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PASSION *Beyond the Numbers*

**KANAWHA COUNTY BOARD OF EDUCATION
KANAWHA COUNTY**

**Single Audit
For The Year Ended June 30, 2022
RFP #20-088**

**KANAWHA COUNTY BOARD OF EDUCATION
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INDEPENDENT AUDITOR'S REPORT

Kanawha County Board of Education
200 Elizabeth Street
Charleston, West Virginia 25311

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited 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, West Virginia (the Board), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kanawha County Board of Education, Kanawha County, West Virginia as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General Current Expense, Special Revenue Fund, Special Revenue Fund – School Activity Fund, and Special Revenue Fund – Federal Stimulus Stabilization Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1.V. to the financial statements, during 2022, the Board adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, required budgetary comparisons for the General Current Expense, Special Revenue Fund, Special Revenue Fund – School Activity Fund, Special Revenue Fund – Federal Stimulus Stabilization Fund, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The budgetary comparison information for the Debt Service Fund, Permanent Improvement Fund, the Schedule of Changes in School Activity Funds, the Schedule of Excess Levy Revenues and Expenditures, the Schedule of State Grant Receipts and Expenditures and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

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



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

March 24, 2023

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022
(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, 2022. 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 \$439 million (*net position*) at the close of the most recent fiscal year. Of this amount, approximately \$41.9 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 \$73.4 million. This increase is primarily attributable to the increase in federal and state grants and an overall decrease in expenses.

As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$137.1 million, a decrease of approximately \$17.6 million in comparison with the prior year.

- At the end of the current fiscal year, unreserved fund balance for the general current expense 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, 2022
(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 six 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, special revenue school activity 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 basic fiduciary fund financial statement can be found on the pages following 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 \$439 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, 2022
(Unaudited)**

	2022 Governmental Activities	2021 Governmental Activities	Variance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and other assets	\$ 188,976,303	\$ 236,185,773	\$ (47,209,470)
Capital assets	375,767,933	299,476,913	76,291,020
ROU Assets	-	-	-
Net other post employment benefit (OPEB) asset - Proportionate share	192,742	-	192,742
Deferred outflows of resources	9,751,288	14,041,470	(4,290,182)
Total assets and deferred outflows of resources	\$ 574,688,266	\$ 549,704,156	\$ 24,984,110
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities and deferred inflows of resources:			
Current and other liabilities	\$ 42,842,758	\$ 50,329,724	\$ (7,486,966)
Long-term liabilities outstanding	65,897,939	96,125,342	(30,227,403)
Deferred inflows of resources	19,515,682	20,254,617	(738,935)
Net pension liability - Proportionate share	7,570,393	14,541,750	(6,971,357)
Net other post employment benefit (OPEB) liability - Proportionate share	-	2,996,119	(2,996,119)
Asset Retirement Obligation (ARO) liability	-	-	-
Total liabilities and deferred inflows of resources	135,826,772	184,247,552	(48,420,780)
Net position:			
Net Investment in Capital Assets	310,023,962	203,574,950	106,449,012
Restricted	86,919,519	114,215,264	(27,295,745)
Unrestricted	41,918,013	47,666,390	(5,748,377)
Total net position	438,861,494	365,456,604	73,404,890
Total liabilities, deferred inflows of resources, and net position	\$ 574,688,266	\$ 549,704,156	\$ 24,984,110

The key elements of the increase of the Board's net position for the year ended June 30, 2022 are as follows:

- Current and other assets decreased by approximately \$47.2 million, which primarily represents an decrease in cash and investments with the expenditures for capital asset construction.
- Capital assets increased by approximately \$76.3 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 \$7.5 million which was primarily the result of a reduction in salaries and payroll liabilities payable and accounts payable.
- Long-term liabilities decreased by approximately \$30.2 million which was primarily the result of the principal payments on the existing finance lease liabilities.
- GASB 68 requires the Board to record its proportionate share of the net pension liability, deferred outflows and deferred inflows. The net pension liability decreased by approximately \$6.9 million.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022
(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 \$3.1 million to an net OPEB asset at year end.
- 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 decreased by approximately \$27.3 million during the year ended June 30, 2022. This resulted primarily from the expenditure of funds for construction in progress.
- The Board's net position increased by approximately \$73.4 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, 2022 in comparison with the year ended June 30, 2021:

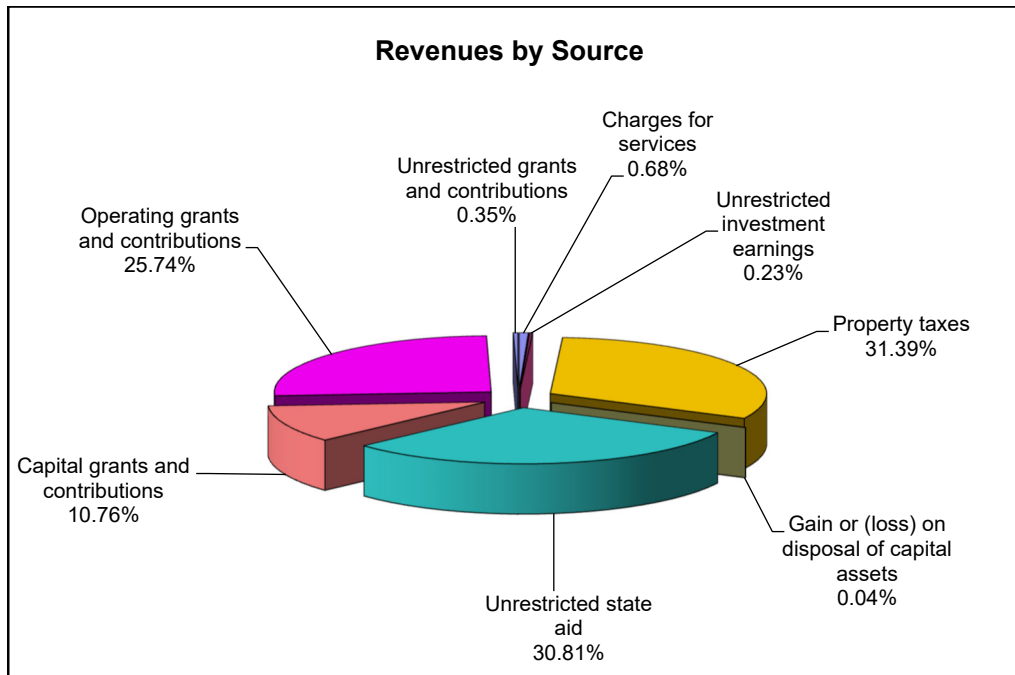
	2022	2021	
	Governmental	Governmental	Variance
	Activities	Activities	
Revenues:			
Program revenues:			
Charges for services	\$ 2,393,344	\$ 2,767,462	\$ (374,118)
Operating grants and contributions	90,465,902	66,835,507	23,630,395
Capital grants and contributions	37,823,275	30,030,828	7,792,447
General revenues:			
Property taxes	110,302,293	155,096,600	(44,794,307)
Unrestricted state aid	108,255,570	141,970,692	(33,715,122)
Unrestricted investment earnings	814,345	262,982	551,363
Unrestricted grants and contributions	1,222,264	4,113,378	(2,891,114)
Gain or (loss) on disposal of capital assets	131,024	(146,264)	277,288
Total revenues	<u>351,408,017</u>	<u>400,931,185</u>	<u>(49,523,168)</u>
Expenses:			
Instruction	161,186,029	184,510,543	(23,324,514)
Supporting services:			
Students	15,813,916	16,816,502	(1,002,586)
Instructional staff	6,422,087	6,946,818	(524,731)
General administration	2,308,162	8,122,023	(5,813,861)
School administration	13,069,975	15,280,023	(2,210,048)
Central services	6,837,326	1,807,484	5,029,842
Operation and maintenance of facilities	32,027,038	50,988,851	(18,961,813)
Student transportation	14,259,526	17,223,222	(2,963,696)
Other	107,075	190,251	(83,176)
Total supporting services	<u>90,845,105</u>	<u>117,375,174</u>	<u>(26,530,069)</u>
Food services	20,639,536	22,122,431	(1,482,895)
Community services	4,588,595	4,212,148	376,447
Interest on long-term debt	743,860	835,980	(92,120)
Total expenses	<u>278,003,126</u>	<u>329,056,276</u>	<u>(51,053,150)</u>
Change in net position before transfers	73,404,891	71,874,909	1,529,982
Transfers	-	-	-
Change in net position	73,404,891	71,874,909	1,529,982
Net position - Beginning	365,456,604	283,871,613	81,584,991
Restatement	-	9,710,082	(9,710,082)
Net position - Ending	<u>\$ 438,861,495</u>	<u>\$ 365,456,604</u>	<u>\$ 73,404,891</u>

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022
(Unaudited)**

The key elements of the changes in the Board's statement of activities for the year ended June 30, 2022 are as follows:

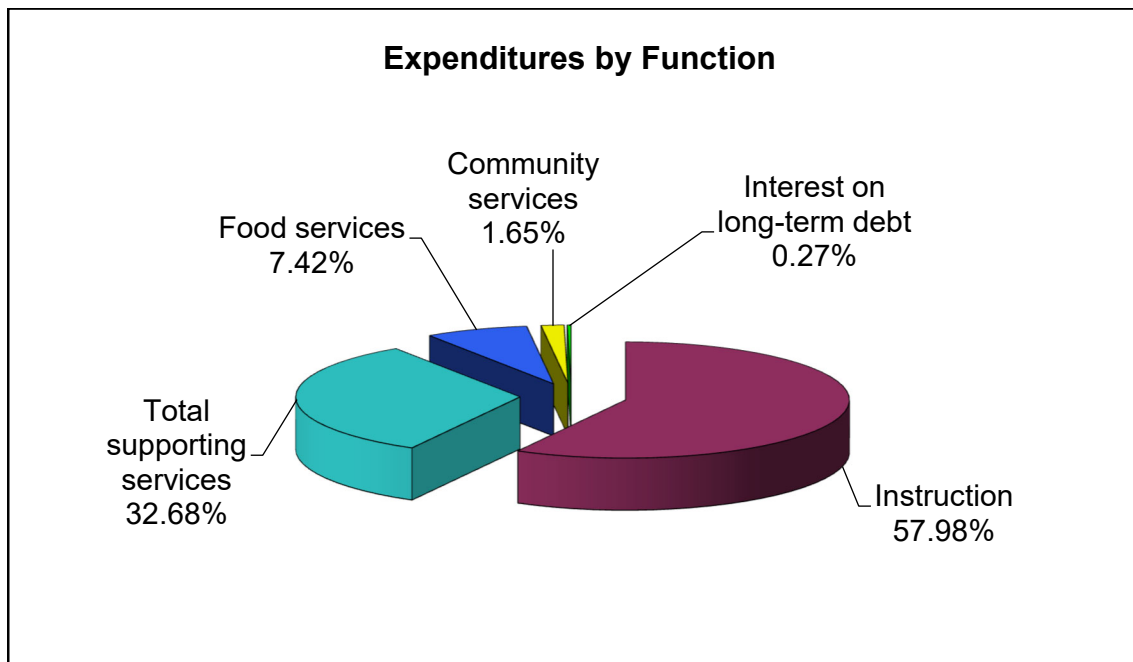
- Operating grants and contributions increased by approximately \$23.6 million which was primarily the result of increased state and federal funding for pandemic response.
- Capital grants and contributions increased \$7.8 million which was primarily the result of an increase in School Building Authority and FEMA funding for school construction.
- General revenues from property taxes decreased approximately \$44.8 million which was primarily the result of the assessed values.
- General revenues from unrestricted state aid decreased by approximately \$33.7 million which was primarily the result of decreased enrollment and other decreases in state aid.
- Overall expenses decreased by approximately \$51.1 million which was primarily the result of an overall decrease in instructional expense and operation and maintenance.

The following chart shows the Board's revenues for fiscal year ended June 30, 2022 by source:



**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022
(Unaudited)**

The following chart shows the Board's expenditures for fiscal year ended June 30, 2022 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 \$137.1 million. The net change in fund balance was an decrease of approximately \$17.6 million which was primarily the result of an decrease in property tax and unrestricted state aid.

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, 2022.

The Board had six major funds for the fiscal year ended June 30, 2022. Those funds are the General Current Expense Fund, Special Revenue Fund, Special Revenue Federal Stimulus and Stabilization Fund, Special Revenue School Activity 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, 2022
(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 increased from approximately \$41.3 million to approximately \$52.7 million during the fiscal year ended June 30, 2022. This increase of approximately \$11.4 million was primarily due to a decrease in total 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 \$19.6 million to approximately \$21.8 million during the fiscal year ended June 30, 2022. This increase of approximately \$2.2 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 \$805 thousand deficit to approximately \$2.5 million deficit during the fiscal year ended June 30, 2022. This decrease of approximately \$1.7 million 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 \$428 dollars to \$445 dollars during the fiscal year ended June 30, 2022.

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 decreased from approximately \$84.2 million to \$50.5 million during the fiscal year ended June 30, 2022. This increase of approximately \$33.7 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 \$10.4 million , to approximately \$14.6 million during the fiscal year ended June 30, 2022. The increase of approximately \$4.2 million is due to the timing of receipt of certain funds to be expended in future years.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2022
(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 \$38.6 million or thirteen 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 \$25.5 million in instruction.
- An increase of approximately \$2.9 million in student transportation.
- An increase of approximately \$4.2 million in operation and maintenance.

Capital Asset, Right-of-Use Assets, and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2022, amounts to approximately \$375.8 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.

	2022 Governmental Activities	2021 Governmental Activities	Variance
Land	\$ 6,379,956	\$ 6,379,956	\$ -
Land improvements	12,024,096	11,896,890	127,206
Buildings and improvements	171,030,044	165,346,624	5,683,420
Furniture and equipment	16,760,475	18,338,167	(1,577,692)
Vehicles	-	-	-
Construction in process	169,573,362	97,515,276	72,058,086
Total capital assets	\$ 375,767,933	\$ 299,476,913	\$ 76,291,020

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

- Capital assets increased by approximately \$76.3 million, which represents the net amount of capital asset additions in excess of depreciation expense and capital asset disposals.
- The Board has approximately \$169.6 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 \$3.2 million in equipment, furniture and vehicles. The Board also had approximately \$1.1 million in land improvements and \$12.7 million in buildings placed into service.

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, 2022
(Unaudited)**

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

	2022 Governmental Activities	2021 Governmental Activities	Variance
Finance Lease obligations	\$ 62,230,068	\$ 92,388,060	\$ (30,157,992)
Loan from Governor's Office	3,513,903	3,513,903	-
Compensated absences	970,941	1,378,263	(407,322)
Net pension liability - Proportionate share	7,570,393	14,541,750	(6,971,357)
Net OPEB liability - Proportionate share	-	2,996,119	(2,996,119)
Total debt outstanding	\$ 74,285,305	\$ 114,818,095	\$ (40,532,790)

Finance lease obligations decreased approximately \$30.2 million which was the result of the principal payments on various finance lease liabilities. The obligation for compensated absences for vacation decreased by approximately \$407 thousand at June 30, 2022. The Board's proportionate share of the net pension liability decreased by approximately \$6.8 million and the Board's proportionate share of the net OPEB liability decreased by approximately \$3.2 million at June 30, 2022 and is now a net OPEB asset at year end.

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 2022, the Board spent an estimated \$28 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, 2022

Governmental
Activities

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Cash and cash equivalents	\$ 102,679,480
Investments	59,721,271
Taxes receivable, net of allowance for uncollectible taxes	11,029,152
Deposit with Retirement Board	947,287
Food service receivable	292,475
Other receivables	206,906
Due from other governments:	
State aid receivable	129,303
PEIA allocation receivable	3,350,310
Reimbursements receivable	10,620,119
Capital Assets:	
Land	6,379,956
Land improvements	28,970,731
Buildings and improvements	318,489,112
Furniture and equipment	81,766,207
Construction in process	169,573,362
Less accumulated depreciation	<u>(229,411,435)</u>
Total capital assets, net of depreciation	375,767,933
Net other post employment benefit (OPEB) asset - Proportionate Share	<u>192,742</u>
Total assets	<u>564,936,978</u>

Deferred outflows of resources:

Pension	6,325,095
Other post employment benefit (OPEB)	<u>3,426,193</u>
Total deferred outflows of resources	<u>9,751,288</u>

Total assets and deferred outflows of resources **\$ 574,688,266**

LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION

Liabilities:

Salaries payable and related payroll liabilities	\$ 13,511,092
PEIA premiums payable	4,124,813
Compensated absences	970,941
Accounts payable	20,989,187
Other post employment benefit payable	3,246,725
Long-term obligations:	
Due within one year:	
Bonds and contracts	3,513,903
Accrued interest	153,968
Finance lease liability	22,340,236
Due beyond one year:	
Finance lease liability	39,889,832
Net pension liability - Proportionate Share	<u>7,570,393</u>
Total liabilities	<u>116,311,090</u>

Deferred inflows of resources:

Pension	8,934,209
Other post employment benefit (OPEB)	<u>10,581,473</u>
Total deferred inflows of resources	<u>19,515,682</u>

Total liabilities and deferred inflows of resources **\$ 135,826,772**

Net Position:

Net Investment in Capital Assets	\$ 310,023,962
Restricted for:	
Debt service	445
Special projects	36,433,561
Capital projects	50,485,513
Unrestricted	<u>41,918,013</u>
Total net position	<u>\$ 438,861,494</u>

The accompanying notes are an integral part of the financial statements.

**KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	\$ 161,186,029	\$ 1,663,980	\$ 54,285,600	\$ 24,189,802	\$ (81,046,647)
Supporting services:					
Students	15,813,916	163,253	29,818,945	2,373,255	16,541,537
Instructional staff	6,422,087	66,297	786,979	963,787	(4,605,024)
General administration	2,308,162	23,828	123,606	346,395	(1,814,333)
School administration	13,069,975	134,926	699,920	1,961,461	(10,273,668)
Central services	6,837,326	70,584	366,151	1,026,104	(5,374,487)
Operation and maintenance of facilities	32,027,038	330,626	1,715,104	4,806,420	(25,174,888)
Student transportation	14,259,526	147,206	763,623	2,139,982	(11,208,715)
Other support services	107,075	1,105	5,734	16,069	(84,167)
Food services	20,639,536	(208,461)	1,900,240	-	(18,947,757)
Community services	4,588,595	-	-	-	(4,588,595)
Interest on long-term debt/finance leases	743,860	-	-	-	(743,860)
Total governmental activities	\$ 278,003,126	\$ 2,393,344	\$ 90,465,902	\$ 37,823,275	(147,320,605)
General revenues:					
Property taxes					110,302,293
Unrestricted state aid					108,255,570
Unrestricted investment earnings					814,345
Unrestricted grants and contributions					1,222,264
Gain (loss) on disposal of capital assets					131,024
Total general revenues					220,725,496
Change in net position					73,404,891
Net position - beginning					365,456,604
Net position - ending					\$ 438,861,494

The accompanying notes are an integral part of the financial statements.

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

JUNE 30, 2022

	11 General Current Expense	61 Special Revenue Fund	65 Special Revenue School Activity Fund	71 Special Revenue Federal Stimulus Stabilization Fund	21 Debt Service Fund	41 Permanent Improvement Fund	Total Governmental
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and cash equivalents	\$ 59,362,858	\$ 10,810,115	\$ 14,616,296	\$ -	\$ -	\$ 17,890,211	\$ 102,679,480
Investments	14,286,769	-	-	-	445	45,434,057	59,721,271
Taxes receivable, net	11,029,152	-	-	-	-	-	11,029,152
Deposit with Retirement Board	947,287	-	-	-	-	-	947,287
Food service receivable, net	-	292,475	-	-	-	-	292,475
Other receivables	206,906	-	-	-	-	-	206,906
Due from other governments:							
State aid receivable	129,303	-	-	-	-	-	129,303
PEIA allocation receivable	3,350,310	-	-	-	-	-	3,350,310
Reimbursements receivable	46,292	3,677,166	-	4,718,229	-	2,178,432	10,620,119
Due from other funds	3,481,552	10,061,340	-	-	-	-	13,542,892
Total assets	92,840,429	24,841,096	14,616,296	4,718,229	445	65,502,700	202,519,195
Deferred outflows of resources	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES	\$ 92,840,429	\$ 24,841,096	\$ 14,616,296	\$ 4,718,229	\$ 445	\$ 65,502,700	\$ 202,519,195
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liabilities	\$ 11,012,208	\$ 1,848,804	\$ -	\$ 650,080	\$ -	\$ -	\$ 13,511,092
Other post employment benefits payable	2,536,731	446,331	-	263,663	-	-	3,246,725
PEIA premiums payable	4,124,813	-	-	-	-	-	4,124,813
Accounts payable & Payable to others	2,723,393	446,564	-	2,802,043	-	15,017,187	20,989,187
Due to other funds	10,037,957	-	28,007	3,476,928	-	-	13,542,892
Total liabilities	30,435,102	2,741,699	28,007	7,192,714	-	15,017,187	55,414,709
Deferred inflows of resources	9,698,438	292,475	-	-	-	-	9,990,913
Total deferred inflows of resources	9,698,438	292,475	-	-	-	-	9,990,913
Fund Balances:							
Restricted	38,350	21,806,922	14,588,289	-	445	50,485,513	86,919,519
Assigned	52,668,539	-	-	-	-	-	52,668,539
Unassigned	-	-	-	(2,474,485)	-	-	(2,474,485)
Total fund balances	52,706,889	21,806,922	14,588,289	(2,474,485)	445	50,485,513	137,113,573
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 92,840,429	\$ 24,841,096	\$ 14,616,296	\$ 4,718,229	\$ 445	\$ 65,502,700	\$ 202,519,195
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							\$ 375,767,933
Finance lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds							-
Other deferred charges are not reported in the funds							10,089
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							9,980,824
Net OPEB asset - proportionate share							192,742
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds							
Deferred outflows of resources related to pensions							6,325,095
Deferred inflows of resources related to pensions							(8,934,209)
Deferred outflows of resources related to OPEB							3,426,193
Deferred inflows of resources related to OPEB							(10,581,473)
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							
Loan from Governors Office							(3,513,903)
Accrued interest on leases							(153,968)
Finance lease liability							(62,230,068)
Compensated absences							(970,941)
Net pension liability - proportionate share							(7,570,393)
Net position of governmental activities							<u>\$ 438,861,494</u>

The accompanying notes are an integral part of the 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, 2022

	11	61	65 Special Revenue School Activity Fund	71 Special Revenue Federal Stimulus Stabilization Fund	21 Debt Service Fund	41 Permanent Improvement Fund	Total Governmental
	General Current Expense	Special Revenue					
Revenues:							
Property taxes	\$ 131,596,500	\$ -	\$ -	\$ -	\$ 17	\$ -	\$ 131,596,517
Other Local sources	3,213,274	1,420,036	8,690,634	-	-	50,653	13,374,597
State sources	165,916,452	6,178,225	-	-	-	2,780,437	174,875,114
Federal sources	1,745,511	44,259,076	-	30,579,847	-	35,218,221	111,802,655
Total revenues	302,471,737	51,857,337	8,690,634	30,579,847	17	38,049,311	431,648,883
Expenditures:							
Instruction	154,147,091	26,315,848	3,342,917	18,074,343	-	-	201,880,199
Supporting services:							
Students	14,684,929	3,021,230	-	1,719,572	-	-	19,425,731
Instructional staff	2,235,830	4,419,844	-	707,879	-	-	7,363,553
General administration	2,467,596	19,100	-	2,500	-	-	2,489,196
School administration	16,405,563	340,224	-	26,535	-	-	16,772,322
Central Services	7,780,804	-	-	450,851	-	-	8,231,655
Operation and maintenance of facilities	33,971,595	420,032	-	1,603,713	-	91,769	36,087,109
Student transportation	16,865,858	276,496	-	404,763	-	-	17,547,117
Other support services	-	-	-	100,021	-	-	100,021
Food services	61,097	20,560,277	-	1,051,577	-	-	21,672,951
Community services	4,449,271	24,883	-	56,258	-	-	4,530,412
Capital outlay	1,862,202	279,134	-	3,991,728	-	76,017,760	82,150,824
Debt service:							
Principal retirement	30,157,992	-	-	-	-	-	30,157,992
Interest and fiscal charges	813,272	-	-	-	-	-	813,272
Total expenditures	285,903,100	55,677,068	3,342,917	28,189,740	-	76,109,529	449,222,354
Excess (deficiency) of revenues over expenditures	16,568,637	(3,819,731)	5,347,717	2,390,107	17	(38,060,218)	(17,573,471)
Other financing sources (uses):							
Transfers in	5,581,676	7,352,673	686,329	-	-	4,300,000	17,920,678
Transfers (out)	(10,719,715)	(1,311,323)	(1,829,559)	(4,060,081)	-	-	(17,920,678)
Total other financing sources (uses)	(5,138,039)	6,041,350	(1,143,230)	(4,060,081)	-	4,300,000	-
Net change in fund balances	11,430,598	2,221,619	4,204,487	(1,669,974)	17	(33,760,218)	(17,573,471)
Fund balances - beginning	41,276,291	19,585,303	10,383,802	(804,511)	428	84,245,731	154,687,044
Fund balances - ending	\$ 52,706,889	\$ 21,806,922	\$ 14,588,289	\$ (2,474,485)	\$ 445	\$ 50,485,513	\$ 137,113,573

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, 2022**

Net change in fund balances - total governmental funds	\$ (17,573,471)
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 capital 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	(12,707,408)
Capital outlays	101,719,092
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	(22,650,458)
Operating Grants and Contributions	94,103
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	(14,468,730)
Accumulated depreciation of assets disposed	1,748,066
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	407,322
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.	
	69,412
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	1,435,749
Cost of benefits earned net of employee contributions	685,565
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	1,193,939
Cost of benefits earned net of employee contributions	3,293,718
Finance Lease payables 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 finance lease payables decreased.	
	30,157,992
Change in net position of governmental activities	\$ 73,404,891

The accompanying notes are an integral part of the financial statements.

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2022

	Fiduciary Funds-Custodial	
	KCPL General Fund	KCPL Capital Projects
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Cash and cash equivalents	\$ 8,199,923	\$ 246,243
Prepaid Expenses	50,233	-
Receivables	169,465	-
Total assets	<u>8,419,621</u>	<u>246,243</u>
Deferred outflows of resources:		
Total deferred outflows of resources	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 8,419,621</u>	<u>\$ 246,243</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 423,818	\$ 9,686
Due to other funds	-	-
Total liabilities	<u>423,818</u>	<u>9,686</u>
Deferred inflows of resources:		
Total deferred inflows of resources	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 423,818</u>	<u>\$ 9,686</u>
Net Position:		
Nonspendable	\$ -	\$ -
Restricted	7,995,803	236,557
Assigned	-	-
Unassigned	-	-
Total Net Position:	<u>\$ 7,995,803</u>	<u>\$ 236,557</u>

The accompanying notes are an integral part of the financial statements.

**KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Fiduciary Funds-Custodial	
	KCPL General Fund	KCPL Capital Projects
Additions		
Other Local sources	\$ 7,954,748	\$ -
State Sources	924,474	-
Total Additions	<u>8,879,222</u>	<u>-</u>
Deductions		
Supporting Services	\$ 8,758,866	\$ -
Total deductions	<u>8,758,866</u>	<u>-</u>
Change in fiduciary net position	120,356	-
Fiduciary net position - beginning of the year	7,875,447	236,557
Fiduciary net position - end of the year	<u>\$ 7,995,803</u>	<u>\$ 236,557</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, 2022

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 and amortization expenses for capital assets and right-of-use assets, respectively, that can be specifically identified with a function are included in its direct expenses. Depreciation and amortization 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) and right-of-use assets are 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, 2022

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 year

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2022

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.

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For The Fiscal Year Ended June 30, 2022

All deposit accounts and investments of the School Board at June 30, 2022 consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
Municipal Bond Commission	\$ 445	\$ 445	\$ 445
Money Market/Sweep Account	88,770,525	88,770,525	104,436,556
Bank public funds savings accounts	57,481,282	57,481,282	22,720,175
Certificates of Deposit	1,532,203	1,532,203	1,532,203
Deposits with financial institutions - Individual Schools	14,616,296	14,616,296	14,616,296
Total Cash and Investments	\$ 162,400,751	\$ 162,400,751	\$ 143,305,675

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 \$1,332,388 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.

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 acquisition value at

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2022

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. Right-of-Use Assets

Right-of-use assets, which include land, buildings, equipment, and vehicles are reported in the district-wide financial statements. The School Board defines right-of-use assets as the right to occupy, operate, or hold a leased asset during the rental period. This rental period must be for greater than 12 months including any option to renew if it is reasonably certain, based on all relevant factors, that the School Board will exercise that option. These assets do not include any lease contracts that transfer ownership at the end of the lease.

Right-of-use assets are recorded at the present value of the payments expected to be made during the lease term, including any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives. Initial direct costs that are necessary to place the lease asset into service should also be included.

Land, buildings, equipment, and vehicles of the School Board are amortized using the straight-line method over the shorter period of the lease term or the useful life of the asset.

The Board determined that it did not have any reportable right-of-use assets.

L. 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.

M. 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 9 for further discussion.

KANAWHA COUNTY BOARD OF EDUCATION
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For The Fiscal Year Ended June 30, 2022

N. 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.

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.

O. 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.

KANAWHA COUNTY BOARD OF EDUCATION
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For The Fiscal Year Ended June 30, 2022

P. 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.

Q. 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:

- **Net investment in capital assets** - 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.

R. 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, 2022. Those committed

KANAWHA COUNTY BOARD OF EDUCATION
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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.
- 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.

S. 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.

T. 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.

U. 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.

V. Newly Adopted Statements Issued by the GASB:

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 adoption of GASB Statement 87 did not have a significant impact on the financial statements.

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The Governmental Accounting Standards Board has also issued Statement No. 92, *Omnibus 2021*, 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 adoption of GASB Statement No. 92 did not have a significant impact on the financial statements.

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, 2021.* The primary objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an LIBOR. The adoption of GASB Statement No. 93 did not have a significant impact on the financial statements.

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 2021. Certain parts of this GASB were effective immediately. 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 adoption of GASB Statement No. 97 did not have a significant impact on the financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 98, *The Annual Comprehensive Financial Report*, effective for fiscal years ending after December 15, 2021. The objective of this Statement is to address references in authoritative literature to the term Comprehensive Annual Financial Report (CAFR) and change them to Annual Comprehensive Financial Report (ACFR). The adoption of GASB Statement No. 97 did not have a significant impact on the financial statements.

The Governmental Accounting Standards Boards has also issued Statement No. 99, *Omnibus 2022*, with varying effective dates based upon each provision ranging from being effective immediately to fiscal years beginning after June 15, 2023. The requirements of this Statement address a variety of items, including specific provisions regarding the following topics: (1) guidance and terminology updates on reporting derivative instruments that do not meet the definition of either an investment derivative or hedging derivative, but are within the scope of GASB Statement No. 53; (2) clarification of provisions of GASB Statement Nos. 87, 94, and 96; (3) extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate; (4) accounting for Supplemental Nutrition Assistance Program (SNAP) benefits; (5) non-monetary transactions; (6) clarification related to the focus of government-wide financial statements under GASB Statement No. 34; and (7) terminology updates related to GASB Statement No. 63. The provisions effective immediately did not have an impact on the financial statements, and the Board has not yet determined the effect of the remaining provisions.

**KANAWHA COUNTY BOARD OF EDUCATION
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W. Recent Statements Issued by the GASB:

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, 2021. 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, 2022. 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. 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.

The Governmental Accounting Standards Board has also issued Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The School Board has not yet determined the effect that the adoption of GASB Statement No. 100 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The School Board has not yet determined the effect that the adoption of GASB Statement No. 101 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, 2022:

<u>Fund</u>	<u>Amount</u>
Permanent Improvement Fund	<u>\$ 33,760,218</u>

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Special Revenue Federal Stimulus and Stabilization \$ 1,669,974

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, 2022:

<u>Fund</u>	<u>Amount</u>
Special Revenue Federal Stimulus and Stabilization	\$ <u>2,474,485</u>

The Special Revenue Federal Stimulus and Stabilization Fund had a deficit fund balance of \$2,474,485 as of June 30, 2022. 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.

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.

**KANAWHA COUNTY BOARD OF EDUCATION
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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.

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, 2022 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	\$ 3,783,453,596	38.80¢	43.82¢	2.08¢	¢
Class III	\$ 2,719,513,044	77.60¢	87.64¢	4.16¢	¢
Class IV	\$ 3,382,997,206	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.

KANAWHA COUNTY BOARD OF EDUCATION
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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, 2022 for the School Board's funds are as follows:

	<u>General Current Expense Fund</u>	<u>Debt Service Fund</u>
Taxes receivable	\$ 17,800,271	\$ -
Less: allowance for uncollectible	<u>6,771,119</u>	<u>-</u>
Taxes receivable, net	<u>\$ 11,029,152</u>	<u>\$ -</u>

Note 5 - Excess Levy:

The School Board had an excess levy in effect during the fiscal year ended June 30, 2022. 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 \$68,478,106 was received by the School Board from the excess levy during the fiscal year ended June 30, 2022.

KANAWHA COUNTY BOARD OF EDUCATION
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Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	\$ 6,379,956	\$ -	\$ -	\$ 6,379,956
Construction in process	97,515,276	84,755,121	(12,697,035)	169,573,362
Total non-depreciable capital assets	<u>103,895,232</u>	<u>84,755,121</u>	<u>(12,697,035)</u>	<u>175,953,318</u>
Capital assets, depreciable:				
Land improvements	27,886,235	1,084,496	-	28,970,731
Buildings and improvements	305,790,938	12,715,174	(17,000)	318,489,112
Furniture and equipment	80,356,601	3,164,301	(1,754,695)	81,766,207
Vehicles	-	-	-	-
Total depreciable capital assets	<u>414,033,774</u>	<u>16,963,971</u>	<u>(1,771,695)</u>	<u>429,226,050</u>
Less accumulated depreciation for:				
Land improvements	(15,989,345)	(967,490)	10,200	(16,946,635)
Buildings and improvements	(140,444,314)	(7,014,754)	-	(147,459,068)
Furniture and equipment	(62,018,434)	(4,725,164)	1,737,866	(65,005,732)
Vehicles	-	-	-	-
Total accumulated depreciation	<u>(218,452,093)</u>	<u>(12,707,408)</u>	<u>1,748,066</u>	<u>(229,411,435)</u>
Total depreciable capital assets, net	<u>195,581,681</u>	<u>4,256,563</u>	<u>(23,629)</u>	<u>199,814,615</u>
Total capital assets, net	<u>\$ 299,476,913</u>	<u>\$ 89,011,684</u>	<u>\$ (12,720,664)</u>	<u>\$ 375,767,933</u>

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

Instruction	\$ 7,561,085
Supporting Services:	
Students	688,628
Instructional Staff	263,395
Central administration	316,328
School administration	641,971
Business	118,243
Operation and maintenance of facilities	1,414,177
Transportation	704,260
Other support services	7,054
Food services	828,093
Community Services	164,174
Total Depreciation expense - governmental activities	<u>\$ 12,707,408</u>

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Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2022 is as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
General obligation debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on sale of bonds	-	-	-	-	-	-
Compensated absences	1,378,263	-	407,322	970,941	-	970,941
Loan from Governor's office	3,513,903	-	-	3,513,903	3,513,903	-
Finance lease liability	92,388,060	-	30,157,992	62,230,068	22,340,236	39,889,832
Proportionate share of net pension liability	14,541,750	-	6,971,357	7,570,393	-	7,570,393
Proportionate share of net OPEB liability (asset)	2,996,119	-	2,996,119	-	-	-
Long-term liabilities	<u>\$114,818,095</u>	<u>\$ -</u>	<u>\$ 40,725,532</u>	<u>\$74,285,305</u>	<u>\$25,854,139</u>	<u>\$48,238,424</u>

Note 8 - Leases:

The School Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as finance lease contracts that transfer ownership, are for various terms. While these agreements contain clauses indicating that their continuation is subject to continuing appropriation by the Legislature, these leases are accounted for as lease contracts that transfer ownership and are considered noncancelable for financial reporting purposes.

Short-term leases with the lease payments recorded as expenditures during the life of the lease. Short-term leases are defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months or less, including any option to extend, regardless of their probability of being exercised. Short-term lease expenditures for the year ended June 30, 2022 were approximately \$1.2 million.

Finance leases, all leases that do not meet the requirements of a short-term lease or a contract that transfer ownership, require the School Board to recognize a right-of-use asset and the related lease liability. Right-of-use assets, which include land, buildings, equipment, and vehicles are reported in the district-wide financial statements and are recorded at the present value of the payments expected to be made during the lease term, including any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives. Initial direct costs that are necessary to place the lease asset into service should also be included. These assets are amortized using the straight-line method over the shorter period of the lease term or the useful life of the asset. The Board did not have any right of use assets.

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The following summarizes the finance lease liabilities of the Board as of June 30, 2022:

The School Board has entered into a finance 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, 2022, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 705,000
2024	705,000
2025	705,000
2026	<u>386,397</u>
Total minimum lease payments	2,501,397
Less amount representing interest	<u>171,647</u>
Present value of minimum lease payments	<u>\$ 2,329,750</u>

The School Board has entered into a finance 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, 2022, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 167,333
2024	161,667
2025	156,001
2026	150,334
2027	144,667
2028	<u>139,001</u>
Total minimum lease payments	919,003
Less amount representing interest	<u>119,000</u>
Present value of minimum lease payments	<u>\$ 800,003</u>

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The School Board entered into a finance 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, 2022, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 2,962,697
2024	<u>4,034,284</u>
Total minimum lease payments	6,996,981
Less amount representing interest	<u>102,791</u>
Present value of minimum lease payments	<u>\$ 6,894,190</u>

The School Board has entered into a finance 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, 2022, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 2,220,886
2024	<u>740,295</u>
Total minimum lease payments	2,961,182
Less amount representing interest	<u>50,561</u>
Present value of minimum lease payments	<u>\$ 2,910,621</u>

The School Board has entered into a finance 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, 2022, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 16,909,682
2024	16,909,682
2025	<u>16,214,589</u>
Total minimum lease payments	50,033,953
Less amount representing interest	<u>738,449</u>
Present value of minimum lease payments	<u>\$ 49,295,504</u>

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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, 2022, the School Board's total payroll for all employees was \$183,677,405 and the payroll was \$166,332,262 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 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,

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- 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.

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, 2022, 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	\$	7,570,393
State's proportionate share of the net pension liability associated with the School Board.		120,914,141
Total portion of net pension liability associated with the school board	\$	<u>128,484,534</u>

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The TRS net pension liability was measured as of June 30, 2022, and the total pension liability was determined by an actuarial valuation as of July 1, 2021 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 .484419 percent, which was an increase/decrease of .036121 from its proportion measured as of June 30, 2020 (.448298 percent).

For the year ended June 30, 2022, the School Board recognized pension expense of \$(1,205,679) and for support provided by the State, revenue of \$(520,114). At June 30, 2022, the School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resource	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 6,050,409
Differences between expected and actual experience	616,733	221,670
Changes in proportion and differences between School Board contributions and proportionate share of contributions	3,332,811	2,662,130
Changes in assumptions	939,802	-
District contributions subsequent to the measurement date	1,435,749	-
Total	\$ 6,325,095	\$ 8,934,209

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, 2023. 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,			
2023	\$	(1,330,622)	
2024		(1,130,802)	
2025		(346,679)	
2026		(1,268,170)	
2027		31,411	
Thereafter		-	
Total	\$	(4,044,862)	

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, 2021, 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:

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Inflation – 2.75%

Salary increases – Educators: 2.75%-5.90%; Non-Educators: 2.75%-6.50%

Investment rate of return – 7.25%, net of pension plan investment expense, including inflation.

Mortality – Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy male retirees – Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy female retirees – 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 – 7.25%

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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.

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	1.0% Decrease	Current Discount Rate	1.0% Increase
	6.25%	7.25%	8.25%
School Board's proportionate share of the TRS net pension liability	<u>\$ 13,377,406</u>	<u>\$ 7,570,393</u>	<u>\$ 2,635,867</u>

Payables to the pension plan:

At June 30, 2022, the School Board reported a liability of \$2,982,162 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, 2021, this plan had approximately \$705.09 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.

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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.

Total payments reflected in the School Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2022 were:

Employees' contributions (4.5%)	\$	689,224
Employer's contributions (7.5%)		1,148,708
Total contributions	\$	1,837,932

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.

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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.

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, 2022 and 2021, respectively, were:

	<u>2022</u>	<u>2021</u>
Paygo premium	\$160	\$168

Contributions to the OPEB plan from the School Board were \$4,187,274 for the year end June 30, 2022. Employees are not required to contribute to the OPEB plan.

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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.

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. These transfers were not extended past FY21.

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

At June 30, 2022, 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 (asset)	\$	(192,742)
State's proportionate share of the net OPEB liability (asset) associated with the School Board.		(869,958)
Total portion of net OPEB liability (asset) associated with the school board	\$	<u>(1,062,700)</u>

The RHBT OPEB actuarial valuation, which was used as the underlying basis for certain information in the Schedules, is as of June 30, 2020, was based on a measurement date of June 30, 2021, and was prepared for the purposes of complying with the requirements of GASB Statement 75 for the Plan Employer's fiscal year ended June 30, 2022, financial reporting. An addendum to the valuation was provided on April 13, 2022, updating the recognition of deferred inflows and deferred outflows of resources and OPEB expense to the measurement date of June 30, 2021. This addendum can be found on the PEIA website at www.peia.wv.gov.

For the year ended June 30, 2021, the School Board's proportion was .648204489 percent, which was a decrease of (0.018911324) from its proportion measured as of June 30, 2020 .667115813 percent.

For the year ended June 30, 2022, the School Board recognized OPEB expense of \$(18,518,062) and for support provided by the State, revenue of \$(15,224,344). At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

KANAWHA COUNTY BOARD OF EDUCATION
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	Deferred Outflows of Resource	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ -	\$ 1,330,165
Differences between expected and actual non-investment experience	-	1,327,702
Changes in proportion and differences between School Board contributions and proportionate share of contributions	2,232,254	3,776,810
Changes in assumptions	-	4,078,505
Reallocation of Opt-Out Employer Change in Proportionate Share	-	68,291
School Board contributions subsequent to the measurement date	1,193,939	-
Total	\$ 3,426,193	\$ 10,581,473

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, 2023. 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,		
2023	\$	(4,241,893)
2024		(3,194,544)
2025		(526,444)
2026		(386,337)
2027		-
Thereafter		-
Total	\$	(8,349,218)

Actuarial Assumptions:

The net OPEB liability was determined by an actuarial valuation as of June 30, 2021, 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, 2021 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 2020, decreasing by 0.50% for one year then 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, decreasing ratably 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

Wage inflation – 2.75%

Retirement age – Rates based on 2015-2020 OPEB experience study and vary by pension plan participation and age/service at retirement. Rates first applied to the 2020 valuation.

Ageing factors – Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”

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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%

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%.

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%	

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 current discount rate of and the impact of using a discount rate that is 1% higher or lower than the current rate.

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	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 (asset)	\$ 1,034,273	\$ (192,742)	\$ (1,211,514)

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 (asset)	\$ (1,423,102)	\$ (192,742)	\$ 1,305,978

Payables to the OPEB Plan:

At June 30, 2022, 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.

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.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 2022 are as follows:

Retirement allocation by the State	\$ 10,211,873
Unfunded retirement liability allocation by the State	28,711,216
PEIA allocations from the State	17,499,660
RHBT allocations from the State	2,993,335

Note 13 - Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2022 are as follows:

Fund Balances	General Current Expense Fund	Special Revenue Fund	Special Revenue School Activity Fund	Special Revenue ESSERF Fund	Debt Service Fund	Permanent Improvement Fund	Total Governmental
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	-	-	-	-	-	-	-
Restricted for:							
Special Projects	-	21,806,922	14,588,289	-	-	-	36,395,211
Capital Projects	-	-	-	-	-	50,485,513	50,485,513
Debt Service	-	-	-	-	445	-	445
Arbitrage Payments	-	-	-	-	-	-	-
Excess Levies	38,350	-	-	-	-	-	38,350
Committed to:							
Various See Notes	-	-	-	-	-	-	-
*TBD	-	-	-	-	-	-	-
Assigned to:							
Various See Below	26,672,744	-	-	-	-	-	26,672,744
Purchase Orders	25,995,795	-	-	-	-	-	25,995,795
Unassigned	-	-	-	(2,474,485)	-	-	(2,474,485)
Total fund balances	<u>\$ 52,706,889</u>	<u>\$ 21,806,922</u>	<u>\$ 14,588,289</u>	<u>\$ (2,474,485)</u>	<u>\$ 445</u>	<u>\$ 50,485,513</u>	<u>\$ 137,113,573</u>

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

<u>Program</u>	<u>Amount</u>
Regular Education Programs	\$ 8,779,729
Special Education Programs	1,900,000
Other Instructional Programs	2,122,360
Transfers and Reserves	13,870,656
Total	<u>\$ 26,672,744</u>

**KANAWHA COUNTY BOARD OF EDUCATION
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Note 14 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling \$47,639,817 as of June 30, 2022 in the following funds:

General Current Expense	Special Revenue Fund	Special Revenue – Federal Stimulus and Stabilization Fund	Permanent Improvement Fund
<u>\$ 6,600,664</u>	<u>\$ 1,270,722</u>	<u>\$ 1,904,885</u>	<u>\$ 37,863,546</u>

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

As of June 30, 2022 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>
ESSERF Project	\$ 366,855
Capital High School Levy Project	423,122
Clendenin Flood Recovery Work	20,547,331
Energy Savings Projects	40,039,456
Hoover Flood Recovery Work	3,667,028
Ruthlawn Renovations	7,010

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.

During the fiscal year ended June 30, 2022 the School Board was awarded a grant of \$8.5 million for renovations and additions to Cedar Grove Elementary School. Total project costs are estimated at \$11.8 million with the Boards share being approximately \$3.3 million.

**KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2022 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, 2021 was received by the School Board during June 2022. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2022 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.

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, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Fund	General Current Expense Fund	\$ 10,037,957
General Current Expense Fund	Special Revenue School Fund	28,007
General Current Expense Fund	Special Revenue Federal Stimulus	3,476,928

During the year ended June 30, 2022, interfund transfers were made as follows:

- The General Current Expense Fund transferred \$6,419,715 to the Special Revenue Fund for state unfunded mandates relating to staff development and for state funded support of the food service program.

KANAWHA COUNTY BOARD OF EDUCATION
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- The General Current Expense Fund transferred \$4,300,000 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 Special Revenue Fund transferred \$639,188 to the General Current Expense fund for indirect cost expenditures.
- The Special Revenue Fund transferred \$672,135 to the School Activity Fund for faculty senate activities.
- The School Activity Fund transferred \$896,601 to the General Current Expense Fund for school operating costs.
- The School Activity Fund transferred \$932,958 to the Special Revenue Fund for operating costs and food service collections.
- The Federal Stimulus and Stabilization Fund transferred \$4,045,081 to the General Current Expense fund for indirect costs.
- The Federal Stimulus and Stabilization Fund transferred \$15,000 to the School Activity fund for payment of extracurricular fees.

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, 2021, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2021, 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, 2021, 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, 2021, 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.

KANAWHA COUNTY BOARD OF EDUCATION
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The School Board received \$34,165,102 from these funds to help mitigate the expenses incurred directly from COVID-19.

On March 11, 2022, The American Rescue Plan Elementary and Secondary School Emergency Relief (“ARP ESSER”) Fund, authorized under the American Rescue Plan (“ARP”) Act of 2022, 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.

REQUIRED SUPPLEMENTARY INFORMATION

**KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL CURRENT EXPENSE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$124,912,678	\$123,468,094	\$131,596,500	\$ 8,128,406
Other Local sources	1,413,000	5,085,709	3,213,274	(1,872,435)
State sources	164,411,309	164,660,748	165,916,452	1,255,704
Federal sources	750,000	2,495,511	1,745,511	(750,000)
Total revenues	291,486,987	295,710,062	302,471,737	6,761,675
Expenditures:				
Instruction	157,320,395	182,844,508	154,147,091	28,697,417
Supporting services:				
Students	14,603,190	15,160,795	14,684,929	475,866
Instructional staff	2,569,345	2,596,889	2,235,830	361,059
General administration	2,690,665	3,047,060	2,467,596	579,464
School administration	16,471,735	16,858,513	16,405,563	452,950
Central services	9,147,929	10,086,490	7,780,804	2,305,686
Operation and maintenance of facilities	34,380,652	38,573,565	33,971,595	4,601,970
Student transportation	15,654,596	18,524,810	16,865,858	1,658,952
Food services	-	-	61,097	(61,097)
Community services	3,186,928	4,471,476	4,449,271	22,205
Capital outlay	-	2,427,914	1,862,202	565,712
Debt service:				
Principal retirement	28,360,805	28,360,805	30,157,992	(1,797,187)
Interest and fiscal charges	-	-	813,272	(813,272)
Total expenditures	284,386,240	322,952,825	285,903,100	37,049,725
Excess (deficiency) of revenues over expenditures	7,100,747	(27,242,763)	16,568,637	43,811,400
Other financing sources (uses):				
Transfers in	3,891,483	4,090,136	5,581,676	1,491,540
Transfers (out)	(13,892,230)	(16,530,412)	(10,719,715)	5,810,697
Total other financing sources (uses)	(10,000,747)	(12,440,276)	(5,138,039)	7,302,237
Change in fund balances	(2,900,000)	(39,683,039)	11,430,598	51,113,637
Fund balances - beginning	2,900,000	39,683,039	41,276,291	1,593,252
Fund balances - ending	\$ -	\$ -	\$ 52,706,889	\$ 52,706,889

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, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Local sources	\$ 221,728	\$ 2,602,486	\$ 1,420,036	\$ (1,182,450)
State sources	3,963,546	6,321,227	6,178,225	(143,002)
Federal sources	34,945,641	57,446,781	44,259,076	(13,187,705)
Total revenues	39,130,915	66,370,494	51,857,337	(14,513,157)
Expenditures:				
Instruction	10,941,846	36,104,680	26,315,848	9,788,832
Supporting services:				
Students	1,807,690	3,696,618	3,021,230	675,388
Instructional staff	3,060,460	5,877,322	4,419,844	1,457,478
General administration	19,100	19,100	19,100	-
School administration	-	461,810	340,224	121,586
Central services	-	146,563	-	146,563
Operation and maintenance of facilities	-	461,635	420,032	41,603
Student transportation	-	421,047	276,496	144,551
Food services	20,447,903	26,020,593	20,560,277	5,460,316
Community services	-	58,742	24,883	33,859
Capital outlay	-	530,399	279,134	251,265
Total expenditures	36,276,999	73,798,509	55,677,068	18,121,441
Excess (deficiency) of revenues over expenditures	2,853,916	(7,428,015)	(3,819,731)	3,608,284
Other financing sources (uses):				
Transfers in	5,591,531	6,355,081	7,352,673	997,592
Transfers (out)	(8,445,447)	(2,339,216)	(1,311,323)	1,027,893
Total other financing sources (uses)	(2,853,916)	4,015,865	6,041,350	2,025,485
Change in fund balances	-	(3,412,150)	2,221,619	5,633,769
Fund balances - beginning	-	3,412,150	19,585,303	16,173,153
Fund balances - ending	\$ -	\$ -	\$ 21,806,922	\$ 21,806,922

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 SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ 8,690,634	\$ 8,690,634
Total revenues	-	-	8,690,634	8,690,634
Expenditures:				
Instruction	-	-	3,342,917	(3,342,917)
Total expenditures	-	-	3,342,917	(3,342,917)
Excess (deficiency) of revenues over expenditures	-	-	5,347,717	5,347,717
Other financing sources (uses):				
Transfers in	-	-	686,329	686,329
Transfers (out)	-	-	(1,829,559)	(1,829,559)
Total other financing sources (uses)	-	-	(1,143,230)	(1,143,230)
Change in fund balances	-	-	4,204,487	4,204,487
Fund balances - beginning	-	-	10,383,802	10,383,802
Fund balances - ending	\$ -	\$ -	\$ 14,588,289	\$ 14,588,289

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, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Federal sources	\$ 774,420	\$121,121,623	\$ 30,579,847	\$ (90,541,776)
Miscellaneous sources	-	442,517	-	(442,517)
Total revenues	774,420	121,564,140	30,579,847	(90,984,293)
Expenditures:				
Instruction	658,450	53,433,871	18,074,343	35,359,528
Supporting services:				
Students	-	5,412,785	1,719,572	3,693,213
Instructional staff	-	1,303,702	707,879	595,823
General administration	-	27,500	2,500	25,000
School Administration	-	104,463	26,535	77,928
Central services	56,410	1,548,359	450,851	1,097,508
Operation and maintenance of facilities	-	3,377,480	1,603,713	1,773,767
Student transportation	59,560	471,098	404,763	66,335
Other support services	-	416,746	100,021	316,725
Food services	-	2,371,856	1,051,577	1,320,279
Community services	-	40,268	56,258	(15,990)
Capital outlay	-	41,682,177	3,991,728	37,690,449
Total expenditures	774,420	110,190,305	28,189,740	82,000,565
Excess (deficiency) of revenues over expenditures	-	11,373,835	2,390,107	(8,983,728)
Other financing sources (uses):				
Transfers in	-	442,517	-	(442,517)
Transfers (out)	-	(10,256,812)	(4,060,081)	6,196,731
Total other financing sources (uses)	-	(9,814,295)	(4,060,081)	5,754,214
Change in fund balances	-	1,559,540	(1,669,974)	(3,229,514)
Fund balances - beginning	-	(1,559,540)	(804,511)	755,029
Fund balances - ending	\$ -	\$ -	\$ (2,474,485)	\$ (2,474,485)

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, 2021**

	<u>2021</u>	<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)	0.484419%	0.451475%	0.396254%	0.322506%	0.528854%	0.453215%	0.305900%	0.210236%
Board's proportionate share of the net pension liability (asset)	\$ 7,570,393	\$ 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>120,914,141</u>	<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>\$ 128,484,534</u>	<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	\$ 145,964,583	\$ 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	5.186%	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	86.38%	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, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 11,647,622	\$ 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>(11,647,622)</u>	<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>	<u>\$ -</u>
Board's covered payroll	\$148,136,416	\$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	7.863%	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, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.648204%	0.678328%	0.618356%	1.098109%	0.511456%
Board's proportionate share of the net OPEB liability (asset)	\$ (192,742)	\$ 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>(869,958)</u>	<u>13,883,548</u>	<u>46,676,274</u>	<u>60,892,083</u>	<u>58,819,639</u>
Total	<u>\$ (1,062,700)</u>	<u>\$ 16,879,667</u>	<u>\$ 56,935,620</u>	<u>\$ 84,451,317</u>	<u>\$ 71,396,284</u>
Board's covered payroll	\$ 138,212,430	\$ 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	-0.139%	2.121%	7.370%	17.201%	9.269%
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	39.69%	30.98%	25.10%

Data prior to 2017 is unavailable.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,187,274	\$ 5,909,234	\$ 5,844,851	\$ 6,554,033	\$ 6,630,029
Contributions in relation to the contractually required contribution	<u>(4,187,274)</u>	<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>
Board's covered payroll	\$138,770,371	\$ 138,212,430	\$141,234,548	\$139,199,657	\$136,965,150
Contributions as a percentage of covered payroll	3.017%	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, 2022

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, 2022, 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>
Food service	\$ 61,097
Principal retirement	1,797,187
Interest and fiscal charges	813,272

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.

Inflation	2021 2.75%	2015 – 2020: 3%	2014: 2.2%		
Salary Increases	2021 Educators: 2.75%-5.90% Non-Educators: 2.75%-6.50%	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	2016-2017: For teacher members, salary increases are based on member experience,	2014-2015: For teacher members, salary increases are based on member experience, dependent on age and gender,

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2022

			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%	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%	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	2021 7.25 %, net of pension plan investment expense	2014-2020: 7.5 %, net of pension plan investment expense, including inflation			
Mortality		2020-2021: 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	2021: 7.25%	2014-2020: 7.5%			

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2022

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Inflation	2.25%	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.	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	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: 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%	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 2020, decreasing by 0.50% for one year then 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, decreasing ratably 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 7.0% for plan year end 2021, 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 SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Local sources	\$ -	\$ -	\$ 17	\$ 17
Total revenues	-	-	17	17
Expenditures:				
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	17	17
Other financing sources (uses):				
Proceeds from disposal of real or personal property	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	-	-	17	17
Fund balances - beginning	-	-	428	428
Fund balances - ending	\$ -	\$ -	\$ 445	\$ 445

See notes to other supplemental information.

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Other Local Sources	\$ -	\$ 41,639	\$ 50,653	\$ 9,014
State Sources	-	12,116,117	2,780,437	(9,335,680)
Federal Sources	-	32,545,054	35,218,221	2,673,167
Total revenues	-	44,702,810	38,049,311	(6,653,499)
Expenditures:				
Capital outlay	-	151,408,163	76,017,760	75,390,403
Central Services	-	583,000	-	583,000
Operation and maintenance of facilities	-	91,769	91,769	-
Total expenditures	-	152,082,932	76,109,529	75,973,403
Excess (deficiency) of revenues over expenditures	-	(107,380,122)	(38,060,218)	69,319,904
Other financing sources (uses):				
Transfers in	-	4,300,000	4,300,000	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	4,300,000	4,300,000	-
Change in fund balances	-	(103,080,122)	(33,760,218)	69,319,904
Fund balances - beginning	-	103,080,122	84,245,731	(18,834,391)
Fund balances - ending	\$ -	\$ -	\$ 50,485,513	\$ 50,485,513

See notes to other supplemental information.

KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2022

	Current Year			Levy To Date		
	Estimated Per Levy Call	Actual	Variance	Estimated Per Levy Call	Actual	Variance
Excess Levy Collections	\$ 64,840,000	\$ 68,478,106	\$ 3,638,106	\$ 194,680,000	\$ 202,745,031	\$ 8,065,031
County Specific Levy Call:						
Professional, service, and substitute salaries:	37,118,000	52,910,459	15,792,459	115,031,000	185,141,200	70,110,200
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						
Safety and security improvements:	239,195	239,136	(59)	716,349	716,291	(58)
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.						
HVAC improvements at the following schools and facilities: *	21,724,769	22,464,481	739,712	58,463,079	59,443,474	980,395
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.						
Roofing improvements at the following schools and facilities: *	2,053,500	3,979,439	1,925,939	11,621,678	14,295,213	2,673,535
Elementary Schools: Belle, Malden, Pinch, Ruthlawn, Grandview, Montrose, Pratt, Sharon Dawes, Middle Schools: Dunbar, McKinley, High Schools: Capital, Nitro, Riverside, Career Center: Carver.						
Installation of athletic turf at the following schools:	3,704,536	2,368,767	(1,335,769)	8,847,894	7,543,269	(1,304,625)
High Schools: George Washington, Herbert Hoover, Nitro, Riverside, Sissonville, South Charleston, St. Albans						
Total Expenditures	<u>64,840,000</u>	<u>81,962,282</u>	<u>17,122,282</u>	<u>194,680,000</u>	<u>267,139,447</u>	<u>72,459,447</u>
Excess (Deficiency) of Collections over Expenditures	<u>\$ -</u>	<u>\$ (13,484,176)</u>	<u>\$ (13,484,176)</u>	<u>\$ -</u>	<u>\$ (64,394,416)</u>	<u>\$ (64,394,416)</u>

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.

**NOTE 2: Excess of turf collections shown for FY22 will be carried over into FY23 to cover financing payments due to anticipated shortfall in this category for next year.

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Cash Balance 7/1/2021	Revenues Received	Expenditures Paid	Cash Balance 6/30/2022
Alban Elementary	\$ 50,712	\$ 37,358	\$ 34,581	\$ 53,489
Alum Creek Elementary	30,341	30,290	24,407	36,224
Andrews Heights Elementary	48,839	31,767	23,676	56,930
Anne Bailey Elementary	37,175	13,767	8,423	42,519
Belle Elementary	37,091	65,138	54,080	48,149
Bridge Elementary	8,698	-	8,698	-
Bridgeview Elementary School	79,294	42,130	36,549	84,875
Cedar Grove Elementary School	34,004	65,160	69,464	29,700
Central Elementary	36,282	63,740	42,065	57,957
Chamberlain Elementary	33,355	33,972	22,070	45,257
Chesapeake Elementary	40,912	13,985	13,922	40,975
Clendenin Elementary	77,387	21,792	22,221	76,958
Cross Lanes Elementary	57,200	48,063	35,596	69,667
Dunbar Intermediate Center	65,153	43,164	35,392	72,925
Dunbar Primary	44,451	28,791	18,750	54,492
Edgewood Elementary	30,933	36,299	27,626	39,606
Elk Elementary Center	77,920	97,333	80,642	94,611
Flinn Elementary	73,869	54,299	40,394	87,774
George C. Weimer Elementary	31,176	11,040	11,299	30,917
Grandview Elementary	21,524	18,819	10,244	30,099
Holz Elementary	21,119	52,434	38,915	34,638
Kanawha City Elementary	25,953	16,172	13,148	28,977
Kenna Elementary	23,091	35,889	40,072	18,908
Lakewood Elementary	38,568	36,261	32,456	42,373
Malden Elementary	28,564	19,778	15,937	32,405
Marmet Elementary	15,611	14,605	15,203	15,013
Mary C Snow Elementary	39,341	20,026	18,219	41,148
Mary Ingles Elementary	20,705	11,878	10,230	22,353
Midland Trail Elementary	18,081	34,955	33,513	19,523
Montrose Elementary	21,428	15,913	9,993	27,348
Nitro Elementary	66,935	44,764	30,277	81,422
Overbrook Elementary	42,394	41,071	37,251	46,214
Piedmont Elementary	19,001	34,128	26,090	27,039
Pinch Elementary	66,149	41,512	28,540	79,121
Point Harmony Elementary	76,293	92,859	64,909	104,243
Pratt Elementary	37,704	10,008	9,555	38,157
Richmond Elementary	23,589	21,906	15,293	30,202
Ruffner Elementary	30,925	52,118	40,075	42,968
Ruthlawn Elementary	43,898	51,821	42,311	53,408
Sharon Dawes Elementary	21,935	16,041	17,981	19,995
Shoals Elementary	34,729	39,279	31,851	42,157
Sissonville Elementary	38,492	13,714	14,660	37,546
Weberwood Elementary	38,849	37,446	30,159	46,136
Andrew Jackson Middle	186,469	133,181	103,555	216,095
Cedar Grove Middle School	65,023	59,559	80,363	44,219
Chandler Academy	17,187	7,959	3,480	21,666
Dunbar Middle	109,562	139,730	57,261	192,031
Dupont Middle	93,353	146,920	119,885	120,388
East Bank Middle	61,801	126,598	72,055	116,344
Elkview Middle School	190,346	224,098	188,220	226,224
Hayes Middle School	41,736	130,159	96,191	75,704
Horace Mann Middle	65,096	135,510	73,465	127,141
John Adams Middle	193,931	121,936	80,842	235,025
McKinley Middle School	152,427	50,297	46,476	156,248
Sissonville Middle	133,107	127,575	113,015	147,667
South Charleston Middle	149,079	81,313	79,201	151,191
West Side Middle	71,909	36,107	49,373	58,643
Capital High	276,470	285,565	231,837	330,198
George Washington High	220,456	547,030	411,419	356,067
Herbert Hoover High	296,782	376,594	243,322	430,054
Nitro High	122,121	167,327	117,999	171,449
Riverside High	242,267	280,856	203,603	319,520
Sissonville High	181,219	229,286	141,519	268,986
South Charleston High	218,756	349,852	289,935	278,673
St. Albans High	292,245	230,693	224,996	297,942
Ben Franklin Vocational Center	966,442	471,231	469,393	968,280
Carver Career Center	1,169,788	2,141,604	2,009,654	1,301,738
Garnet Career Center	1,239,654	2,046,822	1,772,831	1,513,645
KCS Headstart Policy Council	11,673	10,068	11,356	10,385
KCS Community Education	1,132,157	3,824,458	1,497,266	3,459,349
Totals	<u>\$ 9,610,726</u>	<u>\$ 13,993,813</u>	<u>\$ 10,025,249</u>	<u>\$ 13,579,290</u>
Related Entity Funds				
Laidley Field	\$ 100,079	\$ 389,131	\$ 364,398	\$ 124,812
Regulatory Training Center	672,997	1,195,373	956,176	912,194
Totals	<u>\$ 773,076</u>	<u>\$ 1,584,504</u>	<u>\$ 1,320,574</u>	<u>\$ 1,037,006</u>
Individual Schools and Related Entities	<u>\$ 10,383,802</u>	<u>\$ 15,578,317</u>	<u>\$ 11,345,823</u>	<u>\$ 14,616,296</u>

See notes to other supplemental information.

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/21)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/22)	Amount Receivable
WV Department of Ed	09TR.OC	GRTAWD0402200005311	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	18,072.35	-	18,072.35	-	0.00
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	09TR.CTY	GRTAWD04022200001681	7/1/21-9/30/23	410,520.00	-	410,520.00	410,520.00	-	-
WV Department of Ed	09TR.OC	CRTAWD04022200005657	7/1/21-9/30/22	25,018.00	-	25,018.00	25,018.00	-	-
WV Department of Ed	05SA.JDRG	GRTAWD0402200001404	7/1/19-9/30/21	95,434.51	95,434.51	(25,614.81)	69,819.70	-	-
WV Department of Ed	05SA.JDRG	GRTAWD04022100001564	7/1/20-6/30/23	71,735.40	11,294.00	-	11,294.00	-	0.00
WV Department of Ed	05SA.ACTCH	GRTAWD04022200000603	7/1/21-3/31/24	270,694.00	-	270,694.00	269,768.03	925.97	-
WV Department of Ed	05SAR.JCTE	GRTAWD04021900005595	4/1/19-3/31/23	170,000.00	51,261.42	-	-	51,261.42	-
WV Department of Ed	05SA.FORM	GRTAWD04022000000611	7/1/19-6/30/21	239,820.00	28,311.07	-	28,311.07	-	0.00
WV Department of Ed	03CX.INCEN	GRTAWD04022000005880	6/1/20-6/30/21	62,889.00	1,485.06	-	1,485.06	(0.00)	0.00
WV Department of Ed	05SA.TRVL	GRTAWD04022000000803	7/1/19-6/30/21	40,315.00	37,189.20	-	37,189.20	-	(0.00)
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	193,080.64	-	168,679.98	24,400.66	-
WV Department of Ed	03CX.INCEN	GRTAWD04022100002147	8/1/20-6/30/21	6,300.00	6,250.80	-	5,955.68	295.12	-
WV Department of Ed	05SA.INCN	GRTAWD04022100002176	7/1/20-6/30/21	57,900.00	31,456.61	-	29,516.45	1,940.16	-
WV Department of Ed	03CX.INCEN	GRTAWD04022100005712	5/1/21-3/31/23	6,595.00	6,595.00	-	-	6,595.00	-
WV Department of Ed	05SA.TRVL	GRTAWD04022100001118	7/1/20-3/31/23	40,315.00	29,635.00	-	14,711.04	14,923.96	-
WV Department of Ed	05SA.CTOS	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	-	1,775.00	59,929.00	-
WV Department of Ed	05SA.FORM	GRTAWD04022200000705	7/1/21-3/31/21	421,551.00	-	421,551.00	98,688.57	322,862.43	-
WV Department of Ed	05SA.VISI	GRTAWD04022100002510	7/1/21-3/31/24	5,750.00	-	5,750.00	3,450.00	2,300.00	-
WV Department of Ed	05SA.VISI	GRTAWD04022100005049	4/1/22-3/21/24	10,000.00	-	10,000.00	-	10,000.00	-
WV Department of Ed	05SA.VISI	GRTAWD04022100005287	4/1/22-3/31/24	3,500.00	-	3,500.00	-	3,500.00	-
WV Department of Ed	05SA.VISI	GRTAWD04022100005345	4/27/22-3/31/24	350.00	-	350.00	350.00	-	-
WV Department of Ed	05SA.VISI	GRTAWD04022100005843	6/2/22-3/31/24	4,700.00	-	4,700.00	-	4,700.00	-
WV Department of Ed	05SA.VISI	GRTAWD04022100006035	7/1/21-3/31/24	6,398.00	-	-	-	-	-
WV Department of Ed	05SA.EQRPL	GRTAWD04022100000642	7/1/21-3/31/24	52,211.00	-	52,211.00	9,102.50	43,108.50	-
WV Department of Ed	05SA.INCN	GRTAWD04021900006314	6/1/19-6/30/21	155,248.00	17,954.58	-	12,164.32	5,790.26	-
WV Department of Ed	05SA.LSDOP	GRTAWD04021600003738	1/1/16-7/31/21	280,508.00	4,495.96	(5,023.44)	(527.48)	-	(0.00)
WV Department of Ed	05SA.INNED	GRTAWD04021700004065	2/1/17-6/28/21	630,171.30	81,807.35	-	38,318.14	43,489.21	-
WV Department of Ed	05SAR.COV	GRTAWD04022100002432	5/7/20-9/30/22	391,934.37	22,496.67	-	3,200.00	19,296.67	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022000002175	7/1/19-6/30/21	419,520.00	267.50	-	267.50	-	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022100000348	7/1/20-12/30/21	341,278.00	236,701.92	-	222,308.22	14,393.70	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022200000925	7/1/21-3/31/24	304,256.00	-	304,253.00	35,080.04	269,172.96	-
WV Department of Ed	05SAR.TRU	GRTAWD04022200003007	7/1/21-6/30/23	49,594.00	-	49,594.00	47,369.81	2,224.19	-
WV Department of Ed	05SA.ESL	GRTAWD04022000001370	7/1/19-6/30/21	6,843.47	320.23	-	320.23	0.00	(0.00)
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	GRTAWD04022200002138	7/1/21-3/31/24	7,117.44	-	7,117.44	-	7,117.44	-
WV Department of Ed	05SA.DCIS	GRTAWD04022100000623	7/1/20-6/30/22	768,000.00	435,491.86	-	429,757.06	5,734.80	-
WV Department of Ed	05SAR.SFSC	GRTAWD04022000003713	7/1/19-6/30/21	351,528.09	101,489.01	-	101,489.01	-	(0.00)
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	GRTAWD04022100002494	7/1/20-6/30/21	3,500.00	347.79	-	347.79	-	0.00
WV Department of Ed	05SAR.HSED	GRTAWD04022100002496	7/1/20-6/30/21	3,500.00	1,701.27	-	1,701.27	-	-
WV Department of Ed	05SA.TCTW	GRTAWD04022000001711	7/1/19-6/30/21	40,000.00	-	-	481.00	-	-
WV Department of Ed	05SA.TFS	GRTAWD04022000002630	7/1/19-6/30/21	785,516.70	272,856.47	-	272,856.47	-	-
WV Department of Ed	05SA.TFS	GRTAWD04022100001871	7/1/20-6/30/22	830,244.00	571,754.35	-	566,137.53	5,616.82	-

See notes to other supplemental information.

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/21)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/22)	Amount Receivable
WV Department of Ed	05SAR.TFS	GRTAWD04022200003433	7/11/21-3/31/24	873,181.49	-	873,181.49	535,261.03	337,920.46	-
WV Department of Ed	99UCR.BT	GRTAWD04022000003152	7/1/19-6/30/21	15,000.00	10.66	-	10.66	0.00	-
WV Department of Ed	05SAR.ADM	GRTAWD04022000002689	9/16/19-9/15/21	25,000.00	210.99	-	210.99	(0.00)	0.00
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	3,038.58	-	3,038.58	-	-
WV Department of Ed	09TRR RSCF	GRTAWD04022100004150	1/6/21-6/30/21	100.00	97.70	-	97.70	-	-
WV Department of Ed	09TRR RSCF	GRTAWD04022100004610	2/4/21-6/30/21	800.00	536.07	(536.07)	-	(0.00)	0.00
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	-	4,347.80	152.20	-
WV Department of Ed	99UCR AP	GRTAWD04022100005774	5/14/21-3/31/23	14,832.00	14,832.00	-	480.00	14,352.00	-
WV Department of Ed	07CO TOY	GRTAWD04022200003064	10/19/21-3/31/24	300.00	-	300.00	-	300.00	-
WV Department of Ed	05SAR ALIV	GRTAWD04022200003928	12/1/21-3/31/24	500.00	-	500.00	-	500.00	-
WV Department of Ed	05SAR STEM	GRTAWD04022200004699	3/1/22-3/31/24	500.00	-	500.00	-	500.00	-
WV Department of Ed	05SA MAST	GRTAWD04022200004449	2/2/22-3/31/24	20,000.00	-	20,000.00	-	20,000.00	-
WV Department of Ed	05SAR PD	GRTAWD04022200005137	4/7/22-3/31/24	500.00	-	500.00	-	500.00	-
WV Department of Ed	05SA.MATH	GRTAWD04022200005102	3/30/22-3/31/24	5,000.00	-	5,000.00	-	5,000.00	-
WV Department of Ed	05SA.MATH	GRTAWD04022100005391	5/3/22-3/31/24	970.00	-	970.00	261.90	708.10	-
WV Department of Ed	05AID 7D	GRTAWD04022200005558	5/11/22-3/31/24	2,000.00	-	2,000.00	-	2,000.00	-
WV Department of Ed	99UCR AP	GRTAWD04022200005731	5/27/22-3/31/24	9,408.00	-	-	480.00	(480.00)	480.00
WV Department of Ed	05SA.HSTW	GRTAWD04021800005002	6/1/18-3/31/23	40,000.00	5,000.00	-	-	5,000.00	-
WV Department of Ed	05SA.REIMB	GRTAWD04022100006176	7/1/20-7/31/21	27,436.61	(18,234.69)	27,436.61	9,201.92	-	(0.00)
WV Department of Ed	05SAR.NBCT	GRTAWD04022100006209	7/1/20-7/31/21	10,775.00	(10,775.00)	10,775.00	-	-	-
WV Department of Ed	05SAR.NBCT	GRTAWD04022200006071	7/1/21-6/30/22	2,275.00	-	-	-	-	-
WV Department of Ed	05SAR.NBCT	GRTAWD04022200003569	7/1/21-3/31/24	1,321.99	-	-	-	-	-
WV Department of Ed	05SA.REIMB	GRTAWD04022200005914	7/1/21-6/30/22	29,188.66	-	29,188.66	26,489.54	2,699.12	-
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 ACEIN	GRTAWD04022100001309	7/1/20-6/30/21	209,030.00	3,715.80	-	3,715.80	(0.00)	0.00
WV Department of Ed	05SA ACEIN	GRTAWD04022100001311	7/1/20-6/30/21	630,818.00	51,542.21	-	51,542.21	-	0.00
WV Department of Ed	05SA ACEIN	GRTAWD04022100001310	7/1/20-6/30/21	666,778.00	255.65	-	255.65	0.00	-
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 ACEIN	GRTAWD04022200000862	7/1/21-3/31/24	1,455,461.34	-	1,455,461.34	1,329,327.34	126,134.00	-
WV Department of Ed	05SA ACEIN	GRTAWD04022200005004	3/25/22-3/31/24	180,000.00	-	180,000.00	160,000.00	20,000.00	-
WV Department of Ed	05SA ACE	GRTAWD04022200005298	4/21/22-3/31/24	29,299.00	-	29,299.00	-	29,299.00	-
WV Department of Ed	05SA.PREE	GRTAWD04022000005376	5/1/20-6/30/21	9,600.00	1,600.00	-	1,600.00	-	-
WV Department of Ed	07CO.VOC	GRTAWD04022100001375	7/1/20-6/30/21	22,306.00	11,533.70	-	8,847.90	2,685.80	-
WV Department of Ed	TECH & ADULT - PLTW	GRTAWD04021800004425	3/1/18-6/30/21	25,520.00	5,456.59	-	5,456.59	-	-
WV Department of Ed	05SA.PGMMD	GRTAWD04022100002645	7/1/20-3/31/23	86,119.00	13,656.79	-	11,682.39	1,974.40	-
WV Department of Ed	05SA.PGMMD	GRTAWD04022200000827	7/1/21-3/31/24	37,907.00	-	37,907.00	23,308.00	14,599.00	-
WV Department of Ed	05SA.PGMMD	GRTAWD04022200002862	7/1/21-3/31/24	3,700.00	-	3,700.00	3,700.00	-	-
WV Department of Ed	05SA MMOD	GRTAWD04022200004967	3/21/22-3/31/24	33,600.00	-	33,600.00	30,932.44	2,667.56	-
WV Department of Ed	05SA PLTW	GRTAWD04022100002911	7/1/20-3/31/23	10,800.00	3,920.90	-	2,835.00	1,085.90	-
WV Department of Ed	05SA.ELRE	GRTAWD04022100003624	11/4/20-6/30/21	77,199.00	68,402.00	-	68,402.00	-	-
WV Department of Ed	05SA PLTW	GRTAWD04022100005720	5/1/21-3/31/23	65,898.00	61,098.00	-	44,201.34	16,896.66	-

See notes to other supplemental information.

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/21)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/22)	Amount Receivable
WV Department of Ed	CTE ADVANCE CAREER	GRTAWD04021600002202	7/1/15-6/30/21	50,000.00	7,666.37	(7,666.37)	-	0.00	-
WV Department of Ed	05SA.HSPAD	GRTAWD04022000005889	1/1/20-6/30/21	2,500.00	795.41	-	795.41	-	(0.00)
WV Department of Ed	05SA.HSPAD	GRTAWD04022100004192	1/1/21-6/30/21	5,600.00	381.40	-	381.40	-	0.00
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	NSLP SCHOOL EQUIPMENT	GRTAWD04022100005744	5/30/22-6/30/22	11,712.76	-	11,712.76	11,712.76	-	-
WV Department of Ed	03CX.CN	GRTAWD04022100005110	4/1/21-6/30/22	98,317.00	46,414.02	-	46,414.02	-	-
WV Department of Ed	03CXR NTF	GRTAWD04022100002763	9/1/20-6/30/21	74,993.32	679.43	-	679.43	0.00	-
WV Department of Ed	SFSP TRANSPORTATION	GRTAWD04022100004400	9/1/20-6/30/21	74,993.32	1,584.84	-	1,584.84	0.00	-
WV Department of Ed	03CXR NTF	GRTAWD04022200002787	10/1/21-3/31/24	-	-	149,986.65	17,271.86	132,714.79	-
TOTAL:					\$ 2,853,287.56	\$ 4,398,436.26	\$ 5,584,591.78	\$ 1,667,132.04	\$ 480.00

See notes to other supplemental information.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTAL INFORMATION
For The Fiscal Year Ended June 30, 2022

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, 2022**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Number	Federal Assistance Listing Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through West Virginia Department of Agriculture:</i>			
Child Nutrition Cluster:			
National School Lunch Program (NSLP) - Donated Foods (Non-Cash)	2022	10.555	\$ 802,541
<i>Passed Through West Virginia Department of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program (NSLP)	2022	10.555	12,987,369
COVID-19 National School Lunch Program (NSLP)	2022	10.555	180,627
Total - National School Lunch Program (NSLP)			<u>13,167,996</u>
School Breakfast Program (SBP)	2022	10.553	4,925,779
Summer Food Service Program for Children (SFSP)	2022	10.559	197,155
Total - Nutrition Cluster			<u>19,093,471</u>
Child and Adult Food Care Program	2022	10.558	17,047
Fresh Fruits and Vegetable Program-Cash Assistance	2022	10.582	389,624
LL PEBT Administration	2022	10.649	5,814
Total U.S. Department of Agriculture			<u>19,505,956</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Direct</i>			
Federal PELL Grant Program		84.063	1,132,856
Total - PELL			<u>1,132,856</u>
<i>Passed Through West Virginia Department of Education:</i>			
Title I Cluster:			
Title I Grants to Local Educational Agencies	GRTAWD0402200001466	84.010	6,201
Title I Grants to Local Educational Agencies	GRTAWD04022100001764	84.010	1,661,757
Title I Grants to Local Educational Agencies	GRTAWD04022000005409	84.010	148,265
Title I Grants to Local Educational Agencies	GRTAWD04022100002070	84.010	6,759
Title I Grants to Local Educational Agencies	GRTAWD04022200002953	84.010	8,039,140
Title I Grants to Local Educational Agencies	GRTAWD04022200001883	84.010	352,975
Title I Grants to Local Educational Agencies	GRTAWD04022200001914	84.010	40,181
Total - Title I Cluster			<u>10,255,278</u>
Special Education Cluster:			
Special Education - Grants to States	GRTAWD04022100001424	84.027	1,171,914
Special Education - Grants to States	GRTAWD04022200001472	84.027	6,281,134
Special Education - Grants to States	GRTAWD04022200003629	84.027	200
COVID-19 Special Education - Grants to States	GRTAWD04022200001613	84.027	153,686
Special Education - Grants to States	GRTAWD04022300001179	84.027	265
			<u>7,607,199</u>
Special Education - Preschool Grants	GRTAWD04022100001102	84.173	41,326
Special Education - Preschool Grants	GRTAWD04022100005886	84.173	800
Special Education - Preschool Grants	GRTAWD04022200005269	84.173	212
Special Education - Preschool Grants	GRTAWD04022200001404	84.173	227,263
COVID-19 Special Education - Preschool Grants	GRTAWD04022200001546	84.173	105,704
			<u>375,305</u>
Total - Special Education Cluster			<u>7,982,504</u>
Title II Improving Teacher Quality	GRTAWD04022000001539	84.367	105,785
Title II Improving Teacher Quality	GRTAWD04022100001680	84.367	529,916
Title II Improving Teacher Quality	GRTAWD04022200001937	84.367	558,257
Total - Title II Improving Teacher Quality			<u>1,193,958</u>
Title III English Language	GRTAWD04022000001425	84.365	6,085
Title III English Language	GRTAWD04022100002081	84.365	9,392
Title III English Language	GRTAWD04022200002120	84.365	10,576
Title III English Language	GRTAWD04021900002550	84.365	15,900
Total - Title III English Language			<u>41,953</u>
Title IV	GRTAWD04022100002107	84.424	103,178
Title IV	GRTAWD04022200002037	84.424	558,617
Total - Title IV			<u>661,795</u>
REHAB Grant	GRTAWD04022200001350	84.126	329,740
Total - REHAB Grant			<u>329,740</u>

The accompanying notes are an integral part of this schedule.

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Number	Federal Assistance Listing Number	Disbursements
COVID-19 Elementary and Secondary School Emergency Relief Fund	GRTAWD04022100005256	84.425D	10,211,933
COVID-19 Elementary and Secondary School Emergency Relief Fund	GRTAWD04022100005325	84.425D	2,815,923
COVID-19 CRRSAA EANS - Vaccine incentive	GRTAWD04022200003888	84.425R	31,217
COVID-19 Federal Stimulus CARES Act	GRTAWD04022000005941	84.425D	537,043
COVID-19 Vocational CARES Activity	N/A	84.425D	313,532
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fun	GRTAWD04022100005842	84.425U	15,642,285
COVID-19 ARP - Community Ed	N/A	84.425U	797,128
COVID-19 ARPA 4 - Homeless	GRTAWD04022200003673	84.425W	26,879
Total - ESSER			30,375,940
COVID-19 Higher Education Emergency Relief Fund	N/A	84.425E	1,012,368
Total - HEERF			1,012,368
Career and Technical Education - Basic Grants	GRTAWD04022100000936	84.048	18,281
Career and Technical Education - Basic Grants	GRTAWD04022100004581	84.048	9,207
Career and Technical Education - Basic Grants	GRTAWD04022200000547	84.048	414,520
Career and Technical Education - Basic Grants	GRTAWD04022200004567	84.048	32,602
Total - Career and Technical Education - Basic Grants			474,610
Education for Homeless Children and Youth	GRTAWD04022100003021	84.196	4,310
Education for Homeless Children and Youth	GRTAWD04022100003022	84.196	14,508
Education for Homeless Children and Youth	GRTAWD04022100003023	84.196	211
Education for Homeless Children and Youth	GRTAWD04022200001861	84.196	21,636
Education for Homeless Children and Youth	GRTAWD04022200001862	84.196	23,311
Education for Homeless Children and Youth	GRTAWD04022200001863	84.196	14,060
Education for Homeless Children and Youth	GRTAWD04022200001864	84.196	1,606
Total - Education for Homeless Children and Youth			79,642
Total U.S. Department of Education			53,540,644
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through West Virginia Department of Education:</i>			
State Opioid Response	GRTAWD04022000004392	93.788	154,168
Total - State Opioid Response			154,168
Head Start	2022	93.600	3,526,585
Head Start COVID-19	2022	93.600	137,102
Total - Head Start			3,663,687
Oral Health Program	GRTAWD04022200001120	93.366	10,280
Total - Oral Health Program			10,280
School Based HIV STD Prevention	GRTAWD04022200004275	93.079	214
Total - School Based HIV STD Prevention			214
Total U.S. Department of Health and Human Services			3,828,349
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed Through West Virginia Department of Education</i>			
COVID-19 Coronavirus Relief Fund	GRTAWD04022100005027	21.019	172,711
Total - Coronavirus Relief Fund			172,711
Total U.S. Department of the Treasury			172,711
Total Expenditures of Federal Awards			\$ 77,047,660

The accompanying notes are an integral part of this schedule.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2022

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 elected not 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, 2022. 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, 2022, total expenditures were \$802,541.

**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
200 Elizabeth Street
Charleston, West Virginia 25311

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kanawha County Board of Education, West Virginia, (the Board) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated March 24, 2023, wherein we noted the Board adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

March 24, 2023

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

Kanawha County Board of Education
200 Elizabeth Street
Charleston, West Virginia 25311

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Kanawha County Board of Education
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
Page 3

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

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

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



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

March 24, 2023

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

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):	Child Nutrition Cluster AL# 84.367 – Title II
<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