

PERRY

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PASSION *Beyond the Numbers*

**CITY OF HUNTINGTON,
WEST VIRGINIA
- A CLASS II MUNICIPALITY -
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2024
RFP #24-075
CABELL COUNTY**

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**CITY OF HUNTINGTON, WEST VIRGINIA
MUNICIPAL OFFICIALS
JUNE 30, 2024**

<u>Office</u>	<u>Name</u>	<u>Term</u>
Mayor:	Steve Williams	01/01/21-12/31/24
Council Members:	Sarah Walling	07/22/21-12/31/24
	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
	Ally Layman	12/10/22-12/31/24
	Bob Bailey	01/01/21-12/31/24
	DuRon Jackson	01/01/21-12/31/24

Appointive

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

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF FUNDS
YEAR ENDED JUNE 30, 2024**

GOVERNMENTAL FUND TYPES

Major Governmental Funds

*General Fund
Coal Severance Tax
Community Development Block Grant
Capital Improvements
American Rescue Plan Act*

Nonmajor Governmental Funds

Special Revenue Funds

Safety Town
Federal Drug
Westmoreland Fire Protection
Jean Dean Public Safety
Opioid Settlement
Urban Renewal/Land Reuse Agency

Capital Projects Fund

Landfill Reserve

Debt Service Funds

Tax Increment Financing 1 – Downtown
Tax Increment Financing 2 – Kinetic Park
Tax Increment Financing 3 – Highlawn

PROPRIETARY FUND TYPES

Major Proprietary Funds

Sanitation and Trash
Civic Arena

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF FUNDS
YEAR ENDED JUNE 30, 2024**

FIDUCIARY FUND TYPES

Pension Funds

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

Custodial Fund

Asset Seizure

COMPONENT UNITS

Blended

Huntington Building Commission

Discretely Presented

Municipal Development Authority
Municipal Parking Board
Huntington Broadband 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 aggregate 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, 2024, 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 aggregate discretely presented component units and the aggregate remaining fund information of the City of Huntington, West Virginia as of June 30, 2024, 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. L. to the financial statements, during 2024, the HURA/LRA Fund was reclassified from major to nonmajor. Also, an error correction was made for amounts expended in the prior year that should have been included in Construction in Process. 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, Schedule of Proportionate Share of the Net OPEB Liability, Schedule of OPEB Contributions, Schedules of Changes in the Net Pension Liability and Related Ratios, Schedules 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 Schedule of Government Contributions on pages 96 - 107 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.

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 21, 2025, 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 21, 2025

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024. 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 \$(205,839,214) (net position deficit) at the close of fiscal 2024. For fiscal year 2024, net position decreased by \$3,944,056 and \$532,683 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 \$31,713,585, a decrease of \$5,334,829 from the prior year. As of the close of the current fiscal year, business-type activities reported combined net position deficit of \$(2,066,132), a decrease of 532,683 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 2024, net position decreased by \$3,944,056 and \$532,683 in the governmental activities and the business-type activities, respectively. Total primary government revenues were \$84,301,222 with total expenses of \$88,777,961.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, Building Commission, 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, 2024**

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, 2024 is \$(205,839,214), a decrease of \$4,476,739 compared to June 30, 2023 net position. Net position decreased by \$3,944,056 for governmental activities and by \$532,683 for business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Summary of Net Position

	Governmental Activities		Business Activities		Total Primary Government		Amount of Change
	2024	2023	2024	2023	2024	2023	
Assets							
Current assets	\$ 44,682,327	\$ 51,858,786	\$ 1,383,196	\$ 2,499,862	\$ 46,065,523	\$ 54,358,648	\$ (8,293,125)
Capital assets, net	38,272,737	35,075,279	3,789,423	2,131,864	42,062,160	37,207,143	4,855,017
Other non-current assets	1,614,406	1,560,905	829,953	2,367,864	2,444,359	3,928,769	(1,484,410)
Total assets	<u>84,569,470</u>	<u>88,494,970</u>	<u>6,002,572</u>	<u>6,999,590</u>	<u>90,572,042</u>	<u>95,494,560</u>	<u>(4,922,518)</u>
Deferred outflows of resources	<u>7,741,003</u>	<u>9,095,475</u>	<u>324,067</u>	<u>458,618</u>	<u>8,065,070</u>	<u>9,554,093</u>	<u>(1,489,023)</u>
Liabilities							
Current liabilities	12,519,496	14,288,475	1,574,165	1,598,583	14,093,661	15,887,058	(1,793,397)
Non-current liabilities	259,068,818	257,083,144	4,095,876	4,373,941	263,164,694	261,457,085	1,707,609
Total liabilities	<u>271,588,314</u>	<u>271,371,619</u>	<u>5,670,041</u>	<u>5,972,524</u>	<u>277,258,355</u>	<u>277,344,143</u>	<u>(85,788)</u>
Deferred inflows of resources	<u>24,495,241</u>	<u>26,047,852</u>	<u>2,722,730</u>	<u>3,019,133</u>	<u>27,217,971</u>	<u>29,066,985</u>	<u>(1,849,014)</u>
Net position							
Net investment in capital assets	29,755,803	26,278,696	2,215,095	1,964,734	31,970,898	28,243,430	3,727,468
Restricted	11,278,514	10,612,989	3,921	-	11,282,435	10,612,989	669,446
Unrestricted (deficit)	(244,807,399)	(236,720,711)	(4,285,148)	(3,498,183)	(249,092,547)	(240,218,894)	(8,873,653)
Total net position	<u>\$ (203,773,082)</u>	<u>\$ (199,829,026)</u>	<u>\$ (2,066,132)</u>	<u>\$ (1,533,449)</u>	<u>\$ (205,839,214)</u>	<u>\$ (201,362,475)</u>	<u>\$ (4,476,739)</u>

Total assets decreased 5.2% or \$4,922,518 during the year. Current assets in governmental activities decreased \$7,176,459 and decreased \$1,116,666 in business-type activities.

Total liabilities decreased 0.03% or \$85,788 during the year. Current liabilities in governmental activities decreased by \$1,768,979 and decreased by \$24,418 in business-type activities.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Summary of Changes in Net Position

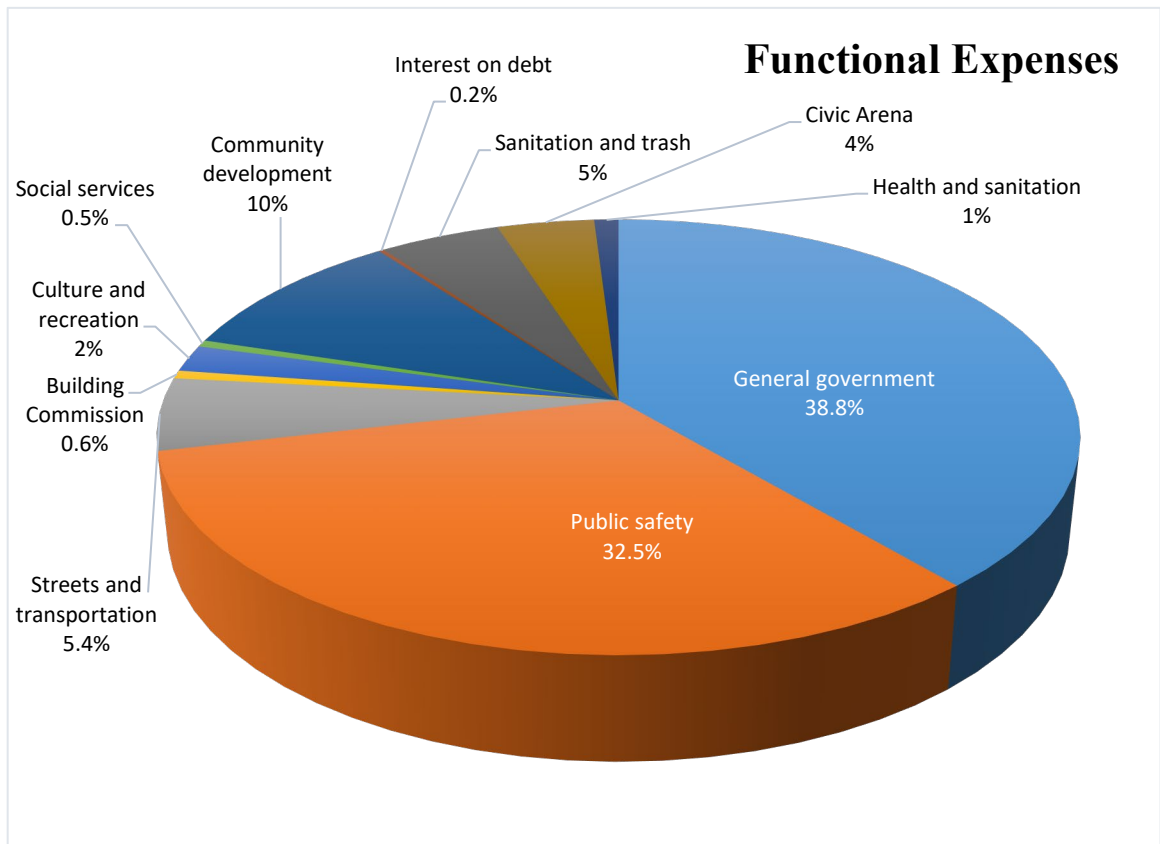
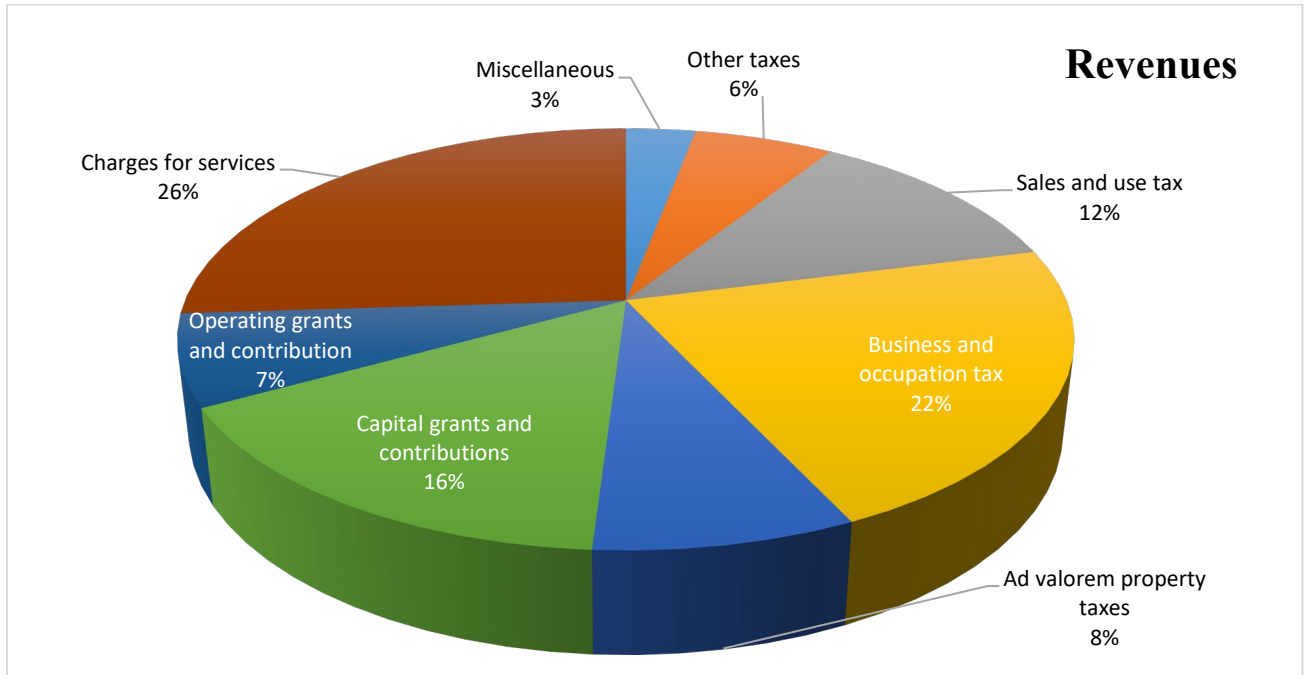
	Governmental Activities		Business-Type Activities		Totals		Amount of Change
	2024	2023	2024	2023	2024	2023	
Revenues							
Program revenues							
Charges for services	\$ 17,289,236	\$ 17,454,514	\$ 4,961,829	\$ 5,490,212	\$ 22,251,065	\$ 22,944,726	\$ (693,661)
Operating grants and contributions	5,685,513	4,788,766	77,866	73,600	5,763,379	4,862,366	901,013
Capital grants and contributions	13,463,297	17,646,973	-	-	13,463,297	17,646,973	(4,183,676)
General revenues							
Ad valorem property taxes	7,181,662	6,598,893	-	-	7,181,662	6,598,893	582,769
Business and Occupation tax	18,612,996	14,286,737	-	-	18,612,996	14,286,737	4,326,259
Alcohol beverages tax	627,053	597,292	-	-	627,053	597,292	29,761
Utility services tax	2,545,437	2,304,186	-	-	2,545,437	2,304,186	241,251
Hotel occupancy tax	1,102,614	1,008,779	-	-	1,102,614	1,008,779	93,835
Animal tax	1,736	1,856	-	-	1,736	1,856	(120)
Gas and oil severance tax	478,831	272,404	-	-	478,831	272,404	206,427
Amusement tax	24,676	35,110	-	-	24,676	35,110	(10,434)
Sales and use tax	9,996,529	9,461,227	-	-	9,996,529	9,461,227	535,302
Coal severance tax	202,041	218,851	-	-	202,041	218,851	(16,810)
Interest revenue	1,292,315	621,121	29,452	11,578	1,321,767	632,699	689,068
(Loss) Gain on disposals of capital assets	(995,973)	418,856	-	-	(995,973)	418,856	(1,414,829)
Miscellaneous	1,721,188	870,897	875,677	1,237,137	2,596,865	2,108,034	488,831
Total revenues	79,229,151	76,586,462	5,944,824	6,812,527	85,173,975	83,398,989	1,774,986
Expenses							
General government	34,272,197	33,664,681	-	-	34,272,197	33,664,681	607,516
Public safety	30,216,863	29,491,083	-	-	30,216,863	29,491,083	725,780
Streets and transportation	4,801,644	4,765,753	-	-	4,801,644	4,765,753	35,891
Health and sanitation	875,166	843,153	-	-	875,166	843,153	32,013
Culture and recreation	1,722,806	1,504,356	-	-	1,722,806	1,504,356	218,450
Social services	396,653	519,422	-	-	396,653	519,422	(122,769)
Community development	8,689,041	1,812,966	-	-	8,689,041	1,812,966	6,876,075
Interest on long- term debt	210,792	191,794	-	-	210,792	191,794	18,998
Sanitation and trash	-	-	3,929,726	4,275,613	3,929,726	4,275,613	(345,887)
Civic Arena	-	-	3,126,668	2,869,267	3,126,668	2,869,267	257,401
Building Commission	-	-	536,405	90,789	536,405	90,789	445,616
Total expenses	81,185,162	72,793,208	7,592,799	7,235,669	88,777,961	80,028,877	8,749,084
Increase in net position before transfers	(1,956,011)	3,793,254	(1,647,975)	(423,142)	(3,603,986)	3,370,112	(6,974,098)
Transfers	(1,988,045)	(12,090,025)	1,115,292	1,089,744	(872,753)	(11,000,281)	10,127,528
Change in net position	(3,944,056)	(8,296,771)	(532,683)	666,602	(4,476,739)	(7,630,169)	3,153,430
Net position-beginning, restated	(199,829,026)	(191,532,255)	(1,533,449)	(2,200,051)	(201,362,475)	(193,732,306)	(7,630,169)
Net position-ending	\$ (203,773,082)	\$ (199,829,026)	\$ (2,066,132)	\$ (1,533,449)	\$ (205,839,214)	\$ (201,362,475)	\$ (4,476,739)

Total revenues increased by \$1,774,986 in comparison to prior year.

Overall expenses and transfers decreased by \$1,378,444 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 2024.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 \$15,123,949, an increase of \$933,611 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 decreased by \$126,653 to \$40,266 during fiscal year 2024.

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 \$266,093 to \$7,219,902 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 decreased \$9,521,312 to \$1,637,945 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 2024, there was \$2,003,294 of ARPA revenues and \$1,672,933 of ARPA expenditures. The June 30, 2024, fund balance was \$561,855.

The City's governmental funds reported a combined ending fund balance of \$31,713,585 this year. This compares to the prior year combined ending fund balance of \$37,048,414 for a decrease of \$5,334,829. Total unassigned governmental fund balance is \$10,336,976 for fiscal year 2024.

Proprietary Funds

The government reports the following major proprietary funds:

Sanitation and Trash Fund — The Sanitation and Trash fund serves the City by providing garbage collection and disposal services to the public. Net position in the Sanitation and Trash fund decreased \$252,933 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 \$32,110 during the year. The increase is primarily due to an increase in transfers from the General Fund.

Blended Component Unit

The entity below is legally separate from the City and meets GAAP criteria for component units. This entity is blended with the primary government because it provides services entirely or almost entirely to the City.

The *Building Commission* serves the City of Huntington, West Virginia, and is governed by a board comprising three members appointed by the City for a term of five years each. The Building Commission acquires property and debt on behalf of the City. The Huntington Building Commission is reported as a proprietary fund. Net position in the Building Commission decreased by \$311,860 during the year.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Discretely Presented Component Units

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.

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.

The *Huntington Broadband Utility* was created with the specific purpose of construction of a broadband system. The utility is managed by the Huntington Broadband Board comprised of the Mayor and two members appointed by the City.

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 \$8.7 million or 12% 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 acquisition value at the date of donation.

**CITY OF HUNTINGTON, WEST VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Governmental Activities		Business Activities		Total Primary Government		Amount of Change
	2024	2023	2024	2023	2024	2023	
Non-Depreciable Assets							
Land	\$ 1,106,166	\$ 1,106,166	\$ -	\$ -	\$ 1,106,166	\$ 1,106,166	\$ -
Construction in progress	11,397,979	14,216,124	-	877,714	11,397,979	15,093,838	(3,695,859)
Total non-depreciable assets	12,504,145	15,322,290	-	877,714	12,504,145	16,200,004	(3,695,859)
Depreciable assets							
Structures and improvements	17,762,385	11,087,400	2,887,204	701,555	20,649,589	11,788,955	8,860,634
Infrastructure	21,098,867	20,456,438	-	-	21,098,867	20,456,438	642,429
Vehicles	13,840,407	12,939,966	3,046,711	2,618,811	16,887,118	15,558,777	1,328,341
Machinery and equipment	9,354,575	9,176,921	550,194	429,330	9,904,769	9,606,251	298,518
Leased assets	8,425,982	8,436,590	-	-	8,425,982	8,436,590	(10,608)
Subscription assets	477,027	558,571	-	-	477,027	558,571	(81,544)
Less: accumulated depreciation/amortization	(45,190,651)	(42,902,897)	(2,694,686)	(2,495,546)	(47,885,337)	(45,398,443)	(2,486,894)
Total depreciable assets	25,768,592	19,752,989	3,789,423	1,254,150	29,558,015	21,007,139	8,550,876
Total	\$ 38,272,737	\$ 35,075,279	\$ 3,789,423	\$ 2,131,864	\$ 42,062,160	\$ 37,207,143	\$ 4,855,017

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
	2024	2023	2024	2023	2024	2023	
Bonds and notes payable	\$ 1,464,258	\$ 1,217,878	\$ 2,400,360	\$ 2,534,994	\$ 3,864,618	\$ 3,752,872	\$ 111,746
Tax increment financing	5,134,000	5,514,000	-	-	5,134,000	5,514,000	(380,000)
Leases payable	6,753,274	7,244,706	-	-	6,753,274	7,244,706	(491,432)
SBITA's	299,392	333,999	-	-	299,392	333,999	(34,607)
Net pension liability – PERS	-	573,634	-	132,540	-	706,174	(706,174)
Net pension liability – DBP	123,163,931	127,976,312	-	-	123,163,931	127,976,312	(4,812,381)
Other post-employment benefits	91,421,170	84,297,143	1,545,120	1,587,195	92,966,290	85,884,338	7,081,952
Compensated absences	2,054,757	1,972,754	150,396	119,212	2,205,153	2,091,966	113,187
Accrued interest payable	78,142	81,004	-	-	78,142	81,004	(2,862)
Landfill closure and post-closure costs	28,699,894	27,871,714	-	-	28,699,894	27,871,714	828,180
Total	\$ 259,068,818	\$ 257,083,144	\$ 4,095,876	\$ 4,373,941	\$ 263,164,694	\$ 261,457,085	\$ 1,707,609

Economic factors

The Governing Council and Administration consider many factors each year while preparing the City's operating budget. The budget for the 2025 fiscal year reflects a balanced budget. Approved budgets for the 2025 fiscal year, as well as other documents, are available at www.cityofhuntington.com.

Requests for information

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

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Broadband Utility	Huntington Water Quality Board
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 22,893,555	\$ 1,540,607	\$ 24,434,162	\$ 4,256,262	\$ 149,445	\$ 193,448	\$ 21,193,094
Investments	2,226,436	-	2,226,436	-	-	-	-
Receivables:							
Accounts	2,153,338	152,533	2,305,871	137,448	8,933	-	2,186,772
Taxes	6,683,842	-	6,683,842	-	-	-	-
Loans	5,986,238	-	5,986,238	-	-	-	-
Assets held for resale	560,729	-	560,729	3,506,297	-	-	-
Internal balances	2,821,170	(2,821,170)	-	-	-	-	-
Due from:							
Primary government	-	-	-	50,000	-	-	9,803
Component units	78,511	-	78,511	-	-	-	-
Other governments	716,565	-	716,565	306,800	-	-	-
Fiduciary funds	212	-	212	-	-	-	-
Inventory, at cost	-	78,013	78,013	-	-	-	20,836
Prepaid expenses	278,107	32,853	310,960	105,602	537	-	79,768
Leases Receivable	283,624	2,400,360	2,683,984	4,160,000	179,735	-	-
Total current assets	44,682,327	1,383,196	46,065,523	12,522,409	338,650	193,448	23,490,273
Noncurrent assets:							
Regular account	-	-	-	-	-	-	383,425
Reserve account	-	-	-	1,766,911	-	-	2,420,175
Restricted account	-	826,032	826,032	-	-	-	-
Customer deposits	-	-	-	-	-	-	743,443
Capital assets:							
Nondepreciable:							
Land	1,106,166	-	1,106,166	5,559,678	942,877	-	402,220
CIP	11,397,979	-	11,397,979	-	-	-	17,293,451
Depreciable:							
Buildings	17,762,385	2,887,204	20,649,589	22,974,776	4,792,439	-	105,509,570
Structures and improvements	-	-	-	6,811,417	490,173	-	-
System infrastructure	21,098,867	-	21,098,867	-	-	-	-
Vehicles	13,840,407	3,046,711	16,887,118	-	-	-	3,420,223
Machinery and equipment	9,354,575	550,194	9,904,769	2,051,351	788,455	-	3,284,385
Furniture and fixtures	-	-	-	3,185,473	-	-	-
Intangible assets – lease use	8,425,982	-	8,425,982	2,870,358	-	-	-
Intangible assets – subscription assets	477,027	-	477,027	-	-	-	-
Less: accumulated depreciation and amortization	(45,190,651)	(2,694,686)	(47,885,337)	(23,121,838)	(5,564,160)	-	(74,111,272)
Other debits:							
Net pension asset (MPFRS)	1,588,453	-	1,588,453	-	-	-	-
Net pension asset (PERS)	16,996	3,921	20,917	506	958	-	11,820
Net OPEB asset	8,957	-	8,957	-	-	-	131,478
Lease commission, net	-	-	-	38,023	-	-	-
Total noncurrent assets	39,887,143	4,619,376	44,506,519	22,136,655	1,450,742	-	59,488,918
Total assets	84,569,470	6,002,572	90,572,042	34,659,064	1,789,392	193,448	82,979,191
DEFERRED OUTFLOWS							
Public Employees Retirement System (PERS):							
Contributions made after measurement date	634,226	146,321	780,547	18,875	35,745	-	469,531
Changes in contributions	12,688	2,927	15,615	378	715	-	27,292
Changes in assumptions	109,930	25,362	135,292	3,272	6,196	-	76,446
Difference between expected and actual experience	143,950	33,210	177,160	4,284	8,113	-	100,104
Difference between expected and actual investment earnings	103,279	23,827	127,106	3,074	5,821	-	71,820
Municipal Police Officers and Firefighters Retirement System (MPFRS):							
Contributions made after measurement date	541,769	-	541,769	-	-	-	-
Changes in contributions	321,083	-	321,083	-	-	-	-
Changes in assumptions	119,821	-	119,821	-	-	-	-
Difference between expected and actual experience	182,983	-	182,983	-	-	-	-
Difference between expected and actual investment earnings	77,616	-	77,616	-	-	-	-
Subtotal deferred outflows of resources	2,247,345	231,647	2,478,992	29,883	56,590	-	745,193

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2024

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Broadband Utility	Huntington Water Quality Board
DEFERRED OUTFLOWS (CONTINUED)							
Other postemployment benefits	\$ 5,493,658	\$ 92,420	\$ 5,586,078	\$ 3,016	\$ 1,403	\$ -	\$ 77,450
Deferred charges	-	-	-	84,793	-	-	-
Deferred amortization of investment loss	-	-	-	4,480,693	-	-	-
Total deferred outflows of resources	<u>7,741,003</u>	<u>324,067</u>	<u>8,065,070</u>	<u>4,598,385</u>	<u>57,993</u>	<u>-</u>	<u>822,643</u>
LIABILITIES							
Current liabilities payable from current assets:							
Accounts payable	2,302,622	372,080	2,674,702	109,345	8,737	11,000	509,261
Refunds payable	-	-	-	-	-	-	14,158
Payroll payable	1,345,515	55,680	1,401,195	-	-	-	49,283
Unclaimed property	95,116	-	95,116	-	-	-	-
Reserve for health claims	1,051,670	89,717	1,141,387	6,729	8,409	-	-
Customer deposits	-	-	-	-	-	-	616,409
Other accrued expenses	-	-	-	75,568	-	-	47,261
Due to:							
Primary government	-	-	-	25,049	53,462	-	-
Component units	59,980	-	59,980	-	-	-	-
Other governments	11,079	-	11,079	-	-	-	-
Unearned revenues:							
Grants	7,078,727	-	7,078,727	-	-	-	-
Sponsorship	-	8,400	8,400	-	-	-	-
Charges for services	-	228,228	228,228	-	4,885	-	-
Customer advances	-	32,142	32,142	-	-	-	-
Ticket sales	-	689,400	689,400	-	-	-	-
Other unearned revenue	574,787	98,518	673,305	12,686	-	-	-
Total current liabilities	<u>12,519,496</u>	<u>1,574,165</u>	<u>14,093,661</u>	<u>229,377</u>	<u>75,493</u>	<u>11,000</u>	<u>1,236,372</u>
Noncurrent liabilities due within one year:							
Bonds and notes payable (including financed purchases)	343,832	127,739	471,571	2,430,805	-	-	1,130,480
Lease payable	685,981	-	685,981	-	-	-	-
Tax increment financing bonds payable	390,000	-	390,000	-	-	-	-
SBITA's payable	141,459	-	141,459	-	-	-	-
Noncurrent liabilities due in more than one year:							
Bonds and notes payable (including financed purchases)	1,120,426	2,272,621	3,393,047	12,389,004	-	-	15,499,337
Lease payable	6,067,293	-	6,067,293	-	-	-	-
Tax increment financing bonds payable	4,744,000	-	4,744,000	-	-	-	-
SBITA's payable	157,933	-	157,933	-	-	-	-
Accrued interest payable	78,142	-	78,142	70,601	-	-	48,868
Other postemployment benefits liability	91,421,170	1,545,120	92,966,290	50,419	23,459	-	25,200
Net pension liability – PERS	-	-	-	-	-	-	23,400
Net pension liability – DBP	123,163,931	-	123,163,931	-	-	-	-
Compensated absences payable	2,054,757	150,396	2,205,153	24,458	32,726	-	252,986
Estimated landfill closure and post-closure liability	28,699,894	-	28,699,894	-	-	-	-
Total noncurrent liabilities	<u>259,068,818</u>	<u>4,095,876</u>	<u>263,164,694</u>	<u>14,965,287</u>	<u>56,185</u>	<u>-</u>	<u>16,980,271</u>
Total liabilities	<u>271,588,314</u>	<u>5,670,041</u>	<u>277,258,355</u>	<u>15,194,664</u>	<u>131,678</u>	<u>11,000</u>	<u>18,216,643</u>

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION (Continued)
JUNE 30, 2024

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Municipal Development Authority	Municipal Parking Board	Huntington Broadband Utility	Huntington Water Quality Board
DEFERRED INFLOWS							
Public Employees Retirement System (PERS):							
Changes in contributions	\$ 3,278	\$ 756	\$ 4,034	\$ 98	\$ 185	\$ -	\$ 4,570
Municipal Police and Firefighters Retirement System (MPFRS):							
Changes in contributions	6,182	-	6,182	-	-	-	-
Difference between expected and actual investment earnings	19,223	-	19,223	-	-	-	-
Defined Benefit Plans (DBP):							
Difference between expected and actual investment earnings	5,132,834	-	5,132,834	-	-	-	-
Other postemployment benefits	19,050,234	321,614	19,371,848	10,497	4,883	-	169,921
Lease deferred inflows	283,490	2,400,360	2,683,850	4,160,000	179,735	-	-
	<u>24,495,241</u>	<u>2,722,730</u>	<u>27,217,971</u>	<u>4,170,595</u>	<u>184,803</u>	<u>-</u>	<u>174,491</u>
Total deferred inflows of resources							
	<u>24,495,241</u>	<u>2,722,730</u>	<u>27,217,971</u>	<u>4,170,595</u>	<u>184,803</u>	<u>-</u>	<u>174,491</u>
NET POSITION							
Net investment in capital assets	29,755,803	2,215,095	31,970,898	5,531,167	1,449,784	-	39,168,760
Restricted for:							
Economic development	-	-	-	1,766,911	-	-	-
Community development	6,548,093	-	6,548,093	-	-	-	-
Net pension/OPEB asset	1,614,406	3,921	1,618,327	506	958	-	-
Retiree insurance	1,767,860	-	1,767,860	-	-	-	-
Customer deposits	-	-	-	-	-	-	143,696
Construction	-	-	-	-	-	-	1,027,308
Insurance claims	-	-	-	-	-	-	400,483
Debt service	1,348,155	-	1,348,155	-	-	-	1,375,809
Unrestricted	<u>(244,807,399)</u>	<u>(4,285,148)</u>	<u>(249,092,547)</u>	<u>12,593,606</u>	<u>80,162</u>	<u>182,448</u>	<u>23,294,644</u>
Total net position	<u>\$ (203,773,082)</u>	<u>\$ (2,066,132)</u>	<u>\$ (205,839,214)</u>	<u>\$ 19,892,190</u>	<u>\$ 1,530,904</u>	<u>\$ 182,448</u>	<u>\$ 65,410,700</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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 Broadband Utility	Huntington Water Quality Board	
Functions/Programs												
Primary government:												
Governmental activities:												
General government	\$ 34,272,197	\$ 2,305,004	\$ 700	\$ 9,069,065	\$ (22,897,428)	\$ -	\$ (22,897,428)	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	30,216,863	12,606,814	3,127,142	281,664	(14,201,243)	-	(14,201,243)	-	-	-	-	-
Streets and transportation	4,801,644	2,313,590	168,095	26,500	(2,293,459)	-	(2,293,459)	-	-	-	-	-
Health and sanitation	875,166	63,828	-	473,277	(338,061)	-	(338,061)	-	-	-	-	-
Culture and recreation	1,722,806	-	-	-	(1,722,806)	-	(1,722,806)	-	-	-	-	-
Social services	396,653	-	298,146	442,450	343,943	-	343,943	-	-	-	-	-
Community development	8,689,041	-	2,091,430	3,170,341	(3,427,270)	-	(3,427,270)	-	-	-	-	-
Interest on long-term debt	210,792	-	-	-	(210,792)	-	(210,792)	-	-	-	-	-
Total governmental activities	81,185,162	17,289,236	5,685,513	13,463,297	(44,747,116)	-	(44,747,116)	-	-	-	-	-
Business-type activities:												
Sanitation and trash	3,929,726	3,597,187	-	-	-	(332,539)	(332,539)	-	-	-	-	-
Civic arena	3,126,668	1,364,642	77,866	-	-	(1,684,160)	(1,684,160)	-	-	-	-	-
Building Commission	536,405	-	-	-	-	(536,405)	(536,405)	-	-	-	-	-
Total business-type activities	7,592,799	4,961,829	77,866	-	-	(2,553,104)	(2,553,104)	-	-	-	-	-
Total primary government	\$ 88,777,961	\$ 22,251,065	\$ 5,763,379	\$ 13,463,297	(44,747,116)	(2,553,104)	(47,300,220)	-	-	-	-	-
Component units:												
Municipal Development Authority	\$ 5,258,539	\$ 2,798,973	\$ 302,636	\$ 306,800	-	-	-	(1,850,130)	-	-	-	-
Municipal Parking Board	727,418	790,171	-	-	-	-	-	-	62,753	-	-	-
Huntington Broadband Utility	4,838,146	-	4,970,033	-	-	-	-	-	-	131,887	-	-
Huntington Water Quality Board	17,593,392	23,255,399	4,525	8,384,463	-	-	-	-	-	-	-	14,050,995
Total component units	\$ 28,417,495	\$ 26,844,543	\$ 5,277,194	\$ 8,691,263	-	-	-	(1,850,130)	62,753	131,887	-	14,050,995

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF ACTIVITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	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 Broadband Utility	Huntington Water Quality Board
General revenues:							
Ad valorem property taxes	\$ 7,181,662	\$ -	\$ 7,181,662	\$ -	\$ -	\$ -	\$ -
Business & occupation tax	18,612,996	-	18,612,996	-	-	-	-
Alcoholic beverages tax	627,053	-	627,053	-	-	-	-
Utility services tax	2,545,437	-	2,545,437	-	-	-	-
Hotel occupancy tax	1,102,614	-	1,102,614	-	-	-	-
Animal tax	1,736	-	1,736	-	-	-	-
Gas & oil severance tax	478,831	-	478,831	-	-	-	-
Amusement tax	24,676	-	24,676	-	-	-	-
Sales and use tax	9,996,529	-	9,996,529	-	-	-	-
Coal severance tax	202,041	-	202,041	-	-	-	-
Interest revenue	1,292,315	29,452	1,321,767	188,388	7,523	50,561	911,001
Gains (loss) on disposal of capital assets	(995,973)	-	(995,973)	93,033	-	-	-
Miscellaneous	1,721,188	875,677	2,596,865	7,215	7,089	-	1,245,670
Transfers	(1,988,045)	1,115,292	(872,753)	872,753	-	-	-
Total general revenues and transfers	<u>40,803,060</u>	<u>2,020,421</u>	<u>42,823,481</u>	<u>1,161,389</u>	<u>14,612</u>	<u>50,561</u>	<u>2,156,671</u>
Change in net position	(3,944,056)	(532,683)	(4,476,739)	(688,741)	77,365	182,448	16,207,666
Net position – beginning, as previously reported	(200,730,071)	(1,533,449)	(202,263,520)	20,109,613	1,453,539	-	49,203,034
Error correction	901,045	-	901,045	471,318	-	-	-
Net position – beginning, as adjusted or restated	<u>(199,829,026)</u>	<u>(1,533,449)</u>	<u>(201,362,475)</u>	<u>20,580,931</u>	<u>1,453,539</u>	<u>-</u>	<u>49,203,034</u>
Net position – ending	<u>\$ (203,773,082)</u>	<u>\$ (2,066,132)</u>	<u>\$ (205,839,214)</u>	<u>\$ 19,892,190</u>	<u>\$ 1,530,904</u>	<u>\$ 182,448</u>	<u>\$ 65,410,700</u>

SEE ACCOMPANYING NOTES

**CITY OF HUNTINGTON, WEST VIRGINIA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Current:							
Cash and cash equivalents	\$ 8,258,118	\$ 715	\$ 136,813	\$ 1,646,405	\$ 7,640,582	\$ 5,210,922	\$ 22,893,555
Investments	365,706	-	-	-	-	1,860,730	2,226,436
Receivables:							
Taxes	6,661,035	-	-	-	-	22,807	6,683,842
Accounts	531,625	-	1,619,386	-	-	2,327	2,153,338
Loans	283,570	-	5,702,668	-	-	-	5,986,238
Assets held for resale	-	-	-	-	-	560,729	560,729
Other	283,624	-	-	-	-	-	283,624
Due from:							
Component units	78,511	-	-	-	-	-	78,511
Other funds	3,814,926	-	10,716	-	-	26,062	3,851,704
Other governments	663,514	53,051	-	-	-	-	716,565
Fiduciary funds	212	-	-	-	-	-	212
Prepaid expenses	278,107	-	-	-	-	-	278,107
Total assets	21,218,948	53,766	7,469,583	1,646,405	7,640,582	7,683,577	45,712,861
Deferred Outflows:							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 21,218,948	\$ 53,766	\$ 7,469,583	\$ 1,646,405	\$ 7,640,582	\$ 7,683,577	\$ 45,712,861
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 2,149,289	\$ -	\$ 117,276	\$ 8,460	\$ -	\$ 27,597	\$ 2,302,622
Payroll payable	1,345,515	-	-	-	-	-	1,345,515
Reserve for health claims	1,032,044	-	19,626	-	-	-	1,051,670
Due to:							
Component units	59,980	-	-	-	-	-	59,980
Other funds	391,663	13,500	112,779	-	-	512,592	1,030,534
Other governments	11,079	-	-	-	-	-	11,079
Unearned revenue:							
Grant advances	-	-	-	-	7,078,727	-	7,078,727
Other	574,787	-	-	-	-	-	574,787
Unclaimed property	93,174	-	-	-	-	1,942	95,116
Total liabilities	5,657,531	13,500	249,681	8,460	7,078,727	542,131	13,550,030

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2024

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	Other Nonmajor Governmental Funds	Total Governmental Funds
Deferred Inflows:							
Unavailable revenue – lease receivables	\$ 283,490	\$ -	\$ -	\$ -	\$ -	\$ -	283,490
Unavailable revenue – property taxes	153,978	-	-	-	-	11,778	165,756
Total deferred inflows of resources	<u>437,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,778</u>	<u>449,246</u>
Total liabilities and deferred inflows of resources	<u>6,094,999</u>	<u>13,500</u>	<u>249,681</u>	<u>8,460</u>	<u>7,078,727</u>	<u>553,909</u>	<u>13,999,276</u>
Fund balances:							
Nonspendable	522,117	-	-	-	-	560,729	1,082,846
Restricted	400,000	-	5,702,668	-	561,855	1,348,155	8,012,678
Committed	2,346,745	-	-	-	-	-	2,346,745
Assigned	1,064,705	40,266	1,517,234	1,637,945	-	5,674,190	9,934,340
Unassigned	10,790,382	-	-	-	-	(453,406)	10,336,976
Total fund balances	<u>15,123,949</u>	<u>40,266</u>	<u>7,219,902</u>	<u>1,637,945</u>	<u>561,855</u>	<u>7,129,668</u>	<u>31,713,585</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 21,218,948</u>	<u>\$ 53,766</u>	<u>\$ 7,469,583</u>	<u>\$ 1,646,405</u>	<u>\$ 7,640,582</u>	<u>\$ 7,683,577</u>	<u>\$ 45,712,861</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, 2024**

Total fund balances on the governmental fund's balance sheet	\$ 31,713,585
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.	38,272,737
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).	1,588,453
This is the net pension asset (PERS).	16,996
This is the net OPEB asset (RHBT).	8,957
Certain revenues are not available to fund current year expenditures and, therefore, are deferred in the funds.	165,756
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	5,493,658
Deferred inflows	(19,050,234)
<i>Public Employees Retirement System (PERS):</i>	
Deferred outflows:	
Contributions made after measurement date	634,226
Changes in contributions	12,688
Changes in assumptions	109,930
Difference between expected and actual experience	143,950
Difference between expected and actual investment earnings	103,279
Deferred inflows:	
Changes in contributions	(3,278)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>	
Deferred outflows:	
Contributions made after measurement date	541,769
Changes in contributions	321,083
Changes in assumptions	119,821
Difference between expected and actual experience	182,983
Difference between expected and actual investment earnings	77,616
Deferred inflows:	
Changes in contributions	(6,182)
Difference between expected and actual experience	(19,223)
<i>Defined Benefits Plans (DBP):</i>	
Deferred inflows:	
Difference between expected and actual investment earnings	(5,132,834)

CITY OF HUNTINGTON, WEST VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION (Continued)
JUNE 30, 2024

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

Bonds and notes payable (including financed purchases)	\$	(1,464,258)
Leases payable		(6,753,274)
Tax increment financing revenue bonds		(5,134,000)
SBITA's payable		(299,392)
Accrued interest payable on long-term liabilities		(78,142)
Compensated absences		(2,054,757)
Net Pension Liability – DBP		(123,163,931)
Other postemployment benefits payable		(91,421,170)
Estimated landfill closure and post-closure liability		<u>(28,699,894)</u>
Net position of governmental activities (deficit)	\$	<u><u>(203,773,082)</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, 2024

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	(Formerly Major Fund) HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Ad valorem property taxes	\$ 6,424,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,344	\$ 7,218,642
Business & occupation tax	18,612,996	-	-	-	-	-	-	18,612,996
Alcoholic beverages tax	627,053	-	-	-	-	-	-	627,053
Utility services tax	2,545,437	-	-	-	-	-	-	2,545,437
Hotel occupancy tax	1,102,614	-	-	-	-	-	-	1,102,614
Animal tax	1,736	-	-	-	-	-	-	1,736
Gas and oil severance tax	478,831	-	-	-	-	-	-	478,831
Amusement tax	24,676	-	-	-	-	-	-	24,676
Sales and use tax	9,996,529	-	-	-	-	-	-	9,996,529
Coal severance tax	-	202,041	-	-	-	-	-	202,041
Licenses and permits, and fees	1,165,743	-	-	-	-	-	-	1,165,743
Intergovernmental:								
Federal	9,002,678	-	3,071,358	-	1,672,932	-	-	13,746,968
State	2,314,401	-	-	-	-	-	-	2,314,401
Charges for services	13,930,334	-	-	-	-	-	63,828	13,994,162
Fines and forfeits	335,370	-	-	-	-	-	41,554	376,924
Interest and investment earnings	439,953	8,229	19,335	244,131	330,362	-	250,305	1,292,315
Franchise fees	375,605	-	-	-	-	-	-	375,605
Employee/retirees health insurance	1,752,407	-	-	-	-	-	-	1,752,407
Contributions and donations	200,140	-	-	-	-	-	2,887,301	3,087,441
Miscellaneous	1,244,605	-	-	-	-	-	100,978	1,345,583
Total revenues	70,575,406	210,270	3,090,693	244,131	2,003,294	-	4,138,310	80,262,104
EXPENDITURES								
Current:								
General government	31,238,797	700	-	400	1,672,933	-	81,509	32,994,339
Public safety	28,379,578	-	-	-	-	-	176,066	28,555,644
Streets and transportation	5,101,726	-	-	-	-	-	-	5,101,726
Health and sanitation	-	-	-	-	-	-	400	400
Culture and recreation	1,406,686	55,446	-	-	-	-	-	1,462,132
Social services	93,431	-	303,222	-	-	-	-	396,653
Capital outlay	3,456,537	-	-	8,765,043	-	-	60,927	12,282,507
Community development	-	-	2,653,564	1,000,000	-	-	-	3,653,564
Debt service:								
Principal	-	-	-	-	-	-	380,000	380,000
Interest	-	-	-	-	-	-	134,912	134,912
Total expenditures	69,676,755	56,146	2,956,786	9,765,443	1,672,933	-	833,814	84,961,877
Excess (deficiency) of revenues over expenditures	898,651	154,124	133,907	(9,521,312)	330,361	-	3,304,496	(4,699,773)

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, 2024

	General	Coal Severance Tax	Community Development Block Grant	Capital Improvements	American Rescue Plan (ARPA)	(Formerly Major Fund) HURA/LRA	Other Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Transfers (out)	(1,678,932)	(280,777)	(400,000)	-	-	-	(28,336)	(2,388,045)
Proceeds from the sales of assets	8,926	-	-	-	-	-	39,097	48,023
Proceeds from SBITA's	477,027	-	-	-	-	-	-	477,027
Proceeds from leases/financial purchases	827,939	-	-	-	-	-	-	827,939
Total other financing sources (uses)	<u>34,960</u>	<u>(280,777)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,761</u>	<u>(635,056)</u>
Net change in fund balances	933,611	(126,653)	(266,093)	(9,521,312)	330,361	-	3,315,257	(5,334,829)
Fund balances – beginning, as previously reported	14,190,338	166,919	7,485,995	11,159,257	231,494	43,112	3,771,299	37,048,414
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	(43,112)	43,112	-
Fund balances – beginning, as adjusted or restated	<u>14,190,338</u>	<u>166,919</u>	<u>7,485,995</u>	<u>11,159,257</u>	<u>231,494</u>	<u>-</u>	<u>3,814,411</u>	<u>37,048,414</u>
Fund balances – ending	<u>\$ 15,123,949</u>	<u>\$ 40,266</u>	<u>\$ 7,219,902</u>	<u>\$ 1,637,945</u>	<u>\$ 561,855</u>	<u>\$ -</u>	<u>\$ 7,129,668</u>	<u>\$ 31,713,585</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, 2024**

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

Net change in fund balances – total governmental funds	\$	(5,334,829)
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.		5,485,212
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/amortization expense. This is the amount of depreciation expense charged during the year.		(2,287,754)
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		(202,736)
Current year deferred taxes		165,756
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		634,226
Amount of pension expenses recognized at government-wide level		(616,454)
<i>Municipal Police Officers and Firefighters retirement System (MPFRS):</i>		
Contributions made after measurement date		541,769
Amount of pension expenses recognized at government-wide level		(381,847)
<i>Defined Benefits Plans (DBP):</i>		
Amount of pension expenses recognized at government-wide level		(1,679,263)

**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, 2024**

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 bond principal payments	380,000
Proceeds from finances purchase	(642,167)
Financed purchases principal payments	395,787
Proceeds from leases	(185,772)
Lease payments	677,204
SBITA proceeds	(477,027)
SBITA payments	511,634
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.	2,862
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.	(828,180)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the Statement of Activities.	(20,474)
Change in compensated absences payable	(82,003)
Change in net position of governmental activities	\$ (3,944,056)

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, 2024

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Ad valorem property taxes	\$ 6,000,000	\$ 6,000,000	\$ 6,424,298	\$ 424,298
Business & occupation tax	13,500,000	14,500,000	18,612,996	4,112,996
Alcoholic beverages tax	400,000	400,000	627,053	227,053
Utility services tax	2,050,000	2,050,000	2,545,437	495,437
Hotel occupancy tax	1,000,000	1,000,000	1,102,614	102,614
Animal tax	2,200	2,200	1,736	(464)
Gas and oil severance tax	103,000	103,000	478,831	375,831
Amusement tax	10,000	10,000	24,676	14,676
Sales and use tax	7,500,000	9,500,000	9,996,529	496,529
Licenses and permits	935,000	935,000	1,165,743	230,743
Intergovernmental:				
Federal	4,373,632	11,063,386	9,002,678	(2,060,708)
State	2,141,295	2,191,295	2,314,401	123,106
Charges for services	12,829,000	12,829,000	13,930,334	1,101,334
Fines and forfeits	171,000	171,000	335,370	164,370
Interest earnings	20,000	320,000	439,953	119,953
Franchise fees	500,000	500,000	375,605	(124,395)
Employees & retiree health insurance	1,555,000	1,555,000	1,752,407	197,407
Contributions and donations	470,000	470,000	200,140	(269,860)
Miscellaneous	539,372	539,372	1,244,605	705,233
Total revenues	54,099,499	64,139,253	70,575,406	6,436,153
EXPENDITURES				
Current:				
General government	27,535,278	36,197,759	31,238,797	4,958,962
Public safety	31,143,645	31,250,286	28,379,578	2,870,708
Streets and transportation	6,054,769	6,171,261	5,101,726	1,069,535
Health and sanitation	640,000	-	-	-
Culture and recreation	1,900,000	1,900,000	1,406,686	493,314
Social services	110,952	110,952	93,431	17,521
Capital outlay	2,885,000	3,346,500	3,456,537	(110,037)
Total expenditures	70,269,644	78,976,758	69,676,755	9,300,003
Excess (deficiency) of revenues over expenditures	(16,170,145)	(14,837,505)	898,651	15,736,156

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, 2024

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 400,000	\$ 400,000
Transfers (out)	-	-	(1,678,932)	(1,678,932)
Proceeds from the sale of assets	5,000	5,000	8,926	3,926
Proceeds from SBITA's	-	-	477,027	477,027
Proceeds from leases/financed purchases	-	642,167	827,939	185,772
Total other financing sources (uses)	<u>5,000</u>	<u>647,167</u>	<u>34,960</u>	<u>(612,207)</u>
Net change in fund balance	(16,165,145)	(14,190,338)	933,611	15,123,949
Fund balance – beginning	<u>16,165,145</u>	<u>14,190,338</u>	<u>14,190,338</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,123,949</u>	<u>\$ 15,123,949</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, 2024

	<u>Budgeted Amounts</u>		Actual Modified Accrual Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Coal severance tax	\$ 120,000	\$ 170,000	\$ 202,041	\$ 32,041
Interest earnings	10	10	8,229	8,219
Total revenues	<u>120,010</u>	<u>170,010</u>	<u>210,270</u>	<u>40,260</u>
EXPENDITURES				
General government	-	-	700	(700)
Culture and recreation	264,010	336,929	55,446	281,483
Capital outlay	-	-	-	-
Total expenditures	<u>264,010</u>	<u>336,929</u>	<u>56,146</u>	<u>280,783</u>
Excess (deficiency) of revenues over expenditures	<u>(144,000)</u>	<u>(166,919)</u>	<u>154,124</u>	<u>321,043</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(280,777)	(280,777)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(280,777)</u>	<u>(280,777)</u>
Net change in fund balance	(144,000)	(166,919)	(126,653)	40,266
Fund balance – beginning	<u>144,000</u>	<u>166,919</u>	<u>166,919</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,266</u>	<u>\$ 40,266</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2024

	Business-type Activities – Enterprise Funds			Total
	Sanitation and Trash	Civic Arena	Building Commission	
ASSETS				
Current:				
Cash and cash equivalents	\$ 554,171	\$ 986,436	\$ -	\$ 1,540,607
Receivables:				
Accounts	85,298	67,235	-	152,533
Due from:				
Other funds	13,364	388,237	-	401,601
Inventory, at cost	-	78,013	-	78,013
Prepaid expenses	18,438	14,415	-	32,853
Leases receivable	-	-	2,400,360	2,400,360
Total current assets	<u>671,271</u>	<u>1,534,336</u>	<u>2,400,360</u>	<u>4,605,967</u>
Non-current assets:				
Restricted account	-	-	826,032	826,032
Capital assets:				
Depreciable:				
Structures and improvements	75,140	-	2,812,064	2,887,204
Vehicles	3,046,711	-	-	3,046,711
Machinery and equipment	550,194	-	-	550,194
Less: accumulated depreciation	<u>(2,636,925)</u>	<u>-</u>	<u>(57,761)</u>	<u>(2,694,686)</u>
Total capital assets (net of accumulated depreciation)	<u>1,035,120</u>	<u>-</u>	<u>2,754,303</u>	<u>3,789,423</u>
Other debits:				
Net pension asset (PERS)	<u>3,921</u>	<u>-</u>	<u>-</u>	<u>3,921</u>
Total noncurrent assets	<u>1,039,041</u>	<u>-</u>	<u>3,580,335</u>	<u>4,619,376</u>
Total assets	<u>1,710,312</u>	<u>1,534,336</u>	<u>5,980,695</u>	<u>9,225,343</u>
DEFERRED OUTFLOWS OF RESOURCES				
Contributions made after measurement date	146,321	-	-	146,321
Changes in contributions	2,927	-	-	2,927
Changes in assumptions	25,362	-	-	25,362
Difference between expected and actual experience	33,210	-	-	33,210
Difference between expected and actual investment earnings	23,827	-	-	23,827
Other post employment benefits	<u>92,420</u>	<u>-</u>	<u>-</u>	<u>92,420</u>
Total deferred outflows of resources	<u>324,067</u>	<u>-</u>	<u>-</u>	<u>324,067</u>

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
JUNE 30, 2024

	Business-type Activities – Enterprise Funds			Total
	Sanitation and Trash	Civic Arena	Building Commission	
LIABILITIES				
Current liabilities payable from current assets:				
Accounts payable	\$ 34,023	\$ 230,820	\$ 107,240	\$ 372,083
Reserve for health claims	89,717	-	-	89,717
Payroll payable	-	55,680	-	55,680
Due to:				
Other funds	2,657,630	180,138	385,000	3,222,768
Revenue bonds payable	-	-	127,739	127,739
Total current liabilities payable from current assets	<u>2,781,370</u>	<u>466,638</u>	<u>619,979</u>	<u>3,867,987</u>
Unearned revenues:				
Sponsorship	-	8,400	-	8,400
Charges for services	228,228	-	-	228,228
Ticket sales	-	689,400	-	689,400
Customer advances	-	32,142	-	32,142
Other unearned revenue	-	98,518	-	98,518
Total unearned revenues	<u>228,228</u>	<u>828,460</u>	<u>-</u>	<u>1,056,688</u>
Noncurrent liabilities:				
Other postemployment benefits liability	1,545,120	-	-	1,545,120
Compensated absences payable	150,396	-	-	150,396
Revenue bonds payable	-	-	2,272,621	2,272,621
Total noncurrent liabilities	<u>1,695,516</u>	<u>-</u>	<u>2,272,621</u>	<u>3,968,137</u>
Total liabilities	<u>4,705,114</u>	<u>1,295,098</u>	<u>2,892,600</u>	<u>8,892,812</u>
DEFERRED INFLOWS OF RESOURCES				
Changes in contributions	756	-	-	756
Other post employment benefits	321,614	-	-	321,614
Lease deferred inflows	-	-	2,400,360	2,400,360
Total deferred inflows of resources	<u>322,370</u>	<u>-</u>	<u>2,400,360</u>	<u>2,722,730</u>
NET POSITION				
Net investment in capital assets	1,035,120	-	1,179,975	2,215,095
Unrestricted	<u>(4,028,225)</u>	<u>239,238</u>	<u>(492,240)</u>	<u>(4,281,227)</u>
Total net position	<u>\$ (2,993,105)</u>	<u>\$ 239,238</u>	<u>\$ 687,735</u>	<u>\$ (2,066,132)</u>

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, 2024**

	Business-type Activities – Enterprise Funds			
	Sanitation and Trash	Civic Arena	Building Commission	Total
Operating revenues:				
Sales and services to customers	\$ 3,597,187	\$ 782,388	\$ -	\$ 4,379,575
Grants and contributions	-	77,866	-	77,866
Rebates and reimbursements	-	795,150	-	795,150
Rental fees	-	582,254	-	582,254
Miscellaneous	56,739	23,788	-	80,527
Total revenues	3,653,926	2,261,446	-	5,915,372
Operating expenses:				
Personal services	2,363,169	1,253,825	-	3,616,994
Contractual services	484,719	231,216	433,591	1,149,526
Administrative and general	257,594	1,080,223	-	1,337,817
Miscellaneous	-	124,340	-	124,340
Liability insurance	177,140	97,889	-	275,029
Materials and supplies	162,776	12,620	-	175,396
Utilities	77,094	254,927	-	332,021
Depreciation	185,379	-	13,761	199,140
Maintenance	221,855	71,628	-	293,483
Total operating expenses	3,929,726	3,126,668	447,352	7,503,746
Operating income (loss)	<u>(275,800)</u>	<u>(865,222)</u>	<u>(447,352)</u>	<u>(1,588,374)</u>
Nonoperating revenues (expenses):				
Interest revenue	22,867	5,727	858	29,452
Interest and fiscal charges	-	-	(89,053)	(89,053)
Total nonoperating revenues (expenses)	22,867	5,727	(88,195)	(59,601)
Income (loss) before transfers	<u>(252,933)</u>	<u>(859,495)</u>	<u>(535,547)</u>	<u>(1,647,975)</u>
Transfers in	-	891,605	223,687	1,115,292
Change in net position	(252,933)	32,110	(311,860)	(532,683)
Net position at beginning of year	<u>(2,740,172)</u>	<u>207,128</u>	<u>999,595</u>	<u>(1,533,449)</u>
Net position at end of year	<u>\$ (2,993,105)</u>	<u>\$ 239,238</u>	<u>\$ 687,735</u>	<u>\$ (2,066,132)</u>

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities – Enterprise Funds			Total
	Sanitation and Trash	Civic Arena	Building Commission	
Cash flows from operating activities				
Cash received from customers	\$ 3,635,003	\$ 2,884,392	\$ -	\$ 6,519,395
Cash paid for goods and services	(1,435,352)	(2,209,274)	(619,755)	(4,264,381)
Other cash payments	929,492	(369,023)	-	560,469
Cash paid to employees	(2,583,596)	(1,276,905)	-	(3,860,501)
Other cash receipts	-	-	385,000	385,000
Net cash provided (used) by operating activities	<u>545,547</u>	<u>(970,810)</u>	<u>(234,755)</u>	<u>(660,018)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	891,605	223,687	1,115,292
Net cash provided by noncapital financing activities	<u>-</u>	<u>891,605</u>	<u>223,687</u>	<u>1,115,292</u>
Cash flows from capital and related financing activities				
Purchases of capital assets	(548,764)	-	(1,307,935)	(1,856,699)
Proceeds from sale of bonds	-	-	-	-
Principal paid on capital debt	-	-	(134,634)	(134,634)
Interest paid on capital debt	-	-	(89,053)	(89,053)
Net cash (used) by capital and related financing activities	<u>(548,764)</u>	<u>-</u>	<u>(1,531,622)</u>	<u>(2,080,386)</u>
Cash flows from investing activities:				
Interest and investment earnings	22,867	5,727	858	29,452
Net cash provided by investing activities	<u>22,867</u>	<u>5,727</u>	<u>858</u>	<u>29,452</u>
Net (decrease) in cash and cash equivalents	19,650	(73,478)	(1,541,832)	(1,595,660)
Cash and cash equivalents at beginning year	<u>534,521</u>	<u>1,059,914</u>	<u>2,367,864</u>	<u>3,962,299</u>
Cash and cash equivalents at end of year (Including \$826,032 in restricted accounts)	<u>\$ 554,171</u>	<u>\$ 986,436</u>	<u>\$ 826,032</u>	<u>\$ 2,366,639</u>

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities – Enterprise Funds			
	Sanitation and Trash	Civic Arena	Building Commission	Total
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (275,800)	\$ (865,222)	\$ (447,352)	\$ (1,588,374)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	185,379	-	13,761	199,140
Decrease (increase) in accounts receivable	21,724	103,167	-	124,891
Increase (decrease) in unearned revenues	16,092	621,433	-	637,525
Decrease (increase) in deferred outflows	134,551	-	-	134,551
Decrease (increase) in net pension asset	(3,921)	-	-	(3,921)
Decrease (increase) in due from other funds	(5,692)	(372,359)	-	(378,051)
Decrease (increase) in inventory	-	382	-	382
Decrease (increase) in prepaid expenses	(1,704)	(3,928)	-	(5,632)
Increase (decrease) in accounts payable	(52,470)	(332,885)	(186,164)	(571,519)
Increase (decrease) in other postemployment benefits liability	(42,075)	-	-	(42,075)
Increase (decrease) in payroll payable	(75,441)	(23,080)	-	(98,521)
Increase (decrease) in compensated absences payable	31,184	-	-	31,184
Increase (decrease) in net pension liability	(132,540)	-	-	(132,540)
Increase (decrease) in deferred inflows	(161,769)	-	-	(161,769)
Increase (decrease) in due to other funds	878,445	(98,318)	385,000	1,165,127
Increase (decrease) in health care claims payable	29,584	-	-	29,584
Net cash provided (used) by operations	\$ 545,547	\$ (970,810)	(234,755)	\$ (660,018)

SEE ACCOMPANYING NOTES

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2024

	<u>Pension Trust Funds</u>	<u>Custodial Fund–Asset Seizure</u>
ASSETS		
Non-pooled cash	\$ 527,165	\$ 1,711,115
Total cash	<u>527,165</u>	<u>1,711,115</u>
Investments, at fair value:		
Money market funds	411,869	-
Fixed income securities	33,331,499	-
Equities	<u>64,323,312</u>	<u>-</u>
Total investments	<u>98,066,680</u>	<u>-</u>
Receivables:		
Accrued income	284,423	-
Due from other governments	<u>202,049</u>	<u>-</u>
Total receivables	<u>486,472</u>	<u>-</u>
Total assets	<u>99,080,317</u>	<u>1,711,115</u>
DEFERRED OUTFLOWS		
Deferred outflows	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 99,080,317</u>	<u>\$ 1,711,115</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, 2024

	Pension Trust Funds	Custodial Fund–Asset Seizure
LIABILITIES		
Accounts payable	\$ 64,866	\$ -
Due to primary government	211	-
Total liabilities	65,077	-
DEFERRED INFLOWS		
Deferred inflows	-	-
Total liabilities and deferred inflows of resources	65,077	-
NET POSITION		
Net position restricted for pension benefits	99,015,240	-
Individuals, organizations, and other governments	-	1,711,115
	\$ 99,015,240	\$ 1,711,115

(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, 2024

	Pension Trust Funds	Custodial Fund–Asset Seizure
ADDITIONS		
Contributions		
Employer	\$ 7,524,534	\$ -
Plan members	438,240	-
Insurance premium surtax	2,416,450	-
Asset seizures	-	167,539
Total contributions	10,379,224	167,539
Investment income:		
Net increase (decrease) in fair value of investments	11,079,001	-
Interest and dividends	2,248,025	73,575
Net investment income	13,327,026	73,575
Total additions	23,706,250	241,114
DEDUCTIONS		
Benefits	12,485,152	-
Administrative expenses	360,504	-
Refunds of contributions	-	29,670
Other	-	75,019
Total deductions	12,845,656	104,689
Change in net position	10,860,594	136,425
Net position:		
Beginning of year	88,154,646	1,574,690
End of year	\$ 99,015,240	\$ 1,711,115

(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, 2024**

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 *Huntington Broadband Utility* serves the City of Huntington and is governed by a board comprised of three members appointed by the City. The Utility was created in October 2022, by ordinance of Huntington City Council, which also established a Broadband Board which is charged with the oversight, management, direction, governance, and supervision of all aspects of the design,

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

development, acquisition, construction, equipping, addition, extension, improvement, betterment, operation, maintenance, and collection of broadband revenues of the Huntington Broadband Utility.

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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Combining financial statements for the nonmajor governmental funds and for the discretely presented component units are included as supplementary information.

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

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

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Property taxes, franchise taxes, interest and special assessments are susceptible to accrual. Also, certain taxpayer-assessed revenues such as business and occupation and utility taxes are accrued as revenue at year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Sanitation and Trash and the Civic Arena Fund (enterprise funds), Huntington Building Commission (a blended component unit), 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 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, 2024**

Blended Component Unit

The entity below is legally separate from the City and meets GAAP criteria for component units. The entity is blended with the primary government because it provides services entirely or almost entirely to the City.

The *Building Commission* serves the City of Huntington, West Virginia, and is governed by a board comprised of three members appointed by the City for a term of five years each. The Building Commission acquires property and debt on behalf of the City. The Huntington Building Commission is reported as a proprietary fund.

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
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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.

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
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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.

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
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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

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, 2024, the City reported unavailable revenues totaling \$449,246.

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

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, 2024.
Unrestricted net position	This represents resources derived from other than capital assets or restricted net position. These resources are used for transactions relating to the general operation of the City, and may be used at the discretion of the City to meet current expenses for any lawful purpose.

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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The rate levied by the City per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2023, were as follows:

<u>Class of Property</u>	<u>Assessed Valuation for Tax Purposes</u>	<u>Current Expense</u>
Class II	\$ 600,388,024	22.00 cents
Class IV	\$ 1,152,655,283	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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NOTES TO THE FINANCIAL STATEMENTS
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For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost. See Note VI for further discussion.

G. Recent Statements Issued by Government Accounting Standards Board

The Government Accounting Standards Board has issued Statement No. 100, Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62, effective for fiscal years beginning after June 15, 2023.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

General Fund:

Amount	Description
\$ 8,662,481	General Government Expenditure Increase
106,641	Public Safety Expenditure Increase
116,492	Streets and Transportation Expenditure Increase
(640,000)	Health and Sanitation
461,500	Capital Outlay
642,167	Proceeds from Leases

Coal Severance Fund:

Amount	Description
\$ 72,919	Culture and Recreation Expenditure Increase

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the funds listed at the function level:

Function	Amount
General Fund – Capital outlay	\$ 110,037
General Fund – Transfers out	1,678,932
Coal Severance Tax Fund – General government	700
Coal Severance Tax Fund – Transfers out	280,777

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, 2024:

Fund	Amount
Coal Severance Fund	\$ 126,653
Community Development Block Grant	266,093
Capital improvements	9,521,312
Non-major Governmental Fund – Safety Town	57,694
Enterprise Fund – Sanitation and Trash	252,933
Blended Component Unit – Building Commission	311,860

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

D. Deficit Net Position

The Governmental and Business-Type Activities had deficit net position of \$(203,773,082) and \$(2,066,132), respectively, as of June 30, 2024. 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.

Sanitation and Trash Fund had a net position deficit of \$(2,993,105) at June 30, 2024.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 & Poor's</u>	<u>Moody's Investment Services</u>
Primary Government			
Money Market	\$ 365,706	Not Rated	Not Rated
Other	1,860,730	Not Rated	Not Rated
	<u>\$ 2,226,436</u>		

Interest Rate Risk

	<u>0-3 Years</u>
Money Market	\$ 365,706
Other	1,860,730
	<u>\$ 2,226,436</u>

Fiduciary Funds

Policemen's Pension and Relief	<u>Fair Value</u>	<u>Credit Risk Rating</u>
		<u>Standard & Poor's</u>
Money market funds	\$ 231,227	Not Rated
U.S. Government agency notes	6,099,988	AA+
Municipal obligations	2,560,976	AAA-Not Rated
Mutual funds – fixed income	1,388,532	Not Rated
Corporate bonds	6,896,536	AAA-BB+
Preferred stock	336,420	Not Rated
Certificate of deposit	251,532	Not Rated
Equities	35,068,285	Not Rated
Total	<u>\$ 52,833,496</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	\$ 231,227	\$ -	\$ -	\$ -
U.S. Government agency notes	589,794	1,827,856	-	3,682,338
Municipal obligations	298,186	1,398,220	864,569	-
Mutual funds – fixed income	1,388,532	-	-	-
Corporate bonds	3,100,033	2,670,105	939,690	186,709
Preferred stock	336,420	-	-	-
Certificate of deposit	-	251,532	-	-
Equities	35,068,285	-	-	-
Total	<u>\$ 41,012,477</u>	<u>\$ 6,147,713</u>	<u>\$ 1,804,259</u>	<u>\$ 3,869,047</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Firemen's Pension and Relief	Fair Value	Credit Risk Rating
		Standard & Poor's
Money market funds	\$ 180,642	Not Rated
U.S. Government agency notes	4,831,208	AA+ to Not Rated
Municipal obligations	971,568	AA+ to Not Rated
Mutual funds – fixed income	1,288,989	Not Rated
Corporate bonds	7,689,158	AAA to Not Rated
Preferred stock	264,330	Not Rated
Certificate of deposit	752,262	Not Rated
Equities	29,255,027	Not Rated
Total	\$ 45,233,184	

Interest Rate Risk

	0-1 Year	1-5 Years	5-10 Years	Over 10 Years
Money market funds	\$ 180,642	\$ -	\$ -	\$ -
U.S. Government agency notes	370,358	1,028,795	35,229	3,396,826
Municipal obligations	97,359	373,194	501,015	-
Mutual funds – fixed income	1,288,989	-	-	-
Corporate bonds	2,582,874	3,428,459	1,410,845	266,980
Preferred stock	-	264,330	-	-
Certificate of deposit	500,730	251,532	-	-
Equities	29,255,027	-	-	-
Total	\$ 34,275,979	\$ 5,346,310	\$ 1,947,089	\$ 3,663,806

Investments Measured at Fair Value

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

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2024 are as follows:

Fiduciary Funds	Fair Value	Quoted Prices in		
		Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Policemen's Pension and Relief				
U.S. Government agency notes	\$ 6,099,988	\$ 6,099,988	\$ 0	\$ 0
Municipal obligations	2,560,976	2,560,976	0	0
Mutual funds – fixed income	1,388,532	1,388,532	0	0
Corporate bonds	6,896,536	6,896,536	0	0
Preferred stock	336,420	336,420	0	0
Equities	35,068,285	35,068,285	0	0
Total	\$ 52,350,737	\$ 52,350,737	\$ 0	\$ 0

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Fiduciary Funds	Fair Value	Quoted Prices in		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Active Markets for Identical Assets (Level 1)			
Firemen's Pension and Relief					
U.S. Government agency notes	\$ 4,831,208	\$ 4,831,208	\$	0	0
Municipal obligations	971,568	971,568		0	0
Mutual funds – fixed income	1,288,989	1,288,989		0	0
Corporate bonds	7,689,158	7,689,158		0	0
Preferred stock	264,330	264,330		0	0
Equities	29,255,027	29,255,027		0	0
Total	\$ 44,300,280	\$ 44,300,280	\$	0	0

The funds recognize transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2024. 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, 2024, the government's investments were rated using Standard & Poor's and Fitch and Moody's Investment Services.

Concentration of Credit Risks

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 and the Firemen's Pension and Relief Fund had no investments in any one issuer equal or in excess of 5%.

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 \$24,434,162 and \$2,238,280, 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 \$2,226,436 and \$98,066,680. The investments were collateralized by related securities held by the government's brokerage firm.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

		<u>Primary Government</u>
Cash and cash equivalents	\$	24,434,162
Investments		2,226,436
Total	\$	<u>26,660,598</u>
		<u>Fiduciary Funds</u>
Cash and cash equivalents	\$	2,238,280
Investments		98,066,680
Total	\$	<u>100,304,960</u>

For deposits, the Municipal Development Authority could be exposed to risk in the event of a bank failure where the Authority’s deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. At year end, the Authority’s reconciled bank balances of \$6,023,173 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 \$149,445 were collateralized with securities held by the pledging financial institution’s trust department in the Board’s name.

For deposits, the Huntington Broadband Utility could be exposed to risk in the event of a bank failure where the utility’s deposits may not be returned. The utility does not have a deposit policy for custodial credit risk. At year end, the utility’s reconciled bank balances of \$193,448 were collateralized with securities held by the pledging financial institution’s trust department in the utility’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 \$24,740,137 were collateralized with securities held by the pledging financial institution’s trust department in the Board’s name.

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

		<u>Municipal Development Authority</u>		<u>Municipal Parking Board</u>		<u>Broadband Board</u>		<u>Water Quality Board</u>
Cash and cash equivalents	\$	6,023,173	\$	149,445	\$	193,448	\$	24,740,137
Total		<u>6,023,173</u>		<u>149,445</u>		<u>193,448</u>		<u>24,740,137</u>
		<u>Municipal Development Authority</u>		<u>Municipal Parking Board</u>		<u>Broadband Board</u>		<u>Water Quality Board</u>
Cash and cash equivalents		4,256,262		149,445		193,448		21,193,094
Cash and cash equivalents–restricted		1,766,911		-		-		3,547,043
Total	\$	<u>6,023,173</u>	\$	<u>149,445</u>	\$	<u>193,448</u>	\$	<u>24,740,137</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	TIF #2	Sanitation & Trash	Civic Arena	Total
Receivables:								
Accounts	\$ 2,821,128	\$ 1,619,386	\$ 2,327	\$ -	\$ -	\$ 269,556	\$ 67,235	\$ 4,779,632
Taxes	6,980,662	-	-	29,927	28,291	-	-	7,038,880
Loans	283,570	7,486,676	-	-	-	-	-	7,770,246
Leases	283,624	-	-	-	-	-	-	283,624
Gross receivables	<u>10,368,984</u>	<u>9,106,062</u>	<u>2,327</u>	<u>29,927</u>	<u>28,291</u>	<u>269,556</u>	<u>67,235</u>	<u>19,872,382</u>
Less: allowance for uncollectible	<u>(2,609,130)</u>	<u>(1,784,008)</u>	<u>-</u>	<u>(16,742)</u>	<u>(18,669)</u>	<u>(184,258)</u>	<u>-</u>	<u>(4,612,807)</u>
Net total receivables	<u>\$ 7,759,854</u>	<u>\$ 7,322,054</u>	<u>\$ 2,327</u>	<u>\$ 13,185</u>	<u>\$ 9,622</u>	<u>\$ 85,298</u>	<u>\$ 67,235</u>	<u>\$ 15,259,575</u>

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:

	<u>Unavailable</u>
Property taxes receivable (General fund)	\$ 153,978
Property taxes receivable (TIF #1)	2,655
Property taxes receivable (TIF #2)	9,123
Leases receivable (General fund)	283,490
Total	<u>\$ 449,246</u>

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

	HMDA	HMPB	HWQB	Total
Receivables:				
Accounts	\$ 113,300	\$ 8,933	\$ 3,135,683	\$ 3,257,916
Other	24,148	-	-	24,148
Loans	3,198,875	-	-	3,198,875
Leases	4,160,000	179,735	-	4,339,735
Gross receivables	<u>7,496,323</u>	<u>188,668</u>	<u>3,135,683</u>	<u>10,820,674</u>
Less: Allowance for uncollectible	<u>(3,198,875)</u>	<u>-</u>	<u>(948,911)</u>	<u>(4,147,786)</u>
Net total receivables	<u>\$ 4,297,448</u>	<u>\$ 188,668</u>	<u>\$ 2,186,772</u>	<u>\$ 6,672,888</u>

The amount reported for allowance for uncollectible accounts of the HMDA at June 30, 2024, 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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Restatement	Increases	Decreases	
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,106,166	\$ -	\$ -	\$ -	1,106,166
Construction in progress	13,315,079	901,045	5,351,992	8,170,137	11,397,979
Total capital assets not being depreciated	14,421,245	901,045	5,351,992	8,170,137	12,504,145
Capital assets being depreciated:					
Buildings and improvements	11,087,400	-	8,170,137	1,495,152	17,762,385
Leased buildings (intangible asset)	8,210,000	-	-	-	8,210,000
Machinery and equipment	9,176,921	-	177,654	-	9,354,575
Vehicles	12,939,966	-	900,441	-	13,840,407
Subscription assets	558,571	-	477,027	558,571	477,027
Leased equipment (intangible asset)	226,590	-	185,772	196,380	215,982
Infrastructure	20,456,438	-	642,429	-	21,098,867
Total accumulated depreciation and amortization	(42,902,897)	-	(3,126,253)	(838,499)	(45,190,651)
Total capital assets being depreciated, net	19,752,989	-	7,427,207	1,411,604	25,768,592
Governmental activities capital assets, net	\$ 34,174,234	\$ 901,045	\$ 12,779,199	\$ 9,581,741	\$ 38,272,737
Business-type activities:					
Capital assets not beginning depreciated:					
Construction in progress	\$ 877,714	\$ -	\$ 1,307,935	\$ 2,185,649	\$ -
Capital assets beginning depreciated:					
Structures and improvements	701,555	-	2,185,649	-	2,887,204
Machinery and equipment	429,330	-	120,864	-	550,194
Vehicles	2,618,811	-	427,900	-	3,046,711
Less: accumulated depreciation	(2,495,546)	-	(199,140)	-	(2,694,686)
Business-type activities capital assets, net	\$ 2,131,864	\$ -	\$ 3,843,208	\$ 2,185,649	\$ 3,789,423

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Governmental activities:	
General government (including leased buildings)	\$ 1,220,127
Public safety	1,174,581
Highways and streets, (including infrastructure assets)	360,690
Health and sanitation	46,586
Community development	63,595
Culture and recreation	260,674
Total depreciation expense-governmental activities	<u>\$ 3,126,253</u>
Business-type activities:	
Sanitation and Trash	\$ 185,379
Huntington Building Commission	13,761
Total depreciation expense-business-type activities	<u>\$ 199,140</u>

Discretely Presented Component Units

Activity related to capital assets for the Municipal Development Authority for the fiscal year ended June 30, 2024, was as follows:

Municipal Development Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 6,715,055	\$ -	\$ 1,372,645	\$ 5,342,410
Construction in process	-	-	-	-
Total capital assets not being depreciated	<u>6,715,055</u>	<u>-</u>	<u>1,372,645</u>	<u>5,342,410</u>
Capital assets, being depreciated:				
Buildings and improvements	14,444,327	-	-	14,444,327
Structures and improvements	2,029,025	-	-	2,029,025
Furniture and fixtures	2,893,878	-	-	2,893,878
Machinery and equipment	2,051,351	-	-	2,051,351
Less: accumulated depreciation	<u>(16,554,343)</u>	<u>(262,462)</u>	-	<u>(16,816,805)</u>
Total capital assets being depreciated	4,864,238	<u>(262,462)</u>	-	4,601,776
Total capital assets, net	<u>\$ 11,579,293</u>	<u>\$ (262,462)</u>	<u>\$ 1,372,645</u>	<u>\$ 9,944,186</u>

Downtown Investment, LLC (a component unit of the Municipal Development Authority)

	<u>Beginning of year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of year</u>
Nondepreciable:				
Land	\$ 217,268	\$ -	\$ -	\$ 217,268
Construction in process	-	-	-	-
Depreciable:				
Buildings	9,051,540	-	521,091	8,530,449
Structures and improvements	4,069,460	712,932	-	4,782,392
Machinery and equipment	303,533	-	11,938	291,595
Less: accumulated depreciation	<u>(6,160,965)</u>	<u>(566,801)</u>	<u>(422,733)</u>	<u>(6,305,033)</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 7,480,836</u>	<u>\$ 146,131</u>	<u>\$ 110,296</u>	<u>\$ 7,516,671</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Activity related to capital assets for the Municipal Parking Board for the fiscal year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:	\$ 942,877	\$ -	\$ -	\$ 942,877
Land	-	-	-	-
Total capital assets not being depreciated	<u>942,877</u>	<u>-</u>	<u>-</u>	<u>942,877</u>
Capital assets, being depreciated:				
Buildings	4,792,439	-	-	4,792,439
Structures and improvements	490,173	-	-	490,173
Machinery and equipment	788,455	-	-	788,455
Less: accumulated depreciation	<u>(5,530,358)</u>	<u>(33,802)</u>	<u>-</u>	<u>(5,564,160)</u>
Total capital assets being depreciated	540,709	(33,802)	-	506,907
Total capital assets, net	<u>\$ 1,483,586</u>	<u>\$ (33,802)</u>	<u>\$ -</u>	<u>\$ 1,449,784</u>

Activity related to capital assets for the Water Quality Board for the fiscal year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 402,220	\$ -	\$ -	\$ 402,220
Construction in progress	9,394,830	7,898,621	-	17,293,451
Total capital assets, not being depreciated	<u>9,797,050</u>	<u>7,898,621</u>	<u>-</u>	<u>17,695,671</u>
Capital assets, being depreciated:				
Buildings	103,702,856	1,806,714	-	105,509,570
Vehicles	3,171,390	250,308	(1,475)	3,420,223
Machinery and equipment	3,105,834	178,551	-	3,284,385
Less: accumulated depreciation	<u>(72,340,028)</u>	<u>(1,771,244)</u>	<u>-</u>	<u>(74,111,272)</u>
Total capital assets being depreciated, net	37,640,052	464,329	(1,475)	38,102,906
Business-type activities capital assets, net	<u>\$ 47,437,102</u>	<u>\$ 8,362,950</u>	<u>\$ (1,475)</u>	<u>\$ 55,798,577</u>

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

Business-type activities	
Water Quality Board	\$ 8,091
Sanitary Board	1,583,084
Stormwater Utility Board	<u>180,069</u>
Total depreciation expense – business-type activities	<u>\$ 1,771,244</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Safety Town	Reimbursement	\$ 32,589
General Fund	Sanitation and Trash	Reimbursement	2,641,138
General Fund	Coal Severance	Reimbursement	13,500
Landfill Reserve	Sanitation and Trash	Reimbursement	16,492
Community Development Block Grant	General Fund	Reimbursement	10,716
General Fund	Community Development Block Grant	Reimbursement	112,780
General Fund	Civic Arena	Reimbursement	149,915
Jean Dean Public Safety	General Fund	Reimbursement	9,570
General Fund	HURA	Reimbursement	480,003
Civic Arena	General Fund	Reimbursement	358,013
Sanitation and Trash	General Fund	Reimbursement	13,364
			Total \$ 3,838,080

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

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Municipal Development Authority	Reimbursement	\$ 25,049
General Fund	Municipal Parking Board	Reimbursement	53,462
General Fund	Building Commission	Reimbursement	385,000
Water Quality Board	General Fund	Reimbursement	9,980
Municipal Development Authority	General Fund	Reimbursement	50,000
			Total \$ 523,491

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

Receivable Fund	Payable Fund	Purpose	Amount
General Fund	Fire Pension and Relief	Reimbursement	\$ 207
General Fund	Police Pension and Relief	Reimbursement	4
			Total \$ 211

Interfund transfers:

	Transfers In				Total Transfers
	General Fund	Building Commission	HMDA	Civic Arena Fund	
Transfers Out:					
General Fund	\$ -	\$ 223,687	\$ 844,417	\$ 610,828	\$ 1,678,932
Coal Severance Fund	-	-	-	280,777	280,777
CDBG	400,000	-	-	-	400,000
TIF 2	-	-	28,336	-	28,336
Total Transfers	\$ 400,000	\$ 223,687	\$ 872,753	\$ 891,605	\$ 2,388,045

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	ARPA	Nonmajor Funds	Total
Nonspendable:							
Prepays	\$ 278,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,107
Lease receivables	244,010	-	-	-	-	-	244,010
Assets held for resale	-	-	-	-	-	560,729	560,729
Restricted:							
Community development	-	-	5,702,668	-	561,855	-	6,264,523
Debt service	-	-	-	-	-	821,738	821,738
Capital projects	-	-	-	-	-	526,417	526,417
Revolving loan fund	400,000	-	-	-	-	-	400,000
Committed:							
Landfill closures	578,885	-	-	-	-	-	578,885
Retiree insurance	1,767,860	-	-	-	-	-	1,767,860
Assigned:							
General Government	1,064,705	-	-	-	-	2,741,733	3,806,438
Public safety	-	-	-	-	-	1,006,434	1,006,434
Culture and recreation	-	40,266	-	-	-	-	40,266
Community development	-	-	1,517,234	-	-	-	1,517,234
Capital projects	-	-	-	1,637,945	-	-	1,637,945
Public safety building	-	-	-	-	-	48,619	48,619
Landfill closures	-	-	-	-	-	1,877,404	1,877,404
Unassigned	10,790,382	-	-	-	-	(453,406)	10,336,976
Total fund balances	\$ 15,123,949	\$ 40,266	\$ 7,219,902	\$ 1,637,945	\$ 561,855	\$ 7,129,668	\$ 31,713,585

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

F. Leases

Lease expense and liability consisted of the following at June 30, 2024:

	Fiscal 2024 Lease Expense	Remaining Lease Liability
Primary Government		
On May 1, 2024, the City entered into a lease agreement for the use of 1 copier for the Planning and Development Department. The lease is payable in 60 monthly payments of \$548.45 including interest. The final lease payment is due April 2029 with a fair market purchase option.	\$ 1,097	31,810
On May 1, 2024, the City entered into a lease agreement for the use of 4 copiers at Huntington Police Department. The lease is payable in 60 monthly payments of \$698.80. The final lease payment is due April 2029 with a fair market purchase option.	1,398	40,530
On May 1, 2024, the City entered into a lease agreement for the use of 1 copier at Huntington Fire Department. The lease is payable in 60 monthly payments of \$174.70 including interest at 3.0% per annum. The final lease payment is due April 2029 with a fair market purchase option.	349	10,133
On May 1, 2024, the City entered into a lease agreement for the use of 9 copiers at Huntington City Hall. The lease is payable in 60 monthly payments of \$1,674.25 including interest at 3.0% per annum. The final lease payment is due April 2029 with a fair market purchase option.	3,349	97,107
On June 24, 2021, the City entered into a lease agreement for the use of 1 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	4,648
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	2,091
On December 22, 2021, the City entered into a lease agreement for the use of a postage machine at City Hall. The lease is payable in 15 quarterly payments of \$718.08. The final lease payment is due December 2026.	2,872	7,700
Total minimum lease payments	\$ 12,235	194,019
Less amount representing interest		1,105
Present value of minimum lease payments		\$ 192,914

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	\$ 0
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	0
Present value of minimum lease payments	\$ 102,000	\$ 0

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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The total remaining lease obligations and the net present value of these minimum lease payments as of June 30, 2024 under non-cancelable lease agreements were as follows:

Year Ending June 30	Governmental Activities
2025	\$ 43,196
2026	43,196
2027	38,977
2028	37,685
2029	30,965
Total financed purchase payments	194,019
Less: amount representing interest	(1,105)
Present value of minimum lease	\$ 192,914

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.

The general government has entered into a financed purchase agreement to purchase a new Spartan ER Star Series Pumper Firetruck for the Huntington Fire 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	\$ 3,791,393
Less: accumulated depreciation	(2,044,220)
Total	\$ 1,747,173

The total remaining financed purchase obligations as of June 30, 2024 were as follows:

Year Ending June 30	Governmental Activities
2025	\$ 387,456
2026	438,437
2027	438,433
2028	107,763
2029	107,763
Thereafter	107,763
Total financed purchase payments	1,587,615
Less: amount representing interest	(123,357)
Principal on financed purchase payments	\$ 1,464,258

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

H. Subscription-Based Information Technology Arrangements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITA's) by a government end user. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. During the year, the government was party SBITA's for the following functions:

<u>SBITA</u>	<u>Contract Term</u>	<u>Function</u>	<u>FY 2024 Expense</u>	<u>Remaining Liability 6/20/2024</u>
ESRI Mapping Software	10/14/20–10/13/23	General Government	\$ 26,467	\$ 92,632
APA Memberships	12/1/22–11/30/23	Public Safety	175	125
Commtrak Mapping Product	3/23/23–3/22/24	Public Safety	150	450
Commtrak Mapping Product	5/21/23–5/20/24	Public Safety	50	550
LiveScan Maintenance & Support	8/17/22–8/16/23	Public Safety	4,210	842
Power Plus Investigation System	7/15/22–7/14/23	Public Safety	10,477	953
Motorola Solutions/ELC Hosting	9/21/22–9/20/23	Public Safety	12,390	4,130
NCIC CCERC-911	7/1/22–6/30/23	Public Safety	15,841	0
PLX Software-Task Force	9/30/22–8/31/23	Public Safety	3,865	1,288
Digital Management Software	8/24/22–8/23/23	Public Safety	5,626	1,125
Power DMS 360	7/1/22–6/30/23	Public Safety	1,275	0
Zuercher Data Maint.-HPD	12/15/22–12/14/23	Public Safety	35,347	29,909
Whooster WLPA	10/3/22–10/2/23	Public Safety	2,437	813
Social Media-Compass Prog.	7/1/22–6/30/23	Public Safety	21,000	0
City Website Maintenance	7/1/22–6/30/23	Public Safety	10,800	0
RMT Passive Road Survey Software	1/1/24-12/31/28	Highway & Street	21,000	147,000
Click Fix Annual License	3/26/24-3/25/25	General Government	<u>6,525</u>	<u>19,575</u>
Total Minimum SBITA Payments			177,635	\$ 299,392
Less Amount Representing Interest			<u>13,894</u>	
Present Value of Minimum SBITA Payments			\$ <u>163,741</u>	

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

I. 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 \$176,000 and \$66,309, 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 \$204,000 and \$68,603 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, 2023
Primary Government:					
Series 2019	06/01/2034	2.69%	\$ 3,058,000	\$ 769,000	\$ 2,289,000
Series 2020	05/01/2035	2.25%	3,639,000	794,000	2,845,000
			<u>\$ 6,697,000</u>	<u>\$ 1,563,000</u>	<u>\$ 5,134,000</u>

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

Year Ending June 30	Principal	Interest
2025	\$ 390,000	\$ 125,587
2026	399,000	116,015
2027	409,000	106,219
2028	419,000	96,176
2029	429,000	85,887
2030 – 2034	2,553,000	265,995
2035	535,000	11,034
Present value of minimum bond payments	<u>\$ 5,134,000</u>	<u>\$ 806,913</u>

Revenue Bonds – Component Units – HMDA

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
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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 \$4,133,178 at year end are as follows:

Purpose	Maturity Dates	Interest Rates	Issued	Retired	Balance June 30, 2024
HMDA					
Municipal Development Authority Series 2010-B	12/29/2031	6.5%	5,255,000	1,095,000	4,160,000
Less Bond Discount			(145,087)	(118,265)	(26,822)
Total HMDA			<u>\$ 5,109,913</u>	<u>\$ 976,735</u>	<u>\$ 4,133,178</u>

Revenue Bonds – Component Units – Huntington Building Commission

The Huntington Building Commission, a blended component unit of the City, has issued bonds where the government pledges income derived from acquired or constructed assets to any debt service.

The proceeds of these bonds provided financing for renovations to the Municipal Garage Building. The bonds are secured by lease revenues of the Huntington Building Commission, which are required to be in sufficient amount to pay principal and interest on the bonds when due. Revenue bonds outstanding of \$2,400,360 at year end are as follows:

Purpose	Maturity Date	Interest Rate	Issued	Retired	Balance June 30, 2024
Huntington Building Commission – Series 2022	2/1/2038	3.60%	\$ 2,600,000	\$ 199,640	\$ 2,400,360

Revenue Bonds – Component Units – Water Quality Board

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, 2023
Series 2010-A	3/1/2030	2.00%	\$ 4,022,945	\$ 2,697,764	\$ 1,325,181
Series 2010-B	12/1/2031	2.00%	2,622,055	1,514,533	1,107,522
Series 2015 A	11/1/2035	3.28%	5,630,000	1,570,000	4,060,000
Series 2016 A	11/1/2023	2.02%	2,816,000	2,816,000	-
Series 2022 A	2/1/2038	4.39%	6,170,000	400,246	5,769,754
Less Discount			(622,914)	(609,139)	(13,775)
Total revenue bonds			<u>\$ 20,638,086</u>	<u>\$ 8,389,404</u>	<u>\$ 12,248,682</u>

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

Year Ended	Municipal Development Authority		Huntington Building Commission		Water Quality Board	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	520,000	308,750	127,739	77,307	958,116	420,713
2026	545,000	269,400	144,237	79,450	984,446	390,757
2027	565,000	225,000	149,516	74,171	1,016,556	359,799
2028	590,000	178,800	154,989	68,698	1,049,470	327,733
2029	620,000	130,400	160,661	63,026	1,083,230	294,524
2030 – 2034	1,320,000	106,800	895,934	222,502	4,474,928	970,534
2035 – 2039	-	-	767,284	60,504	2,695,711	188,633
Less Bond Discount	(26,822)	-	-	-	(13,775)	-
Totals	\$ 4,133,178	\$ 1,219,150	\$ 2,400,360	\$ 645,658	\$ 12,248,682	\$ 2,952,693

Pledged Revenues

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 Jean Dean Public Safety Building. 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 \$5,352,328. Principal and interest paid for the current year totaled \$843,050.

The Huntington Building Commission has pledged future lease revenues, net of specified operating expenses, to repay \$2,600,000 in lease revenue bonds issued in December 2022. Proceeds from the bonds is providing financing for renovations to the Municipal Garage (formerly Barbour Armory). The bonds are payable from lease net revenues and are payable through 2038. The total principal and interest remaining to be paid on the bonds is \$3,046,018. Principal and interest paid for the current year totaled \$223,687.

Utility Pledged Revenues

The Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay \$6,170,000 in sewer system revenue bonds issued in November, 2022. 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 February 2038. Annual principal and interest payments on the bonds are expected to require less than four percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,682,866. Principal and interest paid for the current year and total customer net revenues were \$562,161 and \$8,782,846, 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 \$1,406,146. Principal and interest paid for the current year and total customer net revenues were \$244,547 and \$8,782,846, respectively.

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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 \$1,195,423. Principal and interest paid for the current year and total customer net revenues were \$159,389 and \$8,782,846, respectively.

The Sanitary Board has pledged future sewer customer revenues, net of specified operating expenses, to repay \$5,630,000 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 \$4,930,716. Interest paid for the current year and total customer net revenues were \$411,131 and \$8,782,846, respectively.

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 \$0. Principal and interest paid for the current year and total customer net revenues were \$404,040 and \$8,782,846, respectively.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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Notes Payable – Component Units

<u>Purpose</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2024</u>
Stormwater:					
2023 Stormwater BAN	5/1/2026	2.03%	\$ 4,000,000	\$ - -	4,000,000
Equipment Loan	2/4/2025	3.90%	152,947	130,788	22,159
Vehicle Loan	2/4/2025	5.25%	56,866	25,728	31,138
Sanitary Board:					
Equipment Loan	12/3/2024	3.90%	471,732	420,359	51,373
Equipment Loan	1/3/2025	3.90%	498,392	435,139	63,253
Water Quality Board:					
Building Mortgage	10/30/2034	5.00%	332,053	118,840	213,213
Totals			<u>\$ 5,511,990</u>	<u>\$ 1,130,854</u>	<u>\$ 4,381,136</u>

Debt service requirements to maturity are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 172,560	\$ 172,885
2026	4,029,040	155,997
2027	18,147	8,603
2028	19,075	7,675
2029	19,855	6,502
2030-2034	115,834	23,506
2035-2039	6,625	760
Totals	<u>\$ 4,381,136</u>	<u>\$ 375,928</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 5.0% 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 too insecure.

The Stormwater Utility Board entered into a loan agreement with United Bank to finance the purchase of two (2) 2022 Ford Ranger Pickup Trucks. The Stormwater Utility Board entered into an agreement to finance \$56,866 at an interest rate of 5.25% with a maturity date of January 10, 2026. This note is secured by the two (2) 2022 Ford Ranger Pickup Trucks. This note contains a provision that in the event of default the repayment outstanding amounts become immediately due.

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The Stormwater Utility 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 Stormwater Utility Board entered into an agreement to finance \$4,000,000, bearing interest at 3.99%, with a maturity date of May 1, 2026. 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.

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.

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 Arial 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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes to Long-term Liabilities

	Governmental Activities				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Bonds and notes payable	\$ 1,217,878	\$ 642,167	\$ 395,787	\$ 1,464,258	\$ 343,832
Tax increment financing	5,514,000	-	380,000	5,134,000	390,000
Leases	7,244,706	185,772	677,204	6,753,274	685,981
SBITA's	333,999	477,027	511,634	299,392	141,459
Net pension liability – PERS	573,634	-	573,634	-	-
Net pension liability – DBP	127,976,312	-	4,812,381	123,163,931	-
Other post-employment benefits	84,297,143	7,124,027	-	91,421,170	-
Compensated absences	1,972,754	2,054,757	1,972,754	2,054,757	2,054,757
Accrued interest payable	81,004	78,142	81,004	78,142	78,142
Liability for landfill closure and post-closure costs	27,871,714	828,180	-	28,699,894	-
Governmental activities long-term liabilities	<u>\$ 257,083,144</u>	<u>\$ 11,390,072</u>	<u>\$ 9,404,398</u>	<u>\$ 259,068,818</u>	<u>\$ 3,694,171</u>
	Business-Type Activities				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Revenue bonds payable	\$ 2,534,994	\$ -	\$ 134,634	\$ 2,400,360	\$ 127,739
Other post-employment benefits	1,587,195	-	42,075	1,545,120	-
Compensated absences	119,212	150,396	119,212	150,396	150,396
Net pension liability – PERS	132,540	-	132,540	-	-
Business-Type activities long-term liabilities	<u>\$ 4,373,941</u>	<u>\$ 150,396</u>	<u>\$ 428,461</u>	<u>\$ 4,095,876</u>	<u>\$ 278,135</u>
	Component Units – HMDA				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Revenue bonds payable	\$ 4,660,000	\$ -	\$ 500,000	\$ 4,160,000	\$ 520,000
Less: bond discounts	(38,648)	-	(11,826)	(26,822)	(11,826)
Total bonds payable	<u>4,621,352</u>	<u>-</u>	<u>488,174</u>	<u>4,133,178</u>	<u>508,174</u>
Note Payable – RLF	400,000	-	116,430	283,570	283,570
Note Payable – WVEDA	2,227,391	-	815,221	1,412,170	1,412,170
Other post-employment benefits	19,478	30,941	-	50,419	-
Compensated absences	23,109	24,458	23,109	24,458	24,458
Accrued interest payable	59,966	70,601	59,966	70,601	70,601
Net pension liability	16,482	-	16,482	-	-
Component unit long-term liabilities	<u>\$ 7,367,778</u>	<u>\$ 126,000</u>	<u>\$ 1,519,382</u>	<u>\$ 5,974,396</u>	<u>\$ 2,298,973</u>
	Downtown Investment (Component of HMDA)				
	Beginning Balance	Additions	Reductions	End Balance	Due Within One Year
Notes payable	\$ 3,325,000	\$ 6,175,811	\$ 3,400,040	\$ 6,100,771	\$ 155,875
Lease liabilities	2,985,293	-	95,173	2,890,120	71,016
	<u>\$ 6,310,293</u>	<u>\$ 6,175,811</u>	<u>\$ 3,495,213</u>	<u>\$ 8,990,891</u>	<u>\$ 226,891</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
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	Component Units – HMPB				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Other post-employment benefits	\$ 126,951	\$ -	\$ 103,492	\$ 23,459	\$ -
Compensated absences	30,054	32,726	30,054	32,726	32,726
Net pension liability	33,419	-	33,419	-	-
Component unit long-term liabilities	<u>\$ 190,424</u>	<u>\$ 32,726</u>	<u>\$ 166,965</u>	<u>\$ 56,185</u>	<u>\$ 32,726</u>

	Component Units – WQB				
	Beginning	Additions	Reductions	End Balance	Due Within
	Balance				One Year
Revenue bonds payable	\$ 13,589,990	\$ -	\$ (1,327,533)	\$ 12,262,457	\$ 958,116
Less: Bond Discount	(16,275)	-	2,500	(13,775)	-
Total bonds payable	<u>13,573,715</u>	<u>-</u>	<u>(1,325,033)</u>	<u>12,248,682</u>	<u>958,116</u>
Notes payable	4,653,568	-	(272,432)	4,381,136	172,364
Compensated absences	174,921	252,986	(174,921)	252,986	252,986
Other post-employment benefits	118,646	-	(118,646)	-	-
Net pension liability	470,979	-	(470,979)	-	-
Accrued interest payable	54,798	48,868	(54,798)	48,868	48,868
Component unit long-term liabilities	<u>\$ 19,046,627</u>	<u>\$ 301,854</u>	<u>\$ (2,416,809)</u>	<u>\$ 16,931,672</u>	<u>\$ 1,432,334</u>

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. An additional \$100,000 promissory note was signed in fiscal 2023, bringing the loan total to \$400,000 at June 30, 2023. Principal payments of \$116,430 were made in fiscal 2024, bringing the balance due to \$283,570. Final payment of all principal and accrued interests is due March 31, 2050.

Downtown Investment, LLC (a component unit of the Huntington Municipal Development Authority) reports its interest in a loan payable with Community Trust related to its equitable share of Metropolitan Huntington. As of June 30, 2024, this share is \$6,100,771.

J. Restricted Assets

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

	Huntington Building Commission	Municipal Development Authority	Water Quality Board
Revenue bond operations and maintenance accounts	\$ -	\$ -	\$ 1,375,809
Restricted economic development	-	1,766,911	-
Reserve for insurance claims	-	-	400,483
Reserve for construction	826,032	-	1,027,308
Total restricted assets	<u>\$ 826,032</u>	<u>\$ 1,766,911</u>	<u>\$ 2,803,600</u>

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K. Benefits Funded by the State of West Virginia

For the year ended June 30, 2024, 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	\$ 1,190,997
Firemen’s Pension and Relief Fund	1,225,453
Total	\$ <u>2,416,450</u>

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

L. Restatement of Net Position

Beginning net position of governmental activities has been restated in the government-wide statement of activities for the restatement of \$901,045 of expenditures previously reported as contributions to construction in process. Additionally, during fiscal year 2024, the HURA/LRA fund was reclassified from major to a nonmajor fund due to significant decreases in its liabilities balance.

	Reporting Unit Affected by Adjustments to and Restatement of Beginning Net Position		
	Funds	Government- Wide	
	HURA/LRA	Other Nonmajor Governmental Funds	Governmental Activities
6/30/2023 net position, as previously reported	\$ 43,112	\$ 3,771,299	\$ (200,730,071)
Change from major to nonmajor fund	(43,112)	43,112	
Restatement	-	-	901,045
6/30/2023 net position, as restated	\$ <u>-</u>	\$ <u>3,814,411</u>	\$ <u>(199,829,026)</u>

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

B. Commitments and Contingencies and Subsequent Events

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

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

The Department of Environmental Protection forced the City to close its landfill in 1994 because it did not have an underlying liner. Some procedures which are required for closure have been completed, however, additional procedures are still required to complete the closure. After reevaluation for annual inflation or deflation, costs to complete the closure and subsequent post-closure costs have been estimated at approximately \$28,699,894. The actual cost incurred may differ due to inflation, changes in regulations or changes in technology. As of June 30, 2024, the Landfill Reserve Fund balance was \$1,877,404 and the General Fund contains \$578,885 in committed funds for landfill closure.

On October 31, 2024, the City of Huntington issued its \$5,730,000 Tax Increment Revenue and Refunding Bonds Series 2024 A (Downtown Project No. 3), and its \$5,250,000 Tax Increment Revenue and Refunding Bonds, Series 2024 (Kinetic Park Project No. 3). Proceeds of the bond issues will be used to fund \$5 million in public improvement projects in the downtown business district and at Kinetic Park, and to refund its outstanding bonds issued in 2019 and 2020.

On November 14, 2024, the City of Huntington Building Commission issued its \$9,180,000 Lease Revenue Refunding Bonds, Series 2024 (Civic Arena). Proceeds of the lease revenue bonds will be used to fund \$6 million of improvements to Marshall Health Network Arena and refund its outstanding bonds issued in 2010. Standard & Poor's Global Ratings assigned a rating of "A" to the lease revenue bonds with a "Stable" outlook.

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.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023.

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, 2023.

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	32	46	78
Inactive employees entitled to but not yet receiving benefits	-	6	6
Inactive employees or beneficiaries currently receiving benefits	151	158	309
Total	183	210	393

**CITY OF HUNTINGTON, WEST VIRGINIA
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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, 2017 - July 1, 2020	July 1, 2017 - July 1, 2020

Net Pension Liability

The net pension liabilities were measured as of June 30, 2024 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, 2023, projected to the measurement date of June 30, 2024.

**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, 2023, rolled forward to June 30, 2024 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, 2017 through June 30, 2020. Additional actuarial assumptions are disclosed in the Required Supplementary Information.

Actuarial assumptions	<u>Policemen’s Pension & Relief Fund</u>	<u>Firemen’s Pension & Relief Fund</u>
General Inflation Rate	2.50%	2.50%
Salary Increases	Rates vary by years of service	Rates vary by years of service
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, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 8.30 percent for the PPRF and 8.21 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, 2024, are summarized in the following chart:

<u>Investment</u>	<u>PPRF</u>		<u>FPRF</u>	
	Long-term Expected		Long-term Expected	
	<u>Real Rate of Return</u>	<u>Target Asset Allocations</u>	<u>Real Rate of Return</u>	<u>Target Asset Allocations</u>
Money Market	0.00%	0.00%	0.00%	0.00%
Equities	10.00%	67.00%	10.00%	65.00%
Fixed Income	4.90%	32.00%	4.90%	34.00%
Cash	3.50%	1.00%	3.50%	1.00%

Net Pension Liability, Reserves and Discount Rate

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

Reserves

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

**CITY OF HUNTINGTON, WEST VIRGINIA
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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	\$ 110,501,155	\$ 111,678,015
Plan fiduciary net position	53,298,998	45,716,241
Net pension liability	\$ 57,202,157	\$ 65,961,774
 Plan fiduciary net position as a percentage of the total pension liability	48.23%	40.94%

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 3.86% 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	\$ 71,142,648	\$ 57,202,157	\$ 45,767,825
FPRF's net pension liability	\$ 80,366,387	\$ 65,961,774	\$ 54,165,270

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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, 2023	\$ 108,046,294	\$ 48,098,792	\$ 59,947,502
Changes for the year:			
Service Cost	832,313	-	832,313
Interest	6,022,574	-	6,022,574
Difference between expected and actual experience	2,655,968	-	2,655,968
Changes of assumptions	(444,237)	-	(444,237)
Contributions – employer	-	4,717,613	(4,717,613)
Contributions – employee	-	211,358	(211,358)
Net investment income	-	6,892,243	(6,892,243)
Benefit payments, including refunds of employee contributions	(6,611,757)	(6,611,757)	-
Administrative expense	-	(9,251)	9,251
Other changes	-	-	-
Net changes	<u>2,454,861</u>	<u>5,200,206</u>	<u>(2,745,345)</u>
Balance at June 30, 2024	<u>\$ 110,501,155</u>	<u>\$ 53,298,998</u>	<u>\$ 57,202,157</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, 2023	\$ 108,084,664	\$ 40,055,854	\$ 68,028,810
Changes for the year:			
Service Cost	1,284,700	-	1,284,700
Interest	5,781,592	-	5,781,592
Difference between expected and actual experience	3,121,024	-	3,121,024
Changes of assumptions	(664,314)	-	(664,314)
Contributions – employer	-	5,223,371	(5,223,371)
Contributions – employee	-	226,882	(226,882)
Net investment income	-	6,149,756	(6,149,756)
Benefit payments, including refunds of employee contributions	(5,929,651)	(5,929,651)	-
Administrative expense	-	(9,971)	9,971
Net changes	<u>3,593,351</u>	<u>5,660,387</u>	<u>(2,067,036)</u>
Balance at June 30, 2024	<u>\$ 111,678,015</u>	<u>\$ 45,716,241</u>	<u>\$ 65,961,774</u>

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

For the year ended June 30, 2024, the government recognized the following pension expenses.

	PPRF	FPRF
Pension Expense	\$ 5,351,887	\$ 6,268,360

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 projected and actual investment earnings	\$ -	\$ 2,374,302
Total	\$ -	\$ 2,374,302

Firemen's Pension and Relief Fund

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 2,758,532
Total	\$ -	\$ 2,758,532

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

Year Ended June 30:	PPRF	FPRF
2025	\$ (962,855)	\$ (1,006,616)
2026	637,950	113,701
2027	(1,214,357)	(1,073,588)
2028	(835,040)	(792,029)
Total	\$ (2,374,302)	\$ (2,758,532)

Payables to the pension plan

At June 30, 2024, all contributions were current, and the City had no liabilities payable to the Policemen's and Firemen's Pension and Relief Funds.

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

	<u>Policemen's Pension and Relief</u>	<u>Firemen's Pension and Relief</u>
ASSETS		
Non-pooled cash	\$ 280,429	\$ 246,736
Total cash	<u>280,429</u>	<u>246,736</u>
Investments, at fair value		
Money market	231,227	180,642
Fixed income securities	17,533,984	15,797,515
Equities	<u>35,068,285</u>	<u>29,255,027</u>
Total investments	<u>52,833,496</u>	<u>45,233,184</u>
Receivables:		
Accrued income	142,574	141,849
Due from other governments	<u>99,579</u>	<u>102,470</u>
Total receivables	<u>242,153</u>	<u>244,319</u>
Total assets	<u>53,356,078</u>	<u>45,724,239</u>
LIABILITIES		
Accounts payable	57,075	7,791
Due to other funds	4	207
Other	<u>-</u>	<u>-</u>
Total liabilities	<u>57,079</u>	<u>7,998</u>
NET POSITION		
Net position held in trust for pension benefits	<u>\$ 53,298,999</u>	<u>\$ 45,716,241</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
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	Policemen's Pension and Relief	Firemen's Pension and Relief
ADDITIONS		
Contributions:		
Employer	\$ 3,526,616	\$ 3,997,918
Plan members	211,358	226,882
Insurance premium surtax	1,190,997	1,225,453
Total contributions	4,928,971	5,450,253
Investment and other income:		
Net increase in fair value	5,860,393	5,218,608
Interest and dividends	1,202,492	1,045,533
Total investment and other income	7,062,885	6,264,141
Total additions	11,991,856	11,714,394
DEDUCTIONS		
Benefits	6,555,501	5,929,651
Administrative expenses	236,148	124,356
Total deductions	6,791,649	6,054,007
Change in net position	5,200,207	5,660,387
Net position held in trust for pension benefits:		
Beginning of year	48,098,792	40,055,854
End of year	\$ 53,298,999	\$ 45,716,241

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
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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	9.00%
Plan member's contribution rate hired after 7/1/2015	6.00%
City's contribution rate hired after 7/1/2015	9.00%
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>
2024	\$ 835,167	100%
2023	797,128	100%
2022	805,457	100%

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

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

At fiscal year-end, the City reported an asset of \$22,381 for its proportionate share of the net pension asset. The net pension liability was measured as of June 30, 2023, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to that date. The government's proportion of the net pension liability was based on a projection of the government's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2024, the government's proportion was 0.499360%, which was a decrease of 0.008349% from its proportion measured as of the prior period.

For the year ended June 30, 2024, the government recognized the following pension expense.

	Governmental Activities	Business-type Activities	Development Authority	Parking Board	Total
Pension expense	\$ 616,880	\$ 142,320	\$ 18,359	\$ 34,768	\$ 812,327

The primary government and the Municipal Development Authority 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	\$ 136,001	\$ -
Difference between expected and actual experience	189,557	-
Changes in assumptions	144,760	-
Changes in proportion and differences between government contributions and proportionate share of contributions	16,708	4,317
Contributions subsequent to the measurement date	835,167	-
Total	\$ 1,322,193	\$ 4,317

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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

2025	\$ 1,921
2026	(516,878)
2027	1,092,338
2028	<u>(94,672)</u>
Total	<u>\$ 482,709</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended July 1, 2021.

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>
Domestic Equity	6.50%	27.50%
International Equity	9.10%	27.50%
Fixed Income	4.30%	15.00%
Real Estate	5.80%	10.00%
Private Equity	9.20%	10.00%
Hedge Funds	4.60%	<u>10.00%</u>
		<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 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)	\$ (4,639,259)	\$ (22,381)	\$ 3,955,955

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

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

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

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

Municipal Police Officers and Firefighters Retirement System

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

**CITY OF HUNTINGTON, WEST VIRGINIA
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Trend Information

Fiscal Year	Annual Pension Cost	Percentage Contributed
2024	\$ 541,769	100%
2023	462,988	100%
2022	427,177	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 \$1,588,453 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023 rolled forward to June 30, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2022. 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, 2024, the government’s proportion was 14.453619%, which was a decrease of 1.519621% from its proportion measured as of the prior period.

For the year ended June 30, 2024, the government recognized the following pension expense.

	MPFRS
	Governmental Activities
Pension expense	\$ 381,840

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)

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 77,616	\$ -
Difference between expected and actual experience	182,983	19,223
Changes in proportion and differences between contributions and proportionate share of contributions	321,083	6,182
Changes in assumptions	119,821	
Contributions subsequent to measurement date	541,769	-
Total	\$ 1,243,272	\$ 25,405

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, 2025. 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:

2025	\$ 151,334
2026	101,110
2027	193,104
2028	83,097
2029	78,580
Thereafter	68,873
	\$ 676,098

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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.

**CITY OF HUNTINGTON, WEST VIRGINIA
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The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022.

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	6.50%	27.50%
International Equity	9.10%	27.50%
Fixed Income	4.30%	15.00%
Real Estate	5.80%	10.00%
Private Equity	9.20%	10.00%
Hedge Funds	4.60%	10.00%
Inflation (CPI)	2.50%	100.00%

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>\$ 622,228</u>	<u>\$ 1,588,453</u>	<u>\$ 2,316,337</u>

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

VI. OTHER POST-EMPLOYMENT BENEFIT PLAN

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

A. Plan Descriptions, Contribution Information, and Funding Policies

The City of Huntington, West Virginia provides continuation of medical insurance to employees that retire under the WV Public Employees Retirement System and the City of Huntington's Policemen's Pension &

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.⁽¹⁾

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

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.

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, 2024, a June 30, 2023 measurement date was used.
Actuarial Valuation Date	July 1, 2022 with results actuarially projected on a “no gain/no loss” basis to get to the June 30, 2023 measurement date. Liabilities as of July 1, 2024 are based on an actuarial valuation date of July 1, 2021 projected to July 1, 2022 with no adjustments.
Discount Rate	4.13% as of June 30, 2023 and 4.21% as of June 30, 2024.
Inflation Rate	3.00% per year
Employer Funding Policy	Pay-as-you-go cash basis

**CITY OF HUNTINGTON, WEST VIRGINIA
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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 were updated during the 2024 experience study. This change resulted in an increase in liabilities.

Census Data Census information was provided by the City as of June 2024.

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			FYE		
	Pre-65	Post-65		Pre-65	Post-65	
	2025	8.00%	6.50%	2030	5.50%	5.25%
	2026	7.50%	6.25%	2031	5.00%	5.00%
	2027	7.00%	6.00%	2032	4.50%	4.75%
	2028	6.50%	5.75%	2033+	4.50%	4.50%
	2029	6.00%	5.50%			

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

At fiscal year-end, the City reported \$93,040,168 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, 2024 for the City’s fiscal year ended June 30, 2024, using the actuarial assumptions and methods described in the appropriate section of this note.

For the year ended June 30, 2024, the City recognized OPEB expense of \$3,148,229 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, 2024:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 3,037,040	\$ 8,098,950
Change in assumptions	2,528,048	11,267,225
	<u>\$ 5,565,088</u>	<u>\$ 19,366,175</u>

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NOTES TO THE FINANCIAL STATEMENTS
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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, 2025. 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:	
2025	\$ (4,009,710)
2026	(4,009,709)
2027	(5,033,784)
2028	(747,884)
Total	<u>\$ (13,801,087)</u>

Discount Rate

The discount rate used to measure the OPEB liability was 4.21 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 3.21%	Current Single Discount Rate Assumption 4.21%	1% Increase 5.21%
<u>\$ 104,838,711</u>	<u>\$ 93,040,168</u>	<u>\$ 83,307,899</u>

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 8 percent decreasing to an ultimate rate of 4.5 percent.

Sensitivity of Net OPEB Liability to the Health Care Trend Rate

1% Decrease 7.00% to 3.50%	Current Single Discount Rate Assumption 8.00% to 4.50%	1% Increase 9.00% to 5.50%
<u>\$ 83,321,914</u>	<u>\$ 93,040,168</u>	<u>\$ 104,703,438</u>

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West Virginia Retiree Health Benefit Trust Fund (RHBT)

Plan description:

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

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

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

Benefits Provided:

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

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.

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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 active premiums subsidized the retirees' health care by approximately \$60 million for the fiscal year ending 2023. The Paygo rates for June 30, were:

July 1, 2022 to June 30, 2023	\$	70
February 1, 2022 to June 30, 2022		48
July 1, 2021 to January 31, 2022		116

The City's contributions to the West Virginia Retiree Health Benefit Trust Fund for the year ended June 30, 2024 was \$1,936. 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.

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, 2023 for the City's fiscal year ended June 30, 2024, 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. The City reported the following proportions and increase/decreases from its proportion as of June 30, 2024:

		2024
City's proportionate share of the net OPEB liability/(asset)	\$	(8,957)
States proportional share of the net OPEB liability/(asset) associated with the City		(1,304)
Total Portion of the net OPEB liability/(asset) associated with the City	\$	(10,261)

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

For the year ended June 30, 2024, the City recognized the following OPEB expense and support provided by the State:

	2024
OPEB expense/(offset) City	\$ (16,838)
OPEB expense/(offset) State support	(2,205)
Total OPEB expense/(offset)	\$ (19,043)
State support revenue	\$ (2,205)

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, 2024:

	Deferred Outflows of	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 149
Differences between projected and actual experiences	-	5,214
Changes in assumptions	2,470	4,997
Changes in proportion and differences between contributions and proportionate share of contributions	21,003	10,693
Contributions subsequent to measurement date	1,936	-
Totals	\$ 25,409	\$ 21,053

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/(asset) on June 30, 2025. 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:	2024
2025	\$ 2,781
2026	1,233
2027	(1,260)
2028	(334)
Total	\$ 2,420

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OPEB	June 30, 2023
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	Fair Value
Amortization Method	Level percentage of payroll, closed
Amortization Period	20 years closed as of June 30, 2017
Actuarial Assumptions:	
Investment Rate of Return	7.40%, 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	2.50%
Discount Rate	7.40% net of OPEB plan investment expense, including inflation
Healthcare Cost Trends	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.
Mortality Rates	Postretirement: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A & B.
Date Range in Most Recent Experience Study	July 1, 2015 to June 30, 2020

The long term expected rate of return of 7.40% on the OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 2.75% for assets invested with the West Virginia Board of Treasury Investments.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Long-term pre-funding assets are invested the WVIMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 12% private equity, 6% private credit and income, 10% hedge fund and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTL.

The long-term rates of return on OPEB plan investments are determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (“CMA”), and forecast returns were provided by the Plan’s investment advisors, including West Virginia Investment Management Board (“WV-IMB”). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (“WV-BTI”) was estimated based on WV-IMB assumed inflation of 2.50% plus a 25-basis point spread. The best estimates of long-term geometric rates of return for each asset class are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Equity	7.4%
Fixed Income	3.9%
Real Estate	7.2%
Hedge Fund	4.5%
Private Equity	10.0%
Private Credit and Income	7.4%

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/(asset) was 7.4 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/(asset).

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

	1% Decrease 6.4%	Current Discount Rate 7.4%	1% Increase 8.4%
Proportionate share of OPEBs			
Net OPEB liability/(asset)	\$ (1,516)	\$ (8,957)	\$ (17,118)

Healthcare Cost Trend Rate

The following table presents the City’s proportionate share of its net OPEB liability/(asset) 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 OPEB's			
Net OPEB liability/(asset)	\$ (22,816)	\$ (8,957)	\$ 7,525

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 2,569,959	\$ 2,629,007	\$ 4,687,369	\$ 4,104,643	\$ 3,608,679	\$ 2,965,426	\$ 3,024,313
Interest	3,589,180	3,622,131	2,601,175	2,880,070	3,461,730	3,216,444	2,964,542
Difference between Expected and Actual Experience	4,049,387	(4,090,532)	(10,110,871)	(949,480)	(2,714,624)	6,689,550	-
Assumption Changes	217,882	(396,757)	(22,005,442)	7,093,913	7,708,616	4,552,183	(3,374,344)
Benefit Payments	(3,408,269)	(3,313,740)	(3,357,881)	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
Net Change in OPEB Liability	7,018,139	(1,549,891)	(28,185,650)	10,068,758	9,304,812	15,073,078	458,065
Total OPEB Liability - Beginning	86,022,029	87,571,920	115,757,570	105,688,812	96,384,000	81,310,922	80,852,857
Total OPEB Liability - Ending	\$ 93,040,168	\$ 86,022,029	\$ 87,571,920	\$ 115,757,570	\$ 105,688,812	\$ 96,384,000	\$ 81,310,922
Plan Fiduciary Net Position							
Employer Contributions	\$ 3,408,269	\$ 3,313,740	\$ 3,357,881	\$ 3,060,388	\$ 2,759,589	\$ 2,350,525	\$ 2,156,446
Benefit Payments	(3,408,269)	(3,313,740)	(3,357,881)	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability	\$ 93,040,168	\$ 86,022,029	\$ 87,571,920	\$ 115,757,570	\$ 105,688,812	\$ 96,384,000	\$ 81,310,922
Plan Fiduciary Net Position as a Percentage							
of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 18,620,615	\$ 19,294,147	\$ 18,638,543	\$ 15,155,628	\$ 14,714,202	\$ 11,028,839	\$ 10,707,611
Net OPEB Liability as a Percentage							
of Covered Employee Payroll	499.66%	445.85%	469.84%	763.79%	718.28%	873.93%	759.38%

Notes to Schedule:

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

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SCHEDULE OF CONTRIBUTIONS – MULTIYEAR FOR OTHER POST-EMPLOYMENT BENEFITS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution (a)	\$ 3,408,269	\$ 3,313,740	\$ 3,357,881	\$ 3,060,388	\$ 2,759,589	\$ 2,350,525	\$ 2,156,446
Employer contribution (b)	(3,408,269)	(3,313,740)	(3,357,881)	(3,060,388)	(2,759,589)	(2,350,525)	(2,156,446)
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage contributed	100%	100%	100%	100%	100%	100%	100%
Covered payroll (f)	\$ 18,620,615	\$ 19,294,147	\$ 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%	17%	18%	20%	19%	21%	20%

Notes to Schedules of Contributions:

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

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

II. SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Retiree Health Benefit Trust

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportionate percentage of the net OPEB liability (asset)	0.005659852%	0.007851121%	0.003112554%	0.004106304%	0.004304265%	0.004339626%	0.005094491%	0.006116921%
City's proportionate share of the net OPEB liability (asset)	\$ (8,957)	\$ 8,738	\$ (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>(1,304)</u>	<u>1,841</u>	<u>(296)</u>	<u>4,011</u>	<u>14,614</u>	<u>19,242</u>	<u>37,931</u>	<u>-</u>
Total	<u>\$ (10,261)</u>	<u>\$ 10,579</u>	<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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	109.66%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%	21.64%

Information prior to 2016 is not available.

This schedule will be built prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SCHEDULE OF OPEB CONTRIBUTIONS

Retiree Health Benefit Trust

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,936	\$ 5,676	\$ 9,231	\$ 5,676	\$ 7,937	\$ 8,868	\$ 8,868	\$ 10,464	\$ 10,464
Contributions in relation to the contractually required contribution	<u>(1,936)</u>	<u>(5,676)</u>	<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 (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<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	N/A	N/A

This schedule will be built prospectively.

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Policemen's Pension and Relief Fund (PPRF)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 832,313	\$ 872,782	\$ 960,545	\$ 1,314,602	\$ 1,479,995	\$ 1,600,345	\$ 1,677,226	\$ 1,766,856	\$ 1,327,865	\$ 1,570,562
Interest	6,022,574	5,817,829	5,694,266	5,802,509	5,633,626	5,342,286	5,265,220	5,168,503	4,995,831	4,650,084
Difference between expected and actual experience	2,655,968	3,312,623	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	(444,237)	-	-	(8,892,309)	-	-	-	-	10,127,518	(5,215,194)
Benefits payments	(6,611,757)	(6,273,169)	(6,022,540)	(5,568,701)	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)
Refunds	-	-	-	-	-	-	-	(29,643)	(47,520)	-
Net change in total pension liability	2,454,861	3,730,065	2,274,238	(6,242,510)	3,196,568	5,512,913	1,782,682	923,242	14,140,879	(4,286,913)
Total pension liability – beginning	108,046,294	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
Total pension liability – ending (a)	\$ 110,501,155	\$ 108,046,294	\$ 104,316,229	\$ 102,041,991	\$ 108,284,501	\$ 105,087,933	\$ 99,575,020	\$ 97,792,338	\$ 96,869,096	\$ 82,728,217
Plan fiduciary net position										
Contributions – employer	\$ 4,717,613	\$ 4,371,588	\$ 4,428,631	\$ 5,657,305	\$ 5,607,224	\$ 5,540,993	\$ 5,777,937	\$ 5,685,075	\$ 4,822,623	\$ 5,271,650
Contributions – members	211,358	230,778	247,237	244,427	277,648	283,815	297,125	335,264	313,939	365,787
Net investment income	6,892,243	4,454,520	(6,256,306)	10,338,534	1,394,132	2,239,135	2,203,504	1,997,497	852,569	654,764
Benefits payments	(6,611,757)	(6,273,169)	(6,022,540)	(5,568,701)	(5,316,734)	(4,885,081)	(4,520,158)	(4,435,120)	(4,316,567)	(4,077,860)
Refunds	-	-	-	-	-	-	-	(29,643)	(47,520)	-
Administrative expenses	(9,251)	(12,656)	(15,261)	(9,205)	(9,210)	(134,958)	(8,517)	(9,095)	(176,416)	(190,402)
Other	-	-	-	41	2,917	-	-	-	(5,381)	5,441
Net change in plan fiduciary net position	5,200,206	2,771,061	(7,618,239)	10,662,401	1,955,977	3,043,904	3,749,891	3,543,978	1,443,247	2,029,380
Plan fiduciary net position – beginning	48,098,792	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
Plan fiduciary net position – ending (b)	\$ 53,298,998	\$ 48,098,792	\$ 45,327,731	\$ 52,945,970	\$ 42,283,569	\$ 40,327,592	\$ 37,283,688	\$ 33,533,797	\$ 29,989,819	\$ 28,546,572
Net pension liability – ending (a) – (b)	\$ 57,202,157	\$ 59,947,502	\$ 58,988,498	\$ 49,096,021	\$ 66,000,932	\$ 64,760,341	\$ 62,291,332	\$ 64,258,541	\$ 66,879,277	\$ 54,181,645
Plan fiduciary net position as a percentage of the total pension liability	48.23%	44.52%	43.45%	51.89%	39.05%	38.38%	37.44%	34.29%	30.96%	34.50%
Covered employee payroll	\$ 2,836,741	\$ 2,965,981	\$ 3,240,023	\$ 3,303,872	\$ 3,783,881	\$ 4,046,524	\$ 4,225,541	\$ 4,483,206	\$ 4,573,783	\$ 4,771,286
Net pension liability as a percentage of covered employee payroll	2016.47%	2021.17%	1820.62%	1486.01%	1744.27%	1600.47%	1474.16%	1433.32%	1462.11%	1135.69%

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Firemen's Pension and Relief Fund (FPRF)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 1,284,700	\$ 1,283,780	\$ 1,383,095	\$ 1,414,053	\$ 1,556,769	\$ 1,630,487	\$ 2,012,547	\$ 1,921,250	\$ 1,570,937	\$ 1,569,989
Interest	5,781,592	5,632,958	5,419,188	5,804,386	5,656,769	5,562,251	5,334,849	5,241,817	5,082,040	4,899,228
Difference between expected and actual experience	3,121,024	1,563,947	(562,531)	(361,805)	1,508,438	457,926	562,398	(188,766)	2,571,967	(1,282,535)
Change in assumptions	(664,314)	-	(6,595,321)	(8,880,845)	(5,730,252)	(5,746,321)	(7,901,702)	-	13,787,848	-
Benefits payments	(5,929,651)	(5,626,902)	(5,594,617)	(5,764,904)	-	-	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)
Refunds	-	-	-	-	(44,073)	-	(50,573)	-	(31,367)	-
Net change in total pension liability	3,593,351	2,853,783	(5,950,186)	(7,789,115)	2,947,651	1,904,343	(5,738,787)	1,313,719	17,507,009	(78,370)
Total pension liability – beginning	108,084,664	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
Total pension liability – ending (a)	\$ 111,678,015	\$ 108,084,664	\$ 105,230,881	\$ 111,181,067	\$ 118,970,182	\$ 116,022,531	\$ 114,118,188	\$ 119,856,975	\$ 118,543,256	\$ 101,036,247
Plan fiduciary net position										
Contributions – employer	\$ 5,223,371	\$ 5,050,807	\$ 5,775,354	\$ 6,809,065	\$ 6,838,651	\$ 6,860,009	\$ 7,389,517	\$ 7,401,751	\$ 6,355,707	\$ 6,428,342
Contributions – members	226,882	256,303	243,669	216,101	236,773	251,044	246,681	273,029	283,660	306,473
Net investment income	6,149,756	3,431,227	(3,903,909)	7,231,031	737,037	1,623,796	1,439,198	1,207,975	815,748	538,263
Benefits payments	(5,929,651)	(5,626,902)	(5,594,617)	(5,764,904)	(5,774,325)	(5,746,321)	(5,696,306)	(5,660,582)	(5,474,416)	(5,265,052)
Refunds	-	-	-	-	-	-	(50,573)	-	(31,367)	-
Administrative expenses	(9,971)	(9,996)	(9,354)	(13,303)	(26,999)	(3,736)	(68,224)	(9,208)	(58,928)	(58,286)
Other	-	-	-	-	484	(7,625)	-	-	585	14
Net change in plan fiduciary net position	5,660,387	3,101,439	(3,488,857)	8,477,990	2,011,621	2,977,167	3,260,293	3,212,965	1,890,989	1,949,754
Plan fiduciary net position – beginning	40,055,854	36,954,415	40,443,272	31,965,282	26,976,494	26,976,494	23,716,201	20,503,236	18,612,247	16,662,493
Plan fiduciary net position – ending (b)	\$ 45,716,241	\$ 40,055,854	\$ 36,954,415	\$ 40,443,272	\$ 28,988,115	\$ 29,953,661	\$ 26,976,494	\$ 23,716,201	\$ 20,503,236	\$ 18,612,247
Net pension liability – ending (a) – (b)	\$ 65,961,774	\$ 68,028,810	\$ 68,276,466	\$ 70,737,795	\$ 89,982,067	\$ 86,068,870	\$ 87,141,694	\$ 96,140,774	\$ 98,040,020	\$ 82,424,000
Plan fiduciary net position as a percentage of the total pension liability	40.94%	37.06%	35.12%	36.38%	26.87%	25.82%	23.64%	19.79%	17.30%	18.42%
Covered employee payroll	\$ 3,342,779	\$ 3,314,860	\$ 3,094,186	\$ 3,054,751	\$ 3,402,515	\$ 3,488,570	\$ 3,782,913	\$ 3,623,803	\$ 4,135,510	\$ 4,037,697
Net pension liability as a percentage of covered employee payroll	1973.26%	2052.24%	2206.61%	2315.66%	2557.08%	2467.20%	2303.56%	2653.04%	2370.69%	2041.36%

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

IV. SCHEDULES OF INVESTMENT RETURNS

Policemen's Pension and Relief Fund (PPRF)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money – weighted rate of return, net of investment	8.30%	7.21%	7.02%	6.27%	5.83%	6.22%	8.72%	8.32%	2.91%	10.00%

Firemen's Pension and Relief Fund (FPRF)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money – weighted rate of return, net of investment	8.21%	7.21%	7.02%	6.27%	5.83%	7.07%	9.06%	7.59%	5.29%	3.75%

V. SCHEDULES OF CONTRIBUTIONS – MULTIYEAR

Policemen's Pension and Relief Fund (PPRF)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution (a)	\$ 4,649,780	\$ 4,313,300	\$ 4,388,464	\$ 5,599,399	\$ 5,605,198	\$ 5,533,885	\$ 4,706,545	\$ 4,757,747	\$ 4,666,572	\$ 3,717,462
Employer contribution (b)	(3,526,616)	(3,329,769)	(3,307,224)	(4,527,758)	(4,515,894)	(4,487,498)	(4,679,161)	(4,590,520)	(3,775,581)	(4,237,318)
State contribution (c)	(1,190,997)	(1,041,819)	(1,121,407)	(1,129,547)	(1,091,330)	(1,053,495)	(1,098,776)	(1,094,555)	(1,047,042)	(1,034,332)
Contribution (excess) deficiency	\$ (67,833)	\$ (58,288)	\$ (40,167)	\$ (57,906)	\$ (2,026)	\$ (7,108)	\$ (1,071,392)	\$ (927,328)	\$ (156,051)	\$ (1,554,188)
Percentage contributed	100%	100%	100%	100%	100%	100%	123%	119%	103%	142%
Covered payroll (f)	\$ 2,836,741	\$ 2,965,981	\$ 3,240,023	\$ 3,303,872	\$ 3,783,881	\$ 4,046,524	\$ 4,225,541	\$ 4,483,206	\$ 4,771,286	\$ 4,771,286
Actual contribution as a percent of covered payroll [(b)+(c)]/f	166%	147%	137%	171%	148%	137%	137%	127%	105%	110%

Firemen's Pension and Relief Fund (FPRF)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution (a)	\$ 5,121,140	\$ 4,919,242	\$ 5,761,384	\$ 6,816,641	\$ 6,800,972	\$ 6,958,630	\$ 5,899,587	\$ 6,100,163	\$ 6,111,224	\$ 4,908,882
Employer contribution (b)	(3,997,918)	(4,051,331)	(4,643,596)	(5,633,481)	(5,658,818)	(5,750,203)	(6,282,284)	(6,266,667)	(5,233,536)	(5,326,897)
State contribution (c)	(1,225,453)	(999,476)	(1,131,758)	(1,175,584)	(1,179,833)	(1,109,806)	(1,107,233)	(1,135,084)	(1,122,171)	(1,101,445)
Contribution (excess) deficiency	\$ (102,231)	\$ (131,565)	\$ (13,970)	\$ 7,576	\$ (37,679)	\$ 98,621	\$ (1,489,930)	\$ (1,301,588)	\$ (244,483)	\$ (1,519,460)
Percentage contributed	100%	100%	100%	100%	101%	99%	125%	121%	104%	131%
Covered payroll (f)	\$ 3,342,779	\$ 3,314,860	\$ 3,094,186	\$ 3,054,751	\$ 3,402,515	\$ 3,488,570	\$ 3,782,913	\$ 3,623,803	\$ 4,135,510	\$ 4,037,697
Actual contribution as a percent of covered payroll [(b)+(c)]/f	156%	152%	187%	223%	201%	197%	195%	204%	154%	159%

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SCHEDULES OF THE GOVERNMENT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITIES

	Public Employees Retirement System									
	Last 10 Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Government’s proportion of the net pension liability (asset) (Percentage)	0.50%	0.51%	0.40%	0.37%	0.37%	0.36%	0.39%	0.37%	0.39%	0.42%
Government’s proportionate share of the net pension liability (asset)	\$ (22,381)	\$ 756,075	\$ (3,542,691)	\$ 1,982,130	\$ 793,314	\$ 933,910	\$ 1,688,871	\$ 3,364,705	\$ 2,214,475	\$ 1,562,223
Government’s covered-employee payroll	\$ 8,856,978	\$ 8,054,570	\$ 6,344,281	\$ 5,739,558	\$ 5,559,160	\$ 5,938,282	\$ 5,183,025	\$ 5,430,050	\$ 5,380,616	\$ 5,670,986
Government’s proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.25%	9.39%	55.84%	34.53%	14.29%	15.73%	32.58%	61.96%	41.16%	27.55%
Plan fiduciary net position as a percentage of the total pension liability	100.05%	98.24%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%
	Municipal Police Officers & Firefighters Retirement System (MPFRS)									
	Last 10 Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Government’s proportion of the net pension asset (Percentage)	14.45%	15.97%	16.84%	17.14%	18.60%	20.59%	26.72%	30.31%	40.72%	44.71%
Government’s proportionate share of the net pension asset	\$ 1,588,453	\$ 1,560,905	\$ 1,837,429	\$ 1,071,922	\$ 853,135	\$ 761,363	\$ 750,274	\$ 428,554	\$ 392,648	\$ 303,557
Government’s covered-employee payroll	\$ 5,446,918	\$ 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
Government’s proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	29.16%	31.06%	42.48%	28.26%	27.10%	30.97%	31.73%	18.65%	19.64%	20.72%
Plan fiduciary net position as a percentage of the total pension liability	144.88%	156.08%	182.78%	172.43%	168.31%	184.45%	200.46%	174.30%	189.27%	200.40%

**CITY OF HUNTINGTON, WEST VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SCHEDULE OF THE GOVERNMENTAL CONTRIBUTIONS

Public Employees Retirement System

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 835,167	\$ 797,128	\$ 805,457	\$ 634,428	\$ 573,956	\$ 555,916	\$ 653,211	\$ 621,963	\$ 733,057	\$ 753,286
Contributions in relation to the contractually required contribution	(835,167)	(797,128)	(805,457)	(634,428)	(573,956)	(555,916)	(653,211)	(621,963)	(733,057)	(752,950)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336
Government's covered-employee payroll	\$ 9,279,624	\$ 8,856,978	\$ 8,054,570	\$ 6,344,281	\$ 5,739,558	\$ 5,559,156	\$ 5,938,282	\$ 5,183,025	\$ 5,430,050	\$ 5,380,616
Actual contribution as a percentage of covered-employee payroll	9.00%	9.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%

Municipal Police Officers & Firefighters Retirement System (MPFRS)

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 541,769	\$ 462,988	\$ 427,177	\$ 367,662	\$ 322,372	\$ 267,523	\$ 208,932	\$ 200,986	\$ 195,277	\$ 169,908
Contributions in relation to the contractually required contribution	(541,769)	(462,988)	(427,177)	(367,662)	(322,372)	(267,523)	(208,932)	(200,986)	(195,277)	(169,908)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government's covered-employee payroll	\$ 6,373,748	\$ 5,446,918	\$ 5,025,612	\$ 4,325,435	\$ 3,792,612	\$ 3,147,329	\$ 2,458,024	\$ 2,364,541	\$ 2,297,375	\$ 1,998,916
Actual contribution as a percentage of covered-employee payroll	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%

CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note 1 – Changes in Assumptions/Benefit Terms PERS

There were no changes in the assumptions between the 2022 and 2023 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

There were no changes in the assumptions between the 2021 and 2022 valuations. These assumptions will remain in effect for valuation purposes until the Board adopts revised assumptions.

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

Changes in benefit terms between the 2018 and 2019 valuations:

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

Note 2 – Changes in Assumptions OPEB – West Virginia RHBT

The actuarial valuation as of June 30, 2022, reflects changes to the following healthcare-related assumptions which include:

- Per capita claim costs;
- Healthcare trend rates;
- Aging factors;
- Participation rates

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the WV Investment Management Board (WVIMB) and an expected short-term rate of return of 2.75% for assets invested with the West Virginia Board of Treasury Investments.

Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI. The long-term rates of return on OPEB plan investments are determined using a building block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage.

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan's investment advisors, including West Virginia Investment Management Board (WVIMB). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (WVBTI) was estimated.

Changes in the assumptions between the 2021 and 2022 valuations:

The revisions encompass key assumptions: projected capped subsidies, per capita claim costs, healthcare trend rates, coverage and continuance, percentage eligible for tobacco-free premium discounts, and retired employee assistance program participation.

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

Changes in the assumptions between the 2018 and 2017 valuations:

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

Changes in the assumptions between the 2016 and 2015 valuations:

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

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

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The following assumptions have been updated:

1. The discount rate has been updated from 4.13% as of June 30, 2023 to 4.21% as of June 30, 2024 based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). This change caused a slight decrease in the City’s liabilities.
2. Health care trend rates have been set to an annual trend of 8.00% decreasing by 0.50% to an ultimate rate of 4.50% for pre-65 and 6.50% decreasing by 0.25% to an ultimate rate of 4.50% for post-65. This is according to the schedule in the Health Care Trend Rates section of the Actuarial Methods and Assumptions. The impact of this change is an increase in liabilities.
3. The termination rates have been updated to follow the 2022 Experience Study report that was performed by Nyhart in 2024. This change resulted in a decrease in liabilities.
4. The retirement rates have been updated to follow the 2022 Experience Study report that was performed by Nyhart in 2024. This change resulted in an increase in liabilities.
5. The health care election rates for each group have been updated to follow the 2022 Experience Study report that was performed by Nyhart in 2024. This change resulted in a decrease in liabilities. Additionally, claims costs and premiums were updated for 2024 which caused an increase in liabilities. The updated census data resulted in an increase in liabilities.

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, 2024**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS				
Assets:				
Current:				
Cash and cash equivalents	\$ 3,873,614	\$ 182	\$ 1,337,126	\$ 5,210,922
Accounts receivable	2,327	-	-	2,327
Taxes receivable	-	-	22,807	22,807
Investments	-	1,860,730	-	1,860,730
Due from:				
Other funds	9,570	16,492	-	26,062
Assets held for sale	560,729	-	-	560,729
Total assets	<u>4,446,240</u>	<u>1,877,404</u>	<u>1,359,933</u>	<u>7,683,577</u>
Deferred Outflows:				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 4,446,240</u>	<u>\$ 1,877,404</u>	<u>\$ 1,359,933</u>	<u>\$ 7,683,577</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 27,597	\$ -	\$ -	\$ 27,597
Due to:				
Other funds	512,592	-	-	512,592
Unclaimed property	1,942	-	-	1,942
Total liabilities	<u>542,131</u>	<u>-</u>	<u>-</u>	<u>542,131</u>
Deferred Inflows:				
Total deferred inflows of resources	-	-	11,778	11,778
Total liabilities and deferred inflows of resources	<u>542,131</u>	<u>-</u>	<u>11,778</u>	<u>553,909</u>
Fund Balances:				
Nonspendable	560,729	-	-	560,729
Restricted	-	-	1,348,155	1,348,155
Assigned	3,796,786	1,877,404	-	5,674,190
Unassigned	(453,406)	-	-	(453,406)
Total fund balances	<u>3,904,109</u>	<u>1,877,404</u>	<u>1,348,155</u>	<u>7,129,668</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,446,240</u>	<u>\$ 1,877,404</u>	<u>\$ 1,359,933</u>	<u>\$ 7,683,577</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, 2024**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Tax Increment Financing</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes:				
Ad valorem property taxes	\$ -	\$ -	\$ 794,344	\$ 794,344
Charges for services	-	63,828	-	63,828
Fines and forfeits	41,554	-	-	41,554
Interest and investment earnings	50,426	72,166	127,713	250,305
Contributions and donations	2,887,301	-	-	2,887,301
Other	100,978	-	-	100,978
Total revenues	<u>3,080,259</u>	<u>135,994</u>	<u>922,057</u>	<u>4,138,310</u>
EXPENDITURES				
Current:				
General government	76,759	-	4,750	81,509
Public safety	176,066	-	-	176,066
Health and sanitation	-	400	-	400
Capital outlay	20,904	40,023	-	60,927
Debt service:				
Principal	-	-	380,000	380,000
Interest	-	-	134,912	134,912
Total expenditures	<u>273,729</u>	<u>40,423</u>	<u>519,662</u>	<u>833,814</u>
Excess (deficiency) of revenues over expenditures	<u>2,806,530</u>	<u>95,571</u>	<u>402,395</u>	<u>3,304,496</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(28,336)	(28,336)
Proceeds from sale of bonds	39,097	-	-	39,097
Total other financing sources (uses)	<u>39,097</u>	<u>-</u>	<u>(28,336)</u>	<u>10,761</u>
Net change in fund balance	2,845,627	95,571	374,059	3,315,257
Fund balances – beginning	1,058,482	1,781,833	974,096	3,814,411
Fund balances – ending	<u>\$ 3,904,109</u>	<u>\$ 1,877,404</u>	<u>\$ 1,348,155</u>	<u>\$ 7,129,668</u>

CITY OF HUNTINGTON, WEST VIRGINIA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Safety Town	Federal Drug	Westmoreland Fire Protection	Jean Dean Public Safety	HURA/LRA	Opioid Settlement	Total Nonmajor Special Revenue Fund
ASSETS AND DEFERRED OUTFLOWS							
Assets Current:							
Cash and cash equivalents	\$ 246,763	\$ 238,742	\$ 576,354	\$ 45,752	\$ 24,270	\$ 2,741,733	\$ 3,873,614
Accounts receivable	-	-	-	-	2,327	-	2,327
Due from:							-
Other funds	-	-	-	9,570	-	-	9,570
Assets held for resale	-	-	-	-	560,729	-	560,729
Total assets	<u>246,763</u>	<u>238,742</u>	<u>576,354</u>	<u>55,322</u>	<u>587,326</u>	<u>2,741,733</u>	<u>4,446,240</u>
Deferred Outflows:							
Deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 246,763</u>	<u>\$ 238,742</u>	<u>\$ 576,354</u>	<u>\$ 55,322</u>	<u>\$ 587,326</u>	<u>\$ 2,741,733</u>	<u>\$ 4,446,240</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,781	\$ 19,113	\$ -	\$ 6,703	\$ -	\$ -	\$ 27,597
Due to:							
Other funds	32,589	-	-	-	480,003	-	512,592
Unclaimed property	-	1,942	-	-	-	-	1,942
Total liabilities	<u>34,370</u>	<u>21,055</u>	<u>-</u>	<u>6,703</u>	<u>480,003</u>	<u>-</u>	<u>542,131</u>
Deferred Inflows:							
Deferred inflows of resources	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>34,370</u>	<u>21,055</u>	<u>-</u>	<u>6,703</u>	<u>480,003</u>	<u>-</u>	<u>542,131</u>
Fund balances:							
Nonspendable	-	-	-	-	560,729	-	560,729
Assigned	212,393	217,687	576,354	48,619	-	2,741,733	3,796,786
Unassigned	-	-	-	-	(453,406)	-	(453,406)
Total fund balances	<u>212,393</u>	<u>217,687</u>	<u>576,354</u>	<u>48,619</u>	<u>107,323</u>	<u>2,741,733</u>	<u>3,904,109</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 246,763</u>	<u>\$ 238,742</u>	<u>\$ 576,354</u>	<u>\$ 55,322</u>	<u>\$ 587,326</u>	<u>\$ 2,741,733</u>	<u>\$ 4,446,240</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, 2024

	Safety Town	Federal Drug	Westmoreland Fire Protection	Jean Dean Public Safety	HURA/LRA	Opioid Settlement	Total Nonmajor Special Revenue Fund
REVENUES							
Fines and forfeits	\$ -	\$ -	\$ -	41,554	\$ -	\$ -	41,554
Interest and investment earnings	9,916	297	22,607	1,113	895	15,598	50,426
Grants and contributions	83,000	78,166	-	-	-	2,726,135	2,887,301
Other	-	-	-	-	140,075	-	140,075
Total revenues	<u>92,916</u>	<u>78,463</u>	<u>22,607</u>	<u>42,667</u>	<u>140,970</u>	<u>2,741,733</u>	<u>3,119,356</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	76,759	-	76,759
Public safety	150,610	17,953	400	7,103	-	-	176,066
Capital projects	-	20,904	-	-	-	-	20,904
Total expenditures	<u>150,610</u>	<u>38,857</u>	<u>400</u>	<u>7,103</u>	<u>76,759</u>	<u>-</u>	<u>273,729</u>
Net change in fund balance	(57,694)	39,606	22,207	35,564	64,211	2,741,733	2,845,627
Fund balances – beginning	270,087	178,081	554,147	13,055	43,112	-	1,058,482
Fund balances – ending	<u>\$ 212,393</u>	<u>\$ 217,687</u>	<u>\$ 576,354</u>	<u>\$ 48,619</u>	<u>\$ 107,323</u>	<u>\$ 2,741,733</u>	<u>\$ 3,904,109</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
 COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2024**

		<u>Landfill Reserve</u>
ASSETS AND DEFERRED OUTFLOWS		
Assets:		
Current:		
Cash and cash equivalents	\$	182
Investments		1,860,730
Due from:		
Other funds		<u>16,492</u>
Total assets		<u>1,877,404</u>
Deferred Outflows:		
Total deferred outflows of resources		<u>-</u>
Total assets and deferred outflows of resources	\$	<u><u>1,877,404</u></u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities:		
Total liabilities	\$	<u>-</u>
Deferred Inflows:		
Total deferred inflows of resources		<u>-</u>
 FUND BALANCES		
Assigned		<u>1,877,404</u>
Total fund balances		<u>1,877,404</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u><u>1,877,404</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, 2024**

		Landfill Reserve
REVENUES		
Charges for Services	\$	63,828
Interest and investment earnings		72,166
Total revenues		<u>135,994</u>
EXPENDITURES		
Current:		
Health and sanitation		400
Capital outlay		40,023
Total expenditures		<u>40,423</u>
Net change in fund balance		95,571
Fund balances – beginning		<u>1,781,833</u>
Fund balances – ending	\$	<u><u>1,877,404</u></u>

CITY OF HUNTINGTON, WEST VIRGINIA
COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2024

	Downtown Tax Increment Financing (TIF #1)	Kinetic Park Tax Increment Financing (TIF #2)	Highlawn Tax Increment Financing (TIF #3)	Total Debt Service Funds
ASSETS AND DEFERRED OUTFLOWS				
Assets				
Cash and cash equivalents	\$ 714,243	\$ 451,496	\$ 171,387	\$ 1,337,126
Taxes receivable	13,185	9,622	-	22,807
Total assets	<u>727,428</u>	<u>461,118</u>	<u>171,387</u>	<u>1,359,933</u>
Deferred Outflows				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 727,428</u>	<u>\$ 461,118</u>	<u>\$ 171,387</u>	<u>\$ 1,359,933</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows				
Total deferred inflows of resources – property taxes	<u>2,655</u>	<u>9,123</u>	<u>-</u>	<u>11,778</u>
FUND BALANCE				
Restricted for debt service	369,743	451,995	-	821,738
Restricted for capital projects	355,030	-	171,387	526,417
Total fund balance	<u>724,773</u>	<u>451,995</u>	<u>171,387</u>	<u>1,348,155</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 727,428</u>	<u>\$ 461,118</u>	<u>\$ 171,387</u>	<u>\$ 1,359,933</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, 2024

	Downtown Tax Increment Financing (TIF #1)	Kinetic Park Tax Increment Financing (TIF #2)	Highlawn Tax Increment Financing (TIF #3)	Total Debt Service Funds
REVENUES				
Taxes:				
Ad valorem property taxes	\$ 322,476	\$ 304,235	\$ 167,633	\$ 794,344
Interest and investment earnings	34,684	89,275	3,754	127,713
Total revenues	<u>357,160</u>	<u>393,510</u>	<u>171,387</u>	<u>922,057</u>
EXPENDITURES				
Current:				
General government	2,500	2,250	-	4,750
Capital outlay	-	-	-	-
Debt service:				
Principal	176,000	204,000	-	380,000
Interest	66,309	68,603	-	134,912
Total expenditures	<u>244,809</u>	<u>274,853</u>	<u>-</u>	<u>519,662</u>
Excess (deficiency) revenues over expenditures	<u>112,351</u>	<u>118,657</u>	<u>171,387</u>	<u>402,395</u>
Other financing sources (uses)				
Transfers out	-	(28,336)	-	(28,336)
Proceeds from sale of bonds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(28,336)</u>	<u>-</u>	<u>(28,336)</u>
Net change in fund balance	112,351	90,321	171,387	374,059
Fund balance – beginning	<u>612,422</u>	<u>361,674</u>	<u>-</u>	<u>974,096</u>
Fund balance – ending	<u>\$ 724,773</u>	<u>\$ 451,995</u>	<u>\$ 171,387</u>	<u>\$ 1,348,155</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – COMPONENT UNITS
JUNE 30, 2024

	Business-type Activities –			
	Municipal Development Authority	Enterprise Funds		Huntington Water Quality Board
		Municipal Parking Board	Huntington Broadband Utility	
ASSETS				
Current:				
Cash and cash equivalents	\$ 4,256,262	\$ 149,445	\$ 193,448	\$ 21,193,094
Receivables:				
Accounts	113,300	8,933	-	2,186,772
Other	24,148	-	-	-
Assets held for resale	3,506,297	-	-	-
Inventory, at cost	-	-	-	20,836
Prepaid expenses	105,602	537	-	79,768
Due from other funds	50,000	-	-	-
Due from other governments	306,800	-	-	9,803
Leases receivable	4,160,000	179,735	-	-
Total current assets	<u>12,522,409</u>	<u>338,650</u>	<u>193,448</u>	<u>23,490,273</u>
Noncurrent assets:				
Regular account	-	-	-	383,425
Reserve account	-	-	-	2,420,175
Restricted account	1,766,911	-	-	-
Customer deposits	-	-	-	743,443
Total restricted assets	<u>1,766,911</u>	<u>-</u>	<u>-</u>	<u>3,547,043</u>
Capital assets:				
Nondepreciable:				
Land	5,559,678	942,877	-	402,220
Construction in process	-	-	-	17,293,451
Depreciable:				
Buildings	22,974,776	4,792,439	-	105,509,570
Structures and improvements	6,811,417	490,173	-	-
Vehicles	-	-	-	3,420,223
Machinery and equipment	2,051,351	788,455	-	3,284,385
Furniture and fixtures	3,185,473	-	-	-
Less: accumulated depreciation	<u>(23,121,838)</u>	<u>(5,564,160)</u>	<u>-</u>	<u>(74,111,272)</u>
Total capital assets (net of accumulated depreciation)	<u>17,460,857</u>	<u>1,449,784</u>	<u>-</u>	<u>55,798,577</u>
Other debits:				
Net pension asset (PERS)	506	958	-	11,820
Net OPEB asset (RHBT)	-	-	-	131,478
Lease commission net of amortization	38,023	-	-	-
Operational lease right to use assets	<u>2,870,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>22,136,655</u>	<u>1,450,742</u>	<u>-</u>	<u>59,488,918</u>
Total assets	<u>34,659,064</u>	<u>1,789,392</u>	<u>193,448</u>	<u>82,979,191</u>
DEFERRED OUTFLOWS				
Contributions made after measurement date	18,875	35,745	-	469,531
Changes in contributions	378	715	-	27,292
Changes in assumptions	3,272	6,196	-	76,446
Difference between expected and actual experience	4,284	8,113	-	100,104
Difference between expected and actual investment earnings	3,074	5,821	-	71,820
Other post employment benefits	3,016	1,403	-	77,450
Deferred charges	84,793	-	-	-
Deferred amortization of investment loss	<u>4,480,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>4,598,385</u>	<u>57,993</u>	<u>-</u>	<u>822,643</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF NET POSITION – COMPONENT UNITS (CONTINUED)
JUNE 30, 2024

	Business-Type Activities – Enterprise Funds			
	Municipal Development Authority	Municipal Parking Board	Huntington Broadband Utility	Huntington Water Quality Board
LIABILITIES				
Current liabilities payable from current assets:				
Accounts payable	\$ 109,345	\$ 8,737	\$ 11,000	\$ 509,261
Refunds payable	-	-	-	14,158
Reserve for health claims	6,729	8,409	-	-
Accrued payroll	-	-	-	49,283
Accrued revenue bond/note interest payable	70,601	-	-	48,868
Other accrued expenses	75,568	-	-	47,261
Due to:				
Primary government	25,049	53,462	-	-
Customer deposits	-	-	-	616,409
Revenue bonds payable and notes payable	2,430,805	-	-	1,130,480
Total current liabilities payable from current assets	<u>2,718,097</u>	<u>70,608</u>	<u>11,000</u>	<u>2,415,720</u>
Unearned revenues:				
Charges for services	12,686	4,885	-	-
Total unearned revenues	<u>12,686</u>	<u>4,885</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities				
Bonds and notes payable	12,389,004	-	-	15,499,337
Other postemployment benefits liability	50,419	23,459	-	25,200
Net pension obligation payable	-	-	-	23,400
Compensated absences payable	24,458	32,726	-	252,986
Total noncurrent liabilities	<u>12,463,881</u>	<u>56,185</u>	<u>-</u>	<u>15,800,923</u>
Total liabilities	<u>15,194,664</u>	<u>131,678</u>	<u>11,000</u>	<u>18,216,643</u>
DEFERRED INFLOWS				
Changes in contributions	98	185	-	4,570
Other post employment benefits	10,497	4,883	-	169,921
Lease deferred inflows	4,160,000	179,735	-	-
Total deferred inflows of resources	<u>4,170,595</u>	<u>184,803</u>	<u>-</u>	<u>174,491</u>
NET POSITION				
Net investment in capital assets	5,531,167	1,449,784	-	39,168,760
Restricted for economic development	1,766,911	-	-	-
Restricted for net pension/OPEB asset	506	958	-	-
Restricted for customer deposits	-	-	-	143,696
Restricted for construction	-	-	-	1,027,308
Restricted for insurance claims	-	-	-	400,483
Restricted for debt service	-	-	-	1,375,809
Unrestricted	12,593,606	80,162	182,448	23,294,644
Total net position	<u>\$ 19,892,190</u>	<u>\$ 1,530,904</u>	<u>\$ 182,448</u>	<u>\$ 65,410,700</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION – COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities – Enterprise Funds			
	Municipal Development Authority	Municipal Parking Board	Huntington Broadband Utility	Huntington Water Quality Board
Operating revenues:				
Sales and services to customers	\$ 649,121	\$ 617,402	\$ -	\$ 22,858,644
Fines and forfeits	-	93,765	-	370,005
Rental fees	2,143,962	79,004	-	26,750
Repairs and maintenance fees	5,890	-	-	-
Miscellaneous	7,215	7,089	-	1,239,334
Total revenues	<u>2,806,188</u>	<u>797,260</u>	<u>-</u>	<u>24,494,733</u>
Operating expenses:				
Personal services	326,984	461,794	-	7,776,794
Contractual services	1,120,878	23,740	119,000	1,423,950
Administrative and general	1,195,681	101,160	120	1,114,770
Rents	77,655	-	-	34,608
Taxes	43,680	-	-	461,021
Fuel and oil	-	-	-	111,295
Liability insurance	31,959	22,142	-	358,622
Materials and supplies	15,481	20,750	-	2,243,680
Utilities	85,043	30,751	-	1,178,017
Depreciation	829,262	33,802	-	1,771,243
Amortization	30,870	-	-	2,500
Maintenance	185,200	33,279	-	468,381
Miscellaneous	2,496	-	-	10,980
Total operating expenses	<u>3,945,189</u>	<u>727,418</u>	<u>119,120</u>	<u>16,955,861</u>
Operating income (loss)	<u>(1,139,001)</u>	<u>69,842</u>	<u>(119,120)</u>	<u>7,538,872</u>
Non-operating revenues (expenses):				
Gain on sale assets	93,033	-	-	-
Amortization of intangible assets	(560,087)	-	-	-
Contributions	302,636	-	4,970,033	4,525
Investment earnings	188,388	7,523	50,561	911,001
Interest and fiscal charges	(723,263)	-	(26)	(637,531)
Grant Revenue	306,800	-	-	8,384,463
Grant Expense	-	-	-	6,336
Miscellaneous	-	-	(4,719,000)	-
Contributions (out)	(30,000)	-	-	-
Transfers	872,753	-	-	-
Total non-operating revenues (expenses)	<u>450,260</u>	<u>7,523</u>	<u>301,568</u>	<u>8,668,794</u>
Income (loss)	(688,741)	77,365	182,448	16,207,666
Net position - beginning, as previously reported	20,109,613	1,453,539	-	49,203,034
Error correction	471,318	-	-	-
Net position - beginning, as adjusted or restated	<u>20,580,931</u>	<u>1,453,539</u>	<u>-</u>	<u>49,203,034</u>
Net position at end of year	<u>\$ 19,892,190</u>	<u>\$ 1,530,904</u>	<u>\$ 182,448</u>	<u>\$ 65,410,700</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities – Enterprise Funds			
	Municipal Development Authority	Municipal Parking Board	Huntington Broadband Utility	Huntington Water Quality Board
Cash flows from operating activities:				
Cash received from customers	\$ 2,817,027	\$ 785,589	\$ -	\$ 23,612,444
Cash paid for goods and services	(2,749,499)	(231,934)	(108,120)	(16,572,829)
Cash paid to employees	(300,340)	(607,392)	-	-
Other cash receipts	892,542	32,469	-	-
Net cash (used) provided by operating activities	<u>659,730</u>	<u>(21,268)</u>	<u>(108,120)</u>	<u>7,039,615</u>
Cash flows from noncapital financing activities:				
Grants and contributions	272,636	-	(4,719,000)	-
Transfers	872,753	-	4,970,033	-
Net cash provided by noncapital financing activities	<u>1,145,389</u>	<u>-</u>	<u>251,033</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Leasing activity, net	(18,260)	-		
Proceeds from sale assets	1,465,679	-		
Purchases of capital assets	(602,636)	-	-	(299,444)
Acquisition and construction of capital assets	-	-	-	(9,833,275)
Amortization of intangible assets	(30,870)	-	-	-
Loan proceeds	6,175,811	-	-	-
Principal paid on capital debt	(7,805,159)	-	-	(1,599,965)
Interest paid on capital debt	(712,628)	-	-	(637,531)
Net cash provided by capital and related financing activities	<u>(1,528,063)</u>	<u>-</u>	<u>-</u>	<u>(12,370,215)</u>
Cash flows from investing activities:				
Operating grant	-	-	-	8,384,463
Miscellaneous	-	-	(26)	10,861
Investment activity	471,321	-	-	-
Interest received	188,385	7,523	50,561	911,001
Net cash provided by investing activities	<u>659,706</u>	<u>7,523</u>	<u>50,535</u>	<u>9,306,325</u>
Net increase (decrease) in cash and cash equivalents	936,762	(13,745)	193,448	3,975,725
Cash and cash equivalents, July 1, 2023 (including \$6,085,814 in restricted accounts)	<u>5,086,411</u>	<u>163,190</u>	<u>-</u>	<u>20,764,412</u>
Cash and cash equivalents, June 30, 2024 (including \$5,313,954 in restricted accounts)	<u>\$ 6,023,173</u>	<u>\$ 149,445</u>	<u>\$ 193,448</u>	<u>\$ 24,740,137</u>

CITY OF HUNTINGTON, WEST VIRGINIA
STATEMENT OF CASH FLOWS – COMPONENT UNITS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities – Enterprise Funds			
	Municipal Development Authority	Municipal Parking Board	Huntington Broadband Utility	Huntington Water Quality Board
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating (loss) income	\$ (1,139,001)	\$ 69,842	\$ (119,120)	\$ 7,538,872
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	829,262	33,802	-	1,771,243
Amortization expense	30,870	-	-	2,500
Decrease (increase) in accounts receivable	55,840	(4,222)	-	(882,289)
Decrease (increase) in leases receivable	500,000	(26,223)	-	-
Decrease (increase) in other receivable	(16,977)	-	-	-
Decrease (increase) in assets held for sale	775,107	-	-	692
Decrease (increase) due from other funds	97,455	-	-	(6,407)
Decrease (increase) due from other governments	-	-	-	11,681
Decrease (increase) in prepaid expense	31,313	151	-	(8,551)
Decrease (increase) in customer deposits	-	-	-	(10,070)
Decrease (increase) in net pension asset	(506)	(958)	-	(11,820)
Decrease (increase) in net OPEB asset	-	-	-	(131,478)
Decrease (increase) in deferred outflows	22,977	40,398	-	852,875
Increase (decrease) in other postemployment benefits	30,941	(103,492)	-	(93,446)
Increase (decrease) in accounts payable	(98,307)	(263)	11,000	(1,303,725)
Increase (decrease) in accrued payroll	(8,740)	(18,521)	-	14,850
Increase (decrease) in refunds payable	-	-	-	4,054
Increase (decrease) in other accrued expenses	75,568	-	-	(141,069)
Increase (decrease) in accrued interest payable	-	-	-	(5,930)
Increase (decrease) in due to primary government	4,081	25,380	-	-
Increase (decrease) in due to other funds	-	-	-	6,407
Increase (decrease) in compensated absences	1,349	2,672	-	78,065
Increase (decrease) in unearned revenue	(20,809)	(360)	-	-
Increase (decrease) in health care claims payable	1,282	1,603	-	-
Increase (decrease) in net pension liability	(16,482)	(33,419)	-	(447,579)
Increase (decrease) in deferred inflows	(495,493)	(7,658)	-	(199,260)
Net cash (used) provided by operations	\$ <u>659,730</u>	\$ <u>(21,268)</u>	\$ <u>(108,120)</u>	\$ <u>7,039,615</u>

ACCOMPANYING INFORMATION

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing #	Pass-Through Entity Identity Number	Expenditures	Passed Through to Subrecipients
Primary Government				
U.S. Department of Housing and Urban Development				
<i>Direct Programs:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant	14.218	N/A	\$ 1,661,195	\$ 105,012
COVID-19 Community Development Block Grant-CV	14.218	N/A	72,394	11,527
Cluster Total			<u>1,733,589</u>	<u>116,539</u>
Emergency Solutions Grant Program	14.231	N/A	52,706	52,706
COVID-19 Emergency Solutions Grant Program-CV	14.231	N/A	160,740	160,740
Total - Emergency Solutions Grant Program			<u>213,446</u>	<u>213,446</u>
Home Investment Partnerships Program	14.239	N/A	1,321,697	1,242,288
COVID-19 Home Investment Partnerships Program-CV	14.239	N/A	20,571	-
Total - Home Investment Partnerships Program			<u>1,342,268</u>	<u>1,242,288</u>
Pass-Through WV Department of Economic Development				
COVID-19 Community Development Block Grant-CV	14.228	CV-CDBG0026	1,097,078	-
Total U.S. Department of Housing and Urban Development			<u>4,386,381</u>	<u>1,572,273</u>
U.S. Environmental Protection Agency				
<i>Direct Programs:</i>				
Brownfields Assessments and Cleanup Cooperative Agreements	66.818	N/A	16,967	-
Brownfields Assessments and Cleanup Cooperative Agreements	66.818	N/A	20,969	-
Total U.S. Environmental Protection Agency			<u>37,936</u>	<u>-</u>
U.S. Department of Justice - Bureau of Justice Assistance				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	6,086	-
2023 BJA FY23 Discretionary Community Project Funding	16.738	N/A	6,915	-
Total - Edward Byrne Memorial Justice Assistance Grant Program			<u>13,001</u>	<u>-</u>
Public Safety Partnership and Community Policing Grants	16.710	N/A	216,565	-
FY22 Microgrants-Community Policing Developments	16.710	N/A	100,671	-
Total - Public Safety Partnership and Community Policing Grants			<u>317,236</u>	<u>-</u>
FY23 Kevin and Avonte Grant	16.015	N/A	123,876	-
Pass-Through WV Division of Administrative Services				
Project Safe Neighborhoods Grant	16.609	21-PSN-002	15,937	-
Project Safe Neighborhoods Grant	16.609	22-PSN-001	19,273	-
Total - Project Safe Neighborhoods Grant			<u>35,210</u>	<u>-</u>
Total U.S. Department of Justice - Bureau of Justice Assistance			<u>489,323</u>	<u>-</u>
U. S. Department of Homeland Security				
<i>Direct Programs:</i>				
FY22 Fire Prevention & Safety Grant	97.044	N/A	54,902	-
Pass-Through WV Department of Homeland Security and Emergency Management				
Hazard Mitigation Grant	97.039	FEMA-4273-DR-WV-0037	1,326,791	1,326,791
Total U. S. Department of Homeland Security			<u>1,381,693</u>	<u>1,326,791</u>
U.S. Department of Agriculture				
Pass-Through WV Department of Education				
Child and Adult Care Food Program	10.558	51105	37,111	-
Total U.S. Department of Agriculture			<u>37,111</u>	<u>-</u>
U.S. Department of the Treasury				
<i>Direct Programs:</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	N/A	1,672,232	1,642,607
Pass -Through West Virginia Water Development Authority				
COVID-19 WVWDA EEGF Grant	21.027	JDC# 2022S-2245	3,920,000	3,920,000
COVID-19 WVWDA EEGF Grant	21.027	JDC# 2022S-2302	588,700	588,700
COVID-19 WVWDA EEGF Grant	21.027	JDC# 2022S-2303	496,400	496,400
Total U.S. Department of the Treasury			<u>6,677,332</u>	<u>6,647,707</u>
U.S. Office of National Drug Control Policy				
Pass-Through Financial Commission for Appalachia				
High Intensity Drug Trafficking Area Programs	95.001	G23AP0001A	33,021	-
High Intensity Drug Trafficking Area Programs	95.001	G24AP0001A	45,500	-
Total U.S. Office of National Drug Control Policy			<u>78,521</u>	<u>-</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing #	Pass-Through Entity Identity Number	Expenditures	Passed through to Subrecipients
U.S. Department of Transportation				
<i>Direct Programs:</i>				
Federal Land Access Program (FLAP)	20.224	N/A	12,048	-
Pass-Through KYOVA Interstate Planning Commission Highway Planning and Construction Cluster:				
Surface Transportation Block Grant-14th St West	20.205	STBG-2019(191)D	35,936	-
Surface Transportation Block Grant-3rd Avenue	20.205	STBG-2018(200)D	134,234	-
Total - Surface Transportation Block Grant			<u>170,170</u>	<u>-</u>
Pass-Through WV Department of Transportation				
DOH Work Zone Grant Program	20.205	F23-HS-02-DOHWZ	143	143
DOH Work Zone Grant Program	20.205	F24-HS-02-DOHWZ	7,941	7,941
Total - DOH Work Zone Grant Program			<u>8,084</u>	<u>8,084</u>
Cluster Total			<u>178,254</u>	<u>8,084</u>
Highway Safety Cluster:				
Safe Communities Grant Program	20.600	F23-HS-02-402	65,070	22,897
Safe Communities Grant Program	20.600	F24-HS-02-402	138,478	62,169
Total - State and Community Highway Safety			<u>203,548</u>	<u>85,066</u>
Occupant Protection Grant Program	20.616	F23-HS-02-405b	18,443	9,388
Traffic Records Grant Program	20.616	F23-HS-02-405c	1,913	-
Impaired Driving Grant Program	20.616	F23-HS-02-405d	36,907	5,062
Distracted Driving Grant Program	20.616	F23-HS-02-405e	7,931	7,263
Occupant Protection Grant Program	20.616	F24-HS-02-405b	49,310	31,518
Traffic Records Grant Program	20.616	F24-HS-02-405c	64,488	-
Impaired Driving Grant Program	20.616	F24-HS-02-405d	111,085	29,312
Distracted Driving Grant Program	20.616	F24-HS-02-405e	51,367	41,392
Total - National Priority Safety Programs			<u>341,444</u>	<u>123,935</u>
Cluster Total			<u>544,992</u>	<u>209,001</u>
Total U.S. Department of Transportation			<u>735,294</u>	<u>217,085</u>
U.S. Department of Energy				
<i>Direct Programs:</i>				
DOE EECBG Program	81.128	N/A	47,516	-
Total U.S. Department of Energy			<u>47,516</u>	<u>-</u>
U.S. Department of Health and Human Services				
<i>Direct Programs:</i>				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	459,329	313,815
Total U.S. Department of Health and Human Services			<u>459,329</u>	<u>313,815</u>
Total Federal Assistance			<u>\$ 14,330,436</u>	<u>\$ 10,077,671</u>

**CITY OF HUNTINGTON, WEST VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, consist of:

Program Title	Assistance Listing Number	Amount Outstanding
Community Development Block Grants/Entitlement Grant	14.218	\$ 3,646,523
Home Investment Partnerships Program	14.239	2,056,145
Brownfield Revolving Loan Fund	66.818	283,570

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 \$147,425 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.

**CITY OF HUNTINGTON, WEST VIRGINIA
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<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	\$ -	\$ 100,000	\$ 100,000	\$ -
FEMA Public Assistance (4603-PA-WV) State Share	N/A	West Virginia Emergency Management Division	Direct	N/A	61,236	(15,309)	-	-	(15,309)
Total					<u>\$ 161,236</u>	<u>\$ (15,309)</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (15,309)</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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component units, and the aggregate remaining fund information of the **City of Huntington**, West Virginia (the City) as of and for the year ended June 30, 2024, 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 21, 2025 wherein we noted the HURA/LRA Fund was reclassified from major to nonmajor and an error correction was made for amounts expended in the prior year that should have been included in Construction in Process.

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 21, 2025

**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, 2024. 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, 2024.

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 21, 2025

City of Huntington, West Virginia
 Schedule of Audit Findings
 2 CFR § 200.515
 For the Year Ended June 30, 2024

1. SUMMARY OF AUDITOR’S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs’ Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	State Administered CDBG (AL #14.228) HOME Investment Partnerships Program (AL #14.239) Coronavirus State and Local Fiscal Recovery Funds (AL #21.027) Hazard Mitigation Grant Program (AL #97.039)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.