

CABELL COUNTY BOARD OF EDUCATION

Financial Statements

June 30, 2021

CABELL COUNTY BOARD OF EDUCATION
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

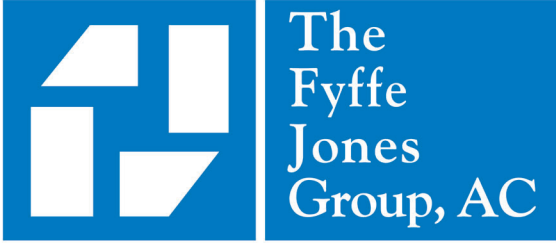
	<u>Page</u>
School Board Officials	1
Independent Auditors' Report	2
Management's Discussion and Analysis	5
Basic Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Balance Sheet – Governmental Funds	19
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities	22
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – General Current Expense Fund	66
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Special Revenue Fund	67
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Special Revenue Fund – School Activity	68
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Special Revenue Fund - Federal Stimulus and Stabilization	69
Schedule of the District's Proportionate Share of the Net Pension Liability	70
Schedule of the District's Pension Contributions	71
Schedule of the District's Proportionate Share of the Net OPEB Liability	72

CABELL COUNTY BOARD OF EDUCATION
TABLE OF CONTENTS (CONT.)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Schedule of the District’s OPEB Contributions	73
Notes to the Required Supplementary Information	74
Other Supplementary Information:	
Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Regulatory Basis – Other Major Funds	77
Notes to the Budget and Actual Schedules	82
Schedule of Changes in School Activity Funds	83
Schedule of Excess Levy Revenues and Expenditures	84
Schedule of State Grant Receipts and Expenditures	85
Schedule of Expenditures of Federal Awards	86
Notes to the Schedule of Expenditures of Federal Awards	87
Independent Auditors’ Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	88
Independent Auditors’ Report on Compliance with Requirements That Could Have A Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance	90
Schedule of Findings and Questioned Costs	92
Schedule of Prior Audit Findings and Questioned Costs	93

CABELL COUNTY BOARD OF EDUCATION
SCHOOL BOARD OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Office	Name	Term
	<u>Elective</u>	
School Board Members:	Garland Parsons	07/01/2020 – 06/30/2024
	Mary Neely	07/01/2018 – 06/30/2022
	Carole Garrison	07/01/2018 – 03/31/2021
	Charles Shaw	04/19/2021 – 06/30/2022
	Alyssa Bond	07/01/2020 – 06/30/2024
	Rhonda Smalley	07/01/2018 – 06/30/2022
	<u>Appointive</u>	
School Board President	Mary Neely	07/01/2020 – 06/30/2022
School Board Vice President:	Rhonda Smalley	07/01/2020 – 06/30/2022
Superintendent	Ryan Saxe	07/01/2020 – 06/30/2021
Treasurer	Drew Rottgen	07/01/2020 – 06/30/2021



The Fyffe Jones Group, AC

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cabell County Board of Education
Huntington, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cabell County Board of Education as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension, and OPEB information on pages 5 through 16 and 66 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cabell County Board of Education's basic financial statements. The budgetary comparison information for other major funds, 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2022, on our consideration of the Board's internal control over financial reporting and our testing of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC

Huntington, West Virginia
February 18, 2022

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Financial Highlights

- The Board's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$248.1 million (*net position*) at the close of the most recent fiscal year. Of this amount, \$51.2 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Board's total net position increased by approximately \$14.5 million. Most of the increase attributed to an increase in operating grants and contributions.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$144.1 million, an increase of approximately \$83.0 million in comparison with the prior year. This increase is attributable to the sale of bonds totaling \$87.5 million in December, 2020. Approximately \$47.5 million 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 \$37.4 million, or 28.8 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).

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The district-wide financial statements can be found on pages 17 and 18 of this report.

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 of 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 nine 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, special revenue funds, debt service funds, permanent improvement funds, and the capital projects fund, all of which are considered major funds as found on pages 19 and 21.

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 23 through 65 following the basic financial statements.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$248.1 million at the close of the most recent fiscal year.

- The largest portion of the Board's net position (41.1%) 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

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 (38.2%) 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* (20.7%) may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget.

The following summarizes the statement of net position at June 30, 2021, in comparison with June 30, 2020:

	2021	2020	
	Governmental	Governmental	
	Activities	Activities	Variance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Current and other assets	\$ 177,614,042	\$ 82,717,980	\$ 94,896,062
Capital assets	194,759,044	187,945,244	6,813,800
Deferred outflows of resources	5,951,443	5,879,448	71,995
Total assets and deferred outflows of resources	\$ 378,324,529	\$ 276,542,672	\$ 101,781,857
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Liabilities and deferred inflows of resources:			
Current and other liabilities	\$ 26,032,822	\$ 23,701,447	\$ 2,331,375
Long-term liabilities outstanding	86,601,613	696,181	85,905,432
Deferred inflows of resources	6,742,872	6,464,223	278,649
Net pension liability - Proportionate share	9,537,400	7,567,199	1,970,201
Net other post employment benefit (OPEB) liability - Proportionate share	1,218,881	4,512,673	(3,293,792)
Total liabilities and deferred inflows of resources	\$ 130,133,588	\$ 42,941,723	\$ 87,191,865
Net position:			
Net investment in capital assets	\$ 101,992,689	\$ 180,401,359	\$ (78,408,670)
Restricted	94,903,346	16,203,311	78,700,035
Unrestricted	51,294,906	36,996,279	14,298,627
Total net position	\$ 248,190,941	\$ 233,600,949	\$ 14,589,992
Total liabilities, deferred inflows of resources, and net position	\$ 378,324,529	\$ 276,542,672	\$ 101,781,857

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

- Current and other assets increased by approximately \$94.8 million, which primarily represents increased cash due to the sale of bonds in December, 2020.
- Capital Assets increased by approximately \$6.8 million, which primarily represents an increase due to the future construction of a new career center and a new Meadows Elementary School.
- Deferred outflows of resources decreased by \$71 thousand, which was primarily the result of a change in the proportionate share of the district's net OPEB liability.
- Current and other liabilities increased by approximately \$2.3 million, which was primarily the result of an increase of accounts payable.
- Long-term liabilities increased by \$85.9 million, which was primarily the result of the sale of bonds in December, 2020.
- Deferred inflows of resources increased by approximately \$278 thousand, which was primarily the result of changes in the Board's proportionate share of the OPEB liability.
- 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 \$78.7 million during the year ended June 30, 2021. This increase resulted primarily from the use of the sale of bonds in December, 2020.
- The Board's net position increased by approximately \$14.2 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

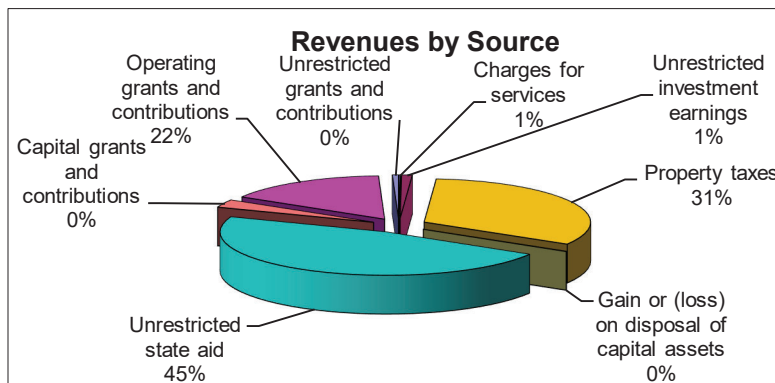
	2021	2020	
	Governmental	Governmental	Variance
	Activities	Activities	
Revenues:			
Program revenues:			
Charges for services	\$ 1,536,611	\$ 239,444	\$ 1,297,167
Operating grants and contributions	39,943,166	27,115,874	12,827,292
Capital grants and contributions	851,562	4,993,720	(4,142,158)
General revenues:			
Property taxes	55,703,101	55,591,504	111,597
Unrestricted state aid	80,780,941	80,849,084	(68,143)
Investment earnings	870,596	1,758,307	(887,711)
Unrestricted grants and contributions	641,942	1,006,825	(364,883)
Gain/(loss) on disposal of capital assets	83,442	(113,800)	197,242
Total revenues	\$ 180,411,361	\$ 171,440,958	\$ 8,970,403
Expenses:			
Instruction	\$ 98,379,172	\$ 88,330,331	\$ 10,048,841
Supporting services:			
Students	10,345,650	9,262,997	1,082,653
Instructional staff	5,419,024	5,623,250	(204,226)
General administration	2,296,163	1,776,721	519,442
School administration	8,083,513	8,124,173	(40,660)
Central services	2,126,814	1,890,084	236,730
Operation and maintenance of facilities	16,226,320	15,664,673	561,647
Student transportation	9,291,207	9,530,316	(239,109)
Total supporting services	53,788,691	51,872,214	1,916,477
Food services	12,601,621	12,275,148	326,473
Community services	2,333,815	2,216,369	117,446
Interest on long-term debt	623,915	(39,886)	663,801
Total Expenses	\$ 167,727,214	\$ 154,654,176	\$ 13,073,038
Change in net position	\$ 12,684,147	\$ 16,786,782	\$ (4,102,635)
Net position - Beginning	233,600,949	216,814,167	16,786,782
Prior period adjustment	1,905,845	-	1,905,845
Net position - Ending	\$ 248,190,941	\$ 233,600,949	\$ 12,684,147

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

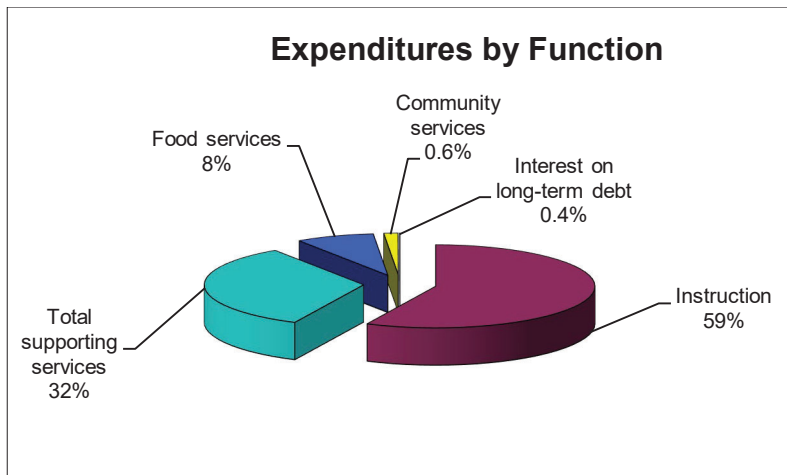
- Program revenues from charges for services increased by approximately \$1.2 million, which was primarily the result of inclusion of school activity funds in the district-wide statements following implementation of GASB 84.
- Program revenues from operating grants and contributions increased by approximately \$12.8 million, which was primarily the result of a federal COVID relief funds made available to the district to pay for the costs associate with the pandemic.
- Program revenues from capital grants and contributions decreased by approximately \$4.1 million, which was primarily the result of the completion of the new Highlawn Elementary School early in the fiscal year.
- General revenues from property taxes increased by approximately \$111 thousand, which was primarily the result of increased property values.
- General revenues from unrestricted state aid decreased by approximately \$68 thousand, which was primarily the result of decreased state aid funding due to the district's decline in student enrollment.
- General revenues from unrestricted grants and contributions decreased by approximately \$364 thousand, which was primarily the result of reclassification of certain types of collections following implementation of GASB 84.
- Overall expenses increased by approximately \$12.6 million, which was primarily the result of increased instructional expenditures from the district's Federal Stimulus and Stabilization Fund.

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



CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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



Financial Analysis of the Board's Funds

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

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately \$144.2 million.

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 \$39.2 million fund balance in the general fund, \$9.4 million is assigned for the following purposes:

Purpose	Assigned
Encumbrances	\$ 4,570,961
Medicaid	4,297,160
E-Rate	247,050
Student Device Damages	226,162
Davis Creek Flood 2021	104,663
School Bus Replacement	39,705
Total assigned	\$ 9,485,701

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The Board had nine major funds for the fiscal year ended June 30, 2021. Those funds and the current year activity are summarized below:

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 \$37.1 million to \$39.2 million during the fiscal year ended June 30, 2021. As previously discussed, this increase of \$2.1 million was due primarily to an increase in property tax collections and an increase in fund transfers-in related to federal indirect costs.

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 \$3.9 million to (\$618.7) thousand during the fiscal year ended June 30, 2021, resulting in a deficit fund balance. This decrease of \$4.5 million was due primarily to the deferment of reimbursements earned, but not collected within 60 days and a decrease in fund transfers-in.

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 \$2.1 million to \$2.3 million during the fiscal year ended June 30, 2021. This increase of \$200 thousand 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 (\$231) thousand to (\$7.2) million during the fiscal year ended June 30, 2021, resulting in a deficit fund balance. This decrease of \$6.9 million⁵ was due primarily to the deferment of reimbursements earned, but not collected within 60 days.

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. This fund was created during the fiscal year ended June 30, 2021, and the fund balance increased from \$0 to \$33 during the fiscal year ended June 30, 2021. This increase of \$33 was due primarily to interest earnings on investments held at the Municipal Bond Commission.

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 \$4.1 million to \$2.7 million during the fiscal year ended June 30, 2021. This decrease of \$1.4 million was due primarily to a decrease in the levy rates for the 2021 tax year and the completion of the debt service for the 2015 Refund Bonds. 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. This fund was created during the fiscal year ended June 30, 2021, and the fund balance increased from \$0 to \$83.3 million during the fiscal year ended June 30, 2021. This increase of \$83.3 million was due primarily to the sales of bonds in December 2020 and the purchase of property for the future construction of a new career center and a new Meadows Elementary School.

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 \$5.6 million to \$6.5 million during the fiscal year ended June 30, 2021. This increase of \$857 thousand was due primarily to decreased capital spending.

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 \$10.5 million to \$17.8 million during the fiscal year ended June 30, 2021. This increase of \$7.3 million was due primarily to a \$10,000,000 transfer-in to fund the construction of a new Milton Elementary School.

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was approximately an increase of \$6.8 million or 5.0% percent of 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, 2021, amounts to \$194 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total increase in the Board's investment in capital assets for the current fiscal year was \$6.8 million or 3.6%.

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

- Completion of a new Highlawn Elementary School
- Completion of an athletic complex at Milton Middle School
- Completion of complete resurfacing of tennis courts at both high schools
- Completion of HVAC re-piping project at Barboursville Middle School
- Purchased land for a new Meadows Elementary
- Purchased the old Sears building at the Huntington Mall for a new career center
- Purchased 11 school buses
- Sold 27 school buses from the bus fleet

	2021	2020	Variance
	Governmental	Governmental	
	Activities	Activities	
Land	\$ 23,145,585	\$ 15,930,396	\$ 7,215,189
Buildings and improvements	161,311,247	146,930,840	14,380,407
Furniture and equipment	4,367,045	4,752,724	(385,679)
Vehicles	5,691,475	5,450,294	241,181
Construction in progress	243,692	14,880,990	(14,637,298)
Total capital assets	\$ 194,759,044	\$ 187,945,244	\$ 6,813,800

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

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Long-term debt. At the end of the current fiscal year, the Board had total bonded debt outstanding of \$87,500,000 and capital lease obligations of \$889,848. 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, 2021, the liability for such costs was \$1,218,881, which is included in the district-wide financial statement of net position. The obligation for compensated absences for vacations was \$679,316 at June 30, 2021.

	2021	2020	
	Governmental	Governmental	
	Activities	Activities	Variance
General obligation bonds	\$ 87,500,000	\$ 5,220,000	\$ 82,280,000
Capital lease obligations	889,848	2,071,128	(1,181,280)
Compensated absences	679,316	643,774	35,542
Bond premium amortization	4,233,871	235,595	3,998,276
Total debt outstanding	\$ 93,303,035	\$ 8,170,497	\$ 85,132,538

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

Factors Bearing on the Board's Future

At the time these financial statements were prepared and audited, 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.

Within the county's borders, the decline in enrollment has not been consistent as some schools have seen an increase in student enrollment, while other schools have seen significant decreases. The school district may face challenges in the future regarding building occupancy which may greatly impact the district's capital planning for the years to come.

CABELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 155,890,672
Investments	2,665,468
Taxes receivable, net of allowance for uncollectible taxes	4,120,403
Deposit with retirement board	202,224
Prepaid workers' compensation	177,206
Other prepaid expenses	473,561
Food service receivable	583,982
Other receivables	209,694
Due from other governments:	
State aid receivable	611,663
PEIA allocation receivable	1,742,042
Reimbursements receivable	10,937,127
Capital Assets:	
Land	23,145,585
Buildings and improvements	255,956,096
Furniture and equipment	12,733,990
Vehicles	15,410,989
Construction in process	243,692
Less accumulated depreciation	(112,731,308)
Total capital assets, net of depreciation	194,759,044
Total assets	372,373,086
 DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows from pension activity	3,355,096
Deferred outflows from other post employment benefit (OPEB) activity	2,596,347
Total deferred outflows of resources	5,951,443
Total assets and deferred outflows of resources	\$ 378,324,529
 LIABILITIES	
Salaries payable and related payroll liabilities	\$ 8,852,024
Insurance premiums payable	2,493,792
Compensated absences	679,316
Accounts payable	7,842,947
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	6,022,106
Accrued interest	142,637
Due beyond one year:	
Bonds, capital leases, and contracts	86,601,613
Net pension liability - proportionate share	9,537,400
Net other post employment benefit (OPEB) liability - proportionate share	1,218,881
Total liabilities	123,390,716
 DEFERRED INFLOW OF RESOURCES	
Deferred inflows from pension activity	492,729
Deferred inflows from other post employment benefit (OPEB) activity	6,250,143
Total deferred inflows of resources	6,742,872
Total liabilities and deferred inflows of resources	\$ 130,133,588
 NET POSITION	
Invested in capital assets, net of related debt	\$ 101,992,689
Restricted	94,903,346
Unrestricted	51,294,906
Total net position	\$ 248,190,941

See Notes to the Basic Financial Statements.

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

Functions	Expenses	Program Revenues		Net (Expense), Revenue & Changes in Net Position Governmental Activities	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
Instruction	\$ 98,379,172	\$ 1,079,424	\$ 22,127,166	\$ 366,301	\$ (74,806,281)
Supporting services:					
Students	10,345,650	87,935	1,277,691	93,335	(8,886,689)
Instructional staff	5,419,024	46,060	669,251	48,888	(4,654,825)
General administration	2,296,163	19,517	283,577	20,715	(1,972,354)
School administration	8,083,513	68,707	998,316	72,926	(6,943,564)
Business services	2,126,814	18,077	262,662	19,187	(1,826,888)
Operation and maintenance of facilities	16,226,320	137,919	2,003,956	146,388	(13,938,057)
Student transportation	9,291,207	78,972	1,147,467	83,822	(7,980,946)
Food services	12,601,621	-	11,173,080	-	(1,428,541)
Community services	2,333,815	-	-	-	(2,333,815)
Interest on long-term debt	623,915	-	-	-	(623,915)
Total Governmental activities	\$ 167,727,214	\$ 1,536,611	\$ 39,943,166	\$ 851,562	(125,395,875)
General revenues:					
Property taxes					55,703,101
Unrestricted state aid					80,780,941
Unrestricted investment earnings					870,596
Unrestricted grants and contributions					641,942
Gain / (loss) on disposition of capital assets					83,442
Total general revenues					138,080,022
Change in net position					12,684,147
Net position - beginning					233,600,949
Prior period adjustments - See Note 18					1,905,845
Net position - beginning, as restated					235,506,794
Net position - ending					\$ 248,190,941

See Notes to the Basic Financial Statements.

CABELL COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue Fund - Stimulus/ Stabilization	Debt Service Fund - 2020 Issuance	Debt Service Fund - 2015 Issuance	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
Assets:										
Cash and cash equivalents	\$ 45,347,648	\$ 90,066	\$ 2,299,728	\$ -	\$ -	\$ 53,057	\$ 83,331,477	\$ 6,720,767	\$ 18,047,929	\$ 155,890,672
Investments	-	-	-	-	33	2,665,435	-	-	-	2,665,468
Taxes receivable, net	3,525,939	-	-	-	-	485,845	-	108,619	-	4,120,403
Deposit with retirement board	202,224	-	-	-	-	-	-	-	-	202,224
Prepaid workers' comp	177,206	-	-	-	-	-	-	-	-	177,206
Other prepaid expense	209,694	-	-	-	-	-	-	-	-	209,694
Food service receivable, net	-	583,982	-	-	-	-	-	-	-	583,982
Other receivables	473,561	-	-	-	-	-	-	-	-	473,561
Due from other governments:										
State aid receivable	611,663	-	-	-	-	-	-	-	-	611,663
PEIA allocation receivable	1,742,042	-	-	-	-	-	-	-	-	1,742,042
Reimbursements receivable	82,132	3,645,755	-	7,209,240	-	-	-	-	-	10,937,127
Due from other funds	2,043,825	-	-	-	-	-	-	-	-	2,043,825
Total assets	54,415,934	4,319,803	2,299,728	7,209,240	33	3,204,337	83,331,477	6,829,386	18,047,929	179,657,867
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES	\$ 54,415,934	\$ 4,319,803	\$ 2,299,728	\$ 7,209,240	\$ 33	\$ 3,204,337	\$ 83,331,477	\$ 6,829,386	\$ 18,047,929	\$ 179,657,867
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Salaries payable and related payroll liabilities	\$ 7,547,617	\$ 1,214,877	\$ -	\$ 89,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,852,024
Insurance premiums payable	2,441,226	358	-	52,208	-	-	-	-	-	2,493,792
Accounts payable	1,946,515	453,323	-	5,023,677	-	-	12,555	229,864	177,013	7,842,947
Due to other funds	-	-	-	2,043,825	-	-	-	-	-	2,043,825
Total liabilities	11,935,358	1,668,558	-	7,209,240	-	-	12,555	229,864	177,013	21,232,588
Deferred inflows of resources	3,242,260	3,269,957	-	7,209,240	-	436,622	-	82,575	-	14,240,654
Total deferred inflows of resources	3,242,260	3,269,957	-	7,209,240	-	436,622	-	82,575	-	14,240,654
Fund Balances:										
Nonspendable	589,124	-	-	-	-	-	-	-	-	589,124
Restricted	1,195,130	-	2,299,728	-	33	2,767,715	83,318,922	6,516,947	-	96,098,475
Assigned	9,485,701	-	-	-	-	-	-	-	17,870,916	27,356,617
Unassigned	27,968,361	(618,712)	-	(7,209,240)	-	-	-	-	-	20,140,409
Total fund balances	39,238,316	(618,712)	2,299,728	(7,209,240)	33	2,767,715	83,318,922	6,516,947	17,870,916	144,184,625
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 54,415,934	\$ 4,319,803	\$ 2,299,728	\$ 7,209,240	\$ 33	\$ 3,204,337	\$ 83,331,477	\$ 6,829,386	\$ 18,047,929	\$ 179,657,867

See Notes to the Basic Financial Statements.

CABELL COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balance on the governmental fund's balance sheet	\$ 144,184,625
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet	194,759,044
Property taxes receivable, e-rate, and food service billings will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore in deferred funds	14,240,654
Deferred outflows and inflows of resources related to pension and OPEB are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	3,355,096
Deferred outflows of resources related to OPEB	2,596,347
Deferred inflows of resources related to pensions	(492,729)
Deferred inflows of resources related to OPEB	(6,250,143)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(87,500,000)
Premium on sale of bonds	(4,233,871)
Accrued interest on bonds	(142,637)
Capital lease payable	(889,848)
Compensated absences	(679,316)
Net pension liability - proportionate share	(9,537,400)
Net OPEB liability - proportionate share	(1,218,881)
	(1,218,881)
Net position of governmental activities	\$ 248,190,941

See Notes to the Basic 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, 2021

	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue Fund - Stimulus/ Stabilization	Debt Service Fund - 2020 Issuance	Debt Service Fund - 2015 Issuance	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
Revenues:										
Property taxes	\$ 50,564,937	\$ -	\$ -	\$ -	\$ -	\$ 3,856,363	\$ -	\$ 1,822,444	\$ -	\$ 56,243,744
Other local sources	1,564,449	64,425	1,536,612	-	33	55,415	42,038	75,590	-	3,338,562
State sources	86,632,311	3,783,636	-	-	-	-	-	-	1,372,800	91,788,747
Federal sources	1,329,832	19,557,257	430,616	4,575,110	-	-	-	-	-	25,892,815
Total revenues	140,091,529	23,405,318	1,967,228	4,575,110	33	3,911,778	42,038	1,898,034	1,372,800	177,263,868
Expenditures:										
Instruction	76,973,063	10,197,206	1,317,099	8,609,426	-	-	-	-	713,476	97,810,270
Supporting services:										
Students	8,732,180	1,366,059	-	519,490	-	-	-	-	-	10,617,729
Instructional staff	2,992,860	2,291,821	-	102,148	-	-	-	-	75,127	5,461,956
General administration	2,073,866	-	-	-	-	-	263,776	-	-	2,337,642
School administration	8,306,753	305,936	-	707	-	-	-	-	-	8,613,396
Central services	2,001,164	19,436	-	31,725	-	-	168,001	-	-	2,220,326
Operation and maintenance of facilities	16,079,471	368,301	-	927,699	-	-	-	-	-	17,375,471
Student transportation	10,011,350	62,186	-	39,222	-	-	-	-	-	10,112,758
Food services	12,311	12,232,041	-	-	-	-	-	-	-	12,244,352
Community services	2,310,566	23,249	-	-	-	-	-	-	-	2,333,815
Capital outlay	19,180	-	-	-	-	-	7,428,733	1,040,078	3,236,937	11,724,928
Debt service:										
Principal retirement	583,689	791,258	-	-	-	5,220,000	-	-	-	6,594,947
Interest and fiscal charges	22,648	7,034	-	-	739,082	106,400	-	-	-	875,164
Total expenditures	130,119,101	27,664,527	1,317,099	10,230,417	739,082	5,326,400	7,860,510	1,040,078	4,025,540	188,322,754
Excess (deficiency) of revenues over expenditures	9,972,428	(4,259,209)	650,129	(5,655,307)	(739,049)	(1,414,622)	(7,818,472)	857,956	(2,652,740)	(11,058,886)
Other financing sources (uses):										
Proceeds from disposal of real or personal property	86,218	-	-	-	-	-	-	-	-	86,218
Proceeds from the sale of bonds	-	-	-	-	-	-	87,500,000	-	-	87,500,000
Proceeds from capital lease	-	-	-	-	-	-	4,375,000	-	-	4,375,000
Transfers in	2,109,563	332,092	365,553	-	739,082	-	-	-	10,011,269	13,557,559
Transfers (out)	(10,066,231)	(614,163)	(815,466)	(1,322,618)	-	(1,475)	(737,606)	-	-	(13,557,559)
Total other financing sources (uses)	(7,870,450)	(282,071)	(449,913)	(1,322,618)	739,082	(1,475)	91,137,394	-	10,011,269	91,961,218
Net change in fund balances	2,101,978	(4,541,280)	200,216	(6,977,925)	33	(1,416,097)	83,318,922	857,956	7,358,529	80,902,332
Fund balances - beginning	37,136,338	3,922,568	-	(231,315)	-	4,183,812	-	5,658,991	10,512,387	61,182,781
Prior period adjustment	-	-	2,099,512	-	-	-	-	-	-	2,099,512
Fund balances - beginning, as restated	37,136,338	3,922,568	2,099,512	(231,315)	-	4,183,812	-	5,658,991	10,512,387	63,282,293
Fund balances - ending	\$ 39,238,316	\$ (618,712)	\$ 2,299,728	\$ (7,209,240)	\$ 33	\$ 2,767,715	\$ 83,318,922	\$ 6,516,947	\$ 17,870,916	\$ 144,184,625

See Notes to the Basic Financial Statements.

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

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

Net change in fund balances - total governmental funds \$ 80,902,332

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

Depreciation expense (6,590,138)
Capital outlays 28,287,704

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 (540,643)
Operating grants and contributions 9,600,340

A portion of the change in fund balances is the proceeds from the general obligation bonds issued during 2021. Those proceeds are not considered revenue items for the purpose of this statement. (87,500,000)

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. (4,375,000)

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. 376,724

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. 6,594,947

Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net position in the statement of activities.

Cost of assets disposed (16,586,713)
Accumulated depreciation of assets disposed 1,702,947

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 (35,543)

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. (125,475)

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 (1,071,734)
Cost of benefits earned net of employee contributions 1,790,387

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 (549,752)
Cost of benefits earned net of employee contributions 803,764

Change in net position of governmental activities \$ 12,684,147

See Notes to the Basic Financial Statements.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies:

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

A. Reporting Entity:

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

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

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

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.

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.

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.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

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 Board considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded generally when the related fund liability is incurred, except for un-matured 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.

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 are presented as cash in the accompanying financial statements. Such deposits at June 30, 2021, were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission 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 Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Deposits (money market/sweep accounts) 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 board's name. Custodian credit risk is the risk that in event of a bank failure, the Board's deposits may not be returned to it. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

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 Board are temporarily invested by the MBC specifically on behalf of the 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 Board. The deposits with the BTI and MBC are not separately identifiable as to specific types of securities. Investment income is prorated to the 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 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

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

	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>	<u>Bank Balance</u>
State Investment Pool	\$ 83,580,338	\$ 83,580,338	\$ 83,580,338
Municipal Bond Commission	2,665,468	2,665,468	2,665,468
Deposits with financial institutions-			
Individual Schools	2,299,728	2,299,728	2,299,728
Deposits with financial institutions-			
Board of Education	62,186,856	62,186,856	72,360,764
Total cash and cash equivalents	<u>\$ 150,732,390</u>	<u>\$ 150,732,390</u>	<u>\$ 160,906,298</u>

The School Board had no fixed-term investments at June 30, 2021.

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.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

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, 2019, 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 issues.

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:

	2020	
Security Type	Carrying Value (in thousands)	WAM (days)
U.S. Treasury notes	\$ 27,041	80
U.S. Treasury bills	\$ 30,986	79
U.S. Treasury bonds and notes	33,850	10
U.S. agency discount notes	125,304	65
Repurchase agreements	47,200	1
Money market funds	177	1
	\$ 264,558	50

Other Investment Risks - Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the BTI’s Consolidated Fund’s investment pools or accounts is exposed to these risks as described below.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

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 was collected during July, 2021 and August, 2021.

G. Interfund Receivables and Payables:

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

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

H. Inventories:

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

The Board has reported no material inventories at June 30, 2021.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

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, 2021, the Board had \$387 thousand 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 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 Board are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Site improvements	20-35
Furniture and equipment	5-20
Vehicles	8-12

K. Deferred Outflow of Resources:

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period.

Deferred Outflows of Resources as of June 30, 2021:

Deferred outflows of resources related to pensions	\$ 3,355,096
Deferred outflows of resources related to OPEB	<u>2,596,347</u>
	<u>\$ 5,951,443</u>

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

L. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teacher Retirement System (TRS) and additions to/deductions from the TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for further discussion.

M. Compensated Absences and Other Post Employment Benefit Liability:

Compensated Absences:

It is the School Board's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation benefits can be accumulated up to 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.

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.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

N. Long-term Obligations:

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

O. Deferred Inflow of Resources:

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. 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 and the differences between the employer contributions and proportionate share of contributions.

Deferred Inflows of Resources as of June 30, 2021:

Deferred inflows of resources related to pensions	\$ 492,729
Deferred inflows of resources related to OPEB	<u>6,250,143</u>
	<u>\$ 6,742,872</u>

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

P. Net Position:

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

- **Invested in capital assets, net of related debt** - This represents the 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 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 Board, and may be used at the discretion of the Board to meet current expenses for any lawful purpose.

Q. Fund Equity:

The Board follows 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 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.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

- 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 Board minutes of the fiscal year ended June 30, 2021. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the 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.

R. Elimination and Reclassifications:

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

S. Accounting Estimates:

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

T. Restricted Resources:

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

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

U. Newly Adopted Statements Issued by the GASB:

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

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

V. Recent Statements Issued by the GASB:

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

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

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.):

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

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

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

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

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

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

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 2 - Stewardship, Compliance and Accountability:

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

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

Fund	Amount
Special Revenue Fund	\$ (4,541,280)
Special Revenue Fund - Federal Stimulus and Stabilization Fund	(6,977,925)
Debt Service Fund - 2015 Bonds	(1,416,097)

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

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

Fund	Amount
Special Revenue Fund	\$ (618,712)
Special Revenue Fund - Federal Stimulus and Stabilization Fund	(7,209,240)

The Special Revenue – Federal Stimulus and Stabilization Fund had a deficit fund balance of (\$7,209,240) as of June 30, 2021. 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 Fund had a deficit fund balance of (\$618,712) as of June 30, 2021. 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 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 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 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.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 3 - Risk Management (Cont.):

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

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

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

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 4 - Property Taxes (Cont.):

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 Board per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2021, were:

<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¢	2.91¢
Class II	1,469,815,512	35.80¢	45.90¢	3.00¢	5.82¢
Class III	1,033,906,147	71.60¢	91.80¢	6.00¢	11.64¢
Class IV	1,237,166,956	71.60¢	91.80¢	6.00¢	11.64¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

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

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 4 - Property Taxes (Cont.):

Taxes Receivable

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

	General Current Expense Fund	Debt Service Fund	Permanent Improvement Fund
Taxes Receivable	\$ 6,141,631	\$ 589,219	\$ 224,605
Less: Allowance for Uncollectable	2,615,692	103,374	115,986
 Taxes Receivable, net	 \$ 3,525,939	 \$ 485,845	 \$ 108,619

Note 5 - Excess Levy:

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

Restriction	Estimated Collection
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

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.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 5 - Excess Levy (Cont.):

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 and facilities.

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.

Equipment and Rentals – 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.

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 \$28.7 million was received by the School Board from the excess levy during the fiscal year ended June 30, 2021.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 6 - Capital Assets:

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

Governmental Activities	Balance June 30, 2020	Additions	Disposals	Balance June 30, 2021
Capital assets, non-depreciable:				
Land	\$ 15,930,396	\$ 7,215,189	\$ -	\$ 23,145,585
Construction in process	14,880,990	243,692	(14,880,990)	243,692
Total non-depreciable capital assets	<u>\$ 30,811,386</u>	<u>\$ 7,458,881</u>	<u>\$ (14,880,990)</u>	<u>\$ 23,389,277</u>
Capital assets, depreciable:				
Buildings and improvements	\$ 236,487,975	\$ 19,468,121	\$ -	\$ 255,956,096
Furniture and equipment	12,500,211	233,779	-	12,733,990
Vehicles	15,989,789	1,126,923	(1,705,723)	15,410,989
Total depreciable capital assets	<u>\$ 264,977,975</u>	<u>\$ 20,828,823</u>	<u>\$ (1,705,723)</u>	<u>\$ 284,101,075</u>
Less: accumulated depreciation:				
Buildings and improvements	\$ (89,557,135)	\$ (5,087,714)	\$ -	\$ (94,644,849)
Furniture and equipment	(7,747,487)	(619,458)	-	(8,366,945)
Vehicles	(10,539,495)	(882,966)	1,702,947	(9,719,514)
Total accumulated depreciation	<u>\$ (107,844,117)</u>	<u>\$ (6,590,138)</u>	<u>\$ 1,702,947</u>	<u>\$ (112,731,308)</u>
Total depreciable capital assets, net	<u>\$ 157,133,858</u>	<u>\$ 14,238,685</u>	<u>\$ (2,776)</u>	<u>\$ 171,369,767</u>
Capital Assets - Net	<u>\$ 187,945,244</u>	<u>\$ 21,697,566</u>	<u>\$ (14,883,766)</u>	<u>\$ 194,759,044</u>

Depreciation expense was allocated to governmental functions as follows:

Instruction	\$ 5,327,386
Supporting services:	
Students	621
Central administration	11,926
Operation and maintenance of facilities	129,552
Transportation	936,003
Food services	184,650
	<u>\$ 6,590,138</u>

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 7 - Long-Term Debt:

During the year ended June 30, 2021, the Board retired a previous bond issuance while issuing a new bond. This resulted in the following bond activity during the year:

Total Bonded Indebtedness at July 1, 2020	\$	5,220,000
Issuances		87,500,000
Maturities		5,220,000
Total Bonded Indebtedness at June 30, 2021	\$	87,500,000

Bonds outstanding at June 30, 2021 consisted of:

Total Bonds Payable at June 30, 2021	\$	87,500,000
Less: Current portion		4,850,000
Long-term Bonds Payable		82,650,000

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

	Balance				Balance	Amounts due	Amounts due
	June 30, 2020				Restatement	Additions	Retirement
General obligation debt	\$ 5,220,000	\$ -	\$ 87,500,000	\$ 5,220,000	\$ 87,500,000	\$ 4,850,000	\$ 82,650,000
Premium on sale of bonds	235,595	-	4,375,000	376,724	4,233,871	282,258	3,951,613
Capital lease payable	2,071,128	193,667	-	1,374,947	889,848	889,848	-
Compensated absences	643,774	-	35,543	-	679,317	679,317	-
Total long-term liabilities	\$ 8,170,497	\$ 193,667	\$ 91,910,543	\$ 6,971,671	\$ 93,303,036	\$ 6,701,423	\$ 86,601,613

General Obligation Bonds – General obligation bonds payable at June 30, 2021, with their outstanding balance are comprised of the following individual issues:

Bond Issue of 2020	\$87,500,000
--------------------	--------------

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.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 7 - Long-Term Debt (Cont.):

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

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2022	1.50%	\$ 4,850,000	\$ 1,746,963	\$ 6,596,963
2023	1.50%	4,945,000	1,674,213	6,619,213
2024	1.50%	5,045,000	1,600,038	6,645,038
2025	2.00%	5,145,000	1,524,363	6,669,363
2026	2.00%	5,250,000	1,421,463	6,671,463
2027-2031	2.25%	29,005,000	5,291,563	34,296,563
2032-2036	2.00%	33,260,000	2,022,300	35,282,300
	Total	<u>\$ 87,500,000</u>	<u>\$ 15,280,903</u>	<u>\$ 102,780,903</u>

Note 8 - Leases:

The School Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as capital leases, 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 capital leases and are considered noncancelable for financial reporting purposes. Other leases, principally for equipment, are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Operating lease expenditures for the year ended June 30, 2021 were \$151,728, which included operating leases for copiers, print shop equipment, and a postage machine for the central office.

The School Board has entered into a capital lease-purchase agreement to purchase classroom technology devices from Apple, Inc. The equipment is leased directly from Apple, Inc. for a period of 3 years beginning February 15, 2019. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2021 for the School Board's capital leases:

Year Ending June 30,	Principal
2022	<u>\$ 548,945</u>
Total Present Value of Minimum Lease Payments	<u>\$ 548,945</u>

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 8 – Leases (Cont.):

The School Board has entered into a capital lease-purchase agreement to purchase classroom monitors. The lease funds have been provided by United Bank for a period of 3 years beginning May 29, 2019. Funds will be used to purchase equipment for classrooms. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2021 for the School Board’s capital leases:

Year Ending June 30, 2022	Principal
	340,904
Total Present Value of Minimum Lease Payments	\$ 340,904

Note 9 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers’ Retirement System (TRS) or the Teachers’ Defined Contribution Retirement System (TDC). For the year ended June 30, 2021, the Board’s total payroll for all employees was \$85,342,388, and the payroll was \$79,262,386, 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.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 9 - Employee Retirement System (Cont.):

A. Teachers' Retirement System (TRS):

Plan Description:

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

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

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

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

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

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

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 9 - Employee Retirement System (Cont.):

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

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

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

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

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

School Board's proportionate share of net pension liability	\$	9,537,400
State's proportionate share of the net pension liability associated with the School Board		155,610,940
Total portion of net pension liability associated with the School Board	\$	165,148,340

The TRS net pension liability was measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of July 1, 2019, 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, 2020, the School Board's proportion was 0.296%, which was an increase of 0.042% from its proportion measured as of June 30, 2019 (0.254%).

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 9 - Employee Retirement System (Cont.):

For the year ended June 30, 2021, the School Board recognized pension expense of \$19,042,089, and for support provided by the State, revenue of \$17,395,078. At June 30, 2021, the School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 577,869	\$ -
Differences between expected and actual experience	219,145	209,421
Changes in proportion and differences between School Board contributions and proportionate share of contributions	1,351,957	283,308
Changes in assumptions	134,391	-
District contributions subsequent to the measurement date	1,071,734	-
Total	\$ 3,355,096	\$ 492,729

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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2022	\$ 423,238
2023	379,380
2024	482,396
2025	505,618
2026	1
Thereafter	-
Total	\$ 1,790,633

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 9 - Employee Retirement System (Cont.):

Actuarial Assumptions:

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

Inflation – 3.0%

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

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

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

Discount Rate – 7.5%

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 arithmetic real rates of return for each major asset class as 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%	5.8%
International Equity	27.5%	7.7%
Fixed Income	15.0%	3.3%
Real Estate	10.0%	6.1%
Private Equity	10.0%	8.8%
Hedge Funds	10.0%	4.4%
	100%	

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 9 - Employee Retirement System (Cont.):

Discount Rate:

The discount rate used to measure the total pension liability was 7.5%. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of the TRS Plan was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

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

	1.0% Decrease 6.50%	Current Discount Rate 7.50%	1.0% Increase 8.50%
School Board's proportionate share of the TRS net pension liability	\$ 12,884,209	\$ 9,537,400	\$ 6,685,671

Payables to the pension plan:

At June 30, 2021, the School Board reported a liability of \$847,825 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 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.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 9 - Employee Retirement System (Cont.):

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 are required to contribute the 1.5% difference between the two plans' employee contribution rates.

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

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2019, this plan had approximately \$551.2 million in net position held in trust for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West Retirement Services, an independent third party administrator.

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

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

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

Employees' contributions (4.5%)	\$	283,846
Employer's contributions (7.5%)		473,077
Total contributions	\$	756,923

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 9 - Employee Retirement System (Cont.):

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 net pension liability, pension expense, deferred inflows, and deferred outflows. The estimate was based on the breakdown of payroll data available to the School Board. Specifically, each entity's 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 lived used to calculate the deferred inflows/outflows amortization amounts are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
RESA Proportionate Share	0.000000%	0.166890%	0.011804%	0.012822%	0.011304%
Average Service Life	5.98	5.96	6.00	5.91	0.00

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 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 Board of Finance, and required the Board of Finance 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 Finance Board. The 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

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

Benefits provided:

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

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

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

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

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

Contributions:

WVC §5-16D-3 states that contribution requirements of the members and the participating employers are set each year by the RHBT and approved by the PEIA Finance Board. All participating employers are required by statute to contribute to the RHBT this premium at the established rate for every active policyholder per month. The Paygo rates for June 30, 2020 and 2019, respectively, were:

	2020	2019
Paygo Premium	\$ 168	\$ 183

Contributions to the OPEB plan from the School Board were \$2,736,952 for the year ended June 30, 2021. Employees are not required to contribute to the OPEB plan.

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

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

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

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

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

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

School Board's proportionate share of net OPEB liability	\$	1,218,881
State's proportionate share of the net OPEB liability associated with the School Board		5,648,105
Total portion of net OPEB liability associated with the School Board	\$	6,866,986

The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to the measurement date. The School Board's proportion of the net OPEB liability was based on its proportionate share of employer and non-employer contributions to the OPEB Plan for the fiscal year ended on the measurement date.

For the year ended June 30, 2020, the School Board's proportion was 0.276%, which was an increase of 0.004% from its proportion measured as of June 30, 2019 (0.272%).

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

For the year ended June 30, 2021, the School Board recognized OPEB expense of \$3,262,053 and for support provided by the State, revenue of \$2,119,591. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 133,776	\$ 41,256
Differences between expected and actual experience	-	790,300
Changes in proportion and differences between School Board contributions and proportionate share of contributions	1,912,819	2,594,539
Changes in assumptions	-	2,751,269
Reallocation of Opt-Out Employer Change in Proportionate Share	-	72,779
School Board contributions subsequent to the measurement date	549,752	-
Total	\$ 2,596,347	\$ 6,250,143

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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ending June 30:	
2022	\$ (1,518,591)
2023	(1,496,230)
2024	(1,177,826)
2025	(10,901)
2026	-
Thereafter	-
Total	\$ (4,203,548)

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

Actuarial Assumptions:

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

Inflation – 2.25%

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

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

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

Actuarial cost method – Entry Age Normal Cost Method

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

Asset valuation method – Market Value

Wage inflation – 2.75% for PERS and TRS, and 3.25% for Troopers

Retirement age – Experience-based table of rates that are specific to the type of eligibility condition

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

Mortality Post Retirement – Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females

Mortality Pre-Retirement – Pub-2010 General Employee Mortality Tables projected with MP-2019.

Discount rate – 6.65%

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

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

Investment Asset Allocation:

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and a 10-year forecast of nominal geometric returns by major asset class were provided by the plan’s investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected nominal 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 estimates annualized long-term expected real returns assuming a 10-year horizon are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Return</u>
Global Equity	55.0%	6.8%
Core Plus Fixed Income	15.0%	4.1%
Core Real Estate	10.0%	6.1%
Hedge Funds	10.0%	4.4%
Private Equity	10.0%	8.8%
Total	100.0%	

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

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

The following table presents the School Board's proportionate share of its net OPEB liability calculated using the discount rate of 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	\$ 1,738,286	\$ 1,218,881	\$ 784,070

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 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	\$ 733,411	\$ 1,218,881	\$ 1,805,230

Payables to the OPEB Plan:

At June 30, 2021, the School Board reported a liability of \$320,100 for its unpaid legally required contributions to the OPEB plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 10 - Post-Employment Benefits Other Than Pension (Cont.):

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 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 net OPEB liability, OPEB expense, deferred inflows, and deferred outflows. The estimate was based on the breakdown of payroll data available to the School Board. Specifically, each entity’s 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 lived used to calculate the deferred inflows/outflows amortization amounts are as follows:

	2017	2016
RESA Proportionate Share	0.00000%	0.17143%
Average Service Life	4.71	0.00

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:

Retirement allocation by the State (03911)	\$	4,729,782
Unfunded retirement by the State (03917)		14,264,131
PEIA allocation by the State (03918) and RHBT (03915)		10,640,912
Value of donated commodities from the USDA (04911)		457,204

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 12 - Pending Litigation:

The Board is involved in a number of legal proceedings and claims, involving students, employees and citizens who have sued the 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 Board. The Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

Note 13 - Fund Balance:

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

Fund Balances	General Current Expense Fund	Special Revenue Fund	Special Revenue Fund - School Activity	Special Revenue: Federal Stimulus and Stabilization Fund	Debt Service Fund - 2020 Issuance	Debt Service Fund - 2020 Issuance	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:										
Prepaid workers' comp	\$ 177,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,206
Prepaid liability/property insurance	174,432	-	-	-	-	-	-	-	-	174,432
Other prepaid expenses	30,262	-	-	-	-	-	-	-	-	30,262
Deposit with IRS	5,000	-	-	-	-	-	-	-	-	5,000
Deposits with retirement board	202,224	-	-	-	-	-	-	-	-	202,224
Restricted for:										
Special Projects	-	-	2,299,728	-	-	-	-	-	-	2,299,728
Debt Service	-	-	-	-	33	2,767,715	-	-	-	2,767,748
Capital Projects	-	-	-	-	-	-	-	6,516,947	-	6,516,947
Bond Projects	-	-	-	-	-	-	83,318,922	-	-	83,318,922
Excess Levy	1,195,130	-	-	-	-	-	-	-	-	1,195,130
Assigned to:										
Encumbrances	4,570,961	-	-	-	-	-	-	-	-	4,570,961
Medicaid	4,297,160	-	-	-	-	-	-	-	-	4,297,160
E-Rate	247,050	-	-	-	-	-	-	-	-	247,050
Student Device Damages	226,162	-	-	-	-	-	-	-	-	226,162
Davis Creek Flood 2021	104,663	-	-	-	-	-	-	-	-	104,663
School Bus Replacement	39,705	-	-	-	-	-	-	-	-	39,705
Capital Projects	-	-	-	-	-	-	-	-	17,870,916	17,870,916
Unassigned	27,968,361	(618,712)	-	(7,209,240)	-	-	-	-	-	20,140,409
Total Fund Balances	\$ 39,238,316	\$ (618,712)	\$ 2,299,728	\$ (7,209,240)	\$ 33	\$ 2,767,715	\$ 83,318,922	\$ 6,516,947	\$ 17,870,916	\$ 144,184,625

Note 14 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling \$10,328,054 as of June 30, 2021 in the following funds:

General Current Expense Fund	\$ 4,570,961
Permanent Improvements Fund	1,197,679
Bond Construction Fund	6,580,405
Special Revenue Fund	1,082,470
Federal Stimulus and Stabilization Fund	494,688

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

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.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 14 - Commitments, Contingencies and Subsequent Events (Cont.):

Effective with the fiscal year ended June 30, 2015, the Medicaid school-based health services program through the West Virginia Department of Health and Human Resources (DHHR), Bureau for Medical Services has a cost settlement requirement. This change was required by the federal Centers for Medicare and Medicaid Services (CMS). Revenue for services provided during the fiscal year ended June 30, 2021 has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The interim cost settlement for the fiscal year ended June 30, 2019 was received by the School Board during August 2020. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2021 will not be available until spring or summer of 2021. Laws and regulations governing the Medicaid program are complex and subject to interpretation. Management of the School Board believes that it is in compliance, in all material respects, with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on its financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation. Accordingly, such reviews could lead to disallowances and/or significant regulatory action, including fines, penalties and exclusion from the Medicaid program resulting in reimbursement of previously reported revenue, which could be material to the School Board's financial statements.

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

Note 15 - Interfund Balances and Transfers:

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

Receivable Fund	Payable Fund	Amount
General Current Expense	Special Revenue - Federal Stimulus	\$ 2,043,825

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 15 - Interfund Balances and Transfers (Cont.):

During the fiscal year ended June 30, 2021, there were the following interfund transfers:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Current Expense	Special Revenue - Federal Stimulus	\$ 54,962
General Current Expense	Capital Projects	10,011,269
Debt Service 2015	Debt Service 2020	1,475
Bond Construction	Debt Service 2020	737,606
Special Revenue	General Current Expense	248,610
Special Revenue	Special Revenue - School Activity	365,553
Special Revenue - School Activity	General Current Expense	538,337
Special Revenue - School Activity	General Current Expense	277,129
Federal Stimulus and Stabilization	Special Revenue	1,322,618

Note 16 - Major Sources of Revenue:

The largest single source of revenue received by the Board is state aid funds through the Public School Support Program. In addition, the 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 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 Board believes such disallowance, if any, would be immaterial.

Note 17 - COVID-19 Pandemic:

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

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act provided federal stimulus dollars to assist state agencies, local school districts, businesses, organizations, families, students, and other entities during the COVID-19 pandemic. The School Board received \$4,986,882 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.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 17 – COVID-19 Pandemic (Cont.):

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. 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. 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.

Note 18 – Prior Period Adjustments:

Beginning balances for the year ended June 30, 2021, have been restated due to the following reasons:

A. Change in Account Principle

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

B. Correction of Error

A payment of \$193,667 toward a capital lease was incorrectly applied to the balance of the lease in the prior year. As a result, the balance of the lease and net position has been restated.

	Governmental Activities
Beginning net position as previously reported at June 30, 2020	\$ 233,600,949
Change in Accounting Principle - Implementation of GASB 84	2,099,512
Correction of Error - Capital lease adjustment	(193,667)
Total Prior Period Adjustments	1,905,845
Net position as restated, July 1, 2020	\$ 235,506,794

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 18 – Prior Period Adjustments (Cont.):

	Special Revenue Fund - School Activity
Fund balance as previously reported at June 30, 2020	\$ -
Implementation of GASB 84	2,099,512
Fund balance as restated, July 1, 2020	<u>\$ 2,099,512</u>

Note 19 - Subsequent Events:

All other commitments, contingencies, and subsequent events have been evaluated by management and have been properly disclosed up through February 18, 2022, the date of this report.

REQUIRED SUPPLEMENTARY INFORMATION

CABELL COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis	Adjustments for Regulatory Basis	Actual Regulatory Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Property taxes	\$ 47,825,254	\$ 47,825,254	\$ 50,564,937	\$ -	\$ 50,564,937	\$ 2,739,683
Other local sources	1,585,000	1,923,001	1,564,449	-	1,564,449	(358,552)
State sources	87,136,383	86,659,507	86,632,311	-	86,632,311	(27,196)
Federal sources	700,000	700,000	1,329,832	-	1,329,832	629,832
Total revenues	137,246,637	137,107,762	140,091,529	-	140,091,529	2,983,767
Expenditures:						
Instruction	81,569,116	83,716,903	76,973,063	-	76,973,063	6,743,840
Supporting services:						
Students	9,143,835	9,450,546	8,732,180	-	8,732,180	718,366
Instructional staff	2,941,522	3,798,260	2,992,860	-	2,992,860	805,401
General administration	2,064,511	2,525,635	2,073,866	-	2,073,866	451,770
School administration	8,616,891	8,591,814	8,306,753	-	8,306,753	285,061
Central services	2,011,586	2,157,493	2,001,164	-	2,001,164	156,329
Operation and maintenance of facilities	16,972,284	19,388,665	16,079,471	-	16,079,471	3,309,194
Student transportation	10,998,760	11,504,931	10,011,350	-	10,011,350	1,493,581
Food services	-	31,386	12,311	-	12,311	19,075
Community services	2,271,000	2,274,000	2,310,566	-	2,310,566	(36,566)
Debt service:						
Principal retirement	981,981	981,981	583,689	-	583,689	398,292
Interest and fiscal charges	22,648	22,648	22,648	-	22,648	-
Total expenditures	137,594,134	144,463,442	130,119,101	-	130,119,101	14,344,341
Excess (deficiency) of revenues over expenditures	(347,497)	(7,355,680)	9,972,428	-	9,972,428	17,328,108
Other financing sources (uses):						
Proceeds from disposal of real or personal property	-	-	86,218	-	86,218	86,218
Transfers in	1,650,978	1,650,978	2,109,563	-	2,109,563	458,585
Transfers (out)/reserves	(3,646,083)	(13,646,083)	(10,066,231)	-	(10,066,231)	3,579,852
Total other financing sources (uses)	(1,995,105)	(11,995,105)	(7,870,450)	-	(7,870,450)	4,124,655
Change in fund balances	(2,342,602)	(19,350,785)	2,101,978	-	2,101,978	21,452,763
Fund balances - beginning	24,000,000	37,198,899	37,136,338	-	37,136,338	(62,561)
Fund balances - ending	\$ 21,657,398	\$ 17,848,114	\$ 39,238,316	\$ -	\$ 39,238,316	\$ 21,390,202

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Local sources	\$ 133,269	\$ 213,113	\$ 64,425	\$ -	\$ 64,425	\$ (148,688)
State sources	2,046,731	3,888,989	3,783,636	-	3,783,636	(105,353)
Federal sources	18,937,333	30,139,422	19,557,257	-	19,557,257	(10,582,165)
Total revenues	21,117,333	34,241,524	23,405,318	-	23,405,318	(10,836,206)
Expenditures:						
Instruction	6,849,742	14,455,959	10,197,206	-	10,197,206	4,258,753
Supporting services:						
Students	733,819	2,749,339	1,366,059	-	1,366,059	1,383,280
Instructional staff	619,037	4,042,966	2,291,821	-	2,291,821	1,751,145
School administration	282,718	464,698	305,936	-	305,936	158,762
Central services	13,705	46,655	19,436	-	19,436	27,219
Operation and maintenance of facilities	-	433,811	368,301	-	368,301	65,510
Student transportation	21,514	214,092	62,186	-	62,186	151,906
Food services	11,161,523	14,879,036	12,232,041	-	12,232,041	2,646,995
Community services	-	76,719	23,249	-	23,249	53,470
Capital outlay	-	4,502	-	-	-	4,502
Debt service:						
Principal retirement	400,000	791,258	791,258	-	791,258	-
Interest and fiscal charges	-	7,034	7,034	-	7,034	-
Total expenditures	20,082,058	38,166,069	27,664,527	-	27,664,527	10,501,542
Excess (deficiency) of revenues over expenditures	1,035,275	(3,924,545)	(4,259,209)	-	(4,259,209)	(334,664)
Other financing sources (uses):						
Transfers in	3,646,083	2,779,509	332,092	-	332,092	(2,447,417)
Transfers (out)	-	(377,021)	(614,163)	-	(614,163)	(237,142)
Total other financing sources (uses)	3,646,083	2,402,488	(282,071)	-	(282,071)	(2,684,559)
Change in fund balances	4,681,358	(1,522,057)	(4,541,280)	-	(4,541,280)	(3,019,223)
Fund balances - beginning	-	2,266,471	3,922,568	-	3,922,568	1,656,097
Fund balances - ending	\$ 4,681,358	\$ 744,414	\$ (618,712)	\$ -	\$ (618,712)	\$ (1,363,126)

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - SPECIAL REVENUE FUND - SCHOOL ACTIVITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Other local sources	\$ -	\$ -	1,536,612	\$ (1,536,612)	\$ -	\$ -
Federal sources	-	-	430,616	(430,616)	-	-
Total revenues	-	-	1,967,228	(1,967,228)	-	-
Expenditures:						
Instruction	-	-	1,317,099	(1,317,099)	-	-
Total expenditures	-	-	1,317,099	(1,317,099)	-	-
Excess (deficiency) of revenues over expenditures	-	-	650,129	(650,129)	-	-
Other financing sources (uses):						
Transfers in	-	-	365,553	(365,553)	-	-
Transfers (out)	-	-	(815,466)	815,466	-	-
Total other financing sources (uses)	-	-	(449,913)	449,913	-	-
Change in fund balances	-	-	200,216	(200,216)	-	-
Fund balances - beginning	-	-	2,099,512	-	2,099,512	2,099,512
Fund balances - ending	-	-	2,299,728	(200,216)	2,099,512	2,099,512

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - SPECIAL REVENUE FUND - FEDERAL STIMULUS AND STABILIZATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Federal sources	\$ -	\$ 33,232,721	\$ 4,575,110	\$ -	\$ 4,575,110	\$ (28,657,611)
Total revenues	-	33,232,721	4,575,110	-	4,575,110	(28,657,611)
Expenditures:						
Instruction	-	15,075,358	8,609,426	-	8,609,426	6,465,932
Supporting services:						
Students	-	677,252	519,490	-	519,490	157,762
Instructional staff	-	272,134	102,148	-	102,148	169,986
School administration	-	-	707	-	707	(707)
Central services	-	30,446	31,725	-	31,725	(1,279)
Operation and maintenance of facilities	-	976,082	927,699	-	927,699	48,383
Student transportation	-	30,882	39,222	-	39,222	(8,340)
Total expenditures	-	17,062,154	10,230,417	-	10,230,417	6,831,737
Excess (deficiency) of revenues over expenditures	-	16,170,567	(5,655,307)	-	(5,655,307)	(21,825,874)
Other financing sources (uses):						
Transfers (out)	-	(548,596)	(1,322,618)	-	(1,322,618)	(774,022)
Total other financing sources (uses)	-	(548,596)	(1,322,618)	-	(1,322,618)	(774,022)
Change in fund balances	-	15,621,971	(6,977,925)	-	(6,977,925)	(22,599,896)
Fund balances - beginning	-	(231,315)	(231,315)	-	(231,315)	-
Fund balances - ending	\$ -	\$ 15,390,656	\$ (7,209,240)	\$ -	\$ (7,209,240)	\$ (22,599,896)

See Notes to the Budget and Actual Schedules.

CABELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Reported Fiscal Year (Measurement Date) 2021 (2020)	Reported Fiscal Year (Measurement Date) 2020 (2019)	Reported Fiscal Year (Measurement Date) 2019 (2018)	Reported Fiscal Year (Measurement Date) 2018 (2017)	Reported Fiscal Year (Measurement Date) 2017 (2016)	Reported Fiscal Year (Measurement Date) 2016 (2015)	Reported Fiscal Year (Measurement Date) 2015 (2014)
District's proportion of the net pension liability (asset)	0.296106%	0.254345%	0.253876%	0.259056%	0.247384%	0.213032%	0.168962%
District's proportionate share of net pension liability (asset)	\$ 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	155,610,940	121,440,153	141,607,091	137,609,252	141,064,337	128,290,801	117,293,754
Total	165,148,340	129,007,352	149,533,752	146,559,579	151,231,380	135,672,902	123,123,099
District's covered-employee payroll	\$ 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-employee payroll	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	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%	65.95%

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 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>(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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 72,954,691	\$ 71,612,934	\$ 67,379,277	\$ 65,021,019	\$ 64,906,533	\$ 64,804,053	\$ 64,709,775
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.952%	8.034%	8.198%	8.345%	8.543%	8.769%	9.076%

CABELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET OPEB LIABILITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Reported Fiscal Year (Measurement Date)	Reported Fiscal Year (Measurement Date)	Reported Fiscal Year (Measurement Date)	Reported Fiscal Year (Measurement Date)
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
District's proportion of the net OPEB liability (asset)	0.275957%	0.271990%	0.451351%	0.230301%
District's proportionate share of net OPEB liability (asset)	\$ 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	5,648,105	20,531,012	25,028,198	26,485,583
Total	<u>6,866,986</u>	<u>25,043,685</u>	<u>34,711,644</u>	<u>32,148,654</u>
District's covered-employee payroll	\$ 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-employee payroll	1.831%	7.159%	15.667%	9.097%
Plan fiduciary net position as a percentage of the total OPEB liability	73.49%	39.69%	30.98%	25.10%

Data prior to 2018 is unavailable

CABELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018
Contractually required contribution	\$ 2,682,696	\$ 2,945,307	\$ 3,176,032	\$ 3,159,288
Contributions in relation to the contractually required contribution	(2,682,696)	(2,945,307)	(3,176,032)	(3,159,288)
Contribution deficiency (excess)	-	-	-	-
District's covered-employee payroll	\$ 66,917,985	\$ 66,584,681	\$ 63,037,553	\$ 61,807,504
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	4.009%	4.423%	5.038%	5.111%

Data prior to 2018 is unavailable

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are 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 donated foods from the West Virginia Department of Agriculture Food Distribution Program are also not included in the 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 Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor’s Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.
2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

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

B. Excess of Expenditures over Appropriations:

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

GENERAL CURRENT EXPENSE FUND:

<u>Function</u>	<u>Amount</u>
Community Services	\$36,566

The over-expenditure in this function was funded by revenues received in excess of the anticipated amounts budgeted. In accordance with the Board’s active excess levy requirements, the Board contributed additional funds to the Cabell County Public Library and Greater Huntington Parks & Recreation District which exceeded the amount that was projected due to higher than anticipated property tax collections during the fiscal year ended June 30, 2021.

CABELL COUNTY BOARD OF EDUCATION
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SPECIAL REVENUE FUND:

<u>Function</u>	<u>Amount</u>
Fund Transfers-Out	\$237,142

The over-expenditure in this function was caused by the reclassification of faculty senate payments to the individual schools as fund transfers instead of instructional expenditures as part of the implementation of GASB 84 following the completion of the fiscal year ended June 30, 2021.

SPECIAL REVENUE – FEDERAL STIMULUS AND STABILIZATION FUND:

<u>Function</u>	<u>Amount</u>
School Administration	\$707
Central Services	\$1,279
Student Transportation	\$8,341
Fund Transfers-Out	\$774,022

The over-expenditures in these functions were funded by revenues received in excess of the anticipated amounts budgeted. Due to the rapid implementation of summer programs, timing of approval of plans relating to summer programming, and updated guidance regarding the allowable use of the unrestricted indirect cost rate all contributed to the reported over-expenditures for the fiscal year ended June 30, 2021.

C. Changes in Assumptions:

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

	<u>2015 - 2020</u>	<u>2014</u>		
Inflation	3.0%	2.2%		
Salary Increases	<u>2020</u>	<u>2018 - 2019</u>	<u>2016 - 2017</u>	<u>2014 - 2015</u>
	State - 3.00%-6.00%	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%	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%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.75% to 5.25%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.40% to 6.50%
	Non-state - 3.00%-6.50%			
Investment Rate of Return	<u>2014 - 2020</u>			
	7.5%, net of pension plan investment expense, including inflation			

**CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Mortality	2020	2016 - 2019	2014 - 2015
	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	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 a 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	Active: RP-2000, non-annuitant monthly mortality table; Retired - RP2000 healthy annuitant, scale AA; Disabled - RP2000 disabled annuitant mortality table, scale AA
Discount Rate	2014 - 2020		
	7.5%		

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.

	2020	2019	2018	2017
Inflation	2.25%	2.75%	2.75%	2.75%
Salary Increases	Dependent upon pension system. Ranging from 2.75% to 5.18%	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%
Investment Rate of Return	6.65% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation
Mortality	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post-Retirement: RP - 2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post-Retirement: RP - 2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post-Retirement: RP - 2000 Health Annuitant Mortality Table projected with Scale AA on a fully generational basis
Discount Rate	6.65%	7.15%	7.15%	7.15%
Healthcare Cost Trend Rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020, 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 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 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
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - DEBT SERVICE FUND - 2015
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Property taxes	\$ 3,275,378	\$ 4,130,368	\$ 3,856,363	\$ -	\$ 3,856,363	\$ (274,005)
Other local sources	-	-	55,415	-	55,415	55,415
Total revenues	3,275,378	4,130,368	3,911,778	-	3,911,778	(218,590)
Expenditures:						
Debt service:						
Principal retirement	5,220,000	5,220,000	5,220,000	-	5,220,000	-
Interest and fiscal charges	104,400	109,400	106,400	-	106,400	3,000
Total expenditures	5,324,400	5,329,400	5,326,400	-	5,326,400	3,000
Excess (deficiency) of revenues over expenditures	(2,049,022)	(1,199,032)	(1,414,622)	-	(1,414,622)	(215,590)
Other financing sources (uses):						
Transfers (out)/reserves	(1,650,978)	(2,984,780)	(1,475)	-	(1,475)	2,983,305
Total other financing sources (uses)	(1,650,978)	(2,984,780)	(1,475)	-	(1,475)	2,983,305
Change in fund balances	(3,700,000)	(4,183,812)	(1,416,097)	-	(1,416,097)	2,767,715
Fund balances - beginning	3,700,000	4,183,812	4,183,812	-	4,183,812	-
Fund balances - ending	\$ -	\$ -	\$ 2,767,715	\$ -	\$ 2,767,715	\$ 2,767,715

See Notes to the Budget and Actual Schedules.

CABELL COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - DEBT SERVICE FUND - 2020
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Other local sources	\$ -	\$ 10	\$ 33	\$ -	\$ 33	\$ 23
Total revenues	-	10	33	-	33	23
Expenditures:						
Debt service:						
Interest and fiscal charges	-	742,606	739,082	-	739,082	3,524
Total expenditures	-	742,606	739,082	-	739,082	3,524
Excess (deficiency) of revenues over expenditures	-	(742,596)	(739,049)	-	(739,049)	3,547
Other financing sources (uses):						
Transfers in	-	742,596	739,082	-	739,082	(3,514)
Total other financing sources (uses)	-	742,596	739,082	-	739,082	(3,514)
Change in fund balances	-	-	33	-	33	33
Fund balances - beginning	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 33	\$ -	\$ 33	\$ 33

See Notes to the Budget and Actual Schedules.

CABELL COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BOND CONSTRUCTION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Other local sources	\$ -	\$ -	\$ 42,037	\$ -	\$ 42,037	\$ 42,037
Total revenues	-	-	42,037	-	42,037	42,037
Expenditures:						
Supporting services:						
Central administration	-	168,001	168,001	-	168,001	-
School administration	-	410,000	263,776	-	263,776	146,224
Capital outlay	-	90,559,393	7,428,733	-	7,428,733	83,130,660
Total expenditures	-	91,137,394	7,860,510	-	7,860,510	83,276,884
Excess (deficiency) of revenues over expenditures	-	(91,137,394)	(7,818,473)	-	(7,818,473)	83,318,921
Other financing sources (uses):						
Proceeds from the sale of bonds	-	87,500,000	87,500,000	-	87,500,000	-
Proceeds from bond premium	-	4,375,000	4,375,000	-	4,375,000	-
Transfers (out)/reserves	-	(737,606)	(737,606)	-	(737,606)	-
Total other financing sources (uses)	-	91,137,394	91,137,394	-	91,137,394	-
Change in fund balances	-	-	83,318,921	-	83,318,921	83,318,921
Fund balances - beginning	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 83,318,921	\$ -	\$ 83,318,921	\$ 83,318,921

See Notes to the Budget and Actual Schedules.

CABELL COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
Property taxes	\$ 1,637,824	\$ 1,637,824	\$ 1,822,444	\$ -	\$ 1,822,444	\$ 184,620
Other local sources	-	57,140	75,590	-	75,590	18,450
Total revenues	1,637,824	1,694,964	1,898,034	-	1,898,034	203,070
Expenditures:						
Supporting services:						
Operation and maintenance of facilities	-	500,000	-	-	-	500,000
Capital outlay	1,637,824	6,833,955	1,040,078	-	1,040,078	5,813,877
Total expenditures	1,637,824	7,333,955	1,040,078	-	1,040,078	6,313,877
Excess (deficiency) of revenues over expenditures	-	(5,658,991)	857,956	-	857,956	6,516,947
Change in fund balances	-	(5,658,991)	857,956	-	857,956	6,516,947
Fund balances - beginning	-	5,658,991	5,658,991	-	5,658,991	-
Fund balances - ending	-	-	6,516,947	-	6,516,947	6,516,947

See Notes to the Budget and Actual Schedules.

CABELL COUNTY BOARD OF EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
Revenues:						
State Sources	\$ -	\$ 1,372,800	\$ 1,372,800	\$ -	\$ 1,372,800	\$ -
Total revenues	-	1,372,800	1,372,800	-	1,372,800	-
Expenditures:						
Instruction	-	714,036	713,476	-	713,476	560
Supporting services:						
Instructional staff	-	75,757	75,127	-	75,127	630
Capital outlay	-	20,801,978	3,236,937	-	3,236,937	17,565,041
Total expenditures	-	21,591,771	4,025,540	-	4,025,540	17,566,231
Excess (deficiency) of revenues over expenditures	-	(20,218,971)	(2,652,740)	-	(2,652,740)	17,566,231
Other financing sources (uses):						
Transfers in	-	10,000,000	10,011,269	-	10,011,269	11,269
Transfers (out)/reserves	-	(293,416)	-	-	-	293,416
Total other financing sources (uses)	-	9,706,584	10,011,269	-	10,011,269	304,685
Change in fund balances	-	(10,512,387)	7,358,529	-	7,358,529	17,870,916
Fund balances - beginning	-	10,512,387	10,512,387	-	10,512,387	-
Fund balances - ending	\$ -	\$ -	\$ 17,870,916	\$ -	\$ 17,870,916	\$ 17,870,916

See Notes to the Budget and Actual Schedules.

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE BUDGET AND ACTUAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are 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 donated foods from the West Virginia Department of Agriculture Food Distribution Program are also not included in the 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 Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.
2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

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

B. Excess of Expenditures over Appropriations:

For the year ended June 30, 2021, the Board did not have any expenditures that exceeded appropriations at the function level within the Debt Service Fund, Permanent Improvement Fund or the Capital Projects Fund, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Cash Balance 7/1/20	Revenues Received	Expenditures Paid	Cash Balance 6/30/21
Altizer Elementary	\$ 28,836	\$ 19,809	\$ 18,852	\$ 29,793
Central City Elementary	124,215	18,167	24,581	117,800
Cox Landing Elementary	5,773	12,340	9,232	8,881
Cullooden Elementary	33,028	15,002	21,535	26,494
Davis Creek Elementary	40,550	29,480	18,579	51,452
Explorer Academy	38,709	35,803	33,202	41,311
Guyandotte Elementary	4,002	18,880	13,829	9,053
Highlawn Elementary	19,690	14,240	11,266	22,664
Hite Saunders Elementary	38,216	23,588	20,564	41,240
Martha Elementary	13,333	21,030	21,027	13,336
Meadows Elementary	95,574	17,712	27,914	85,372
Milton Elementary	148,131	59,102	66,633	140,601
Nichols Elementary	49,092	13,569	14,926	47,735
Ona Elementary	45,855	28,218	28,044	46,028
Salt Rock Elementary	29,296	20,522	19,076	30,742
Southside Elementary	36,219	36,858	30,722	42,355
Spring Hill Elementary	19,258	27,922	32,411	14,769
Village of Barboursville Elementary	58,761	129,039	114,585	73,215
Barboursville Middle School	70,695	69,222	71,845	68,072
Huntington East Middle School	68,260	62,388	42,253	88,395
Huntington Middle School	75,859	61,186	55,108	81,937
Milton Middle School	86,261	113,262	95,482	104,042
Cabell County Career and Technical Center	363,364	688,902	643,200	409,066
Cabell Midland High School	314,609	440,424	355,490	399,543
Huntington High School	291,928	356,115	342,209	305,833
Total	<u>\$ 2,099,512</u>	<u>\$ 2,332,781</u>	<u>\$ 2,132,564</u>	<u>\$ 2,299,730</u>

CABELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Current Year			Levy To Date		
	Estimated Per Levy Call	Actual	Variance	Estimated Per Levy Call	Actual	Variance
Excess Levy Collections	24,128,149	28,734,483	4,606,334	24,128,149	28,734,483	4,606,334
Expenditures (County Specific Levy Call):						
Professional Salary	7,057,547	8,592,364	1,534,817	7,057,547	8,592,364	1,534,817
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	1,700,729	(349,271)	2,050,000	1,700,729	(349,271)
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	909,209	(191,791)	1,101,000	909,209	(191,791)
Including, but not limited to, professional and service personnel substitute costs						
Athletics	625,000	806,162	181,162	625,000	806,162	181,162
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	2,817,658	(518,720)	3,336,378	2,817,658	(518,720)
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	4,081,592	1,794,054	2,287,538	4,081,592	1,794,054
Including, but not limited to, printing, copying school, custodial, library, office, and health supplies, postage, textbooks, insurance and travel						
Contracted Services	1,700,000	3,265,950	1,565,950	1,700,000	3,265,950	1,565,950
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	1,586,766	354,766	1,232,000	1,586,766	354,766
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	1,694,184	2,247	1,691,937	1,694,184	2,247
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	1,752,866	280,997	1,471,869	1,752,866	280,997
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	542,700	87,471	455,229	542,700	87,471
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	984,303	(135,348)	1,119,651	984,303	(135,348)
Including, but not limited to, classroom personal devices, technology infrastructure, instructional hardware, security system upgrades, and professional development activities.						
Total Expenditures	24,128,149	28,734,483	4,606,334	24,128,149	28,734,483	4,606,334
Excess of Collections over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures Paid</u>
U.S. Department of Agriculture			
Passed Through West Virginia Department of Education			
Healthier US School Challenge: Smarter Lunchrooms Child Nutrition Cluster:	10.543	88	\$ 2,982
Passed Through West Virginia Department of Agriculture			
Donated Foods (Non-cash)	10.555	88	457,204
Passed Through West Virginia Department of Education			
National School Breakfast and Lunch Program	10.553/10.555	88	5,933
Summer Food Service - COVID-19	10.559	88	11,325,402
Total Child Nutrition Cluster			<u>11,788,539</u>
Child and Adult Care Food Program	10.558	88	121,868
State Administrative Expenses for Child Nutrition	10.560	88	1,563
Fresh Fruits and Vegetables Program	10.582	88	110,421
Total U.S. Department of Agriculture			<u>12,025,373</u>
U.S. Department of Education			
Passed Through West Virginia Department of Education			
Adult Education	84.002A	61	43,207
Title I Grants to Local Educational Agencies	84.010A	41	6,319,262
Title I State Agency Grants for Neglected & Delinquent Children and Youth Special Education Cluster:	84.013A	41	60,486
Special Education Grants to States	84.027A	43	3,383,028
Special Education - Pre-School	84.173A	43	140,958
Total Special Education Cluster			<u>3,523,986</u>
Vocational Education	84.048A	50	257,379
Federal Pell Grant Program	84.063	55	430,616
Education for Homeless Children and Youths	84.196A	54	19,257
21st Century Community Learning Centers	84.287C	46	90,403
Title III English Language Acquisition Grants	84.365A	45	29,284
Title II Improving Teacher Quality	84.367A	40	550,473
Title IV Student Support and Academic Enrichment	84.424A	42	254,934
Elementary and Secondary School Emergency Relief Fund	84.425D	52	11,197,305
Extra Curricular Equity Fund	84.425D	52	59,899
ARPA ESSERF	84.425U	52	77,773
Student Opportunities for Learning & Engagement	84.425U	52	218,058
Total U.S. Department of Education			<u>23,132,322</u>
U.S. Department of Health and Human Services			
Passed Through West Virginia Department of Education			
Project AWARE	93.243	53	82,451
Opioid Misuse	93.959	49	57,792
Total U.S. Department of Health and Human Services			<u>140,243</u>
Total Federal Financial Assistance Expended			<u>\$ 35,297,938</u>

See Notes to the Schedule of Expenditures of Federal Awards

CABELL COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note 1 – Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Cabell County Board of Education and is presented on a basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the 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).

Note 2 – Indirect Cost:

The Cabell County Board of Education did not elect to use the 10% de minimis indirect cost rate for its federal programs.

Note 3 – Food Distribution:

The Cabell County Board of Education's non-cash assistance received from the U.S. Department of Agriculture Donated Foods Program of \$457,204 is included in the Schedule of Expenditures of Federal Awards based upon the fair market value of the commodities at the time of receipt and reflects the amount distributed for the year ended June 30, 2021.

Note 4 – Subrecipients:

The Cabell County Board of Education did not pass through any federal funds to subrecipients during the year ended June 30, 2021.



The
Fyffe
Jones
Group, AC

The Fyffe Jones Group, AC

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

INDEPENDENT AUDITORS' 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*

To the Cabell County Board of Education
Huntington, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Cabell County Board of Education, as of and for the year ended June 30, 2021, 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 February 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cabell County Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 blue ink that reads "The Fyffe Jones Group, AC". The signature is written in a cursive, flowing style.

THE FYFFE JONES GROUP, AC

Huntington, West Virginia
February 18, 2022



The
Fyffe
Jones
Group, AC

The Fyffe Jones Group, AC

2155 Carter Avenue
P.O. Box 2245
Ashland, KY 41105-2245
606-329-8604

806 Chillicothe Street
Portsmouth, OH 45662
740-353-0400

1033 Twentieth Street
P.O. Box 1148
Huntington, WV 25713-1148
304-525-8592

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

To the Cabell County Board of Education
Huntington, West Virginia

Report on Compliance for Each Major Federal Program

We have audited the Cabell County Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Cabell County Board of Education's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Cabell County Board of Education's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Cabell County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Cabell County Board of Education's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2021.

Report on Internal Control Over Compliance

Management of the Cabell County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Cabell County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Cabell County Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

The Fyffe Jones Group, AC

THE FYFFE JONES GROUP, AC

Huntington, West Virginia
February 18, 2022

CABELL COUNTY BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Programs tested:

CFDA Number(s)	Name of Federal Program/Cluster
84.010	Title I
84.425D	Elementary and Secondary School Emergency Relief Fund - COVID - 19

Dollar threshold used to distinguish between Type A and Type B Programs:	\$1,058,938
Auditee qualified as a low-risk auditee:	Yes

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

CABELL COUNTY BOARD OF EDUCATION
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

There were no findings in the prior audit.