances		<u>1,683,480</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u><u>1,683,480</u></u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

		Landfill Reserve
<b>REVENUES</b>		
Charges for Services	\$	71,103
Interest and investment earnings		1,635
Total revenues		<u>72,738</u>
 <b>EXPENDITURES</b>		
Current:		
Health and sanitation		<u>400</u>
Total expenditures		<u>400</u>
 Net change in fund balance		 72,338
Fund balances – beginning		<u>1,611,142</u>
Fund balances – ending	\$	<u><u>1,683,480</u></u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2022**

	Downtown Tax Increment Financing (TIF #1)	Kinetic Park Tax Increment Financing (TIF #2)	Total Debt Service Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 632,317	\$ 310,275	\$ 942,592
Taxes receivable	6,494	-	6,494
Total assets	<u>638,811</u>	<u>310,275</u>	<u>949,086</u>
<b>Deferred Outflows</b>			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 638,811</u>	<u>\$ 310,275</u>	<u>\$ 949,086</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred Inflows</b>			
Total deferred inflows of resources – property taxes	<u>5,180</u>	<u>-</u>	<u>5,180</u>
<b>FUND BALANCE</b>			
Restricted for debt service	319,993	310,275	630,268
Restricted for capital projects	313,638	-	313,638
Total fund balance	<u>633,631</u>	<u>310,275</u>	<u>943,906</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 638,811</u>	<u>\$ 310,275</u>	<u>\$ 949,086</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, 2022**

	Downtown Tax Increment Financing (TIF #1)	Kinetic Park Tax Increment Financing (TIF #2)	Total Debt Service Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Taxes:			
Ad valorem property taxes	\$ 321,826	\$ 342,022	\$ 663,848
Interest and investment earnings	418	274	692
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>322,244</u>	<u>342,296</u>	<u>664,540</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,500	2,250	4,750
Debt service:			
Principal	167,000	195,000	362,000
Interest	73,029	77,468	150,497
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>242,529</u>	<u>274,718</u>	<u>517,247</u>
Excess (deficiency) revenues over expenditures	<u>79,715</u>	<u>67,578</u>	<u>147,293</u>
Other financing sources (uses)			
Transfers out	(287,062)	(111,258)	(398,320)
Proceeds from sale of bonds	286,446	-	286,446
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total other financing sources (uses)	<u>(616)</u>	<u>(111,258)</u>	<u>(111,874)</u>
Net change in fund balance	79,099	(43,680)	35,419
Fund balance – beginning	<u>554,532</u>	<u>353,955</u>	<u>908,487</u>
Fund balance – ending	<u>\$ 633,631</u>	<u>\$ 310,275</u>	<u>\$ 943,906</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – COMPONENT UNITS**  
**JUNE 30, 2022**

	Business-type Activities –		
	Municipal Development Authority	Enterprise Funds Municipal Parking Board	Huntington Water Quality Board
<b>ASSETS</b>			
Current:			
Cash and cash equivalents	\$ 512,964	\$ 252,406	\$ 9,405,488
Receivables:			
Accounts	26,029	2,001	996,526
Other	360,079	-	10,649
Inventory, at cost	-	-	25,468
Prepaid expenses	143,689	625	62,239
Due from other funds	12,329	-	-
Leases receivable	5,145,000	203,970	-
Total current assets	<u>6,200,090</u>	<u>459,002</u>	<u>10,500,370</u>
Noncurrent assets:			
Regular account	-	-	654,872
Reserve account	-	-	4,719,077
Restricted account	1,027,938	-	-
Customer deposits	-	-	693,141
Total restricted assets	<u>1,027,938</u>	<u>-</u>	<u>6,067,090</u>
Capital assets:			
Nondepreciable:			
Land	10,335,860	942,877	402,220
Construction in process	984,879	-	7,976,946
Depreciable:			
Buildings	14,330,995	4,792,439	100,195,172
Structures and improvements	2,029,025	490,173	-
Vehicles	-	-	3,076,918
Machinery and equipment	2,051,351	797,525	3,232,042
Furniture and fixtures	2,893,878	-	-
Less: accumulated depreciation	(16,292,599)	(5,508,333)	(70,641,231)
Total capital assets (net of accumulated depreciation)	<u>16,333,389</u>	<u>1,514,681</u>	<u>44,242,067</u>
Other debits:			
Net pension asset (PERS)	92,110	191,305	2,280,825
Net OPEB asset (RHBT)	-	-	24,892
Total noncurrent assets	<u>17,453,437</u>	<u>1,705,986</u>	<u>52,614,874</u>
Total assets	<u>23,653,527</u>	<u>2,164,988</u>	<u>63,115,244</u>
<b>DEFERRED OUTFLOWS</b>			
Contributions made after measurement date	17,533	35,637	486,085
Changes in contributions	1,990	4,132	34,952
Changes in assumptions	17,525	36,399	433,962
Difference between expected and actual experience	10,512	21,833	260,301
Other post employment benefits	2,033	13,681	882,041
Total deferred outflows of resources	<u>49,593</u>	<u>111,682</u>	<u>2,097,341</u>



**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF NET POSITION – COMPONENT UNITS (CONTINUED)**  
**JUNE 30, 2022**

	Business-Type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>LIABILITIES</b>			
Current liabilities payable from current assets:			
Accounts payable	\$ 75,958	\$ 385	\$ 968,255
Refunds payable	-	-	19,426
Reserve for health claims	5,601	7,466	-
Accrued payroll	7,111	13,785	63,889
Accrued revenue bond/note interest payable	247,343	-	18,043
Other accrued expenses	36,440	-	173,642
Due to:			
Primary government	16,899	57,680	-
Customer deposits	-	-	619,993
Revenue bonds payable and notes payable	773,174	-	8,538,929
Total current liabilities payable from current assets	<u>1,162,526</u>	<u>79,316</u>	<u>10,402,177</u>
Unearned revenues:			
Charges for services	-	3,695	-
Total unearned revenues	<u>-</u>	<u>3,695</u>	<u>-</u>
Noncurrent liabilities			
Bonds and notes payable	7,377,601	-	8,043,038
Other postemployment benefits liability	17,692	119,084	25,200
Net pension obligation payable	-	-	23,400
Compensated absences payable	17,268	28,810	179,357
Total noncurrent liabilities	<u>7,412,561</u>	<u>147,894</u>	<u>8,270,995</u>
Total liabilities	<u>8,575,087</u>	<u>230,905</u>	<u>18,673,172</u>
<b>DEFERRED INFLOWS</b>			
Changes in contributions	-	-	37,125
Difference between expected and actual experience	349	725	8,646
Difference in assumptions	746	1,551	18,487
Difference between expected and actual investment earnings	117,978	245,031	2,921,366
Other post employment benefits	5,754	38,732	876,141
Lease deferred inflows	5,145,000	203,970	-
Total deferred inflows of resources	<u>5,269,827</u>	<u>490,009</u>	<u>3,861,765</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,182,614	1,514,681	27,660,100
Restricted for economic development	1,027,938	-	-
Restricted for net pension asset	92,110	191,305	-
Restricted for customer deposits	-	-	90,054
Restricted for construction	-	-	2,699,484
Restricted for insurance claims	-	-	367,311
Restricted for debt service	-	-	2,307,154
Unrestricted	555,544	(150,230)	9,553,545
Total net position	<u>\$ 9,858,206</u>	<u>\$ 1,555,756</u>	<u>\$ 42,677,648</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION – COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Business-type Activities – Enterprise Funds</u>		
	<u>Municipal Development Authority</u>	<u>Municipal Parking Board</u>	<u>Huntington Water Quality Board</u>
<b>Operating revenues:</b>			
Sales and services to customers	\$ 8,741	\$ 572,666	\$ 16,899,255
Fines and forfeits	-	73,470	346,655
Rental fees	112,500	74,591	35,890
Miscellaneous	41,993	40,712	172,625
	<u>163,234</u>	<u>761,439</u>	<u>17,454,425</u>
<b>Operating expenses:</b>			
Personal services	219,088	296,580	5,291,737
Contractual services	442,106	54,060	1,097,478
Administrative and general	39,751	103,322	1,355,044
Rents	-	-	39,544
Taxes	-	-	498,364
Fuel and oil	-	-	183,280
Liability insurance	23,317	19,232	292,565
Materials and supplies	3,106	19,297	1,954,533
Utilities	5,832	29,515	965,539
Depreciation	209,054	33,040	1,597,693
Amortization	-	-	60,382
Maintenance	17,256	38,386	630,877
Miscellaneous	27,826	-	16,215
	<u>987,336</u>	<u>593,432</u>	<u>13,983,251</u>
Operating income (loss)	<u>(824,102)</u>	<u>168,007</u>	<u>3,471,174</u>
<b>Non-operating revenues (expenses):</b>			
Contributions	200,000	-	-
Investment earnings	1,191	109	16,128
Interest and fiscal charges	(483,276)	-	(367,495)
Grants	467,246	-	2,824,711
Miscellaneous	-	-	130,090
State OPEB support revenue	-	-	4,876
Transfers	1,326,517	-	-
	<u>1,511,678</u>	<u>109</u>	<u>2,608,310</u>
Income (loss)	687,576	168,116	6,079,484
Net position at beginning of year	<u>9,170,630</u>	<u>1,387,640</u>	<u>36,598,164</u>
Net position at end of year	<u>\$ 9,858,206</u>	<u>\$ 1,555,756</u>	<u>\$ 42,677,648</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 102,712	\$ 769,404	\$ 17,757,436
Cash paid for goods and services	(427,752)	(272,840)	(13,262,310)
Cash paid to employees	(251,827)	(550,670)	-
Other cash receipts	7,612	40,712	-
Other cash payments	(318,086)	(6,867)	-
Net cash (used) provided by operating activities	<u>(887,341)</u>	<u>(20,261)</u>	<u>4,495,126</u>
<b>Cash flows from noncapital financing activities:</b>			
Grants and contributions	667,246	-	-
Transfers	1,326,517	-	-
Net cash provided by noncapital financing activities	<u>1,993,763</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchases of capital assets	(1,485,005)	(20,529)	(6,201,196)
Loan proceeds	300,000	-	2,189,064
Principal paid on capital debt	(453,174)	-	(1,270,396)
Interest paid on capital debt	(407,439)	-	(367,495)
Net cash provided by capital and related financing activities	<u>(2,045,618)</u>	<u>(20,529)</u>	<u>(5,650,023)</u>
<b>Cash flows from investing activities:</b>			
Operating grant	-	-	2,824,711
Miscellaneous	-	-	134,966
Interest received	1,191	109	16,128
Net cash provided by investing activities	<u>1,191</u>	<u>109</u>	<u>2,975,805</u>
Net increase (decrease) in cash and cash equivalents	(938,005)	(40,681)	1,820,908
Cash and cash equivalents, July 1, 2021 (including \$7,605,543 in restricted accounts)	<u>2,478,907</u>	<u>293,087</u>	<u>13,651,670</u>
Cash and cash equivalents, June 30, 2022 (including \$7,095,028 in restricted accounts)	<u>\$ 1,540,902</u>	<u>\$ 252,406</u>	<u>\$ 15,472,578</u>

**CITY OF HUNTINGTON, WEST VIRGINIA**  
**STATEMENT OF CASH FLOWS – COMPONENT UNITS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities – Enterprise Funds		
	Municipal Development Authority	Municipal Parking Board	Huntington Water Quality Board
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating (loss) income	\$ (824,102)	\$ 168,007	\$ 3,471,174
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	209,054	33,040	1,597,693
Amortization expense	-	-	60,382
Decrease (increase) in accounts receivable	(18,529)	50,292	354,748
Decrease (increase) in other receivable	(360,079)	-	-
Decrease (increase) in inventory	-	-	(10,466)
Decrease (increase) due from other funds	-	-	(257,088)
Decrease (increase) due from primary government	-	-	(7,931)
Decrease (increase) in prepaid expense	19,044	1,916	(8,929)
Decrease (increase) in customer deposits	-	-	16,611
Decrease (increase) in net pension asset	(92,110)	(191,305)	-
Decrease (increase) in deferred outflows	(5,214)	24,737	377,169
Increase (decrease) in other postemployment benefits	6,116	(228,189)	(385,570)
Increase (decrease) in accounts payable	75,958	(10,944)	4,544
Increase (decrease) in accrued payroll	(2,441)	(7,740)	(1,786)
Increase (decrease) in refunds payable	-	-	3,313
Increase (decrease) in other accrued expenses	36,440	-	26,240
Increase (decrease) in accrued interest payable	-	-	(39,394)
Increase (decrease) in insurance payable	-	-	(978)
Increase (decrease) in due to primary government	7,612	(6,867)	-
Increase (decrease) in due to other funds	-	-	257,088
Increase (decrease) in net pension and OPEB payable	-	-	48,600
Increase (decrease) in compensated absences	(4,163)	4,926	(10,195)
Increase (decrease) in unearned revenue	-	(1,615)	-
Increase (decrease) in health care claims payable	660	(4,474)	-
Increase (decrease) in net pension liability	(55,499)	(118,928)	(3,655,819)
Increase (decrease) in deferred inflows	119,912	266,883	2,655,720
Net cash (used) provided by operations	\$ <u>(887,341)</u>	\$ <u>(20,261)</u>	\$ <u>4,495,126</u>

**ACCOMPANYING INFORMATION**

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing #	Pass-Through Entity Identity Number	Expenditures	Passed Through to Subrecipients
<b>Primary Government</b>				
<b>U.S. Department of Housing and Urban Development</b>				
<i>Direct Programs:</i>				
Entitlement Grants Cluster:				
Community Development Block Grant	14.218	N/A	\$ 1,337,727	\$ 81,655
COVID-19 Community Development Block Grant-CV	14.218	N/A	199,824	42,820
<b>Total - Entitlement Grants Cluster</b>			<b>1,537,551</b>	<b>124,475</b>
Emergency Solutions Grant Program	14.231	N/A	268,782	268,782
COVID-19 Emergency Solutions Grant Program-CV	14.231	N/A	404,045	404,045
<b>Total - Emergency Solutions Grant Program</b>			<b>672,827</b>	<b>672,827</b>
Home Investment Partnerships Program	14.239	N/A	340,490	228,655
<b>Total U.S. Department of Housing and Urban Development</b>			<b>2,550,868</b>	<b>1,025,957</b>
<b>U.S. Environmental Protection Agency</b>				
<i>Direct Programs:</i>				
Brownfields Assessments and Cleanup Cooperative Agreements	66.818	N/A	43,591	-
Brownfields Assessments and Cleanup Cooperative Agreements	66.818	N/A	396,769	335,246
Brownfields Assessments and Cleanup Cooperative Agreements	66.818	N/A	300,000	300,000
<b>Total U.S. Environmental Protection Agency</b>			<b>740,360</b>	<b>635,246</b>
<b>U.S. Department of Justice - Bureau of Justice Assistance</b>				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	9,650	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	29,791	-
<b>Total - Edward Byrne Memorial Justice Assistance Grant Program</b>			<b>39,441</b>	<b>-</b>
Second Chance Act Reentry Initiative	16.812	N/A	110,530	109,720
Pass-Through WV Division of Administrative Services				
Project Safe Neighborhoods Grant	16.609	19-PSN-001	24,662	-
<b>Total U.S. Department of Justice</b>			<b>174,633</b>	<b>109,720</b>
<b>U. S. Department of Homeland Security</b>				
<i>Direct Programs:</i>				
Staffing For Adequate Fire and Emergency Response Grant	97.083	N/A	33,214	-
Pass-Through WV Department of Homeland Security and Emergency Management				
FEMA Public Assistance	97.036	FEMA-4603-PA-WV	183,709	-
FEMA Public Assistance	97.036	FEMA-4603-DR-WV	2,523	-
<b>Total - FEMA Public Assistance</b>			<b>186,232</b>	<b>-</b>
Hazard Mitigation Grant	97.039	FEMA-4273-DR-WV-0037	234,589	234,589
Homeland Security Program 2018-Fire Department	97.067	18-SHS-66	22,298	-
<b>Total U. S. Department of Homeland Security</b>			<b>476,333</b>	<b>234,589</b>
<b>U.S. Small Business Administration</b>				
<i>Direct Program:</i>				
COVID-19 Shuttered Venue Operators Grant	59.075	N/A	2,762,230	-
<b>Total U.S. Small Business Administration</b>			<b>2,762,230</b>	<b>-</b>
<b>U.S. Department of the Treasury</b>				
<i>Direct Program:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	N/A	19,999,811	132,000
<b>Total U.S. Department of the Treasury</b>			<b>19,999,811</b>	<b>132,000</b>
<b>U.S. Office of National Drug Control Policy</b>				
Pass-Through Financial Commission for Appalachia				
High Intensity Drug Trafficking Area Programs	95.001	G21AP0001A	33,205	-
High Intensity Drug Trafficking Area Programs	95.001	G22AP0001A	37,441	-
<b>Total U.S. Office of National Drug Control Policy</b>			<b>70,646</b>	<b>-</b>

**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Assistance Listing #</u>	<u>Pass-Through Entity Identity Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Transportation</b>				
Pass-Through WV Department of Transportation				
Highway Safety Cluster:				
Safe Communities Grant Program	20.600	F21-HS-02-402	41,709	14,191
Safe Communities Grant Program	20.600	F22-HS-02-402	99,562	28,500
Total - State and Community Highway Safety			<u>141,271</u>	<u>42,691</u>
Occupant Protection Grant Program	20.616	F21-HS-02-405b	17,582	3,539
Traffic Records Grant Program	20.616	F21-HS-02-405c	6,769	-
Impaired Dirving Grant Program	20.616	F21-HS-02-405d	27,733	1,963
Occupant Protection Grant Program	20.616	F22-HS-02-405b	35,633	18,883
Traffic Records Grant Program	20.616	F22-HS-02-405c	59,079	-
Impaired Dirving Grant Program	20.616	F22-HS-02-405d	174,416	6,155
Distracted Driving Grant Program	20.616	F22-HS-02-405e	23,481	11,516
Total - National Priority Safety Programs			<u>344,693</u>	<u>42,056</u>
Total - Highway Safety Cluster			<u>485,964</u>	<u>84,747</u>
Highway Planning and Construction Cluster:				
DOH Work Zone Grant Program	20.205	F21-HS-02-DOHWZ	471	471
DOH Work Zone Grant Program	20.205	F22-HS-02-DOHWZ	7,984	7,984
Total - Highway Planning and Construction Cluster			<u>8,455</u>	<u>8,455</u>
<b>Total U.S. Department of Transportation</b>			<u>494,419</u>	<u>93,202</u>
<b>Total Federal Assistance</b>			<u>\$ 27,269,300</u>	<u>\$ 2,230,714</u>

**CITY OF HUNTINGTON, WEST VIRGINIA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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) and General 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, 2022, consist of:

Program Title	Assistance Listing Number	Amount Outstanding
Community Development Block Grants/Entitlement Grant	14.218	\$ 3,727,131
Home Investment Partnerships Program	14.239	2,119,590
Brownfield Revolving Loan Fund	66.818	300,000

**NOTE 3 – MATCHING REQUIREMENTS**

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

**NOTE 4 – FEDERAL SUBSIDIES**

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

**NOTE 5 – INDIRECT COST RATE**

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

**NOTE 6 – FEMA DISASTER ASSISTANCE – AL 97.036**

Non-federal entities must record expenditures on the SEFA when: (1) FEMA has approved the non-federal entity’s project worksheet (PW), and (2) the non-federal entity has incurred the eligible expenditures. As a consequence of winter storms that occurred during the incident period of February 10, 2021 to February 16, 2021, the City utilized labor and equipment for debris removal operations. Accordingly, the City of Huntington has recorded \$183,709 of FEMA Public Assistance on the FY2022 Schedule of Expenditures of federal awards for project costs incurred by the City in the previous fiscal year.



**CITY OF HUNTINGTON, WEST VIRGINIA  
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Name of State Grant</u>	<u>Grant #</u>	<u>State Agency</u>	<u>D- Direct P- Pass-Through</u>	<u>Grant provided to a sub-recipient</u>	<u>Award Amount</u>	<u>Under (Over) Expended Beginning of Year</u>	<u>Total Current Year State Award Revenues</u>	<u>Total Current Year State Award Expenditures</u>	<u>Under (Over) Expended End of Year</u>
Affordable Housing Fund Program- Permanent Gap Homeownership Loan	N/A	West Virginia Housing Development Fund	Direct	N/A	\$ 100,000	\$ -	\$ 98,800	\$ 98,000	\$ 800
Affordable Housing Fund Program- Housing Counseling Loan	N/A	West Virginia Housing Development Fund	Direct	N/A	15,000	-	-	-	-
FEMA Public Assistance (4603-PA-WV) State Share	N/A	West Virginia Emergency Management Division	Direct	N/A	61,236	-	45,927	61,236	(15,309)
STAR Grant	N/A	West Virginia Higher Education Policy Commission	Direct	N/A	3,146	-	3,146	3,146	-
<b>Total</b>					<u>\$ 179,382</u>	<u>\$ -</u>	<u>\$ 147,873</u>	<u>\$ 162,382</u>	<u>\$ (14,509)</u>

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

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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component units, and the aggregate remaining fund information of the **City of Huntington**, West Virginia (the City) as of and for the year ended June 30, 2022, 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 24, 2023 wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *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*

March 24, 2023

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

City of Huntington  
800 Fifth Avenue  
Huntington, WV 25717

To the Members of Council:

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

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

We have audited the **City of Huntington’s**, West Virginia (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2022. The City’s major federal programs are identified in the *Summary of Auditor’s Results* section of the accompanying schedule of audit findings.

In our opinion, the City of Huntington complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The City’s Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

***Report on Internal Control Over Compliance (Continued)***

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

March 24, 2023

**City of Huntington, West Virginia**  
 Schedule of Audit Findings  
 2 CFR § 200.515  
 For the Year Ended June 30, 2022

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	CDBG – Entitlement Grants Cluster Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing #21.027) Shuttered Venue Operators Grant (Assistance Listing #59.075)
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 818,079 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.