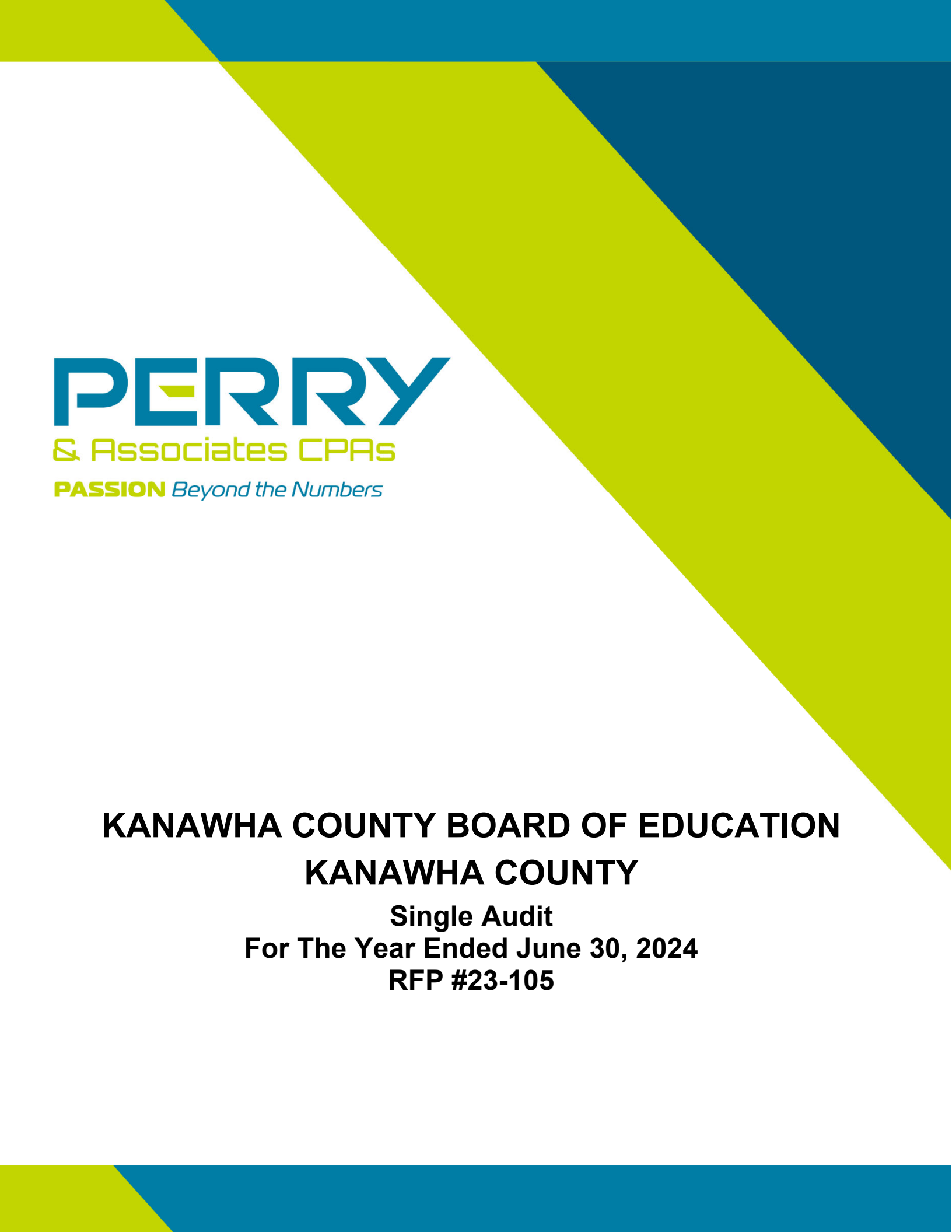




PERRY

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PASSION *Beyond the Numbers*

**KANAWHA COUNTY BOARD OF EDUCATION
KANAWHA COUNTY**

**Single Audit
For The Year Ended June 30, 2024
RFP #23-105**

**KANAWHA COUNTY BOARD OF EDUCATION
TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities.....	15
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Net Position – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Position	20
Notes to the Basic Financial Statements	21
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Current Expense Fund	53
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund - School Activity Fund	55
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – ESSERF Fund.....	56
Schedule of the Board's Proportionate Share of the Net Pension Liability.....	57
Schedule of Board Contributions – Teachers Retirement System	58
Schedule of the Board's Proportionate Share of the Net OPEB Liability.....	59
Schedule of Board Contributions – Retiree Health Benefit Trust Fund	60
Notes to Required Supplementary Information.....	61

**KANAWHA COUNTY BOARD OF EDUCATION
TABLE OF CONTENTS (Continued)**

TITLE	PAGE
Other Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund	66
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Permanent Improvement Fund	67
Schedule of Excess Levy Revenues and Expenditures	68
Schedule of Changes in School Activity Funds	69
Schedule of State Grant Receipts and Expenditures	70
Notes to Other Supplementary Information	73
Other Information	
Schedule of Expenditures of Federal Awards	74
Notes to the Schedule of Expenditures of Federal Awards	75
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	76
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	78
Schedule of Findings - 2 CFR § 200.515	81

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kanawha County Board of Education, Kanawha County, West Virginia (the Board), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kanawha County Board of Education, Kanawha County, West Virginia as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2025 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Board's internal control over financial reporting and compliance.



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

February 28, 2025

KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Our discussion and analysis of the Kanawha County Board of Education's (Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2024. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$634.4 million (*net position*) at the close of the most recent fiscal year. Of this amount, approximately \$73.1 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 \$91.1 million. This increase is primarily attributable to the increase in state grants and property taxes and specifically continued strong capital grants.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately \$141.5 million, an increase of approximately \$18.1 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$0.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all the Board's assets, deferred outflows of resources, liabilities, and deferred inflow of resources. Net position is reported as assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing or related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

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

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

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

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

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

The basic fiduciary fund financial statement can be found on the pages following this report.

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by approximately \$634.4 million at the close of the most recent fiscal year.

KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)

	2024 Governmental Activities	Restated 2023 Governmental Activities	Variance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and other assets	\$ 186,156,786	\$ 180,906,425	\$ 5,206,709
Capital assets	499,075,581	457,693,753	41,381,828
Net OPEB asset - Proportionate share	968,289	-	968,289
ROU Assets	3,162,877	4,477,713	(1,314,836)
Deferred outflows of resources	8,594,476	8,384,623	209,853
Total assets and deferred outflows of resources	\$ 697,958,009	\$ 651,506,166	\$ 46,451,843
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities and deferred inflows of resources:			
Current and other liabilities	\$ 36,892,436	\$ 47,447,794	\$ (10,555,358)
Long-term liabilities outstanding	11,526,419	43,402,675	(31,876,256)
Deferred inflows of resources	3,781,290	8,135,181	(4,353,891)
Net pension liability - Proportionate share	11,345,789	8,426,210	2,919,579
Net other post employment benefit (OPEB) liability - Proportionate share	-	728,595	(728,595)
Total liabilities and deferred inflows of resources	63,545,934	108,140,455	(44,594,521)
Net position:			
Net Investment in Capital Assets	487,618,275	414,389,418	73,228,857
Restricted	73,686,006	75,835,462	(2,149,456)
Unrestricted	73,107,794	53,097,179	19,966,963
Total net position	634,412,075	543,322,059	91,046,364
Total liabilities, deferred inflows of resources, and net position	\$ 697,958,009	\$ 651,506,166	\$ 46,451,843

The key elements of the increase of the Board's net position for the year ended June 30, 2024 are as follows:

- Current and other assets increased by approximately \$5.2 million, which primarily represents an increase in cash and investments and receivables.
- Capital assets increased by approximately \$41.4 million which represents the net amount of capital asset additions in excess of capital asset disposals and related depreciation expense.
- The Board has a GASB 96 SBITA Right of Use Asset and recorded an asset of approximately \$3.1 million.
- Long-term liabilities decreased by approximately \$31.9 million which was primarily the result of the principal payments on the existing finance lease liabilities.
- GASB 68 requires the Board to record its proportionate share of the net pension liability, deferred outflows and deferred inflows. The net pension liability increased by approximately \$2.9 million.
- GASB 75 requires the Board to record its proportionate share of the net OPEB liability. Deferred outflows and deferred inflows. The net OPEB liability decreased by approximately \$1.7 million at year end to an OPEB Asset.
- 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.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

- Restricted net position decreased by approximately \$2.1 million during the year ended June 30, 2024. This resulted primarily from the expenditure of funds for construction in progress.
- Unrestricted net position increased by approximately \$19.9 million during the year ended June 30, 2024.
- The Board's net position increased by approximately \$91.1 million during the current year. The following discussion and analysis on governmental activities focuses on this increase.

The following summarizes the statement of activities for the year ended June 30, 2024 in comparison with the year ended June 30, 2023:

	2024 Governmental Activities	2023 Governmental Activities	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 2,083,242	\$ 2,230,285	\$ (147,043)
Operating grants and contributions	100,343,342	108,557,625	(8,214,283)
Capital grants and contributions	30,012,938	39,960,542	(9,947,604)
General revenues:			
Property taxes	139,339,561	127,526,810	11,812,751
Unrestricted state aid	149,193,029	118,340,926	30,852,103
Unrestricted investment earnings	7,319,415	3,794,891	3,524,524
Unrestricted grants and contributions	3,027,489	2,739,804	287,685
Gain or (loss) on disposal of capital assets	(39,407)	1,147,252	(1,186,659)
Total revenues	<u>431,279,609</u>	<u>404,298,135</u>	<u>26,981,474</u>
Expenses:			
Instruction	<u>198,500,999</u>	<u>190,636,230</u>	<u>7,864,769</u>
Supporting services:			
Students	19,765,323	17,151,302	2,614,021
Instructional staff	8,569,608	6,515,158	2,054,450
General administration	2,543,847	2,281,972	261,875
School administration	16,600,763	14,251,837	2,348,926
Central services	11,317,655	10,061,210	1,256,445
Operation and maintenance of facilities	33,272,662	18,126,747	15,145,915
Student transportation	18,475,784	16,079,709	2,396,075
Other	31,169	78,910	(47,741)
Total supporting services	<u>110,576,811</u>	<u>84,546,845</u>	<u>26,029,966</u>
Food services	24,926,724	22,992,867	1,933,857
Community services	5,714,258	5,585,608	128,650
Interest on long-term debt	470,801	578,775	(107,974)
Total expenses	<u>340,189,593</u>	<u>304,340,325</u>	<u>35,849,268</u>
Change in net position	91,090,016	99,957,810	(8,867,794)
Net position - Beginning	543,365,711	438,861,494	104,504,217
Restatement	(43,652)	4,546,407	(4,590,059)
Net position - Ending	<u>\$ 634,412,075</u>	<u>\$ 543,365,711</u>	<u>\$ 91,046,364</u>

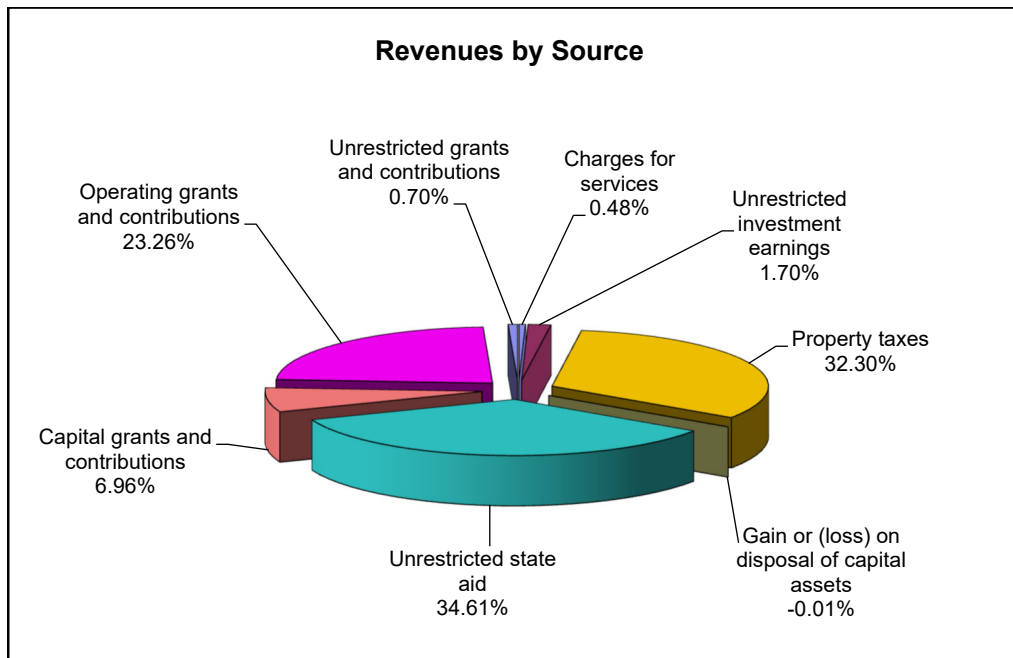
The key elements of the changes in the Board's statement of activities for the year ended June 30, 2024 are as follows:

- Operating grants and contributions decreased by approximately \$8.2 million which was primarily the result of a decrease in state and federal funding for pandemic response.
- Capital grants and contributions decreased \$9.9 million which was primarily the result of an decrease in School Building Authority and FEMA funding for school construction.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

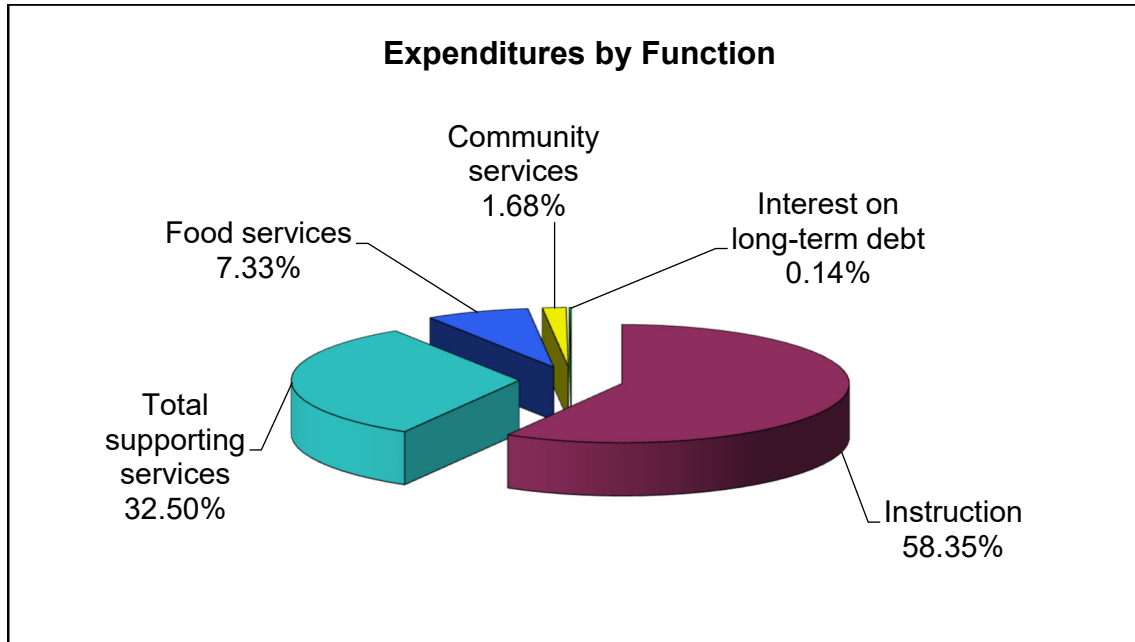
- General revenues from property taxes increased approximately \$11.8 million which was primarily the result of the assessed values.
- General revenues from unrestricted state aid increased by approximately \$30.9 million which was primarily the result of the GASB 68 and 75 entries and an increase due to salary increases.
- Unrestricted investment earnings increased by approximately \$3.5 million due to the increase in investment interest.
- Overall expenses increased by approximately \$35.8 million which was primarily the result of an overall increase in instructional and operation and maintenance expenses.

The following chart shows the Board's revenues for fiscal year ended June 30, 2024 by source:



**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

The following chart shows the Board's expenditures for fiscal year ended June 30, 2024 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 \$141.5 million. The net change in fund balance was an increase of approximately \$18.1 million which was primarily the result of continued increases in certain revenues of the Board.

Governmental funds report the differences between their assets, deferred outflows, liabilities, and deferred inflows as fund balance, which is divided into nonspendable, restricted, committed, assigned and unassigned portions. Nonspendable, restricted, committed, and assigned indicate the portion of the Board's fund balances that are not available for appropriation. The unassigned fund balance is available financial resources in governmental funds. The Board had an unassigned fund balance of \$0 at June 30, 2024.

The Board had six major funds for the fiscal year ended June 30, 2024. Those funds are the General Current Expense Fund, Special Revenue Fund, Special Revenue Federal Stimulus and Stabilization Fund, Special Revenue School Activity Fund, Debt Service Fund, and the Permanent Improvement Fund.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

General Current Expense Fund

This is the principal operation fund which accounts for all financial resources of the Board except those required to be accounted for in another fund. The fund balance increased from approximately \$49.8 million to approximately \$71.5 million during the fiscal year ended June 30, 2024. This increase of approximately \$21.7 million was primarily due to the increase in certain state and local revenue sources.

Special Revenue Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditures for specific purposes. The fund balance increased from approximately \$27.9 million to approximately \$28.9 million during the fiscal year ended June 30, 2024. This increase of approximately \$966 thousand was due primarily to an increase in state and federal grants.

Special Revenue ESSERF Fund

This is a separate special revenue fund to account for all revenue and expenditures attributable to funds received as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan (ARP) Act, which are legally restricted to expenditures for specific purposes. The fund balance decreased from approximately \$2.2 million deficit to approximately \$3.6 million deficit during the fiscal year ended June 30, 2024. This decrease of approximately \$1.4 million in the deficit was due primarily to the timing of federal grant expenditures and the related grant revenue that will be received in future years.

Debt Service Fund

This is a separate fund used to account for the accumulated resources, and the payment of, general long-term debt, principal, and interest. The fund balance remained consistent from approximately \$464 dollars to \$490 dollars during the fiscal year ended June 30, 2024.

Permanent Improvement Fund

This is a separate fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources and subsequent expenditures for capital improvement activities. The proceeds of the fund must be used only for the support of building and capital improvements and cannot be transferred out of the fund. The fund balance decreased from approximately \$31.7 million to \$28.4 million during the fiscal year ended June 30, 2024. This decrease of approximately \$3.3 million as due primarily to a decrease in funding from FEMA and the WV School Building Authority and the spend down of construction funds of the Board.

School Activity Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to school activity accounts. The fund balance increased from approximately \$16.1 million, to approximately \$16.3 million during the fiscal year ended June 30, 2024. The increase of approximately \$183 thousand is due to the timing of receipt of certain funds to be expended in future years.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of approximately \$56.9 million or twenty-one percent in total general fund expenditures. The most significant differences, including the differences between the original and final budget figures, and significant variances between the actual amounts and final budget amounts may be summarized as follows:

- An increase of approximately \$30.1 million in instruction.
- An increase of approximately \$4.1 million in central services.
- An increase of approximately \$3.6 million in operation and maintenance.
- An increase of approximately \$5.1 million in student transportation.

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

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2024, amounts to approximately \$499.1 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 nine percent.

	2024 Governmental Activities	2023 Governmental Activities	Variance
Land	\$ 6,379,956	\$ 6,379,956	\$ -
Land improvements	39,014,129	12,118,751	26,895,378
Buildings and improvements	315,926,279	175,780,037	140,146,242
Furniture and equipment	33,347,006	23,118,979	10,228,027
Construction in process	104,408,211	240,296,030	(135,887,819)
Total capital assets	<u>\$ 499,075,581</u>	<u>\$ 457,693,753</u>	<u>\$ 41,381,828</u>

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

- Capital assets increased by approximately \$41.4 million, which represents the net amount of capital asset additions in excess of depreciation expense and capital asset disposals.
- The Board has approximately \$104.4 million in construction in process at year end for work related to various excess levy and ESSERF roofing and HVAC projects, and for work related to the replacement of Clendenin Elementary School.
- The Board purchased approximately \$17.8 million in equipment, furniture and vehicles. The Board also had approximately \$29.1 million in land improvements and \$152.7 million in buildings placed into service.

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

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

SBITA - The Board recorded the SBITA Right of Use Assets in the amount of \$3.2 million as of June 30, 2024.

	2024 Governmental Activities	2023 Governmental Activities	Variance
SBITAs	\$ 3,162,877	\$ 4,477,713	\$ (1,314,836)
Total right-of-use assets	<u>\$ 3,162,877</u>	<u>\$ 4,477,713</u>	<u>\$ (1,314,836)</u>

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

	2024 Governmental Activities	2023 Governmental Activities	Variance
Finance Lease obligations	\$ 11,457,306	\$ 43,304,335	\$ (31,847,029)
Compensated absences	1,449,848	1,429,854	19,994
Net pension liability - proportionate share	11,345,789	8,426,210	2,919,579
Net OPEB liability (asset) - proportionate share	(968,289)	728,595	(1,696,884)
Total debt outstanding	<u>\$ 23,284,654</u>	<u>\$ 53,888,994</u>	<u>\$ (30,604,340)</u>

Finance lease obligations decreased approximately \$31.8 million which was the result of the principal payments on various finance lease liabilities. The obligation for compensated absences for vacation increased by approximately \$20 thousand at June 30, 2024. The Board's proportionate share of the net pension liability increased by approximately \$2.9 million and the Board's proportionate share of the net OPEB liability decreased by approximately \$1.7 million at June 30, 2024 and is now a net OPEB asset at year end.

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

Factors Bearing on the Board's Future

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

- The Board has committed a significant amount of resources to the construction of various projects throughout the County. Cost overruns on these projects, if they were to occur, could have a substantial impact on the Board.
- The Board sustained significant damage at four schools as a result of the June 2016 flooding. Management is working with the School Building Authority and FEMA on the construction of two new schools to replace the damaged facilities.

**KANAWHA COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

- The COVID-19 Pandemic has resulted in numerous changes in how the Board conducts its operations on a day to day basis. In some areas, the Board has reduced costs such as a reduction in fuel costs and substitute costs; however, costs have increased in purchasing certain protective equipment and food service related costs. During 2024, the Board spent an estimated \$31.4 million in expenditures related to COVID-19. The Board did receive grants from the CARES Act of approximately \$42.5 million and approximately \$82 million from the American Rescue Plan. At this point, the additional cost and/or revenue related to COVID-19 Pandemic is unknown.

Contacting the Board's Financial Management

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

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets:	
Cash and cash equivalents	\$ 131,114,266
Investments	25,327,765
Taxes receivable, net of allowance for uncollectible taxes	10,655,623
Food service receivable	285,708
Other receivables	454,004
Due from other governments:	
PEIA allocation receivable	4,449,796
Reimbursements receivable	13,869,624
Capital Assets:	
Land	6,379,956
Land improvements	59,154,007
Buildings and improvements	482,984,348
Furniture and equipment	100,979,398
Construction in process	104,408,211
Less accumulated depreciation	(254,830,339)
Right-of-Use Assets:	
Subscription-based information technology arrangements (SBITAs)	6,652,539
Less accumulated amortization	(3,489,662)
Total capital assets, net of depreciation	502,238,458
Net other post employment benefit (OPEB) asset - Proportionate share	968,289
Total assets	689,363,533
Deferred outflows of resources:	
Pension	8,029,635
Other post employment benefit (OPEB)	564,841
Total deferred outflows of resources	8,594,476
Total assets and deferred outflows of resources	\$ 697,958,009
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION	
Liabilities:	
Salaries payable and related payroll liabilities	\$ 16,351,863
PEIA premiums payable	5,317,767
Compensated absences	1,449,848
Accounts payable	9,982,437
Retirement payable	3,790,521
Long-term obligations:	
Due within one year:	
Accrued interest	69,113
Finance lease obligation	4,080,649
Due beyond one year:	
Finance lease obligation	7,376,657
Net pension liability - Proportionate Share	11,345,789
Total liabilities	59,764,644
Deferred inflows of resources:	
Pension	2,452,090
Other post employment benefit (OPEB)	1,329,200
Total deferred inflows of resources	3,781,290
Total liabilities and deferred inflows of resources	\$ 63,545,934
Net Position:	
Net Investment in Capital Assets	\$ 490,781,152
Restricted for:	
Debt service	490
Special projects	45,299,078
Capital projects	28,386,438
Unrestricted	69,944,917
Total net position	\$ 634,412,075

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

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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	\$ 198,500,999	\$ 1,520,071	\$ 54,182,635	\$ 19,275,398	\$ (123,522,895)
Supporting services:					
Students	19,765,323	151,358	5,266,084	1,919,308	(12,428,573)
Instructional staff	8,569,608	65,624	2,283,204	832,150	(5,388,630)
General administration	2,543,847	19,480	677,758	247,020	(1,599,589)
School administration	16,600,763	127,125	4,422,949	1,612,014	(10,438,675)
Central services	11,317,655	86,668	3,015,368	1,098,999	(7,116,620)
Operation and maintenance of facilities	33,272,662	254,794	8,864,850	3,230,935	(20,922,083)
Student transportation	18,475,784	141,483	4,922,512	1,794,087	(11,617,702)
Other support services	31,169	239	8,304	3,027	(19,599)
Food services	24,926,724	(283,600)	16,699,678	-	(8,510,646)
Community services	5,714,258	-	-	-	(5,714,258)
Interest on long-term debt/finance leases	470,801	-	-	-	(470,801)
Total governmental activities	\$ 340,189,593	\$ 2,083,242	\$ 100,343,342	\$ 30,012,938	(207,750,071)
General revenues:					
Property taxes					139,339,561
Unrestricted state aid					149,193,029
Unrestricted investment earnings					7,319,415
Unrestricted grants and contributions					3,027,489
Gain (Loss) on disposal of capital assets					(39,407)
Total general revenues					298,840,087
Change in net position					91,090,016
Net position - beginning					543,365,711
Prior period adjustments - (See Note 18)					(43,652)
Net position - beginning, as restated					543,322,059
Net position - ending					\$ 634,412,075

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

KANAWHA COUNTY BOARD OF EDUCATION

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	11 General Current Expense	61 Special Revenue Fund	Special Revenue School Activity Fund	71 Special Revenue ESSERF Fund	21 Debt Service Fund	41 Permanent Improvement Fund	Total Governmental
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
Assets:							
Cash and cash equivalents	\$ 84,055,962	\$ 9,178,253	\$ 16,302,404	\$ -	\$ -	\$ 21,577,647	\$ 131,114,266
Investments	15,339,908	-	-	-	490	9,987,367	25,327,765
Taxes receivable, net	10,655,623	-	-	-	-	-	10,655,623
Food service receivable, net	-	285,708	-	-	-	-	285,708
Other receivables	454,004	-	-	-	-	-	454,004
Due from other governments:							
PEIA allocation receivable	4,449,796	-	-	-	-	-	4,449,796
Reimbursements receivable	439,442	4,123,441	-	7,852,409	-	1,454,332	13,869,624
Due from other funds	6,891,178	19,325,013	-	-	-	44,428	26,260,619
Total assets	122,285,913	32,912,415	16,302,404	7,852,409	490	33,063,774	212,417,405
TOTAL ASSETS PLUS DEFERRED OUTFLOWS OF RESOURCES	\$ 122,285,913	\$ 32,912,415	\$ 16,302,404	\$ 7,852,409	\$ 490	\$ 33,063,774	\$ 212,417,405
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liabilities	\$ 12,514,184	\$ 2,192,240	\$ -	\$ 1,645,439	\$ -	\$ -	\$ 16,351,863
Retirement payable	2,924,725	670,816	-	194,980	-	-	3,790,521
PEIA premiums payable	5,317,767	-	-	-	-	-	5,317,767
Accounts payable & Payable to others	1,789,734	816,193	-	2,699,174	-	4,677,336	9,982,437
Due to other funds	19,374,065	-	-	6,886,554	-	-	26,260,619
Total liabilities	41,920,475	3,679,249	-	11,426,147	-	4,677,336	61,703,207
Deferred inflows of resources	8,891,147	285,708	-	-	-	-	9,176,855
Total deferred inflows of resources	8,891,147	285,708	-	-	-	-	9,176,855
Fund Balances:							
Restricted	49,216	29,162,349	16,302,404	-	490	28,386,438	73,900,897
Assigned	71,425,075	-	-	-	-	-	71,425,075
Unassigned (Deficit)	-	-	-	(3,788,629)	-	-	(3,788,629)
Total fund balances	71,474,291	29,162,349	16,302,404	(3,788,629)	490	28,386,438	141,537,343
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 122,285,913	\$ 33,127,306	\$ 16,302,404	\$ 7,637,518	\$ 490	\$ 33,063,774	\$ 212,417,405
Amounts reported for governmental activities in the statement of net position differ due to:							
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds							499,075,581
Right-of-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds							3,162,877
Other deferred charges are not reported in the funds							75,993
Property taxes receivable and food service billings receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds							9,100,862
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds							8,029,635
Deferred outflows of resources related to pensions							(2,452,090)
Deferred outflows of resources related to OPEB							564,841
Deferred inflows of resources related to OPEB							(1,329,200)
Some liabilities, including net pension and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds							(69,113)
Accrued interest on bonds							(11,457,306)
Finance Obligations							(1,449,848)
Compensated absences							(11,345,789)
Net pension liability - proportionate share							968,289
Net OPEB liability - proportionate share							\$ 634,412,075
Net position of governmental activities							

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

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	65						
	11	61	Special	71	21	41	
	General	Special	Revenue	Special	Debt	Permanent	Total
	Current	Revenue	School Activity	Revenue	Service	Improvement	Governmental
	Expense		Fund	ESSERF	Fund	Fund	
Revenues:							
Property taxes	\$ 139,235,573	\$ -	\$ -	\$ -	\$ 26	\$ -	\$139,235,599
Other Local sources	7,839,648	1,507,642	5,991,986	261,784	-	1,367,964	16,969,024
State sources	179,173,981	7,400,026	-	-	-	30,012,938	216,586,945
Federal sources	1,958,726	47,649,355	-	40,737,895	-	-	90,345,976
Total revenues	328,207,928	56,557,023	5,991,986	40,999,679	26	31,380,902	463,137,544
Expenditures:							
Instruction	158,377,833	28,249,103	3,863,176	15,140,059	-	-	205,630,171
Supporting services:							
Students	16,163,997	3,490,722	-	966,006	-	-	20,620,725
Instructional staff	1,755,197	5,735,895	-	728,521	-	-	8,219,613
General administration	2,474,329	42,086	-	107,397	-	-	2,623,812
School administration	17,670,940	220,838	-	62,146	-	-	17,953,924
Central Services	10,962,109	25,174	-	413,804	-	-	11,401,087
Operation and maintenance of facilities	36,543,070	193,132	-	1,880,877	-	-	38,617,079
Student transportation	19,038,062	112,372	-	173,327	-	-	19,323,761
Other support services	135	-	-	28,512	-	-	28,647
Food services	10,448	23,713,674	-	265,708	-	-	23,989,830
Community services	5,320,377	15,324	-	43,383	-	-	5,379,084
Capital outlay	816,654	247,572	-	19,755,888	-	38,211,605	59,031,719
Finance Leases:							
Principal payment expense	31,847,029	-	-	-	-	-	31,847,029
Interest Expense	500,028	-	-	-	-	-	500,028
Total expenditures	301,480,208	62,045,892	3,863,176	39,565,628	-	38,211,605	445,166,509
Excess (deficiency) of revenues over expenditures	26,727,720	(5,488,869)	2,128,810	1,434,051	26	(6,830,703)	17,971,035
Other financing sources (uses):							
Proceeds from disposal of real or personal property	169,509	-	-	-	-	-	169,509
Transfers in	4,765,369	7,868,075	660,419	-	-	3,540,000	16,833,863
Transfers (out)	(9,972,810)	(1,198,528)	(2,606,180)	(3,056,345)	-	-	(16,833,863)
Total other financing sources (uses)	(5,037,932)	6,669,547	(1,945,761)	(3,056,345)	-	3,540,000	169,509
Net change in fund balances	21,689,788	1,180,678	183,049	(1,622,294)	26	(3,290,703)	18,140,544
Fund balances - beginning	49,828,155	27,981,671	16,119,355	(2,166,335)	464	31,677,141	123,440,451
Prior period adjustments - (See Note 18)	(43,652)	-	-	-	-	-	(43,652)
Fund balances - beginning, as restated	49,784,503	27,981,671	16,119,355	(2,166,335)	464	31,677,141	123,396,799
Fund balances - ending	\$ 71,474,291	\$ 29,162,349	\$ 16,302,404	\$ (3,788,629)	\$ 490	\$ 28,386,438	\$141,537,343

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

**KANAWHA COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds \$ 18,140,544

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

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

Depreciation expense	(22,311,626)
Capital outlays	261,623,054

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

Amortization expense	(1,314,836)
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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	784,117
Operating Grants and Contributions	(3,098,947)

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

Cost of assets disposed	(198,774,972)
Accumulated depreciation of assets disposed	845,372

Differences in the ROU asset and accumulated amortization on ROU asset terminated agreements are reported as a loss and reduction in net position in the statement of activities.

Right-of-Use assets terminated	(132,000)
Accumulated amortization of assets terminated	132,000

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	(19,994)
--------------------------	----------

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.

29,227

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	2,970,510
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Cost of benefits earned net of employee contributions	(1,005,906)
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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	256,471
-----------------------------	---------

Cost of benefits earned net of employee contributions	1,119,974
---	-----------

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.

Change in net position of governmental activities	31,847,028
	\$ 91,090,016

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

KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2024

	Fiduciary Funds-Custodial KCPL General Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets:	
Cash and cash equivalents	\$ 9,503,976
Prepaid Expenses	452,490
Total assets	<u>9,956,466</u>
Deferred outflows of resources:	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 9,956,466</u></u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Liabilities:	
Accounts payable and accrued liabilities	\$ 212,271
Total liabilities	<u>212,271</u>
Deferred inflows of resources:	
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u><u>\$ 212,271</u></u>
Net Position:	
Restricted	9,956,466
Total Net Position:	<u><u>\$ 9,956,466</u></u>

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

**KANAWHA COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Fiduciary Funds- Custodial KCPL General Fund
Additions	
Other Local sources	\$ 8,606,519
State Sources	<u>931,260</u>
Total Additions	<u>9,537,779</u>
Deductions	
Supporting Services	<u>8,686,276</u>
Total deductions	<u>8,686,276</u>
Change in fiduciary net position	851,503
Fiduciary net position - beginning of the year (Restated - See Note 18)	<u>9,104,963</u>
Fiduciary net position - end of the year	<u><u>\$ 9,956,466</u></u>

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Note 1 - Summary of Significant Accounting Policies:

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

A. Reporting Entity:

The Kanawha County Board of Education (School Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school district and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all the non-charter 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 the provisions of this statement, the School Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable.

B. District-wide and fund financial statements:

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

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

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

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

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

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

D. Encumbrances:

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

E. Cash and Investments:

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

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

All deposit accounts and investments of the School Board at June 30, 2024 consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
Municipal Bond Commission	\$ 490	\$ 490	\$ 490
Money Market/Sweep Account or Bank public funds savings accounts	137,581,601	137,581,601	181,760,952
Certificates of Deposit	2,557,536	2,557,536	2,557,536
Deposits with financial institutions - Individual Schools	16,302,404	16,302,404	16,302,404
Total Cash and Investments	<u>\$ 156,442,031</u>	<u>\$ 156,442,031</u>	<u>\$ 200,621,382</u>

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 the event of a bank failure, the School Board's deposits may not be returned to it. The School Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

F. Food Service receivables:

The accounts receivable for the Food Service Program has been reduced by \$1,301,558 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the School Board.

G. Interfund receivables and payables:

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

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

H. Inventories:

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

I. Prepaid Items:

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

J. Capital Assets:

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the district-wide financial statements. The School Board defines capital assets as assets with an initial, individual cost of \$5,000 or more for land, furniture, vehicles, and equipment and \$100,000 for buildings and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at 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.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

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

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

K. Right-of-Use Assets

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

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

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 are also included.

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

The School Board defines SBITA right-of-use assets as a contract that grants the right to use IT software for a period of time in an exchange or exchange-like transaction. This subscription period must be for greater than 12 months including any option to renew if it is reasonably certain, based on all relevant factors, that the School Board will exercise that option.

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

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

L. Deferred Outflow of Resources:

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

Other Post Employment Benefit (OPEB) Liability:

It is the School Board's policy to permit employees to accumulate earned but unused sick pay benefits. Sick benefits can be accumulated for unlimited days and carried forward to the subsequent fiscal year. When separated from employment, employees' sick leave benefits are considered ended, and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board. The payment of health insurance premiums must be absorbed by the last agency employing the retiree and is included as part of the OPEB liability.

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

O. Long-term Obligations:

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is 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.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

P. Deferred Inflow of Resources

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

Q. Net Position:

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

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

R. Fund Equity:

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

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member School Board. Said specific purposes and amounts are recorded in the official School Board minutes of the fiscal year ended June 30, 2024. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the intent to use funds for specific purposes but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the School Board has assigned those amounts to the purposes of the respective funds.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

S. Elimination and Reclassifications:

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

T. Accounting Estimates:

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

U. Restricted Resources:

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

V. Newly Adopted Statements Issued by the GASB:

The Governmental Accounting Standards Board has also issued Statement No. 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 adoption of GASB Statement No. 100 did not have an impact on the School Board's financial statements.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

W. Recent Statements Issued by the GASB:

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.

The Governmental Accounting Standards Board has also issued Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide financial statement users with information about risks due to concentrations or constraints common in a governmental environment. The standard requires an assessment of whether any concentrations or constraints increase the government's vulnerability to significant impacts, and whether events associated with concentrations and/or constraints have occurred or are more likely than not to occur within one year of issuance of the financial statements. Further, additional detailed disclosures may be required in certain situations. The School Board has not yet determined the effect that the adoption of GASB Statement No. 102 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and address certain application issues identified through pre-agenda research conducted by the GASB. The School Board has not yet determined the effect that the adoption of GASB Statement No. 103 may have on its financial statements.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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, 2024:

<u>Fund</u>	<u>Amount</u>
Permanent Improvement Fund	<u>\$ 3,290,703</u>
Special Revenue ESSERF	<u>\$ 1,407,403</u>

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

The following funds have a deficit fund balance at June 30, 2024:

<u>Fund</u>	<u>Amount</u>
Special Revenue ESSERF	<u>\$ 3,573,738</u>

The Special Revenue ESSERF Fund had a deficit fund balance of \$3,573,738 as of June 30, 2024. The fund incurred expenditures for which reimbursement will be received in future years.

Note 3 - Risk Management:

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

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

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

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

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

Note 4 - Property Taxes:

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

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

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

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

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

The assessed valuations and levy rates levied by the School Board per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2024 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Public Library Excess Levy	Bond Purposes
Class I	\$ -	19.40¢	21.91¢	1.04¢	¢
Class II	\$ 4,108,498,226	38.80¢	43.82¢	2.08¢	¢
Class III	\$ 2,816,272,041	77.60¢	87.64¢	4.16¢	¢
Class IV	\$ 3,404,542,472	77.60¢	87.64¢	4.16¢	¢

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

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

Taxes Receivable

Taxes receivable as of June 30, 2024 for the School Board's funds are as follows:

	General Current Expense <u>Fund</u>
Taxes receivable	\$ 17,664,602
Less: allowance for uncollectible	<u>(7,008,979)</u>
Taxes receivable, net	<u>\$ 10,655,623</u>

Note 5 - Excess Levy:

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

A total of \$69,543,520 was received by the School Board from the excess levy during the fiscal year ended June 30, 2024.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, non-depreciable:				
Land	\$ 6,379,956	\$ -	\$ -	\$ 6,379,956
Construction in process	240,296,030	62,002,374	(197,890,193)	104,408,211
Total non-depreciable capital assets	246,675,986	62,002,374	(197,890,193)	110,788,167
Capital assets, depreciable:				
Land improvements	30,044,481	29,109,526	-	59,154,007
Buildings and improvements	330,274,186	152,710,162	-	482,984,348
Furniture and equipment	84,063,185	17,800,992	(884,779)	100,979,398
Vehicles	-	-	-	-
Total depreciable capital assets	444,381,852	199,620,680	(884,779)	643,117,753
Right-of-use assets, amortized:				
SBITAs - software	6,784,539	-	(132,000)	6,652,539
Total amortized Right-of-use assets	6,784,539	-	(132,000)	6,652,539
Less accumulated depreciation/amortization for:				
Land improvements	(17,925,730)	(2,214,148)	-	(20,139,878)
Buildings and improvements	(154,494,149)	(12,563,920)	-	(167,058,069)
Furniture and equipment	(60,944,206)	(7,533,558)	845,372	(67,632,392)
SBITAs - software	(2,306,826)	(1,314,836)	132,000	(3,489,662)
Total accumulated depreciation	(235,670,911)	(23,626,462)	977,372	(258,320,001)
Total depreciable capital assets, net	215,495,480	175,994,218	(39,407)	391,450,291
Total capital assets, net	\$ 462,171,466	\$ 237,996,592	\$ (197,929,600)	\$ 502,238,458

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

Instruction	\$ 14,282,904
Supporting Services:	
Students	1,300,446
Instructional Staff	518,370
Central administration	165,471
School administration	1,132,264
Business	719,010
Operation and maintenance of facilities	2,435,386
Transportation	1,218,653
Other support services	1,807
Food services	1,512,919
Community Services	339,232
Total depreciation/amortization expense - governmental activities	<u>\$ 23,626,462</u>

Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2024 is as follows:

	Balance, Beginning of Year	Restatement	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
Compensated absences	\$ 1,429,854	\$ -	\$ 19,994	\$ -	\$ 1,449,848	\$ -	\$ 1,449,848
Finance obligations	43,304,335	-	-	31,847,029	11,457,306	4,080,649	7,376,657
Proportionate share of net pension liability	8,426,210	-	2,919,579	-	11,345,789	-	11,345,789
Long-term liabilities	<u>\$ 53,160,399</u>	<u>\$ -</u>	<u>\$ 2,939,573</u>	<u>\$ 31,847,029</u>	<u>\$ 24,252,943</u>	<u>\$ 4,080,649</u>	<u>\$ 20,172,294</u>

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Note 8 - Leases that Transfer Ownership (Finance Lease Obligations):

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

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 are also included. These assets are amortized using the straight-line method over the shorter period of the lease term or the useful life of the asset. The Board did not have any right of use assets.

The following summarizes the finance lease liabilities of the Board as of June 30, 2024:

The School Board has entered into a finance lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby energy conservation lighting equipment has been installed in several of the schools. The equipment is leased from Banc of America Public Capital Corporation for a period of twelve years beginning March 31, 2016. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2024, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2025	\$ 705,000
2026	386,397
Total minimum lease payments	1,091,397
Less amount representing interest	44,769
Present value of minimum lease payments	<u>\$ 1,046,628</u>

The School Board has entered into a finance lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for the construction of Edgewood Elementary School. The equipment is leased from Banc of America Public Capital Corporation for a period of fifteen years beginning July 26, 2012. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2024, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2025	\$ 156,000
2026	150,334
2027	144,667
2028	139,000
Total minimum lease payments	590,001
Less amount representing interest	<u>56,667</u>

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Present value of minimum lease payments	\$ 533,334
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The School Board entered into a finance lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby instructional technology equipment has been implemented in several of the schools. The equipment is leased from Apple Financial Services for a period of four years beginning March 15, 2024. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2024, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2025	\$ 2,552,419
2026	2,552,419
2027	2,552,419
Total minimum lease payments	7,657,257
Less amount representing interest	121,787
Present value of minimum lease payments	\$ 7,535,470

The School Board entered into a finance lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby instructional technology equipment has been implemented in several of the schools. The equipment is leased from Apple Financial Services for a period of four years beginning May 15, 2024. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2024, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2025	\$ 793,240
2026	793,241
2027	793,241
Total minimum lease payments	2,379,722
Less amount representing interest	37,850
Present value of minimum lease payments	\$ 2,341,872

Note 9 - Short-Term Leases and Right-of-Use Assets:

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, 2024 were \$460,635.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

Subscription-Based Information Technology Agreements (SBITAs), contracts that convey control of the right-to use another party's IT software for a term longer than 12 months, require the School Board to recognize a right-of-use asset and the related SBITA liability. SBITAs are reported in the district-wide financial statements and are recorded at the present value of the payments expected to be made during the agreement term, including any payments made to the vendor at the commencement of the subscription term, capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. These assets are amortized using the straight-line method over the shorter period of the subscription term or the useful life of the asset.

The School Board entered into various SBITA agreements for the purchase of various software leases which cover different years and subscription periods. At the end of the contract period, the School Board will not have ownership of the subscription software. All of the subscription payments are paid in the year incurred and no SBITA lease liability exists.

Right-of Use asset balances and activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Restatement	Additions	Eliminations	Ending Balance
Right-of-use Assets:					
SBITAs	\$ 6,784,539	\$ -	\$ -	\$(132,000)	\$6,652,539
Total lease assets	6,784,539	\$ -	\$ -	\$(132,000)	\$6,652,539
Less accumulated Amortization for:					
SBITAs	(2,306,826)	-	(1,314,836)	132,000	(3,489,662)
Total accumulated amortization	(2,306,826)	-	(1,314,836)	132,000	(3,489,662)
Total right-of-use assets, net	\$ 4,477,713	\$ -	\$(1,314,836)	\$ -	\$ 3,162,877

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

Instruction	\$ 1,314,836
Total amortization expense - governmental activities	\$ 1,314,836

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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, 2024, the School Board's total payroll for all employees was \$194,526,302 and the payroll was \$174,100,815 for employees covered by the two retirement programs.

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

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

A. Teachers' Retirement System (TRS):

Plan Description:

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

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

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

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

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

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

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

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

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

At June 30, 2024, the School Board reported a liability for its proportionate share of the TRS net pension liability that reflected a reduction for State pension support provided to the School Board. The amount recognized by the School Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School Board were as follows:

School Board's proportionate share of the net pension liability	\$ 11,345,789
State's proportionate share of the net pension liability associated with the School Board.	<u>139,917,982</u>
Total portion of net pension liability associated with the school board	<u><u>\$ 151,263,771</u></u>

The TRS net pension liability was measured as of June 30, 2023, and the total pension liability was determined by an actuarial valuation as of July 1, 2022 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, 2023, the School Board's proportion was 0.495578 percent, which was an increase of 0.16 from its proportion measured as of June 30, 2022 at 0.327605 percent.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

For the year ended June 30, 2024, the School Board recognized pension expense of \$18,642,867 and for support provided by the State, revenue of \$17,636,961. At June 30, 2024, 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	\$ 199,842	\$ -
Differences between expected and actual experience	414,169	28,510
Changes in proportion and differences between School Board contributions and proportionate share of contributions	3,966,297	2,423,580
Changes in assumptions	478,817	-
District contributions subsequent to the measurement date	2,970,510	-
Total	\$ 8,029,635	\$ 2,452,090

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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years ending June 30,</u>	
2025	\$ 841,386
2026	(89,425)
2027	1,244,680
2028	579,782
2029	30,612
Thereafter	-
Total	\$ 2,607,035

Actuarial Assumptions:

For TRS, the actuarial assumptions used in the July 1, 2022 valuation, with update procedures used to roll forward the total pension liability to June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are as follows:

Actuarial cost method: Individual entry age normal cost with level percentage of payroll
Asset valuation method: Fair value
Amortization method: Level dollar, fixed period
Amortization Period: Through Fiscal Year 2034

Actuarial assumptions:

Investment rate of return: 7.25%, net of investment expense

Projected salary increases:

Educators: 2.75% - 5.90%
Non-Educators: 2.75% - 6.50%

Inflation rate: 2.75%

Discount rate: 7.25%

Mortality rates:

*Active-*100% of Pub-2010 General Employee Table, headcount-weighted, projected with Scale MP-2019

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Healthy Male Retirees-100% of Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019

Healthy Female Retirees-112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019

Disabled Males-107% of Pub-2010 General /Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019

Disabled Females-113% of Pub-2010 General /Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019

Beneficiary Males-101% of Pub-2010 Contingent Survivor Male Table, headcount-weighted, projected with Scale MP-2019

Beneficiary Females-113% of Pub-2010 Contingent Survivor Female Table, headcount-weighted, projected with Scale MP-2019

Withdrawal rates:

Educators 7.00% - 35.00%

Non-Educators 2.30% - 18.00%

Disability rates: 0.004% - 0.563%

Retirement rates: 15% - 100%

Date range of most recent experience study: 2015 - 2020

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 weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and best estimates of long-term geometric rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.5%	6.3%
International Equity	27.5%	9.1%
Fixed Income	15.0%	4.3%
Real Estate	10.0%	5.8%
Private Equity	10.0%	9.2%
Hedge Funds	10.0%	4.6%
Total	100.0%	

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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	Current Discount Rate	1.0% Increase
	6.25%	7.25%	8.25%
School Board's proportionate share of the TRS net pension liability	<u>\$ 17,424,270</u>	<u>\$ 11,345,789</u>	<u>\$ 6,186,794</u>

Payables to the pension plan:

At June 30, 2024, the School Board reported a liability of \$3,160,040 for its unpaid legally required contributions to the pension plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

B. Teachers' Defined Contribution Retirement System:

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

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

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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, 2023, this plan had approximately \$9.4 billion in net position held in trust for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West Retirement Services, an independent third party administrator.

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

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

Total payments reflected in the School Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2024 were:

Employees' contributions (4.5%)	\$	88,197
Employer's contributions (7.5%)		146,994
Total contributions	\$	<u>235,191</u>

Note 10 - Post-Employment Benefits Other Than Pension:

General Information:

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

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

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

Plan Description:

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

**KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024**

receiving pension benefits under the PERS, TRS, TDCRS, TIAA-CREF, Plan G, Troopers Plan A or Troopers Plan B pension systems, as administered by the CPRB.

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

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

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

Benefits provided:

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

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, 2024 and 2023, respectively, were:

	<u>2024</u>	<u>2023</u>
PAYGO premium	\$0	\$70

Contributions to the OPEB plan from the School Board were \$256,471 for the year end June 30, 2024. Employees are not required to contribute to the OPEB plan.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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

The State is a non-employer 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.

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

At June 30, 2024, the School Board reported a liability (asset) 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 (asset), the related State support, and the total portion of the net OPEB liability (asset) that was associated with the School Board were as follows:

School Board's proportionate share of the net OPEB liability (asset)	\$ (968,289)
State's proportionate share of the net OPEB liability (asset) associated with the School Board.	(3,957,995)
Total portion of net OPEB liability (asset) associated with the school board	<u>\$ (4,926,284)</u>

The RHBT OPEB actuarial valuation, which was used as the underlying basis for certain information in the Schedules, is as of June 30, 2022, was based on a measurement date of June 30, 2023, 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, 2024, financial reporting.

For the year ended June 30, 2023, the School Board's proportion was .611876548 percent, which was a decrease of 0.042753412 from its proportion measured as of June 30, 2022 at .654629960 percent.

For the year ended June 30, 2024, the School Board recognized OPEB expense of \$(12,196,038) and for support provided by the State, revenue of \$(11,076,064). At June 30, 2024, 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
Difference between projected and actual investment earnings	\$ -	\$ 16,148
Differences between expected and actual non-investment experience	-	563,648
Changes in proportion and differences between School Board contributions and proportionate share of contributions	41,372	209,177
Changes in assumptions	266,998	540,227
School Board contributions subsequent to the measurement date	256,471	-
Total	<u>\$ 564,841</u>	<u>\$ 1,329,200</u>

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Years ending June 30,</u>		
2025	\$	(554,762)
2026		(444,138)
2027		14,100
2028		(36,030)
2029		-
Thereafter		-
Total	\$	<u>(1,020,830)</u>

Actuarial Assumptions:

The net OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions. These assumptions were based on the results of an actuarial experience study for the period July 1, 2015, to June 30, 2020, and apply to all periods included in the measurement, unless otherwise specified.

Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level percentage of payroll, closed
Amortization period:	20-year closed period as of June 30, 2017
Asset valuation method:	Market value
Investment rate of return:	7.40%, net of OPEB plan investment expense, including inflation
Inflation:	2.50%
Wage inflation:	2.75% for PERS and TRS, and 3.25% for Troopers
Salary increases:	Rates based on 2015-2020 OPEB Experience Study and dependent on pension plan participation and attained age, and range from 2.75% to 5.18%, including inflation. Rates were first applied to the 2020 valuation.
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.
Mortality:	Postretirement: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A & B.
Healthcare cost trend rates:	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.
Aging factors:	Based on the 2013 SOA Study "Health Care Costs From Birth to Death"

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Expenses:

Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.

Investment Asset Allocation:

The long-term rates of return on OPEB plan investments was determined using a building-block method in which estimates of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan's investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected return for the Money Market Pool held with the West Virginia Board of Treasury Investments ("WV-BTI") was estimated based on the WV-IMB assumed inflation of 2.0% plus a 25-basis point spread.

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

Asset Class	Target Allocation	Long-term Rates of Return
Global Equity	55.0%	4.8%
Core Plus Fixed Income	15.0%	2.1%
Core Real Estate	10.0%	4.1%
Hedge Fund	10.0%	2.4%
Private Equity	10.0%	6.8%
Total	<u>100.0%</u>	

A single discount rate of 7.40% 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 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the prefunding and investment policies. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the School Board's proportionate share of its net OPEB liability calculated using the current discount rate of 7.40% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease 6.40%	Current Discount Rate 7.40%	1.0% Increase 8.40%
School Board's proportionate share of the RHBT net OPEB liability (asset)	<u>\$ (163,842)</u>	<u>\$ (968,289)</u>	<u>\$ (1,850,582)</u>

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Healthcare Cost Trend Rate:

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

	1.0% Decrease	Current Healthcare Cost Trend Rate	1.0% Increase
School Board's proportionate share of the RHBT net OPEB liability (asset)	<u>\$ (2,466,633)</u>	<u>\$ (968,289)</u>	<u>\$ 813,527</u>

Payables to the OPEB Plan:

At June 30, 2024, the School Board reported a liability of \$0 for its unpaid legally required contributions to the OPEB plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

Opt-Out Employer Balance Reallocation

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

Note 11 - Pending Litigation:

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

Note 12 - Payments on Behalf:

The School Board may receive commitments or payments made by the State or an intermediate governmental jurisdiction for the benefit of the School Board or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the State or an intermediate unit on behalf of the Board's employees for services rendered to the School Board. The revenues recorded as payments on behalf of the School Board for fiscal year 2024 are as follows:

Retirement allocation by the State	\$ 10,224,962
Unfunded retirement liability allocation by the State	26,909,141
PEIA allocations from the State	24,169,689

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

Note 13 - Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2024 are as follows:

Fund Balances	General Current Expense Fund	Special Revenue Fund	Special Revenue School Activity Fund	Special Revenue ESSERF Fund	Debt Service Fund	Permanent Improvement Fund	Total Governmental Funds
Restricted for:							
Special Projects	-	28,947,458	16,302,404	-	-	-	45,249,862
Capital Projects	-	-	-	-	-	28,386,438	28,386,438
Debt Service	-	-	-	-	490	-	490
Excess Levies	49,216	-	-	-	-	-	49,216
Assigned to:							
See note disclosure	63,655,644	-	-	-	-	-	67,090,017
Encumbrances	7,769,431	-	-	-	-	-	7,769,431
Unassigned (Deficit)	-	-	-	(3,573,738)	-	-	(3,573,738)
Total fund balances	\$ 71,474,291	\$ 28,947,458	\$ 16,302,404	\$ (3,573,738)	\$ 490	\$ 28,386,438	\$ 141,537,343

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

<u>Program</u>	<u>Amount</u>
Regular Education Programs	\$ 19,910,985
Special Education Programs	3,500,000
Transfers and Reserves	19,000,000
Support Services	21,244,659
Total	\$ 63,655,644

Note 14 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling \$16,588,406 as of June 30, 2024 in the following funds:

General Current Expense Fund	Special Revenue Fund	Special Revenue - Federal Stimulus and Stabilization Fund	Permanent Improvement Fund
<u>\$ 7,769,431</u>	<u>\$ 1,025,778</u>	<u>\$ 7,006,407</u>	<u>\$ 786,790</u>

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

As of June 30, 2024 the following commitments for construction and other capital improvements existed, which are included in the restricted fund balance reflected in the accompanying financial statements:

Clendenin Flood Recovery Work	\$ 5,565,089
Hoover Flood Recovery Work	349,068
Laidley Field Renovations	2,508,737
Cedar Grove Renovations	834,900
Capital High Gym Renovations	377,995
Elk Elementary Center Pool Renovations	1,000
George Washington High Renovations	140,600
ESSERF Project	8,313,370
Energy Savings Projects	545,880
	<u>\$ 18,636,639</u>

A devastating flood on June 23-25, 2016 in the Elk River area of Kanawha County caused damage to four schools: Herbert Hoover High School, Elkview Middle School, Clendenin Elementary School, and Bridge Elementary School. As a result of the severe damage to the building structures of Herbert Hoover High School and Clendenin Elementary School, those two school buildings were demolished and new school facilities rebuilt at other locations above the flood plain. FEMA considered both school buildings to be destroyed by its standards. FEMA will reimburse 90% of the costs to construct the new school buildings. Should the Board not receive this FEMA reimbursement, this could result in a significant issue for the Board. The new Herbert Hoover High School opened in the fall of 2023. The new Clendenin Elementary School opened in the fall of 2024.

During the fiscal year ended June 30, 2018, the school system was awarded four SBA grants for flood recovery work: \$484,141 for the demolition of Clendenin Elementary School, \$2,900,304 for the demolition of Herbert Hoover High School, \$1,106,373 for architectural and engineering fees relating to the new construction of Clendenin Elementary School, and \$3,654,218 for architectural and engineering fees relating to the new construction of Herbert Hoover High School. During the fiscal year ended June 30, 2020 the school board was awarded an SBA grant for construction of the new Herbert Hoover High School in the amount of \$69,754,181. This grant was increased to \$103,011,886 in fiscal year 2023. During the fiscal year ended June 30, 2022 a grant in the amount of \$31,812,394 was awarded from the SBA for construction of the new Clendenin Elementary. The grant was increased in fiscal year 2024 to \$45,812,575.

During the fiscal year ended June 30, 2023 the School Board was awarded a grant of \$10.5 million for renovations and additions to Cedar Grove Elementary School. Total project costs are estimated at \$13.8 million with the Boards share being approximately \$3.3 million.

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. The 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.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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, 2024, has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The final cost settlement for the fiscal year ended June 30, 2023, was received by the School Board during June 2024. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The final cost settlement for the fiscal year ended June 30, 2024, will not be available until spring or summer of 2025. 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 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, 2024 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Fund	General Current Expense Fund	\$ 19,325,013
General Current Expense Fund	Special Revenue Federal Stimulus	6,886,554
Library Excess Fund	General Current Expense Fund	4,624
Permanent Improvement Fund	General Current Expense Fund	\$ 44,428

During the year ended June 30, 2024, interfund transfers were made as follows:

- The General Current Expense Fund transferred \$6,420,316 to the Special Revenue Fund for state unfunded mandates relating to staff development and for state funded support of the food service program.
- The General Current Expense Fund transferred \$3,540,000 to the Permanent Improvements Fund for new school building construction and for improvements to existing school buildings in accordance with provisions of the excess levy ballot.
- The Special Revenue Fund transferred \$550,603 to the General Current Expense fund for indirect cost expenditures.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

- The Special Revenue Fund transferred \$647,925 to the School Activity Fund for faculty senate activities.
- The School Activity Fund transferred \$1,375,082 to the General Current Expense Fund for school operating costs.
- The School Activity Fund transferred \$1,231,099 to the Special Revenue Fund for operating costs and food service collections.
- The Federal Stimulus and Stabilization Fund transferred \$2,839,684 to the General Current Expense fund for indirect costs.
- The Federal Stimulus and Stabilization Fund transferred \$216,661 to the Special Revenue Fund for grant related expenditures.
- The General Current Expense Fund transferred \$12,494 to the School Activity fund for payment of extracurricular fees.

Note 16 - Major Sources of Revenue:

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

Note 17 - COVID 19 Pandemic:

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

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

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For The Fiscal Year Ended June 30, 2024

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 2024, provided federal stimulus dollars to assist local school districts during the Covid-19 pandemic. As a State, West Virginia received approximately \$761.4 million dollars under the ARP Act, and approximately \$738.6 million of those dollars were specifically put into a fund titled ARP ESSER to support schools in safely reopening and sustaining the safe operation of schools while meeting the academic, social, emotional, and mental health needs of students resulting from the coronavirus disease 2019 ("COVID-19") pandemic. The School Board received \$82,047,371 from these funds to help mitigate the expenses incurred directly from COVID-19.

Note 18 - Restatement:

The fund balance was restated at July 1, 2023 to reflect grants that were overdrawn.

	Governmental Activities
Beginning net position as previously reported at June 30, 2023	\$ 543,365,711
Grants overdrawn	(43,652)
Net position as restated, July 1, 2023	<u>\$ 543,322,059</u>

	General Fund
Beginning net position as previously reported at June 30, 2023	\$ 49,828,155
Grants overdrawn	(43,652)
Net position as restated, July 1, 2023	<u>\$ 49,784,503</u>

The KCPL fund balance was restated at 7/1/2023 to incorporate fund from the Capital Project fund which was eliminated. The Capital Projects fund ending balance of \$236,557 was added to the General Fund Balance of \$8,868,406.

	General Fund	Capital Projects Fund
Beginning net position as previously reported at June 30, 2023	\$ 8,868,406	\$ 236,557
Restatement Amount	236,557	(236,557)
Net position as restated, July 1, 2023	<u>\$ 9,104,963</u>	<u>\$ -</u>

REQUIRED SUPPLEMENTARY INFORMATION

KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL CURRENT EXPENSE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	
	Regulatory Basis		GAAP	
	Original	Final	Basis	Variance With
			Amounts	Final Budget
Revenues:				
Property taxes	\$ 129,289,860	\$ 127,744,631	\$ 139,235,573	\$ 11,490,942
Other Local sources	1,413,000	7,268,547	7,839,648	571,101
State sources	173,723,106	178,576,217	179,173,981	597,764
Federal sources	750,000	2,187,852	1,958,726	(229,126)
Total revenues	305,175,966	315,777,247	328,207,928	12,430,681
Expenditures:				
Instruction	164,267,527	194,372,210	158,377,833	35,994,377
Supporting services:				
Students	15,277,037	16,626,060	16,163,997	462,063
Instructional staff	2,015,155	3,053,660	1,755,197	1,298,463
General administration	2,734,667	3,095,110	2,474,329	620,781
School administration	17,360,255	18,029,691	17,670,940	358,751
Central services	10,318,782	14,392,129	10,962,109	3,430,020
Operation and maintenance of facilities	36,810,441	40,414,810	36,543,070	3,871,740
Student transportation	16,221,395	21,358,599	19,038,062	2,320,537
Other	-	950	135	815
Food services	-	-	10,448	(10,448)
Community services	3,682,569	5,341,293	5,320,377	20,916
Capital outlay	-	1,233,789	816,654	417,135
Finance Leases:				
Principal payment expense	30,043,389	37,800,020	31,847,029	5,952,991
Interest Expense	500,000	500,000	500,028	(28)
Total expenditures	299,231,217	356,218,321	301,480,208	48,785,150
Excess (deficiency) of revenues over expenditures	5,944,749	(40,441,074)	26,727,720	61,215,831
Other financing sources (uses):				
Proceeds from disposal of real or personal property	-	-	169,509	169,509
Transfers in	5,744,958	5,946,504	4,765,369	(1,181,135)
Transfers (out)	(16,089,707)	(15,289,933)	(9,972,810)	5,317,123
Total other financing sources (uses)	(10,344,749)	(9,343,429)	(5,037,932)	4,305,497
Change in fund balances	(4,400,000)	(49,784,503)	21,689,788	71,474,291
Fund balances - beginning	4,400,000	49,784,503	49,828,155	43,652
Fund balances - ending	\$ -	\$ -	\$ 71,517,943	\$ 71,517,943

See notes to the required supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	
	Regulatory Basis		GAAP	
	Original	Final	Basis	Variance With
			Amounts	Final Budget
Revenues:				
Local sources	\$ 73,548	\$ 2,423,765	\$ 1,507,642	\$ (916,123)
State sources	4,947,301	7,489,550	7,400,026	(89,524)
Federal sources	40,013,701	61,892,806	47,649,355	(14,243,451)
Total revenues	45,034,550	71,806,121	56,557,023	(15,249,098)
Expenditures:				
Instruction	7,599,340	39,263,611	28,249,103	11,014,508
Supporting services:				
Students	1,835,330	4,274,721	3,490,722	783,999
Instructional staff	3,275,360	7,619,449	5,735,895	1,883,554
General administration	20,340	42,086	42,086	-
School administration	263,000	452,132	220,838	231,294
Central services	-	259,530	25,174	234,356
Operation and maintenance of facilities	172,180	460,227	193,132	267,095
Student transportation	-	404,342	112,372	291,970
Food services	22,195,307	28,157,026	23,713,674	4,443,352
Community services	-	28,180	15,324	12,856
Capital outlay	-	292,572	247,572	45,000
Total expenditures	35,360,857	81,253,876	62,045,892	19,207,984
Excess (deficiency) of revenues over expenditures	9,673,693	(9,447,755)	(5,488,869)	3,958,886
Other financing sources (uses):				
Transfers in	6,173,073	5,840,786	7,653,184	1,812,398
Transfers (out)	(15,846,766)	(3,189,869)	(1,198,528)	1,991,341
Total other financing sources (uses)	(9,673,693)	2,650,917	6,454,656	3,803,739
Change in fund balances	-	(6,796,838)	965,787	7,762,625
Fund balances - beginning	-	6,796,838	27,981,671	21,184,833
Fund balances - ending	\$ -	\$ -	\$ 28,947,458	\$ 28,947,458

See notes to the required supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND SCHOOL ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis	Variance With Final Budget
	Original	Final	Amounts	
Revenues:				
Local sources	\$ -	\$ -	\$ 5,991,986	\$ 5,991,986
Total revenues	-	-	5,991,986	5,991,986
Expenditures:				
Instruction	-	-	3,863,176	(3,863,176)
Total expenditures	-	-	3,863,176	(3,863,176)
Excess (deficiency) of revenues over expenditures	-	-	2,128,810	2,128,810
Other financing sources (uses):				
Transfers in	-	-	660,419	660,419
Transfers (out)	-	-	(2,606,180)	(2,606,180)
Total other financing sources (uses)	-	-	(1,945,761)	(1,945,761)
Change in fund balances	-	-	183,049	183,049
Fund balances - beginning	-	-	16,119,355	16,119,355
Fund balances - ending	\$ -	\$ -	\$ 16,302,404	\$ 16,302,404

See notes to the required supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - ESSERF
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Actual	
	Regulatory Basis		GAAP	Regulatory	
	Original	Final	Basis	Basis	Variance With
			Amounts	Amounts	Final Budget
Revenues:					
Local sources	\$ -	\$ -	\$ 261,784	\$ 261,784	\$ 261,784
Federal sources	40,548,480	48,934,241	40,737,895	40,737,895	(8,196,346)
Miscellaneous sources	-	214,891	-	-	(214,891)
Total revenues	40,548,480	49,149,132	40,999,679	40,999,679	(8,149,453)
Expenditures:					
Instruction	2,572,060	18,332,726	15,140,059	15,140,059	3,192,667
Supporting services:					
Students	1,138,100	1,005,114	966,006	966,006	39,108
Instructional staff	-	1,258,915	728,521	728,521	530,394
General administration	73,100	127,853	107,397	107,397	20,456
School Administration	43,460	65,783	62,146	62,146	3,637
Central services	420,590	640,768	413,804	413,804	226,964
Operation and maintenance of facilities	790,800	2,759,372	1,880,877	1,880,877	878,495
Student transportation	63,950	740,601	173,327	173,327	567,274
Other	-	46,710	28,512	28,512	18,198
Food services	-	243,326	265,708	265,708	(22,382)
Community services	-	8,204	43,383	43,383	(35,179)
Capital outlay	-	25,990,124	19,755,888	19,755,888	6,234,236
Total expenditures	5,102,060	51,219,496	39,565,628	39,565,628	11,653,868
Excess (deficiency) of revenues over expenditures	35,446,420	(2,070,364)	1,434,051	1,434,051	3,504,415
Other financing sources (uses):					
Transfers in	-	-	214,891	214,891	214,891
Transfers (out)	(35,446,420)	(2,233,696)	(3,056,345)	(3,056,345)	(822,649)
Total other financing sources (uses)	(35,446,420)	(2,233,696)	(2,841,454)	(2,841,454)	(607,758)
Change in fund balances	-	(4,304,060)	(1,407,403)	(1,407,403)	2,896,657
Fund balances - beginning	-	4,304,060	(2,166,335)	(2,166,335)	(6,470,395)
Fund balances - ending	\$ -	\$ -	\$ (3,573,738)	\$ (3,573,738)	\$ (3,573,738)

See notes to the required supplementary information.

KANAWHA COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.495578%	0.327605%	0.484419%	0.451475%	0.396254%	0.322506%	0.528854%	0.453215%	0.305900%	0.210236%
Board's proportionate share of the net pension liability (asset)	\$ 11,345,789	\$ 8,426,210	\$ 8,426,210	\$ 7,570,393	\$ 14,541,750	\$ 11,789,229	\$ 10,069,457	\$ 18,626,367	\$ 10,600,199	\$ 7,253,350
State's proportionate share of the net pension liability (asset) associated with the board.	<u>139,917,982</u>	<u>121,542,147</u>	<u>121,542,147</u>	<u>120,914,141</u>	<u>237,261,493</u>	<u>189,196,235</u>	<u>179,887,604</u>	<u>258,434,675</u>	<u>184,217,148</u>	<u>145,946,842</u>
Total	<u>\$ 151,263,771</u>	<u>\$ 129,968,357</u>	<u>\$ 129,968,357</u>	<u>\$ 128,484,534</u>	<u>\$ 251,803,243</u>	<u>\$ 200,985,464</u>	<u>\$ 189,957,061</u>	<u>\$ 277,061,042</u>	<u>\$ 194,817,347</u>	<u>\$ 153,200,192</u>
Board's covered payroll	\$ 151,627,480	\$ 148,136,416	\$ 148,136,416	\$ 145,964,583	\$ 149,174,693	\$ 142,762,892	\$ 140,349,992	\$ 143,878,425	\$ 144,108,883	\$ 136,262,571
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.483%	5.688%	5.688%	5.186%	9.748%	8.258%	7.175%	12.946%	7.356%	5.323%
Plan fiduciary net position as a percentage of the total pension liability	80.42%	77.78%	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%	65.95%

See notes to the required supplementary information.

**KANAWHA COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's contractually required contribution	\$ 12,295,472	\$ 11,788,010	\$ 11,647,622	\$ 11,369,092	\$ 11,369,092	\$ 11,504,950	\$ 11,323,666	\$ 12,220,452	\$ 12,391,873	\$ 12,732,682
Contributions in relation to the contractually required contribution	<u>(12,295,472)</u>	<u>(11,788,010)</u>	<u>(11,647,622)</u>	<u>(11,369,092)</u>	<u>(11,369,092)</u>	<u>(11,504,950)</u>	<u>(11,323,666)</u>	<u>(12,220,452)</u>	<u>(12,391,873)</u>	<u>(12,732,682)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$160,214,214	\$151,627,480	\$148,136,416	\$148,136,416	\$145,964,583	\$149,174,693	\$142,762,892	\$140,349,992	\$143,878,425	\$144,108,883
Contributions as a percentage of covered payroll	7.674%	7.774%	7.863%	7.675%	7.789%	7.712%	7.932%	8.707%	8.613%	8.835%

See notes to the required supplementary information.

KANAWHA COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.611877%	0.654630%	0.648204%	0.678328%	0.618356%	1.098109%	0.511456%
Board's proportionate share of the net OPEB liability (asset)	\$ (968,289)	\$ 728,595	\$ (192,742)	\$ 2,996,119	\$ 10,259,346	\$ 23,559,234	\$ 12,576,645
State's proportionate share of the net OPEB liability (asset) associated with the board	(3,957,995)	2,930,723	(869,958)	13,883,548	46,676,274	60,892,083	58,819,639
Total	<u>\$ (4,926,284)</u>	<u>\$ 3,659,318</u>	<u>\$ (1,062,700)</u>	<u>\$ 16,879,667</u>	<u>\$ 56,935,620</u>	<u>\$ 84,451,317</u>	<u>\$ 71,396,284</u>
Board's covered payroll	\$ 140,451,753	\$ 138,770,371	\$ 138,212,430	\$ 14,234,548	\$ 139,199,657	\$ 136,965,150	\$ 136,679,069
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-0.689%	0.525%	-0.139%	21.048%	7.370%	17.201%	9.202%
Plan fiduciary net position as a percentage of the total OPEB liability	109.66%	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%

Data prior to 2017 is unavailable.

See notes to the required supplementary information.

**KANAWHA COUNTY, WEST VIRGINIA, BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's contractually required contribution	\$ 256,471	\$ 3,990,871	\$ 4,187,274	\$ 5,909,234	\$ 5,844,851	\$ 6,554,033	\$ 6,630,029
Contributions in relation to the contractually required contribution	(256,471)	(3,990,871)	(4,187,274)	(5,909,234)	(5,844,851)	(6,554,033)	(6,630,029)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$144,944,925	\$ 140,451,753	\$138,770,371	\$138,212,430	\$ 14,234,548	\$139,199,657	\$136,965,150
Contributions as a percentage of covered payroll	0.177%	2.841%	3.017%	4.275%	41.061%	4.708%	4.841%

Data prior to 2018 is unavailable.

See notes to the required supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2024

A. Budgets and Budgetary Accounting:

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

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

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

B. Excess of Expenditures over Appropriations:

For the year ended June 30, 2024, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

GENERAL CURRENT EXPENSE FUND:

<u>Function</u>	<u>Amount</u>
Food Services	\$ 10,448

STUDENT ACTIVITY FUND

<u>Function</u>	<u>Amount</u>
Instruction	\$ 3,863,176

ESSERF FUND

<u>Function</u>	<u>Amount</u>
Food Service	\$ 22,382
Community Services	\$ 35,179

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

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2024

C. Changes in Assumptions

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

Inflation	2021-23	2015 – 2020:	2014:		
	2.75%	3%	2.2%		
Salary Increases	2021-23	2020:	2018-2019:	2016-2017:	2014-2015:
	Educators: 2.75%-5.90% Non-Educators: 2.75%-6.50%	State – 3.00%-6.00% Non-State 3.00%-6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.50%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.00 to 6.00%	For teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.75-5.25%. For non-teacher members, salary increases are based on member experience, dependent on age and gender, ranging from 3.40-6.50%.
Investment Rate of Return	2021-23	2014-2020:			
	7.25 %, net of pension plan investment expense	7.5 %, net of pension plan investment expense, including inflation			
Mortality	2022-23	2020-2021:	2016-2019:	2014-15:	
	Active: 100% of Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males – 100% of Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019; healthy females – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019; disabled females – 113% of Pub-2010	Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males – Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019; healthy females – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019; disabled females – 113% of Pub-2010 General/Teachers	Active: RP-2000, Non-Annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis, healthy females – 94% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96 % of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis, disabled females – 101% of RP-2000 Disabled Annuitant table, projected with	Active – RP2000, non-annuitant monthly mortality table, retired – RP2000 healthy annuitant, scale AA; disabled – RP2000 disabled annuitant mortality table, scale AA.	

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2024

	General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019	Disabled Female Table, headcount-weighted, projected with Scale MP-2019	Scale AA on a fully generational basis.		
Discount Rate	2021-23 7.25%	2014-2020: 7.5%			

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2017-2019</u>
Inflation	2.50%	2.25%	2.25%	2.25%	2.75%
Salary Increases	Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	Dependent upon pension system. Ranging from 3.0% to 6.5%
Investment Rate of Return	7.40%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation	7.15%, net of OPEB plan investment expense, including inflation
Mortality	Postretirement: Pub-2010 General Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Tables (106% males, 113% females) projected with MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables (100% males, 100% females) projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021.	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2024

	Tables (100% males, 100% females) projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A & B.				
Discount Rate	7.40%	6.65%	6.65%	6.65%	7.15%

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2024

	2023	2022	2021	2020	2019	2018	2017
Healthcare Cost Trend Rates	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2021, 6.50% for plan year end 2023, decreasing by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

OTHER SUPPLEMENTARY INFORMATION

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis Amounts	Actual Regulatory Basis Amounts	Variance With Final Budget
	Original	Final			
Revenues:					
Local sources	\$ -	\$ -	\$ 26	\$ 26	\$ 26
Total revenues	-	-	26	26	26
Excess (deficiency) of revenues over expenditures	-	-	26	26	26
Other financing sources (uses):					
Transfers (out)	-	(445)	-	-	445
Total other financing sources (uses)	-	(445)	-	-	445
Change in fund balances	-	(445)	26	26	471
Fund balances - beginning	-	445	464	464	19
Fund balances - ending	\$ -	\$ -	\$ 490	\$ 490	\$ 490

See notes to the supplementary information.

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 20, 2024**

	Budgeted Amounts Regulatory Basis		Actual GAAP Basis	Actual Regulatory Basis	Variance With Final Budget
	Original	Final	Amounts	Amounts	
Revenues:					
Local sources	\$ -	\$ 1,247,900	\$ 1,367,964	\$ 1,367,964	\$ 120,064
State sources	-	8,640,361	30,012,938	30,012,938	21,372,577
Federal sources	-	22,116,725	-	-	(22,116,725)
Miscellaneous sources	-	3,540,000	-	-	(3,540,000)
Total revenues	-	35,544,986	31,380,902	31,380,902	(4,164,084)
Expenditures:					
Capital outlay	10,000,000	67,222,127	38,211,605	38,211,605	29,010,522
Total expenditures	10,000,000	67,222,127	38,211,605	38,211,605	29,010,522
Excess (deficiency) of revenues over expenditures	(10,000,000)	(31,677,141)	(6,830,703)	(6,830,703)	24,846,438
Other financing sources (uses):					
Transfers in	-	-	3,540,000	3,540,000	3,540,000
Total other financing sources (uses)	-	-	3,540,000	3,540,000	3,540,000
Change in fund balances	(10,000,000)	(31,677,141)	(3,290,703)	(3,290,703)	28,386,438
Fund balances - beginning	10,000,000	31,677,141	31,677,141	-	(31,677,141)
Fund balances - ending	\$ -	\$ -	\$ 28,386,438	\$ (3,290,703)	\$ (3,290,703)

See notes to the supplementary information.

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Current Year			Levy To Date		
	Estimated Per Levy Call	Actual	Variance	Estimated Per Levy Call	Actual	Variance
Excess Levy Collections	\$ 64,740,000	\$ 69,543,520	\$ 4,803,520	\$ 324,240,000	\$ 339,145,557	\$ 14,905,557
County Specific Levy Call:						
Professional, service, and substitute salaries:	34,833,900	52,153,835	17,319,935	185,818,900	278,468,123	92,649,223
Including, but not limited to, professional, service and substitute salaries, salaries of professional and service personnel in excess of 200 days, salaries for professionals and service in excess of state funding limit, salaries of non-certified personnel and minimum salaries fixed by law and supplemental salaries, fringe benefits; Textbooks, Supplies, Postage, Insurance, Contracted Services and Travel -Including, but not limited to, printing, copying, school, warehouse, custodial, library, office, vocational, and health supplies, postage, textbooks, insurance, travel, instructional activities and staff development, legal services, distance learning, special education residential placements, pest management, extended school, financial audit, energy management, bus drug and alcohol testing, and fire alarm inspections; Construction, Repairs, Maintenance, operational supplies, equipment, rentals, and/or other expenses -Including, but not limited to, construction, building repairs, roof replacement, asbestos projects, structural repairs, fire code corrections, Americans with Disabilities Act compliance, equipment maintenance, paving, bus maintenance and/or additional curricular needs of the schools, garage, building supplies, grounds supplies, equipment supplies and vehicle supplies, maintenance equipment, vehicle replacement, lab equipment, administrative equipment, school equipment, vacuums, copiers, gasoline tanks, transportation equipment, school copier rentals, computer leases, data communications, drivers' education car rentals, communication equipment, fire service fees, commercial drivers' licenses, refunds and other miscellaneous expenses; * 12 Custodians and Maintenance (including fringe benefits) *Eight Counselors (including fringe benefits)*Twelve Elementary Art Teachers						
Safety and security improvements:	229,711	282,331	52,620	1,178,200	1,335,077	156,877
Including but not limited to Intruder Locksets for Classroom and Door Repair, Camera Upgrades and Visitor/Access Control, Base Radio Project for Emergency Communications, Panic Alert System for Teachers, and Door Contact Alarms.						
HVAC improvements at the following schools and facilities:	25,759,307	33,270,629	7,511,322	108,451,871	116,613,242	8,161,371
Elementary Schools: Alum Creek, Elk Center, Grandview, Kanawha City, Lakewood, Piedmont, Middle Schools: Dunbar, Stonewall Jackson, High Schools: Capital, George Washington, Riverside, St. Albans, Sissonville and South Charleston Career Centers: Carver.						
Roofing improvements at the following schools and facilities:	1,835,874	564,843	(1,271,031)	15,898,524	17,252,600	1,354,076
Elementary Schools: Belle, Malden, Pinch, Ruthlawn, Grandview, Montrose, Pratt, Sharon Dawes, Middle Schools: Dunbar, McKinley, High Schools: Capital, Nitro, Riverside, Career Center: Carver.						
Installation of athletic turf at the following schools:	2,081,208	2,420,168	338,960	12,892,505	12,860,345	(32,160)
High Schools: George Washington, Herbert Hoover, Nitro, Riverside, Sissonville, South Charleston, St. Albans						
Total Expenditures	64,740,000	88,691,806	23,951,806	324,240,000	426,529,387	102,289,387
Excess (Deficiency) of Collections over Expenditures	\$ -	\$ (19,148,286)	\$ (19,148,286)	\$ -	\$ (87,383,830)	\$ (87,383,830)

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

See required notes to the supplementary information.

**KANAWHA COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Cash Balance	Revenues Received	Expenditures Paid	Cash Balance
Alban Elementary	\$ 42,005	\$ 40,650	\$ 43,506	\$ 39,149
Alum Creek Elementary	39,295	22,681	22,365	39,611
Andrews Heights Elementary	59,150	27,790	21,191	65,749
Anne Bailey Elementary	43,297	18,729	21,377	40,649
Belle Elementary	51,034	54,744	51,128	54,650
Bridgeview Elementary School	83,897	40,221	49,979	74,139
Cedar Grove Elementary School	36,796	65,147	56,620	45,323
Central Elementary	64,660	56,851	49,179	72,332
Chamberlain Elementary	54,652	30,924	24,195	61,381
Chesapeake Elementary	44,501	16,528	12,207	48,822
Clendenin Elementary	71,016	29,729	35,116	65,629
Cross Lanes Elementary	43,421	33,181	27,036	49,566
Dunbar Intermediate Center	90,887	32,130	32,011	91,006
Dunbar Primary	51,969	28,819	16,853	63,935
Edgewood Elementary	47,249	44,120	39,229	52,140
Elk Elementary Center	102,377	98,336	103,268	97,445
Flinn Elementary	87,071	58,559	48,391	97,239
George C. Weimer Elementary	28,298	13,254	26,346	15,206
Grandview Elementary	33,389	9,290	32,357	10,322
Holz Elementary	39,885	40,279	41,923	38,241
Kanawha City Elementary	30,821	23,429	38,916	15,334
Kenna Elementary	21,219	25,903	26,069	21,053
Lakewood Elementary	45,016	40,956	39,281	46,691
Malden Elementary	33,265	20,214	18,238	35,241
Marmet Elementary	16,003	18,522	23,941	10,584
Mary C. Snow Elementary	48,383	20,467	23,957	44,893
Mary Ingles Elementary	21,188	13,026	15,009	19,205
Midland Trail Elementary	18,782	24,480	30,712	12,550
Montrose Elementary	26,657	28,095	27,903	26,849
Nitro Elementary	91,715	39,514	22,187	109,042
Overbrook Elementary	45,690	73,623	78,282	41,031
Piedmont Elementary	23,818	40,580	35,246	29,152
Pinch Elementary	86,797	37,845	35,259	89,383
Point Harmony Elementary	68,267	82,957	84,748	66,476
Pratt Elementary	42,763	10,139	11,880	41,022
Richmond Elementary	33,953	24,926	24,914	33,965
Ruffner Elementary	41,355	57,525	40,380	58,500
Ruthlawn Elementary	45,433	60,002	67,206	38,229
Sharon Dawes Elementary	20,192	18,256	15,487	22,961
Shoals Elementary	53,924	40,981	51,916	42,989
Sissonville Elementary	42,152	46,931	28,146	60,937
Weberwood Elementary	68,648	45,808	34,892	79,564
Andrew Jackson Middle	233,750	110,299	88,939	255,110
Chandler Academy	23,357	7,160	4,866	25,651
Dunbar Middle	173,859	69,200	82,347	160,712
Dupont Middle	165,183	210,118	228,543	146,758
East Bank Middle	118,721	95,654	119,343	95,032
Elkview Middle School	246,297	273,164	311,187	208,274
Hayes Middle School	85,995	113,096	98,088	101,003
Horace Mann Middle	100,613	112,190	122,823	89,980
John Adams Middle	246,386	99,803	114,127	232,062
McKinley Middle School	192,393	58,061	67,895	182,559
Sissonville Middle	163,493	118,017	130,750	150,760
South Charleston Middle	148,716	93,745	125,635	116,826
West Side Middle	42,510	67,880	64,565	45,825
Capital High	381,417	357,107	335,843	402,681
George Washington High	301,194	480,013	516,567	264,640
Herbert Hoover High	641,180	458,011	519,545	579,646
Nitro High	202,536	258,675	312,468	148,743
Riverside High	338,765	243,577	225,755	356,587
Sissonville High	265,690	264,060	290,952	238,798
South Charleston High	231,693	364,442	373,528	222,607
St. Albans High	257,014	281,272	286,434	251,852
Ben Franklin Vocational Center	2,679,714	679,655	1,050,359	2,309,010
Carver Career Center	1,450,709	1,497,828	1,412,418	1,536,119
KCS Headstart Policy Council	7,663	11,896	11,047	8,512
KCS Community Education	4,326,606	2,729,343	2,010,129	5,045,820
Totals	\$ 15,066,344	\$ 10,610,407	\$ 10,432,999	\$ 15,243,752
Related Entity Funds				
Laidley Field	201,870	378,258	393,603	186,525
Regulatory Training Center	851,141	816,550	795,564	872,127
Totals	\$ 1,053,011	\$ 1,194,808	\$ 1,189,167	\$ 1,058,652
Individual Schools and Related Entities	\$ 16,119,355	\$ 11,805,215	\$ 11,622,166	\$ 16,302,404

See notes to the supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/23)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/24)	Amount Receivable
WV Department of Ed	05SA.HASP	GRTAWD04022300003438	7/1/22-9/30/24	\$ 48,530	\$ 48,530	\$ -	\$ 48,530	\$ -	\$ -
WV Department of Ed	09TR.OC	GRTAWD04022300004851	7/1/22-6/30/24	37,044	37,044	-	37,044	-	-
WV Department of Ed	09TR.CTY	GRTAWD04022400000517	7/1/23-9/30/25	702,648	-	702,648	702,648	-	-
WV Department of Ed	09TR.SPEC	GRTAWD04022400004222	6/1/24-6/30/25	12,896	-	-	-	-	-
WV Department of Ed	09TR.OC	GRTAWD04022400004368	7/1/23-6/30/25	37,864	-	-	-	-	-
WV Department of Ed	05SA.ACTCH	GRTAWD04022300000408	7/1/22-3/31/25	281,591	206	-	206	0	-
WV Department of Ed	05SA.ACTCH	GRTAWD04022400000900	7/1/23-3/31/26	298,022	-	298,022	290,790	7,232	-
WV Department of Ed	05SA.HSPAD	GRTAWD04022400002326	9/1/23-3/31/26	334	-	334	334	-	-
WV Department of Ed	07CO.HOSP	GRTAWD04022400003204	2/1/24-3/31/26	1,200	-	1,200	766	434	-
WV Department of Ed	05SA.VISI	GRTAWD04022100002510	7/1/21-3/31/25	5,750	2,300	-	1,150	1,150	-
WV Department of Ed	05SA.VISI	GRTAWD04022100005049	4/1/22-3/21/24	10,000	7,227	-	7,227	-	-
WV Department of Ed	05SA.VISI	GRTAWD04022100005287	4/19/22-3/31/24	3,500	3,500	-	3,500	-	-
WV Department of Ed	05SA.VISI	GRTAWD04022100005843	6/2/22-3/31/24	4,700	4,650	-	4,650	-	-
WV Department of Ed	05SA.VISI	GRTAWD04022100006035	7/1/21-3/31/24	6,398	1,076	-	1,076	-	0
WV Department of Ed	05SA.FORM	GRTAWD04022300000526	7/1/22-3/31/25	527,041	383,947	-	270,308	113,639	2,247
WV Department of Ed	03CX.INCEN	GRTAWD04022300002125	7/1/22-3/31/25	11,000	5,500	-	3,930	1,570	-
WV Department of Ed	03CX.INCEN	GRTAWD04022300002579	7/1/22-3/31/25	1,100	1,100	-	-	1,100	-
WV Department of Ed	05SA.PROJ	GRTAWD04022300004265	3/10/23-3/31/25	50,000	50,000	-	50,000	-	-
WV Department of Ed	03CX.INCEN	GRTAWD04022300004589	4/1/23-3/31/25	6,000	(4,650)	6,000	150	1,200	-
WV Department of Ed	99UC.CTE	GRTAWD04022300005087	6/1/23-3/30/25	114	(114)	114	-	-	-
WV Department of Ed	05SA.PGMMMD	GRTAWD04022300000625	7/1/22-3/31/25	40,137	1,230	-	-	1,230	-
WV Department of Ed	05SA.EQRPL	GRTAWD04022300000449	7/1/22-3/31/25	51,231	45,791	-	25,545	20,246	-
WV Department of Ed	05SA.FORM	GRTAWD04022400000669	7/1/23-3/31/26	593,601	-	593,601	169,928	423,673	-
WV Department of Ed	05SA.ASSMT	GRTAWD04022400002130	10/1/23-3/31/26	750	-	750	750	-	-
WV Department of Ed	99UC.CTE	GRTAWD04022400002508	10/1/23-3/31/26	9,900	-	9,900	1,800	8,100	-
WV Department of Ed	99UC.CTE	GRTAWD04022400002732	12/1/23-3/31/26	400	-	400	400	-	-
WV Department of Ed	03CX.INCEN	GRTAWD04022400002849	1/1/24-3/31/26	500	-	500	467	33	-
WV Department of Ed	05SA.PGMMMD	GRTAWD04022400003124	2/1/24-3/31/26	475	-	475	452	23	-
WV Department of Ed	99UC.CTE	GRTAWD04022400003355	3/15/24-3/31/26	450	-	450	142	308	-
WV Department of Ed	03CX.INCEN	GRTAWD04022400003366	3/1/24-3/31/26	3,600	-	3,600	-	3,600	-
WV Department of Ed	05SA.PGMMMD	GRTAWD04022400000871	7/1/23-3/31/26	34,499	-	34,499	15,883	18,616	-
WV Department of Ed	05SA.CTSO	GRTAWD04022400002115	9/1/23-3/31/26	1,000	-	1,000	-	1,000	-
WV Department of Ed	05SA.EQRPL	GRTAWD04022400000811	7/1/23-3/31/26	53,216	-	53,216	-	53,216	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022200000925	7/1/21-3/31/24	304,256	32,016	-	25,303	6,713	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022300000796	7/1/22-3/31/25	305,459	228,339	-	68,059	160,280	-
WV Department of Ed	05SA.ELLEA	GRTAWD04022400001039	7/1/23-3/31/26	345,005	-	345,005	115,961	229,044	-
WV Department of Ed	05SAR.TRU	GRTAWD04022300002550	7/1/22-3/31/25	49,594	276	-	276	(0)	0
WV Department of Ed	05SAR.TRU	GRTAWD04022400001955	7/1/23/31/26	49,594	-	49,594	47,104	2,490	-
WV Department of Ed	05SA.ESL	GRTAWD04022100001631	7/1/20-6/30/23	7,345	6,430	-	6,430	-	-
WV Department of Ed	05SA.ESL	GRTAWD04022200002138	7/1/21-3/31/24	7,117	6,859	-	6,859	-	-
WV Department of Ed	05SA.ESL	GRTAWD04022300001485	7/1/22-3/31/25	6,908	6,379	-	4,523	1,857	-

See notes to the supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/23)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/24)	Amount Receivable
WV Department of Ed	05SA.ESL	GRTAWD04022400001722	7/1/23-6/30/25	5,892	-	5,892	213	5,679	-
WV Department of Ed	05SA DCIS	GRTAWD04022300001958	7/1/22-3/31/25	50,000	1,952	-	1,952	-	0
WV Department of Ed	05SA JDRG	GRTAWD04022300003920	1/1/23-3/31/25	527,000	389,929	-	292,491	97,438	-
WV Department of Ed	05SAR.CIS	GRTAWD04022400001429	7/1/23-3/31/26	472,500	-	472,500	438,913	33,587	-
WV Department of Ed	03CXR CODE	GRTAWD04022300003047	11/1/22-3/31/25	2,000	484	-	-	484	-
WV Department of Ed	05SAR.HSED	GRTAWD04022300003634	7/1/22-6/30/24	3,000	3,000	-	2,777	223	-
WV Department of Ed	05SAR.HSED	GRTAWD04022300003650	7/1/22-6/30/24	2,750	2,750	-	2,750	-	-
WV Department of Ed	05SAR.HSED	GRTAWD04022300003677	7/1/22-6/30/24	3,500	3,500	-	3,500	-	-
WV Department of Ed	05SAR.HSED	GRTAWD04022400001704	8/21/23-6/30/25	3,000	-	3,000	325	2,675	-
WV Department of Ed	05SAR.HSED	GRTAWD04022400001705	8/21/23-6/30/25	3,000	-	3,000	1,277	1,723	-
WV Department of Ed	05SAR.HSED	GRTAWD04022400001706	8/21/23-6/30/25	3,000	-	3,000	3,000	-	-
WV Department of Ed	05SAR.TFS	GRTAWD04022200003433	7/1/21-3/31/24	873,181	151,093	-	137,524	13,569	-
WV Department of Ed	05SAR.TFSS	GRTAWD04022300002670	7/1/22-3/31/25	834,036	834,036	-	749,350	84,686	-
WV Department of Ed	02NA.POM	GRTAWD04022300002680	7/1/22-3/31/25	48,968	48,968	-	-	48,968	-
WV Department of Ed	05SAR.TFSS	GRTAWD04022400001985	7/1/23-3/31/26	825,267	-	825,267	133,228	692,039	-
WV Department of Ed	07CO TOY	GRTAWD04022200003064	10/19/21-3/31/24	300	300	-	300	-	-
WV Department of Ed	05SAR ALIV	GRTAWD04022200003928	12/1/21-3/31/24	500	500	-	500	-	-
WV Department of Ed	05SAR STEM	GRTAWD04022200004699	3/1/22-3/31/24	500	500	-	500	-	-
WV Department of Ed	05SA MAST	GRTAWD04022200004449	2/2/22-3/31/24	20,000	19,301	-	19,301	-	-
WV Department of Ed	05SAR PD	GRTAWD04022200005137	4/7/22-3/31/24	500	500	-	500	-	-
WV Department of Ed	05SA.MATH	GRTAWD04022200005102	3/30/22-3/31/24	5,000	5,000	-	5,000	-	-
WV Department of Ed	05SA.MATH	GRTAWD04022100005391	5/3/22-3/31/24	970	708	-	708	-	-
WV Department of Ed	05AID 7D	GRTAWD04022200005558	5/11/22-3/31/24	2,000	2,000	-	2,000	-	-
WV Department of Ed	99UCR AP	GRTAWD04022200005731	5/27/22-3/31/24	9,408	8,688	-	8,688	-	-
WV Department of Ed	07CO ADP	GRTAWD04022300001011	7/1/22-3/31/25	5,993	5,250	-	-	5,250	-
WV Department of Ed	05SAR PD	GRTAWD04022300003295	12/7/22-3/31/25	1,000	1,000	-	-	1,000	-
WV Department of Ed	05SAR.AP	GRTAWD04022300004968	5/15/23-3/31/25	600	-	600	-	600	-
WV Department of Ed	05SA ELOTH	GRTAWD04022300004916	5/1/23-3/31/25	47,750	47,750	-	40,306	7,444	-
WV Department of Ed	05AID 7D	GRTAWD04022300004208	3/6/23-3/31/25	2,000	2,000	-	-	2,000	-
WV Department of Ed	99UCR.AP	GRTAWD04022300004992	5/16/23-3/31/25	11,660	-	11,660	3,286	8,374	-
WV Department of Ed	99UCR.AP	GRTAWD04022300005092	5/24/23-3/31/25	636	-	636	636	-	-
WV Department of Ed	BENE PATH	GRTAWD04022300004152	3/6/23-3/31/25	4,475	1,025	-	-	1,025	-
WV Department of Ed	05SAR.PD	GRTAWD04022400001933	9/14/23-3/30/25	350	-	350	288	62	-
WV Department of Ed	05SA.MAST	GRTAWD04022400001928	9/13/23-3/30/25	20,000	-	20,000	4,614	15,386	-
WV Department of Ed	BENE PATH	GRTAWD04022400002859	12/1/23-9/30/24	9,740	-	9,740	4,436	5,304	-
WV Department of Ed	07CO.TOY	GRTAWD04022400003075	2/5/24-3/31/25	300	-	300	300	-	-
WV Department of Ed	05AID 7D	GRTAWD04022400003401	3/29/24-3/31/25	2,000	-	2,000	-	2,000	-
WV Department of Ed	STRAT OPP	GRTAWD04022400003845	5/2/24-6/30/25	800	-	800	-	800	-
WV Department of Ed	05SAR STEM	GRTAWD04022400003881	5/7/24-5/31/26	2,600	-	2,600	2,600	-	-
WV Department of Ed	05SAR PGMS	GRTAWD04022400004020	5/21/24-3/31/26	250	-	250	-	250	-
WV Department of Ed	05SAR STEM	GRTAWD04022400004297	6/3/24-3/31/26	364	-	-	-	-	-

See notes to the supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Awarding Agency	Grant Name	Grant Identification	Period of Award	Total Grant Award	Beginning Balance (7/1/23)	Current Year Receipts	Current Year Expenditures	Ending Balance (6/30/24)	Amount Receivable
WV Department of Ed	05SAR PGMS	GRTAWD04022400004309	6/12/24-3/31/26	40	-	-	40	(40)	40
WV Department of Ed	99UCR AP	GRTAWD04022400004319	6/12/24-3/31/25	13,833	-	-	-	-	-
WV Department of Ed	STRAT PGMS	GRTAWD04022400004126	6/1/24-3/31/26	3,000	-	-	-	-	-
WV Department of Ed	BENE PATH	GRTAWD04022400002543	10/27/23-10/31/2	1,700	-	1,700	1,220	480	-
WV Department of Ed	05SAR.NBCT	GRTAWD04022300002549	7/1/22-6/30/24	5,850	-	5,850	5,850	-	-
WV Department of Ed	05SAR.NBCT	GRTAWD04022300003127	7/1/22-3/31/25	1,382	511	-	511	-	-
WV Department of Ed	05SA.REIMB	GRTAWD04022300005281	7/1/22-6/30/24	32,311	-	32,311	18,989	13,322	-
WV Department of Ed	05SA.REIMB	GRTAWD04022400002755	7/1/23-6/30/24	4,000	-	4,000	4,000	-	-
WV Department of Ed	05SA.REIMB	GRTAWD04022400004417	7/1/23-6/30/25	7,126	-	-	-	-	-
WV Department of Ed	05SAR.NBCT	GRTAWD04022400004453	7/1/23-6/30/25	6,460	-	-	-	-	-
WV Department of Ed	05SA.ATC	GRTAWD04022400002610	7/1/23-6/30/24	164	-	164	164	-	-
WV Department of Ed	05SA ACEIN	GRTAWD04022200005004	3/25/22-3/31/24	180,000	2,350	-	2,350	-	-
WV Department of Ed	05SA ACE	GRTAWD04022200005298	4/21/22-3/31/24	29,299	2,014	-	2,014	-	(0)
WV Department of Ed	05SA ACEIN	GRTAWD04022300001045	7/1/22-3/31/25	1,491,914	269,992	-	5,436	264,556	-
WV Department of Ed	05SA ACE	GRTAWD04022300005006	5/18/23-3/31/25	19,480	-	19,480	19,480	-	-
WV Department of Ed	05SA ACEIN	GRTAWD04022400001771	8/11/23-3/31/26	1,452,924	-	1,452,924	1,389,041	63,883	-
WV Department of Ed	05SA.PGMMD	GRTAWD04022200000827	7/1/21-3/31/24	37,907	14,599	-	14,599	-	-
WV Department of Ed	05SA MMOD	GRTAWD04022200004967	3/21/22-3/31/24	33,600	2,444	-	-	2,444	-
WV Department of Ed	05SA PLTW	GRTAWD04022100005720	5/1/21-5/31/24	65,898	5,090	-	5,090	-	(0)
WV Department of Ed	05SA.HSPAD	GRTAWD04022300004479	3/1/23-3/31/25	350	350	-	-	350	-
WV Department of Ed	03CXR NTF	GRTAWD04022200002787	10/1/21-3/31/24	149,987	91,595	-	91,595	-	0
WV Department of Ed	03CX.CN	GRTAWD04022300002217	7/1/22-3/31/25	3,000	3,000	-	3,000	-	-
WV Department of Ed	03CX.CN	GRTAWD04022300004619	4/1/23-3/31/25	99,113	99,113	-	82,146	16,967	-
WV Department of Ed	03CXR NTF	GRTAWD04022300002458	7/1/22-3/31/25	214,943	214,943	-	60,884	154,059	-
WV Department of Ed	03CX.CN	GRTAWD04022400004225	4/1/24-3/31/26	4,800	-	-	-	-	-
WV Department of Ed	03CX.CN	GRTAWD04022400003574	4/1/24-3/31/26	107,190	-	107,190	-	107,190	-
WV Department of Ed	03CXR NTF	GRTAWD04022400002058	9/1/23-6/30/25	214,911	-	214,911	-	214,911	-
WV Department of Ed	03CX.CN	GRTAWD04022400002278	10/1/23-6/30/25	2,000	-	2,000	2,000	-	-
				TOTAL:	\$ 3,103,872	\$ 5,303,432	\$ 5,481,863	\$ 2,925,441	\$ 2,287

See notes to the supplementary information.

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO OTHER SUPPLEMENTAL INFORMATION
For The Fiscal Year Ended June 30, 2024

A. Budgets and Budgetary Accounting:

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

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

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

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Number	Federal AL Number	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through West Virginia Department of Education:</i>			
Nutrition Cluster:			
National School Breakfast Program	2024	10.553	\$ 4,712,497
National School Lunch Program	2024	10.555	10,955,001
Covid-19 Supply Chain Assistance	2024	10.555	759,338
National School Lunch Program - Non-Cash Assistance	2024	10.555	1,175,726
Total - National School Lunch Program			12,890,065
Summer Food Service Program	2024	10.559	109,262
Fresh Fruits and Vegetable Program-Cash Assistance	2024	10.582	348,558
Total - Nutrition Cluster			18,060,382
Child and Adult Food Care Program	2023	10.558	73,062
Child and Adult Food Care Program	2024	10.558	212,188
			285,250
LL PEBT Administration	GRTAWD04022400001854	10.649	6,180
Total U.S. Department of Agriculture			18,351,812
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Direct Award:</i>			
Federal PELL Grant Program	N/A	84.063	1,433,533
<i>Passed Through West Virginia Department of Education:</i>			
Title I Cluster:			
Title I Grants to Local Educational Agencies	GRTAWD04022200002953	84.010	395,185
Title I Grants to Local Educational Agencies	GRTAWD04022300001571	84.010	2,709,935
Title I Grants to Local Educational Agencies	GRTAWD04022300001743	84.010	94,090
Title I Grants to Local Educational Agencies	GRTAWD04022300001607	84.010	28,738
Title I Grants to Local Educational Agencies	GRTAWD04022400001156	84.010	10,383,829
Title I Grants to Local Educational Agencies	GRTAWD04022400000731	84.010	372,996
Title I Grants to Local Educational Agencies	GRTAWD04022400001387	84.010	8,396
Total - Title I Cluster			13,993,169
Special Education Cluster:			
Special Education - Grants to States	GRTAWD04022200001613	84.027	665,172
Special Education - Grants to States	GRTAWD04022300001179	84.027	812,200
Special Education - Grants to States	GRTAWD04022300003494	84.027	29,361
Special Education - Grants to States	GRTAWD04022400000389	84.027	6,316,984
Special Education - Grants to States	GRTAWD04022400000581	84.027	23,754
Special Education - Grants to States	GRTAWD04022400001459	84.027	400
Special Education - Grants to States	GRTAWD04022400001447	84.027	4,400
Special Education - Grants to States	GRTAWD04022400002183	84.027	3,180
Special Education - Grants to States	GRTAWD04022400003726	84.027	5,222
			7,860,673
Special Education - Preschool Grants	GRTAWD04022300001238	84.173	97,522
Special Education - Preschool Grants	GRTAWD04022400000449	84.173	103,000
Special Education - Preschool Grants	GRTAWD04022400003274	84.173	300
Special Education - Preschool Grants	GRTAWD04022400001454	83.173	14,784
			215,606
Total - Special Education Cluster			8,076,279
Title II Improving Teacher Quality			
Title II Improving Teacher Quality	GRTAWD04022200001937	84.367	87,940
Title II Improving Teacher Quality	GRTAWD04022300001633	84.367	494,478
Title II Improving Teacher Quality	GRTAWD04022400001250	84.367	421,045
Total - Title II Improving Teacher Quality			1,003,463
Title III English Language			
Title III English Language	GRTAWD040222000002120	84.365	14,207
Title III English Language	GRTAWD04022300001676	84.365	14,016
Title III English Language	GRTAWD04022400001296	84.365	17,124
Total - Title III English Language			45,347
Title IV			
Title IV	GRTAWD04022200005090	84.424	4,191
Title IV	GRTAWD04022300001700	84.424	420,454
Title IV	GRTAWD04022400001320	84.424	327,803
Total - Title IV			752,448
<i>Direct Award:</i>			
Higher Education Emergency Relief Fund	N/A	84.425	2
<i>Passed Through West Virginia Department of Education:</i>			
Elementary and Secondary School Emergency Relief Fund	GRTAWD04022100005256	84.425D	3,632,891
CRRSAA EANS - Vaccine Incentive	GRTAWD04022200003888	84.425R	77,567
ARP Capital Day Care CDS	GRTAWD04024100003891	84.425	7,436
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	GRTAWD04022400001663	84.425U	1,750
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	GRTAWD04022100005842	84.425U	34,795,880
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	GRTAWD04022200005790	84.425U	17,366
ARP - Raglan Center	N/A	84.425	2,000,129
ARPA 4 - Homeless	GRTAWD04022200003673	84.425W	160,254
CIS Governor's Emergency Education Relief Fund	GRTAWD04022300000858	84.425C	21,056
Total - ESSERF			40,714,331
Career and Technical Education - Basic Grants			
Career and Technical Education - Basic Grants	GRTAWD04022300000689	84.048	55,807
Career and Technical Education - Basic Grants	GRTAWD04022400000946	84.048	546,608
Total - Career and Technical Education - Basic Grants			602,415
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	GRTAWD04022200001864	84.196A	24,216
Education for Homeless Children and Youth	GRTAWD04022300002752	84.196A	3,691
Education for Homeless Children and Youth	GRTAWD04022300002753	84.196A	11,780
Education for Homeless Children and Youth	GRTAWD04022300002754	84.196A	11,457
Education for Homeless Children and Youth	GRTAWD04022300002755	84.196	33,893
Education for Homeless Children and Youth	GRTAWD04022400001799	84.196	24,959
Education for Homeless Children and Youth	GRTAWD04022400001800	84.196	23,007
Education for Homeless Children and Youth	GRTAWD04022400001801	84.196	9,541
Total - Education for Homeless Children and Youth			142,544
Total U.S. Department of Education			66,763,529
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through West Virginia Department of Education:</i>			
Head Start			
	2024	93.600	3,859,742
Oral Health Program	GRTAWD04022300004347	93.366	8,000
Total U.S. Department of Health and Human Services			3,867,742
<u>U.S. DEPARTMENT OF COMMERCE</u>			
<i>Passed Through West Virginia Department of Education</i>			
Tourism Grant	GRTAWD04022300005083	11.307	6,000
Total U.S. Department of Commerce			6,000
<u>APPALACHIAN REGIONAL COMMISSION</u>			
<i>Passed Through The Education Alliance</i>			
ARC Careet Acceleration, Readiness, and Employment Experiences for Region Students		23.002	28,469
Total Appalachian Regional Commission			28,469
Total Expenditures of Federal Awards			\$ 89,017,552

KANAWHA COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Board and is presented on the basis of accounting prescribed by the West Virginia Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 – CHILD NUTRITION PROGRAM

Child Nutrition Program expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards has been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards.

NOTE 3 - DONATED FOOD COMMODITIES VALUE

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

For the year ended June 30, 2024, total expenditures were \$1,175,726.

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

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

To the Board of Education:

We have audited, in accordance with 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, each major fund, and the aggregate remaining fund information of the Kanawha County Board of Education, West Virginia, (the Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated February 28, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

February 28, 2025

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kanawha County Board of Education's, West Virginia (the Board) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Kanawha County Board of Education's major federal programs for the year ended June 30, 2024. Kanawha County Board of Education's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, Kanawha County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (Continued)

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

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

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



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

February 28, 2025

**KANAWHA COUNTY BOARD OF EDUCATION
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Head Start Cluster; Special Education Cluster; AL# 84.425 – ESSERF
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$2,550,823 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None