

County: Cabell  
RFP: 20-048

# CABELL COUNTY BOARD OF EDUCATION

## Financial Statements

June 30, 2022

CABELL COUNTY BOARD OF EDUCATION  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022

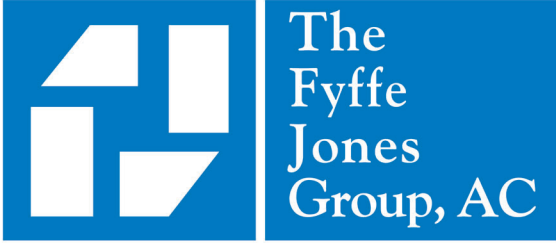
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CABELL COUNTY BOARD OF EDUCATION  
 SCHOOL BOARD OFFICIALS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<b>Office</b>	<b>Name</b>	<b>Term</b>
<u>Elective</u>		
School Board Members:	Garland Parsons	07/01/2020 – 03/28/2022
	Mary Neely	07/01/2018 – 06/30/2022
	Dennis Caldwell	05/12/2022 – 11/13/2022
	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	07/01/2021 – 06/30/2022
Treasurer	Drew Rottgen	07/01/2021 – 06/30/2022



The Fyffe Jones Group, AC

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

#### ***Opinions***

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, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Cabell County Board of Education, as of June 30, 2022, 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.

#### ***Basis for Opinions***

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

#### ***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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cabell County Board of

Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibility***

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

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

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

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

### ***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, and pension and OPEB information on pages 5 through 17 and 69 through 80 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 accompanying schedule of expenditures of federal awards, budgetary comparison information for the 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 as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, budgetary comparison information for the 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023, 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 24, 2023

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

### **Financial Highlights**

- The Board's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$259.4 million (*net position*) at the close of the most recent fiscal year. Of this amount, \$61.3 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 \$11.2 million. Most of the increase is attributable to a decrease in pension expenses.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$149.2 million, an increase of approximately \$5 million in comparison with the prior year. This increase is primarily attributable to the sale of surplus technology equipment and the availability of American Rescue Plan funds. Approximately \$53.7 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 \$44 million, or 32.5 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, 2022

The district-wide financial statements can be found on pages 18 and 19 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 20 and 22.

**Notes to the basic financial statements** - The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 68 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 \$259.4 million at the close of the most recent fiscal year.

- The largest portion of the Board's net position (41.6%) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that are still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

- An additional portion of the Board's net position (34.7%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net position* (23.7%) 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, 2022, in comparison with June 30, 2021:

	<b>2022</b>	<b>2021</b>	
	<b>Governmental</b>	<b>Governmental</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Current and other assets	\$ 175,767,865	\$ 177,614,042	\$ (1,846,177)
Capital assets	194,767,067	194,759,044	8,023
ROU Assets	149,423	294,398	(144,975)
Net other post employment benefit	91,163	-	91,163
Deferred outflows of resources	4,668,043	5,951,443	(1,283,400)
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 375,443,561</u></b>	<b><u>\$ 378,618,927</u></b>	<b><u>\$ (3,175,366)</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>Liabilities and deferred inflows of resources:</b>			
Current and other liabilities	\$ 21,483,614	\$ 26,032,822	\$ (4,549,208)
Long-term liabilities outstanding	81,526,202	86,896,011	(5,369,809)
Deferred inflows of resources	8,975,828	6,742,872	2,232,956
Net pension liability - proportionate share	4,016,623	9,537,400	(5,520,777)
Net other post employment benefit liability liability - Proportionate share	-	1,218,881	(1,218,881)
<b>Total liabilities and deferred inflows of resources</b>	<b><u>\$ 116,002,267</u></b>	<b><u>\$ 130,427,986</u></b>	<b><u>\$ (14,425,719)</u></b>
<b>Net position:</b>			
Net investment in capital assets	\$ 108,163,031	\$ 101,992,689	\$ 6,170,342
Restricted	89,919,730	94,903,346	(4,983,616)
Unrestricted	61,358,533	51,294,906	10,063,627
<b>Total net position</b>	<b><u>\$ 259,441,294</u></b>	<b><u>\$ 248,190,941</u></b>	<b><u>\$ 11,250,353</u></b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b><u>\$ 375,443,561</u></b>	<b><u>\$ 378,618,927</u></b>	<b><u>\$ (3,175,366)</u></b>

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

- Current and other assets decreased by approximately \$1.8 million, which primarily represents decreased reimbursements receivable related to the Federal Stimulus and Stabilization Fund.
- Capital assets increased by approximately \$8 thousand, which primarily represents an increase in construction-in-process assets exceeding the amount of annual depreciation applied to depreciable assets.
- Right-of-Use assets decreased by approximately \$145 thousand which represents depreciation on the leased equipment.
- Deferred outflows of resources decreased by \$1.2 million, which was primarily the result of a change in the proportionate share of the district's net OPEB liability.
- Current and other liabilities decreased by approximately \$4.5 million, which was primarily the result of a decrease in accounts payable.
- Long-term liabilities decreased by \$5.3 million, which was primarily the result of the repayment of principal on the outstanding bonds.
- Deferred inflows of resources increased by approximately \$2.2 million, 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 \$4.9 million during the year ended June 30, 2022. This decrease resulted primarily from expending bond funds toward major capital projects.
- The Board's net position increased by approximately \$11.2 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, 2022

The following summarizes the statement of activities for the year ended June 30, 2022, in comparison with the year ended June 30, 2021:

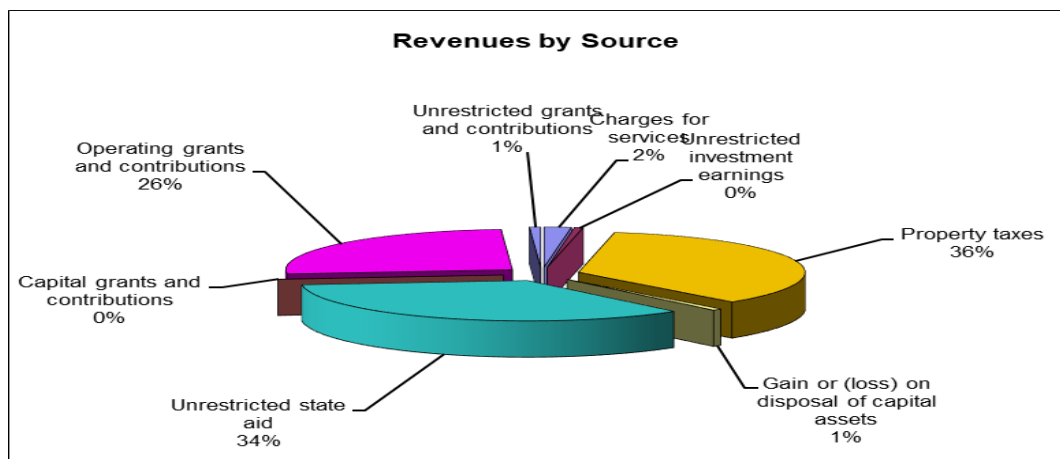
	<b>2022</b>	<b>2021</b>	
	<b>Governmental</b>	<b>Governmental</b>	<b>Variance</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 3,199,532	\$ 1,536,611	\$ 1,662,921
Operating grants and contributions	42,768,968	39,943,166	2,825,802
Capital grants and contributions	76,800	851,562	(774,762)
General revenues:			
Property taxes	58,894,897	55,703,101	3,191,796
Unrestricted state aid	56,942,534	80,780,941	(23,838,407)
Investment earnings	1,007,901	870,596	137,305
Unrestricted grants and contributions	1,314,481	641,942	672,539
Gain/(loss) on disposal of capital assets	1,103,452	83,442	1,020,010
<b>Total revenues</b>	<b>\$ 165,308,565</b>	<b>\$ 180,411,361</b>	<b>\$ (15,102,796)</b>
<b>Expenses:</b>			
Instruction	\$ 83,866,955	\$ 98,379,172	\$ (14,512,217)
Supporting services:			
Students	9,764,305	10,345,650	(581,345)
Instructional staff	6,514,012	5,419,024	1,094,988
General administration	1,870,233	2,296,163	(425,930)
School administration	6,802,320	8,083,513	(1,281,193)
Central services	2,004,703	2,126,814	(122,111)
Operation and maintenance of facilities	18,900,728	16,226,322	2,674,406
Student transportation	8,975,931	9,291,207	(315,276)
<b>Total supporting services</b>	<b>54,832,232</b>	<b>53,788,693</b>	<b>1,043,539</b>
Food services	11,748,924	12,601,621	(852,697)
Community services	2,338,003	2,333,815	4,188
Interest on long-term debt	1,272,098	623,915	648,183
<b>Total Expenses</b>	<b>\$ 154,058,212</b>	<b>\$ 167,727,216</b>	<b>\$ (13,669,004)</b>
<b>Change in net position</b>	<b>\$ 11,250,353</b>	<b>\$ 12,684,145</b>	<b>\$ (1,433,792)</b>
<b>Net position - Beginning</b>	<b>248,190,941</b>	<b>233,600,951</b>	<b>14,589,990</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>1,905,845</b>	<b>(1,905,845)</b>
<b>Net position - Ending</b>	<b>\$ 259,441,294</b>	<b>\$ 248,190,941</b>	<b>\$ 11,250,353</b>

**CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

- Program revenues from charges for services increased by approximately \$1.6 million, which was primarily the result of an increase in collections received by schools for programs.
- Program revenues from operating grants and contributions increased by approximately \$2.8 million, which was primarily the result of a federal COVID relief funds made available to the district to pay for the costs associated with the pandemic.
- Program revenues from capital grants and contributions decreased by approximately \$774 thousand, which was primarily the result of the completion of the new Highlawn Elementary School in the prior fiscal year.
- General revenues from property taxes increased by approximately \$3.1 million, which was primarily the result of increased property values.
- General revenues from unrestricted state aid decreased by approximately \$23.8 million, which was primarily the result of pension expense adjustments at the state level.
- General revenues from unrestricted investment earnings increased by approximately \$137 thousand which was primarily the result of increased interest rates on deposits.
- General revenues from unrestricted grants and contributions increased by approximately \$672 thousand, which was primarily the result of reimbursements received for Priority 2 E-Rate projects.
- Gain (or loss) on disposal of capital assets increased by approximately \$1 million which was primarily the result in the sale of surplus technology equipment.
- Overall expenses decreased by approximately \$13.6 million, which was primarily the result of decreased pension expenses.

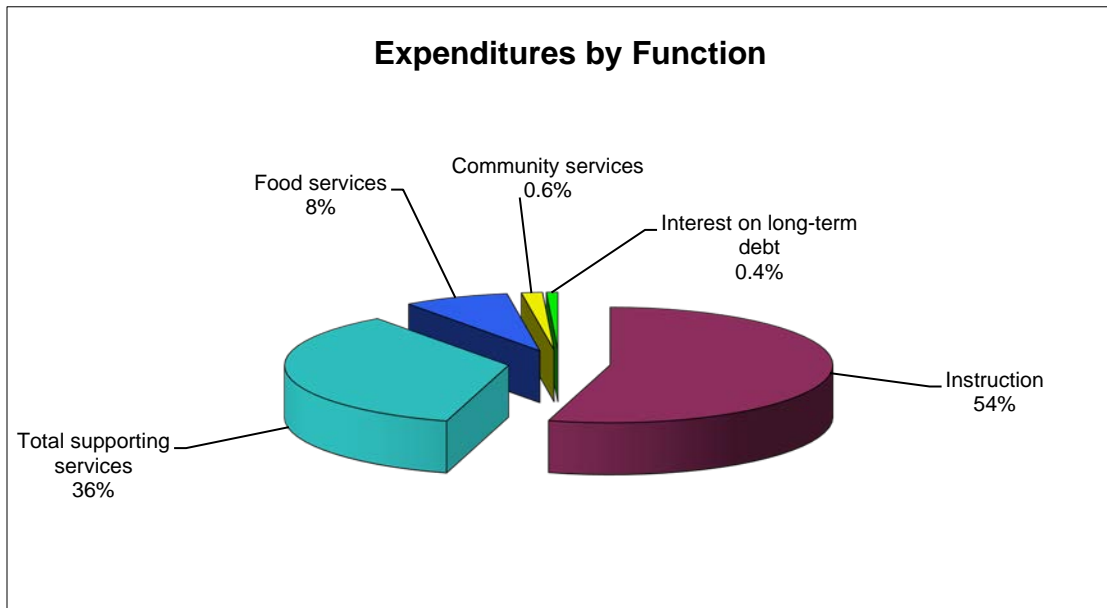
The following chart shows the Board's revenues for fiscal year ended June 30, 2022, by source:



CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The largest source of revenue for the fiscal year ended June 30, 2022 was property taxes. Traditionally, the largest source of revenue comes from unrestricted state aid.

The following chart shows the Board’s expenditures for fiscal year ended June 30, 2022, by function:



### Financial Analysis of the Board’s Funds

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

*Governmental funds.* The focus of the Board’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of approximately \$149.2 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.

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Of the \$46.1 million fund balance in the general fund, \$11.9 million is assigned for the following purposes:

<b>Purpose</b>	<b>Assigned</b>
Medicaid	\$ 5,356,117
Encumbrances	2,676,965
Electric Bus Grant local Match	1,650,000
E-Rate	708,580
Rubber Mulch for Playgrounds	425,000
Student Device Damages	267,668
School Safety Door Locks	125,000
Davis Creek Flood 2021	97,839
HEMS Field	94,846
Reduction in State Aid to FY23 Charter Schools	94,659
School Resource Officers	80,000
Salt Rock Playground Equipment	49,344
Energy Performance Contract Year 1 Interest	48,738
Substitute Back-to-School Training	42,982
HHS Fence Line Cleanup	40,000
Sewage Plant Inspections	39,129
WVEIS 2.0 Training Stipends	34,973
School Safety Radio Repeaters	18,790
Supplemental Retirement	17,550
Cell Phones for Student Support Personnel	16,500
Principal Support	7,500
Meadows Survey	5,000
Audiology Contracted Services	3,000

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The Board had nine major funds for the fiscal year ended June 30, 2022. 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 \$39.2 million to \$46.1 million during the fiscal year ended June 30, 2022. As previously discussed, this increase of \$6.9 million was due primarily to an increase in fund transfers-in related to federal indirect costs from the American Rescue Plan funds, the sale of surplus technology equipment, and a reduction in fund-transfers out to cover the cost of the child nutrition program.

*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 (\$618.7) thousand to (\$1.7) million during the fiscal year ended June 30, 2022, resulting in a deficit fund balance. This decrease of \$1.1 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 \$2.3 million to \$3.1 million during the fiscal year ended June 30, 2022. This increase of \$803 thousand was due primarily to 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 increased from (\$7.2) million to (\$4.1) million during the fiscal year ended June 30, 2022, resulting in a deficit fund balance. This increase of \$3.1 million was due primarily to the recording of reimbursements earned in the prior fiscal year, but not collected within 60 days of the fiscal year ended June 30, 2021

*2020 Debt Service Fund*

This is a separate fund used to account for the accumulated resources, and the payment of, general long-term debt, principal, and interest. The fund balance increased from \$33 to \$315 thousand during the fiscal year ended June 30, 2023. This increase of \$315 thousand was due primarily to property tax collections exceeding debt service requirements.



CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

*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 increased from \$2.7 million to \$3 million during the fiscal year ended June 30, 2022. This increase of \$300 thousand was due primarily to the collection of outstanding property taxes receivable and no further debt service requirements. 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 decreased from \$83.3 to \$78.9 million during the fiscal year ended June 30, 2022. This decrease of \$4.4 million was due primarily to capital expenditures related to the identified bond projects.

*Permanent Improvement Fund*

This is a separate fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources and subsequent expenditures for capital improvement activities. The proceeds of the fund must be used only for the support of building and capital improvements and cannot be transferred out of the fund. The fund balance increased from \$6.5 million to \$7.7 million during the fiscal year ended June 30, 2022. This increase of \$1.2 million was due primarily to the transfer-in of resources from the capital projects fund.

*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 decreased from \$17.8 million to \$15.9 million during the fiscal year ended June 30, 2022. This decrease of \$1.9 million was due primarily to the transfer-out of resources to the permanent improvement fund.

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**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 \$11.3 million or 8.4% 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, 2022, 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 \$8 thousand or 0.0%.

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

- Purchased land for a new Davis Creek Elementary and a new Milton Elementary
- Installed football field lights at Milton Middle School
- Resurfaced the basketball gym floor at Barboursville Middle School
- Completed sidewalk repairs on 5<sup>th</sup> Avenue at the central office
- Purchased a refrigerated truck for the child nutrition department
- Purchased 7 vehicles for the district's fleet
- Purchased and installed a scoreboard for the gym at Cabell Midland High School

Capital assets at year-end included the following:

	<b>2022</b>	<b>2021</b>	
	<b>Governmental</b>	<b>Governmental</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
Land	\$ 24,791,734	\$ 23,145,585	\$ 1,646,149
Buildings and improvements	157,463,012	161,311,247	(3,848,235)
Furniture and equipment	4,064,108	4,367,045	(302,937)
Vehicles	5,185,624	5,691,475	(505,851)
Construction in progress	3,262,589	243,692	3,018,897
<b>Total capital assets</b>	<b>\$ 194,767,067</b>	<b>\$ 194,759,044</b>	<b>\$ 8,023</b>

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

**Right-of-Use assets** - The Board's investment in Right-of-use assets for its governmental activities as of June 30, 2022, amounts to \$149 thousand (net of accumulated amortization). This investment in right-of-

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

use assets includes land, buildings, furniture and equipment, and vehicles. The total decrease in the Board's investment in right-of-use assets for the current fiscal year was \$145 thousand or 49.2 percent.

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

- Depreciation of copier machines
- Depreciation of postage machine

	<b>2022</b>	<b>2021</b>	
	<b>Governmental</b>	<b>Governmental</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
Furniture and equipment	\$ 149,423	\$ 294,398	\$ (144,975)
<b>Total outstanding</b>	<b>\$ 149,423</b>	<b>\$ 294,398</b>	<b>\$ (144,975)</b>

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

**Long-term debt.** At the end of the current fiscal year, the Board had total bonded debt outstanding of \$82,650,000. Employees of the Board are eligible to receive special termination benefits in the form of convertible sick leave earned but not used prior to retirement. Upon retirement, an employee's accumulated sick leave may be converted to a greater retirement benefit or to payment of the retired employee's health insurance premiums. The cost of additional retirement benefits is the liability of the West Virginia Consolidated Public Retirement Board and therefore are not recorded in the Board's financial statements. However, the cost of the health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia Legislature has appropriated funds for the Board for payment of these costs. However, because such appropriations are at the discretion of the Legislature and therefore not guaranteed, the liability for the cost of sick leave convertible to health insurance premiums is recorded in the Board's financial statements. At June 30, 2022, the liability (asset) for such costs was (\$91,163), which is included in the district-wide financial statement of net position. The obligation for compensated absences for vacations was \$688,959 at June 30, 2022.

	<b>2022</b>	<b>2021</b>	
	<b>Governmental</b>	<b>Governmental</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Variance</b>
General obligation bonds	\$ 82,650,000	\$ 87,500,000	\$ (4,850,000)
Financed purchases	-	889,848	(889,848)
Finance lease obligations	151,847	294,398	(142,551)
Compensated absences	688,961	679,316	9,645
Bond premium amortization	3,951,613	4,233,871	(282,258)
<b>Total debt outstanding</b>	<b>\$ 87,442,421</b>	<b>\$ 93,597,433</b>	<b>\$ (6,155,012)</b>

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

CABELL COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Factors Bearing on the Board's Future**

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

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

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

**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, 2022

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 160,747,225
Investments	273,884
Taxes receivable, net of allowance for uncollectible taxes	2,860,254
Deposit with retirement board	47,690
Prepaid workers' compensation	231,689
Other prepaid expenses	321,041
Other receivables	351,008
Due from other governments:	
State aid receivable	595,662
PEIA allocation receivable	1,715,246
Reimbursements receivable	8,624,166
Capital Assets:	
Land	24,791,734
Buildings and improvements	257,369,200
Furniture and equipment	13,055,139
Vehicles	15,268,111
Construction in process	3,262,589
Less accumulated depreciation	(118,979,706)
Total capital assets, net of depreciation	194,767,067
Right-of-Use Assets:	
Equipment	294,398
Less accumulated depreciation	(144,975)
Total finance lease assets, net of amortization	149,423
Other Assets:	
Net other post employment benefit - proportionate share	91,163
<b>Total assets</b>	370,775,518
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred outflows from pension activity	3,177,938
Deferred outflows from other post employment benefit (OPEB) activity	1,490,105
<b>Total deferred outflows of resources</b>	4,668,043
 <b>Total assets and deferred outflows of resources</b>	<b>\$ 375,443,561</b>
 <b>LIABILITIES</b>	
Salaries payable and related payroll liabilities	\$ 8,505,628
Health insurance premiums payable	2,550,832
Compensated absences	688,961
Accounts payable	4,376,204
Long-term obligations:	
Due within one year:	
Bonds and contracts	5,227,258
Accrued interest	134,731
Finance lease liability	147,254
Due beyond one year:	
Bonds and contracts	81,374,355
Finance lease liability	4,593
Net pension liability - proportionate share	4,016,623
<b>Total liabilities</b>	107,026,439
 <b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred inflows from pension activity	4,440,259
Deferred inflows from other post employment benefit (OPEB) activity	4,535,569
<b>Total deferred inflows of resources</b>	8,975,828
 <b>Total liabilities and deferred inflows of resources</b>	<b>\$ 116,002,267</b>
 <b>NET POSITION</b>	
Invested in capital assets, net of related debt	\$ 108,163,031
Restricted for:	
Debt Service	3,346,486
Capital projects	86,573,244
Unrestricted	61,358,533
<b>Total net position</b>	<b>\$ 259,441,294</b>

See Notes to the Basic Financial Statements.

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

Functions	Expenses	Program Revenues		Net (Expense), Revenue & Changes in Net Position Governmental Activities	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
Instruction	\$ 83,866,955	\$ 1,934,653	\$ 17,693,091	\$ 76,800	\$ (64,162,411)
Supporting services:					
Students	9,764,305	225,246	2,320,308	-	(7,218,751)
Instructional staff	6,514,012	150,266	1,547,936	-	(4,815,810)
General administration	1,870,233	43,143	444,427	-	(1,382,663)
School administration	6,802,320	156,917	1,616,447	-	(5,028,956)
Central services	2,004,703	46,245	476,381	-	(1,482,077)
Operation and maintenance of facilities	18,900,728	436,004	4,491,412	-	(13,973,312)
Student transportation	8,975,931	207,058	2,132,966	-	(6,635,907)
Food services	11,748,924	-	12,046,000	-	297,076
Community services	2,338,003	-	-	-	(2,338,003)
Interest on long-term debt	1,272,098	-	-	-	(1,272,098)
<b>Total Governmental activities</b>	<b>\$ 154,058,212</b>	<b>\$ 3,199,532</b>	<b>\$ 42,768,968</b>	<b>\$ 76,800</b>	<b>(108,012,912)</b>
General revenues:					
Property taxes					58,894,897
Unrestricted state aid					56,942,534
Unrestricted investment earnings					1,007,901
Unrestricted grants and contributions					1,314,481
Gain / (loss) on disposition of capital assets					1,103,452
<b>Total general revenues</b>					<b>119,263,265</b>
<b>Change in net position</b>					<b>11,250,353</b>
Net position - beginning					248,190,941
Net position - beginning, as restated					248,190,941
Net position - ending					<b>\$ 259,441,294</b>

See Notes to the Basic Financial Statements.

CABELL COUNTY BOARD OF EDUCATION  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022

	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
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>										
<b>Assets:</b>										
Cash and cash equivalents	\$ 51,051,297	\$ -	\$ 3,102,993	\$ -	\$ -	\$ 3,021,201	\$ 79,436,330	\$ 8,196,941	\$ 15,938,463	\$ 160,747,225
Investments	-	-	-	-	273,884	-	-	-	-	273,884
Taxes receivable, net	2,361,232	-	-	-	423,400	9,556	-	66,066	-	2,860,254
Deposit with retirement board	47,690	-	-	-	-	-	-	-	-	47,690
Prepaid workers' comp	231,689	-	-	-	-	-	-	-	-	231,689
Other prepaid expense	321,041	-	-	-	-	-	-	-	-	321,041
Other receivables	339,308	11,700	-	-	-	-	-	-	-	351,008
Due from other governments:										
State aid receivable	595,662	-	-	-	-	-	-	-	-	595,662
PEIA allocation receivable	1,715,246	-	-	-	-	-	-	-	-	1,715,246
Reimbursements receivable	88,728	4,350,796	-	4,107,842	-	-	-	-	76,800	8,624,166
Due from other funds	2,626,274	-	-	-	-	-	-	-	-	2,626,274
<b>Total assets</b>	<b>59,378,167</b>	<b>4,362,496</b>	<b>3,102,993</b>	<b>4,107,842</b>	<b>697,284</b>	<b>3,030,757</b>	<b>79,436,330</b>	<b>8,263,007</b>	<b>16,015,263</b>	<b>178,394,139</b>
<b>Deferred outflows of resources</b>										
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 59,378,167</b>	<b>\$ 4,362,496</b>	<b>\$ 3,102,993</b>	<b>\$ 4,107,842</b>	<b>\$ 697,284</b>	<b>\$ 3,030,757</b>	<b>\$ 79,436,330</b>	<b>\$ 8,263,007</b>	<b>\$ 16,015,263</b>	<b>\$ 178,394,139</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Salaries payable and related payroll liabilities	\$ 6,798,198	\$ 1,125,662	\$ -	\$ 581,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,505,628
Health insurance premiums payable	2,550,832	-	-	-	-	-	-	-	-	2,550,832
Accounts payable	1,589,576	435,980	-	1,259,933	-	-	541,084	534,368	15,263	4,376,204
Due to other funds	-	360,133	-	2,266,141	-	-	-	-	-	2,626,274
<b>Total liabilities</b>	<b>10,938,606</b>	<b>1,921,775</b>	<b>-</b>	<b>4,107,842</b>	<b>-</b>	<b>-</b>	<b>541,084</b>	<b>534,368</b>	<b>15,263</b>	<b>18,058,938</b>
<b>Deferred inflows of resources</b>										
<b>Total deferred inflows of resources</b>	<b>2,322,349</b>	<b>4,186,526</b>	<b>-</b>	<b>4,107,842</b>	<b>381,555</b>	<b>-</b>	<b>-</b>	<b>50,641</b>	<b>76,800</b>	<b>11,125,713</b>
<b>Fund Balances:</b>										
Nonspendable	600,420	-	-	-	-	-	-	-	-	600,420
Restricted	1,843,629	-	3,102,993	-	315,729	3,030,757	78,895,246	7,677,998	-	94,866,352
Assigned	11,900,180	-	-	-	-	-	-	-	15,923,200	27,823,380
Unassigned	31,772,983	(1,745,805)	-	(4,107,842)	-	-	-	-	-	25,919,336
<b>Total fund balances</b>	<b>46,117,212</b>	<b>(1,745,805)</b>	<b>3,102,993</b>	<b>(4,107,842)</b>	<b>315,729</b>	<b>3,030,757</b>	<b>78,895,246</b>	<b>7,677,998</b>	<b>15,923,200</b>	<b>149,209,488</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 59,378,167</b>	<b>\$ 4,362,496</b>	<b>\$ 3,102,993</b>	<b>\$ 4,107,842</b>	<b>\$ 697,284</b>	<b>\$ 3,030,757</b>	<b>\$ 79,436,330</b>	<b>\$ 8,263,007</b>	<b>\$ 16,015,263</b>	<b>\$ 178,394,139</b>

CABELL COUNTY BOARD OF EDUCATION  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

Total fund balance on the governmental fund's balance sheet	\$ 149,209,488
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet	194,767,067
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	11,125,713
Finance lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	149,421
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	3,177,938
Deferred outflows of resources related to OPEB	1,490,105
Deferred inflows of resources related to pensions	(4,440,259)
Deferred inflows of resources related to OPEB	(4,535,569)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(82,650,000)
Premium on sale of bonds	(3,951,613)
Accrued interest on bonds	(134,731)
Compensated absences	(688,959)
Net pension liability - proportionate share	(4,016,623)
Net OPEB liability - proportionate share	91,163
Finance lease liability, due within one year	(147,254)
Finance lease liability, due beyond one year	(4,593)
Net position of governmental activities	<u>\$ 259,441,294</u>

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, 2022

	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
<b>Revenues:</b>										
Property taxes	\$ 50,908,166	\$ -	\$ -	\$ -	\$ 6,878,140	\$ 240,447	\$ -	\$ 1,823,529	\$ -	\$ 59,850,282
Other local sources	2,002,909	186,495	3,199,530	-	36,519	22,595	228,617	18,550	13,193	5,708,408
State sources	84,990,730	2,598,536	-	-	-	-	-	-	-	87,589,266
Federal sources	1,204,123	24,013,743	320,870	16,681,556	-	-	-	-	-	42,220,292
<b>Total revenues</b>	<b>139,105,928</b>	<b>26,798,774</b>	<b>3,520,400</b>	<b>16,681,556</b>	<b>6,914,659</b>	<b>263,042</b>	<b>228,617</b>	<b>1,842,079</b>	<b>13,193</b>	<b>195,368,248</b>
<b>Expenditures:</b>										
Instruction	79,043,661	9,973,087	2,155,262	7,293,133	-	-	-	509	-	98,465,652
Supporting services:										
Students	8,707,320	2,183,471	-	848,565	-	-	-	-	-	11,739,356
Instructional staff	3,694,169	2,687,731	-	917,821	-	-	-	-	-	7,299,721
General administration	1,901,217	-	-	167,441	-	-	66,015	-	-	2,134,673
School administration	8,443,559	339,122	-	160,839	-	-	-	-	-	8,943,520
Central services	1,983,825	30,875	-	350,426	-	-	32,225	-	-	2,397,351
Operation and maintenance of facilities	18,355,631	236,724	-	1,175,534	-	-	-	52,656	-	19,820,545
Student transportation	10,071,618	146,178	-	362,743	-	-	-	-	-	10,580,539
Food services	9,484	12,266,281	-	278,434	-	-	-	-	-	12,554,199
Community services	2,338,003	-	-	-	-	-	-	-	-	2,338,003
Capital outlay	70,850	26,812	-	673,659	-	-	4,554,053	2,361,972	76,800	7,764,146
Debt service:										
Principal retirement	686,900	-	-	-	4,850,000	-	-	-	-	5,536,900
Interest and fiscal charges	8,811	-	-	-	1,748,963	-	-	-	-	1,757,774
Finance Leases:										
Principal payment expense	142,551	-	-	-	-	-	-	-	-	142,551
Interest Expense	7,437	-	-	-	-	-	-	-	-	7,437
<b>Total expenditures</b>	<b>135,465,036</b>	<b>27,890,281</b>	<b>2,155,262</b>	<b>12,228,595</b>	<b>6,598,963</b>	<b>-</b>	<b>4,652,293</b>	<b>2,415,137</b>	<b>76,800</b>	<b>191,482,367</b>
Excess (deficiency) of revenues over expenditures	3,640,892	(1,091,507)	1,365,138	4,452,961	315,696	263,042	(4,423,676)	(573,058)	(63,607)	3,885,881
<b>Other financing sources (uses):</b>										
Proceeds from disposal of real or personal property	1,138,983	-	-	-	-	-	-	-	-	1,138,983
Transfers in	2,500,731	612,981	329,516	-	-	-	-	1,734,109	-	5,177,337
Transfers (out)	(401,708)	(648,568)	(891,389)	(1,351,563)	-	-	-	-	(1,884,109)	(5,177,337)
<b>Total other financing sources (uses)</b>	<b>3,238,006</b>	<b>(35,587)</b>	<b>(561,873)</b>	<b>(1,351,563)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,734,109</b>	<b>(1,884,109)</b>	<b>1,138,983</b>
<b>Net change in fund balances</b>	<b>6,878,898</b>	<b>(1,127,094)</b>	<b>803,265</b>	<b>3,101,398</b>	<b>315,696</b>	<b>263,042</b>	<b>(4,423,676)</b>	<b>1,161,051</b>	<b>(1,947,716)</b>	<b>5,024,864</b>
<b>Fund balances - beginning</b>	<b>39,238,314</b>	<b>(618,711)</b>	<b>2,299,728</b>	<b>(7,209,240)</b>	<b>33</b>	<b>2,767,715</b>	<b>83,318,922</b>	<b>6,516,947</b>	<b>17,870,916</b>	<b>144,184,624</b>
<b>Fund balances - ending</b>	<b>\$ 46,117,212</b>	<b>\$ (1,745,805)</b>	<b>\$ 3,102,993</b>	<b>\$ (4,107,842)</b>	<b>\$ 315,729</b>	<b>\$ 3,030,757</b>	<b>\$ 78,895,246</b>	<b>\$ 7,677,998</b>	<b>\$ 15,923,200</b>	<b>\$ 149,209,488</b>

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, 2022

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

Net change in fund balances - total governmental funds \$ 5,024,864

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 (6,746,099)  
Capital outlays 7,010,372

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

Amortization Expense (144,975)

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 (955,385)  
Operating grants and contributions (2,159,556)

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

282,258

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.

5,739,848

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 (753,951)  
Accumulated depreciation of assets disposed 497,700

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 (9,643)

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.

7,906

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 1,532,450  
Cost of benefits earned net of employee contributions (136,363)

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 351,503  
Cost of benefits earned net of employee contributions 1,566,873

Finance Lease payables are reported as liabilities in the statement of net position, but are only reported in government funds to the extent they have matured. This is the amount by which finance lease payables decreased.

142,551

Change in net position of governmental activities \$ 11,250,353

See Notes to the Basic Financial Statements.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 1 - Summary of Significant Accounting Policies:**

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

**A. Reporting Entity:**

The 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, 2022

**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, 2022

**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.

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

**D. Encumbrances:**

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

**E. Cash and Investments:**

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2022, 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, 2022

**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, 2022

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

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

	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>	<u>Bank Balance</u>
State Investment Pool	\$ 86,228,629	\$ 86,228,629	\$ 86,228,629
Municipal Bond Commission	273,884	273,884	273,884
Deposits with financial institutions- Individual Schools	3,102,993	3,102,993	3,102,993
Deposits with financial institutions- Board of Education	<u>64,138,053</u>	<u>64,138,053</u>	<u>73,234,249</u>
Total cash and cash equivalents	\$ 153,743,559	\$ 153,743,559	\$ 162,839,755

The School Board had no fixed-term investments at June 30, 2022.

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, 2022

**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, 2021, 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:

	2022	
Security Type	Carrying Value (in thousands)	WAM (days)
U.S. Treasury bills	\$ 102,496	54
U.S. agency bonds and notes	47,124	50
U.S. agency discount notes	52,697	41
Repurchase agreements	21,000	1
Money market funds	149	1
	\$ 223,466	45

**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, 2022

**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, 2022 and August, 2022.

**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, 2022.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**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, 2022, the Board had \$552 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. Right-of-Use Assets:**

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

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

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

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

**L. Deferred Outflow of Resources:**

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

Deferred Outflows of Resources as of June 30, 2022:

Deferred outflows of resources related to pensions	\$ 3,177,938
Deferred outflows of resources related to OPEB	<u>1,490,105</u>
	<u>\$ 4,668,043</u>

**M. Pensions:**

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

**N. Compensated Absences and Other Post Employment Benefit Liability:**

**Compensated Absences:**

It is the School Board's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation benefits can be accumulated up to 40 days and carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred and the liability for these amounts is reported in the general long-term debt account group. Upon termination employees may be compensated for vacation benefits accumulated. In lieu of a cash payment at retirement, employees hired prior to July 1, 2015 can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

**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.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by West Virginia Retiree Health Benefit Trust Fund (RHBT). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 10 for further discussion.

**O. Long-term Obligations:**

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

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

**P. Deferred Inflow of Resources:**

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. The Board's deferred inflows of the fund financial statements include property taxes, child nutrition, and other receivables. Deferred inflows for the government-wide financial statements include the proportionate share of the Board's net difference between projected and actual earnings and the differences between the employer contributions and proportionate share of contributions.

Deferred Inflows of Resources as of June 30, 2022:

Deferred inflows of resources related to pensions	\$ 4,440,259
Deferred inflows of resources related to OPEB	<u>4,535,569</u>
	<u>\$ 8,975,828</u>

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

**Q. 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.

**R. 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, 2022

**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, 2022. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts 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.

**S. Elimination and Reclassifications:**

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

**T. Accounting Estimates:**

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

**U. Restricted Resources:**

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

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

**V. Newly Adopted 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.

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.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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. 98, *The Annual Comprehensive Financial Report*, effective for fiscal years ending after December 15, 2021. The objective of this Statement is to address references in authoritative literature to the term Comprehensive Annual Financial Report (CAFR) and change them to Annual Comprehensive Financial Report (ACFR). The School Board has not yet determined the effect that the adoption of GASB Statement No. 98 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 99, *Omnibus 2022*, effective for fiscal years ending after December 15, 2021. The requirements of this Statement are effective as follows:

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

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



CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

**W. Recent Statements Issued by the GASB:**

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

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

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

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

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

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 2 - Stewardship, Compliance and Accountability:**

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

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2022:

Fund	Amount
Special Revenue Fund	\$ (1,127,094)
Bond Construction Fund	(4,423,676)
Capital Projects Fund	(1,947,716)

The following funds have a deficit fund balance at June 30, 2022:

Fund	Amount
Special Revenue Fund	\$ (1,745,805)
Special Revenue Fund - Federal Stimulus and Stabilization Fund	(4,107,842)

The Special Revenue had a deficit fund balance of (\$1,745,805) as of June 30, 2022. 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 – Federal Stimulus and Stabilization Fund had a deficit fund balance of (\$4,107,842) as of June 30, 2022. 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, 2022

**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, 2022

**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, 2022, were:

Class of Property	Assessed Valuations			Permanent	
	for Tax Purposes	Current Expense	Excess Levy	Improvement	Bond Purposes
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, 2022

**Note 4 - Property Taxes (Cont.):**

**Taxes Receivable**

Taxes receivable as of June 30, 2022, for the Board's funds is as follows:

	General Current Expense Fund	Debt Service Fund	Permanent Improvement Fund
Taxes Receivable	\$ 4,958,103	\$ 623,102	\$ 181,491
Less: Allowance for Uncollectable	2,596,871	199,702	115,425
 Taxes Receivable, net	 \$ 2,361,232	 \$ 423,400	 \$ 66,066

**Note 5 - Excess Levy:**

The School Board had an excess levy in effect during the fiscal year ended June 30, 2022. The levy was authorized by the voters of the county at an election held on 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, 2022

**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 \$29 million was received by the School Board from the excess levy during the fiscal year ended June 30, 2022.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 6 - Capital Assets:**

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

Governmental Activities	Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Capital assets, non-depreciable:				
Land	\$ 23,145,585	\$ 1,646,149	\$ -	\$ 24,791,734
Construction in process	243,692	3,239,617	(220,720)	3,262,589
Total non-depreciable capital assets	<u>\$ 23,389,277</u>	<u>\$ 4,885,766</u>	<u>\$ (220,720)</u>	<u>\$ 28,054,323</u>
Capital assets, depreciable:				
Buildings and improvements	\$ 255,956,096	\$ 1,413,104	\$ -	\$ 257,369,200
Furniture and equipment	12,733,990	321,149	-	13,055,139
Vehicles	15,410,989	390,353	(533,231)	15,268,111
Total depreciable capital assets	<u>\$ 284,101,075</u>	<u>\$ 2,124,606</u>	<u>\$ (533,231)</u>	<u>\$ 285,692,450</u>
Less: accumulated depreciation:				
Buildings and improvements	\$ (94,644,849)	\$ (5,261,339)	\$ -	\$ (99,906,188)
Furniture and equipment	(8,366,945)	(624,086)	-	(8,991,031)
Vehicles	(9,719,513)	(860,674)	497,700	(10,082,487)
Total accumulated depreciation	<u>\$ (112,731,307)</u>	<u>\$ (6,746,099)</u>	<u>\$ 497,700</u>	<u>\$ (118,979,706)</u>
Total depreciable capital assets, net	<u>\$ 171,369,768</u>	<u>\$ (4,621,493)</u>	<u>\$ (35,531)</u>	<u>\$ 166,712,744</u>
Capital Assets - Net	<u>\$ 194,759,045</u>	<u>\$ 264,273</u>	<u>\$ (256,251)</u>	<u>\$ 194,767,067</u>

Depreciation expense was allocated to governmental functions as follows:

Instruction	\$ 5,514,820
Supporting services:	
Students	5,402
Central administration	11,926
Operation and maintenance of facilities	129,317
Transportation	904,731
Food services	179,903
	<u>\$ 6,746,099</u>

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 7 - Long-Term Debt:**

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

	Balance June 30, 2021	Additions	Retirement	Balance June 30, 2022	Amounts due within one year	Amounts due past one year
General obligation debt	\$ 87,500,000	\$ -	\$ 4,850,000	\$ 82,650,000	\$ 4,945,000	\$ 77,705,000
Premium on sale of bonds	4,233,871	-	282,258	3,951,613	282,258	3,669,355
Financed purchases	889,848	-	889,848	-	-	-
Compensated absences	679,316	9,645	-	688,961	688,961	-
Proportionate share of net pension liability	1,218,881	2,797,742	-	4,016,623	-	4,016,623
Total long-term liabilities	<u>\$ 94,521,916</u>	<u>\$ 2,807,387</u>	<u>\$ 6,022,106</u>	<u>\$ 91,307,197</u>	<u>\$ 5,916,219</u>	<u>\$ 85,390,978</u>

General Obligation Bonds – General obligation bonds payable at June 30, 2022, with their outstanding balance are comprised of the following individual issues:

Bond Issue of 2020	\$82,650,000
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Bond Issue of 2020:

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

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

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

Year Ending June 30,	Interest Rate	Principal	Interest	Total
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	2.00%	5,355,000	1,316,463	6,671,463
2028-2032	2.25%	30,040,000	4,640,300	34,680,300
2033-2037	2.00%	26,870,000	1,357,100	28,227,100
	Total	<u>\$ 82,650,000</u>	<u>\$ 13,533,940</u>	<u>\$ 96,183,940</u>

Total Bonded Indebtedness at July 1, 2021	\$ 87,500,000
Issuances	-
Maturities	4,850,000
Total Bonded Indebtedness at June 30, 2022	<u>\$ 82,650,000</u>



CABELL COUNTY BOARD OF EDUCATION  
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Of the total amount required to amortize all general obligation bonds outstanding as of June 30, 2022, including interest payments, the following summarizes the current and long-term portions:

Total Bonds Payable at June 30, 2022	\$ 82,650,000
Less: Current portion	4,945,000
Long-term Bonds Payable	77,705,000

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

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

Short-term leases with the lease payments recorded as expenditures during the life of the lease. Short-term leases are defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months or less, including any option to extend, regardless of their probability of being exercised. Short-term lease expenditures for the year ended June 30, 2022 were \$155,101.

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

**Postage Machine Finance Lease:**

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

**Copier Machine Finance Lease:**

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

CABELL COUNTY BOARD OF EDUCATION  
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**Note 8 – Leases that Transfer Ownership, Short-Term Leases, and Right-of-Use Assets (Finance Leases) (Cont.):**

Right-of Use asset balances and activity for the year ended June 30, 2022, is as follows:

	Balance June 30, 2021	Restatement	Additions	Eliminations	Balance June 30, 2022
Lease Assets:					
Furniture and equipment	\$ -	\$ 294,398	\$ -	\$ -	\$ 294,398
Total lease assets	-	294,398	-	-	294,398
Less: accumulated Amortization for:					
Furniture and equipment	-	-	(144,975)	-	(144,975)
Total accumulated amortization	-	-	(144,975)	-	(144,975)
Total lease assets, net	\$ -	\$ 294,398	\$ (144,975)	\$ -	\$ 149,423

Amortization expense was allocated to governmental functions as follows:

Instruction	\$ 144,975
	\$ 144,975

Finance Lease liability activity for the year ended June 30, 2022 is as follows:

	Balance June 30, 2021	Restatement	Additions	Deductions	Balance June 30, 2022	Amounts due within one year	Amounts due past one year
Finance Lease Liability	\$ -	\$ 294,398	\$ -	\$ (142,551)	\$ 151,846	\$ 147,254	\$ 4,593

The Board's future lease payment requirements for finance leases is as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 147,225	\$ 2,734	\$ 149,959
2024	3,630	75	3,705
2025	926	-	926
	\$ 151,781	\$ 2,809	\$ 154,590

**Note 9 - Employee Retirement System:**

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Retirement System (TRS) or the Teachers' Defined Contribution Retirement System (TDC). For the year ended June 30, 2022, the Board's total payroll for all employees was \$90,785,586, and the payroll was \$84,185,841, for employees covered by the two retirement programs.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 9 - Employee Retirement System (Cont.):**

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

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

**A. Teachers' Retirement System (TRS):**

**Plan Description:**

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

*Benefits provided:* Prior to the passage of Senate Bill 529, to qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Employee Retirement System (Cont.):**

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

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

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

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

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

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

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

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

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 9 - Employee Retirement System (Cont.):**

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

At June 30, 2022, the School Board reported a liability for its proportionate share of the TRS net pension liability that reflected a reduction for State pension support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School Board were as follows:

School Board's proportionate share of net pension liability	\$ 4,016,623
State's proportionate share of the net pension liability associated with the School Board	<u>64,153,466</u>
Total portion of net pension liability associated with the School Board	<u>\$ 68,170,089</u>

The TRS net pension liability was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of July 1, 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, 2021, the School Board's proportion was 0.257%, which was a decrease of 0.039% from its proportion measured as of June 30, 2020 (0.296%).

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9 - Employee Retirement System (Cont.):**

For the year ended June 30, 2022, the School Board recognized pension expense of (\$849,828) and for support provided by the State, revenue of (\$986,191). At June 30, 2022, the School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,210,165
Differences between expected and actual experience	327,220	117,611
Changes in proportion and differences between School Board contributions and proportionate share of contributions	819,638	1,112,483
Changes in assumptions	498,630	-
District contributions subsequent to the measurement date	1,532,450	-
 Total	 \$ 3,177,938	 \$ 4,440,259

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

Year ending June 30:	
2023	\$ (660,313)
2024	(572,359)
2025	(542,609)
2026	(1,015,590)
2027	(3,900)
Thereafter	-
Total	\$ (2,794,771)

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 9 - Employee Retirement System (Cont.):**

**Actuarial Assumptions:**

For TRS, the actuarial assumptions used in the July 1, 2020 valuation, with update procedures used to roll forward the total pension liability to June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019. These assumptions are as follows:

Inflation – 2.75%

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

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

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

Discount Rate – 7.25%

**Investment Asset Allocation:**

The long-term rate of return on pension plan investments was determined using the building block method in which estimates of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and best estimates of 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%	5.5%
International Equity	27.5%	7.0%
Fixed Income	15.0%	2.2%
Real Estate	10.0%	6.6%
Private Equity	10.0%	8.5%
Hedge Funds	10.0%	4.0%
	<u>100%</u>	

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 9 - Employee Retirement System (Cont.):**

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.25%. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of the TRS Plan was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the School Board's proportionate share of its net pension liability calculated using the discount rate of 7.25% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease 6.25%	Current Discount Rate 7.25%	1.0% Increase 8.25%
School Board's proportionate share of the TRS net pension liability	\$ 7,097,650	\$ 4,016,623	\$ 1,398,512

**Payables to the pension plan:**

At June 30, 2022, the School Board reported no liability for its unpaid legally required contributions to the pension plan.

**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  
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**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, 2021, this plan had approximately \$705.09 million in net position held in trust for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West Retirement Services, an independent third party administrator.

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, 2022 were:

Employees' contributions (4.5%)	\$	281,165
Employer's contributions (7.5%)		468,608
Total contributions	\$	749,773

CABELL COUNTY BOARD OF EDUCATION  
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**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  
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**Note 10 - Post-Employment Benefits Other Than Pension:**

**General Information:**

Other post-employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up 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  
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**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, 2021 and 2020, respectively, were:

	2021	2020
Paygo Premium	\$ 160	\$ 168

Contributions to the OPEB plan from the School Board were \$1,460,924 for the year ended June 30, 2022. 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  
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**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. These transfers were not extended past FY21.

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

At June 30, 2022, the School Board reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the School Board were as follows:

School Board's proportionate share of net OPEB liability (asset)	\$	(91,163)
State's proportionate share of the net OPEB liability (asset) associated with the School Board		(411,473)
Total portion of net OPEB liability (asset) associated with the School Board	\$	(502,636)

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

For the year ended June 30, 2021, the School Board's proportion was 0.307%, which was an increase of 0.031% from its proportion measured as of June 30, 2020 (0.276%).

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 10 - Post-Employment Benefits Other Than Pension (Cont.):**

For the year ended June 30, 2022, the School Board recognized OPEB expense of (\$8,591,837) and for support provided by the State, revenue of (\$7,024,964). At June 30, 2022, 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	\$ -	\$ 629,143
Differences between expected and actual experience	-	627,978
Changes in proportion and differences between School Board contributions and proportionate share of contributions	1,138,602	1,319,195
Changes in assumptions	-	1,929,056
Reallocation of Opt-Out Employer Change in Proportionate Share	-	30,197
School Board contributions subsequent to the measurement date	351,503	-
Total	\$ 1,490,105	\$ 4,535,569

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

Year ending June 30:	
2023	\$ (1,742,776)
2024	(1,357,681)
2025	(113,778)
2026	(182,732)
2027	-
Thereafter	-
Total	\$ (3,396,967)

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**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 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of (31.11%) for plan year end 2022. 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.

Actuarial cost method – Entry Age Normal Cost Method

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

Asset valuation method – Market Value

Wage inflation – 2.75%

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

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, 2022

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

**Investment Asset Allocation:**

The long-term rates of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan’s investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments (“WV-BTI”) was estimated based on the WV-IMB assumed inflation of 2.0%.

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

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

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



CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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	\$ 489,192	\$ (91,163)	\$ (573,023)

**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	\$ (673,101)	\$ (91,163)	\$ 617,703

**Payables to the OPEB Plan:**

At June 30, 2022, the School Board reported a liability of \$195,414 for its unpaid legally required contributions to the OPEB plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

**Opt-Out Employer Balance Reallocation**

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

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 10 - Post-Employment Benefits Other Than Pension (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 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)	\$	4,619,252
Special Education Out-of-State Placement (03916)		257,303
Unfunded retirement by the State (03917)		14,308,368
PEIA allocation by the State (03918) and RHBT (03915)		10,423,818
Value of donated commodities from the USDA (04911)		837,623

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**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, 2022 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 - 2015 Issuance	Bond Construction Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental Funds
<b>Nonspendable:</b>										
Prepaid Items	\$ 552,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,730
Deposits with retirement board	47,690	-	-	-	-	-	-	-	-	47,690
<b>Restricted for:</b>										
Debt Service	-	-	-	-	315,729	3,030,757	-	-	-	3,346,486
Capital Projects	-	-	-	-	-	-	78,895,246	7,677,998	-	86,573,244
School Activities	-	-	3,102,993	-	-	-	-	-	-	3,102,993
Excess Levy	1,843,629	-	-	-	-	-	-	-	-	1,843,629
<b>Assigned to:</b>										
Encumbrances	2,676,965	-	-	-	-	-	-	-	-	2,676,965
Medicaid	5,356,117	-	-	-	-	-	-	-	-	5,356,117
Student Device Damages	267,668	-	-	-	-	-	-	-	-	267,668
E-Rate	708,580	-	-	-	-	-	-	-	-	708,580
Playground	514,345	-	-	-	-	-	-	-	-	514,345
Davis Creek Flood 2021	97,839	-	-	-	-	-	-	-	-	97,839
School Bus Replacement	1,650,000	-	-	-	-	-	-	-	-	1,650,000
Audiology Contracted Services	3,000	-	-	-	-	-	-	-	-	3,000
Meadows Survey	5,000	-	-	-	-	-	-	-	-	5,000
HEMS Field	94,846	-	-	-	-	-	-	-	-	94,846
School Resource Officers	80,000	-	-	-	-	-	-	-	-	80,000
Energy Performance Contract Year 1	48,738	-	-	-	-	-	-	-	-	48,738
School Safety	143,790	-	-	-	-	-	-	-	-	143,790
Water/Sewage	39,129	-	-	-	-	-	-	-	-	39,129
WVEIS 2.0 Training	34,973	-	-	-	-	-	-	-	-	34,973
Telephone Services	16,500	-	-	-	-	-	-	-	-	16,500
Reduction in State Aid to FY23 Charter Schools	94,659	-	-	-	-	-	-	-	-	94,659
Substitute Back-to-School Training	42,982	-	-	-	-	-	-	-	-	42,982
Principal Support	7,500	-	-	-	-	-	-	-	-	7,500
Supplemental Retirement	17,550	-	-	-	-	-	-	-	-	17,550
Capital Projects	-	-	-	-	-	-	-	-	15,923,200	15,923,200
<b>Unassigned</b>	<b>31,772,983</b>	<b>(1,745,805)</b>	<b>-</b>	<b>(4,107,842)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,919,336</b>
<b>Total Fund Balances</b>	<b>\$ 46,117,213</b>	<b>\$ (1,745,805)</b>	<b>\$ 3,102,993</b>	<b>\$ (4,107,842)</b>	<b>\$ 315,729</b>	<b>\$ 3,030,757</b>	<b>\$ 78,895,246</b>	<b>\$ 7,677,998</b>	<b>\$ 15,923,200</b>	<b>\$ 149,209,489</b>

**Note 14 - Commitments, Contingencies and Subsequent Events:**

The School Board had encumbrances totaling \$20,558,256 as of June 30, 2022 in the following funds:

General Current Expense Fund	\$ 2,676,965
Permanent Improvements Fund	378,584
Bond Construction Fund	6,211,675
Special Revenue Fund	1,306,310
Federal Stimulus and Stabilization Fund	9,984,722

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

CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

Effective with the fiscal year ended June 30, 2015, the Medicaid school-based health services program through the West Virginia Department of Health and Human Resources (DHHR), Bureau for Medical Services has a cost settlement requirement. This change was required by the federal Centers for Medicare and Medicaid Services (CMS). Revenue for services provided during the fiscal year ended June 30, 2021 has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The interim cost settlement for the fiscal year ended June 30, 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, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General Current Expense	Special Revenue	\$ 360,133
General Current Expense	Special Revenue - Federal Stimulus	\$ 2,266,141

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

During the fiscal year ended June 30, 2022, there were the following interfund transfers:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Current Expense	Special Revenue	\$ 401,708
Capital Projects	General Current Expense	150,000
Capital Projects	Permanent Improvement	1,734,109
Special Revenue	General Current Expense	319,052
Special Revenue	Special Revenue - School Activity	329,516
Special Revenue - School Activity	General Current Expense	680,116
Special Revenue - School Activity	Special Revenue	211,272
Federal Stimulus and Stabilization	General Current Expense	1,351,563

**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 - Changes in Accounting Principles:**

Effective July 1, 2021, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. As a result, certain leases are now reflected as right-of-use assets and beginning net position has been restated as follows:

	<u>Governmental Activities</u>
Beginning net position as previously reported at June 30, 2021	\$ 248,190,941
Implementation of GASB 87 ROU Asset	294,398
Implementation of GASB 87 ROU Asset	<u>(294,398)</u>
Total Prior Period Adjustments	-
Net position as restated, July 1, 2021	<u><u>\$ 248,190,941</u></u>

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 18 - COVID-19 Pandemic:**

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

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

On December 27, 2020, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was enacted. The CRRSA Act provided federal stimulus dollars to assist local school districts during the Covid-19 pandemic. 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.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Note 19 - Subsequent Events:**

All other commitments, contingencies, and subsequent events have been evaluated by management and have been properly disclosed up through February 24, 2023, 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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Property taxes	\$ 48,864,258	\$ 50,510,958	\$ 50,908,166	\$ -	\$ 50,908,166	\$ 397,208
Other local sources	2,545,000	2,908,710	2,002,909	-	2,002,909	(905,801)
State sources	84,969,886	85,014,123	84,990,730	-	84,990,730	(23,393)
Federal sources	570,000	570,000	1,204,123	-	1,204,123	634,123
<b>Total revenues</b>	<b>136,949,144</b>	<b>139,003,791</b>	<b>139,105,928</b>	<b>-</b>	<b>139,105,928</b>	<b>102,137</b>
<b>Expenditures:</b>						
Instruction	75,568,689	83,579,137	79,043,661	-	79,043,661	4,535,476
Supporting services:						
Students	8,934,316	8,950,557	8,707,320	-	8,707,320	243,237
Instructional staff	3,079,710	4,030,543	3,694,169	-	3,694,169	336,375
General administration	2,231,303	2,298,416	1,901,217	-	1,901,217	397,200
School administration	8,626,319	8,630,437	8,443,559	-	8,443,559	186,878
Central services	2,080,494	2,104,473	1,983,825	-	1,983,825	120,648
Operation and maintenance of facilities	18,220,183	19,319,776	18,355,631	-	18,355,631	964,145
Student transportation	11,283,634	11,365,795	10,071,618	-	10,071,618	1,294,177
Food services	-	46,365	9,484	-	9,484	36,881
Community services	2,271,000	2,971,000	2,338,003	-	2,338,003	632,997
Capital outlay	-	351,200	70,850	-	70,850	280,350
Debt service:						
Principal retirement	889,848	889,848	686,900	-	686,900	202,948
Interest and fiscal charges	15,203	15,203	8,811	-	8,811	6,392
<b>Total expenditures</b>	<b>133,200,699</b>	<b>144,552,750</b>	<b>135,315,048</b>	<b>-</b>	<b>135,315,048</b>	<b>9,237,702</b>
Excess (deficiency) of revenues over expenditures	3,748,445	(5,548,959)	3,790,880	-	3,790,880	9,339,839
<b>Other financing sources (uses):</b>						
Proceeds from disposal of real or personal property	-	-	1,138,983	-	1,138,983	1,138,983
Transfers in	-	1,000,000	2,500,731	-	2,500,731	1,500,731
Transfers (out)/reserves	(3,748,445)	(9,100,231)	(401,708)	-	-	9,100,231
<b>Total other financing sources (uses)</b>	<b>(3,748,445)</b>	<b>(8,100,231)</b>	<b>3,238,006</b>	<b>-</b>	<b>3,639,714</b>	<b>11,739,945</b>
<b>Change in fund balances</b>	<b>-</b>	<b>(13,649,190)</b>	<b>7,028,886</b>	<b>-</b>	<b>7,430,594</b>	<b>21,079,784</b>
<b>Fund balances - beginning</b>	<b>25,000,000</b>	<b>39,238,314</b>	<b>39,238,314</b>	<b>-</b>	<b>39,238,314</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 25,000,000</b>	<b>\$ 25,589,124</b>	<b>\$ 46,267,200</b>	<b>\$ -</b>	<b>\$ 46,668,908</b>	<b>\$ 21,079,784</b>

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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Local sources	\$ 53,155	\$ 369,952	\$ 186,495	\$ -	\$ 186,495	\$ (183,457)
State sources	1,742,232	2,934,640	2,598,536	-	2,598,536	(336,104)
Federal sources	18,364,186	34,939,659	24,013,743	-	24,013,743	(10,925,916)
<b>Total revenues</b>	<b>20,159,573</b>	<b>38,244,251</b>	<b>26,798,774</b>	<b>-</b>	<b>26,798,774</b>	<b>(11,445,477)</b>
<b>Expenditures:</b>						
Instruction	6,597,259	12,702,789	9,973,087	-	9,973,087	2,729,702
Supporting services:						
Students	729,689	2,936,531	2,183,471	-	2,183,471	753,060
Instructional staff	1,189,197	3,855,184	2,687,731	-	2,687,731	1,167,453
School administration	278,052	371,996	339,122	-	339,122	32,874
Central services	13,478	56,018	30,875	-	30,875	25,143
Operation and maintenance of facilities	-	400,589	236,724	-	236,724	163,865
Student transportation	18,984	330,211	146,178	-	146,178	184,033
Food services	11,114,807	13,849,140	12,266,281	-	12,266,281	1,582,859
Community services	-	-	-	-	-	-
Capital outlay	-	41,099	26,812	-	26,812	14,287
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>19,941,466</b>	<b>34,543,557</b>	<b>27,890,281</b>	<b>-</b>	<b>27,890,281</b>	<b>6,653,276</b>
Excess (deficiency) of revenues over expenditures	218,107	3,700,694	(1,091,507)	-	(1,091,507)	(4,792,201)
<b>Other financing sources (uses):</b>						
Transfers in	3,748,445	245,110	612,981	-	612,981	367,871
Transfers (out)	-	(357,123)	(648,568)	-	(648,568)	(291,445)
<b>Total other financing sources (uses)</b>	<b>3,748,445</b>	<b>(112,013)</b>	<b>(35,587)</b>	<b>-</b>	<b>(35,587)</b>	<b>76,426</b>
<b>Change in fund balances</b>	<b>3,966,552</b>	<b>3,588,681</b>	<b>(1,127,094)</b>	<b>-</b>	<b>(1,127,094)</b>	<b>(4,715,775)</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>(992,983)</b>	<b>(618,711)</b>	<b>-</b>	<b>(618,711)</b>	<b>374,272</b>
<b>Fund balances - ending</b>	<b>\$ 3,966,552</b>	<b>\$ 2,595,698</b>	<b>\$ (1,745,805)</b>	<b>\$ -</b>	<b>\$ (1,745,805)</b>	<b>\$ (4,341,503)</b>

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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Federal sources	\$ 8,548,779	\$ 64,795,961	\$ 16,681,556	\$ -	\$ 16,681,556	\$ (48,114,405)
<b>Total revenues</b>	<b>8,548,779</b>	<b>64,795,961</b>	<b>16,681,556</b>	<b>-</b>	<b>16,681,556</b>	<b>(48,114,405)</b>
<b>Expenditures:</b>						
Instruction	6,675,242	27,528,973	7,293,133	-	7,293,133	20,235,840
Supporting services:						
Students	800,468	3,396,025	848,565	-	848,565	2,547,460
Instructional staff	290,743	2,831,079	917,821	-	917,821	1,913,258
General administration	-	220,852	167,441	-	167,441	53,411
School administration	-	135,797	160,839	-	160,839	(25,042)
Central services	37,378	350,759	350,426	-	350,426	333
Operation and maintenance of facilities	744,948	1,713,740	1,175,534	-	1,175,534	538,206
Student transportation	-	383,901	362,743	-	362,743	21,158
Food services	-	278,434	278,434	-	278,434	-
Community services	-	-	-	-	-	-
Capital outlay	-	7,923,507	673,659	-	673,659	7,249,848
<b>Total expenditures</b>	<b>8,548,779</b>	<b>44,763,067</b>	<b>12,228,595</b>	<b>-</b>	<b>12,228,595</b>	<b>32,534,472</b>
Excess (deficiency) of revenues over expenditures	-	20,032,894	4,452,961	-	4,452,961	(15,579,933)
<b>Other financing sources (uses):</b>						
Transfers (out)	-	(4,421,433)	(1,351,563)	-	(1,351,563)	3,069,870
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(4,421,433)</b>	<b>(1,351,563)</b>	<b>-</b>	<b>(1,351,563)</b>	<b>3,069,870</b>
<b>Change in fund balances</b>	<b>-</b>	<b>15,611,461</b>	<b>3,101,398</b>	<b>-</b>	<b>3,101,398</b>	<b>(12,510,063)</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>(7,209,240)</b>	<b>(7,209,240)</b>	<b>-</b>	<b>(7,209,240)</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 8,402,221</b>	<b>\$ (4,107,842)</b>	<b>\$ -</b>	<b>\$ (4,107,842)</b>	<b>\$ (12,510,063)</b>

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 - SPECIAL REVENUE FUND - SCHOOL ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Other local sources	\$ -	\$ -	3,199,530	\$ (3,199,530)	\$ -	\$ -
Federal sources	-	-	320,870	(320,871)	-	-
<b>Total revenues</b>	-	-	3,520,400	(3,520,401)	-	-
<b>Expenditures:</b>						
Instruction	-	-	2,155,262	(2,155,262)	-	-
<b>Total expenditures</b>	-	-	2,155,262	(2,155,262)	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,365,138	(1,365,139)	-	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	329,516	(329,516)	-	-
Transfers (out)	-	-	(891,389)	891,388	(1)	(1)
<b>Total other financing sources (uses)</b>	-	-	(561,873)	561,872	(1)	(1)
<b>Change in fund balances</b>	-	-	803,265	(803,267)	(1)	(1)
<b>Fund balances - beginning</b>	-	-	2,299,728	(2,299,728)	-	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 3,102,993	\$ (3,102,995)	\$ (1)	\$ (1)

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Reported Fiscal Year (Measurement Date) <u>2022</u> (2021)	Reported Fiscal Year (Measurement Date) <u>2021</u> (2020)	Reported Fiscal Year (Measurement Date) <u>2020</u> (2019)	Reported Fiscal Year (Measurement Date) <u>2019</u> (2018)	Reported Fiscal Year (Measurement Date) <u>2018</u> (2017)	Reported Fiscal Year (Measurement Date) <u>2017</u> (2016)	Reported Fiscal Year (Measurement Date) <u>2016</u> (2015)
District's proportion of the net pension liability (asset)	0.257018%	0.296106%	0.254345%	0.253876%	0.259056%	0.247384%	0.213032%
District's proportionate share of net pension liability (asset)	\$ 4,016,623	\$ 9,537,400	\$ 7,567,199	\$ 7,926,661	\$ 8,950,327	\$ 10,167,043	\$ 7,382,101
State's proportionate share of the net pension liability (asset) associated with the district	<u>64,153,466</u>	<u>155,610,940</u>	<u>121,440,153</u>	<u>141,607,091</u>	<u>137,609,252</u>	<u>141,064,337</u>	<u>128,290,801</u>
Total	<u><u>68,170,089</u></u>	<u><u>165,148,340</u></u>	<u><u>129,007,352</u></u>	<u><u>149,533,752</u></u>	<u><u>146,559,579</u></u>	<u><u>151,231,380</u></u>	<u><u>135,672,902</u></u>
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	5.506%	13.318%	11.231%	12.191%	13.790%	15.689%	11.408%
Plan fiduciary net position as a percentage of the total pension liability	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 6,151,702	\$ 5,801,516	\$ 5,753,153	\$ 5,523,609	\$ 5,425,733	\$ 5,545,249	\$ 5,682,889
Contributions in relation to the contractually required contribution	<u>(6,151,702)</u>	<u>(5,801,516)</u>	<u>(5,753,153)</u>	<u>(5,523,609)</u>	<u>(5,425,733)</u>	<u>(5,545,249)</u>	<u>(5,682,889)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's covered-employee payroll	\$ 77,937,730	\$ 72,954,691	\$ 71,612,934	\$ 67,379,277	\$ 65,021,019	\$ 64,906,533	\$ 64,804,053
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.893%	7.952%	8.034%	8.198%	8.345%	8.543%	8.769%

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET OPEB LIABILITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Reported Fiscal Year (Measurement Date)	Reported Fiscal Year (Measurement Date)	Reported Fiscal Year (Measurement Date)	Reported Fiscal Year (Measurement Date)
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net OPEB liability (asset)	0.306588%	0.275957%	0.271990%	0.451351%
District's proportionate share of net OPEB liability (asset)	\$ (91,163)	\$ 1,218,881	\$ 4,512,673	\$ 9,683,446
State's proportionate share of the net OPEB liability (asset) associated with the district	<u>(411,473)</u>	<u>5,648,105</u>	<u>20,531,012</u>	<u>25,028,198</u>
Total	<u><u>(502,636)</u></u>	<u><u>6,866,986</u></u>	<u><u>25,043,685</u></u>	<u><u>34,711,644</u></u>
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	-0.136%	1.831%	7.159%	15.667%
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	39.69%	30.98%

*Data prior to 2018 is unavailable*

See Notes to the Required Supplementary Information.

CABELL COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,460,924	\$ 2,682,696	\$ 2,945,307	\$ 3,176,032
Contributions in relation to the contractually required contribution	<u>(1,460,924)</u>	<u>(2,682,696)</u>	<u>(2,945,307)</u>	<u>(3,176,032)</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's covered-employee payroll	\$ 71,720,626	\$ 66,917,985	\$ 66,584,681	\$ 63,037,553
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	2.037%	4.009%	4.423%	5.038%

See Notes to the Required Supplementary Information.



CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**A. Budgets and Budgetary Accounting:**

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are 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:

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.

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, 2022, expenditures exceeded appropriations at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

SPECIAL REVENUE FUND:

<u>Function</u>	<u>Amount</u>
Fund Transfers - Out	\$291,444

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. These transactions were recorded following the completion of the fiscal year ended June 30, 2022.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SPECIAL REVENUE – FEDERAL STIMULUS AND STABILIZATION FUND:

<u>Function</u>	<u>Amount</u>
School Administration	\$25,042

The over-expenditure in this function was caused by school-level administrative costs for summer programming being budgeted as an instructional expense but paid out as school administration. The costs are accurately recorded and were paid from the SOLE grant provided for summer learning opportunities.

**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.

**CABELL COUNTY BOARD OF EDUCATION  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Inflation	2021 2.75%	2015 - 2020 3.0%	2014 2.2%	2016 - 2017
	2021 Educators: 2.75%-5.90%	2020 State - 3.00%-6.00%	2018 - 2019	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.00%
Salary Increases	Non-Educators: 2.75%-6.50%	Non-state - 3.00%-6.50%	2014 - 2015	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00% to 6.50%
Investment Rate of Return	2021 7.25%, net of pension plan investment expense	2014 - 2020 7.5%, net of pension plan investment expense, including inflation	2014 - 2015	Active: RP-2000, non-annuitant monthly mortality table; Retired - RP2000 healthy annuitant, scale AA; Disabled - RP2000 disabled annuitant mortality table, scale AA
Mortality	2020-2021 Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males - Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy females - 112% of Pub-2010 General Female Table, headcount-weighted, projected with Scale MP-2019; disabled males - 107% of Pub-2010 General/Teachers Male Table, headcount-weighted, projected with Scale MP-2019, disabled females - 113% of Pub-2010 General/Teachers Female Table, headcount-weighted, projected with Scale MP-2019	2016 - 2019 Active: RP-2000, Non-Annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males - 97% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; healthy females - 94% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; disabled males - 96% of RP-2000 Disabled Annuitant table, projected with 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	2014 - 2015	Active: RP-2000, non-annuitant monthly mortality table; Retired - RP2000 healthy annuitant, scale AA; Disabled - RP2000 disabled annuitant mortality table, scale AA
Discount Rate	2021 7.25%	2014 - 2020 7.5%		

**CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

	2021	2020	2019	2018	2017
<b>Inflation</b>	2.25%	2.25%	2.75%	2.75%	2.75%
<b>Salary Increases</b>	Dependent upon pension system. Ranging from 2.75% to 5.18%	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%
<b>Investment Rate of Return</b>	6.65% net of OPEB plan investment expense, including inflation	6.65% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation	7.15% net of OPEB plan investment expense, including inflation
<b>Mortality</b>	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post-Retirement: RP - 2000 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
<b>Discount Rate</b>	6.65%	6.65%	7.15%	7.15%	7.15%
<b>Healthcare Cost Trend Rates</b>	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of (31.11%) for plan year end 2022, 9.15% for plan year end 2023, 8.40% for year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 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 end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022, 9.15% for plan year end 2023, 8.40% for 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 pre-Medicare per capita costs of 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.	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 end 2031.
					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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Property taxes	\$ -	\$ 350,000	\$ 240,447	\$ -	\$ 240,447	\$ (109,553)
Other local sources	-	-	22,595	-	22,595	22,595
<b>Total revenues</b>	-	350,000	263,042	-	263,042	(86,958)
<b>Expenditures:</b>						
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	350,000	263,042	-	263,042	(86,958)
<b>Other financing sources (uses):</b>						
Transfers (out)/reserves	-	(3,117,715)	-	-	-	3,117,715
<b>Total other financing sources (uses)</b>	-	(3,117,715)	-	-	-	3,117,715
<b>Change in fund balances</b>	-	(2,767,715)	263,042	-	263,042	3,030,757
<b>Fund balances - beginning</b>	-	2,767,715	2,767,715	-	2,767,715	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 3,030,757	\$ -	\$ 3,030,757	\$ 3,030,757

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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Property taxes	\$ 6,596,963	\$ 6,596,963	\$ 6,878,140	\$ -	\$ 6,878,140	\$ 281,177
Other local sources	-	-	36,519	-	36,519	36,519
<b>Total revenues</b>	<b>6,596,963</b>	<b>6,596,963</b>	<b>6,914,659</b>	<b>-</b>	<b>6,914,659</b>	<b>317,696</b>
<b>Expenditures:</b>						
Debt service:						
Principal retirement	4,850,000	4,850,000	4,850,000	-	4,850,000	-
Interest and fiscal charges	1,746,963	1,746,996	1,748,963	-	1,748,963	(1,967)
<b>Total expenditures</b>	<b>6,596,963</b>	<b>6,596,996</b>	<b>6,598,963</b>	<b>-</b>	<b>6,598,963</b>	<b>(1,967)</b>
Excess (deficiency) of revenues over expenditures	-	(33)	315,696	-	315,696	315,729
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances</b>	<b>-</b>	<b>(33)</b>	<b>315,696</b>	<b>-</b>	<b>315,696</b>	<b>315,729</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>33</b>	<b>33</b>	<b>-</b>	<b>33</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 315,729</b>	<b>\$ -</b>	<b>\$ 315,729</b>	<b>\$ 315,729</b>

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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Other local sources	\$ -	\$ -	\$ 228,617	\$ -	\$ 228,617	\$ 228,617
<b>Total revenues</b>	-	-	228,617	-	228,617	228,617
<b>Expenditures:</b>						
Supporting services:						
General administration	-	59,870	66,015	-	66,015	(6,145)
Central administration	-	32,300	32,225	-	32,225	75
School administration	-	-	-	-	-	-
Capital outlay	-	83,226,752	4,554,053	-	4,554,053	78,672,699
<b>Total expenditures</b>	-	83,318,922	4,652,293	-	4,652,293	78,666,629
Excess (deficiency) of revenues over expenditures	-	(83,318,922)	(4,423,676)	-	(4,423,676)	(78,438,012)
<b>Other financing sources (uses):</b>						
Proceeds from the sale of bonds	-	-	-	-	-	-
Proceeds from bond premium	-	-	-	-	-	-
Transfers (out)/reserves	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-
<b>Change in fund balances</b>	-	(83,318,922)	(4,423,676)	-	(4,423,676)	(78,438,012)
<b>Fund balances - beginning</b>	-	83,318,922	83,318,922	-	83,318,922	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 78,895,246	\$ -	\$ 78,895,246	\$ (78,438,012)

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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Property taxes	\$ 1,622,647	\$ 1,622,647	\$ 1,823,529	\$ -	\$ 1,823,529	\$ 200,882
Other local sources	-	-	18,550	-	18,550	18,550
<b>Total revenues</b>	<b>1,622,647</b>	<b>1,622,647</b>	<b>1,842,079</b>	<b>-</b>	<b>1,842,079</b>	<b>219,432</b>
<b>Expenditures:</b>						
Instruction	-	70,925	509	-	509	70,416
Supporting services:						
Operation and maintenance of facilities	-	140,048	52,656	-	52,656	87,392
Capital outlay	1,622,647	7,928,621	2,361,972	-	2,361,972	5,566,649
<b>Total expenditures</b>	<b>1,622,647</b>	<b>8,139,594</b>	<b>2,415,137</b>	<b>-</b>	<b>2,415,137</b>	<b>5,724,457</b>
Excess (deficiency) of revenues over expenditures	-	(6,516,947)	(573,058)	-	(573,058)	5,943,889
Transfers in	-	-	1,734,109	-	1,734,109	1,734,109
Transfers (out)/reserves	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,734,109</b>	<b>-</b>	<b>1,734,109</b>	<b>1,734,109</b>
<b>Change in fund balances</b>	<b>-</b>	<b>(6,516,947)</b>	<b>1,161,051</b>	<b>-</b>	<b>1,161,051</b>	<b>7,677,998</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>6,516,947</b>	<b>6,516,947</b>	<b>-</b>	<b>-</b>	<b>(6,516,947)</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,677,998</b>	<b>\$ -</b>	<b>\$ 1,161,051</b>	<b>\$ 1,161,051</b>

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, 2022

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Adjustments for Regulatory Basis	Actual Regulatory Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final				
<b>Revenues:</b>						
Property taxes	\$ -	\$ -	\$ 13,193	\$ -	\$ 13,193	\$ 13,193
State Sources	-	10,000,000	-	-	-	(10,000,000)
Federal sources	-	-	-	-	-	-
Other Local Sources	-	13,193	-	-	-	(13,193)
<b>Total revenues</b>	-	10,013,193	13,193	-	13,193	(10,000,000)
<b>Expenditures:</b>						
Capital outlay	-	26,000,000	76,800	-	76,800	25,923,200
<b>Total expenditures</b>	-	26,000,000	76,800	-	76,800	25,923,200
Excess (deficiency) of revenues over expenditures	-	(15,986,807)	(63,607)	-	(63,607)	15,923,200
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers (out)/reserves	-	(1,884,109)	(1,884,109)	-	(1,884,109)	-
<b>Total other financing sources (uses)</b>	-	(1,884,109)	(1,884,109)	-	(1,884,109)	-
<b>Change in fund balances</b>	-	(17,870,916)	(1,947,716)	-	(1,947,716)	15,923,200
<b>Fund balances - beginning</b>	-	17,870,916	17,870,916	-	17,870,916	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ 15,923,200	\$ -	\$ 15,923,200	\$ 15,923,200

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, 2022

**A. Budgets and Budgetary Accounting:**

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are 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, 2022, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

DEBT SERVICE FUND – 2020 SERIES BONDS

<u>Function</u>	<u>Amount</u>
Interest and fiscal charges	\$1,966

The over-expenditure in this function was funded by revenues received in excess of the anticipated amounts budgeted. The amount of these costs charged by the Municipal Bond Commission to service the Board’s debt service was not known until July 2022, after the conclusion of the 2022 fiscal year.

CABELL COUNTY BOARD OF EDUCATION  
NOTES TO THE BUDGET AND ACTUAL SCHEDULES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

BOND CONSTRUCTION FUND:

<u>Function</u>	<u>Amount</u>
General Administration	\$6,145

The over-expenditure in this function was caused by higher legal fees than anticipated for the acquisition of property.

CABELL COUNTY BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Cash Balance 7/1/21	Revenues Received	Expenditures Paid	Cash Balance 6/30/22
Altizer Elementary	\$ 29,793	\$ 118,326	\$ 34,220	\$ 113,899
Central City Elementary	117,800	18,883	17,295	119,388
Cox Landing Elementary	8,881	17,011	13,017	12,875
Culloden Elementary	26,494	42,079	32,254	36,319
Davis Creek Elementary	51,452	165,006	39,204	177,254
Explorer Academy	41,311	23,406	28,732	35,985
Guyandotte Elementary	9,053	22,253	20,036	11,270
Highlawn Elementary	22,664	20,901	16,446	27,119
Hite Saunders Elementary	41,240	30,986	25,753	46,473
Martha Elementary	13,336	38,249	30,755	20,830
Meadows Elementary	85,372	53,704	62,743	76,333
Milton Elementary	140,601	69,199	81,205	128,595
Nichols Elementary	47,735	12,171	13,991	45,915
Ona Elementary	46,028	20,184	13,714	52,498
Salt Rock Elementary	30,742	25,113	25,310	30,545
Southside Elementary	42,355	230,297	85,162	187,490
Spring Hill Elementary	14,769	18,939	14,909	18,799
Village of Barboursville Elementary	73,215	284,650	163,162	194,703
Barboursville Middle School	68,072	166,199	143,793	90,478
Huntington East Middle School	88,395	157,943	139,004	107,334
Huntington Middle School	81,937	138,905	136,480	84,362
Milton Middle School	104,042	212,664	227,682	89,024
Cabell County Career and Technical Center	409,066	524,579	417,861	515,784
Cabell Midland High School	399,543	489,468	415,140	473,871
Huntington High School	305,833	767,140	667,127	405,846
<b>Total</b>	<u>\$ 2,299,729</u>	<u>\$ 3,668,255</u>	<u>\$ 2,864,995</u>	<u>\$ 3,102,989</u>

CABELL COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Current Year			Levy To Date		
	Estimated Per Levy Call	Actual	Variance	Estimated Per Levy Call	Actual	Variance
<b>Excess Levy Collections</b>	24,128,149	29,071,695	4,943,546	48,256,298	57,806,178	9,549,880
<b>Expenditures (County Specific Levy Call):</b>						
<b>Professional Salary</b>	7,057,547	10,312,271	3,254,724	14,115,094	18,904,636	4,789,542
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				-	-	
<b>Service Salary</b>	2,050,000	2,414,272	364,272	4,100,000	4,115,002	15,002
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				-	-	
<b>Substitute</b>	1,101,000	2,105,595	1,004,595	2,202,000	3,014,804	812,804
Including, but not limited to, professional and service personnel substitute costs				-	-	
<b>Athletics</b>	625,000	901,045	276,045	1,250,000	1,707,207	457,207
Including, but not limited to, salaries for coaches, intramural activities, and other costs associated with athletic programs and facilities				-	-	
<b>Personnel Taxes and Benefits</b>	3,336,378	3,281,456	(54,922)	6,672,756	6,099,114	(573,642)
Including, but not limited to, FICA taxes, unemployment taxes, workers' compensation taxes, retirement, and other insurance, including dental and optical.				-	-	
<b>Textbooks, Supplies, Digital Resources, Postage, Insurance and Travel</b>	2,287,538	493,484	(1,794,054)	4,575,076	4,575,076	-
Including, but not limited to, printing, copying school, custodial, library, office, and health supplies, postage, textbooks, insurance and travel				-	-	
<b>Contracted Services</b>	1,700,000	2,958,176	1,258,176	3,400,000	6,224,126	2,824,126
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				-	-	
<b>Construction, Repair and Maintenance</b>	1,232,000	2,608,189	1,376,189	2,464,000	4,194,954	1,730,954
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				-	-	
<b>Equipment and Rentals</b>	1,691,937	1,248,863	(443,074)	3,383,874	2,943,047	(440,827)
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				-	-	
<b>Cabell County Public Library</b>	1,471,869	1,773,437	301,568	2,943,738	3,526,303	582,565
The operation of the Cabell County Public Library as required by Section 5, Chapter 207, of the 1967 Acts of the West Virginia Legislature				-	-	
<b>Greater Huntington Park and Recreation District</b>	455,229	549,069	93,840	910,458	1,091,769	181,311
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				-	-	
<b>Technology</b>	1,119,651	425,840	(693,811)	2,239,302	1,410,142	(829,160)
Including, but not limited to, classroom personal devices, technology infrastructure, instructional hardware, security system upgrades, and professional development activities.						
<b>Total Expenditures</b>	24,128,149	29,071,695	4,943,546	48,256,298	57,806,178	9,549,880
<b>Excess of Collections over Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

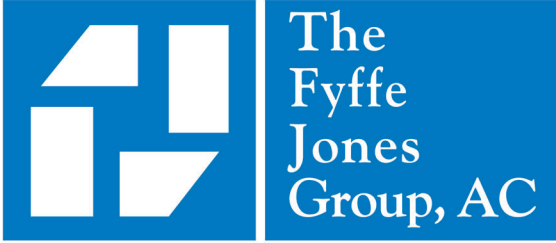


CABELL COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures Paid
U.S. Department of Agriculture			
Passed Through West Virginia Department of Agriculture			
Donated Foods (Non-cash)	10.555	88	837,623
Passed Through West Virginia Department of Education			
National School Breakfast and Lunch Program	10.553/10.555	88	10,116,248
Summer Food Service	10.559	88	843,197
Total Child Nutrition Cluster			<u>11,797,068</u>
Child and Adult Care Food Program	10.558	88	266,615
CACFP Covid Reimbursement	10.555	88	66,820
NSLP Equipment Grant	10.579	88	36,324
Emergency Operational SNP	10.555	88	211,613
Fresh Fruits and Vegetables Program	10.582	88	85,069
Total U.S. Department of Agriculture			<u>12,463,509</u>
U.S. Department of Education			
Passed Through West Virginia Department of Education			
Adult Education	84.002A	61	58,352
Title I Grants to Local Educational Agencies	84.010A	41	5,664,492
Title I State Agency Grants for Neglected & Delinquent Children and Youth	84.013A	41	898
Special Education Cluster:			
Special Education Grants to States	84.027A	43	4,130,193
Special Education - ARP - (COVID-19)	84.027X	43	12,832
Special Education - Pre-School	84.173A	43	157,690
Total Special Education Cluster			<u>4,300,715</u>
Vocational Education	84.048A	50	230,001
Federal Pell Grant Program	84.063	55	181,660
REHAB Grant	84.126	49	199,230
Education for Homeless Children and Youths	84.196A	54	67,258
21st Century Community Learning Centers	84.287C	46	79,484
Title III English Language Acquisition Grants	84.365A	45	40,129
Title II Improving Teacher Quality	84.367A	40	1,024,740
Title IV Student Support and Academic Enrichment	84.424A	42	474,160
Education Stimulus Funding (COVID-19):			
Elementary and Secondary School Emergency Relief Fund	84.425D	52	9,316,357
Extra Curricular Equity Fund	84.425D	52	116,750
Higher Education Emergency Relief Fund	84.425N	52	38,420
CRRSAA EANS I Got Vaxed Hite Saunders	84.425R	49	16,678
ARPA ESSERF	84.425U	52	1,926,687
Student Opportunities for Learning & Engagement	84.425U	52	1,067,825
Total Education Stimulus Funding (COVID-19)			<u>12,482,717</u>
Total U.S. Department of Education			<u>24,803,836</u>
U.S. Department of Health and Human Services			
Passed Through West Virginia Department of Education			
School Based HIV STD Prev	93.079	49	377
Project AWARE	93.243	53	408,101
Covid Emergency Response Health Crisis	93.354	49	57,408
Total U.S. Department of Health and Human Services			<u>465,886</u>
U.S. Department of Homeland Security			
Division of Homeland Security and Management Cameras	97.067	49	80,000
Total U.S. Department of Homeland Security			<u>80,000</u>
U.S. Federal Communications Commission			
Emergency Connectivity Fund	32.009	36	1,139,369
Universal Service Fund - Schools and Libraries	32.004	0	1,156,403
Total U.S. Federal Communications Commission			<u>2,295,772</u>
Total Federal Financial Assistance Expended			<u>\$ 40,109,003</u>

See Notes to the Schedule of Expenditures of Federal Awards





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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, 2022, 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 24, 2023.

**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*.

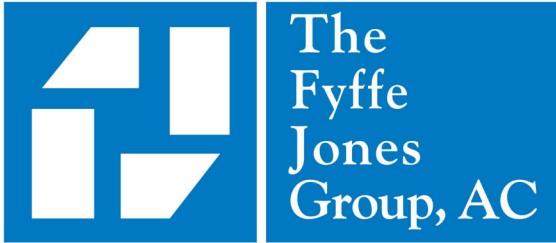
### **Purpose of this Report**

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 24, 2023



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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**

***Opinion on Each Major Federal Program***

We have audited the Cabell County Board of Education's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Cabell County Board of Education's major federal programs for the year ended June 30, 2022. Cabell County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Management's Responsibility***

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

### ***Auditors' Responsibility***

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

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

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

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

## Report on Internal Control Over Compliance

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 24, 2022

CABELL COUNTY BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**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:

Federal Assistance Listing Numbers	Name of Federal Program/Cluster
10.558	Child and Adult Care Food Program
84.027A/84.173A/ 84.027X	Special Education Cluster
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425D	Extra Curricular Equity Fund
84.425N	Higher Education Emergency Relief Fund
84.425R	CRRSAA EANS I Got Vaxed Hite Saunders
84.425U	ARPA ESSERF
84.425U	Student Opportunities for Learning & Engagement

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as a low-risk auditee: Yes

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**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, 2022

There were no findings in the prior audit.