



Certified Public Accountants, A.C.

**KANAWHA COUNTY BOARD OF EDUCATION
KANAWHA COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2021**

RFP# 20-088

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INDEPENDENT AUDITOR'S REPORT

Kanawha County Board of Education
Kanawha County
200 Elizabeth Street
Charleston, WV 25311

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Kanawha County Board of Education**, Kanawha County, West Virginia (the Board), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kanawha County Board of Education, Kanawha County, West Virginia, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board. As discussed in Note 18 to the financial statements, during the year ended June 30, 2021, the Board adopted new guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, schedules of net pension and OPEB liabilities and pension and OPEB contributions and required budgetary comparisons for the General Current Expense and Special Revenue Funds, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Board's basic financial statements taken as a whole.

The budgetary comparison information for the Debt Service Fund, Permanent Improvement Fund, the Schedule of Excess Levy Revenues and Expenditures, and the Schedule of State Grant Receipts and Expenditures provide additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

April 29, 2022

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

Our discussion and analysis of the Kanawha County Board of Education's (Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2021. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$365 million (*net position*) at the close of the most recent fiscal year. Of this amount, approximately \$47.6 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Board's total net position increased by approximately \$81.5 million. This increase is primarily attributable to the overall increase in property taxes and federal grant funding.

As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$154.6 million, an increase of approximately \$50.6 million in comparison with the prior year.

- At the end of the current fiscal year, unreserved fund balance for the general fund was \$0.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements - The district-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Board's assets, deferred outflows 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 Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing or 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., uncollected taxes and earned but unused vacation leave).

The district-wide financial statements can be found on the pages following this report.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the debt service fund, the permanent improvement fund, and the special revenue federal stimulus and stabilization fund, all of which are considered major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses a custodial fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 18 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on the pages following the basic financial statements.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$365 million at the close of the most recent fiscal year.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

	2021 Governmental Activities	2020 Governmental Activities	Variance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and other assets	\$ 236,185,773	\$ 149,981,568	\$ 86,204,205
Capital assets	299,476,913	233,956,073	65,520,840
Deferred outflows of resources	14,041,470	15,698,753	(1,657,283)
Total assets and deferred outflows of resources	\$ 549,704,156	\$ 399,636,394	\$ 150,067,762
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities and deferred inflows of resources:			
Current and other liabilities	\$ 50,329,724	\$ 51,587,171	\$ (1,257,447)
Long-term liabilities outstanding	96,125,342	21,753,516	74,371,826
Deferred inflows of resources	20,254,617	20,375,519	(120,902)
Net pension liability - Proportionate share	14,541,750	11,789,229	2,752,521
Net other post employment benefit (OPEB) liability - Proportionate share	2,996,119	10,259,346	(7,263,227)
Total liabilities and deferred inflows of resources	\$ 184,247,552	\$ 115,764,781	\$ 68,482,771
Net position:			
Net Investment in Capital Assets	\$ 203,574,950	\$ 202,806,894	\$ 768,056
Restricted	114,215,264	42,945,009	71,270,255
Unrestricted	47,666,390	38,119,710	9,546,680
Total net position	\$ 365,456,604	\$ 283,871,613	\$ 81,584,991
Total liabilities, deferred inflows of resources, and net position	\$ 549,704,156	\$ 399,636,394	\$ 150,067,762

The key elements of the increase of the Board's net position for the year ended June 30, 2021 are as follows:

- Current and other assets increased by approximately \$86.2 million, which primarily represents an increase in cash and investments and the additional of school activity cash accounts with the implementation of GASB 84.
- Capital assets increased by approximately \$65.5 million which represents the net amount of capital asset additions in excess of capital asset disposals and related depreciation expense.
- Current and other liabilities decreased by approximately \$1.2 million which was primarily the result of a reduction in salaries and payroll liabilities payable.
- Long-term liabilities increased by approximately \$74.3 million which was primarily the result of a new energy savings equipment lease.
- GASB 68 requires the Board to record its proportionate share of the net pension liability, deferred outflows and deferred inflows. The net pension liability increased by approximately \$2.7 million.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

- GASB 75 requires the Board to record its proportionate share of the net OPEB liability. Deferred outflows and deferred inflows. The net OPEB liability decreased by approximately \$7.2 million.
- At the end of the current fiscal year, the Board is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.
- Restricted net position increased by approximately \$71.2 million during the year ended June 30, 2021. This resulted primarily from an increase in funding for capital projects as well as the inclusion of school activity accounts.
- The Board's net position increase by approximately \$81.5 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

The following summarizes the statement of activities for the year ended June 30, 2021 in comparison with the year ended June 30, 2020:

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

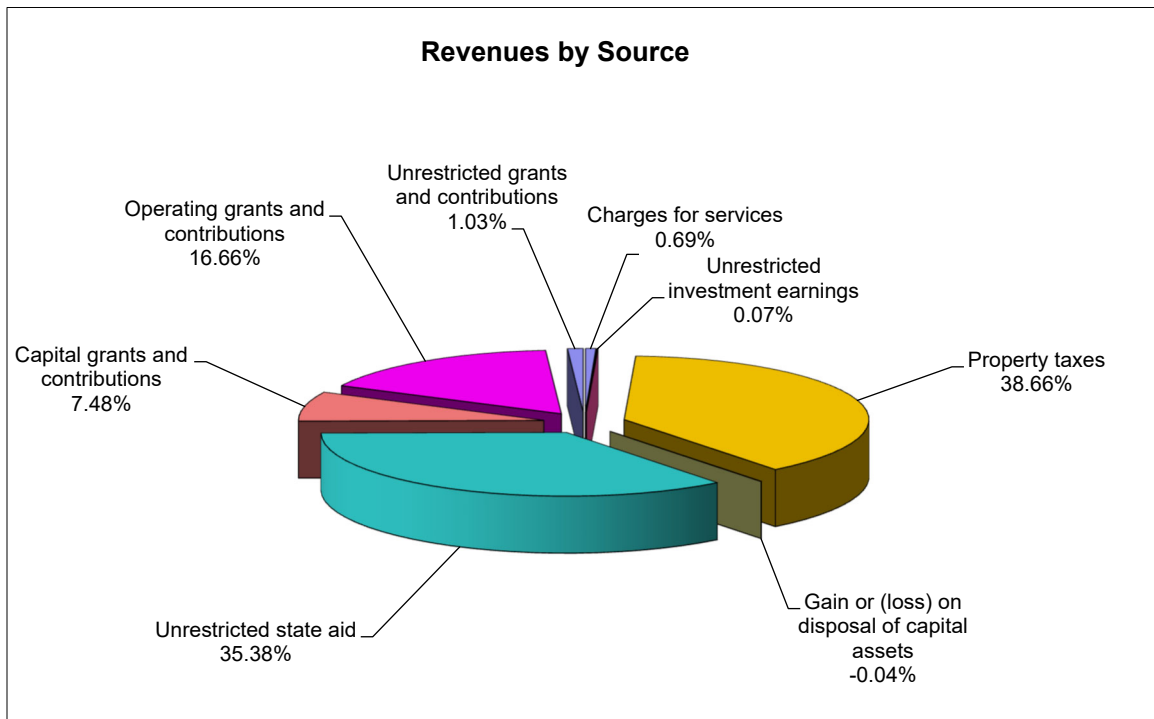
	2021	2020	
	Governmental	Governmental	Variance
	Activities	Activities	
Revenues:			
Program revenues:			
Charges for services	\$ 2,767,462	\$ 4,626,596	\$ (1,859,134)
Operating grants and contributions	66,835,507	47,569,652	19,265,855
Capital grants and contributions	30,030,828	9,895,096	20,135,732
General revenues:			
Property taxes	155,096,600	128,874,920	26,221,680
Unrestricted state aid	141,970,692	144,660,130	(2,689,438)
Unrestricted investment earnings	262,982	1,698,587	(1,435,605)
Unrestricted grants and contributions	4,113,378	2,774,582	1,338,796
Gain or (loss) on disposal of capital assets	(146,264)	(1,644,229)	1,497,965
Total revenues	400,931,185	338,455,333	62,475,851
Expenses:			
Instruction	184,510,543	164,665,420	19,845,123
Supporting services:			
Students	16,816,502	15,375,302	1,441,200
Instructional staff	6,946,818	8,010,955	(1,064,137)
General administration	8,122,023	2,393,885	5,728,138
School administration	15,280,023	15,433,801	(153,778)
Central services	1,807,484	9,981,532	(8,174,048)
Operation and maintenance of facilities	50,988,851	41,476,556	9,512,295
Student transportation	17,223,222	15,210,615	2,012,607
Other	190,251	-	190,251
Total supporting services	117,375,174	107,882,647	9,492,528
Food services	22,122,431	22,084,232	38,199
Community services	4,212,148	4,444,416	(232,268)
Interest on long-term debt	835,980	120,526	715,454
Total expenses	329,056,276	299,197,241	29,859,036
Change in net position before transfers	71,874,909	39,258,092	32,616,815
Transfers	-	-	-
Change in net position	71,874,909	39,258,092	32,616,815
Net position - Beginning	283,871,613	244,613,520	39,258,093
Restatement	9,710,082	-	9,710,082
Net position - Ending	\$ 365,456,604	\$ 283,871,613	\$ 81,584,990

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

The key elements of the changes in the Board's statement of activities for the year ended June 30, 2021 are as follows:

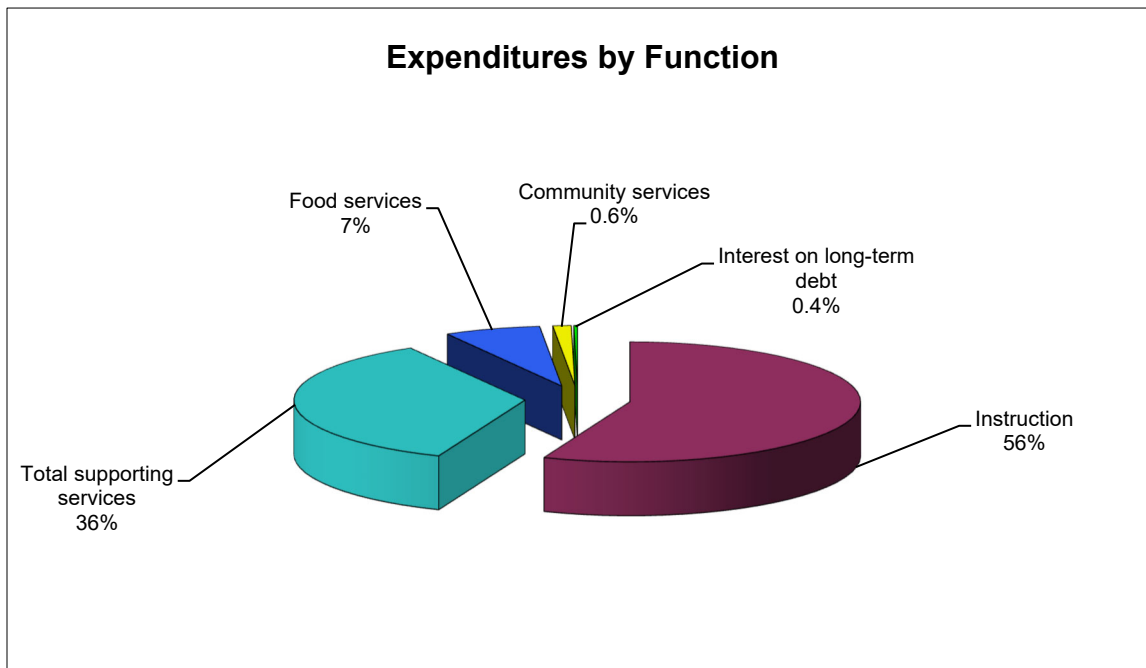
- Charges for services decreased by approximately \$1.8 million which was primarily the result of reduced activity due to COVID pandemic restrictions.
- Operating grants and contributions increased by approximately \$19.2 million which was primarily the result of increased state and federal funding for pandemic response.
- Capital grants and contributions increased \$20.1 million which was primarily the result of an increase in School Building Authority and FEMA funding for school construction.
- General revenues from property taxes increased approximately \$26.2 million which was primarily the result of the assessed values and the removal of the cap on the excess levy.
- General revenues from unrestricted state aid decreased by approximately \$2.6 million which was primarily the result of decreased enrollment.
- Overall expenses increased by approximately \$29.8 million which was primarily the result of an overall increase in instructional expense and operation and maintenance.

The following chart shows the Board's revenues for fiscal year ended June 30, 2021 by source:



**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

The following chart shows the Board's expenditures for fiscal year ended June 30, 2021 by function:



Financial Analysis of the Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately \$144.3 million. The net change in fund balance was an increase of approximately \$49.9 million which was primarily the result of an increase in property tax and federal grant revenue.

Governmental funds report the differences between their assets, deferred outflows, liabilities, and deferred inflows as fund balance, which is divided into nonspendable, restricted, committed, assigned and unassigned portions. Nonspendable, restricted, committed, and assigned indicate the portion of the Board's fund balances that are not available for appropriation. The unassigned fund balance is available financial resources in governmental funds. The Board had an unassigned fund balance of \$0 at June 30, 2021.

The Board had six major funds for the fiscal year ended June 30, 2021. Those funds are the General Current Expense Fund, Special Revenue Fund, Special Revenue Federal Stimulus and Stabilization Fund, Debt Service Fund, and the Permanent Improvement Fund.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

General Current Expense Fund

This is the principal operation fund which accounts for all financial resources of the Board except those required to be accounted for in another fund. The fund balance decreased from approximately \$51.4 million to approximately \$41.2 million during the fiscal year ended June 30, 2021. This decrease of approximately \$10.2 million was primarily due to an increase in capital outlay expenditures.

Special Revenue Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditures for specific purposes. The fund balance increased from approximately \$15.6 million to approximately \$19.5 million during the fiscal year ended June 30, 2021. This increase of approximately \$3.9 million was due primarily to an increase in state and federal grants.

Special Revenue Federal Stimulus and Stabilization Fund

This is a separate special revenue fund to account for all revenue and expenditures attributable to funds received as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act, which are legally restricted to expenditures for specific purposes. The fund balance decreased from approximately \$9 thousand deficit to approximately \$804 thousand deficit during the fiscal year ended June 30, 2021. This decrease of \$795 thousand was due primarily to the timing of federal grant expenditures and the related grant revenue that will be received in future years.

Debt Service Fund

This is a separate fund used to account for the accumulated resources, and the payment of, general long-term debt, principal, and interest. The fund balance remained consistent from approximately \$299 dollars to \$428 dollars during the fiscal year ended June 30, 2021.

Permanent Improvement Fund

This is a separate fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources and subsequent expenditures for capital improvement activities. The proceeds of the fund must be used only for the support of building and capital improvements and cannot be transferred out of the fund. The fund balance increased from approximately \$57 million to \$84.2 million during the fiscal year ended June 30, 2021. This increase of approximately \$27.2 million as due primarily to an increase in funding from FEMA and the WV School Building Authority.

School Activity Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to school activity accounts. The fund balance increased from approximately \$0 to approximately \$10.3 million during the fiscal year ended June 30, 2021. This is a new fund for 2021 as a result of the implementation of GASB 84.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of approximately \$47.7 million or seventeen percent in total general fund expenditures. The most significant differences, including the differences between the original and final budget figures, and significant variances between the actual amounts and final budget amounts may be summarized as follows:

- An increase of approximately \$21.9 million in instruction.
- An increase of approximately \$9.2 million in debt service.
- An increase of approximately \$3.8 million in student transportation.
- An increase of approximately \$11 million in operation and maintenance.

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2021, amounts to approximately \$299.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total increase in the Board's investment in capital assets for the current fiscal year was twenty-eight percent.

	Governmental Activities	Governmental Activities	Variance
Land	\$ 6,379,956	\$ 6,379,956	\$ -
Land improvements	11,896,890	5,785,427	6,111,463
Buildings and improvements	165,346,624	166,282,318	(935,694)
Furniture and equipment	18,338,167	21,508,476	(3,170,309)
Construction in process	97,515,276	33,999,896	63,515,380
Total capital assets	\$ 299,476,913	\$ 233,956,073	\$ 65,520,840

Major capital asset events during the current fiscal year included the following:

- Capital assets increased by approximately \$65.5 million, which represents the net amount of capital asset additions in excess of depreciation expense and capital asset disposals.
- The Board has approximately \$97.5 million in construction in process at year end for work related to various excess levy roofing and HVAC projects, and for work related to the replacement of Clendenin Elementary and Herbert Hoover High School.
- The board purchased approximately \$2.2 million in I-Pads and related computer technology, and approximately \$1.5 million in school buses and other transportation vehicles. The Board also had approximately \$12.5 million in building and land improvements.

Additional information on the Board's capital assets can be found in the notes to the basic financial statements.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

Long-term debt. At the end of the current fiscal year, the Board had the following long-term debt:

	2021	2020	
	Governmental	Governmental	
	Activities	Activities	Variance
Capital Lease obligations	92,388,060	27,635,276	64,752,784
Loan from Governor's Office	3,513,903	3,513,903	-
Compensated absences	1,378,263	1,538,573	(160,310)
Net pension liability - proportionate share	14,541,750	11,789,229	2,752,521
Net OPEB liability - proportionate share	2,996,119	10,259,346	(7,263,227)
Total debt outstanding	<u>\$ 114,818,095</u>	<u>\$ 54,736,327</u>	<u>\$ 60,081,768</u>

Capital lease obligations increased approximately \$64.7 million which was the result of a new energy savings equipment lease. The obligation for compensated absences for vacation decreased by approximately \$160 thousand at June 30, 2021. The Board's proportionate share of the net pension liability increase by approximately \$2.7 million and the Board's proportionate share of the net OPEB liability decreased by approximately \$7.2 million at June 30, 2021.

Additional information on the Board's long-term debt can be found in the notes to the basic financial statements.

Factors Bearing on the Board's Future

At the time these financial statements were prepared and audited, the Board was aware of circumstances that could significantly affect its financial health in the future:

- The Board has committed a significant amount of resources to the construction of various projects throughout the County. Cost overruns on these projects, if they were to occur, could have a substantial impact on the Board.
- The Board sustained significant damage at four schools as a result of the June 2016 flooding. Management is working with the School Building Authority and FEMA on the construction of two new schools to replace the damaged facilities.
- The COVID-19 Pandemic has resulted in numerous changes in how the Board conducts its operations on a day to day basis. In some areas, the Board has reduced costs such as a reduction in fuel costs and substitute costs; however, costs have increased in purchasing certain protective equipment and food service related costs. During 2021, the Board spent an estimated \$ 22.5 million in expenditures related to COVID-19. The Board did receive grants from the CARES Act of approximately \$ 42.2 million and approximately \$82 million from the American Rescue Plan. At this point, the additional cost and/or revenue related to COVID-19 Pandemic is unknown.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Office, at 200 Elizabeth Street, Charleston, West Virginia 25311

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2021

Governmental
Activities

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Cash and cash equivalents	\$ 159,789,766
Investments	24,252,652
Taxes receivable, net of allowance for uncollectible taxes	33,990,168
Deposit with Retirement Board	1,780,858
Food service receivable	208,461
Other receivables	187,605
Due from other governments:	
State aid receivable	631,919
PEIA allocation receivable	3,428,538
Reimbursements receivable	11,915,806
Capital Assets:	
Land	6,379,956
Land improvements	27,886,235
Buildings and improvements	305,790,938
Furniture and equipment	80,356,601
Construction in process	97,515,276
Less accumulated depreciation	<u>(218,452,093)</u>
Total capital assets, net of depreciation	<u>299,476,913</u>
Total assets	<u>535,662,686</u>

Deferred outflows of resources:

Pension	6,779,168
Other post employment benefit (OPEB)	<u>7,262,302</u>
Total deferred outflows of resources	<u>14,041,470</u>

Total assets and deferred outflows of resources **\$ 549,704,156**

LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION

Liabilities:

Salaries payable and related payroll liabilities	\$ 17,568,402
PEIA premiums payable	4,225,353
Compensated absences	1,378,263
Accounts payable	27,157,706
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	25,671,893
Accrued interest	223,379
Due beyond one year:	
Bonds, capital leases, and contracts	70,230,070
Net pension liability - Proportionate Share	14,541,750
Net other post employment benefit (OPEB) liability - Proportionate Share	<u>2,996,119</u>
Total liabilities	<u>163,992,935</u>

Deferred inflows of resources:

Pension	4,538,239
Other post employment benefit (OPEB)	<u>15,716,378</u>
Total deferred inflows of resources	<u>20,254,617</u>

Total liabilities and deferred inflows of resources **\$ 184,247,552**

Net Position:

Net Investment in Capital Assets	203,574,950
Restricted for:	
Debt service	428
Special projects	19,585,303
Capital projects	94,629,533
Unrestricted	47,666,390
Total net position	<u>\$ 365,456,604</u>

The accompanying notes are an integral part of these financial statements

**KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions	Expenses	Program Revenues			Net (Expense), Revenue & Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 184,510,543	\$ 1,830,889	\$ 40,722,007	\$ 18,354,642	\$ (123,603,005)
Supporting services:					
Students	16,816,502	166,869	3,711,450	1,672,863	(11,265,320)
Instructional staff	6,946,818	68,933	1,533,183	691,052	(4,653,650)
General administration	8,122,023	80,594	1,792,554	807,958	(5,440,917)
School administration	15,280,023	151,623	3,372,345	1,520,018	(10,236,037)
Central services	1,807,484	17,936	398,917	179,804	(1,210,827)
Operation and maintenance of facilities	50,988,851	505,960	11,253,386	5,072,242	(34,157,263)
Student transportation	17,223,222	170,905	3,801,215	1,713,323	(11,537,779)
Other support services	190,251	1,888	41,989	18,926	(127,448)
Food services	22,122,431	(228,135)	208,461	-	(22,142,105)
Community services	4,212,148	-	-	-	(4,212,148)
Interest on long-term debt	835,980	-	-	-	(835,980)
Total governmental activities	329,056,276	2,767,462	66,835,507	30,030,828	(229,422,479)
General revenues:					
Property taxes					155,096,600
Unrestricted state aid					141,970,692
Unrestricted investment earnings					262,982
Unrestricted grants and contributions					4,113,378
Gain (loss) on disposal of capital assets					(146,264)
Transfers in					22,842,554
Transfers (out)					(22,842,554)
Total general revenues, extraordinary items and transfers					301,297,388
Change in net position					71,874,909
Net position - beginning					283,871,613
Prior period adjustments - (See Note 18)					9,710,082
Fund balances - beginning, as restated					293,581,695
Net position - ending					\$ 365,456,604

The accompanying notes are an integral part of these financial statements

**KANAWHA COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2021

	General Current Expense	Special Revenue Fund	Special Revenue Federal Stimulus and Stabilization Fund	Debt Service Fund	Permanent Improvement Fund	School Activity Fund	Total Governmental
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and cash equivalent:	\$ 39,075,495	\$ 19,990,851	\$ -	\$ -	\$ 90,339,618	\$ 10,383,802	\$ 159,789,766
Investments	14,286,614	-	-	428	9,965,610	-	24,252,652
Taxes receivable, net	33,990,168	-	-	-	-	-	33,990,168
Deposit with Retirement Board	1,780,858	-	-	-	-	-	1,780,858
Food service receivable, net	-	208,461	-	-	-	-	208,461
Other receivables	187,605	-	-	-	-	-	187,605
Due from other governments	-	-	-	-	-	-	-
State aid receivable	631,919	-	-	-	-	-	631,919
PEIA allocation receivable	3,428,538	-	-	-	-	-	3,428,538
Reimbursements receivable	40,359	4,022,740	2,936,507	-	4,916,200	-	11,915,806
Due from other funds	4,413,782	-	-	-	-	-	4,413,782
Total assets	97,835,338	24,222,052	2,936,507	428	105,221,428	10,383,802	240,599,555
Deferred outflows of resources							
Total deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES	\$ 97,835,338	\$ 24,222,052	\$ 2,936,507	\$ 428	\$ 105,221,428	\$ 10,383,802	\$ 240,599,555
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liability	\$ 15,010,964	\$ 2,518,365	\$ 39,073	\$ -	\$ -	\$ -	\$ 17,568,402
PEIA premiums payable	4,225,353	-	-	-	-	-	4,225,353
Accounts payable & Payable to others:	4,983,923	391,759	806,327	-	20,975,697	-	27,157,706
Due to other funds	-	1,518,164	2,895,618	-	-	-	4,413,782
Total liabilities	24,220,240	4,428,288	3,741,018	-	20,975,697	-	53,365,243
Deferred inflows of resources							
Total deferred inflows of resources	32,338,807	208,461	-	-	-	-	32,547,268
Fund Balances:							
Nonspendable	1,780,858	-	-	-	-	-	1,780,858
Restricted	-	19,585,303	-	428	84,245,731	10,383,802	114,215,264
Assigned	39,495,433	-	-	-	-	-	39,495,433
Unassigned	-	-	(804,511)	-	-	-	(804,511)
Total fund balances	41,276,291	19,585,303	(804,511)	428	84,245,731	10,383,802	154,687,044
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 97,835,338	\$ 24,222,052	\$ 2,936,507	\$ 428	\$ 105,221,428	\$ 10,383,802	\$ 240,599,555
Total Governmental fund balance							\$ 154,687,044
Amounts reported for governmental activities in the statement of net position differ due to:							
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds							299,476,913
Property taxes receivable and food service billings receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds							32,547,268
future periods and, therefore, are not reported in the fund							6,779,168
Deferred outflows of resources related to pension:							(4,538,239)
Deferred inflows of resources related to pension:							7,262,302
Deferred outflows of resources related to OPEE							(15,716,378)
Deferred inflows of resources related to OPEE							(15,716,378)
Some liabilities, including net pension and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds							
Accrued interest on bonds							(223,379)
Capital leases payable							(92,388,060)
Governor's Office Loan							(3,513,903)
Compensated absences							(1,378,263)
Net pension liability - proportionate share							(14,541,750)
Net OPEB liability - proportionate share							(2,996,119)
Net position of governmental activities:							<u>\$ 365,456,604</u>

The accompanying notes are an integral part of these financial statements

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Current Expense	Special Revenue	Special Revenue Federal Stimulus and Stabilization Fund	Debt Service Fund	Permanent Improvement Fund	School Activity Fund	Total Governmental
Revenues:							
Property taxes	\$ 134,852,551	\$ -	\$ -	\$ 129	\$ -	\$ -	\$ 134,852,680
Other Local sources	4,183,645	1,524,165	-	-	41,709	4,910,603	10,660,122
State sources	169,258,935	7,595,827	-	-	3,729,832	-	180,584,594
Federal sources	3,758,453	42,773,419	11,309,593	-	26,300,997	-	84,142,462
Total revenues	312,053,584	51,893,411	11,309,593	129	30,072,538	4,910,603	410,239,858
Expenditures:							
Instruction	158,911,687	25,356,605	9,396,000	-	-	2,764,780	196,429,072
Supporting services:							
Students	14,548,579	3,036,109	305,158	-	-	-	17,889,846
Instructional staff	2,491,230	4,333,996	17,500	-	-	-	6,842,726
General administration	8,052,343	112,907	52,610	-	-	-	8,217,860
School administration	16,613,081	64,647	-	-	-	-	16,677,728
Central Services	3,010,266	36,048	25,525	-	-	-	3,071,839
Operation and maintenance of facilities	35,934,605	24,567	468,178	-	311,483	-	36,738,833
Student transportation	18,099,822	144,801	51,325	-	-	-	18,295,948
Other support services	-	-	183,253	-	-	-	183,253
Food services	-	20,428,741	1,084,254	-	-	-	21,512,995
Community services	4,181,265	24,128	59,683	-	-	-	4,265,076
Capital outlay	24,605,647	250,039	5,141	-	68,886,180	-	93,747,007
Debt service:							
Principal retirement	18,715,415	-	-	-	-	-	18,715,415
Interest and fiscal charges	714,650	-	-	-	-	-	714,650
Total expenditures	305,878,590	53,812,588	11,648,627	-	69,197,663	2,764,780	443,302,248
Excess (deficiency) of revenues over expenditures	6,174,994	(1,919,177)	(339,034)	129	(39,125,125)	2,145,823	(33,062,390)
Other financing sources (uses):							
Proceeds from disposal of real or personal property	34,574	-	-	-	-	-	34,574
Proceeds from the sale of bonds	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	83,629,016	-	83,629,016
Transfers in	2,220,179	7,411,658	15	-	12,513,194	697,508	22,842,554
Transfers (out)	(18,643,857)	(1,572,878)	(456,208)	-	-	(2,169,611)	(22,842,554)
Total other financing sources (uses)	(16,389,104)	5,838,780	(456,193)	-	96,142,210	(1,472,103)	83,663,590
Net change in fund balances	(10,214,110)	3,919,603	(795,227)	129	57,017,085	673,720	50,601,200
Fund balances - beginning	51,490,401	15,665,700	(9,284)	299	27,228,646	-	94,375,762
Prior period adjustments - (See Note 18)	-	-	-	-	-	9,710,082	9,710,082
Fund balances - beginning, as restated	51,490,401	15,665,700	(9,284)	299	27,228,646	9,710,082	104,085,844
Fund balances - ending	\$ 41,276,291	\$ 19,585,303	\$ (804,511)	\$ 428	\$ 84,245,731	\$ 10,383,802	\$ 154,687,044

The accompanying notes are an integral part of these financial statements

**KANAWHA COUNTY BOARD OF EDUCATION
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, 2021**

Net change in fund balances - total governmental funds	\$ 50,601,200
Amounts reported for governmental activities in the statement of activities are different due to:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect on net position is the amount by which capital outlays exceed depreciation in the current period.	
Depreciation expense	(12,444,453)
Capital outlays	90,686,591
Certain receivables will be collected this year but are not available soon enough to pay for the current period's expenditures. This is the amount by which such receivables increased (decreased).	
Property taxes receivable	18,547,007
Operating Grants and Contributions	(1,054,657)
A portion of the change in fund balances is the proceeds from capital leases. Those proceeds are not considered revenue items for the purpose of this statement.	
	(83,629,016)
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net position.	
	18,876,232
Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net position in the statement of activities.	
Cost of assets disposed	(14,805,523)
Accumulated depreciation of assets disposed	2,084,226
Compensated absences are reported as liabilities in the statement of net position, but are only reported in government funds to the extent they have matured. This is the amount by which compensated absences (increased)/decreased.	
Accrued vacation payable	160,310
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	(121,330)
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense	
District pension contributions	701,795
Cost of benefits earned net of employee contributions	(2,252,948)
Governmental funds report district OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense	
District OPEB contributions	1,599,486
Cost of benefits earned net of employee contributions	2,925,989
Change in net position of governmental activities	<u>\$ 71,874,909</u>

The accompanying notes are an integral part of these financial statements

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	Fiduciary Funds-Custodial	
	KCPL General Fund	KCPL Construction Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash and cash equivalents	\$ 5,790,472	\$ 246,243
Total assets	5,790,472	246,243
Deferred outflows of resources:		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	\$ 5,790,472	\$ 246,243
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 120,505	\$ 9,686
Due to other funds	5,669,967	236,557
Total liabilities	5,790,472	246,243
Deferred inflows of resources:		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	\$ 5,790,472	\$ 246,243

The accompanying notes are an integral part of these financial statements

**KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

	Fiduciary Funds-Custodial	
	KCPL General Fund	KCPL Construction Fund
Additions		
Other Local sources	\$ 5,790,472	\$ 246,243
Total Additions	<u>5,790,472</u>	<u>246,243</u>
Deductions		
Transfers Out	\$ 5,790,472	\$ 246,243
Total deductions	<u>5,790,472</u>	<u>246,243</u>
Change in fiduciary net position	-	-
Fiduciary net position - beginning of the year	-	-
Fiduciary net position - end of the year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity:

The Kanawha County Board of Education (School Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school district and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement 14 establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the School Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable.

B. District-wide and fund financial statements:

The ***district-wide financial statements*** (the statement of net position and the statement of activities) display information about the School Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The ***fund financial statements*** provide information about the individual funds maintained by the School Board. All funds maintained by the school district are considered to be major funds for reporting purposes and are discretely presented in the accompanying financial statements.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the School Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the School Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Special Revenue Fund: Federal Stimulus and Stabilization Fund – A governmental fund type used to account for the financial resources of LEAs, MCVCs, and ESCs received through the federal government; most notably in regard to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act.

Special Revenue Fund: School Activity Fund – A governmental fund type used to account for the financial resources received and held by each school to support co-curricular and extra-curricular student activities.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the School Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the School Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects, and; one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Custodial Funds: Custodial funds are used to account for assets that the School Board holds for others in a custodial capacity. These include: Regional education service agencies (RESA's) and multi-county vocational centers (MCVC's) for the purpose of providing high quality, cost effective educational programs and to provide vocational training, respectively, in which the county board of education serves as the fiscal agent; and may also include a scholarship fund to account for contributions and donations made to the school district by a benefactor for the purpose of providing scholarships for graduates of the school district.

C. Measurement Focus and Basis of Accounting

The ***district-wide statements*** (Statement of Net Position and the Statement of Activities) were prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows are received. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place; revenues and expenses resulting from non-exchange transactions, such as property taxes, federal and state grants, state aid to schools, and donations, are recognized in accordance with the requirements of GASB Statement 33. Property taxes are recognized in the fiscal year for which the taxes are levied; state aid to schools is recognized in the

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021

year for which the legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The **governmental fund financial statements** were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded generally when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing resources.

Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in a custodial capacity.

D. Encumbrances:

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported in the appropriate fund balance category (restricted, committed or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

Cash on hand and deposits with banking institutions either in checking or savings accounts or other highly liquid investments with an original maturity of three months or less are presented as cash in the accompanying financial statements.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the West Virginia Municipal Bond Commission (MBC) for investment purposes, or to invest such funds in the following classes of securities: obligations of the United States or any agency thereof; certificates of deposit; and repurchase agreements. Funds of the School Board are temporarily invested by the MBC specifically on behalf of the School Board as part of the MBC's consolidated investment pool. Deposits with the State Consolidated Investment Pool are held by the West Virginia Board of Treasury Investments (BTI). The deposits with the MBC are held for debt service requirements of the School Board. The deposits with the BTI and MBC are not separately identifiable as to specific types of securities. Investment income is prorated to the School Board at rates specified by the BTI and MBC. The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying basic financial statements. These investments are considered cash and cash equivalents due to their liquid nature. The BTI is directed by the State Treasurer to invest the funds in specific external investment pools in accordance with West Virginia code, policies set by the BTI, and by provisions of bond indentures and trust agreements, when applicable. Balances in the investment pools are recorded at fair value or amortized cost which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources, in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. The BTI was established by the State Legislature and is subject to oversight by the State Legislature.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021

All deposit accounts and investments of the School Board at June 30, 2021 consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
Municipal Bond Commission	\$ 429	\$ 429	\$ 429
Money Market/Sweep Account	81,325,859	81,325,859	85,472,682
Bank public funds savings accounts	90,800,240	90,800,240	90,800,241
Certificates of Deposit	1,532,088	1,532,088	1,532,088
Deposits with financial institutions - Individual Schools	10,383,802	10,383,802	10,383,802
Total Cash and Investments	\$ 184,042,418	\$ 184,042,418	\$ 188,189,242

Deposits with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the School Board's name. Custodian credit risk is the risk that in event of a bank failure, the School Board's deposits may not be returned to it. The School Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

F. Food Service receivables:

The accounts receivable for the Food Service Program has been reduced by \$1,528,716 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the School Board.

G. Interfund receivables and payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Inventories:

Inventories are valued at cost or, if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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J. Capital Assets:

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the district-wide financial statements. The School Board defines capital assets as assets with an initial, individual cost of \$5,000 or more for land, furniture, vehicles, and equipment and \$100,000 for buildings and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the School Board are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Site Improvements	20 – 35
Furniture and Equipment	5 – 20
Vehicles	8 – 12

K. Deferred Outflow of Resources:

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The School Board's deferred outflows for the district-wide financial statements include the School Board's current year retirement contributions for pension and OPEB expense that will impact future reporting periods, differences between the expected and actual experience, changes in proportion and differences between School Board contributions and proportionate share of contributions, and changes in assumptions.

L. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teacher Retirement System (TRS) and additions to/deductions from the TRS fiduciary net position have been determined on the same basis as they are reported by TRS. 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 11 for further discussion.

M. Compensated Absences and Other Post Employment Benefit Liability:

Compensated Absences:

It is the School Board's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation benefits can be accumulated up to 30 days and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred and the liability for these amounts is reported in the general long-term debt account group. Upon termination employees may be compensated for vacation benefits accumulated. In lieu of a cash payment at retirement, employees hired prior to July 1, 2015 can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

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Other Post Employment Benefit (OPEB) Liability:

It is the School Board'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 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.

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. See Note 10 for further discussion.

N. Long-term Obligations:

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses during the period in which the bonds were issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Capital lease payments are reported in the general current expense or special revenue fund.

O. Deferred Inflow of Resources

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. Balances of deferred inflows of resources may be presented in the statement of net position or governmental fund balance sheet as aggregations of different types of deferred amounts. The aggregate amount included for the General Current Expense Fund consists of taxes receivable, Medicaid receivable, and child nutrition receivable. Deferred inflows for the district-wide financial statements include the proportionate share of the School Board's net difference between projected and actual investment earnings, the differences between expected and actual experience, the differences between the employer contributions and proportionate share of contributions, and changes in assumptions.

P. Net Position:

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

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- **Invested in capital assets, net of related debt** - This represents the School Board'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 invested capital assets, net of related debt.
- **Restricted net position, expendable** - This includes resources in which the School Board 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.
- **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 School Board, and may be used at the discretion of the School Board to meet current expenses for any lawful purpose.

Q. Fund Equity:

Effective July 1, 2010, the School Board adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes new standards of accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the School Board is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.
- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member School Board. Said specific purposes and amounts are recorded in the official School Board minutes of the fiscal year ended June 30, 2021. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the School Board has assigned those amounts to the purposes of the respective funds.

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- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

R. Elimination and Reclassifications:

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

S. Accounting Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

T. Restricted Resources:

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unassigned.

U. Newly Adopted Statements Issued by the GASB:

The Governmental Accounting Standards Board has also issued Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The Governmental Accounting Standards Board has also issued Statement No. 90, *Majority Equity Interests*, effective for fiscal years beginning after December 15, 2019. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The School Board has not yet determined the effect that the adoption of GASB Statement No. 90 may have on its financial statements.

V. Recent Statements Issued by the GASB:

The Governmental Accounting Standards Board has also issued Statement No. 93, *Replacement of Interbank Offered Rates*. *The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. GASB 95 extended the due date for paragraphs 13 and 14 (lease modifications) to reporting periods beginning after June 15, 2021. All other requirements of the Statement are effective for reporting periods beginning after June 15, 2020.* The primary objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The School Board has not yet determined the effect that the adoption of GASB Statement No. 93 may have on its financial statements.

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The Governmental Accounting Standards Board has also issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefits plans and paragraph 5 of this Statement were effective for FY 2020. The requirements in paragraphs 6-9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The School Board has not yet determined the effect that the adoption of GASB Statement No. 97 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The School Board has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2020. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The School Board has not yet determined the effect that the adoption of GASB Statement No. 89 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 91, *Conduit Debt Obligations*, effective for fiscal years beginning after December 15, 2021. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The School Board has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 92, *Omnibus 2020*, effective for reporting periods beginning after June 15, 2021. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The School Board has not yet determined the effect that the adoption of GASB Statement No. 92 may have on its financial statements.

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The Governmental Accounting Standards Board has also issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for reporting periods beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The School Board has not yet determined the effect that the adoption of GASB Statement No. 94 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for reporting periods beginning after June 15, 2022. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The School Board has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

Note 2 - Stewardship, Compliance and Accountability:

Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2021:

<u>Fund</u>	<u>Amount</u>
General Current Expense	\$10,214,110
Special Revenue Federal Stimulus and Stabilization	\$795,227

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

The following funds have a deficit fund balance at June 30, 2021:

<u>Fund</u>	<u>Amount</u>
Special Revenue Federal Stimulus and Stabilization	\$804,511

The Special Revenue Federal Stimulus and Stabilization Fund had a deficit fund balance of \$ 804,511 as of June 30, 2021. The fund incurred expenditures for which reimbursement will be received in future years.

Note 3 - Risk Management:

The School Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The School Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

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Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education and other local governmental agencies who wish to participate. The School Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first \$2 million per property event and purchases excess insurance on losses above that level. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

Public Employees Insurance Agency (PEIA): The School Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Health coverage under these programs has no lifetime maximum benefit, while life insurance coverage is limited to \$10,000. Members may purchase up to an additional \$500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third-party insurer.

Workers Compensation Fund (WCF): Encova Insurance company provides workers' compensation coverage to Kanawha County Board of Education. The cost of all coverage, as determined by Encova Insurance Company, is paid by the School Board.

The Encova Insurance Company's risk pool retains the risk related to the compensation of injured employees under the program.

Note 4 - Property Taxes:

All property in the State is classified as follows for ad valorem tax purposes:

- Class I - All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.
- Class II - All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.
- Class III - All real and personal property situated outside of municipalities, exclusive of Class I and II property.
- Class IV - All real and personal property situated inside of municipalities, exclusive of Class I and II property.

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According to West Virginia Code §11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I - 22.95¢ per \$100 of assessed valuation; Class II - 45.90¢ per \$100 of assessed valuation; Class III - 91.80¢ per \$100 of assessed valuation; and Class IV - 91.80¢ per \$100 of assessed valuation.

Pursuant to West Virginia Code §11-8-6f, however, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessors Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

The assessed valuations and levy rates levied by the School Board per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2021 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Public Library Excess Levy	Bond Purposes
Class I	\$ -	19.40¢	21.91¢	1.04¢	¢
Class II	\$ 3,791,727,508	38.80¢	43.82¢	2.08¢	¢
Class III	\$ 2,908,415,591	77.60¢	87.64¢	4.16¢	¢
Class IV	\$ 3,349,424,744	77.60¢	87.64¢	4.16¢	¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. 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, and the second installment is payable on the first day of 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 taxes are not paid on or before the date on 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 paid.

Taxes Receivable

Taxes receivable as of June 30, 2021 for the School Board's funds are as follows:

	General Current Expense Fund	Debt Service Fund
Taxes receivable	\$ 40,896,355	\$ -
Less: allowance for uncollectible	6,906,187	-
Taxes receivable, net	<u>\$ 33,990,168</u>	<u>\$ -</u>

KANAWHA COUNTY BOARD OF EDUCATION
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Note 5 - Excess Levy:

The School Board had an excess levy in effect during the fiscal year ended June 30, 2021. The levy was authorized by the voters of the county at an election held on November 6, 2018 for the fiscal years ended June 30, 2020 through June 30, 2024 to provide funds for the following purposes: Professional and service salaries and fringe benefits, textbooks, instructional supplies, insurance, contracted services, building construction and improvements, repairs and maintenance, equipment, rentals, additional art teachers, additional counselors, additional custodians, technology, safety and security, HVAC, roofing, turf and other necessary expenses.

A total of \$68,828,711 was received by the School Board from the excess levy during the fiscal year ended June 30, 2021.

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	\$ 6,379,956	\$ -	\$ -	\$ 6,379,956
Construction in process	33,999,895	76,055,841	(12,540,460)	97,515,276
Total non-depreciable capital assets	40,379,851	76,055,841	(12,540,460)	103,895,232
Capital assets, depreciable:				
Land improvements	21,277,780	7,023,313	(414,858)	27,886,235
Buildings and improvements	300,878,791	5,517,147	(605,000)	305,790,938
Furniture and equipment	79,511,516	2,090,290	(1,245,205)	80,356,601
Total depreciable capital assets	401,668,087	14,630,750	(2,265,063)	414,033,774
Less accumulated depreciation for:				
Land improvements	(15,492,353)	(911,850)	414,858	(15,989,345)
Buildings and improvements	(134,596,473)	(6,283,441)	435,600	(140,444,314)
Furniture and equipment	(58,003,040)	(5,249,162)	1,233,768	(62,018,434)
Total accumulated depreciation	(208,091,866)	(12,444,453)	2,084,226	(218,452,093)
Total depreciable capital assets, net	193,576,221	2,186,297	(180,837)	195,581,681
Total capital assets, net	\$ 233,956,072	\$ 78,242,138	\$ (12,721,297)	\$ 299,476,913

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Depreciation expense was charged to functions/programs of the governmental activities as follows:

Instruction	\$ 7,501,539
Supporting Services:	
Students	683,205
Instructional Staff	261,321
Central administration	117,312
School administration	636,915
Business	313,836
Operation and maintenance of facilities	1,403,040
Transportation	698,714
Other support services	6,998
Food services	821,572
Total Depreciation expense - governmental activities	<u>\$ 12,444,453</u>

Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2021, is as follows:

Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2021 is as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due w within one year	Amounts due past one year
Compensated absences	\$ 1,538,573	\$ -	\$ 160,310	\$ 1,378,263	\$ 1,378,263	\$ -
Loan from Governor's Office	3,513,903	-	-	3,513,903	3,513,903	-
Proportionate share of net pension liability	11,789,229	2,752,521	-	14,541,750	-	14,541,750
Proportionate share of net OPEB liability	10,259,346		7,263,227	2,996,119	-	2,996,119
Capital lease payable	27,635,276	83,629,016	18,876,232	92,388,060	22,157,990	70,230,070
Long-term liabilities	<u>\$ 54,736,327</u>	<u>\$ 86,381,537</u>	<u>\$ 26,299,769</u>	<u>\$ 114,818,095</u>	<u>\$ 27,050,156</u>	<u>\$ 87,767,939</u>

Note 8 - Leases:

The School Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby energy conservation lighting equipment has been installed in several of the schools. The equipment is leased from Banc of America Public Capital Corporation for a period of twelve years beginning March 31, 2016. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2021, are as follows:

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<u>Year Ending</u>	<u>Amount</u>
2022	\$ 705,000
2023	705,000
2024	705,000
2025	705,000
2026	<u>386,398</u>
Total minimum lease payments	3,206,398
Less amount representing interest	<u>264,323</u>
Present value of minimum lease payments	<u>\$ 2,942,075</u>

The School Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for the construction of Edgewood Elementary School. The equipment is leased from Banc of America Public Capital Corporation for a period of fifteen years beginning July 26, 2012. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2021, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 173,000
2023	167,333
2024	161,667
2025	156,001
2026	150,334
2027	144,667
2028	<u>139,001</u>
Total minimum lease payments	1,092,003
Less amount representing interest	<u>158,667</u>
Present value of minimum lease payments	<u>\$ 933,336</u>

The School Board entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby instructional technology equipment has been implemented in several of the schools. This equipment lease refinanced the previous two capital leases and terminated those agreements and included the new equipment. The equipment is leased from CSI Leasing Inc. for a period of five years beginning June 15, 2017. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The lease was paid in full during the fiscal year ended June 30, 2021.

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The School Board entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby instructional technology equipment has been implemented in several of the schools. The equipment is leased from Apple Financial Services for a period of four years beginning May 2019. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The future minimum lease obligations as of June 30, 2021, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 177,181
Total minimum lease payments	177,181
Less amount representing interest	1,580
Present value of minimum lease payments	<u>\$ 175,601</u>

The School Board entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby instructional technology equipment has been implemented in several of the schools. The equipment is leased from Apple Financial Services for a period of five years beginning April 16, 2020. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2021, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 2,962,697
2023	2,962,697
2024	4,034,284
Total minimum lease payments	9,959,678
Less amount representing interest	212,206
Present value of minimum lease payments	<u>\$ 9,747,472</u>

The School Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby field turf has been installed at several of the schools. The turf is leased from BB&T for a period of five years beginning July 19, 2019. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2021, are as follows:

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<u>Year Ending</u>	<u>Amount</u>
2022	\$ 2,220,886
2023	2,220,886
2024	<u>740,295</u>
Total minimum lease payments	5,182,067
Less amount representing interest	<u>149,726</u>
Present value of minimum lease payments	<u>\$ 5,032,341</u>

The School Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby energy conservation equipment has been installed at several of the schools. The equipment is leased from BB&T for a period of five years beginning January 15, 2021. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2021, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 16,909,682
2023	16,909,682
2024	16,909,682
2025	16,909,682
2026	<u>7,563,259</u>
Total minimum lease payments	75,201,987
Less amount representing interest	<u>1,644,752</u>
Present value of minimum lease payments	<u>\$ 73,557,235</u>

Note 9 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Retirement System (TRS) or the Teachers' Defined Contribution Retirement System (TDC). For the year ended June 30, 2021, the School Board's total payroll for all employees was \$ 178,383,888 and the payroll was \$ 171,016,374 for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to the employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as state revenue (Contributions For/On Behalf of the LEA) in the School Board's financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The balance is considered to be the State's contribution toward the past service unfunded liability and is included as a for/on behalf revenue and expenditure in the School Board's financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The State's contribution to TRS on-behalf of the School Board meets the GASB Statement No. 68 definition of a special funding source. Therefore, the School Board has recorded pension

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expense and revenue for the portion of the State's total proportionate share of collective pension expense that is associated with the School Board in the financial statements prepared on the economic resources focus and accrual basis of accounting.

Conversion of leave for post-retirement: For employees hired for the first time and first becoming a member of the Teachers' Retirement System (TRS) before July 1, 2015, upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree. For employees hired for the first time and first becoming a member of the Teachers' Retirement System (TRS) on or after July 1, 2015, there is no provision to convert an employee's unused vacation and sick leave to a greater retirement benefit or payment of health insurance premiums.

A. Teachers' Retirement System (TRS):

Plan Description:

The Teachers' Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. The West Virginia Legislature passed Senate Bill 529 in 2015 essentially adding a second tier of retirement benefits for those eligible to be a member of TRS who are hired for the first time and first become a member of TRS on or after July 1, 2015. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

Benefits provided: Prior to the passage of Senate Bill 529, to qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent. With the passage of Senate Bill 529, to qualify for full benefits, employees hired for the first time and first becoming a member of TRS on or after July 1, 2015 must meet the following conditions:

- age 62 for an employee who goes directly into retirement with no break in service,
- age 64 for employees with a break in service between employment and retirement and less than 20 years of TRS service,
- age 63 for those with a break in service between employment and retirement and 20 or more years of TRS service,

With the passage of Senate Bill 529, to qualify for reduced annuity benefits employees hired for the first time and first becoming a member of TRS on or after July 1, 2015 must meet the following conditions:

- between the ages of 60 and 62 and having a minimum of 10 years of contributing service,
- between the ages of 57 and 62 and having 20 or more years of contributing service.
- between the ages of 55 and 62 and having 30 or more years of contributing service.

Upon retirement members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

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The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

Net Pension Liability, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources:

At June 30, 2021, the School Board reported a liability for its proportionate share of the TRS net pension liability that reflected a reduction for State pension support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School Board were as follows:

School Board's proportionate share of the net pension liability	\$	14,541,750
State's proportionate share of the net pension liability associated with the School Board.		237,261,493
Total portion of net pension liability associated with the school board	\$	251,803,243

The TRS net pension liability was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to the measurement date. The School Board's proportion of the net pension liability was based on its proportionate share of employer and non-employer contributions to the TRS Plan for the fiscal year ended on the measurement date.

For the year ended June 30, 2021, the School Board's proportion was .451475 percent, which was an increase/decrease of .055221 from its proportion measured as of June 30, 2019 (.0396254 percent).

For the year ended June 30, 2021, the School Board recognized pension expense of \$29,200,087 and for support provided by the State, revenue of \$26,947,139. At June 30, 2021, the School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resource	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 881,081	\$ -
Differences between expected and actual experience	334,132	319,305
Changes in proportion and differences between School Board contributions and proportionate share of contributions	4,657,254	4,218,934
Changes in assumptions	204,906	-
District contributions subsequent to the measurement date	701,795	-
Total	\$ 6,779,168	\$ 4,538,239

School Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,		
2022	\$	564,857
2023	\$	(63,200)
2024	\$	123,924
2025	\$	913,553
2026	\$	-
Thereafter	\$	-
Total	\$	1,539,134

Actuarial Assumptions:

For TRS, the actuarial assumptions used in the July 1, 2019 valuation, with update procedures used to roll forward the total pension liability to June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019. These assumptions are as follows:

Inflation – 3.0%

Salary increases – State: 3.00%-6.00%; Non-State: 3.00%-6.50%

Investment rate of return – 7.5%, net of pension plan investment expense, including inflation.

Mortality – Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males – Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy females – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019, disabled females – 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019

Discount Rate – 7.5%

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Investment Asset Allocation:

The long-term rate of return on pension plan investments was determined using the building block method in which estimates of expected 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. The target allocation and best estimates of long-term geometric rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.5%	5.5%
International Equity	27.5%	7.0%
Fixed Income	15.0%	2.2%
Real Estate	10.0%	6.6%
Private Equity	10.0%	8.5%
Hedge Funds	10.0%	4.0%
Total	100.0%	

Discount Rate:

The discount rate used to measure the total pension liability was 7.5%. The projections 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 of the TRS Plan was projected to be available to make all projected future benefit payments of the 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 liability.

The following table presents the School Board's proportionate share of its net pension liability calculated using the discount rate of 7.5% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease 6.50%	Current Discount Rate 7.50%	1.0% Increase 8.50%
School Board's proportionate share of the TRS net pension liability	\$ 19,644,658	\$ 14,541,751	\$ 10,193,697

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Payables to the pension plan:

At June 30, 2021, the School Board reported a liability of \$3,783,713 for its unpaid legally required contributions to the pension plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

B. Teachers' Defined Contribution Retirement System:

Plan Description: All School Board employees hired after July 1, 1991 but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the 2008-09 fiscal year. To earn full benefits at retirement, however, members electing to transfer were required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at any time. The investment options are: Great-West SF Balanced Trust, Great-West Lifetime 2015 Trust II, Great-West Lifetime 2025 Trust II, Great-West Lifetime 2035 Trust II, Great-West Lifetime 2045 Trust II, Great-West Lifetime 2055 Trust II, American Funds EuroPacific R5, Franklin Mutual Global Discovery Fund – Z, DFA US Targeted Value R1, T. Rowe Price Diversified Small Cap Growth, Vanguard Small-Cap Index Fund – Inv, American Century Heritage Inv, Scout Mid Cap, Fidelity New Millennium, Putnam Equity Income Y, Vanguard Large Cap Index Inv, Western Asset Core Plus Bond A, TIAA-CREF High-Yield Inst, Vanguard Interm-Term Bond Index Fund, and VALIC Fixed Annuity Option.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2020, this plan had approximately \$584.3 million in net position held in trust for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West Retirement Services, an independent third party administrator.

Funding Status: There is no unfunded liability for a defined contribution plan since a member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon. Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teachers' Defined Benefit Retirement System.

Contribution Requirements and Payments Made: This is a fully-qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 4.5% of their gross salary and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 12% annually.

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Total payments reflected in the School Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2021 were:

Employees' contributions (4.5%)	\$	722,331
Employer's contributions (7.5%)		1,205,245
Total contributions	\$	1,927,576

Note 10 - Post-Employment Benefits Other Than Pension:

General Information:

Other post-employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up West Virginia Public Employees Insurance Agency (PEIA) premiums and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things, created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits, vested the responsibility for operation of the fund with the PEIA Finance Board, and required the board to have an actuarial valuation conducted at least biannually.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the PEIA Finance Board. The PEIA Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Plan Description:

The West Virginia Other Postemployment Benefit Plan (the Plan) is 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 §5-16D-2. The financial activities of the Plan are accounted for in the RHBT, a fiduciary fund of the State of West Virginia, established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of PEIA and RHBT staff. The Plan administers and provides medical and prescription drug benefits to certain retired members receiving pension benefits under the PERS, TRS, TDCRS, TIAA-CREF, Plan G, Troopers Plan A or Troopers Plan B pension systems, as administered by the CPRB.

The Plan sponsor provides a capped pay-as-you-go subsidy to each covered retired member, as well as a fully insured retiree life insurance program.

Retiree contributions are set each year by the RHBT and approved by the PEIA Finance Board. Increases to retiree contributions may reflect healthcare inflation, claim experience, and premium increases above the plan sponsor capped pay-as-you-go subsidy. Retiree contributions depend on date of hire and years of service at retirement. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy. Members hired before July 1, 2010, pay retiree healthcare contributions that are reduced by a sponsor subsidy which depends on the member's years of service at retirement.

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Details regarding this plan and a copy of the RHBT financial report can be obtained by contacting Public Employees Insurance Agency, 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, or by calling (888) 680-7342.

Benefits provided:

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: Those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System prior to July 1, 2015, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teachers' Retirement System and not included as an OPEB obligation.

Contributions:

WVC §5-16D-3 states that contribution requirements of the members and the participating employers are set each year by the RHBT and approved by the PEIA Finance Board. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The paygo rates for June 30, 2021 and 2020, respectively, were:

	<u>2021</u>	<u>2020</u>
Paygo premium	\$160	\$168

Contributions to the OPEB plan from the School Board were \$5,909,234 for the year end June 30, 2021. Employees are not required to contribute to the OPEB plan.

The State of West Virginia (the State) is a nonemployer contributing entity that provides funding through Senate Bill 469 which was passed February 10, 2012, granting OPEB liability relief to the 55 County Boards of Education effective July 1, 2012. This special funding under the school aid formula subsidizes employer contributions of the county boards of education and contributes to the overall unfunded OPEB liability.

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

The State is a nonemployer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 Million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2021.

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

At June 30, 2021, the School Board reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the School Board were as follows:

School Board's proportionate share of the net OPEB liability	\$	2,996,119
State's proportionate share of the net OPEB liability associated with the School Board.		13,883,548
Total portion of net OPEB liability associated with the school board	\$	16,879,667

The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability was determined by an actuarial valuation as of June 30, 2020 which is the measurement date. The School Board's proportion of the net OPEB liability was based on its proportionate share of employer and non-employer contributions to the OPEB Plan for the fiscal year ended on the measurement date.

For the year ended June 30, 2020, the School Board's proportion was .678328 percent, which was an increase of .059972 from its proportion measured as of June 30, 2019 (.618356 percent).

For the year ended June 30, 2021, the School Board recognized OPEB expense of \$(12,459,231) and for support provided by the State, revenue of \$(9,533,242). At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resource	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ 328,834	\$ 101,410
Differences between expected and actual non-investment experience	-	1,942,629
Changes in proportion and differences between School Board contributions and proportionate share of contributions	5,333,982	6,740,961
Changes in assumptions	-	6,762,866
Reallocation of Opt-Out Employer Change in Proportionate Share	-	168,512
School Board contributions subsequent to the measurement date	1,599,486	-
Total	\$ 7,262,302	\$ 15,716,378

School Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Years ending June 30,	
2022	\$ (3,649,823)
2023	(3,702,548)
2024	(2,687,600)
2025	(13,591)
2026	-
Thereafter	-
Total	\$ (10,053,562)

Actuarial Assumptions:

The net OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions. These assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020 and apply to all periods included in the measurement, unless otherwise specified.

Inflation – 2.25%

Salary Increases – Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation.

Investment rate of return – 6.65%, net of OPEB plan investment expense, including inflation

Healthcare cost trend rates – Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036

Actuarial cost method – Entry Age Normal Cost Method

Amortization method – level percentage of payroll over a 20-year closed period beginning June 30, 2017

Asset valuation method – Market Value

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Wage inflation – 2.75% for PERS and TRS, and 3.25% for Troopers
Retirement age – Experience-based table of rates that are specific to the type of eligibility condition
Aging factors – Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”
Mortality Post Retirement – Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females
Mortality Pre-Retirement – Pub-2010 General Employee Mortality Tables projected with MP-2019.
Discount rate – 6.65%

Certain assumptions have been changed since the prior actuarial valuation of June 30, 2018 and a measurement date of June 30, 2020. The net effect of assumptions change was approximately \$1,147 million. The assumption changes that significantly impacted the Total OPEB Liability were an approximate 118 million decrease in Demographic Experience, an approximate \$279 million decrease in Demographic and OPEB Valuation Assumptions, and an approximate \$831 million decrease in Change in Healthcare – Related Assumptions.

Investment Asset Allocation:

The long-term rates of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real 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. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan’s investment advisors, including the 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 the WV-IMB assumed inflation of 2.0% 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	Target Allocation	Long-term Expected Real Return
Global Equity	55.0%	6.8%
Core plus fixed income	15.0%	4.1%
Core real estate	10.0%	6.1%
Hedge fund	10.0%	4.4%
Private equity	10.0%	8.8%
Total	100.0%	

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A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65% and a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date to the extent benefits are effectively financed on a pay-as-you-go basis. The long-term municipal bond rate used to develop the single discount rate was 3.13% as of the beginning of the year and 2.45% as of the end of the year. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2025, 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. Discount rates are subject to change between measurement dates.

The following table presents the School Board's proportionate share of its net OPEB liability calculated using the discount rate of percent and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease 5.65%	Current Discount Rate 6.65%	1.0% Increase 7.65%
School Board's proportionate share of the RHBT net OPEB liability	\$ 4,272,864	\$ 2,996,119	\$ 1,927,315

Healthcare Cost Trend Rate:

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

	1.0% Decrease	Current Healthcare Cost Trend Rate	1.0% Increase
School Board's proportionate share of the RHBT net OPEB liability	\$ 1,802,791	\$ 2,996,119	\$ 4,437,417

Payables to the OPEB Plan:

At June 30, 2021, the School Board reported a liability of \$0 for its unpaid legally required contributions to the OPEB plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021

Opt-Out Employer Balance Reallocation

Certain employers that meet the Plan's opt-out criteria are no longer required to make contributions to the Plan. These opt-out employers have no continuing involvement with the Plan. Accordingly, the amounts previously allocated to such employers for the net OPEB liability and related deferred inflows and outflows are reallocated to the remaining employers participating in the cost sharing plan. The plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation.

Note 11 - Pending Litigation:

The School Board is involved in a number of legal proceedings and claims, involving students, employees and citizens who have sued the School Board for damages. While it is not possible to determine the ultimate outcome of any lawsuit with certainty, management believes that the ultimate outcome will not have a material adverse effect on the financial position of the School Board. The School Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

Note 12 – Payments on Behalf:

The School Board may receive commitments or payments made by the State or an intermediate governmental jurisdiction for the benefit of the School Board or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the State or an intermediate unit on behalf of the Board's employees for services rendered to the School Board. The revenues recorded as payments on behalf of the School Board for fiscal year 2021 are as follows:

Retirement allocation by the State	\$ 10,686,978
Unfunded retirement liability allocation by the State	29,071,929
PEIA allocations from the State	16,553,740
RHBT allocations from the State	4,309,748
Special Education – Out of State Placement by the State	381,900

Note 13 - Fund Balance

The detailed components of the various fund balance categories as of June 30, 2021 are as follows:

Fund Balances	General Current Expense	Special Revenue Fund	Special Revenue Federal Stimulus and Stabilization Fund	Debt Service Fund	School Activity Fund	Permanent Improvement Fund	Total Governmental
Nonspendable:							
Deposits	\$ 1,780,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,780,858
Restricted for:							
Special Projects	-	19,585,303	-	-	10,383,802	-	29,969,105
Capital Projects	-	-	-	-	-	84,245,731	84,245,731
Debt Service	-	-	-	428	-	-	428
Assigned to:							
Purchase Orders	7,884,158	-	-	-	-	-	7,884,158
* See below	31,611,275	-	-	-	-	-	31,611,275
Unassigned	-	-	(804,511)	-	-	-	(804,511)
Total fund balances	\$41,276,291	\$ 19,585,303	\$ (804,511)	\$ 428	\$ 10,383,802	\$ 84,245,731	\$ 154,687,044

**KANAWHA COUNTY BOARD OF EDUCATION
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For The Fiscal Year Ended June 30, 2021**

The Assigned Fund Balance of the General Current Expense Fund is classified as follows:

<u>Program</u>	<u>Amount</u>
Regular Education Programs	\$ 24,523,275
Special Education Programs	1,940,000
Other Instructional Programs	344,500
Transfers and Reserves	4,803,500
Total	\$ 31,611,275

Note 14 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling \$97,520,682 as of June 30, 2021 in the following funds:

General Current Expense	Special Revenue Fund	Special Revenue – Federal Stimulus and Stabilization Fund	Permanent Improvement Fund
\$7,884,158	\$1,529,914	\$1,355,222	\$86,751,387

Encumbrances are classified as Restricted, Committed, or Assigned fund balance depending on the specific purpose of the encumbrance.

As of June 30, 2021 the following commitments for construction and other capital improvements existed, which are included in the restricted fund balance reflected in the accompanying financial statements:

<u>Construction Project</u>	<u>Amount</u>
Alum Creek Renovations	\$ 797,894
Ben Franklin Renovations	150,885
Clendenin Flood Recovery Work	28,246,968
Energy Savings Projects	55,321,781
Hoover Flood Recovery Work	10,743,485
Ruthlawn Renovations	59,475

KANAWHA COUNTY BOARD OF EDUCATION
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For The Fiscal Year Ended June 30, 2021

A devastating flood on June 23-25, 2016 in the Elk River area of Kanawha County caused damage to four schools: Herbert Hoover High School, Elkview Middle School, Clendenin Elementary School, and Bridge Elementary School. As a result of the severe damage to the building structures of Herbert Hoover High School and Clendenin Elementary School, those two school buildings will be demolished and new school facilities will be rebuilt at other locations above the flood plain. FEMA considered both school buildings to be destroyed by its standards. The exact locations in the Elk River community for the construction of these new school buildings have not been determined at this time. It is estimated that FEMA will reimburse 90% of the costs to construct the new school buildings; however, a total cost to construct and any insurance or FEMA reimbursement has not been finalized. Should the Board not receive this FEMA reimbursement, this could result in a significant issue for the Board. These new school buildings will not be ready for students to attend for another 2-3 years.

During the fiscal year ended June 30, 2018, the school system was awarded four SBA grants for flood recovery work: \$484,141 for the demolition of Clendenin Elementary School, \$2,900,304 for the demolition of Herbert Hoover High School, \$1,106,373 for architectural and engineering fees relating to the new construction of Clendenin Elementary School, and \$3,654,218 for architectural and engineering fees relating to the new construction of Herbert Hoover High School. During the fiscal year ended June 30, 2020 the school board was awarded an SBA grant for construction of the new Herbert Hoover High School in the amount of \$69,754,181. During the fiscal year ended June 30, 2021 a grant in the amount of \$31,812,394 was awarded from the SBA for construction of the new Clendenin Elementary.

Under the terms of certain federal grant programs, periodic audits may be made, and certain costs may be questioned as not being appropriate expenses. Laws and regulations governing the grant programs and allowability of program costs are complex and subject to interpretation. Accordingly, such audits could lead to disallowances requiring reimbursements to the grantor agencies, which could be material to the School Board's financial statements. Management of the School Board believes that the School Board is in compliance with applicable laws and regulations, in all material respects. Based on prior experience, the School Board believes such disallowances, if any, would be immaterial.

Effective with the fiscal year ended June 30, 2015, the Medicaid school-based health services program through the West Virginia Department of Health and Human Resources (DHHR), Bureau for Medical Services has a cost settlement requirement. This change was required by the federal Centers for Medicare and Medicaid Services (CMS). Revenue for services provided during the fiscal year ended June 30, 2021 has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The interim cost settlement for the fiscal year ended June 30, 2020 was received by the School Board during June 2021. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2021 will not be available until spring or summer of 2022. Laws and regulations governing the Medicaid program are complex and subject to interpretation. Management of the School Board believes that it is in compliance, in all material respects, with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on its financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation. Accordingly, such reviews could lead to disallowances and/or significant regulatory action, including fines, penalties and exclusion from the Medicaid program resulting in reimbursement of previously reported revenue, which could be material to the School Board's financial statements.

**KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021**

The School Board owns various buildings which are known to contain asbestos and/or other environmental issues. The School Board is not required by federal, state or local law to remove the asbestos from its buildings. The School Board is required under federal environmental health and safety regulations to manage the presence of asbestos and other environmental issues in its buildings in a safe condition. The School Board addresses its responsibility to manage the presence of asbestos and other environmental issues in its buildings on a case by case basis. Significant problems of dangerous asbestos conditions are abated as the conditions become known. The School Board also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe condition.

Note 15 - Interfund Balances and Transfers

The composition of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Current Expense Fund	Special Revenue Fund	\$1,518,164
General Current Expense Fund	Special Revenue Federal Stimulus and Stabilization	\$2,895,618

During the year ended June 30, 2021, interfund transfers were made as follows:

- The General Current Expense Fund transferred \$6,125,643 to the Special Revenue Fund for state unfunded mandates relating to staff development and for state funded support of the food service program.
- The General Current Expense Fund transferred \$12,513,194 to the Permanent Improvements Fund for new school building construction and for improvements to existing school buildings in accordance with provisions of the excess levy ballot.
- The General Current Expense Fund transferred \$5,020 to the School Activity Fund for support of school operations.
- The Special Revenue Fund transferred \$880,490 to the General Current Expense fund for indirect cost expenditures.
- The Special Revenue Fund transferred \$692,388 to the School Activity Fund for faculty senate activities.
- The School Activity Fund transferred \$967,864 to the General Current Expense Fund for school operating costs.
- The School Activity Fund transferred \$1,201,731 to the Special Revenue Fund for operating costs and food service collections.
- The School Activity Fund transferred \$15 to the Federal Stimulus and Stabilization Fund for a refund.
- The Federal Stimulus and Stabilization Fund transferred \$371,825 to the General Current Expense fund for indirect cost expenditures.
- The Federal Stimulus and Stabilization Fund transferred \$84,283 to the Special Revenue fund for support of the Adult Education Program.
- The Federal Stimulus and Stabilization Fund transferred \$100 to the School Activity fund for payment of extracurricular fees.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021

Note 16 - Major Sources of Revenue:

The largest single source of revenue received by the School Board is state aid funds through the Public School Support Program. In addition, the School Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the School Board's independent auditor and state and federal regulatory agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the School Board believes such disallowance, if any, would be immaterial.

Note 17 – COVID 19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many counties, including the geographical area in which the School Board operates.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act provided federal stimulus dollars to assist state agencies, local school districts, businesses, organizations, families, students, and other entities during the COVID-19 pandemic. As a state, West Virginia received more than a billion dollars under the federal CARES Act. Approximately \$86.6 million of those dollars were specifically put into a fund titled the Elementary and Secondary School Emergency Relief Fund (ESSERF). This allocation is specifically earmarked to assist schools to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in West Virginia. The School Board received \$8,351,034 from these funds to help mitigate the expenses incurred directly from COVID-19.

On December 27, 2020, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted. The CRRSA Act provided federal stimulus dollars to assist local school districts during the Covid-19 pandemic. As a state, West Virginia received approximately \$339 million dollars under the CRRSA, and approximately \$305.9 million of those dollars were specifically put into a fund titled the Elementary and Secondary School Emergency Relief Fund II (ESSERF II). This allocation is specifically earmarked to assist schools to address the on-going impact of COVID-19 on elementary and secondary schools in West Virginia. The School Board received \$34,165,102 from these funds to help mitigate the expenses incurred directly from COVID-19.

On March 11, 2021, The American Rescue Plan Elementary and Secondary School Emergency Relief ("ARP ESSER") Fund, authorized under the American Rescue Plan ("ARP") Act of 2021, provided federal stimulus dollars to assist local school districts during the Covid-19 pandemic. As a State, West Virginia received approximately \$761.4 million dollars under the ARP Act, and approximately \$738.6 million of those dollars were specifically put into a fund titled ARP ESSER to support schools in safely reopening and sustaining the safe operation of schools while meeting the academic, social, emotional, and mental health needs of students resulting from the coronavirus disease 2019 ("COVID-19") pandemic. The School Board received \$82,047,371 from these funds to help mitigate the expenses incurred directly from COVID-19.

It is unknown how long the adverse conditions from COVID-19 will last and what the complete financial effect will be to the School Board.

**KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2021**

Note 18 - Changes in Accounting Principles:

Effective July 1, 2020, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The Statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As a result, School Activity Funds are reflected as a special revenue fund and beginning net position has been restated as follows:

		Governmental Activities
Beginning net position as previously reported at June 30, 2020	\$	94,375,762
Implementation of GASB 84		9,710,082
Net position as restated, July 1, 2020	\$	104,085,844
		District-Wide Statements
Beginning net position as previously reported at June 30, 2020	\$	283,871,613
Implementation of GASB 84		9,710,082
Net position as restated, July 1, 2020	\$	293,581,695

REQUIRED SUPPLEMENTARY INFORMATION

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With Final Budget
	Regulatory Basis		GAAP	for	Regulatory	
	Original	Final	Basis Amounts	Regulatory Basis	Basis Amounts	
Revenues:						
Property taxes	\$127,327,439	\$125,943,979	\$134,852,551	\$ -	\$134,852,551	\$ 8,908,572
Other Local sources	1,413,000	5,249,313	4,183,645	-	4,183,645	(1,065,668)
State sources	170,665,131	169,863,934	169,258,935	-	169,258,935	(604,999)
Federal sources	750,000	3,744,747	3,758,453	-	3,758,453	13,706
Total revenues	300,155,570	304,801,973	312,053,584	-	312,053,584	7,251,611
Expenditures:						
Instruction	162,001,657	183,976,539	158,911,687	-	158,911,687	25,064,852
Supporting services:						
Students	14,534,980	15,164,810	14,548,579	-	14,548,579	616,231
Instructional staff	3,055,948	2,975,536	2,491,230	-	2,491,230	484,306
General administration	9,205,588	10,279,886	8,052,343	-	8,052,343	2,227,543
School administration	16,672,188	17,071,762	16,613,081	-	16,613,081	458,681
Central services	2,943,279	3,407,523	3,010,266	-	3,010,266	397,257
Operation and maintenance of facilities	57,296,932	66,272,854	35,934,605	-	35,934,605	30,338,249
Student transportation	16,038,869	19,864,569	18,099,822	-	18,099,822	1,764,747
Community services	3,247,465	3,994,533	4,181,265	-	4,181,265	(186,732)
Capital outlay	-	549,295	24,605,647	-	24,605,647	(24,056,352)
Debt service:						
Principal retirement	4,339,846	13,578,513	18,715,415	-	18,715,415	(5,136,902)
Interest and fiscal charges	-	-	714,650	-	714,650	(714,650)
Total expenditures	289,336,752	337,135,820	305,878,590	-	305,878,590	31,257,230
Excess (deficiency) of revenues over expenditures	10,818,818	(32,333,847)	6,174,994	-	6,174,994	38,508,841
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	534,574	34,574	-	34,574	(500,000)
Transfers in	4,078,395	4,078,395	2,220,179	-	2,220,179	(1,858,216)
Transfers (out)	(17,802,213)	(23,628,460)	(18,643,857)	-	(18,643,857)	4,984,603
Total other financing sources (uses)	(13,723,818)	(19,015,491)	(16,389,104)	-	(16,389,104)	2,626,387
Change in fund balances	(2,905,000)	(51,349,338)	(10,214,110)	-	(10,214,110)	41,135,228
Fund balances - beginning	2,905,000	51,349,338	51,490,401	-	51,490,401	141,063
Fund balances - ending	\$ -	\$ -	\$ 41,276,291	\$ -	\$ 41,276,291	\$ 41,276,291

See notes to the required supplementary information

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Regulatory Basis					
	Original	Final				
Revenues:						
Local sources	\$ 108,418	\$ 2,843,077	\$ 1,524,165	\$ -	\$ 1,524,165	\$ (1,318,912)
State sources	4,096,596	7,616,742	7,595,827	-	7,595,827	(20,915)
Federal sources	34,418,016	44,393,297	42,773,419	-	42,773,419	(1,619,878)
Total revenues	38,623,030	54,853,116	51,893,411	-	51,893,411	(2,959,705)
Expenditures:						
Instruction	5,153,965	34,657,160	25,356,605	-	25,356,605	9,300,555
Supporting services:						
Students	1,327,330	4,138,838	3,036,109	-	3,036,109	1,102,729
Instructional staff	2,011,000	6,182,746	4,333,996	-	4,333,996	1,848,750
General administration	-	121,787	112,907	-	112,907	8,880
School administration	-	220,187	64,647	-	64,647	155,540
Central services	22,100	36,048	36,048	-	36,048	-
Operation and maintenance of facilities	-	65,895	24,567	-	24,567	41,328
Student transportation	-	302,107	144,801	-	144,801	157,306
Other	-	-	-	-	-	-
Food services	20,977,807	22,986,191	20,428,741	-	20,428,741	2,557,450
Community services	-	61,672	24,128	-	24,128	37,544
Capital outlay	-	430,222	250,039	-	250,039	180,183
Total expenditures	29,492,202	69,202,853	53,812,588	-	53,812,588	15,390,265
Excess (deficiency) of revenues over expenditures	9,130,828	(14,349,737)	(1,919,177)	-	(1,919,177)	12,430,560
Other financing sources (uses):						
Transfers in	6,854,667	6,489,920	7,411,658	-	7,411,658	921,738
Transfers (out)	(15,985,495)	(2,361,762)	(1,572,878)	-	(1,572,878)	788,884
Total other financing sources (uses)	(9,130,828)	4,128,158	5,838,780	-	5,838,780	1,710,622
Change in fund balances	-	(10,221,579)	3,919,603	-	3,919,603	14,141,182
Fund balances - beginning	-	10,221,579	15,665,700	-	15,665,700	5,444,121
Fund balances - ending	\$ -	\$ -	\$ 19,585,303	\$ -	\$ 19,585,303	\$ 19,585,303

See notes to the required supplementary information

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - FEDERAL STIMULUS STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Regulatory Basis					
	Original	Final				
Revenues:						
Federal sources	\$ -	\$ 66,573,099	\$ 11,309,593	\$ -	\$ 11,309,593	\$ (55,263,506)
Total revenues	-	66,573,099	11,309,593	-	11,309,593	(55,263,506)
Expenditures:						
Instruction	-	22,426,321	9,396,000	-	9,396,000	13,030,321
Supporting services:						
Students	-	796,702	305,158	-	305,158	491,544
Instructional staff	-	397,682	17,500	-	17,500	380,182
General administration	-	318,949	52,610	-	52,610	266,339
School Administration	-	177,215	-	-	-	177,215
Central services	-	25,525	25,525	-	25,525	-
Operation and maintenance of facilities	-	2,712,649	468,178	-	468,178	2,244,471
Student transportation	-	1,326,139	51,325	-	51,325	1,274,814
Other support services	-	279,999	183,253	-	183,253	96,746
Food services	-	2,875,147	1,084,254	-	1,084,254	1,790,893
Community services	-	62,358	59,683	-	59,683	2,675
Capital outlay	-	13,199,792	5,141	-	5,141	13,194,651
Total expenditures	-	44,598,478	11,648,627	-	11,648,627	32,949,851
Excess (deficiency) of revenues over expenditures	-	21,974,621	(339,034)	-	(339,034)	(22,313,655)
Other financing sources (uses):						
Transfers in	-	-	15	-	15	15
Transfers (out)	-	(21,846,019)	(456,208)	-	(456,208)	21,389,811
Total other financing sources (uses)	-	(21,846,019)	(456,193)	-	(456,193)	21,389,826
Change in fund balances	-	128,602	(795,227)	-	(795,227)	(923,829)
Fund balances - beginning	-	(128,602)	(9,284)	-	(9,284)	119,318
Fund balances - ending	\$ -	\$ -	\$ (804,511)	\$ -	\$ (804,511)	\$ (804,511)

See notes to the required supplementary information

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Regulatory Basis					
	Original	Final				
Revenues:						
Local sources	\$ -	\$ -	\$ 4,910,603	\$ (4,910,603)	\$ -	\$ -
Total revenues	-	-	4,910,603	(4,910,603)	-	-
Expenditures:						
Instruction	-	-	2,764,780	(2,764,780)	-	-
Total expenditures	-	-	2,764,780	(2,764,780)	-	-
Excess (deficiency) of revenues over expenditures	-	-	2,145,823	(2,145,823)	-	-
Other financing sources (uses):						
Transfers in	-	-	697,508	(697,508)	-	-
Transfers (out)	-	-	(2,169,611)	2,169,611	-	-
Total other financing sources (uses)	-	-	(1,472,103)	1,472,103	-	-
Change in fund balances	-	-	673,720	(673,720)	-	-
Fund balances - beginning	-	-	9,710,082	(9,710,082)	-	-
Fund balances - ending	\$ -	\$ -	\$ 10,383,802	\$ (10,383,802)	\$ -	\$ -

See notes to the required supplementary information

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.451475%	0.396254%	0.322506%	0.528854%	0.453215%	0.305900%	0.210236%
Board's proportionate share of the net pension liability (asset)	\$ 14,541,750	\$ 11,789,229	\$ 10,069,457	\$ 18,271,757	\$ 18,626,367	\$ 10,600,199	\$ 7,253,350
State's proportionate share of the net pension liability (asset) associated with the board	<u>237,261,493</u>	<u>189,196,235</u>	<u>179,887,604</u>	<u>280,924,623</u>	<u>258,434,675</u>	<u>184,217,148</u>	<u>145,946,842</u>
Total	<u>251,803,243</u>	<u>200,985,464</u>	<u>189,957,061</u>	<u>299,196,380</u>	<u>277,061,042</u>	<u>194,817,347</u>	<u>153,200,192</u>
Board's covered payroll	\$ 149,174,693	\$ 142,762,892	\$ 140,349,992	\$ 140,340,796	\$ 143,878,425	\$ 144,108,883	\$ 136,262,571
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	9.748%	8.258%	7.175%	13.020%	12.946%	7.356%	5.323%
Plan fiduciary net position as a percentage of the total pension liability	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%	65.95%

Data prior to 2014 is unavailable.

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM
AS OF JUNE 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 11,369,092	\$ 11,369,092	\$ 11,504,950	\$ 11,323,666	\$ 12,220,452	\$ 12,391,873	\$ 12,732,682
Contributions in relation to the contractually required contribution	<u>(11,369,092)</u>	<u>(11,369,092)</u>	<u>(11,504,950)</u>	<u>(11,323,666)</u>	<u>(12,220,452)</u>	<u>(12,391,873)</u>	<u>(12,732,682)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Board's covered payroll	\$ 145,964,583	\$ 149,174,693	\$ 142,762,892	\$ 140,349,992	\$ 140,340,796	\$ 143,878,425	\$ 144,108,883
Contributions as a percentage of covered payroll	7.789%	7.621%	8.059%	8.068%	8.708%	8.613%	8.835%

Data prior to 2015 is unavailable.

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.678328%	0.618356%	1.098109%	0.511456%
Board's proportionate share of the net OPEB liability (asset)	\$ 2,996,119	\$ 10,259,346	\$ 23,559,234	\$ 12,576,645
State's proportionate share of the net OPEB liability (asset) associated with the board	<u>13,883,548</u>	<u>46,676,274</u>	<u>60,892,083</u>	<u>58,819,639</u>
Total	<u>16,879,667</u>	<u>56,935,620</u>	<u>84,451,317</u>	<u>71,396,284</u>
Board's covered payroll	\$141,234,548	\$139,199,657	\$136,965,150	\$135,679,069
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	2.121%	7.370%	17.201%	9.269%
Plan fiduciary net position as a percentage of the total OPEB liability	73.49%	39.69%	30.98%	25.10%

Data prior to 2017 is unavailable.

See notes to the required supplementary information

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 5,909,234	\$ 5,844,851	\$ 6,554,033	\$ 6,630,029
Contributions in relation to the contractually required contribution	<u>(5,909,234)</u>	<u>(5,844,851)</u>	<u>(6,554,033)</u>	<u>(6,630,029)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Board's covered payroll	\$ 138,212,430	\$ 141,234,548	\$ 139,199,657	\$ 136,965,150
Contributions as a percentage of covered payroll	4.275%	4.138%	4.708%	4.841%

Data prior to 2018 is unavailable.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2021

A. Budgets and Budgetary Accounting:

All county boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statute, the School Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The School Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The School Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.
2. The School Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The School Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

Revisions to the budget are authorized only with the prior written approval of the State Board of Education.

B. Excess of Expenditures over Appropriations:

For the year ended June 30, 2021, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

GENERAL CURRENT EXPENSE FUND:

<u>Function</u>	<u>Amount</u>
Community services	\$ (186,732)
Capital outlay	(24,056,352)
Principal retirement	(5,136,902)
Interest and fiscal charges	(714,650)

The over-expenditures in these programs were funded by a reduction of expenditures in the remaining instructional programs, available beginning fund balance and revenues received in excess of the anticipated amounts budgeted.

C. Changes in Assumptions

The actuarial assumptions used in the total pension liability calculation can change from year to year.

Please see table below which summarizes the actuarial assumptions used for the respective measurement dates.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2021

Inflation	2015 – 2020: 3%	2014: 2.2%		
Salary Increases	2020: State – 3.00%-6.00% Non-State 3.00%-6.50%	2018-2019: For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%	2016-2017: For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%	2014-2015: For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.75-5.25%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.40-6.50%.
Investment Rate of Return	2014-2020: 7.5 %, net of pension plan investment expense, including inflation			
Mortality	2020: Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males – Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy females – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019, disabled females – 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019	2016-2019: Active: RP-2000, Non-Annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis, healthy females – 94% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96 % of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis, disabled females – 101% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	2014-15: Active – RP2000, non-annuitant monthly mortality table, retired – RP2000 healthy annuitant, scale AA; disabled – RP2000 disabled annuitant mortality table, scale AA.	
Discount Rate	2014-2020: 7.5%			

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2021

The actuarial assumptions used in the total OPEB liability calculation can change from year to year. Please see table below which summarizes the actuarial assumptions used for the respective measurement dates.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Inflation	2.25%	2.75%	2.75%	2.75%
Salary Increases	Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%
Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation	7.15%, net of OPEB plan investment expense, including inflation	7.15%, net of OPEB plan investment expense, including inflation	7.15%, net of OPEB plan investment expense, including inflation
Mortality	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis
Discount Rate	6.65%	7.15%	7.15%	7.15%
Healthcare Cost Trend Rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

OTHER SUPPLEMENTAL INFORMATION

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Regulatory Basis					
	Original	Final				
Revenues:						
Local sources	\$ -	\$ -	\$ 129	\$ -	\$ 129	\$ 129
Total revenues	-	-	129	-	129	129
Change in fund balances	-	-	129	-	129	129
Fund balances - beginning	-	-	299	-	299	299
Fund balances - ending	\$ -	\$ -	\$ 428	\$ -	\$ 428	\$ 428

See notes to the other supplemental information

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Regulatory Basis					
	Original	Final				
Revenues:						
Other Local Sources	\$ -	\$ 35,676	41,709	\$ -	41,709	6,033
State sources	-	9,912,422	3,729,832	-	3,729,832	(6,182,590)
Federal sources	-	78,211,794	26,300,997	-	26,300,997	(51,910,797)
Total revenues	-	88,159,892	30,072,538	-	30,072,538	(58,087,354)
Expenditures:						
Supporting services:						
Central services	-	583,000	-	-	-	583,000
Operation and maintenance of facilities	-	3,250,625	311,483	-	311,483	2,939,142
Capital outlay	-	208,653,986	68,886,180	-	68,886,180	139,767,806
Total expenditures	-	212,487,611	68,886,180	-	68,886,180	143,601,431
Excess (deficiency) of revenues over expenditures	-	(124,327,719)	(38,813,642)	-	(38,813,642)	85,514,077
Other financing sources (uses):						
Proceeds from capital lease	-	83,629,016	83,629,016	-	83,629,016	-
Transfers in	-	13,470,058	12,513,194	-	12,513,194	(956,864)
Total other financing sources (uses)	-	97,099,074	96,142,210	-	96,142,210	(956,864)
Change in fund balances	-	(27,228,645)	57,328,568	-	57,328,568	84,557,213
Fund balances - beginning	-	27,228,645	27,228,646	-	-	(27,228,645)
Fund balances - ending	\$ -	\$ -	\$ 84,245,731	\$ -	\$ 57,328,568	\$ 57,328,568

See notes to the other supplemental information

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF EXCESS LEVY REVENUES & EXPENDITURES
YEAR ENDED JUNE 30, 2021**

	Current Year			Levy To Date		
	Estimated Per Levy Call	Actual	Variance	Estimated Per Levy Call	Actual	Variance
Excess Levy Collections	\$ 64,920,000	\$ 68,828,711	\$ 3,908,711	\$ 129,840,000	\$ 134,266,925	\$ 4,426,925
County Specific Levy Call:						
Professional, service, and substitute salaries: Including, but not limited to, professional, service and substitute salaries, salaries of professional and service personnel in excess of 200 days, salaries for professionals and service in excess of state funding limit, salaries of non-certified personnel and minimum salaries fixed by law and supplemental salaries, fringe benefits; Textbooks, Supplies, Postage, Insurance, Contracted Services and Travel -Including, but not limited to, printing, copying, school, warehouse, custodial, library, office, vocational, and health supplies, postage, textbooks, insurance, travel, instructional activities and staff development, legal services, distance learning, special education residential placements, pest management, extended school, financial audit, energy management, bus drug and alcohol testing, and fire alarm inspections; Construction, Repairs, Maintenance, operational supplies, equipment, rentals, and/or other expenses -Including, but not limited to, construction, building repairs, roof replacement, asbestos projects, structural repairs, fire code corrections, Americans with Disabilities Act compliance, equipment maintenance, paving, bus maintenance and/or additional curricular needs of the schools, garage, building supplies, grounds supplies, equipment supplies and vehicle supplies, maintenance equipment, vehicle replacement, lab equipment, administrative equipment, school equipment, vacuums, copiers, gasoline tanks, transportation equipment, school copier rentals, computer leases, data communications, drivers' education car rentals, communication equipment, fire service fees, commercial drivers' licenses, refunds and other miscellaneous expenses; * 12 Custodians and Maintenance (including fringe benefits) *Eight Counselors (including fringe benefits)*Twelve Elementary Art Teachers	38,329,000	63,869,998	25,540,998	77,913,000	132,230,741	54,317,741
Safety and security improvements: Including but not limited to Intruder Locksets for Classroom and Door Repair, Camera Upgrades and Visitor/Access Control, Base Radio Project for Emergency Communications, Panic Alert System for Teachers, and Door Contact Alarms.	237,160	237,160	-	477,154	477,154	-
HVAC improvements at the following schools and facilities: * Elementary Schools: Alum Creek, Elk Center, Grandview, Kanawha City, Lakewood, Piedmont, Middle Schools: Dunbar, Stonewall Jackson, High Schools: Capital, George Washington, Riverside, St. Albans, Sissonville and South Charleston Career Centers: Carver.	18,160,623	13,360,795	(4,799,828)	36,738,310	36,979,023	240,713
Roofing improvements at the following schools and facilities: * Elementary Schools: Belle, Malden, Pinch, Ruthlawn, Grandview, Montrose, Pratt, Sharon Dawes, Middle Schools: Dunbar, McKinley, High Schools: Capital, Nitro, Riverside, Career Center: Carver.	4,698,371	4,699,320	949	9,568,178	10,315,774	747,596
Installation of athletic turf at the following schools: High Schools: George Washington, Herbert Hoover, Nitro, Riverside, Sissonville, South Charleston, St. Albans	3,494,846	3,525,990	31,144	5,143,358	5,561,802	418,444
Total Expenditures	<u>64,920,000</u>	<u>85,693,263</u>	<u>20,773,263</u>	<u>129,840,000</u>	<u>185,564,494</u>	<u>55,724,494</u>
Excess (Deficiency) of Collections over Expenditures	\$ -	\$ (16,864,552)	\$ (16,864,552)	\$ -	\$ (51,297,569)	\$ (51,297,569)

Actual expenditures reflected in this schedule include funds provided from all sources within the School Board for the purposes specified by the excess levy.

*Note: HVAC & roofing projects are being constructed through a lease-financing agreement to accelerate completion. Timing of payments and receipt of funds will cause annual fluctuations in these categories.

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Beginning Balance	Revenues Received	Expenditures Paid	Ending Balance
Alban Elementary	\$ 48,034	\$ 18,958	\$ 16,280	\$ 50,712
Alum Creek Elementary	23,758	15,133	8,550	30,341
Andrews Heights Elementary	42,968	13,723	7,852	48,839
Anne Bailey Elementary	33,198	11,229	7,252	37,175
Belle Elementary	43,078	22,605	28,592	37,091
Bridge Elementary	20,631	3,858	15,790	8,698
Bridgeview Elementary School	76,665	20,379	17,750	79,294
Cedar Grove Elementary School	33,434	21,206	20,636	34,004
Central Elementary	24,269	35,264	23,251	36,282
Chamberlain Elementary	26,659	18,712	12,016	33,355
Chesapeake Elementary	41,132	8,672	8,892	40,912
Clendenin Elementary	76,198	9,177	7,987	77,387
Cross Lanes Elementary	38,647	36,588	18,035	57,200
Dunbar Intermediate Center	59,457	12,284	6,589	65,153
Dunbar Primary	36,716	17,293	9,558	44,451
Edgewood Elementary	28,656	19,850	17,573	30,933
Elk Elementary Center	85,744	34,573	42,396	77,920
Flinn Elementary	64,596	33,417	24,144	73,869
George C. Weimer Elementary	29,586	7,043	5,453	31,176
Grandview Elementary	20,594	10,152	9,222	21,524
Holz Elementary	14,683	14,561	8,125	21,119
Kanawha City Elementary	26,843	12,856	13,745	25,953
Kenna Elementary	17,702	15,996	10,607	23,091
Lakewood Elementary	39,680	13,120	14,231	38,568
Malden Elementary	25,723	11,104	8,262	28,564
Marmet Elementary	16,506	8,980	9,875	15,611
Mary C Snow Elementary	36,559	15,343	12,562	39,341
Mary Ingles Elementary	20,428	10,253	9,976	20,705
Midland Trail Elementary	10,426	15,437	7,782	18,081
Montrose Elementary	29,613	10,187	18,373	21,428
Nitro Elementary	62,883	20,003	15,951	66,935
Overbrook Elementary	46,993	20,045	24,643	42,394
Piedmont Elementary	26,950	21,896	29,844	19,001
Pinch Elementary	100,505	24,223	58,578	66,149
Point Harmony Elementary	59,430	51,962	35,099	76,293
Pratt Elementary	35,444	7,978	5,718	37,704
Richmond Elementary	22,122	12,897	11,430	23,589
Ruffner Elementary	25,389	25,373	19,836	30,925
Ruthlawn Elementary	41,747	33,688	31,536	43,898
Sharon Dawes Elementary	15,185	9,567	2,817	21,935
Shoals Elementary	36,386	17,233	18,890	34,729
Sissonville Elementary	38,690	11,438	11,636	38,492
Weberwood Elementary	38,913	17,902	17,965	38,849
Andrew Jackson Middle	178,209	77,320	69,060	186,469
Cedar Grove Middle School	68,138	19,349	22,463	65,023
Chandler Academy	14,541	7,648	5,002	17,187
Dunbar Middle	104,670	36,962	32,070	109,562
Dupont Middle	79,973	54,946	41,567	93,353
East Bank Middle	75,027	35,722	48,948	61,801
Elkview Middle School	189,640	83,886	83,180	190,346
Hayes Middle School	25,010	57,396	40,670	41,736
Horace Mann Middle	75,300	38,087	48,291	65,096
John Adams Middle	190,150	57,312	53,531	193,931
McKinley Middle School	126,432	53,237	27,242	152,427
Sissonville Middle	122,277	51,470	40,641	133,107
South Charleston Middle	136,850	63,934	51,705	149,079
West Side Middle	53,544	67,228	48,862	71,909
Capital High	289,516	133,793	146,839	276,470
George Washington High	233,833	215,790	229,167	220,456
Herbert Hoover High	293,804	170,346	167,367	296,782
Nitro High	122,351	97,036	97,266	122,121
Riverside High	215,226	129,886	102,845	242,267
Sissonville High	165,198	137,592	121,571	181,219
South Charleston High	248,298	165,896	195,439	218,756
St. Albans High	294,680	125,756	128,190	292,245
Ben Franklin Vocational Center	894,493	1,006,456	934,506	966,442
Carver Career Center	961,298	1,615,935	1,407,445	1,169,788
Garnet Career Center	990,208	2,070,333	1,820,887	1,239,654
KCS Headstart Policy Council	11,307	9,942	9,576	11,673
KCS Community Education	1,202,291	686,219	756,357	1,132,153
Totals	\$ 9,005,082	\$ 8,041,632	\$ 7,435,988	\$ 9,610,726
Related Entity Funds				
Laidley Field	46,045	176,464	122,430	100,079
Regulatory Training Center	658,956	1,017,827	1,003,786	672,997
Totals	\$ 705,000	\$ 1,194,291	\$ 1,126,215	\$ 773,076
Individual Schools and Related Entities	\$ 9,710,082	\$ 9,235,923	\$ 8,562,203	\$ 10,383,802

See notes to the other supplemental information

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/20)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/21)	Amount Receivable
WV Department of Ed	09TR.CTY	GRTAWD0402200000862	7/1/19-9/30/21	408,003.00	60,897.34	-	60,897.34	-	-
WV Department of Ed	09TR.OC	GRTAWD04022000005311	7/1/19-9/30/21	7,395.00	7,395.00	-	-	7,395.00	-
WV Department of Ed	09TR.CTY	GRTAWD04022100001480	7/1/20-9/30/22	401,728.00	-	401,728.00	383,655.65	18,072.35	-
WV Department of Ed	09TR.OC	GRTAWD04022100005639	7/1/20-9/30/21	19,681.00	-	19,681.00	-	19,681.00	-
WV Department of Ed	05SAR.HASP	GRTAWD04021900003168	7/1/17-9/30/20	37,673.00	5,526.92	-	5,526.92	-	-
WV Department of Ed	05SA.JDRG	GRTAWD04022000001404	7/1/19-9/30/21	95,434.51	95,434.51	-	-	95,434.51	-
WV Department of Ed	05SA.JDRG	GRTAWD04022100001564	7/1/20-6/30/21	71,735.40	-	71,735.40	60,441.40	11,294.00	-
WV Department of Ed	05SA.ACTCH	GRTAWD04022100000987	7/1/20-6/30/21	261,703.00	-	261,703.00	261,703.00	-	-
WV Department of Ed	05SAR.JCTE	GRTAWD04021900005595	4/1/19-6/30/21	170,000.00	51,559.00	-	297.58	51,261.42	-
WV Department of Ed	05SA.FORM	GRTAWD04022000000611	7/1/19-6/30/21	239,820.00	145,546.36	-	117,235.29	28,311.07	-
WV Department of Ed	05SA.INCN	GRTAWD04022000002786	7/1/19-6/30/21	250.00	250.00	-	-	-	-
WV Department of Ed	05SAR.STRS	GRTAWD04022000004003	7/1/19-6/30/20	3,352.00	401.48	-	401.48	-	-
WV Department of Ed	03CX.INCEN	GRTAWD04022000005334	7/1/19-6/30/21	2,000.00	2,000.00	-	2,000.00	-	-
WV Department of Ed	03CX.INCEN	GRTAWD04022000005880	6/1/20-6/30/21	62,889.00	-	62,889.00	61,403.94	1,485.06	-
WV Department of Ed	05SA.TRVL	GRTAWD04022000000803	7/1/19-6/30/21	40,315.00	37,472.23	-	283.03	37,189.20	-
WV Department of Ed	05SA.EQRPL	GRTAWD04022000000595	7/1/19-6/30/21	61,704.00	60,817.57	-	-	60,817.57	-
WV Department of Ed	05SA.FORM	GRTAWD04022100001026	7/1/20-6/30/21	239,820.00	-	239,820.00	46,739.36	193,080.64	-
WV Department of Ed	03CX.INCEN	GRTAWD04022100002147	8/1/20-6/30/21	6,300.00	-	6,300.00	49.20	6,250.80	-
WV Department of Ed	05SA.INCN	GRTAWD04022100002176	7/1/20-6/30/21	57,900.00	-	57,900.00	26,443.39	31,456.61	-
WV Department of Ed	05SA.EPIC	GRTAWD04022100002313	7/1/20-6/30/21	4,000.00	-	4,000.00	4,000.00	-	-
WV Department of Ed	05SA.EPIC	GRTAWD04022100002925	7/1/20-6/30/21	5,200.00	-	5,200.00	5,200.00	-	-
WV Department of Ed	03CX.INCEN	GRTAWD04022100005712	5/1/21-3/31/23	6,595.00	-	-	-	6,595.00	-
WV Department of Ed	05SA.TRVL	GRTAWD04022100001118	7/1/20-3/31/23	40,315.00	-	40,315.00	10,680.00	29,635.00	-
WV Department of Ed	05SA.CTSO	GRTAWD04022100005400	7/1/20-3/31/23	1,000.00	-	1,000.00	-	1,000.00	-
WV Department of Ed	05SA.EQRPL	GRTAWD04022100000871	7/1/20-6/30/21	61,704.00	-	61,704.00	-	61,704.00	-
WV Department of Ed	05SA.INCN	GRTAWD04021900006314	6/1/19-6/30/21	155,248.00	56,367.63	-	38,413.05	17,954.58	-
WV Department of Ed	05SA.EQRPL	GRTAWD04021900000489	7/1/18-6/30/21	61,704.00	4,504.18	-	-	4,504.18	-
WV Department of Ed	05SA.LSDOP	GRTAWD04021600003738	1/1/16-7/31/21	280,508.00	10,255.85	-	5,759.89	4,495.96	-
WV Department of Ed	05SA.INNED	GRTAWD04021700004065	2/1/17-6/28/21	630,171.30	130,989.23	-	49,181.88	81,807.35	-
WV Department of Ed	05SA.INNED	GRTAWD04021700004072	2/1/17-6/28/21	64,832.63	4,234.64	-	-	4,234.64	-
WV Department of Ed	05SAR.COVY	GRTAWD04022100002432	5/7/20-9/30/22	391,934.37	-	391,934.37	369,437.70	22,496.67	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022000002175	7/1/19-6/30/21	419,520.00	107,310.68	-	107,043.18	267.50	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022100000348	7/1/20-12/30/21	341,278.00	-	341,278.00	104,576.08	236,701.92	-
WV Department of Ed	05SAR.TRU	GRTAWD04022000002844	7/1/19-6/30/21	49,599.00	5,875.51	-	5,875.51	-	-
WV Department of Ed	05SAR.TRU	GRTAWD04022100002018	7/1/20-6/30/21	49,594.00	-	49,594.00	49,594.00	-	-
WV Department of Ed	05SAR.TRU	GRTAWD04021800002769	7/1/17-6/30/20	57,542.00	32,416.75	-	32,416.75	-	-
WV Department of Ed	05SAR.TRU	GRTAWD04021900001722	7/1/18-6/30/20	49,594.00	10,966.34	-	10,966.34	-	-
WV Department of Ed	05SA.ESL	GRTAWD04022000001370	7/1/19-6/30/21	6,843.47	5,133.09	-	4,812.86	320.23	-
WV Department of Ed	05SA.ESL	GRTAWD04022100001631	7/1/20-6/30/21	7,344.78	-	7,344.78	-	7,344.78	-
WV Department of Ed	05SA.ESL	GRTAWD04021900002377	7/1/18-6/30/21	8,091.21	584.98	-	584.98	-	-
WV Department of Ed	05SA.DCIS	GRTAWD04022100000623	7/1/20-6/30/22	768,000.00	-	738,000.00	332,508.14	405,491.86	-
WV Department of Ed	07CO.CIS	GRTAWD04022100004758	2/24/21-6/30/21	2,400.00	-	2,400.00	2,400.00	-	-
WV Department of Ed	05SAR.SFSC	GRTAWD04022000003713	7/1/19-6/30/21	351,528.09	351,528.09	-	250,039.08	101,489.01	-
WV Department of Ed	05SAR.SFSC	GRTAWD04022100006032	7/1/20-3/31/22	18,694.17	-	18,694.17	-	18,694.17	-
WV Department of Ed	05SAR.HSED	GRTAWD04022000004280	7/1/19-6/30/21	3,500.00	3,500.00	-	-	3,500.00	-
WV Department of Ed	05SAR.HSED	GRTAWD04022100002493	7/1/20-6/30/21	3,500.00	-	3,500.00	3,500.00	-	-
WV Department of Ed	05SAR.HSED	GRTAWD04022100002494	7/1/20-6/30/21	3,500.00	-	3,500.00	3,152.21	347.79	-
WV Department of Ed	05SAR.HSED	GRTAWD04022100002495	7/1/20-6/30/21	3,500.00	-	3,500.00	3,500.00	-	-
WV Department of Ed	05SAR.HSED	GRTAWD04022100002496	7/1/20-6/30/21	3,500.00	-	3,500.00	1,798.73	1,701.27	-
WV Department of Ed	05SA.TCTW	GRTAWD04022000001711	7/1/19-6/30/21	40,000.00	40,000.00	-	39,519.00	481.00	-
WV Department of Ed	05SA.TFS	GRTAWD04022000002630	7/1/19-6/30/21	785,516.70	547,157.75	-	274,301.28	272,856.47	-
WV Department of Ed	05SA.TFS	GRTAWD04022100001871	7/1/20-6/30/22	830,244.00	-	830,244.00	258,489.65	571,754.35	-
WV Department of Ed	05SA.TCTW	GRTAWD04021700005393	6/1/17-6/30/21	20,000.00	215.50	-	215.50	-	-
WV Department of Ed	05SA.TCTW	GRTAWD04021800005006	6/1/18-6/30/21	20,000.00	5,664.00	-	5,664.00	-	-
WV Department of Ed	99UCR.BT	GRTAWD04022000003152	7/1/19-6/30/21	15,000.00	6,032.89	-	6,022.23	10.66	-
WV Department of Ed	05SAR.ADM	GRTAWD04022000002689	9/16/19-9/15/21	25,000.00	5,862.04	-	5,651.05	210.99	-
WV Department of Ed	07CO.TOY	GRTAWD04022000004100	7/1/19-9/30/20	300.00	300.00	-	-	300.00	-
WV Department of Ed	03CXR.O	GRTAWD04022000004457	2/1/20-6/30/20	10,000.00	113.94	-	113.94	-	-
WV Department of Ed	05SAR.AP	GRTAWD04022000005636	6/10/20-9/30/20	13,824.00	-	13,824.00	13,824.00	-	-
WV Department of Ed	05SA.HSTW	GRTAWD04022000001699	7/1/19-3/31/22	20,000.00	12,000.00	-	-	12,000.00	-
WV Department of Ed	05SAR.ADM	GRTAWD04022100000259	7/1/20-6/30/21	10,000.00	-	10,000.00	6,961.42	3,038.58	-
WV Department of Ed	09TRR.RSCF	GRTAWD04022100004150	1/6/21-6/30/21	100.00	-	100.00	-	2.30	-
WV Department of Ed	09TRR.RSCF	GRTAWD04022100004346	1/19/21-6/30/21	100.00	-	100.00	100.00	-	-
WV Department of Ed	07CO.VS	GRTAWD04022100003695	10/30/20-12/31/20	3,850.00	-	3,850.00	3,850.00	-	-
WV Department of Ed	07CO.TOY	GRTAWD04022100003131	11/1/20-11/1/21	300.00	-	300.00	300.00	-	-

See notes to the other supplementary information

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/20)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/21)	Amount Receivable
WV Department of Ed	05SAR STEM	GRTAWD04022100004521	1/29/21-6/30/21	5,500.00	-	5,500.00	5,500.00	-	-
WV Department of Ed	09TRR RSCF	GRTAWD04022100004610	2/4/21-6/30/21	800.00	-	800.00	263.93	536.07	-
WV Department of Ed	05SAR PD	GRTAWD04022100004508	2/1/21-6/30/21	1,500.00	-	1,500.00	1,500.00	-	-
WV Department of Ed	05SA ACE	GRTAWD04022100005597	7/1/20-6/30/22	85,000.00	-	85,000.00	-	85,000.00	-
WV Department of Ed	05AID 7D	GRTAWD04022100005509	4/27/21-3/31/23	2,000.00	-	2,000.00	-	2,000.00	-
WV Department of Ed	05SAR GHA	GRTAWD04022100005564	5/7/21-7/30/21	50.00	-	50.00	-	50.00	-
WV Department of Ed	05SA.MATH	GRTAWD04022100005688	5/11/21-3/31/23	4,500.00	-	4,500.00	-	4,500.00	-
WV Department of Ed	99UCR AP	GRTAWD04022100005774	5/14/21-3/31/23	14,832.00	-	14,832.00	-	14,832.00	-
WV Department of Ed	05SAR.TPTN	GRTAWD04021700005259	5/22/17-6/30/21	3,000.00	556.00	-	556.00	-	-
WV Department of Ed	05SAR TMS	GRTAWD04021800003710	1/1/18-6/30/21	113,000.00	40,344.41	-	40,344.41	-	-
WV Department of Ed	05SA.HSTW	GRTAWD04021800005002	6/1/18-3/31/23	40,000.00	27,823.88	-	22,823.88	5,000.00	-
WV Department of Ed	05SAR ELAS	GRTAWD04021900003400	11/6/18-6/30/21	10,000.00	11.97	-	-	11.97	-
WV Department of Ed	05SAR ART	GRTAWD04021900005985	5/17/19-6/30/21	500.00	60.00	-	60.00	-	-
WV Department of Ed	05SAR PD	GRTAWD04021900005442	4/15/19-6/30/21	1,000.00	955.72	-	955.72	-	-
WV Department of Ed	05SA ELOTH	GRTAWD04021900005384	4/15/19-6/30/21	1,600.00	610.00	-	610.00	-	-
WV Department of Ed	05SA.REIM	GRTAWD04022000005703	7/1/19-7/30/20	26,444.58	191.55	-	191.55	-	-
WV Department of Ed	05SAR.NBCT	GRTAWD04022000005800	7/1/19-6/30/21	7,919.31	-	7,919.31	7,919.31	-	-
WV Department of Ed	05SAR.NBCT	GRTAWD04022100003416	7/1/20-6/30/21	1,515.00	-	1,515.00	-	1,515.00	-
WV Department of Ed	05SA.REIMB	GRTAWD04022100006176	7/1/20-7/31/21	27,436.61	-	-	18,234.69	(18,234.69)	18,234.69
WV Department of Ed	05SAR.NBCT	GRTAWD04022100006209	7/1/20-7/31/21	10,775.00	-	-	10,775.00	(10,775.00)	10,775.00
WV Department of Ed	STRAT FORU	GRTAWD04021900005652	3/1/19-6/30/21	2,000.00	2,000.00	-	-	2,000.00	-
WV Department of Ed	05SA ACE	GRTAWD04022100000559	7/1/20-6/30/21	7,325.00	-	7,325.00	7,325.00	-	-
WV Department of Ed	05SA ACE	GRTAWD04022100000561	7/1/20-6/30/21	10,000.00	-	10,000.00	10,000.00	-	-
WV Department of Ed	05SA ACE	GRTAWD04022100000562	7/1/20-6/30/21	3,728.00	-	3,728.00	3,728.00	-	-
WV Department of Ed	05SA ACE	GRTAWD04022100000563	7/1/20-6/30/21	2,779.00	-	2,779.00	2,779.00	-	-
WV Department of Ed	05SA ACEIN	GRTAWD04022100001309	7/1/20-6/30/21	209,030.00	-	209,030.00	205,314.20	3,715.80	-
WV Department of Ed	05SA ACEIN	GRTAWD04022100001311	7/1/20-6/30/21	630,818.00	-	630,818.00	579,275.79	51,542.21	-
WV Department of Ed	05SA ACEIN	GRTAWD04022100001310	7/1/20-6/30/21	666,778.00	-	666,778.00	666,522.35	255.65	-
WV Department of Ed	99UC.CTE	GRTAWD04022100005901	7/1/20-6/30/21	9,200.00	-	9,200.00	-	9,200.00	-
WV Department of Ed	99UC.CTE	GRTAWD04022100005902	7/1/20-3/31/23	7,250.00	-	7,250.00	-	7,250.00	-
WV Department of Ed	99UC.CTE	GRTAWD04022100005903	7/1/20-3/31/23	6,500.00	-	6,500.00	-	6,500.00	-
WV Department of Ed	99UC.CTE	GRTAWD04022100005904	7/1/20-3/31/23	10,000.00	-	10,000.00	-	10,000.00	-
WV Department of Ed	05SA.PREE	GRTAWD04022000003114	7/1/19-6/30/21	5,000.00	5,000.00	-	5,000.00	-	-
WV Department of Ed	05SA ACE	GRTAWD04022000003562	7/1/19-6/30/21	1,150.00	1,150.00	-	1,150.00	-	-
WV Department of Ed	05SA.PREE	GRTAWD04022000003376	5/1/20-6/30/21	9,600.00	9,600.00	-	8,000.00	1,600.00	-
WV Department of Ed	07CO.VOC	GRTAWD04022100001375	7/1/20-6/30/21	22,306.00	-	22,306.00	10,772.30	11,533.70	-
WV Department of Ed	TECH & ADULT - PLTW	GRTAWD04021800004425	3/1/18-6/30/21	25,520.00	5,841.99	-	385.40	5,456.59	-
WV Department of Ed	05SA.PREE	GRTAWD04021800004732	5/1/18-6/30/21	10,180.00	1,385.27	-	1,385.27	-	-
WV Department of Ed	05SA INNOV	GRTAWD04021900005623	7/1/18-6/30/21	7,500.00	502.00	-	-	502.00	-
WV Department of Ed	05SA.PGMMD	GRTAWD04022100002645	7/1/20-3/31/23	86,119.00	-	86,119.00	72,462.21	13,656.79	-
WV Department of Ed	05SA.PGMMD	GRTAWD04021800000684	7/1/17-6/30/21	165,394.00	1,321.34	-	1,321.34	-	-
WV Department of Ed	05SA.ADVCR	GRTAWD04022000004416	7/1/19-6/30/21	15,389.00	2,798.00	-	-	2,798.00	-
WV Department of Ed	05SA PLTW	GRTAWD04022100002911	7/1/20-3/31/23	10,800.00	-	10,800.00	6,879.10	3,920.90	-
WV Department of Ed	05SA.ELRE	GRTAWD04022100003624	11/4/20-6/30/21	77,199.00	-	77,199.00	8,797.00	68,402.00	-
WV Department of Ed	05SA SREB	GRTAWD04022100003840	7/1/20-6/30/21	24,000.00	-	24,000.00	24,000.00	-	-
WV Department of Ed	05SA PLTW	GRTAWD04022100005720	5/1/21-3/31/23	65,898.00	-	65,898.00	4,800.00	61,098.00	-
WV Department of Ed	CTE ADVANCE CAREER	GRTAWD04021500004772	7/1/14-6/30/18	5,000.00	791.98	-	-	791.98	-
WV Department of Ed	CTE ADVANCE CAREER	GRTAWD04021600002202	7/1/15-6/30/21	50,000.00	24,590.13	-	16,923.76	7,666.37	-
WV Department of Ed	05SA.HSPAD	GRTAWD04022000002565	7/1/19-6/30/21	1,000.00	1,000.00	-	1,000.00	-	-
WV Department of Ed	05SA.HSPAD	GRTAWD04022000005889	1/1/20-6/30/21	2,500.00	2,500.00	-	-	1,704.59	795.41
WV Department of Ed	05SA.HSPAD	GRTAWD04022100004192	1/1/21-6/30/21	5,600.00	-	5,600.00	5,218.60	381.40	-
WV Department of Ed	05SA.HSPAD	GRTAWD04022100004210	1/1/21-6/30/21	3,890.00	-	3,890.00	3,890.00	-	-
WV Department of Ed	05SA.HSPAD	GRTAWD04021900005224	1/1/19-6/30/21	250.00	50.94	-	-	50.94	-
WV Department of Ed	05SA.HSPAD	GRTAWD04021900005640	1/1/19-6/30/21	5,800.00	2,306.48	-	2,306.48	-	-
WV Department of Ed	03CX.CN	GRTAWD04022000004927	3/10/20-6/30/21	106,304.00	106,304.00	-	-	-	-
WV Department of Ed	03CX.CN	GRTAWD04022100005986	6/1/21-6/31/23	3,000.00	-	3,000.00	-	3,000.00	-
WV Department of Ed	03CX.CN	GRTAWD04022100005110	4/1/21-6/30/22	98,317.00	-	98,317.00	51,902.98	46,414.02	-
WV Department of Ed	03CX.NTF	GRTAWD04022100002763	9/1/20-6/30/21	74,993.32	-	74,993.32	74,313.89	679.43	-
WV Department of Ed	SFSP TRANSPORTATION	GRTAWD04022100004400	9/1/20-6/30/21	74,993.32	-	74,993.32	73,408.48	1,584.84	-
WV Department of Ed	03CX.CN	GRTAWD04022100004282	1/14/21-6/30/21	1,000.00	-	1,000.00	1,000.00	-	-
WV Department of Ed	03CX.CN	GRTAWD04021900006004	5/1/19-5/30/20	1,500.00	212.23	-	212.23	-	-
TOTAL:				\$ 2,046,221.39	\$ 5,897,373.67	\$ 5,120,307.50	\$ 2,823,287.56	\$ 29,009.69	

See notes to the other supplementary information

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTAL INFORMATION
For The Fiscal Year Ended June 30, 2021

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statute, the School Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The School Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.
2. The School Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

Revisions to the budget are authorized only with the prior written approval of the State Board of Education.

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Number	Assistance Listing Number	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through West Virginia Department of Education:</i>			
Nutrition Cluster:			
Cash Assistance	2021	10.553/10.555/10.559	\$ 18,876,275
Total - Nutrition Cluster			<u>18,876,275</u>
Child and Adult Food Care Program	2021	10.558	92,373
Fresh Fruits and Vegetable Program-Cash Assistance	2021	10.582	349,023
Total U.S. Department of Agriculture			<u>19,317,671</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through West Virginia Department of Education:</i>			
Higher Education Emergency Relief Fund			
Total - HEERF	2021	84.425	951,817
			<u>951,817</u>
Federal PELL Grant Program			
Total - PELL	2021	84.063	1,148,733
			<u>1,148,733</u>
<i>Passed Through West Virginia Department of Education:</i>			
Title I Cluster:			
Title I Grants to Local Educational Agencies	GRTAWD0402200001466	84.010	1,514,561
Title I Grants to Local Educational Agencies	GRTAWD0402200003452	84.010	4,764
Title I Grants to Local Educational Agencies	GRTAWD0402200002285	84.010	35,288
Title I Grants to Local Educational Agencies	GRTAWD04022100001764	84.010	8,816,393
Title I Grants to Local Educational Agencies	GRTAWD0402200005409	84.010	693,106
Title I Grants to Local Educational Agencies	GRTAWD04022100002070	84.010	46,316
Title I Grants to Local Educational Agencies	GRTAWD04021900001344	84.010	230,867
Total - Title I Cluster			<u>11,341,295</u>
Special Education Cluster:			
Special Education - Grants to States	GRTAWD0402200001669	84.027	476,790
Special Education - Grants to States	GRTAWD04022100001424	84.027	5,805,818
Special Education - Grants to States	GRTAWD04022100004698	84.027	15,000
Special Education - Grants to States	GRTAWD0402200001295	84.027	3,678
			<u>6,301,286</u>
Special Education - Preschool Grants			
Special Education - Preschool Grants	GRTAWD04022100001102	84.173	189,128
Special Education - Preschool Grants	GRTAWD0402200001579	84.173	90,716
Special Education - Preschool Grants	GRTAWD04022100004020	84.173	20,250
Special Education - Preschool Grants	GRTAWD04022100004868	84.173	7,013
			<u>307,107</u>
Total - Special Education Cluster			<u>6,608,393</u>
Title II Improving Teacher Quality			
Title II Improving Teacher Quality	GRTAWD04021900002426	84.367	76,173
Title II Improving Teacher Quality	GRTAWD0402200001539	84.367	89,404
Title II Improving Teacher Quality	GRTAWD04022100001680	84.367	951,333
Total - Title II Improving Teacher Quality			<u>1,116,910</u>
Title III English Language			
Title III English Language	GRTAWD0402200001425	84.365	269
Title III English Language	GRTAWD04022100002081	84.365	16,575
Title III English Language	GRTAWD04021900002550	84.365	10,073
Total - Title III English Language			<u>26,917</u>
Title IV			
Title IV	GRTAWD04022000004068	84.424	602,265
Title IV	GRTAWD04022100002107	84.424	522,069
Title IV	GRTAWD04021900002610	84.424	235
Total - Title IV			<u>1,124,569</u>
CARES Act			
Total - CARES Act	GRTAWD0402200005941	84.425	7,670,359
			<u>7,670,359</u>
Elementary and Secondary School Emergency Relief Fund			
Elementary and Secondary School Emergency Relief Fund	GRTAWD04022100005256	84.425D	2,620,731
Elementary and Secondary School Emergency Relief Fund	GRTAWD04022100005325	84.425D	344,654
Total - ESSERF			<u>2,965,385</u>
American Rescue Plan Elementary and Secondary School Emergency Relief Fund			
Total - ARP ESSER	2021	84.425U	327,867
			<u>327,867</u>
Career and Technical Education - Basic Grants			
Career and Technical Education - Basic Grants	GRTAWD0402200001004	84.048	46,543
Career and Technical Education - Basic Grants	GRTAWD0402200005207	84.048	1,619
Career and Technical Education - Basic Grants	GRTAWD04022100000936	84.048	543,474
Career and Technical Education - Basic Grants	GRTAWD04022100004581	84.048	14,062
Career and Technical Education - Basic Grants	GRTAWD0402200000547	84.048	1,495
Total - Career and Technical Education - Basic Grants			<u>607,193</u>
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	GRTAWD04022000002111	84.196	3,963
Education for Homeless Children and Youth	GRTAWD04022000002113	84.196	11,364
Education for Homeless Children and Youth	GRTAWD04022100003021	84.196	20,690
Education for Homeless Children and Youth	GRTAWD04022100003022	84.196	10,492
Education for Homeless Children and Youth	GRTAWD04022100003023	84.196	14,789
Education for Homeless Children and Youth	GRTAWD04022100003024	84.196	50,000
Total - Education for Homeless Children and Youth			<u>111,298</u>
Total U.S. Department of Education			<u>34,000,736</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through West Virginia Department of Education:</i>			
Substance Abuse Prevention & Treatment			
Total - Substance Abuse Prevention & Treatment	GRTAWD0402200005564	93.959	170,442
			<u>170,442</u>
State Opioid Response			
Total - State Opioid Response	GRTAWD0402200004392	93.788	115,092
			<u>115,092</u>
Head Start			
Total - Head Start	2021	93.600	3,979,746
			<u>3,979,746</u>
Total U.S. Department of Health and Human Services			<u>4,265,280</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed Through West Virginia Department of Homeland Security and Emergency Management</i>			
Homeland Security Grant Program			
Total - Homeland Security Grant Program	FEMA-4273-DR-WV	97.036	28,939,004
			<u>28,939,004</u>
Total U.S. Department of Homeland Security			<u>28,939,004</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed Through West Virginia Department of Education</i>			
Coronavirus Relief Fund			
Total - Coronavirus Relief Fund	GRTAWD04022100005027	21.019	189,409
			<u>189,409</u>
Total U.S. Department of the Treasury			<u>189,409</u>
Total Expenditures of Federal Awards			<u>\$ 86,712,100</u>

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE 2 - INDIRECT COST RATE

The Board has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.

NOTE 3 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Board under programs of the Federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 the Board, it is not intended to and does not present the financial position and changes in net position of the Board.

NOTE 4 - DONATED FOOD COMMODITIES VALUE

Donated food commodities represent surplus agricultural commodities received from the U.S. Department of Agriculture (CFDA #10.555), passed-through from the West Virginia Department of Agriculture. Commodities are valued based on amounts as established by the U.S. Department of Agriculture.

For the year ended June 30, 2021, total expenditures were \$635,253.

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

Kanawha County Board of Education
Kanawha County
200 Elizabeth Street
Charleston, WV 25311

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Kanawha County Board of Education**, Kanawha County, (the Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated April 29, 2022, wherein we noted the adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Board.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Board's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Board's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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

Compliance and Other Matters

As part of reasonably assuring whether the Board's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board'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

April 29, 2022

**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**

Kanawha County Board of Education
Kanawha County
200 Elizabeth Street
Charleston, WV 25311

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited **Kanawha County Board of Education's** (the Board) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Kanawha County Board of Education's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the Board's major federal programs.

Management's Responsibility

The Board's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations
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Opinion on Each Major Federal Program

In our opinion, Kanawha County Board of Education complied, in all material respects with the compliance requirements referred to above that could directly and materially affect the major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

The Board's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Board's internal control over compliance with the applicable requirements that could directly and materially affect the major federal programs, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



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

April 29, 2022

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
JUNE 30, 2021**

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 control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other 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 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):	AL# 84.027/84.173 – Special Education Cluster AL# 84.063 – Pell Grant AL# 84.424 – Title IV AL# 84.425 – HEERF/ESSERF AL# 93.600 – Head Start
<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?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None