

CABELL COUNTY BOARD OF EDUCATION
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**CABELL COUNTY BOARD OF EDUCATION
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**CABELL COUNTY BOARD OF EDUCATION
INDEX OF FUNDS**

GOVERNMENTAL FUND TYPES

General Current Expense

Special Revenue Fund

Special Revenue – School Activity Fund

Special Revenue – Federal Stimulus and Stabilization Fund

2020 Debt Service Fund

2015 Debt Service Fund

Bond Construction Fund

Permanent Improvement Fund

Capital Projects Fund

**CABELL COUNTY BOARD OF EDUCATION
BOARD OFFICIALS**

<u>Office</u>	<u>Name</u>	<u>Term</u>
	<u>Elective</u>	
Board Members:	Rhonda Smalley	07/01/22 – 06/30/26
	Mary Neely	07/01/22 – 06/30/26
	Alyssa Bond	07/01/20 – 06/30/24
	Coy Miller	11/14/22 – 06/30/24
	Joshua Pauley	07/01/22 – 06/30/26
	<u>Appointive</u>	
Board President:	Rhonda Smalley	
Superintendent:	Dr. Ryan Saxe	
Treasurer:	Drew Rottgen, CGFM	

HESS, STEWART & CAMPBELL, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of
Cabell County Board of Education
Huntington, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cabell County Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Cabell County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cabell County Board of Education, as of June 30, 2023, and the respective changes in financial position, thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cabell County Board of Education and to meet our 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

Changes in Accounting Principle

As described in Note 17 to the financial statements, in 2023, the Cabell County Board of Education adopted new accounting guidance, GASB No. 96, SBITAs. Our opinion is not modified with respect to 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.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 Cabell County Board of Education'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cabell County Board of Education'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 Cabell County Board of Education'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 and budgetary comparison information for the General Current Expense Fund, the Special Revenue Fund, the Special Revenue School Activity Fund, the Special Revenue Federal Stimulus and Stabilization Fund, the schedule of the district's proportionate share of the net pension liability, the schedule of district contributions to Teachers' Retirement System, the schedule of the district's proportionate share of the net OPEB liability and the schedule of the district contributions to Retiree Health Benefit Trust Fund on pages 6 through 16 and pages 58 through 65 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 Cabell County Board of Education’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying other supplementary information of the budgetary comparison information for the 2020 Debt Service Fund, 2015 Debt Service Fund, Bond Construction Fund, Permanent Improvement Fund, the Capital Project Fund, the schedule of changes in School Activity Funds, the schedule of excess levy revenues and expenditures, and the schedule of state grant receipts and expenditures are presented for purposes of additional analysis and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024, on our consideration of Cabell County Board of Education’s internal control over financial reporting and on 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 Cabell County Board of Education’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 Cabell County Board of Education’s internal control over financial reporting and compliance.

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

Huntington, West Virginia
March 15, 2024

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Our discussion and analysis of the Cabell County Board of Education financial performance provides an overview of the Board’s financial activities for the fiscal year ended June 30, 2023. 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 \$290,250,041 (*net position*) at the close of the most recent fiscal year. Of this amount, \$69,291,931 (*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 \$29,133,628. Most of this increase is attributable to the capitalization of multiple large construction projects that have commenced in the district.
- As of the close of the current fiscal year, the Board’s governmental funds reported combined ending fund balances of \$144,107,137, a decrease of \$5,102,350 in comparison with the prior year. This decrease is primarily attributable to the expending of funds for construction projects in the district and the expending of American Rescue Plan funds. Approximately \$48,163,160 of this total amount is available for spending at the board’s discretion (*assigned and unassigned fund balance*).
- At the end of the current fiscal year, assigned and unassigned fund balance for the general fund was \$54,131,762 or 41.3 percent of total general fund expenditures.

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 of 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 pages **17-18** of this report.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the debt service fund, permanent improvement fund and capital projects 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.

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 pages 24-57 of this report.

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 \$290,250,041 at the close of the most recent fiscal year.

- The largest portion of the Board's net position (45.6%) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that are still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the Board's net position (30.5%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of unrestricted net position (23.9%) may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The following summarizes the statement of net position at June 30, 2023, in comparison with June 30, 2022:

	2023	2022	
	Governmental	Governmental	Variance
	Activities	Activities	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and other assets	\$ 186,873,227	\$ 175,767,865	\$ 11,105,362
Capital assets	213,683,790	194,767,067	18,916,723
ROU Assets	2,701,425	1,911,048	790,377
Deferred outflows of resources	6,419,160	4,668,043	1,751,117
Total assets and deferred outflows of resources	\$ 409,677,602	\$ 377,114,023	\$ 32,563,579
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities and deferred inflows of resources:			
Current and other liabilities	\$ 28,292,015	\$ 21,508,129	\$ 6,783,886
Long-term liabilities outstanding	79,151,876	81,588,193	(2,436,316)
Deferred inflows of resources	2,502,319	8,975,828	(6,473,509)
Net pension liability - Proportionate share	9,129,519	4,016,623	5,112,896
Net other post employment benefit (OPEB) liability - Proportionate share	351,832	(91,163)	442,995
Total liabilities and deferred inflows of resources	119,427,561	115,997,610	3,429,951
Net position:			
Net Investment in Capital Assets	132,309,435	108,163,031	24,146,404
Restricted	88,648,675	89,919,730	(1,271,055)
Unrestricted	69,291,931	63,033,652	6,258,279
Total net position	290,250,041	261,116,413	29,133,628
Total liabilities, deferred inflows of resources, and net position	\$ 409,677,602	\$ 377,114,023	\$ 32,563,579

The key elements of the increase of the Board's net position for the year ended June 30, 2023, are as follows:

- Current and other assets increased by approximately \$11,105,362 which was primarily the result of increased reimbursements receivable related to the Federal Stimulus and Stabilization Fund and higher rates of return on deposits.
- Capital Assets increased by approximately \$18,916,723, which was primarily the result of an increase in construction-in-process assets exceeding the amount of annual depreciation applied to depreciable assets.
- Right-of-Use assets increased by approximately \$790,377 which was primarily the result of the acquisition of electronic textbook licenses for the science textbook adoption.
- Deferred outflows of resources increased by approximately \$1,751,117 which was primarily the result of a change in the proportionate share of the district's net pension liability.
- Current and other liabilities increased by approximately \$6,783,886 which was primarily the result of an increase in salaries and benefits payable and an increase in accounts payable.
- Long-term liabilities decreased by approximately \$2,436,316 which was primarily the result of the repayment of principal on the outstanding bonds.
- Deferred inflows of resources decreased by approximately \$6,473,509 which was primarily the result of changes in the Board's proportionate share of the net pension and OPEB liabilities.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

- 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 \$1,271,055 during the year ended June 30, 2023. This decrease was primarily the result of expending bond funds toward major capital projects.
- The Board's net position increased by \$29,133,628 during the current year. The following discussion and analysis on governmental activities focuses on this increase:

The following summarizes the statement of activities at June 30, 2023, in comparison with June 30, 2022:

	2023	2022	
	Governmental	Governmental	Variance
	Activities	Activities	
Revenues:			
Program revenues:			
Charges for services	\$ 3,402,865	\$ 3,199,532	\$ 203,333
Operating grants and contributions	61,527,348	42,768,968	18,758,380
Capital grants and contributions	491,955	76,800	415,155
General revenues:			
Property taxes	60,963,029	58,894,897	2,068,132
Unrestricted state aid	69,802,870	56,942,534	12,860,336
Unrestricted investment earnings	7,029,898	1,007,901	6,021,997
Unrestricted grants and contributions	1,026,852	1,314,481	(287,629)
Gain or (loss) on disposal of capital assets	28,809	1,103,452	(1,074,643)
Total revenues	204,273,626	165,308,565	38,965,061
Expenses:			
Instruction	98,760,062	82,191,836	16,568,226
Supporting services:			
Students	10,831,339	9,764,305	1,067,034
Instructional staff	7,582,455	6,514,012	1,068,443
General administration	2,552,533	1,870,233	682,300
School administration	7,919,132	6,802,320	1,116,812
Central services	2,393,491	2,004,703	388,788
Operation and maintenance of facilities	19,131,933	18,900,728	231,205
Student transportation	9,649,042	8,975,931	673,111
Other	-	-	-
Total supporting services	60,059,925	54,832,232	5,227,693
Food services	12,691,508	11,748,924	942,584
Community services	2,183,240	2,338,003	(154,763)
Interest on long-term debt	1,445,263	1,272,098	173,165
Total expenses	175,139,998	152,383,093	22,756,905
Change in net position before transfers	29,133,628	12,925,472	16,208,155
Transfers	-	-	-
Change in net position	29,133,628	12,925,472	16,208,155
Net position - Beginning	259,441,294	248,190,941	11,250,353
Restatement	1,675,120	-	1,675,120
Net position - Ending	\$ 290,250,041	\$ 261,116,413	\$ 29,133,628

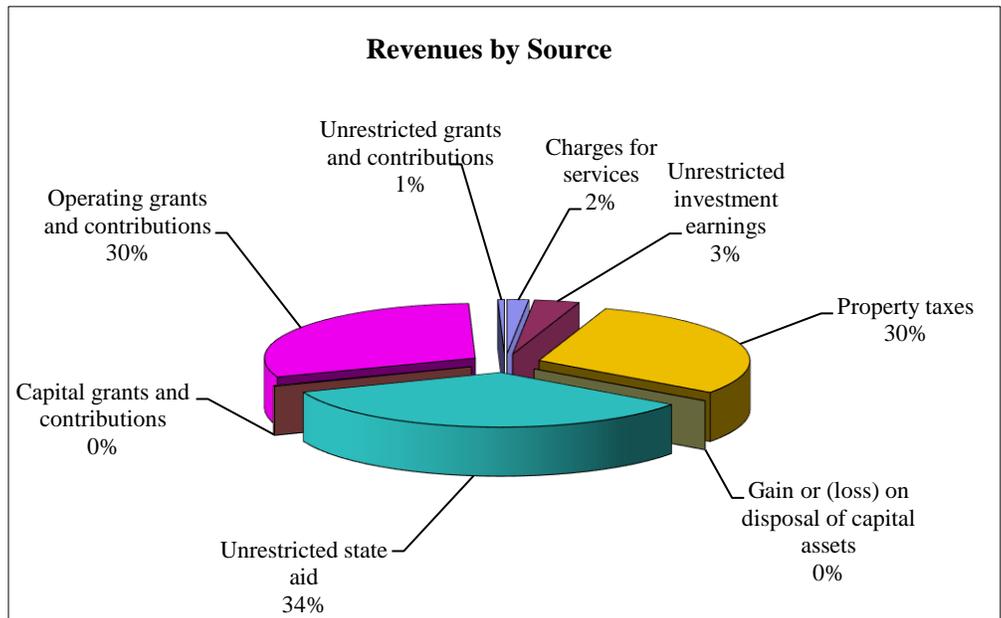
The key elements of the changes in the Board's statement of activities for the year ended June 30, 2023 are as follows:

- Program revenues from charges for services increased by approximately \$203,333 which was primarily the result of an increase in collections received by schools for programs.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

- Program revenues from operating grants and contributions increased by approximately \$18,758,380 which was primarily the result of federal COVID relief funds made available to the district to pay for the costs associated with the pandemic and the recovery from the pandemic.
- Program revenues from capital grants and contributions increased by approximately \$415,155 which was primarily the result of the commencement of SBA projects at Meadows Elementary and Altizer Elementary.
- General revenues from property taxes increased by approximately \$2,068,132 which was primarily the result of increased property values.
- General revenues from unrestricted state aid increased by approximately \$12,860,336 which was primarily the result of pension expense adjustments at the state level.
- General revenues from unrestricted investment earnings increased by approximately \$6,021,997 which was primarily the result of increased interest rates on deposits.
- General revenues from unrestricted grants and contributions decreased by approximately \$287,629 which was primarily the result of a reduction in E-Rate reimbursements received for projects.
- Gain (or loss) on disposal of capital assets decreased by approximately \$1,074,643 which was primarily the result of the sale of surplus technology equipment in FY22 that did not reoccur in FY23.
- Overall expenses increased by approximately \$22,756,905 which was primarily the result of increased pension expenses.

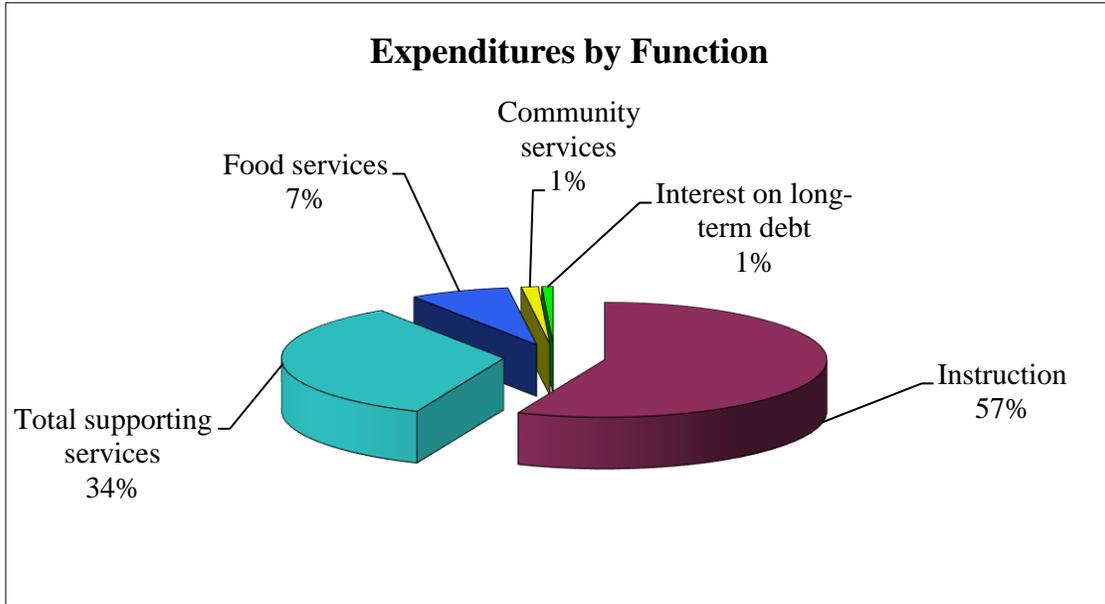
The following chart shows the Board’s revenues for fiscal year ended June 30, 2023, by revenue



The largest source of revenue for the fiscal year ended June 30, 2023 was unrestricted state aid. Traditionally, the largest source of revenue comes from unrestricted state aid.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The following chart shows the Board’s expenditures for fiscal year ended June 30, 2023, 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 \$144,107,137.

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. Of the \$57,594,919 fund balance in the general fund, \$30,988,207 is assigned for the following purposes:

Purpose	Assigned
Ongoing Construction Projects	28,470,135
Encumbrances	2,027,950
Student Device Damages	271,198
Davis Creek Flood 2021	97,369
Bus Replacement	68,663
Extra Days for Construction Cleanup	32,892
Milton Traffic Study	20,000
Total Assigned	30,988,207

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The Board had nine major funds for the fiscal year ended June 30, 2023. Those funds are the General Current Expense Fund, Special Revenue Fund, Special Revenue – School Activity Fund, Special Revenue – Federal Stimulus and Stabilization Fund, 2020 Debt Service Fund, 2015 Debt Service Fund, Bond Construction Fund, Permanent Improvement Fund, and Capital Projects Fund.

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 \$46,117,211 to \$57,594,920 during the fiscal year ended June 30, 2023. As previously discussed, this increase of \$11,477,708 was due primarily to an increase in fund transfers-in related to federal indirect costs from the American Rescue Plan funds, a one-time transfer-in of resources from the Debt Service 2015 Fund for leftover collections, and increased rates of return on deposits.

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 decreased from (\$1,745,805) to (\$3,921,155) during the fiscal year ended June 30, 2023, resulting in a deficit fund balance. This decrease of \$2,175,350 was due primarily to the recording of reimbursements earned in the prior fiscal year, but not collected within 60 days of the fiscal year ended June 30, 2023.

Special Revenue – School Activity Fund

This is a separate special revenue fund to account for the financial resources received and held by each school to support co-curricular and extra-curricular student activities in which the Board has administrative involvement. The fund balance increased from \$3,102,993 to \$3,832,146 during the fiscal year ended June 30, 2023. This increase of \$729,153 was due primarily school collections exceeding school-level expenditures.

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 (\$4,107,842) to (\$12,226,622) during the fiscal year ended June 30, 2023, resulting in a deficit fund balance. This decrease of \$8,118,781 was due primarily to the recording of reimbursements earned in the prior fiscal year, but not collected within 60 days of the fiscal year ended June 30, 2023.

2020 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 increased from \$315,729 to \$1,262,840 during the fiscal year ended June 30, 2023. This increase of \$947,111 was due primarily to property tax collections exceeding debt service requirements.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2015 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 decreased from \$3,030,757 to \$0 during the fiscal year ended June 30, 2023. This decrease of \$3,030,757 was due primarily to the transfer-out of resources to the general fund and the subsequent closing of the fund. According to WV Code §18-9-2C, all proceeds remaining in the fund following the final payment of the outstanding bonds are available for transfer to the Board's General Current Expense Fund.

Bond Construction Fund

This is a separate fund used to account for the financial resources used to acquire or construct major capital facilities financed as a result of issuing bonds. The fund balance decreased from \$78,895,246 to \$69,508,495 during the fiscal year ended June 30, 2023. This decrease of \$9,386,751 was due primarily to capital expenditures related to the identified bond projects.

Permanent Improvement Fund

This is a separate fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources and subsequent expenditures for capital improvement activities. The proceeds of the fund must be used only for the support of building and capital improvements and cannot be transferred out of the fund. The fund balance increased from \$7,677,998 to \$9,682,719 during the fiscal year ended June 30, 2023. This increase of \$2,004,721 was due primarily to the proceeds from a financed purchase related to an energy savings contract.

Capital Projects Fund

This is a separate fund used to account for all financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. The fund balance increased from \$15,923,200 to \$18,373,796 during the fiscal year ended June 30, 2023. This increase of \$2,450,596 was due primarily to the transfer-in of resources from the general fund to track expenditures related to an energy savings contract.

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 general fund budget was an increase of \$17,069,610 or 13.1% in total general fund expenditures. The most significant variances between the actual amounts and the final budget amounts may be summarized as follows:

- Budget supplements to carryover earmarked, encumbered, and unspent allocations from the prior fiscal year.
- Additional budget supplements to include in the budget revenue received in excess of the original budget.

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$213,683,790 (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 \$18,916,723 or 9.7%.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

- Purchased 10 buses
- Retired 11 buses
- Purchased land for Huntington East Middle School
- Completed 5 outdoor classrooms
- Finished installation of Milton Middle School scoreboard
- Installed turf at baseball field for Huntington High School
- Purchased new sod and water cannons for the soccer fields at Cabell Midland High School and Huntington High School

Capital assets at year-end included the following:

	2023	2022	
	Governmental	Governmental	
	Activities	Activities	Variance
Land	\$ 24,896,291	\$ 24,791,734	\$ 104,557
Buildings and improvements	153,523,285	157,463,012	(3,939,727)
Furniture and equipment	4,032,490	4,064,108	(31,618)
Vehicles	5,723,379	5,185,624	537,755
Construction in process	25,508,345	3,262,589	22,245,756
Total capital assets	<u>\$ 213,683,790</u>	<u>\$ 194,767,067</u>	<u>\$ 18,916,723</u>

Additional information on the Board's capital assets can be found in Note 6 to the Basic Financial Statements.

Right-of-Use assets - The Board's investment in right-of-use assets for its governmental activities as of June 30, 2023, amounts to \$2,701,425 (net of accumulated amortization). This investment in right-of-use assets includes land, buildings, furniture and equipment, vehicles, and subscription-based information technology arrangements (SBITAs). The total increase in the Board's investment in right-of-use assets for the current fiscal year was \$790,377 or 41.4 percent.

Major right-of-use asset events during the current fiscal year included the following:

- Depreciation of copier machines
- Depreciation of postage machine
- Acquisition of electronic textbook software licenses for the science textbook adoption

	2023	2022	
	Governmental	Governmental	
	Activities	Activities	Variance
Furniture and equipment	\$ 4,448	\$ 149,423	\$ (144,975)
SBITAs	2,696,977	1,761,625	935,352
Total right-of-use assets	<u>\$ 2,701,425</u>	<u>\$ 1,911,048</u>	<u>\$ 790,377</u>

Additional information on the Board's right-of-use assets can be found in Note 8 to the basic financial statements.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Long-term debt. At the end of the current fiscal year, the Board had total bonded debt outstanding of \$77,705,000. Employees of the Board are eligible to receive special termination benefits in the form of convertible sick leave earned but not used prior to retirement. Upon retirement, an employee’s accumulated sick leave may be converted to a greater retirement benefit or to payment of the retired employee’s health insurance premiums. The cost of additional retirement benefits is the liability of the West Virginia Consolidated Public Retirement Board and therefore are not recorded in the Board’s financial statements. However, the cost of the health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia Legislature has appropriated funds for the Board for payment of these costs. However, because such appropriations are at the discretion of the Legislature and therefore not guaranteed, the liability for the cost of sick leave convertible to health insurance premiums is recorded in the Board’s financial statements. At June 30, 2023, the liability (asset) for such costs was \$351,832, which is included in the district-wide financial statement of net position. The obligation for compensated absences for vacations was \$711,542 at June 30, 2023.

	2023	2022	
	Governmental	Governmental	
	Activities	Activities	Variance
General obligation bonds	\$ 77,705,000	\$ 82,650,000	\$ (4,945,000)
Bond premium	3,669,355	3,951,613	(282,258)
Finance Lease obligations	6,393	151,846	(145,453)
SBITA obligations	61,991	86,506	(24,515)
Compensated absences	711,542	688,961	22,581
Total debt outstanding	<u>\$ 82,154,281</u>	<u>\$ 87,528,926</u>	<u>\$ (5,374,645)</u>

Additional information on the Board’s long-term debt can be found in Note 7 to the Basic Financial Statements.

Factors bearing on the Board’s Future

At the time these financial statements were prepared and audited, Management was concerned about a continued decline in student enrollment in the county which has already impacted state aid revenue for the district. The Public School Support Program provides state funding to West Virginia school districts based on total student enrollment for the county, so continued declines are expected to result in continued reductions in state revenue.

Management is also concerned about the current inflationary environment immediately following the COVID-19 pandemic. High inflation has caused increased costs which have not yet significantly stretched the General Current Expense Fund due to the availability of American Rescue Plan funds to sustain the district. Upon exhaustion of the American Rescue Plans awarded to the district, management anticipates exceptionally significant budget issues and the likely cessation of programs and significant reduction in personnel.

At the time these financial statements were prepared, management was also concerned about the inflated costs of major construction projects, particularly of those projects planned using bond proceeds in the Bond Construction Fund. Given the size of the capital planning program, double-digit percentage overages could amount to tens of millions of dollars in additional funds required to complete the projects. There is great concern that the funds provided by the Series 2020 bonds are insufficient to complete all projects and the district’s General Current Expense Fund and Permanent Improvement Fund may be substantially degraded by the need to cover a shortfall in bond funds. The district’s financial health could be dramatically impacted if construction costs greatly exceed estimates compiled at the beginning of the COVID-19 pandemic.

**CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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:

**Cabell County Board of Education
2850 Fifth Avenue
Huntington, WV 25702
(304) 528-5000**

**CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets:	
Cash and cash equivalents	\$ 160,169,366
Investments	1,192,065
Taxes receivable, net of allowance for uncollectible taxes	2,530,274
Deposit with Retirement Board	237,169
Other receivables	24,072
Prepaid Workers' Compensation	182,935
Other prepaid expenses	513,674
Due from other governments:	
State aid receivable	601,172
PEIA allocation receivable	1,680,722
Reimbursements receivable	19,741,777
Capital Assets:	
Land	24,896,291
Buildings and improvements	258,767,820
Furniture and equipment	13,689,622
Vehicles	15,951,012
Construction in process	25,508,345
Less accumulated depreciation	(125,129,300)
Total capital assets, net of depreciation	<u>213,683,790</u>
Right-of-Use Assets:	
Equipment	294,398
Subscription-based information technology arrangements (SBITAs)	5,208,270
Less accumulated amortization	(2,801,242)
Total ROU assets, net of amortization	<u>2,701,425</u>
Total assets	<u><u>403,258,442</u></u>
Deferred outflows of resources:	
Pension	5,483,743
Other post employment benefit (OPEB)	935,417
Total deferred outflows of resources	<u>6,419,160</u>
Total assets and deferred outflows of resources	<u><u>\$ 409,677,602</u></u>
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION	
Liabilities:	
Salaries payable and related payroll liabilities	\$ 10,776,176
PEIA premiums payable	3,186,177
Compensated absences	711,542
Accounts payable	7,673,382
Long-term obligations:	
Due within one year:	
Bonds and contracts	5,327,258
Accrued interest	128,875
Finance lease liability	3,659
Financed purchases and other	465,000
SBITA liability	19,945
Due beyond one year:	
Bonds and contracts	76,047,097
Finance lease liability	2,734
Financed purchases and other	3,060,000
SBITA liability	42,045
Net pension liability - Proportionate Share	9,129,519
Net other post employment benefit (OPEB) liability - Proportionate Share	351,832
Total liabilities	<u>116,925,242</u>
Deferred inflows of resources:	
Pension	852,414
Other post employment benefit (OPEB)	1,649,905
Total deferred inflows of resources	<u>2,502,319</u>
Total liabilities and deferred inflows of resources	<u><u>\$ 119,427,561</u></u>
Net Position:	
Net Investment in Capital Assets	132,309,435
Restricted for:	
Debt service	1,262,840
Capital projects	87,385,835
Unrestricted	69,291,931
Total net position	<u><u>\$ 290,250,041</u></u>

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

**CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	\$ 98,760,062	\$ 2,116,026	\$ 35,690,193	\$ 344,387	\$ (60,609,456)
Supporting services:					
Students	10,831,339	232,071	2,779,217	26,613	(7,793,438)
Instructional staff	7,582,455	162,461	1,945,585	18,630	(5,455,779)
General administration	2,552,533	54,690	654,955	6,272	(1,836,616)
School administration	7,919,132	169,675	2,031,973	19,457	(5,698,027)
Central services	2,393,491	51,283	614,147	5,881	(1,722,180)
Operation and maintenance of facilities	19,131,933	409,919	4,909,070	47,007	(13,765,937)
Student transportation	9,649,042	206,740	2,475,851	23,708	(6,942,743)
Food services	12,691,508	-	10,426,358	-	(2,265,150)
Community services	2,183,240	-	-	-	(2,183,240)
Interest on long-term debt/finance leases	1,445,263	-	-	-	(1,445,263)
Total governmental activities	175,139,998	3,402,865	61,527,348	491,955	(109,717,830)
General revenues:					
Property taxes					60,963,029
Unrestricted state aid					69,802,870
Unrestricted investment earnings					7,029,898
Unrestricted grants and contributions					1,026,852
Gain (loss) on disposal of capital assets					28,809
Transfers in					14,690,824
Transfers (out)					(14,690,824)
Total general revenues, extraordinary items and transfers					138,851,457
Change in net position					29,133,628
Net position - beginning					259,441,294
Prior period adjustments - (See Note __)					1,675,120
Net position - beginning, as restated					261,116,413
Net position - ending					\$ 290,250,041

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

CABELL COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	11 General Current Expense	61 Special Revenue Fund	65 School Activity Fund	71 Stimulus / Stabilization Fund	21 2020 Debt Service Fund	22 2015 Debt Service Fund	31 Bond Construction Fund	41 Permanent Improvement Fund	51 Capital Projects Fund	Total Governmental
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
Assets:										
Cash and cash equivalents	\$ 54,109,840	\$ -	\$ 3,832,146	\$ -	\$ -	\$ -	\$ 71,379,712	\$ 10,757,394	\$ 20,090,275	\$ 160,169,366
Investments	-	-	-	-	1,192,065	-	-	-	-	1,192,065
Taxes receivable, net	2,069,599	-	-	-	406,312	-	-	54,362	-	2,530,274
Deposit with Retirement Board	237,169	-	-	-	-	-	-	-	-	237,169
Prepaid Workers' Comp	182,935	-	-	-	-	-	-	-	-	182,935
Other receivables	6,196	111	-	3,138	-	-	-	14,628	-	24,072
Other prepaid expenses	513,674	-	-	-	-	-	-	-	-	513,674
Due from other governments:										
State aid receivable	601,172	-	-	-	-	-	-	-	-	601,172
PEIA allocation receivable	1,680,722	-	-	-	-	-	-	-	-	1,680,722
Reimbursements receivable	60,939	7,206,566	-	12,243,657	-	-	-	-	230,615	19,741,777
Due from other funds	11,754,715	-	-	-	-	-	-	-	-	11,754,715
Total assets	71,216,962	7,206,677	3,832,146	12,246,794	1,598,378	-	71,379,712	10,826,385	20,320,889	198,627,942
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES	\$ 71,216,962	\$ 7,206,677	\$ 3,832,146	\$ 12,246,794	\$ 1,598,378	\$ -	\$ 71,379,712	\$ 10,826,385	\$ 20,320,889	\$ 198,627,942
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Salaries payable and related payroll liabilities	\$ 8,638,418	\$ 1,428,812	\$ -	\$ 708,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,776,176
PEIA premiums payable	2,559,751	451,818	-	174,609	-	-	-	-	-	3,186,177
Accounts payable & Payable to others	858,235	279,616	-	1,787,627	-	-	1,871,217	1,108,127	1,768,560	7,673,382
Due to other funds	-	2,179,835	-	9,574,880	-	-	-	-	-	11,754,715
Total liabilities	12,056,404	4,340,081	-	12,246,061	-	-	1,871,217	1,108,127	1,768,560	33,390,450
Deferred inflows of resources	1,565,639	6,787,751	-	12,227,355	335,538	-	-	35,539	178,533	21,130,355
Total deferred inflows of resources	1,565,639	6,787,751	-	12,227,355	335,538	-	-	35,539	178,533	21,130,355
Fund Balances:										
Nonspendable	933,778	-	-	-	-	-	-	-	-	933,778
Restricted	2,129,379	-	3,832,146	-	1,262,840	-	69,508,495	9,682,719	8,194,621	94,610,199
Committed	400,000	-	-	-	-	-	-	-	-	400,000
Assigned	30,988,207	-	-	-	-	-	-	-	10,179,175	41,167,382
Unassigned	23,143,555	(3,921,155)	-	(12,226,622)	-	-	-	-	-	6,995,778
Total fund balances	57,594,919	(3,921,155)	3,832,146	(12,226,622)	1,262,840	-	69,508,495	9,682,719	18,373,796	144,107,137
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 71,216,962	\$ 7,206,677	\$ 3,832,146	\$ 12,246,794	\$ 1,598,378	\$ -	\$ 71,379,712	\$ 10,826,385	\$ 20,320,889	\$ 198,627,942

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

**CABELL COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Total Governmental</u>
Total Governmental Fund Balance	144,107,137
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	213,683,790
Finance lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	2,701,425
Other deferred charges are not reported in the funds	19,204,044
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	1,926,312
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future	
Deferred outflows of resources related to pensions	5,483,743
Deferred inflows of resources related to pensions	(852,414)
Deferred outflows of resources related to OPEB	935,417
Deferred inflows of resources related to OPEB	(1,649,905)
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	
Bonds payable, due within one year	(5,045,000)
Bonds payable, due beyond one year	(72,660,000)
Unamortized bond premium	(3,669,355)
Accrued interest on bonds	(128,875)
Accrued sick leave payable	-
Compensated absences	(711,542)
Net pension liability - proportionate share	(9,129,519)
Net OPEB liability - proportionate share	(351,832)
Asset Retirement Obligation (ARO) Liability	-
Finance lease liability, due within one year	(3,659)
Finance lease liability, due beyond one year	(2,734)
Financed purchases, due within one year	(465,000)
Financed purchases, due beyond one year	(3,060,000)
SBITA liability, due within one year	(19,945)
SBITA liability, due beyond one year	(42,045)
Net position of governmental activities	<u>\$ 290,250,041</u>

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

CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	11	61	65	71	21	22	31	41	51	Total
	General	Special	School	Stimulus /	2020	2015	Bond	Permanent	Capital	Total
	Current	Revenue	Activity	Stabilization	Debt Service	Debt Service	Construction	Improvement	Projects	Governmental
	Expense	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	
Revenues:										
Property taxes	\$ 52,189,721	\$ -	\$ -	\$ -	\$ 7,350,457	\$ -	\$ -	\$ 1,869,253	\$ -	\$ 61,409,430
Other Local sources	4,775,320	226,186	3,402,866	-	217,866	-	3,043,291	20,273	-	11,685,801
State sources	85,378,840	3,398,377	-	-	-	-	-	-	390,221	89,167,438
Federal sources	1,243,765	23,507,117	223,311	22,579,283	-	-	-	-	-	47,553,475
Total revenues	143,587,645	27,131,680	3,626,176	22,579,283	7,568,323	-	3,043,291	1,889,526	390,221	209,816,144
Expenditures:										
Instruction	73,832,846	11,854,278	2,241,159	16,264,264	-	-	-	-	-	104,192,548
Supporting services:										
Students	8,510,880	2,022,794	-	1,315,707	-	-	-	-	-	11,849,381
Instructional staff	3,224,795	3,031,023	-	1,708,196	-	-	-	-	-	7,964,014
General administration	2,054,998	-	-	603,346	-	-	-	31,000	-	2,689,344
School administration	8,784,295	302,174	-	103,322	-	-	-	-	-	9,189,791
Central Services	2,044,125	52,790	-	505,693	-	-	2,500	33,874	-	2,638,983
Operation and maintenance of facilities	18,446,082	206,201	-	2,383,999	-	-	1,000	2,015	-	21,039,297
Student transportation	10,949,097	338,394	-	147,037	-	-	-	-	-	11,434,528
Food services	3,690	12,838,795	-	-	-	-	-	-	-	12,842,485
Community services	2,164,152	19,630	-	-	-	-	-	-	-	2,183,782
Capital outlay	702,398	27,000	-	5,071,181	-	-	12,426,542	3,342,915	4,036,088	25,606,124
Debt service:										
Principal retirement	-	-	-	-	4,945,000	-	-	-	-	4,945,000
Interest and fiscal charges	48,603	-	-	-	1,676,213	-	-	-	-	1,724,816
Finance Leases:										
Principal payment expense	148,187	-	-	-	-	-	-	-	-	148,187
Interest Expense	2,734	-	-	-	-	-	-	-	-	2,734
SBITAs:										
Principal payment expense	24,515	-	-	-	-	-	-	-	-	24,515
Interest Expense	3,093	-	-	-	-	-	-	-	-	3,093
Total expenditures	130,944,490	30,693,079	2,241,159	28,102,745	6,621,213	-	12,430,042	3,409,805	4,036,088	218,478,621
Excess (deficiency) of revenues over expenditures	12,643,155	(3,561,399)	1,385,017	(5,523,462)	947,111	-	(9,386,751)	(1,520,279)	(3,645,867)	(8,662,477)
Other financing sources (uses):										
Proceeds from disposal of real or personal property	35,127	-	-	-	-	-	-	-	-	35,127
Proceeds from financed purchase	-	-	-	-	-	-	-	3,525,000	-	3,525,000
Transfers in	6,665,422	1,802,318	108,586	18,035	-	-	-	-	6,096,463	14,690,824
Transfers (out)	(7,865,995)	(416,269)	(764,450)	(2,613,353)	-	(3,030,757)	-	-	-	(14,690,824)
Total other financing sources (uses)	(1,165,447)	1,386,049	(655,864)	(2,595,318)	-	(3,030,757)	-	3,525,000	6,096,463	3,560,127
Net change in fund balances	11,477,708	(2,175,350)	729,153	(8,118,781)	947,111	(3,030,757)	(9,386,751)	2,004,721	2,450,596	(5,102,350)
Fund balances - beginning	46,117,211	(1,745,805)	3,102,993	(4,107,842)	315,729	3,030,757	78,895,246	7,677,998	15,923,200	149,209,487
Fund balances - ending	\$ 57,594,920	\$ (3,921,155)	\$ 3,832,146	\$ (12,226,622)	\$ 1,262,840	\$ -	\$ 69,508,495	\$ 9,682,719	\$ 18,373,796	\$ 144,107,137

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

CABELL 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, 2023

Net change in fund balances - total governmental funds \$ (5,102,350)

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	(6,878,284)
Capital outlays	25,986,888

Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of lease assets is allocated over their estimated useful lives and reported as amortization expense. The effect on net position is the amount by which capital outlays exceed amortization in the current period.

Amortization expense	(144,975)
Capital outlays	-

Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of SBITA assets is allocated over their estimated useful lives and reported as amortization expense. The effect on net position is the amount by which capital outlays exceed amortization in the current period.

Amortization expense	(905,331)
Capital outlays	1,840,682

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	(446,401)
Operating Grants and Contributions	10,451,043

Other miscellaneous conversion adjustments -

A portion of the change in fund balances is the proceeds from the general obligation bonds issued during FOR THE FISCAL YEAR ENDED JUNE 30, 2023. Those proceeds are not considered revenue items for the purpose of this statement. -

on the general obligation bonds issued during FOR THE FISCAL YEAR ENDED JUNE 30, 2023. Those proceeds are not considered revenue items for the purpose of this statement. -

A portion of the change in fund balances is the current year amortization of the premium on general obligation bonds. The current year amortization of the premium is a reduction of interest expense rather than revenue for the purpose of this statement. 282,258

A portion of the change in fund balances is the proceeds from finance leases. Those proceeds are not considered revenue items for the purpose of this statement. -

A portion of the change in fund balances is the proceeds from financed purchases. Those proceeds are not considered revenue items for the purpose of this statement. (3,525,000)

Those proceeds are not considered revenue items for the purpose of this statement. (1,840,682)

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

CABELL COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net position.	4,945,000
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	
Cost of assets disposed	(920,571)
Accumulated depreciation of assets disposed	728,690
Differences in the ROU asset and accumulated amortization on ROU asset terminated agreements are reported as a loss and reduction in net position in the statement of activities.	
Right-of-Use assets terminated	(25,013)
Accumulated amortization of assets terminated	25,013
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	(22,584)
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.	
	5,856
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	1,701,604
Cost of benefits earned net of employee contributions	(920,848)
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	322,015
Cost of benefits earned net of employee contributions	1,565,966
Asset Retirement Obligations (AROs) are reported in the statement of net position, but are not reported in governmental funds. This is the amount by which the ARO has increased.	
	-
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.	
	145,453
Financed purchases 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 financed purchases decreased.	
	-
SBITA 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 SBITA payables decreased.	
	1,865,198
Change in net position of governmental activities	\$ 29,133,628

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

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 Cabell 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.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 Funds: 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.

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 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

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

All deposit accounts and investments of the School Board at June 30, 2023, consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
State Investment Pool	\$ 152,597,418	\$ 152,597,418	\$ 152,597,418
Municipal Bond Commission	1,192,065	1,192,065	1,192,065
Deposits with Financial Institutions – Individual schools	3,832,146	3,832,146	3,832,146
Deposits with Financial Institutions – Board of Education	3,739,803	3,739,803	7,045,044
Total cash and cash equivalents	<u>\$ 161,361,432</u>	<u>\$ 161,244,007</u>	<u>\$ 164,666,673</u>

The School Board had no fixed-term investments at June 30, 2023.

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.

Cash on deposit with the MBC is held by the BTI in the West Virginia Government Money Market Pool and is subject to the following BTI policies and limits.

The BTI has adopted an investment policy in accordance with the “Uniform Prudent Investor Act.” The “prudent investor rule” guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income; preserve capital; and, in general, avoid speculative investments. The BTI’s investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. Due to the short-term nature of BTI’s Consolidated Fund, the BTI believes that it is imperative to review and adjust the investment policy in reaction to interest rate market fluctuations/trends on a regular basis and has adopted a formal review schedule. Investment policies have been established for each investment pool and account of the BTI’s Consolidated Fund. Of the BTI’s Consolidated Fund pools and accounts in which the School Board invests, all are subject to credit risk. The following BTI investment risk information has been extracted from the notes to BTI’s financial statements.

WV Government Money Market Pool - Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For the year ended June 30, 2022, the WV Government Money Market Pool has been rated AAAM by Standard & Poor’s. A fund rated “AAAM” has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. “AAAM” is the highest principal stability fund rating assigned by Standard & Poor’s.

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. government agency issues, money market funds investing in U.S. Treasury issues and U.S. government agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury obligations or obligations guaranteed as to repayment of interest and principal by the United States of America.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the BTI's Consolidated Fund pools and accounts are subject to interest rate risk.

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

The following table provides information on the weighted average maturities for the various asset types in the WV Government Money Market Pool:

Security Type	2022 Carrying Value (in thousands)	WAM (Days)
U.S. Treasury notes	\$ 1,000	62
U.S. Treasury bills	28,974	34
U.S. agency bonds and notes	39,124	9
U.S. agency discount notes	109,899	28
Repurchase agreements	54,900	1
Money market funds	<u>198</u>	<u>1</u>
Total	<u>\$ 234,095</u>	19

Other Investment Risks - Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of the BTI's Consolidated Fund pool or account's investment in a single corporate issuer. The BTI investment policy prohibits those pools and accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. The BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. None of the BTI's Consolidated Fund's investment pools or accounts holds interests in foreign currency or interests valued in foreign currency.

Deposits - Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit. WV Government Money Market Pool does not contain nonnegotiable certificates of deposit. The BTI does not have a deposit policy for custodial credit risk.

F. Food Service receivables:

The accounts receivable for the Food Service Program represents what revenue was collected for the National School Lunch Program during July 2023 and August 2023.

**CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

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. On June 30, 2023, the Board had \$696,609 in prepaid items.

J. Capital Assets:

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

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

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

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

On occasion certain capital assets have been deemed by management to have a lesser useful life than the estimated lives listed herein. Management of the Board evaluates those instances where a lesser life is more appropriate and makes the corresponding depreciation adjustments where necessary.

K. Right-of-Use Assets

Right-of-use assets, which include land, buildings, equipment, vehicles, and subscription-based information technology arrangements (SBITAs) are reported in the district-wide financial statements.

The School Board defines lease right-of-use assets (land, buildings, equipment, and vehicles) 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.

**CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

Lease Right-of-use assets (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 School Board defines SBITA right-of-use assets as a contract that grants the right to use IT software for a period of time in an exchange or exchange-like transaction. This subscription 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.

SBITA Right-of-use assets are recorded at the present value of the payments expected to be made during the subscription term, including any payments made to the vendor at or before the commencement of the subscription term (less any incentives), and capitalizable initial implementation costs.

SBITA Right-of-use assets of the School Board are amortized using the straight-line method over the shorter period of the subscription term or the useful life of the underlying IT asset.

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.

Deferred Outflows of Resources as of June 30, 2023:

Deferred outflows of resources related to pensions	\$ 5,483,743
Deferred outflows of resources related to OPEB	<u>935,417</u>
Total Deferred Outflows of Resources	<u>\$ 6,419,160</u>

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.

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 40 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.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

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. The Board's deferred inflows of the fund financial statements include property taxes, child nutrition, and other receivables. Deferred inflows for the government-wide financial statements include the proportionate share of the Board's net difference between projected and actual earnings, the differences between the employer contributions and proportionate share of contributions difference between expected and actual non-investment experience, changes in assumptions, and reallocation of opt-out employer change in proportionate share.

Deferred Inflows of Resources as of June 30, 2023:

Deferred outflows of resources related to pensions	\$ 852,414
Deferred outflows of resources related to OPEB	<u>1,649,905</u>
Total Deferred Outflows of Resources	<u>\$ 2,502,319</u>

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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:

- **Invested in capital assets, net of related debt** - This represents the School Board's total investment in capital assets, net of accumulated depreciation and reduced by the balances of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested capital assets, net of related debt.
- **Restricted net position, expendable** - This includes resources in which the School Board is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties including grantors, donors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This represents resources derived from other than capital assets or restricted net position. These resources are used for transactions relating to the general operation of the School Board and may be used at the discretion of the School Board to meet current expenses for any lawful purpose.

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 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

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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. 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 the 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 adoption of GASB Statement No. 89 did not have an impact on the School Board’s financial statements.

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

The Governmental Accounting Standards Board has also issued Statement No. 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.

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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. 99, *Omnibus 2022*, effective for fiscal years ending after December 15, 2021. The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objective of this Statement is to enhance comparability in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The School Board has not yet determined the effect that the adoption of GASB Statement No. 99 may have on its financial statements.

W. Recent Statements Issued by the GASB:

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.

**CABELL COUNTY BOARD OF EDUCATION
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Note 2 - Stewardship, Compliance and Accountability:

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

The following fund had a deficiency in net change in fund balance for the year ended June 30, 2023:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund	(\$ 2,175,350)
Special Revenue- Federal Stimulus Fund	(\$ 8,118,781)
Debt Service 2015 Fund	(\$ 3,030,757)
Bond Construction Fund	(\$ 9,386,751)

The following funds have a deficit fund balance on June 30, 2023:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund	(\$ 3,921,155)
Special Revenue- Federal Stimulus Fund	(\$12,226,622)

The Special Revenue Fund had a deficit fund balance of (\$3,921,155) as of June 30, 2023. Federal reimbursements were due to the Board but were received outside 60 days and were deferred in the fund statements, causing the deficit fund balance.

The Special Revenue – Federal Stimulus and Stabilization Fund had a deficit fund balance of (\$12,226,622) as of June 30, 2023. Federal reimbursements were due to the Board but were received outside 60 days and were deferred in the fund statements, causing the deficit fund balance.

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.

**CABELL COUNTY BOARD OF EDUCATION
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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): BrickStreet Insurance Company provides workers' compensation coverage to Cabell County Board of Education. The cost of all coverage as determined by BrickStreet Insurance, is paid by the School Board. BrickStreet Insurance Company's risk pool retains the risk related to the compensation of injured employees under the program.

Note 4 - Property Taxes:

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

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

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, 2023 were:

**CABELL COUNTY BOARD OF EDUCATION
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<u>Class of Property</u>	<u>Assessed Valuations For Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>	<u>Permanent Improvement</u>	<u>Bond Purposes</u>
Class I	\$ -	17.90¢	22.95¢	1.50¢	5.65¢
Class II	\$ 1,614,369,586	35.80¢	45.90¢	3.00¢	11.30¢
Class III	\$ 1,135,758,572	71.60¢	91.80¢	6.00¢	22.60¢
Class IV	\$ 1,278,817,094	71.60¢	91.80¢	6.00¢	22.60¢

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 distraint for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

Taxes Receivable

Taxes receivable as of June 30, 2023 for the School Board's funds are as follows:

	<u>General Current Expense</u>	<u>Debt Service Fund</u>	<u>Permanent Improvement Fund</u>
Taxes receivable	\$ 4,778,490	\$ 606,821	\$ 174,766
Less: allowance for uncollectible	(2,708,891)	(200,509)	(120,404)
Taxes receivable, net	<u>\$ 2,069,599</u>	<u>\$ 406,312</u>	<u>\$ 54,362</u>

Note 5 - Excess Levy:

The School Board had an excess levy in effect during the fiscal year ended June 30, 2023. The levy was authorized by the voters of the county at an election held on May 8, 2018, for the fiscal years ended June 30, 2021, through June 30, 2025, to provide funds for the following purposes:

Restriction	Estimated Collections
Professional Salary	\$ 7,057,547
Service Salary	2,050,000
Substitute (Professional and Service)	1,101,000
Athletics	625,000
Personnel Taxes and Benefits	3,336,378
Textbooks, Supplies, Postage, Insurance, Travel	2,287,538
Contracted Services	1,700,000
Construction, Repair, and Maintenance	1,232,000
Equipment and Rentals	1,691,937
Cabell County Public Library	1,471,869
Greater Huntington Park and Recreation District	455,229
Technology	1,119,651
Total Estimated Collections	\$ 24,128,149

**CABELL COUNTY BOARD OF EDUCATION
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- **Professional Salary** – Including, but not limited to, professional salaries, salaries of personnel in excess of 200 days, salaries for professionals in excess of state funding limit, salaries of non-certified personnel, and minimum salaries fixed by law and supplemental salaries.
- **Service Salary** – Including, but not limited to, service personnel salaries, salaries of service personnel in excess of 200 days, salaries for service personnel in excess of state funding limit, and minimum salaries fixed by law and supplemental salaries.
- **Substitute** – Including, but not limited to, professional and service personnel substitute costs.
- **Athletics** – Including, but not limited to, salaries for coaches, intramural activities, and other costs associated with athletic programs.
- **Personnel Taxes and Benefits** – including, but not limited to, FICA taxes, unemployment taxes, workers’ compensation taxes, retirement and other insurance, including dental and optical.
- **Textbooks, Supplies, Postage, Insurance and Travel** – Including, but not limited to, printing, copying, school, custodial, library, office, health supplies, postage, textbooks, insurance and travel.
- **Contracted Services** – Including, but not limited to, staff development, legal services, special education, pest management, financial audit, transportation department employees’ random drug and alcohol testing, student drug testing, and fire alarm inspections.
- **Construction, Repair, and Maintenance** – Including, but not limited to, construction, building repair, roof replacement, asbestos projects, structural repairs, fire code corrections, Americans with Disabilities Act compliance, equipment maintenance, paving and bus maintenance, and athletic facilities.
- **Equipment and Rentals** – including, but not limited to, maintenance equipment, vehicle replacement, lab equipment, administrative equipment, school equipment, vacuums, copiers, transportation equipment, school copier rentals, computer leases, data communications, Drivers Education car rentals, and communication equipment.
- **Cabell County Public Library** – The operation of the Cabell County Public Library as required by Section 5, Chapter 207, of the 1967 Acts of the West Virginia Legislature.
- **Greater Huntington Park and Recreation District** – The operation of the Greater Huntington Park and Recreation District as required by Section 7, Chapter 194, of the 1983 Acts of the West Virginia Legislature.
- **Technology** – Including, but not limited to, classroom personal devices, technology infrastructure, instructional hardware, security system upgrades, and professional development activities.

A total of \$29,071,695 was received by the School Board from the excess levy during the fiscal year ended June 30, 2023.

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Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	\$ 24,791,734	\$ 104,557	\$ -	\$ 24,896,291
Construction in process	3,262,589	22,431,319	(185,563)	25,508,345
Total non-depreciable capital assets	<u>28,054,323</u>	<u>22,535,876</u>	<u>(185,563)</u>	<u>50,404,636</u>
Capital assets, depreciable:				
Land improvements	-	-	-	-
Buildings and improvements	257,369,200	1,398,620	-	258,767,820
Furniture and equipment	13,055,139	634,483	-	13,689,622
Vehicles	15,268,111	1,417,909	(735,008)	15,951,012
Total depreciable capital assets	<u>285,692,449</u>	<u>3,451,012</u>	<u>(735,008)</u>	<u>288,408,453</u>
Less accumulated depreciation for:				
Land improvements	-	-	-	-
Buildings and improvements	(99,906,188)	(5,338,347)	-	(105,244,535)
Furniture and equipment	(8,991,030)	(666,101)	-	(9,657,131)
Vehicles	(10,082,487)	(873,836)	728,690	(10,227,633)
Total accumulated depreciation	<u>(118,979,706)</u>	<u>(6,878,284)</u>	<u>728,690</u>	<u>(125,129,300)</u>
Total depreciable capital assets, net	<u>166,712,744</u>	<u>(3,427,272)</u>	<u>(6,318)</u>	<u>163,279,154</u>
Total capital assets, net	<u>\$194,767,067</u>	<u>\$19,108,604</u>	<u>\$ (191,881)</u>	<u>\$ 213,683,790</u>

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

Instruction	\$ 5,615,425
Supporting Services:	
Students	10,402
Instructional Staff	-
Central administration	11,926
School administration	-
Business	-
Operation and maintenance of facilities	171,577
Transportation	890,517
Other support services	-
Food services	178,436
Community Services	-
Total Depreciation expense - governmental activities	<u>\$ 6,878,284</u>

Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2023 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	\$ 82,650,000	\$ -	\$4,945,000	\$77,705,000	\$5,045,000	\$72,660,000
Premium on sale of bonds	3,951,613	-	282,258	3,669,355	282,258	3,387,097
Financed Purchases	-	3,525,000	-	3,525,000	465,000	3,060,000
Compensated absences	688,959	22,584	-	711,542	711,542	-
Proportionate share of net pension liability	4,016,623	5,112,896	-	9,129,519	-	9,129,519
Proportionate share of net OPEB liability	(91,163)	442,995	-	351,832	-	351,832
Long-term liabilities	<u>\$ 91,216,032</u>	<u>\$ 9,103,475</u>	<u>\$5,227,258</u>	<u>\$95,092,248</u>	<u>\$6,503,800</u>	<u>\$88,588,448</u>

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The Board’s future debt service requirements for bonded debt is as follows:

Year Ending June 30	Interest Rate	Principal	Interest	Total
2024	1.50%	\$ 5,045,000	\$ 1,600,038	\$ 6,645,038
2025	1.50%	5,145,000	1,524,363	6,669,363
2026	2.00%	5,250,000	1,421,463	6,671,463
2027	2.00%	5,355,000	1,316,463	6,671,463
2028	2.00%	5,570,000	1,209,363	6,779,363
2029-2033	2.25%	30,985,000	3,968,338	34,953,338
2034-2037	2.00%	20,355,000	819,700	21,174,700
Total		<u>\$ 77,705,000</u>	<u>\$ 11,859,725</u>	<u>\$ 89,564,725</u>

General Obligation Bonds – General obligation bonds payable at June 30, 2023, with their outstanding balance are comprised of the following individual issues:

Bond Issue of 2020	\$77,705,000
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Bond Issue of 2020:

On December 29, 2020, the Board issued general obligation bonds of \$87,500,000 with interest rates varying between 2.0% - 5.0% to provide funds for school construction and renovations. The bonds mature in varying annual increments through June 2036 and interest is payable semiannually on June 1 and December 1 of each year. The general obligation bonds were issued at a premium of \$4,375,000.

Payments on the bonds are made from the debt service fund each year.

Note 8 – Leases that Transfer Ownership, Short-Term Leases, and Right-of-Use Assets (Finance Leases):

The School Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as 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, 2023 were \$303,203.

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.

Subscription-Based Information Technology Agreements (SBITAs), contracts that convey control of the right-to use another party’s IT software for a term longer than 12 months, require the School Board to recognize a right-of-use asset and the related SBITA liability. SBITAs are reported in the district-wide financial statements and are recorded at the present value of the payments expected to be made during the

**CABELL COUNTY BOARD OF EDUCATION
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agreement term, including any payments made to the vendor at the commencement of the subscription term, capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. These assets are amortized using the straight-line method over the shorter period of the subscription term or the useful life of the asset.

Postage Machine Finance Lease:

The Board has entered into a multi-year finance lease for a postage machine with Quadient Financing. The terms of the lease are a 63-month lease beginning on June 1, 2019, and concluding on August 31, 2024. The Board makes quarterly payments of \$933.54 at the beginning of each quarter. An annual interest rate was not provided by the lessor, so the Board has assumed a 3.25% interest rate.

Copier Machine Finance Lease:

The Board has entered into a multi-year finance lease for approximately 90 copiers with Compton Office Machines. The terms of the lease are a 48-month lease beginning on July 1, 2019, and concluding on June 30, 2023. The Board makes monthly payments of \$12,188 at the beginning of each month. An annual interest rate was not provided by the lessor, so the Board has assumed a 3.25% interest rate.

Subscription-Based Information Technology Arrangements (SBITAs):

The Board has entered into many subscription-based information technology agreements, particularly those for electronic textbooks and other online instructional programs for various terms, up to ten years. In most cases, the Board pays up front for the entire license period. A SBITA asset is recorded when appropriate, but no SBITA liability is recorded when subscription fees are paid entirely up front.

As of June 30, 2023, the Board recognized a present-value SBITA liability of \$61,991 which is the result of a single contract with Quaver Music. In July 2021, the Board entered into an agreement with Quaver Music for software licenses for students. The Board agreed to make annual payments of \$22,100 at the beginning of each fiscal year through July 2025 (FY26). An annual interest rate was not provided by the lessor, so the Board has assumed a 3.25% interest rate.

Right-of Use asset balances and activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Restatement	Additions	Eliminations	Ending Balance
Lease Assets:					
Furniture and equipment	294,398	-	-	-	294,398
SBITAs	-	3,392,600	1,840,682	(25,013)	5,208,270
Total lease assets	294,398	3,392,600	1,840,682	(25,013)	5,502,667
Less accumulated Amortization for:					
Furniture and equipment	(144,975)	-	(144,975)	-	(289,950)
SBITAs	-	(1,630,975)	(905,331)	25,013	(2,511,292)
Total accumulated amortization	(144,975)	(1,630,975)	(1,050,305)	25,013	(2,801,242)
Total lease assets, net	\$ 149,423	\$ 1,761,625	\$ 790,377	\$ -	\$ 2,701,425

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

Instruction	\$1,050,305
Total amortization expense- governmental activities	<u>\$1,050,305</u>

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Finance Lease liability activity for the year ended June 30, 2023 is as follows:

	Balance, Beginning of Year	Restatement	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
Lease Liability	\$ 151,846	\$ -	\$ -	\$ (141,453)	\$ 6,393	\$ 3,659	\$ 2,734

SBITA liability activity for the year ended June 30, 2023 is as follows:

	Balance, Beginning of Year	Restatement	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
SBITA Liability	\$ -	\$ 86,506	\$ -	\$ (24,515)	\$ 61,991	\$ 19,945	\$ 42,045

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, 2023, the School Board's total payroll for all employees was \$97,057,902 and the payroll was \$88,742,343 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

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Legislature passed Senate Bill 529 in 2015 essentially adding a second tier of retirement benefits for those eligible to be a member of TRS who are hired for the first time and first become a member of TRS on or after July 1, 2015. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

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

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

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

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

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

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.

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

At June 30, 2023, 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	\$ 9,129,519
State's proportionate share of the net pension liability associated with the School Board.	<u>131,235,574</u>
Total portion of net pension liability associated with the school board	<u><u>\$ 140,365,093</u></u>

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, 2020 rolled forward to the measurement date. The School Board's proportion of the net pension liability was based on its proportionate share of employer and non-employer contributions to the TRS Plan for the fiscal year ended on the measurement date.

For the year ended June 30, 2022, the School Board's proportion was 0.355 percent, which was an increase of 0.098 from its proportion measured as of June 30, 2021 (0.257 percent).

For the year ended June 30, 2022, the School Board recognized pension expense of \$10,691,722 and for support provided by the State, revenue of \$9,770,874. At June 30, 2023, 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	\$ 379,096	\$ -
Differences between expected and actual experience	370,315	74,451
Changes in proportion and differences between School Board contributions and proportionate share of contributions	2,516,945	777,963
Changes in assumptions	515,783	-
District contributions subsequent to the measurement date	<u>1,701,604</u>	<u>-</u>
Total	<u><u>\$ 5,483,743</u></u>	<u><u>\$ 852,414</u></u>

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,			
2024	\$	656,122	
2025		669,512	
2026		114,763	
2027		1,429,552	
2028		59,776	
Thereafter		-	
Total	\$	<u><u>2,929,725</u></u>	

**CABELL COUNTY BOARD OF EDUCATION
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Actuarial Assumptions:

For TRS, the actuarial assumptions used in the July 1, 2020 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:

Projected salary increases:

Educators – 2.75% - 5.90%

Non-Educators – 2.75% - 6.5%

Inflation rate – 2.75%

Discount rate – 7.25%

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* – 100% of 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, *beneficiary males* – 101% of Pub-2010 Contingent Survivor Male Table, headcount-weighted, projected with Scale MP-2019, *beneficiary females* – 113% of Pub-2010 Contingent Survivor Female Table, headcount-weighted, projected with Scale MP-2019.

Withdrawal Rates:

Educators – 7.00% - 35.00%

Non-Educators – 2.30% - 18.00%

Disability Rates – 0.004% - 0.563%

Retirement rates – 15% - 100%

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%	5.3%
International Equity	27.5%	6.1%
Fixed Income	15.0%	2.2%
Real Estate	10.0%	6.5%
Private Equity	10.0%	9.5%
Hedge Funds	10.0%	3.8%
Total	100.0%	

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Discount Rate:

The discount rate used to measure the total pension liability was 7.25%. 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 7.25% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
School Board's proportionate share of the TRS net pension liability	<u>\$ 13,428,399</u>	<u>\$ 9,129,519</u>	<u>\$ 5,478,510</u>

Payables to the pension plan:

At June 30, 2023, the School Board reported a liability in the amount of \$1,536,656 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.

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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, 2022, this plan had approximately \$9 billion in net position held in trust for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West Retirement Services, an independent third party administrator.

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

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

Total payments reflected in the School Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2023 were:

Employees' contributions (4.5%)	\$	281,282
Employer's contributions (7.5%)		468,804
Total contributions	\$	750,086

Former RESA Fiscal Agent

In 2017, W. Va. Code § 18-2-26 was amended and reenacted by the State legislature, leading to the ultimate abolishment and dissolution of all regional education service agencies (RESAs) by no later than July 1, 2018.

The School Board is a formal fiscal agent of RESA 2. For financial statement purposes up through the fiscal year ended June 30, 2018, the amounts presented on the audited CPRB allocation schedules for the fiscal agent county board of education were split proportionately between the School Board and the RESA by estimating the RESA amount of the net pension liability, pension expense, deferred inflows, and deferred outflows. This estimate was based on the breakdown of payroll data available to the School Board. Specifically, each entities' contributions for the fiscal year pertaining to the measurement date to the plan were used to estimate their proportionate share of the net pension liability, pension expense, deferred inflows, and deferred outflows.

Certain deferred inflows/outflows related to pension amounts are amortized over the average service life reported on the respective years' actuarial report. Due to the dissolution of the RESAs, the School Board will report the deferred inflows/outflows that would have been amortized by the RESA. The prior year RESA proportionate share amounts and average service lives used to calculate the deferred inflows/outflows amortization amounts are as follows:

	2017	2016	2015	2014	2013
RESA Proportionate Share	.000000%	.016689%	.011804%	.012822%	.011304%
Average Service Life	5.98	5.96	6.00	5.91	-

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Note 10 - Post-Employment Benefits Other Than Pension:

General Information:

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

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

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

Plan Description:

The West Virginia Other Postemployment Benefit Plan (the Plan) is a cost sharing, multiple employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code §5-16D-2. The financial activities of the Plan are accounted for in the RHBT, a fiduciary fund of the State of West Virginia, established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of PEIA and RHBT staff. The Plan administers and provides medical and prescription drug benefits to certain retired members receiving pension benefits under the PERS, TRS, TDCRS, TIAA-CREF, Plan G, Troopers Plan A or Troopers Plan B pension systems, as administered by the CPRB.

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

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

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:

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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>February 1, 2022- June 30, 2022</u>	<u>July 1, 2021- January 31, 2022</u>	<u>2021</u>
PAYGO premium	\$ 48	\$ 116	\$ 160

There will be no PAYGO billed in fiscal year 2024.

Contributions to the OPEB plan from the School Board were \$1,089,921 for the year end June 30, 2023. Employees are not required to contribute to the OPEB plan.

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

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.

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

At June 30, 2023, 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)	\$	351,832
State's proportionate share of the net OPEB liability (asset) associated with the School Board.		1,415,220
Total portion of net OPEB liability (asset) associated with the school board	\$	1,767,052

The RHBT OPEB actuarial valuation, which was used as the underlying basis for certain information in the Schedules, is as of June 30, 2021, was based on a measurement date of June 30, 2022, 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, 2023, financial reporting.

For the year ended June 30, 2022, the School Board's proportion was 0.316 percent, which was an increase of 0.009 from its proportion measured as of June 30, 2021 (0.307 percent).

For the year ended June 30, 2023, the School Board recognized OPEB expense of (\$7,272,510) and for support provided by the State, revenue of (\$5,706,544). At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resource	Deferred Inflows of Resources
Difference between projected and actual investment earnings	\$ 333,160	\$ 305,444
Differences between expected and actual non-investment experience	225,631	448,831
Changes in proportion and differences between School Board contributions and proportionate share of contributions	54,611	-
Changes in assumptions	-	893,944
Reallocation of Opt-Out Employer Change in Proportionate Share	-	1,686
School Board contributions subsequent to the measurement date	322,015	-
Total	\$ 935,417	\$ 1,649,905

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,	
2024	\$ (1,212,549)
2025	63,695
2026	(24,384)
2027	136,737
2028	-
Thereafter	-
Total	\$ (1,036,501)

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Actuarial Assumptions:

The net OPEB liability was determined by an actuarial valuation as of June 30, 2022, 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, 2022 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 2023, decreasing by 0.50% for two years 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 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.

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.

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

Mortality Post Retirement – Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females

Mortality Pre-Retirement – Pub-2010 General Employee Mortality Tables (100% for males, 100% females) projected with MP-2021.

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% plus a 25-basis point spread.

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

Asset Class	Target Allocation	Long-term Rates of Return
Global Equity	55.0%	4.8%
Core plus fixed income	15.0%	2.1%
Private equity	10.0%	6.8%
Hedge fund	10.0%	2.4%
Core real estate	10.0%	4.1%
Total	100.0%	

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A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. 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. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the School Board's proportionate share of its net OPEB liability calculated using the discount rate of 6.65 percent and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease 5.65%	Current Discount Rate 6.65%	1.0% Increase 7.65%
School Board's proportionate share of the RHBT net OPEB liability	<u>\$ 904,343</u>	<u>\$ 351,832</u>	<u>\$ (122,159)</u>

Healthcare Cost Trend Rate:

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

	1.0% Decrease	Current Healthcare Cost Trend Rate	1.0% Increase
School Board's proportionate share of the RHBT net OPEB liability	<u>\$ (200,024)</u>	<u>\$ 351,832</u>	<u>\$ 1,004,822</u>

Payables to the OPEB Plan:

At June 30, 2023, the School Board reported no liability for its unpaid legally required contributions to the OPEB plan.

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.

Former RESA Fiscal Agent

In 2017, W. Va. Code § 18-2-26 was amended and reenacted by the State legislature, leading to the ultimate abolishment and dissolution of all regional education service agencies (RESAs) by no later than July 1, 2018.

The School Board is a formal fiscal agent of RESA 2. For financial statement purposes up through the fiscal year ended June 30, 2018, the amounts presented on the audited WV RHBT allocation schedules for

**CABELL COUNTY BOARD OF EDUCATION
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the fiscal agent county board of education were split proportionately between the School Board and the RESA by estimating the RESA amount of the net OPEB liability, OPEB expense, deferred inflows, and deferred outflows. This estimate was based on the breakdown of payroll data available to the School Board. Specifically, each entities' contributions for the fiscal year pertaining to the measurement date to the plan were used to estimate their proportionate share of the net OPEB liability, OPEB expense, deferred inflows, and deferred outflows.

Certain deferred inflows/outflows related to OPEB amounts are amortized over the average service life reported on the respective years' actuarial report. Due to the dissolution of the RESAs, the School Board will report the deferred inflows/outflows that would have been amortized by the RESA. The prior year RESA proportionate share amounts and average service lives used to calculate the deferred inflows/outflows amortization amounts are as follows:

	2017	2016
RESA Proportionate Share	.000000000%	.017143046%
Average Service Life	4.71	-

Note 11 – Payments on Behalf:

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

Special Education Out-of-State Placement (03916)	\$ 265,986
Retirement allocation by the State (03911)	\$ 4,745,373
Unfunded retirement by the State (03917)	\$14,127,021
PEIA allocation by the State (03918)	
and RHBT (03915)	\$ 9,814,865
Value of donated commodities from the USDA (04911)	\$ 1,087,580

Note 12 - 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.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 13 - Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2023 are as follows:

Fund Balances	11 General Current Expense	61 Special Revenue Fund	65 School Activity Fund	71 Stimulus/ Stabilization Fund	21 2020 Debt Service Fund	31 Bond Construction Fund	41 Permanent Improvement Fund	51 Capital Projects Fund	Total Governmental
Nonspendable:									
Deposits	\$ 242,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,169
Prepaid Items	691,609	-	-	-	-	-	-	-	691,609
Restricted for:									
Capital Projects	-	-	-	-	-	69,508,495	9,682,719	8,194,621	87,385,835
Debt Service	-	-	-	-	1,262,840	-	-	-	1,262,840
School Activities	-	-	3,832,146	-	-	-	-	-	3,832,146
Excess Levy- Technology	1,777,054	-	-	-	-	-	-	-	1,777,054
Excess Levy- Personnel Taxes & benefits	352,324	-	-	-	-	-	-	-	352,324
Committed to:									
CMHS Baseball and Softball	400,000	-	-	-	-	-	-	-	400,000
Assigned to:									
Ongoing Capital Projects	28,470,135	-	-	-	-	-	-	4,179,175	32,649,310
Encumbrances	2,027,950	-	-	-	-	-	-	-	2,027,950
Student Device Damages	271,198	-	-	-	-	-	-	-	271,198
Davis Creek Flood 2021	97,369	-	-	-	-	-	-	-	97,369
Bus Replacement	68,663	-	-	-	-	-	-	-	68,663
Extra Days for Construction Cleanup	32,892	-	-	-	-	-	-	-	32,892
Milton Traffic Study	20,000	-	-	-	-	-	-	-	20,000
Future Capital Projects	-	-	-	-	-	-	-	6,000,000	6,000,000
Unassigned	23,143,555	(3,921,155)	-	(12,226,622)	-	-	-	-	6,995,778
Total fund balances	\$57,594,919	\$(3,921,155)	\$3,832,146	\$(12,226,622)	\$ 1,262,840	\$69,508,495	\$9,682,719	\$18,373,796	\$144,107,137

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 14 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling \$53,003,939 as of June 30, 2023 in the following funds:

General Revenue Fund	Bond Construction Fund	Permanent Improvements Fund	Capital Projects Fund	Special Revenue Fund	Federal Stimulus Fund
<u>\$2,027,920</u>	<u>\$29,859,667</u>	<u>\$ 4,665,506</u>	<u>\$13,098,350</u>	<u>\$ 766,245</u>	<u>\$ 2,586,250</u>

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

During the fiscal year ended June 30, 2023, the School Board was awarded a grant of \$1,000,000 from the School Building Authority (SBA) to finance the renovation of Altizer Elementary.

As of June 30, 2023 the following commitments for construction and other capital improvements existed, which are included in the restricted fund balance reflected in the accompanying financial statements:

Construction of “New” Davis Creek Elementary	\$14,402,000
Construction of “New” Milton Elementary	\$23,969,000
Renovation of Cabell Midland High School	\$2,440,000
Renovation of Huntington High School	\$3,415,520
Renovation of Altizer Elementary	\$2,425,000
Renovation of Hite-Saunders Elementary	\$4,318,000
Renovation of Nichols Elementary	\$5,160,950

Subsequent to June 30, 2023, the following additional commitments for construction and other capital improvements have been entered into:

Construction of “New” Meadows Elementary	\$19,964,000
Construction of Woody Williams Center for Adv Learning & Careers	\$48,215,000

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, 2023 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, 2022 was received by the School Board during June 2023. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2023 will not be available until spring or summer of 2024. 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

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$2,179,835
General Fund	Federal Stimulus Fund	\$9,574,880

During the fiscal year ended June 30, 2023, there were the following interfund transfers:

Transfer From	Transfer To	Amount
General Current Expense	Capital Projects Fund	\$6,096,463
General Current Expense	Special Revenue Fund	\$1,745,202
General Current Expense	Federal Stimulus Fund	\$18,035
Debt Service 2006 Fund	General Current Expense	\$3,030,757
Special Revenue Fund	General Current Expense	\$313,977
Special Revenue Fund	School Activity Fund	\$108,586
School Activity Fund	General Current Expense	\$707,334
School Activity Fund	Special Revenue Fund	\$57,116
Federal Stimulus Fund	General Current Expense	\$2,613,353

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 - Changes in Accounting Principles:

Effective July 1, 2022, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *SBITAs*. The Statement requires recognition of certain assets and liabilities for subscriptions that previously were classified as operating expenses. As a result, certain subscriptions are now reflected as right-of-use assets and beginning net position has been restated as follows:

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	District - Wide Statements
Beginning net position as previously reported at June 30, 2022	\$ 259,441,294
Implementation of GASB 96 – ROU Asset	1,761,625
Implementation of GASB 96 – Lease Liability	(86,505)
Net position as restated, July 1, 2022	\$ 261,116,414

Note 18 – COVID 19 Pandemic

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

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act provided federal stimulus dollars to assist state agencies, local school districts, businesses, organizations, families, students, and other entities during the COVID-19 pandemic. As a state, West Virginia received more than a billion dollars under the federal CARES Act. Approximately \$86.6 million of those dollars were specifically put into a fund titled the Elementary and Secondary School Emergency Relief Fund (ESSERF). This allocation is specifically earmarked to assist schools to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in West Virginia. Of the \$86.6 million ESSERF appropriation, 90% (\$78 million) of the fund goes directly to county school districts to use at their discretion. The CARES Act provided that the West Virginia Department of Education (WVDE) could retain 10% (\$8.6 million) to address emergency needs as determined by the WVDE resulting from COVID-19. The WVDE announced the entirety of the \$8.6 million will also go to counties, allocated on a competitive grant basis. The School Board received \$4,986,882 from these funds to help mitigate the expenses incurred directly from COVID-19.

On December 27, 2020, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted. The CRRSA Act provided federal stimulus dollars to assist local school districts during the Covid-19 pandemic. As a state, West Virginia received approximately \$339 million dollars under the CRRSA, and approximately \$305.9 million of those dollars were specifically put into a fund titled the Elementary and Secondary School Emergency Relief Fund II (ESSERF II). This allocation is specifically earmarked to assist schools to address the on-going impact of COVID-19 on elementary and secondary schools in West Virginia. The School Board received \$17,637,157 from these funds to help mitigate the expenses incurred directly from COVID-19.

On March 11, 2021, The American Rescue Plan Elementary and Secondary School Emergency Relief (“ARP ESSER”) Fund, authorized under the American Rescue Plan (“ARP”) Act of 2021, provided federal stimulus dollars to assist local school districts during the Covid-19 pandemic. As a State, West Virginia received approximately \$761.4 million dollars under the ARP Act, and approximately \$738.6 million of those dollars were specifically put into a fund titled ARP ESSER to support schools in safely reopening and sustaining the safe operation of schools while meeting the academic, social, emotional, and mental health needs of students resulting from the coronavirus disease 2019 (“COVID-19”) pandemic. The School Board received \$42,146,708 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

CABELL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With
	Regulatory Basis		GAAP	for	Regulatory	
	Original	Final	Basis	Regulatory	Basis	Final Budget
			Amounts	Basis	Amounts	
Revenues:						
Property taxes	\$ 51,552,916	\$ 51,552,916	\$ 52,189,721	\$ -	\$ 52,189,721	\$ 636,805
Other Local sources	1,403,926	4,731,028	4,775,320	-	4,775,320	44,292
State sources	86,010,608	85,381,686	85,378,840	-	85,378,840	(2,846)
Federal sources	910,000	1,110,000	1,243,765	-	1,243,765	133,765
Miscellaneous sources	-	-	-	-	-	-
Total revenues	139,877,450	142,775,630	143,587,645	-	143,587,645	812,015
Expenditures:						
Instruction	78,487,431	87,737,439	73,832,846	-	73,832,846	13,904,593
Supporting services:						
Students	9,086,188	9,375,393	8,510,880	-	8,510,880	864,513
Instructional staff	2,727,367	3,819,057	3,224,795	-	3,224,795	594,262
General administration	1,563,517	2,102,695	2,054,998	-	2,054,998	47,697
School administration	8,713,161	8,941,062	8,784,295	-	8,784,295	156,767
Central services	2,119,620	2,221,230	2,044,125	-	2,044,125	177,105
Operation and maintenance of facilities	19,415,616	21,297,935	18,446,082	-	18,446,082	2,851,852
Student transportation	11,683,194	13,787,830	10,949,097	-	10,949,097	2,838,733
Other	-	-	-	-	-	-
Food services	-	23,509	3,690	-	3,690	19,819
Community services	2,415,000	2,515,000	2,164,152	-	2,164,152	350,848
Capital outlay	-	1,259,898	702,398	-	702,398	557,500
Debt service:						
Principal retirement	-	199,659	-	-	-	199,659
Interest and fiscal charges	-	-	48,603	-	48,603	(48,603)
Finance Leases:						
Principal payment expense	-	-	148,187	-	148,187	(148,187)
Interest Expense	-	-	2,734	-	2,734	(2,734)
SBITAs:						
Principal payment expense	-	-	24,515	-	24,515	(24,515)
Interest Expense	-	-	3,093	-	3,093	(3,093)
Total expenditures	136,211,095	153,280,706	130,944,491	-	130,944,491	22,336,215
Excess (deficiency) of revenues over expenditures	3,666,355	(10,505,075)	12,643,154	-	12,643,154	23,148,230
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	35,127	-	35,127	35,127
Proceeds from the sale of bonds	-	-	-	-	-	-
Transfers in	1,841,617	4,987,311	6,665,422	-	6,665,422	1,678,111
Transfers (out)	(5,507,971)	(35,237,005)	(7,865,995)	-	(7,865,995)	27,371,010
Total other financing sources (uses)	(3,666,355)	(30,249,694)	(1,165,447)	-	(1,165,446)	29,084,247
Change in fund balances	0	(40,754,769)	11,477,708	-	11,477,708	52,232,477
Fund balances - beginning	30,774,248	46,508,083	46,117,211	-	46,117,211	(390,872)
Fund balances - ending	\$ 30,774,248	\$ 5,753,314	\$ 57,594,919	\$ -	\$ 57,594,919	\$ 51,841,605

The accompanying notes are an integral part of this schedule.

CABELL 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, 2023

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Original	Final				
Revenues:						
Local sources	\$ -	\$ 184,228	\$ 226,186	\$ -	\$ 226,186	\$ 41,958
State sources	1,702,458	3,535,755	3,398,377	-	3,398,377	(137,378)
Federal sources	19,283,166	33,172,272	23,507,117	-	23,507,117	(9,665,155)
Miscellaneous sources	-	-	-	-	-	-
Total revenues	20,985,625	36,892,254	27,131,680	-	27,131,680	(9,760,574)
Expenditures:						
Instruction	6,550,057	13,763,724	11,854,278	-	11,854,278	1,909,445
Supporting services:						
Students	1,891,785	2,411,660	2,022,794	-	2,022,794	388,866
Instructional staff	1,199,129	4,655,423	3,031,023	-	3,031,023	1,624,400
General administration	-	-	-	-	-	-
School administration	345,736	382,234	302,174	-	302,174	80,060
Central services	13,948	76,507	52,790	-	52,790	23,717
Operation and maintenance of facilities	152,000	371,838	206,201	-	206,201	165,638
Student transportation	20,364	597,650	338,394	-	338,394	259,256
Other	-	-	-	-	-	-
Food services	13,013,075	14,354,577	12,838,795	-	12,838,795	1,515,782
Community services	-	20,300	19,630	-	19,630	670
Capital outlay	-	133,200	27,000	-	27,000	106,200
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	23,186,095	36,767,113	30,693,079	-	30,693,079	6,074,034
Excess (deficiency) of revenues over expenditures	(2,200,471)	125,141	(3,561,399)	-	(3,561,399)	(3,686,540)
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-	-	-
Transfers in	5,507,971	2,543,638	1,802,318	-	1,802,318	(741,320)
Transfers (out)	-	(503,711)	(416,269)	-	(416,269)	87,443
Total other financing sources (uses)	5,507,971	2,039,927	1,386,049	-	1,386,049	(653,878)
Change in fund balances	3,307,501	2,165,068	(2,175,350)	-	(2,175,350)	(4,340,418)
Fund balances - beginning	-	(1,915,275)	(1,745,805)	-	(1,745,805)	169,470
Fund balances - ending	\$ 3,307,501	\$ 249,793	\$ (3,921,155)	\$ -	\$ (3,921,155)	\$ (4,170,948)

The accompanying notes are an integral part of this schedule.

CABELL 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, 2023

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Original	Final				
Revenues:						
Local sources	\$ -	\$ -	\$ 3,402,866	\$ (3,402,866)	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	223,311	(223,311)	-	-
Miscellaneous sources	-	-	-	-	-	-
Total revenues	-	-	3,626,176	(3,626,176)	-	-
Expenditures:						
Instruction	-	-	2,241,159	(2,241,159)	-	-
Supporting services:						
Students	-	-	-	-	-	-
Instructional staff	-	-	-	-	-	-
General administration	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Central services	-	-	-	-	-	-
Operation and maintenance of facilities	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	2,241,159	(2,241,159)	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,385,017	(1,385,017)	-	-
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-	-	-
Transfers in	-	-	108,586	(108,586)	-	-
Transfers (out)	-	-	(764,450)	764,450	-	-
Total other financing sources (uses)	-	-	(655,864)	655,864	-	-
Change in fund balances	-	-	729,153	(729,153)	-	-
Fund balances - beginning	-	-	3,102,993	(3,102,993)	-	-
Fund balances - ending	\$ -	\$ -	\$ 3,832,146	\$ (3,832,146)	\$ -	\$ -

The accompanying notes are an integral part of this schedule.

CABELL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - FEDERAL STIMULUS AND STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Original	Final				
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	26,548,306	48,863,429	22,579,283	-	22,579,283	(26,284,147)
Miscellaneous sources	-	-	-	-	-	-
Total revenues	26,548,306	48,863,429	22,579,283	-	22,579,283	(26,284,147)
Expenditures:						
Instruction	9,876,527	17,883,063	16,264,264	-	16,264,264	1,618,799
Supporting services:						
Students	538,298	1,343,364	1,315,707	-	1,315,707	27,658
Instructional staff	1,191,788	2,123,680	1,708,196	-	1,708,196	415,484
General administration	680,582	699,341	603,346	-	603,346	95,995
School Administration	73,386	103,322	103,322	-	103,322	-
Central services	453,135	603,693	505,693	-	505,693	98,000
Operation and maintenance of facilities	1,783,921	2,421,907	2,383,999	-	2,383,999	37,908
Student transportation	105,320	179,585	147,037	-	147,037	32,548
Other	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Capital outlay	10,000,000	14,602,677	5,071,181	-	5,071,181	9,531,496
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	24,702,958	39,960,632	28,102,745	-	28,102,745	11,857,887
Excess (deficiency) of revenues over expenditures	1,845,348	8,902,797	(5,523,462)	-	(5,523,462)	(14,426,260)
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-	-	-
Transfers in	-	-	18,035	-	18,035	18,035
Transfers (out)	(1,841,617)	(4,755,151)	(2,613,353)	-	(2,613,353)	2,141,798
Total other financing sources (uses)	(1,841,617)	(4,755,151)	(2,595,318)	-	(2,595,318)	2,159,833
Change in fund balances	3,731	4,147,646	(8,118,781)	-	(8,118,781)	(12,266,427)
Fund balances - beginning	-	(4,107,842)	(4,107,842)	-	(4,107,842)	-
Fund balances - ending	\$ 3,731	\$ 39,804	\$ (12,226,622)	\$ -	\$ (12,226,622)	\$ (12,266,427)

The accompanying notes are an integral part of this schedule.

CABELL COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FOR THE MEASUREMENT PERIOD ENDED 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>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.354949%	0.257018%	0.296106%	0.254345%	0.253876%	0.259056%	0.247384%	0.213032%	0.168962%
District's proportionate share of the net pension liability (asset)	\$ 9,129,519	\$ 4,016,623	\$ 9,537,400	\$ 7,567,199	\$ 7,926,661	\$ 8,950,327	\$ 10,167,043	\$ 7,382,101	\$ 5,829,345
State's proportionate share of the net pension liability (asset) associated with the district	<u>131,235,574</u>	<u>64,153,466</u>	<u>155,610,940</u>	<u>121,440,153</u>	<u>141,607,091</u>	<u>137,609,252</u>	<u>141,064,337</u>	<u>128,290,801</u>	<u>117,293,754</u>
Total	<u><u>140,365,093</u></u>	<u><u>68,170,089</u></u>	<u><u>165,148,340</u></u>	<u><u>129,007,352</u></u>	<u><u>149,533,752</u></u>	<u><u>146,559,579</u></u>	<u><u>151,231,380</u></u>	<u><u>135,672,902</u></u>	<u><u>123,123,099</u></u>
District's covered payroll	\$ 77,937,730	\$ 72,954,691	\$ 71,612,934	\$ 67,379,277	\$ 65,021,019	\$ 64,906,533	\$ 64,804,053	\$ 64,709,775	\$ 62,655,630
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	11.714%	5.506%	13.318%	11.231%	12.191%	13.790%	15.689%	11.408%	9.304%
Plan fiduciary net position as a percentage of the total pension liability	77.78%	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%	65.95%

Data prior to 2014 is unavailable.

The accompanying notes are an integral part of this schedule.

**CABELL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<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	\$ 6,446,977	\$ 6,151,702	\$ 5,801,516	\$ 5,753,153	\$ 5,523,609	\$ 5,425,733	\$ 5,545,249	\$ 5,682,889	\$ 5,873,101
Contributions in relation to the contractually required contribution	<u>(6,446,977)</u>	<u>(6,151,702)</u>	<u>(5,801,516)</u>	<u>(5,753,153)</u>	<u>(5,523,609)</u>	<u>(5,425,733)</u>	<u>(5,545,249)</u>	<u>(5,682,889)</u>	<u>(5,873,101)</u>
Contribution deficiency (excess)	<u><u>-</u></u>								
District's covered payroll	\$ 82,491,621	\$ 77,937,730	\$ 72,954,691	\$ 71,612,934	\$ 67,379,277	\$ 65,021,019	\$ 64,906,533	\$ 64,804,053	\$ 64,709,775
Contributions as a percentage of covered payroll	7.815%	7.893%	7.952%	8.034%	8.198%	8.345%	8.543%	8.769%	9.076%

Data prior to 2015 is unavailable.

The accompanying notes are an integral part of this schedule.

CABELL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	0.316115%	0.306588%	0.275957%	0.271990%	0.451351%	0.230301%
District's proportionate share of the net OPEB liability (asset)	\$ 351,832	\$ (91,163)	\$ 1,218,881	\$ 4,512,673	\$ 9,683,446	\$ 5,663,071
State's proportionate share of the net OPEB liability (asset) associated with the district	<u>1,415,220</u>	<u>(411,473)</u>	<u>5,648,105</u>	<u>20,531,012</u>	<u>25,028,198</u>	<u>26,485,583</u>
Total	<u><u>1,767,052</u></u>	<u><u>(502,636)</u></u>	<u><u>6,866,986</u></u>	<u><u>25,043,685</u></u>	<u><u>34,711,644</u></u>	<u><u>32,148,654</u></u>
District's covered payroll	\$ 71,720,626	\$ 66,917,985	\$ 66,584,681	\$ 63,037,553	\$ 61,807,504	\$ 62,254,190
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.491%	-0.136%	1.831%	7.159%	15.667%	9.097%
Plan fiduciary net position as a percentage of the total OPEB liability	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%

Data prior to 2017 is unavailable.

The accompanying notes are an integral part of this schedule.

**CABELL COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
RETIREE HEALTH BENEFIT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,089,921	\$ 1,460,924	\$ 2,682,696	\$ 2,945,307	\$ 3,176,032	\$ 3,159,288
Contributions in relation to the contractually required contribution	<u>(1,089,921)</u>	<u>(1,460,924)</u>	<u>(2,682,696)</u>	<u>(2,945,307)</u>	<u>(3,176,032)</u>	<u>(3,159,288)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's covered payroll	\$ 75,851,269	\$ 71,720,626	\$ 66,917,985	\$ 66,584,681	\$ 63,037,553	\$ 61,807,504
Contributions as a percentage of covered payroll	1.437%	2.037%	4.009%	4.423%	5.038%	5.111%

Data prior to 2018 is unavailable.

The accompanying notes are an integral part of this schedule.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 presented on the regulatory basis of accounting for all governmental funds. The regulatory basis of accounting for West Virginia Boards of Education does not include amounts for other post-employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Certain other transactions, such as for/on behalf payments (e.g. for/on behalf unfunded retirement contributions, Tools for Schools, etc.) are also not included in the School Board’s regulatory basis budget. 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, 2023, expenditures exceeded appropriations in the fund 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>
Finance lease – Principal & Interest	\$ 150,921
SBITAs – Principal & Interest	27,608

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

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	2021-2022: 2.75%	2015 – 2020: 3%	2014: 2.2%		
Salary Increases	2021-2022: 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 from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%	2016-2017: For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%	2014-2015: For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.75-5.25%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.40-6.50%.
Investment Rate of Return	2021-2022: 7.25 %, net of pension plan investment expense	2014-2020: 7.5 %, net of pension plan investment expense, including inflation			
Mortality	2022: Active: 100% of Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males – 100% of 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	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	2021-2022: 7.25%	2014-2020: 7.5%			

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2017-2019</u>
Inflation	2.25%	2.25%	2.25%	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.	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%
Investment Rate of Return	6.65%, net of OPEB plan investment expense, including inflation	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
Mortality	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021.	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
Discount Rate	6.65%	6.65%	6.65%	7.15%

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Healthcare Cost Trend Rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years 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 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032	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 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 SUPPLEMENTARY INFORMATION

CABELL COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND - 2020
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With Final Budget
	Regulatory Basis		GAAP	for	Regulatory	
	Original	Final	Basis Amounts	Regulatory Basis	Basis Amounts	
Revenues:						
Property taxes	\$ 6,622,713	\$ 6,622,713	\$ 7,350,457	\$ -	\$ 7,350,457	\$ 727,744
Other local sources	-	-	217,866	-	217,866	217,866
Miscellaneous sources	-	-	-	-	-	-
Total revenues	6,622,713	6,622,713	7,568,323	-	7,568,323	945,610
Expenditures:						
Debt service:						
Principal retirement	4,945,000	4,945,000	4,945,000	-	4,945,000	-
Interest and fiscal charges	1,677,713	1,993,442	1,676,213	-	1,676,213	317,230
Total expenditures	6,622,713	6,938,442	6,621,213	-	6,621,213	317,230
Excess (deficiency) of revenues over expenditures	-	(315,729)	947,111	-	947,111	1,262,840
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	-	(315,729)	947,111	-	947,111	1,262,840
Fund balances - beginning	-	315,729	315,729	-	315,729	0
Fund balances - ending	\$ -	\$ -	\$ 1,262,840	\$ -	\$ 1,262,840	\$ 1,262,840

The accompanying notes are an integral part of this schedule.

**CABELL COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND - 2015
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Regulatory Basis					
	Original	Final				
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Miscellaneous sources	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
Expenditures:						
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	(3,030,757)	(3,030,757)	-	(3,030,757)	-
Total other financing sources (uses)	-	(3,030,757)	(3,030,757)	-	(3,030,757)	-
Change in fund balances	-	(3,030,757)	(3,030,757)	-	(3,030,757)	-
Fund balances - beginning	-	3,030,757	3,030,757	-	3,030,757	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this schedule.

CABELL COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CAPITAL PROJECTS-BOND CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With
	Regulatory Basis		GAAP	for	Regulatory	
	Original	Final	Basis	Regulatory	Basis	
	Amounts	Basis	Amounts	Basis	Amounts	Final Budget
Revenues:						
Other local sources	\$ -	\$ 2,828,301	\$ 3,043,291	\$ -	\$ 3,043,291	\$ 214,990
Total revenues	-	2,828,301	3,043,291	-	3,043,291	214,990
Expenditures:						
Instruction	-	-	-	-	-	-
Supporting services:						
Students	-	-	-	-	-	-
Instructional staff	-	-	-	-	-	-
General administration	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Central Services	-	2,600	2,500	-	2,500	100
Operation and maintenance of facilities	-	1,000	1,000	-	1,000	-
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Capital outlay	-	81,002,414	12,426,542	-	12,426,542	68,575,872
Total expenditures	-	81,006,014	12,430,042	-	12,430,042	68,575,972
Excess (deficiency) of revenues over expenditures	-	(78,177,713)	(9,386,751)	-	(9,386,751)	(68,790,962)
Other financing sources (uses):						
Proceeds from the sale of bonds	-	-	-	-	-	-
Proceeds from disposal of real or personal property	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Change in fund balances	-	(78,177,713)	(9,386,751)	-	(9,386,751)	(68,790,962)
Fund balances - beginning	-	78,895,246	78,895,246	-	78,895,246	-
Fund balance - ending	\$ -	\$ 717,533	\$ 69,508,495	\$ -	\$ 69,508,495	\$ (68,790,962)

The accompanying notes are an integral part of this schedule.

CABELL 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, 2023

	Budgeted Amounts		Actual	Adjustments	Actual	Variance With
	Regulatory Basis		GAAP	for	Regulatory	
	Original	Final	Basis	Regulatory	Basis	
	Amounts		Basis	Amounts	Final Budget	
Revenues:						
Property taxes	\$ 1,685,083	\$ 1,685,083	\$ 1,869,253	\$ -	\$ 1,869,253	\$ 184,170
Other Local Sources	-	-	20,273	-	20,273	20,273
Miscellaneous sources	-	-	-	-	-	-
Total revenues	1,685,083	1,685,083	1,889,526	-	1,889,526	204,443
Expenditures:						
Instruction	-	-	-	-	-	-
Supporting services:	-	-	-	-	-	-
Students	-	-	-	-	-	-
Instructional staff	-	-	-	-	-	-
General administration	-	31,000	31,000	-	31,000	-
School administration	-	-	-	-	-	-
Central Services	-	33,874	33,874	-	33,874	-
Operation and maintenance of facilities	-	2,824	2,015	-	2,015	809
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Food services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Capital outlay	9,085,083	8,320,383	3,342,915	-	3,342,915	4,977,468
Debt service:	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Finance Leases:	-	-	-	-	-	-
Principal payment expense	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Total expenditures	9,085,083	8,388,081	3,409,805	-	3,409,805	4,978,277
Excess (deficiency) of revenues over expenditures	(7,400,000)	(6,702,998)	(1,520,279)	-	(1,520,279)	5,182,719
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	-	-	-	-
Proceeds from financed purchases	-	3,525,000	3,525,000	-	3,525,000	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	(4,500,000)	-	-	-	4,500,000
Total other financing sources (uses)	-	(975,000)	3,525,000	-	3,525,000	4,500,000
Change in fund balances	(7,400,000)	(7,677,998)	2,004,721	-	2,004,721	9,682,719
Fund balances - beginning	7,400,000	7,677,998	7,677,998	-	7,677,998	(0)
Fund balances - ending	\$ -	\$ -	\$ 9,682,719	\$ -	\$ 9,682,719	\$ 9,682,719

The accompanying notes are an integral part of this schedule.

CABELL COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget
	Original	Final				
Revenues:						
Other Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	11,000,000	390,221	-	390,221	(10,609,779)
Federal sources	-	-	-	-	-	-
Miscellaneous sources	-	-	-	-	-	-
Total revenues	-	11,000,000	390,221	-	390,221	(10,609,779)
Expenditures:						
Capital outlay	10,000,000	20,923,200	4,036,088	-	4,036,088	16,887,112
Operation and Maintenance of Facilities	-	-	-	-	-	-
Total expenditures	10,000,000	20,923,200	4,036,088	-	4,036,088	16,887,112
Excess (deficiency) of revenues over expenditures	(10,000,000)	(9,923,200)	(3,645,867)	-	(3,645,867)	6,277,333
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	-	-	-	-
Proceeds from the sale of bonds	-	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-	-
Transfers in	-	-	6,096,463	-	6,096,463	6,096,463
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	6,096,463	-	6,096,463	6,096,463
Change in fund balances	(10,000,000)	(9,923,200)	2,450,596	-	2,450,596	12,373,796
Fund balance - beginning	16,000,000	15,923,200	15,923,200	-	15,923,200	-
Fund balance - ending	\$ 6,000,000	\$ 6,000,000	\$ 18,373,796	\$ -	\$ 18,373,796	\$ 12,373,796

The accompanying notes are an integral part of this schedule.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 presented on the regulatory basis of accounting for all governmental funds. The regulatory basis of accounting for West Virginia Boards of Education does not include amounts for other post-employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Certain other transactions, such as for/on behalf payments (e.g. for/on behalf unfunded retirement contributions, Tools for Schools, etc.) are also not included in the School Board's regulatory basis budget. Budgets are not adopted for custodial 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, 2023, the Board did not have expenditures which exceeded approved appropriations.

**CABELL COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Cash Balance	Revenues Received	Expenditures Paid	Cash Balance
ALTIZER ELEM SCHOOL	\$ 113,899	\$ 135,151	\$ 94,071	\$ 154,979
BARBOURSVILLE MIDDLE	90,478	206,270	182,318	\$ 114,430
CABELL CO CAREER TECHNOLOGY CENTER	515,785	386,949	261,788	\$ 640,946
CABELL MIDLAND HIGH	473,871	524,881	444,884	\$ 553,867
CENTRAL CITY ELEM	119,389	14,877	8,544	\$ 125,722
COX LANDING ELEMENTARY	12,875	13,148	12,502	\$ 13,521
CULLODEN ELEM SCHOOL	36,319	44,800	32,738	\$ 48,381
DAVIS CREEK ELEM SCHOOL	177,254	170,327	37,017	\$ 310,564
EXPLORER ACADEMY	35,985	51,492	28,509	\$ 58,969
GUYANDOTTE ELEM SCHOOL	11,271	21,373	15,881	\$ 16,763
HIGHLAWN ELEM SCHOOL	27,119	15,026	13,750	\$ 28,396
HITE SAUNDERS ELEM	46,474	15,546	14,168	\$ 47,851
HUNTINGTON EAST MIDDLE	107,334	145,283	125,989	\$ 126,628
HUNTINGTON HIGH SCHOOL	405,846	746,479	761,343	\$ 390,982
HUNTINGTON MIDDLE SCHOOL	84,362	150,254	146,483	\$ 88,134
MARTHA ELEM SCHOOL	20,829	48,825	35,620	\$ 34,035
MEADOWS ELEM SCHOOL	76,332	59,855	66,727	\$ 69,460
MILTON ELEM	128,594	69,268	69,595	\$ 128,267
MILTON MIDDLE SCHOOL	89,024	201,688	199,969	\$ 90,743
NICHOLS ELEM SCHOOL	45,916	12,422	18,360	\$ 39,978
ONA ELEMENTARY SCHOOL	52,498	105,369	38,804	\$ 119,063
SALT ROCK ELEM	30,546	29,568	27,380	\$ 32,734
SOUTHSIDE ELEM SCHOOL	187,491	228,968	101,152	\$ 315,307
SPRING HILL ELEM SCHOOL	18,798	33,813	31,687	\$ 20,924
VILLAGE OF B'VILLE ELEM	187,563	310,272	236,332	\$ 261,503
Total	\$ 3,095,853	\$ 3,741,903	\$ 3,005,609	\$ 3,832,146

CABELL COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Current Year			Levy To Date		
	Estimated Per Levy Call	Actual	Variance	Estimated Per Levy Call	Actual	Variance
Excess Levy Collections	24,128,149	30,215,004	6,086,855	72,384,447	88,021,182	15,636,735
Expenditures (County Specific Levy Call):				-	-	
Professional Salary-	7,057,547	9,711,892	2,654,345	21,172,641	28,616,527	7,443,886
Including, but not limited to, professional salaries, salaries of personnel in excess of 200 days, salaries for professionals in excess of state funding limit, salaries of non-certified personnel and minimum salaries fixed by law and supplemental salaries				-	-	
Service Salary	2,050,000	2,823,150	773,150	6,150,000	6,938,152	788,152
Including, but not limited to, service personnel salaries, salaries of service personnel in excess of 200 days, salaries for service personnel in excess of state funding limit, and minimum salaries fixed by law and supplemental salaries				-	-	
Substitute	1,101,000	1,192,010	91,010	3,303,000	4,206,814	903,814
Including, but not limited to, professional and service personnel substitute costs				-	-	
Athletics	625,000	894,656	269,656	1,875,000	2,601,863	726,863
Including, but not limited to, salaries for coaches, intramural activities, and other costs associated with athletic programs and facilities				-	-	
Personnel Taxes and Benefits	3,336,378	3,557,696	221,318	10,009,134	9,656,810	(352,324)
Including, but not limited to, FICA taxes, unemployment taxes, workers' compensation taxes, retirement, and other insurance, including dental and optical.				-	-	
Textbooks, Supplies, Digital Resources, Postage, Insurance and Travel	2,287,538	3,528,001	1,240,463	6,862,614	8,103,077	1,240,463
Including, but not limited to, printing, copying school, custodial, library, office, and health supplies, postage, textbooks, insurance and travel				-	-	
Contracted Services	1,700,000	1,705,613	5,613	5,100,000	7,929,739	2,829,739
Including, but not limited to staff development, legal services, special education, pest management, financial audit, transportation department employees random drug and alcohol testing, student drug-testing, and fire alarm inspections				-	-	
Construction, Repair and Maintenance	1,232,000	2,318,220	1,086,220	3,696,000	6,513,174	2,817,174
Including, but not limited to, construction, building repair, roof replacement, asbestos projects, structural repairs, fire code corrections, Americans with Disabilities Act compliance, equipment maintenance, paving and bus maintenance				-	-	
Equipment and Rentals	1,691,937	2,159,107	467,170	5,075,811	5,102,154	26,343
including, but not limited to, maintenance equipment, vehicle replacement, lab equipment, administrative equipment, school equipment, vacuums, copiers, transportation equipment, school copier rentals, computer leases, data communications Drivers Education car rentals, and communication equipment				-	-	
Cabell County Public Library	1,471,869	1,644,334	172,465	4,415,607	5,170,637	755,030
The operation of the Cabell County Public Library as required by Section 5, Chapter 207, of the 1967 Acts of the West Virginia Legislature				-	-	
Greater Huntington Park and Recreation District	455,229	508,568	53,339	1,365,687	1,600,337	234,650
The operation of the Greater Huntington Park and Recreation District as required by Section 7, Chapter 194, of the 1983 Acts of the West Virginia Legislature				-	-	
Technology	1,119,651	171,757	(947,894)	3,358,953	1,581,899	(1,777,054)
Including, but not limited to, classroom personal devices, technology infrastructure, instructional hardware, security system upgrades, and professional development activities.						
Total Expenditures	24,128,149	30,215,004	6,086,855	72,384,447	88,021,182	15,636,735

**CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass - Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Pass-through West Virginia Department of Education Child Nutrition Cluster National School Lunch Program	0.553/10.555/10.559	N/A	\$ 8,860,624
Pass-through West Virginia Department of Agriculture Child Nutrition Cluster Donated Food Service Program (Non-Cash Assita)	10.555	N/A	1,087,580
Total Child Nutrition Cluster			<u>9,948,204</u>
Pass-through West Virginia Department of Education Fresh Fruit and Vegetable Program	10.582	N/A	90,174
Child and Adult Care Food Program	10.558	N/A	377,109
Farm to School Grant	10.185	GRTAWD04022300004007	34,827
Total U.S. Department of Agriculture			<u>10,450,314</u>
U.S. Department of Education			
Pass-through West Virginia Department of Education Special Education Cluster (IDEA) IDEA Part B	84.027A	Note 5	5,455,758
IDEA Part B - ARP Funding	84.027X	GRTAWD0402220001598	748,379
IDEA Part B - Preschool	84.027A	Note 5	118,520
IDEA Part B - Preschool - ARP Funding	84.027X	GRTAWD04022200001528	86,721
Total IDEA Cluster			<u>6,409,378</u>
Title II - Improving Teacher Quality State Grants	84.367A	Note 5	781,639
Title I - Grants to Local Education	84.010A	Note 5	6,637,951
Career and Technical Education - Basic Grants to St	84.048A	Note 5	253,620
English Language Acquisition	84.365A	Note 5	41,377
Adult Education - Basic grants to State	84.002A	Note 5	53,252
Title IV	84.424A	Note 5	801,180
ESSERF Funding	84.425D	GRTAWD04022100005242	2,154,144
HEERF Funding	84.425N	P425N2000817	1,665
ARP - ESSERF Funding	84.425U	Note 5	26,826,393
ARP - Homeless - ESSERF Funding	84.425W	GRTAWD04022200003658	74,431
ARP - Communities in Schools	84.425C	GRTAWD04022300000856	356,250
I GOT VAXED	84.425R	GRTAWD04022200003887	31,406
21st Century Learning	84.287C	GRTAWD04022300001387	110,000
Education for Homeless Children & Youths	84.196	Note 5	48,397
Total U.S. Department of Education			<u>44,581,083</u>
U.S. Department of Health and Human Resources			
Pass-through West Virginia Department of Education Project AWARE	93.243	Note 5	639,011
Total U.S. Department of Health and Human Resources			<u>639,011</u>
U.S. Department of Homeland Security			
Division of Homeland Security and Mangement Camer	97.067	N/A	50,000
Total U.S. Department of Homeland Security			<u>50,000</u>

**CABELL COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Cabell County Board of Education under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cabell County Board of Education, it is not intended to and does not present the financial position or changes in net position.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. Cabell County Board of Education has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance because they use the state approved indirect cost rate.

3. Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The Board received and disbursed \$1,087,580 in food commodities in the Donated Foods Program for the year ended June 30, 2023.

4. Child Nutrition Program

Child Nutrition Program [Assistance Listing #10.553, #10.555 and \$10.559] expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards had been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the three programs as funded from all sources was \$12,368,361.

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

5. Pass-Through Entity Identifying Numbers

The following programs had multiple pass-through entity identifying numbers:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>
Title I – Grants to Local Educational Agencies	84.010A	GRTAWD0402200005406, GRTAWD04022200002930, GRTAWD04022100001750, GRTAWD04022200001880, GRTAWD04022300001557, GRTAWD04022300001740
English Language Acquisition Grants	84.365A	GRTAWD04022000001418, GRTAWD04022100002076, GRTAWD04022200002115
Special Education – Grants to States	84.027A	GRTAWD04022100001408, GRTAWD04022200001455, GRTAWD04022200003135, GRTAWD04022300001165, GRTAWD04022300003484
Special Education – Part B – Preschool	84.173A	GRTAWD04022100001074, GRTAWD04022200001390, GRTAWD04022300001223
Career and Technical Education Basic Grants to States	84.048A	GRTAWD04022200004559, GRTAWD04022300000673, GRTAWD04022300003465
Title II – Improving Teacher Quality State Grants	84.367A	GRTAWD04022000001522, GRTAWD04022000004016, GRTAWD04022100001666, GRTAWD04022200001923, GRTAWD04022300001618, GRTAWD04022300002509, GRTAWD04022300003014
Title IV	84.424A	GRTAWD04022100002091, GRTAWD04022300001686, GRTAWD04022200002022
Adult Education – Basic Grants to State	84.002A	GRTAWD04022300000933, GRTAWD04022300000932
ARP - ESSERF Funding	84.425U	GRTAWD04022100005311, GRTAWD04022100005827, GRTAWD04022200004079, GRTAWD04022200005782
Project AWARE Grants	93.243	GRTAWD04022100003044, GRTAWD04022200002531, GRTAWD04022300002583
Education for Homeless Children and Youths	84.196	GRTAWD04022200001852, GRTAWD04022300002748

6. Subrecipients

The Cabell County Board of Education did not have subrecipients during the 2023 fiscal year.

**CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/22)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/23)	Amount Receivable
WVDE	High Cost/High Acuity Reimbursement	GRTAWD04022200003105	07/01/21 - 09/30/23	41,912	16,356	-	16,356	-	-
WVDE	Out of County Placement Reimb	GRTAWD04022200005650	07/01/21 - 09/30/22	39,608	28,309	-	28,309	-	-
WVDE	High Cost/High Acuity Reimbursement	GRTAWD04022300003429	07/01/22 - 09/30/24	44,784	-	44,784	-	44,784	-
WVDE	Graduation 20/20 & KidStrong Travel	GRTAWD04021700004496	03/01/17 - 09/30/21	7,400	4,081	(4,081)	-	-	-
WVDE	Out of County Placement Reimb	GRTAWD04021800004746	07/01/17 - 09/30/22	42,721	4,891	-	4,891	-	-
WVDE	CTE Academic Teachers	GRTAWD04022200000600	07/01/21 - 03/31/24	164,498	22,207	-	22,207	-	-
WVDE	CTE Academic Teachers	GRTAWD04022300000404	07/01/22 - 03/31/25	142,465	-	142,465	142,465	-	-
WVDE	CTE Academic Teachers	GRTAWD04022300005129	06/01/23 - 03/31/25	174,019	-	174,019	769	173,250	-
WVDE	CTE Travel	GRTAWD04022100001097	07/01/20 - 03/31/23	15,018	8,603	-	8,603	-	-
WVDE	CTE Equip Replacement	GRTAWD04022100000857	07/01/20-03/31/23	27,055	3,348	-	3,348	-	-
WVDE	Secondary Block	GRTAWD04022200000691	07/01/21-03/31/24	204,141	40,873	-	40,763	111	-
WVDE	Support WVSDDB project CCCTC	GRTAWD04022200002288	09/07/21-03/31/24	3,000	179	-	-	179	-
WVDE	Dollywood book case reim.	GRTAWD04022200005863	06/02/22-03/31/24	1,933	1,933	-	-	1,933	-
WVDE	CMHS JROTC/HHS Management Adm	GRTAWD04022200006032	07/01/21-03/31/24	10,000	-	10,000	9,730	270	-
WVDE	CTE Equipment Replacement	GRTAWD04022200000628	07/01/21-03/31/24	25,284	24,479	-	8,764	15,714	-
WVDE	Secondary Block	GRTAWD04022300000510	07/01/22-03/31/25	231,383	-	231,383	130,599	100,785	-
WVDE	Healthcare EPIC Grant CMHS	GRTAWD04022300004584	04/05/23-03/31/25	29,909	-	29,909	-	29,909	-
WVDE	BMS AG classroom lab	GRTAWD04022300004766	04/21/23-03/31/25	25,000	-	25,000	-	25,000	-
WVDE	Simulated Workplace culture HHS	GRTAWD04022300004663	02/01/23-03/31/25	5,000	-	5,000	2,265	2,735	-
WVDE	CMHS Drone World Championships	GRTAWD04022300004818	04/01/23-03/31/25	300	-	300	-	300	-
WVDE	MMS CASE Ab-Xplorer curriculum	GRTAWD04022300001785	07/01/22-03/31/25	550	-	550	-	550	-
WVDE	CCCTC E-Sports Curriculum	GRTAWD04022300002122	07/01/22-03/31/25	1,100	-	1,100	1,100	-	-
WVDE	CMHS AET Record	GRTAWD04022300002284	07/01/22-03/31/25	415	-	415	415	-	-
WVDE	SIMWRK Holiday HHS	GRTAWD04022300003066	11/4/22-03/31/25	2,300	-	2,300	1,218	1,082	-
WVDE	BMS AG Expansion	GRTAWD04022300004370	03/01/23-03/31/25	50,000	-	50,000	-	50,000	-
WVDE	PROG Modern Law/Safety CCCTC	GRTAWD04022300000615	07/01/22-03/31/25	11,006	-	11,006	8,929	2,077	-
WVDE	BMS PLTW Gateway Initiative	GRTAWD04022300001941	08/23/22-03/31/25	18,500	-	18,500	6,930	11,570	-
WVDE	CTE Equip Replacement	GRTAWD04022300000435	07/01/22-03/31/25	21,948	-	21,948	13,817	8,131	-
WVDE	Early Literacy	GRTAWD04022200000910	07/01/21-03/31/24	145,887	104,624	-	104,624	-	-
WVDE	Early Literacy	GRTAWD04022300000782	07/01/22-03/31/25	145,407	-	145,407	79,129	66,278	-
WVDE	Truancy Diversion Prog	GRTAWD04022200002998	07/01/21-06/30/23	35,866	35,866	-	35,866	-	-
WVDE	Truancy Diversion Prog	GRTAWD04022300002566	07/01/22-03/31/25	35,866	-	35,866	-	35,866	-
WVDE	State ESL	GRTAWD04022200002128	07/01/21-03/31/24	5,523	4,272	-	2,570	1,702	-
WVDE	State ESL	GRTAWD04022300001475	07/01/22-03/31/25	5,232	-	5,232	-	5,232	-
WVDE	HS Equiv for Opt Pathway supplies	GRTAWD04022300003632	07/01/22-06/30/24	3,000	-	3,000	2,976	24	-
WVDE	HS Equiv Testing	GRTAWD04022300003664	07/01/22-06/30/24	3,500	-	3,500	-	3,500	-
WVDE	Tools for Schools	GRTAWD04022200004235	07/01/21-03/31/24	162,459	162,459	-	-	162,459	-
WVDE	Tools for Schools	GRTAWD04022200004239	07/01/21-03/31/24	239,127	239,127	-	-	239,127	-
WVDE	Tools for Schools	GRTAWD04022300002668	07/01/22-03/31/25	397,429	-	397,429	-	397,429	-
WVDE	Teacher Leader Framework	GRTAWD04022100005495	04/27/21-03/31/23	2,000	2,000	-	2,000	-	-
WVDE	Math4Life Supplies	GRTAWD04022100005680	05/11/21 - 03/31/23	3,480	225	-	225	-	-
WVDE	HHS AP Exam Fees	GRTAWD04022100005766	05/14/21-03/31/23	1,968	1,968	-	-	1,968	-
WVDE	County Teacher of the Year	GRTAWD04022200003051	10/19/21-03/31/24	300	300	-	-	300	-
WVDE	State Teacher of the Year	GRTAWD04022200004105	01/03/22-03/31/24	10,000	5,704	-	2,841	2,862	-
WVDE	Math Pre-K MU/CCCTC	GRTAWD04022200005383	05/03/22-03/31/24	2,435	935	-	935	-	-

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/22)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/23)	Amount Receivable
WVDE	FIT/ACT student bus transportation	GRTAWD04022200005039	03/29/22-03/31/24	350	199	-	-	199	-
WVDE	HHS AP Exam Fees	GRTAWD04022200005723	05/27/22-03/31/24	2,160	-	2,160	-	2,160	-
WVDACH	Barboursville MS Auditorium Upgrades	AH22-8530	N/A	14,916	(12,911)	12,911	-	-	-
WVDE	County Level teacher leadership	GRTAWD04022200005544	05/11/22-03/31/24	2,000	2,000	-	-	2,000	-
WVDE	Math Materials	GRTAWD04022300000988	07/01/22-03/31/25	40,000	-	40,000	26,395	13,605	-
WVDE	WVEIS 2.0 Experts	GRTAWD04022300002413	09/01/22-06/30/23	2,000	-	-	-	-	-
WVDE	Math4Life Prof Learning	GRTAWD04022300003342	12/19/22-03/31/25	5,000	-	5,000	5,000	-	-
WVDE	County Teacher of the Year	GRTAWD04022300003833	02/01/23-03/31/25	300	-	300	-	300	-
WVDE	Crawford/White Sup Learning	GRTAWD04022300004080	03/31/25-06/30/25	1,880	-	1,880	1,619	261	-
WVDE	County Tchr Leadership	GRTAWD04022300004193	03/06/23-03/31/25	2,000	-	2,000	903	1,097	-
WVDE	Youcubed workshop	GRTAWD04022300004740	04/14/23-06/30/25	4,000	-	4,000	1,065	2,935	-
WVDE	INVEST Conference stipends	GRTAWD04022300004900	05/01/23-03/31/25	23,250	-	23,250	18,416	4,834	-
WVDE	HHS AP Test fees	GRTAWD04022300004982	05/16/23-03/31/25	2,650	-	-	-	-	-
WVDE	Grow Your Own Path FALL22	GRTAWD04022300002800	10/13/22-03/31/25	450	-	450	75	375	-
WVDE	Grow Your Own Path SPR 23	GRTAWD04022300004139	03/06/23-03/31/25	525	-	-	-	-	-
House of Delegates	LEDA - Huntington East MS Wrestling		N/A	1,400	-	1,400	246	1,154	-
House of Delegates	LEDA - Student Pantry		N/A	6,000	-	6,000	5,773	227	-
WVDE	Nat'l Board Reimbursement	GRTAWD04022200006060	07/01/21-06/30/22	8,283	(8,283)	8,283	-	-	-
WVDE	Tuition Reimbursement	GRTAWD04022200005907	07/01/21-06/30/22	4,486	(4,486)	4,486	-	-	-
WVDE	Nat'l Board Reimbursement	GRTAWD04022200003565	07/01/21-03/31/24	653	(472)	472	-	-	-
WVDE	Tuition Reimbursement	GRTAWD04022300005273	07/01/22-06/30/24	13,168	-	-	13,168	(13,168)	13,168
WVDE	Nat'l Board Reimbursement	GRTAWD04022300005240	07/01/22-06/30/24	14,215	-	-	14,215	(14,215)	14,215
WVDE	ADULT ED State	GRTAWD04022200000490	07/01/21-03/31/24	112,413	13,337	-	4,078	9,259	-
WVDE	VOC ED ABE State	GRTAWD04022300000895	07/01/22-06/30/23	111,120	-	111,120	111,120	-	-
WVDE	Welding Standards	GRTAWD04022200005296	04/21/22-03/31/24	10,000	3,077	-	3,077	-	-
WVDE	LPN equip upgrade industry std	GRTAWD04022200005809	06/01/22-03/31/24	10,000	10,000	-	8,848	1,152	-
WVDE	ACE Program Block	GRTAWD04022300001039	07/01/22-03/31/25	323,934	-	323,934	277,913	46,021	-
WVDE	PC Training	GRTAWD04022200006028	06/01/22-03/31/24	17,600	-	17,600	17,506	94	-
WVDE	Welding/Collision	GRTAWD04022200005864	05/01/21-03/31/23	5,822	(5,822)	5,822	-	-	-
WVDE	Prgm Modernization	GRTAWD04022100002640	07/01/20-03/31/23	21,352	1,184	-	1,184	-	-
WVDE	Animal Systems CMHS	GRTAWD04022200000818	07/01/21-03/31/24	25,518	10,629	-	-	10,629	-
WVDE	Electronic Resources	GRTAWD04022100003616	11/04/20-03/31/23	2,386	2,386	-	2,386	-	-
WVDE	HHS Culineering	GRTAWD04022300003264	07/01/22-03/31/25	500	-	500	500	-	-
WVDE	From Scratch Trng	GRTAWD04022100005983	06/01/21-03/31/23	5,000	3,447	-	3,447	-	-
WVDE	Transportation	GRTAWD04022100006250	06/01/21-03/31/23	12,000	7,020	-	7,020	-	-
WVDE	State Rev Match	GRTAWD04022200005147	04/07/22-03/31/24	84,707	84,707	-	84,707	-	-
WVDE	From Scratch Trng	GRTAWD04022200006012	06/01/22-03/31/24	5,000	-	5,000	517	4,483	-
WVDE	Non Trad Hunger Solutions	GRTAWD04022200002773	10/01/21-03/31/24	104,510	31,298	-	31,298	-	-
WVDE	SRM Supplement	GRTAWD04022200006122	06/22/22-03/31/24	4,350	-	4,350	-	4,350	-
WVDE	From Scratch Trng	GRTAWD04022300002203	07/01/22-03/31/25	3,000	-	3,000	-	3,000	-
WVDE	State Rev Match	GRTAWD04022300004603	04/01/23-03/31/25	74,467	-	74,467	-	74,467	-
WVDE	BMS Farm2School	GRTAWD04022300004874	04/01/23-03/31/25	25,000	-	25,000	-	25,000	-
WVDE	Back Pack	GRTAWD04022300002444	07/01/22-03/31/25	99,742	-	99,742	19,041	80,701	-
WVDE	Martha Ele Equip	GRTAWD04022300005022	05/01/23-03/31/25	13,624	-	13,624	13,624	-	-
Totals				3,762,459	850,049	2,151,783	1,355,787	1,646,045	27,383

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

HESS, STEWART & CAMPBELL, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Members of
Cabell County Board of Education
Huntington, West Virginia

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 Cabell County Board of Education as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cabell County Board of Education's basic financial statements, and have issued our report thereon dated March 15, 2024.

Report On Internal Control Over Financial Reporting

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

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

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

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Report On Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Huntington, West Virginia
March 15, 2024

HESS, STEWART & CAMPBELL, PLLC

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

Honorable Members of
Cabell County Board of Education
Huntington, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cabell County Board of Education's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cabell County Board of Education's major federal programs for the year ended June 30, 2023. Cabell County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cabell County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Cabell County Board of Education and to meet our 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cabell County Board of Education's compliance with the compliance requirements referred to above.

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cabell County Board of Education'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 Cabell County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user based on the report on compliance about Cabell County Board of Education's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cabell County Board of Education'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 Cabell County Board of Education'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 Cabell County Board of Education'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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

Huntington, West Virginia
March 15, 2024

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

**CABELL COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no findings in the prior year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

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

The programs tested as major programs included:

<u>Program</u>	<u>Assistance Listing #</u>
U.S. Department of Education	
Pass-through West Virginia	
Department of Education	
Title IV	84.424A
ESSERF Funding	84.425D
HEERF Funding	84.425N
ARP – ESSERF Funding	84.425U
ARP-Homeless- ESSERF Funding	84.425W
ARP – Communities in Schools	84.425C
I GOT VAXED	84.425R
U.S. Department of Agriculture	
Pass-through West Virginia	
Department of Education	
Child Nutrition Cluster:	
National School Lunch Program	10.553/10.55/10.559
Pass-through West Virginia	
Department of Agriculture	
Child Nutrition Cluster:	
Donated Food Service Program	10.555

**CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Dollar threshold used to distinguish between Type A and Type B Program:	\$1,689,214
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Auditee qualifies as a low-risk auditee?	Yes
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B. FINDINGS – FINANCIAL STATEMENT AUDIT

None Reported

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None Reported