

KYOVA
INTERSTATE
PLANNING
COMMISSION

2025

Annual Financial Report

**KYOVA INTERSTATE PLANNING COMMISSION
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
YEARS ENDED JUNE 30, 2025 AND 2024**

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**KYOVA INTERSTATE PLANNING COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

This section of the KYOVA Interstate Planning Commission’s annual financial report presents management’s discussion and analysis of the Commission’s financial performance during the fiscal years that ended June 30, 2025 and 2024. Please read it in conjunction with the Commission’s financial statements, which immediately follow this section.

As a result of the 2010 Census, the population of the Huntington, WV-KY-OH urbanized area was found to exceed 200,000 people, requiring the designation of a Transportation Management Agency (TMA) to perform transportation planning activities in the area. By letter dated March 21, 2013, the Kentucky Transportation Cabinet designated KYOVA Interstate Planning Commission as the Transportation Management Agency for the Kentucky portion of the urbanized area to become effective beginning July 1, 2013. Therefore, the Commission now performs transportation planning for Kentucky, Ohio and West Virginia.

Financial Highlights

Net Position

Total assets plus deferred outflows of the Commission exceed its liabilities plus deferred inflows at June 30, 2025, by \$470,286 (presented as “total net position”). Of this amount, \$470,286 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Commission’s ongoing obligations to citizens and creditors. The total assets plus deferred outflows of the Commission exceeded its liabilities plus deferred inflows at June 30, 2024 by \$484,465 (presented as “total net position”).

Changes in Net Position

The Commission’s total net position at June 30, 2025, decreased by \$14,179 from the preceding year.

The Commission’s total net position at June 30, 2024, increased by \$120,582 from the preceding year.

Revenues

Total revenues for the fiscal year ended June 30, 2025 were \$1,568,553, an increase of \$177,405 from fiscal year 2024.

Total revenues for the fiscal year ending June 30, 2024 were \$1,391,148, an increase of \$461,941 from fiscal year 2023.

In 2025, the Commission received grant awards from six Federal and State grantors: the Federal Highway Administration West Virginia Department of Transportation (WVDOT) – Division of Highways; Federal Highway Administration Ohio Department of Transportation (ODOT); Federal Highway Administration Kentucky Transportation Cabinet; Kentucky Federal Transit Administration (FTA); the Tri-State Transit Authority; and Lawrence County Port Authority.

In 2024, the Commission received grant awards from six Federal and State grantors: the Federal Highway Administration West Virginia Department of Transportation (WVDOT) – Division of Highways; Federal Highway Administration Ohio Department of Transportation (ODOT); Federal Highway Administration Kentucky Transportation Cabinet; and Kentucky Federal Transit Administration (FTA); the Tri-State Transit Authority; and Lawrence County Port Authority.

**KYOVA INTERSTATE PLANNING COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

Expenditures

In 2025, because the Commission is funded primarily through grants awarded by the States of West Virginia, Ohio, and Kentucky, project management and administration expenditures increased in conjunction with the increase of state specific projects which included consultant services.

In 2024, because the Commission is funded primarily through grants awarded by the States of West Virginia, Ohio, and Kentucky, project management and administration expenditures increased in conjunction with the increase of state specific projects which included consultant services.

Overview of the Basic Financial Statements

The discussion and analysis is intended to serve as an introduction to the Commission’s basic financial statements. The Commission’s basic financial statements are comprised of two components: 1) Entity –wide financial statements, and 2) notes to the financial statements.

Financial Statements - The Statements of Net Position and the Statements of Activities report information about the Commission as a whole. They are designed to provide readers with a broad overview of the Commission’s finances, in a manner similar to a private-sector business.

The Statements of Net Position present information on all of the Commission’s assets, deferred outflow of resources, liabilities and deferred inflow of resources. Net position is reported as assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statements of Activities present information showing how the Commission’s net position changed during the fiscal year 2025 and 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned, but unused vacation leave) or that resulted in cash flows in previous periods and are recorded as assets, deferred outflow of resources, liabilities or deferred inflow of resources in the statement of net position (e.g., cost incurred to purchase capital assets).

Notes to the Basic Financial Statements - The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the entity – wide financial statements.

**KYOVA INTERSTATE PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

Financial Analysis

The following condensed financial information summarizes the Commission's net position at years ended 2025 and 2024 as compared to prior years:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS AND DEFERRED OUTFLOWS			
Total non-capital assets	\$ 677,007	\$ 597,985	\$ 351,096
Net pension asset	43,872	1,214	-
Net OPEB asset	-	9,279	-
Total capital assets, net	-	-	-
Deferred outflows	<u>219,580</u>	<u>170,440</u>	<u>199,618</u>
Total assets and deferred outflows	940,459	778,918	550,714
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities	412,241	277,044	104,211
Net pension liability	-	-	39,594
Net OPEB liability	-	-	6,971
Deferred inflows of resources	<u>57,932</u>	<u>17,409</u>	<u>36,055</u>
Total liabilities and deferred inflows	470,173	294,453	186,831
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	<u>470,286</u>	<u>484,465</u>	<u>363,883</u>
Total net position	<u>\$ 940,459</u>	<u>\$ 484,465</u>	<u>\$ 363,883</u>

**KYOVA INTERSTATE PLANNING COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

The following condensed financial information reflects how the Commission’s net position changed during fiscal years 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
REVENUES			
Operating grants and contributions	\$ 1,377,377	\$ 1,096,761	\$ 778,239
General revenue	169,399	259,370	129,460
Charges for services	20,500	18,329	20,326
Other	<u>1,277</u>	<u>16,688</u>	<u>1,182</u>
Total revenues	1,568,553	1,391,148	929,207
EXPENSES			
Transportation planning	1,458,720	1,228,688	824,885
Other	<u>124,012</u>	<u>41,878</u>	<u>32,919</u>
Total expenses	<u>1,582,732</u>	<u>1,270,566</u>	<u>857,804</u>
Change in net position	(14,179)	120,582	71,403
Net position, beginning	<u>484,465</u>	<u>363,883</u>	<u>292,480</u>
Net position, ending	<u>\$ 470,286</u>	<u>\$ 484,465</u>	<u>363,883</u>

The Commission’s primary source of revenue for funding of ongoing administration is derived through grants and contributions from the Federal and State government and from charges for services pertaining to contracts with local participating governments. Expenditures from these sources are restricted to the purposes for which they are intended. Accordingly, the Commission recognizes revenue from these sources when expenditures in compliance with the specific restrictions are incurred. The Commission also receives general operation revenue through dues provided by participating municipalities.

Financial Analysis of the Entity

The Commission reports the difference between their assets plus deferred outflows and liabilities plus deferred inflows as net position. Such information is useful in assessing the Commission’s financing requirements. In particular, unrestricted net position may serve as a useful measure of an entity’s net resources available for spending at the end of the fiscal year.

At the end of the year 2025, the Commission reported ending net position balance of \$470,286, a decrease of \$14,179 in comparison to the prior year. Of the total amount, \$470,286 constitutes unrestricted net position, which is available for spending at the Commission’s discretion.

At the end of the year 2024, the Commission reported ending net position balance of \$484,465, an increase of \$120,582 in comparison to the prior year. Of the total amount, \$484,465 constitutes unrestricted net position, which is available for spending at the Commission’s discretion.

**KYOVA INTERSTATE PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2025 AND 2024**

Budgetary Information

Budgetary comparisons are required for projects that have adopted a budget. An adopted budget authorizes and limits amounts to be expended. The Commission's budget is approved by the Board of Directors but does not have the force of law. Therefore, the Commission does not have a "legally" adopted budget.

Capital Assets and Debt Administration

At the end of 2025, the Commission had capital assets with a net book value of \$0 (net of accumulated depreciation) and included furniture and equipment. The Commission's capital assets are fully depreciated as of the year ended June 30, 2025.

At the end of 2024, the Commission had capital assets with a net book value of \$0 (net of accumulated depreciation) and included furniture and equipment. The Commission's capital assets are fully depreciated as of the year ended June 30, 2024.

Net Pension Liability – During fiscal year 2015, the Commission implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. The Commission's proportionate share of the net pension (asset) is (\$43,872) and (\$1,214) as of June 30, 2025 and 2024, respectively.

Other Post-Employment Benefits – During the fiscal year 2018, the Commission retroactively implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Other Post-Employment Benefits Other Than Pensions*. The Commission's proportionate share of net OPEB (asset)/liability is \$0 and (\$9,279), as of June 30, 2025 and 2024, respectively.

Economic Factors

The Commission receives a majority of funding through federal grants passed through the West Virginia Department of Transportation; the Ohio Department of Transportation; Kentucky Transportation Cabinet; and the Kentucky Federal Transit Administration. Funding is affected by the fiscal disposition and political will of federal and state governments.

Request for Information

This financial report is designed to provide a general overview of the Commission's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to KYOVA Interstate Planning Commission, 400 Third Avenue, Huntington, WV 25701.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
KYOVA Interstate Planning Commission
Huntington, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KYOVA Interstate Planning Commission (a quasi-governmental organization) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the KYOVA Interstate Planning Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of KYOVA Interstate Planning Commission, as of June 30, 2025 and 2024, and the respective changes in financial position, and, its cash flows thereof for the years then ended in accordance with 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 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 KYOVA Interstate Planning Commission 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 KYOVA Interstate Planning Commission'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.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 generally accepted auditing standards 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 generally accepted auditing standards 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 KYOVA Interstate Planning Commission'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 KYOVA Interstate Planning Commission'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, the schedule of the proportionate share of the net pension liability, the schedule of contributions-Public Employees Retirement System, the schedule of proportionate share of net OPEB liability, and schedule of contributions-OPEB on pages 1–5 and on 25–29 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise KYOVA Interstate Planning Commission’s basic financial statements. The schedule of expenditures of federal awards as required by Title U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying other supplementary information of the schedules of grant revenues and expenses compared to grant budgets are also presented for purposes of additional analysis and also 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. Such 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, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026, on our consideration of KYOVA Interstate Planning Commission’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 KYOVA Interstate Planning Commission’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 KYOVA Interstate Planning Commission’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Hess, Stewart & Campbell, PLLC". The signature is written in a cursive, flowing style.

Huntington, West Virginia
March 24, 2026

KYOVA INTERSTATE PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2025 AND 2024

	2025	2024
CURRENT ASSETS:		
Cash	\$ 134,786	\$ 161,494
Grants receivable	532,657	406,458
Accounts receivable	-	22,112
Prepaid expenses	9,564	7,921
Proportionate share of OPEB asset	-	9,279
Proportionate share of Pension asset	43,872	1,214
Total current assets	720,879	608,478
FURNITURE AND EQUIPMENT:		
Furniture and equipment	32,590	32,590
Less: Accumulated depreciation	(32,590)	(32,590)
Furniture and equipment, net	-	-
Total assets	720,879	608,478
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows - PERS	107,177	69,933
Deferred outflows - OPEB	112,403	100,507
Total deferred outflows	219,580	170,440
Total	\$ 940,459	\$ 778,918
CURRENT LIABILITIES:		
Accounts payable	319,034	193,396
Accrued leave	79,817	70,258
Accrued expense	13,390	13,390
Due to Grantor	-	-
Total current liabilities	412,241	277,044
LONG TERM LIABILITIES		
Total liabilities	412,241	277,044
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows - PERS	55,284	418
Deferred inflows - OPEB	2,648	16,991
Total deferred inflows	57,932	17,409
Total liabilities and deferred inflows	470,173	294,453
NET POSITION		
Net investment in capital assets	-	-
Unrestricted	470,286	484,465
Total net position	470,286	\$ 484,465
Total	\$ 940,459	\$ 778,918

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
REVENUES AND SUPPORT:		
Federal grants	\$ 1,314,725	\$ 1,038,685
State grants	83,152	76,405
Local Dues	169,399	259,370
Other	1,277	16,688
Total revenues and support	1,568,553	1,391,148
EXPENSES:		
Personnel	448,461	430,446
Fringe benefits	124,778	108,387
Travel	33,933	34,957
Supplies	1,674	1,278
Consultant fees	583,983	399,046
Indirect charges	265,891	254,574
Other	124,012	41,878
Total expenses	1,582,732	1,270,566
CHANGE IN NET POSITION	(14,179)	120,582
NET POSITION BEGINNING OF YEAR	484,465	363,883
NET POSITION END OF YEAR	\$ 470,286	\$ 484,465

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants and contributions	\$ 1,271,678	\$ 865,213
Cash received from other sources	192,788	267,487
Cash paid to employees	(605,676)	(580,756)
Cash paid for other services	(885,498)	(567,499)
Net cash (used) provided by operating activities	(26,708)	(15,555)
NET INCREASE (DECREASE) IN CASH	(26,708)	(15,555)
CASH AT THE BEGINNING OF THE YEAR	161,494	177,049
CASH AT THE END OF THE YEAR	\$ 134,786	\$ 161,494

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Reconciliation of net position to net cash provided by operating activities:		
Increase (Decrease) in net position	\$ (14,179)	\$ 120,582
Adjustments to reconcile increase in net position to net cash provided by operating activities:		
Change in assets deferred outflows, liabilities and deferred inflows which provided (used) cash exclusive of changes shown separately:		
Grants receivable	(126,199)	(249,579)
Other receivable	-	(8,571)
Accounts receivable	22,112	-
Prepaid expenses	(1,643)	(4,294)
Net pension asset	(42,658)	(1,214)
Net OPEB asset	9,279	(9,279)
Deferred outflows of resources - PERS Plan	(37,244)	38,286
Deferred outflows of resources - OPEB	(11,896)	(9,108)
Accounts payable	125,638	168,038
Accrued leave	9,559	4,603
Accrued expenses	-	490
Due to Grantor	-	(298)
Other post-employment benefits	-	(6,971)
Net pension liability	-	(39,594)
Deferred inflows of resources - PERS Plan	54,866	(23)
Deferred inflows of resources - OPEB	(14,343)	(18,623)
Net cash (used) provided by operating activities	<u>\$ (26,708)</u>	<u>\$ (15,555)</u>

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization – KYOVA Interstate Planning Commission is a quasi-governmental organization which provides transportation planning assistance to Cabell and Wayne Counties in West Virginia; Lawrence County in Ohio; and Boyd and Greenup Counties in Kentucky. Following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements.

Basis of Presentation– KYOVA Interstate Planning Commission prepares its financial statements in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting – The Commission employs the accrual basis of accounting. The accounting and financial reporting treatment applied to the Commission is determined by its measurement focus. The transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the Statement of Net Position.

Cash and Cash Equivalents – For the purposes of statement of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Grants Receivable – Recipients of reimbursement grants obtain a claim to resources by incurring qualified expenses. The Commission recognizes revenue from these sources when expenditures in compliance with specific grant restrictions are incurred.

Furniture and Equipment – Furniture and equipment is stated at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives (3 to 10 years) of the related assets. Maintenance and repairs are charged to expense as incurred. Renewals and betterment which materially increase the value of the property are capitalized. Depreciation in 2025 and 2024 totaled \$0 and \$0, respectively.

Accrued Leave – Regular and full-time employees are eligible to accrue vacation. Eligible employees accrue annual leave for each month of service. The vacation accrual rate is based on length of employment, as follows:

For employees with less than three (3) years of service, 13 days (91 hours per year) accrued at 3.79 hours per pay period or 7.58 hours per month; for employees with more than three (3) years but less than fifteen (15) years of services, 20 days (140 hours per year) accrued at 5.83 hours per pay period or 11.66 total hours per month; for employees with fifteen (15) or more years of service, 26 days (182 hours per year) accrued at 7.5 hours per pay period or 15.11 total hours per month.

Employees may carry forward annual leave hours based upon length of service as follows:

Less than 5 years of regular employment	210 hours = 30 days
5 years but less than 10 years of regular employment	210 hours = 30 days
10 years but less than 15 years of regular employment	245 hours = 35 days
15 years or more	280 hours = 40 days

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

Components of Net Position – Net position is comprised of net investment in capital assets, restricted net position, and unrestricted net position:

- The *net investment in capital asset* component of net position consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The Commission had no restricted net position at June 30, 2025 and 2024.
- The *unrestricted* component of net position is the net amount of the assets and deferred outflows of resources reduced by the liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position represents net position not restricted by legal, contractual, or legislative purposes.

Restricted Resources – When both restricted and unrestricted resources are available for use, it is the Commission’s policy to apply restricted resources first, then unrestricted resources as they are needed.

Donated Services – Donated hourly services which meet criteria for recognition are valued at the prevailing rates for services performed.

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to pension and pension expense, information about the fiduciary net position of KYOVA Interstate Planning Commission’s Public Employee Retirement System (PERS) and additions to/deduction from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the PERS. 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. See Note 2 for further discussion.

Other Post-Employment Benefit (OPEB) Liability – For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the KYOVA Interstate Planning Commission’s 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. See Note 3 for further discussion.

Accounting Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 2 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Plan Description, Contribution Information, and Funding Policies

KYOVA Interstate Planning Commission participates in state-wide, cost-sharing, multiple-employer defined benefit plans on behalf of 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.

KYOVA Interstate Planning Commission cost-sharing multiple-employer plan is administered by the Consolidated Public Retirement Board (CPRB), which acts as a common investment and administrative agent for all of the participating employers. CPRB issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information and can be found on the CPRB website at www.wvretirement.com. 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 benefit provisions	State Statute
Plan member’s contribution rate – hired before 7/1/2015	4.50%
Entity’s contribution rate – hired from 7/1/2016 to 6/30/17	12.00%
Plan member’s contribution rate – effective 7/1/2016	6.00%
Entity’s contribution rate – hired from 7/1/2017 to 6/30/18	11.00%
Entity’s contribution rate – hired from 7/1/2018 to 6/30/20	10.00%
Entity’s contribution rate for 6/30/24	9.00%
Period required to vest	Five Years – Tier 1, Ten Years – Tier 2
Benefits and eligibility for distribution	Qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. For all employees hired after July 1, 2015, qualification for normal retirement is age 62 with 10 years of service. The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. Final average salary is the average annual salary from the highest 36 consecutive months within the last fifteen years of employment. For all employees hired after July 1, 2015, final average salary is the average annual salary of the highest 60 consecutive months within the last fifteen years of employment. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired after July 1, 2015, this age increases to 64 with 10 years of service.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

Trend Information

Public Employees Retirement System (PERS)			
Fiscal Year	Annual Pension Cost	Annual Pension	Percentage Contributed
2025	\$	47,281	100%
2024	\$	44,425	100%
2023	\$	43,094	100%
2022	\$	43,091	100%
2021	\$	40,774	100%
2020	\$	39,759	100%
2019	\$	38,492	100%
2018	\$	41,539	100%
2017	\$	43,609	100%
2016	\$	55,442	100%

PERS issue a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by contacting the Consolidated Public Employees' Retirement Board, 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

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

At fiscal year-end June 30, 2025, the government reported the following liabilities for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2024, and the total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of that date. The government's proportion of the net pension liabilities 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, 2025, the government's reported the following proportions and increase/decreases from its proportion measured as of June 30, 2024:

	<u>PERS</u>
Amount for proportionate share of net pension liability	\$ (43,872)
Percentage for proportionate share of net pension liability	0.026651%
Decrease % from prior proportion measured	0.000432%

For the year ended June 30, 2025, the government recognized \$22,245 of pension expenses for the PERS plan.

The government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for Public Employees Retirement systems (PERS):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between government contributions and proportionate share of contributions	\$ 292	\$ (194)
Difference between expected and actual experience	59,604	-
Changes in assumptions	-	(4,017)
Net difference between projected and actual earnings on pension plan investments	-	(51,073)
Government contributions subsequent to the measurement date	47,281	-
	<u>\$ 107,177</u>	<u>\$ (55,284)</u>

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

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, 2026. 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:	
2026	\$ (22,072)
2027	63,610
2028	(18,693)
2029	(18,233)
Total	\$ 4,612

Actuarial Assumptions

Net pension liability was determined by an actuarial valuation as of July 1, 2024 and rolled forward to June 30, 2025, which is the measurement date, using the following actuarial assumptions:

Employees Retirement System (PERS)

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset Valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through fiscal year 2035
Actuarial assumptions:	
Inflation rate	2.75%
Projected salary increases	3.57% - 7.37%
Investment Rate of Return	7.25%
Discount rate	7.25%
Mortality rates	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2021
	Retired healthy male - 111% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2021
	Retired healthy female - 118% of Pub-2010 General Retiree Female tables, below-median, headcount weighted, projected generationally with scale MP-2021
	Disabled males - 119% of Pub-2010 General/Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2021
	Disabled females - 124% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2021
Withdrawal rates	3.25% - 35.88%
Disability rates	0.005% - 0.540%
Retirement rates	12% - 100%
Date range in most experience study	2018 - 2023

Investment Asset Allocation

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

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

The target allocation and best estimates of geometric rates of return for each major asset class included are summarized in the following chart:

Investment	PERS Target Asset Allocation	Long-term Expected Rate of Return
Domestic Equity	22.5%	6.5%
International Equity	22.5%	9.1%
Fixed Income	15.0%	4.3%
Real Estate	12.0%	5.8%
Private Equity	12.0%	9.2%
Prorate Credit	6.0%	9.8%
Hedge Funds	10.0%	4.6%
	100.0%	

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent for all defined benefit plans. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the 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 pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities for the plan.

The following chart presents the sensitivity of the net pension liability to changes in the discount rate, calculated using the current discount rate of 7.25% 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 and 1-percentage point higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
KYOVA Interstate Planning Commission's proportionate share of net pension (liability)/asset	\$ (223,265)	\$ 43,872	\$ 269,466

Pension plans' fiduciary net position. Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

Payables to the plan. KYOVA Interstate Planning Commission had \$0 payable and outstanding to the Plan at the end of the fiscal year.

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 3 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Commission participates in the West Virginia Other Post-Employment Benefits Plan (OPEB) of the West Virginia Retiree Health Benefit Trust Fund (RHBTF), a cost sharing multiple-employer defined benefit post-employment healthcare plan for eligible employees administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers.

The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit plans to the WVPEIA Board of Trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB plan. The report may be obtained by writing to West Virginia Public Employees Insurance Agency, 601 57th Street, Charleston, WV 25304, or from the WVPEIA website at www.peia.wv.gov. The Commission’s required contributions for OPEB for fiscal year 2025 were \$111,619.

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

The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of the net OPEB liability does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial estimated liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. However, the preparation of any estimate of future post-employment costs requires consideration of a broad array of complex social and economic events. Future changes in the healthcare reform, changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs option, changes in the investment rate of return and other matters increase the level of uncertainty of such estimates. As such, the estimate of post-employment program costs contains considerable uncertainty and variability and actual experience may vary significantly by the current estimated net OPEB liability.

The net OPEB liability reported as of June 30, 2025 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024, rolled forward, with update procedures to the measurement date as of June 30, 2025. The Commission’s proportion of the net OPEB liability was based on the Commission’s share of contributions to the OPEB plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share as well as the OPEB expense.

Proportionate Share of the Net OPEB - Current Year	0.000000000%
Proportionate Share of the Net OPEB - Prior Year	0.005863271%
Change in Proportionate Share	-0.005863%
Proportion of the Net OPEB Liability	\$ -
OPEB Expense	\$ 94,659

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

At June 30, 2025, the Commission reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources

Commission contributions subsequent to the measurement date	\$ 111,619
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>784</u>
Total	<u><u>\$ 112,403</u></u>

Deferred Inflows of Resources

Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ <u>2,648</u>
Total	<u><u>\$ 2,648</u></u>

Deferred outflows of resources of \$111,619 related to OPEB resulting from Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2026	\$ (2,021)
2027	10
2028	145
2029	2
2030	-
Total	<u><u>\$ (1,864)</u></u>

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2025, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Rates based on 2015-2020 OPEB Experience Study and dependent on pension plan participation and attained age, and range from 2.75% to 5.18%, including inflation. Rates were first applied to the 2020 valuation.
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation
Health cost trend rates	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 the plan year end 2032.
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Amortization period	20 years closed as of June 30, 2017
Asset valuation method	Market value
Wage inflation	2.75%
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims cost. Operating expenses are included as a component of the annual expense.
Retirement age	Rates based on 2015-2020 OPEB experience study and vary by pension plan participation and age/service at retirement. Rates first applied to the 2020 valuation.
Mortality	Postretirement: Pub-2010 General Below Median Healthy Retiree Tables (106% male, 113% female) projected with Scale MP-2021. Pre-retirement: Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021.

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, 2015 – June 30, 2020.

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 7.6% for long-term assets invested with the West Virginia 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.

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

The long-term rate of return on OPEB plan investments were determined using a building block method in which estimate ranges of expected future rates of return was developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future 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 (WVIMB). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (WVBTI) was estimated based on WVIMB assumed inflation of 2.50% plus a 25-basis point spread.

The target allocation and estimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below:

Asset Class	Long-Term Expected Rate of Return
Equity	7.4%
Fixed Income	3.9%
Private Credit and Income	7.4%
Real Estate	7.7%
Hedge Fund	4.5%
Private Equity	10.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the Commission calculated using the assumed trend rates, as well as what the net OPEB 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 discount rate:

	1% Decrease (6.40%)	Discount Rate (7.40%)	1% Increase (8.40%)
Net OPEB Liability (asset)	\$ -	\$ -	\$ -

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of the Commission, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or higher:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (asset)	\$ -	\$ -	\$ -

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 4 – INDIRECT CHARGES

KYOVA Interstate Planning Commission incurs costs which are attributable to the various grant projects, functions or activities in which the agency is involved. As such the agency employs an indirect cost plan to allocate certain administrative charges using total direct salaries/fringe as the parameter for allocation.

NOTE 5 – RELATED PARTY TRANSACTIONS

KYOVA Interstate Planning Commission shares equipment and administrative personnel, including fringe benefits, with Region II Planning and Development Council. The Commission had a balance of \$20,331, due to Region II Planning and Development Council as of June 30, 2025. The Commission had a balance of \$10,022 due to Region II Planning and Development Council as of June 30, 2024.

NOTE 6 – OPERATING LEASES

The agency leased office facilities under an operating lease with a June 30, 2025 expiration date. The lease was renewed through June 30, 2026. For the fiscal years ended June 30, 2025 and 2024, total rent/space cost expenditures amounted to \$43,019 and \$39,650, respectively.

NOTE 7 – CONCENTRATION OF CREDIT RISK

The Commission provides management services to Cabell and Wayne Counties and City of Huntington in West Virginia; Lawrence County and City of Ironton in Ohio; and Boyd and Greenup Counties and City of Ashland in Kentucky. In addition, the Commission charges the above areas for dues. The Commission bills the cities without requiring collateral or any other security. Accounts receivable have been adjusted for all known uncollectible accounts. An allowance is not considered necessary as the amount is not material.

NOTE 8 – FEDERAL AND STATE GRANTS

Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 9 – STATE MATCHING GRANTS

The following matching funds were expended during fiscal years 2025 and 2024 for state grant matching purposes.

	<u>2025</u>	<u>2024</u>
State of West Virginia for Consolidated Funding Grants	\$ 106,987	\$ 82,491
State of Ohio Match for District No. 9 Consolidated Funding Grant	15,970	25,876
Kentucky Transportation Cabinet Metropolitan Planning Organization Match	48,087	47,859
Total Matching Grants	<u>\$ 171,044</u>	<u>\$ 156,226</u>

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 10 – RECLASSIFICATION

Certain amounts originally reported in the 2024 financial statements have been reclassified for comparative purposes to the 2025 amounts.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 24, 2026, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**KYOVA INTERSTATE PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's proportion of the net pension liability (asset)	0.026651%	0.027083%	0.026588%	0.025604%	0.025724%	0.026218%	0.027331%	0.026470%	0.029803%	0.028169%
Commission's proportionate share of the net pension liability (asset)	\$ (43,872)	\$ (1,214)	\$ 39,594	\$ (224,784)	\$ 135,995	\$ 56,372	\$ 70,583	\$ 114,258	\$ 273,923	\$ 157,297
Commission's covered payroll	\$ 525,343	\$ 493,611	\$ 474,553	\$ 430,412	\$ 407,735	\$ 399,735	\$ 299,953	\$ 377,625	\$ 363,411	\$ 410,679
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(8.35%)	(0.25%)	8.34%	(52.23%)	33.35%	14.10%	23.53%	30.25%	75.37%	38.30%
Plan fiduciary net position as a percentage of the total pension liability	101.85%	100.05%	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%

The accompanying notes are an integral part of this schedule.

KYOVA INTERSTATE PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 47,281	\$ 44,425	\$ 43,094	\$ 43,091	\$ 40,774	\$ 39,759	\$ 38,492	\$ 41,539	\$ 43,609	\$ 55,442
Contributions in relation to the contractually required contribution	\$ (47,281)	\$ (44,425)	\$ (43,094)	\$ (43,091)	\$ (40,774)	\$ (39,759)	\$ (38,492)	\$ (41,539)	\$ (43,609)	\$ (55,442)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$ 525,343	\$ 493,611	\$ 474,553	\$ 430,412	\$ 407,735	\$ 399,735	\$ 299,953	\$ 377,625	\$ 363,411	\$ 410,679
Contributions as a percentage of covered payroll	9.00%	9.00%	9.08%	10.01%	10.00%	9.94%	12.83%	11.00%	11.99%	13.50%

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commission's proportion of the net OPEB liability (asset)	0.000000%	0.005863%	0.006263%	0.007370%	0.007301%	0.007461%	0.006669%	0.004739%
Commission's proportionate share of the net OPEB liability (asset)	<u>\$ -</u>	<u>\$ (9,279)</u>	<u>\$ 6,971</u>	<u>\$ (2,191)</u>	<u>\$ 32,248</u>	<u>\$ 123,790</u>	<u>\$ 143,089</u>	<u>\$ 116,534</u>
Total	<u>\$ -</u>	<u>\$ (9,279)</u>	<u>\$ 6,971</u>	<u>\$ (2,191)</u>	<u>\$ 32,248</u>	<u>\$ 123,790</u>	<u>\$ 143,089</u>	<u>\$ 116,534</u>
Commission's covered payroll	\$ 493,611	\$ 474,553	\$ 430,412	\$ 407,735	\$ 399,735	\$ 299,953	\$ 377,625	\$ 363,411
Commission's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.000%	-1.955%	1.620%	0.537%	8.067%	41.270%	37.891%	32.067%
Plan fiduciary net position as a percentage of the total OPEB liability	102.19%	109.66%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%

Data prior to 2017 is unavailable.

The accompanying notes are an integral part of this schedule.

KYOVA INTERSTATE PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREE HEALTH BENEFIT TRUST FUND
YEAR ENDED JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 111,619	\$ 97,745	\$ 84,197	\$ 79,728	\$ 79,762	\$ 79,108	\$ 79,011	\$ 71,595
Contributions in relation to the contractually required contribution	\$ (111,619)	\$ (97,745)	\$ (84,197)	\$ (79,728)	\$ (79,762)	(79,108)	(79,011)	(71,595)
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Commission's covered payroll	\$ 525,343	\$ 493,611	\$ 474,553	\$ 430,412	\$ 407,735	\$ 399,735	\$ 299,953	\$ 377,625
Contributions as a percentage of covered payroll	21.247%	19.802%	17.742%	18.524%	19.562%	19.790%	26.341%	18.959%

Data prior to 2018 is unavailable.

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025**

A. Changes in Benefit Terms

There were no changes in benefit terms for the year ended June 30, 2025.

B. Actuarial Information

The components of net pension liability is as follows:

Total pension liability	\$ 8,898,189
Plan fiduciary net position	<u>9,062,803</u>
Net Pension (liability)/asset	<u>\$ (164,614)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 101.85%

OTHER SUPPLEMENTARY INFORMATION

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-Through Number	Expenditures
U.S. Department of Transportation			
Pass Through Ohio Department of Transportation:			
District No. 9 Consolidated Funding Grant	20.205	DOTC38477-1	\$ 187,029
Pass Through West Virginia Department of Transportation :			
Consolidated Funding Grant	20.205	KYOVA2025	679,886
Pass Through Kentucky Transportation Cabinet:			
Unified Planning Work Program	20.205	240001178	144,876
STP Planning Boyd & Greenup Counties	20.205	SC 625-2400001426	14,490
Metropolitan Planning Organization	20.205	SC 625-2300001783	69,198
Total			1,095,479
Pass Through the Tri-State Transit Authority			
Metropolitan Planning Organization	20.505	WV-2023-007-00	11,401
Pass Through the Lawrence County Port Authority			
Lawrence Co. Transit Planning	20.505	N/A	20,500
Pass Through Kentucky Transportation Cabinet			
Metropolitan Planning Organization	20.505	P033021442	62,936
Total			94,837
Direct Grant			
Ohio River Valley Tri-State Action Plan	20.939	HSSP230383PR	124,409
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ 1,314,725

The accompanying notes are an integral part of this schedule.

KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the KYOVA Interstate Planning Commission under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of KYOVA Interstate Planning Commission, it is not intended to and does not present the financial position or changes in net position.

Note 2 - Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

- b. KYOVA Interstate Planning Commission has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, as it uses the rate which is pre-approved by their grantor agencies.

Note 3 – Subrecipients

KYOVA Interstate Planning Commission provided no federal awards to subrecipients during the year ended June 30, 2025.

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF GRANT REVENUES AND
EXPENSES COMPARED TO GRANT BUDGETS
FEDERAL HIGHWAY ADMINISTRATION - HUNTINGTON; IRONTON; ASHLAND
AREA TRANSPORTATION STUDY GRANT –
PORTION FUNDED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION
GRANT PERIOD JULY 1, 2024 TO JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>(Over)/Under Budget</u>
REVENUE			
Federal	\$ 187,086	\$ 187,029	\$ 57
State	15,935	15,971	(36)
Local	<u>15,935</u>	<u>16,286</u>	<u>(351)</u>
Total revenue	218,956	219,286	(330)
EXPENSES			
Direct labor	74,331	74,572	(241)
Fringe benefits	31,260	27,720	3,540
Other direct costs	65,847	72,967	(7,120)
Indirect costs	<u>47,518</u>	<u>44,027</u>	<u>3,491</u>
Total expenses	<u>218,956</u>	<u>219,286</u>	<u>(330)</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
BALANCE FROM PRIOR YEAR		<u>-</u>	
BALANCE JUNE 30, 2025		<u><u>-</u></u>	

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF GRANT REVENUES AND
EXPENSES COMPARED TO GRANT BUDGETS
FEDERAL HIGHWAY ADMINISTRATION - HUNTINGTON; IRONTON; ASHLAND
AREA TRANSPORTATION STUDY GRANT -
PORTION FUNDED THROUGH THE WEST VIRGINIA
DEPARTMENT OF TRANSPORTATION
GRANT PERIOD JULY 1, 2024 TO JUNE 30, 2025**

	Budget	Actual	(Over)/Under Budget
REVENUE			
Federal	\$ 702,166	\$ 679,886	\$ 22,280
State	60,963	58,126	2,837
Local	109,764	107,077	2,687
Total revenue	872,893	845,089	27,804
EXPENSES			
Direct labor	214,084	202,086	11,998
Fringe benefits	89,916	75,163	14,753
Other direct costs	432,034	447,838	(15,804)
Indirect costs	136,859	120,002	16,857
Total expenses	872,893	845,089	27,804
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -
BALANCE FROM PRIOR YEAR		-	
BALANCE JUNE 30, 2025		-	

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF GRANT REVENUES AND
EXPENSES COMPARED TO GRANT BUDGETS
FEDERAL HIGHWAY ADMINISTRATION - HUNTINGTON; IRONTON; ASHLAND
AREA TRANSPORTATION STUDY GRANT -
PORTION FUNDED THROUGH THE KENTUCKY TRANSPORTATION CABINET
GRANT PERIOD JULY 1, 2024 TO JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>(Over)/Under Budget</u>
REVENUE			
Federal	\$ 234,383	\$ 228,564	\$ 5,819
State	9,350	9,055	295
Local	<u>49,246</u>	<u>48,094</u>	<u>1,152</u>
Total revenue	292,979	285,713	7,266
EXPENSES			
Direct labor	96,325	94,870	1,455
Fringe benefits	40,471	35,281	5,190
Other direct costs	94,604	99,313	(4,709)
Indirect costs	<u>61,579</u>	<u>56,249</u>	<u>5,330</u>
Total expenses	<u>292,979</u>	<u>285,713</u>	<u>7,266</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BALANCE FROM PRIOR YEAR		-	
BALANCE JUNE 30, 2025		<u>-</u>	

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF GRANT REVENUES AND
EXPENSES COMPARED TO GRANT BUDGETS
FEDERAL TRANSIT ADMINISTRATION - PUBLIC TRANSPORTATION GRANT -
PORTION FUNDED THROUGH THE KENTUCKY TRANSPORTATION CABINET
GRANT PERIOD JULY 1, 2024 TO JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>(Over)/Under Budget</u>
REVENUE			
Federal	\$ 62,936	\$ 62,936	\$ -
Local	<u>15,734</u>	<u>16,562</u>	<u>(828)</u>
Total revenue	78,670	79,498	(828)
EXPENSES			
Direct labor	36,700	32,289	4,411
Fringe benefits	15,420	12,008	3,412
Other direct costs	3,088	16,057	(12,969)
Indirect costs	<u>23,462</u>	<u>19,144</u>	<u>4,318</u>
Total expenses	<u>78,670</u>	<u>79,498</u>	<u>(828)</u>
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -
BALANCE FROM PRIOR YEAR		<u>-</u>	
BALANCE JUNE 30, 2025		<u><u>-</u></u>	

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF GRANT REVENUES AND
EXPENSES COMPARED TO GRANT BUDGETS
METROPOLITAN PLANNING ORGANIZATION
FUNDED THROUGH THE TRI-STATE TRANSIT AUTHORITY
GRANT PERIOD JULY 1, 2024 TO JUNE 30, 2025**

	Budget	Actual	(Over)/Under Budget
REVENUE			
Federal	\$ 11,500	\$ 11,401	\$ 99
Local	-	198	(198)
Total revenue	11,500	11,599	(99)
EXPENSES			
Direct labor	5,365	5,904	(539)
Fringe benefits	2,254	2,195	59
Other direct costs	451	-	451
Indirect costs	3,430	3,500	(70)
Total expenses	11,500	11,599	(99)
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -
BALANCE FROM PRIOR YEAR		-	
BALANCE JUNE 30, 2025		-	

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF GRANT REVENUES AND
EXPENSES COMPARED TO GRANT BUDGETS
FEDERAL MASS TRANSIT FUNDING
FUNDED THROUGH THE LAWRENCE COUNTY PORT AUTHORITY
GRANT PERIOD JULY 1, 2024 TO JUNE 30, 2025**

	Budget	Actual	(Over)/Under Budget
REVENUE			
Federal	\$ 20,500	\$ 20,500	\$ -
Local	<u>-</u>	<u>30</u>	<u>(30)</u>
Total revenue	20,500	20,530	(30)
EXPENSES			
Direct labor	9,563	10,449	(886)
Fringe benefits	4,018	3,886	132
Other direct costs	805	-	805
Indirect costs	<u>6,114</u>	<u>6,195</u>	<u>(81)</u>
Total expenses	<u>20,500</u>	<u>20,530</u>	<u>(30)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BALANCE FROM PRIOR YEAR		<u>-</u>	
BALANCE JUNE 30, 2025		<u>-</u>	

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF GRANT REVENUES AND
EXPENSES COMPARED TO GRANT BUDGETS
FEDERAL HIGHWAY ADMINISTRATION - HUNTINGTON; IRONTON; ASHLAND
AREA TRANSPORTATION STUDY GRANT –
PORTION FUNDED THROUGH THE FEDERAL HIGHWAY ADMINISTRATION
GRANT PERIOD JULY 1, 2024 TO JUNE 30, 2025**

	Budget	Actual	(Over)/Under Budget
REVENUE			
Federal	\$ 623,243	\$ 124,409	\$ 498,834
State	155,812	31,102	124,710
Local	-	-	-
Total revenue	779,055	155,511	623,544
EXPENSES			
Direct labor	79,266	28,291	50,975
Fringe benefits	30,137	10,521	19,616
Other direct costs	603,500	99,925	503,575
Indirect costs	66,152	16,774	49,378
Total expenses	779,055	155,511	623,544
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -
BALANCE FROM PRIOR YEAR		-	
BALANCE JUNE 30, 2025		-	

The accompanying notes are an integral part of this schedule.

**KYOVA INTERSTATE PLANNING COMMISSION
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025**

A. Budgetary Information

Budgetary comparisons are required for projects that have adopted a budget. The Commission’s budget is approved by the Board of Directors but does not have the force of law. Therefore, the Commission does not have a “legally” adopted budget. An adopted budget authorizes and limits amounts to be expended.

B. Schedules of Grant Revenues and Expenses Compared to Grant Budget

Amounts reported in the Schedules of Grant Revenues and Expenses Compared to Grant Budgets for fringe benefit expenses include all employer amounts billed and paid during the year to the West Virginia Public Employees Retirement System. Whereas, fringe benefit expenses reported in the Commission’s statement of activities include the accrued, but unpaid, annual required contribution for other post-employment benefits as per Government Accounting Standards Board (GASB) Statement No. 75 and the net adjustment to retirement expenses as per Government Accounting Standards Board (GASB) Statements No. 68:

Schedules of grant revenues and expenses compared to grant budget - total		
fringe benefits expense	\$	166,774
Decrease in net OPEB obligation due to implementation of GASB 75		(16,960)
Net decrease in accrued retirement expenses per GASB 68/71		<u>(25,036)</u>
Statement of activities - fringe benefit expense	\$	<u><u>124,778</u></u>

**REPORTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
KYOVA Interstate Planning Commission
Huntington, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KYOVA Interstate Planning Commission (a quasi-governmental organization), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise KYOVA Interstate Planning Commission's basic financial statements, and have issued our report thereon dated March 24, 2026.

Report On Internal Control Over Financial Reporting

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

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether KYOVA Interstate Planning Commission'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 statement amounts. 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Hess, Stewart & Campbell, PLLC". The signature is written in a cursive, flowing style.

Huntington, West Virginia
March 24, 2026

HESS, STEWART & CAMPBELL, PLLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
KYOVA Interstate Planning Commission
Huntington, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited KYOVA Interstate Planning Commission's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of KYOVA Interstate Planning Commission's major federal programs for the year ended June 30, 2025. KYOVA Interstate Planning Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, KYOVA Interstate Planning Commission complied, in all material respects, with the types of 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, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 KYOVA Interstate Planning Commission 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 KYOVA Interstate Planning Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 KYOVA Interstate Planning Commission's federal programs.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 KYOVA Interstate Planning Commission'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 generally accepted auditing standards, *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 KYOVA Interstate Planning Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 KYOVA Interstate Planning Commission'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 KYOVA Interstate Planning Commission'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 KYOVA Interstate Planning Commission'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 a 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.

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Hess, Stewart & Campbell, PLLC". The signature is written in a cursive, flowing style.

Huntington, West Virginia
March 24, 2026

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

**KYOVA INTERSTATE PLANNING COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.

There were no findings for the prior year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

A. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified that is not considered to be material weakness?	None reported
Non-compliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness identified	No
Significant deficiency identified that is not considered to be material weakness?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

The programs tested as major programs included:

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>
U.S. Department of Transportation Pass-through State of West Virginia Department of Transportation: Consolidated Funding Grant	20.205
Pass-through State of Ohio Department of Transportation District No. 9 Consolidated Funding Grant	20.205
Pass through State of Kentucky Transportation Cabinet Unified Planning Work Program	20.205
STP Planning – Boyd & Greenup Counties	20.205
Metropolitan Planning Organization	20.205

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

**KYOVA INTERSTATE PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None Reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None Reported.