

OHIO COUNTY BOARD OF EDUCATION

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2022
RFP #22-128 (Ohio County)



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OHIO COUNTY BOARD OF EDUCATION
INDEX OF FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENTAL FUND TYPES

General Current Expense

Special Revenue Funds

Restricted Projects

Federal Stimulus and Stabilization Fund

School Activity Fund

Debt Service

Capital Projects Funds

Bond Construction

Permanent Improvement

**OHIO COUNTY BOARD OF EDUCATION
BOARD OFFICIALS
JUNE 30, 2022**

Title	Elected Officials	Term
Board Members:	Molly J Aderholt	07/01/18 – 06/30/22
	Christine N. Carder	07/01/18 – 06/30/22
	David R. Croft	07/01/18 – 06/30/22
	Peter Chacalos	07/01/20 – 06/30/24
	Grace Norton	07/01/20 – 06/30/24
	Appointed Officials	
Board President	David R. Croft	07/01/20 – 06/30/22
Superintendent	Dr. Kimberly S. Miller	07/01/20 – 06/30/24
Treasurer	Steven Bieniek, CPA	07/01/21 – 06/30/22



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Ohio County Board of Education
Wheeling, West Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Ohio County Board of Education (the Board), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Ohio County Board of Education, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements for the year ended June 30, 2022, Ohio County Board of Education adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to these matters.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ohio County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 19 and 90 through 92, the schedule of district's proportionate share of the net pension liability, the schedule of district's contributions to Teachers' Retirement System, the schedule of district's proportionate share of the net OPEB liability, the schedule of district's contributions – retiree health benefit trust fund, schedule of district's contributions group dental and vision plans and notes to required supplementary information on pages 93 through 103 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.

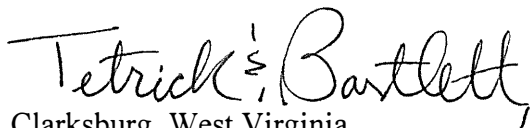
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ohio County Board of Education's basic financial statements. The accompanying schedule of revenues, expenditures, and changes in fund balances – budget and actual – debt service fund, schedule of revenues, expenditures, and changes in fund balances – budget and actual – bond construction fund, schedule of revenues, expenditures, and changes in fund balances – budget and actual – permanent improvement fund, notes to other supplementary information, schedule of changes in school activity funds, schedule of excess levy revenues and expenditures, schedule of state grant receipts and expenditures, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2023, on our consideration of the Ohio County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ohio County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ohio County Board of Education's internal control over financial reporting and compliance.


Clarksburg, West Virginia
March 25, 2023

PLLC

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

Our discussion and analysis of the Ohio County Board of Education's financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2022. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$65,379,135 at the close of the most recent fiscal year. Of this amount, \$3,742,824 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Board's total net position increased by \$16,177,271. The increase is mainly attributable to additions to capital assets.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$25,126,567, a decrease of \$8,059,873 in comparison with the prior year. Approximately \$9,813,984 of this total amount is available for spending at the board's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general current expense fund was \$10,872,414, or 16% of total general current expense fund expenditures.

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all 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.

OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022

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

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

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All 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, the bond construction fund, the permanent improvement fund and the Federal Stimulus and Stabilization Fund, all of which are considered major funds.

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

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.

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$65,379,135 at the close of the most recent fiscal year.

- A portion of the Board's net position 84% reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the Board's net position 9.0% represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net position* 7% may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget.

The following summarizes the statement of net position at June 30, 2022 in comparison with June 30, 2021:

	<u>2022</u>	<u>2021</u>	
	<u>Governmental</u>	<u>Governmental</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Variance</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current and other assets	\$ 36,238,190	\$ 45,643,363	\$ (9,405,173)
Capital assets	98,356,482	76,507,615	21,848,867
ROU assets	331,332	-0-	331,332
Deferred outflows of resources	<u>3,196,765</u>	<u>4,962,241</u>	<u>(1,765,476)</u>
Total assets and deferred outflows of resources	\$ 138,122,769	\$ 127,113,219	\$ 11,009,550

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2022</u> <u>Governmental</u> <u>Activities</u>	<u>2021</u> <u>Governmental</u> <u>Activities</u>	<u>Variance</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities and Deferred Inflows of Resources			
Current and other liabilities	\$ 9,549,629	\$ 13,323,735	\$ (3,774,106)
Long-term liabilities outstanding	44,148,587	42,791,575	1,357,012
Deferred inflows of resources	9,168,071	6,420,964	2,747,107
Net pension liability – proportionate share	2,506,354	4,686,952	(2,180,598)
Net other post employment benefit (OPEB) liability – proportionate share	67,310	1,052,483	(985,173)
County OPEB plan	<u>7,303,683</u>	<u>9,635,646</u>	<u>(2,331,963)</u>
Total liabilities and deferred inflows of resources	<u>72,743,634</u>	<u>77,911,355</u>	<u>(5,167,721)</u>
Net Position			
Net investment in capital assets	54,662,884	32,413,699	22,249,185
Restricted	6,973,427	18,703,006	(11,729,579)
Unrestricted	<u>3,742,824</u>	<u>(1,914,841)</u>	<u>5,657,665</u>
Total net position	<u>65,379,135</u>	<u>49,201,864</u>	<u>16,177,271</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>138,122,769</u>	\$ <u>127,113,219</u>	\$ <u>11,009,550</u>

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

- Current and other assets decreased by approximately \$9,405,173 which primarily represents payments made towards bond work and construction in progress.
- Capital assets increased by approximately \$21,848,867 which represents the addition in bond work.
- Right-of-Use assets increased by approximately \$331,332 which represents recognition of GASB 87.
- Current and other liabilities decreased by approximately by \$3,774,106 which was primarily the result of the lease/purchase refinancing.
- Long-term liabilities increased by approximately \$1,357,012 which was primarily the result of a new ESC loan.

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

- Deferred inflows of resources increased by approximately \$2,747,107 which was primarily the result of an increase in the county share of the state OPEB liability.
- At the end of the current fiscal year, the Board is able to report positive balances in three categories of net position. The Board had positive balances in two categories last year.
- Restricted net position decreased by \$11,729,579 during the year ended June 30, 2022.
- The Board's net position increased by \$16,177,271 during the current year. The following discussion and analysis on governmental activities focuses on this increase.

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

	<u>2022</u>	<u>2021</u>	
	<u>Governmental</u>	<u>Governmental</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Variance</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,043,350	\$ 3,207,480	\$ 1,835,870
Operating grants and contributions	25,996,632	21,680,983	4,315,649
Capital grants and contributions	6,228,819	3,861,827	2,366,992
General revenues:			
Property taxes	41,817,697	42,278,267	(460,570)
Unrestricted state aid	(11,146)	14,650,609	(14,661,755)
Unrestricted investment earnings	34,067	56,910	(22,843)
Unrestricted grants and contributions	2,231,560	1,237,413	994,147
Gain of (loss) on disposal of capital assets	<u>179,023</u>	<u>71,792</u>	<u>107,231</u>
Total revenues	<u>81,520,002</u>	<u>87,045,281</u>	<u>(5,525,279)</u>
Expenses:			
Instruction	38,274,880	42,774,293	(4,499,413)
Supporting services:			
Students	3,321,099	4,085,407	(764,308)
Instructional staff	1,395,946	2,046,198	(650,252)
General administration	874,483	1,030,103	(155,620)
School administration	2,856,442	3,607,409	(750,967)
Central services	1,641,189	1,484,141	157,048
Operation and maintenance of facilities	8,777,451	8,892,277	(114,826)
Student transportation	3,124,822	3,073,759	51,063
Other	-0-	-0-	-0-
Total supporting services	<u>21,991,432</u>	<u>24,219,294</u>	<u>(2,227,862)</u>
Food services	4,424,923	4,419,190	5,733
Community services	604,695	923,323	(318,628)
Interest on long-term debt	<u>1,235,943</u>	<u>1,503,827</u>	<u>(267,884)</u>
Total expenses	<u>66,531,873</u>	<u>73,839,927</u>	<u>(7,308,054)</u>

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

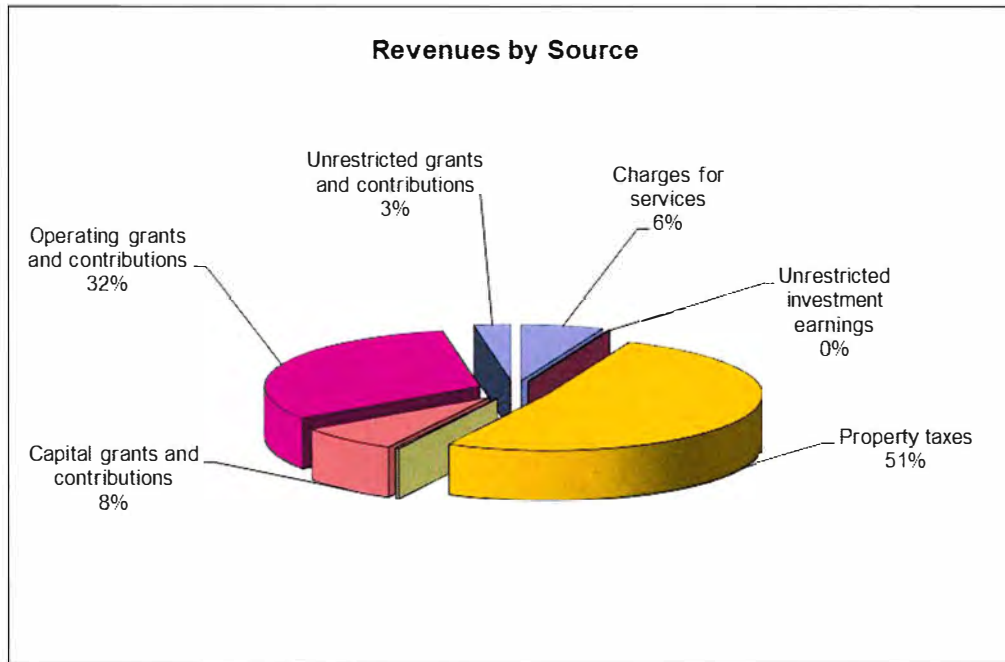
	<u>2022</u> <u>Governmental</u> <u>Activities</u>	<u>2021</u> <u>Governmental</u> <u>Activities</u>	<u>Variance</u>
Change in net position before transfers	\$ 14,988,129	\$ 13,205,354	\$ 1,782,775
Transfers	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in net position	14,988,129	13,205,354	1,782,775
Net position –beginning	49,201,864	35,007,162	14,194,702
Restatement	<u>1,189,142</u>	<u>989,348</u>	<u>199,794</u>
Net position – ending	\$ <u>65,379,135</u>	\$ <u>49,201,864</u>	\$ <u>16,177,271</u>

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

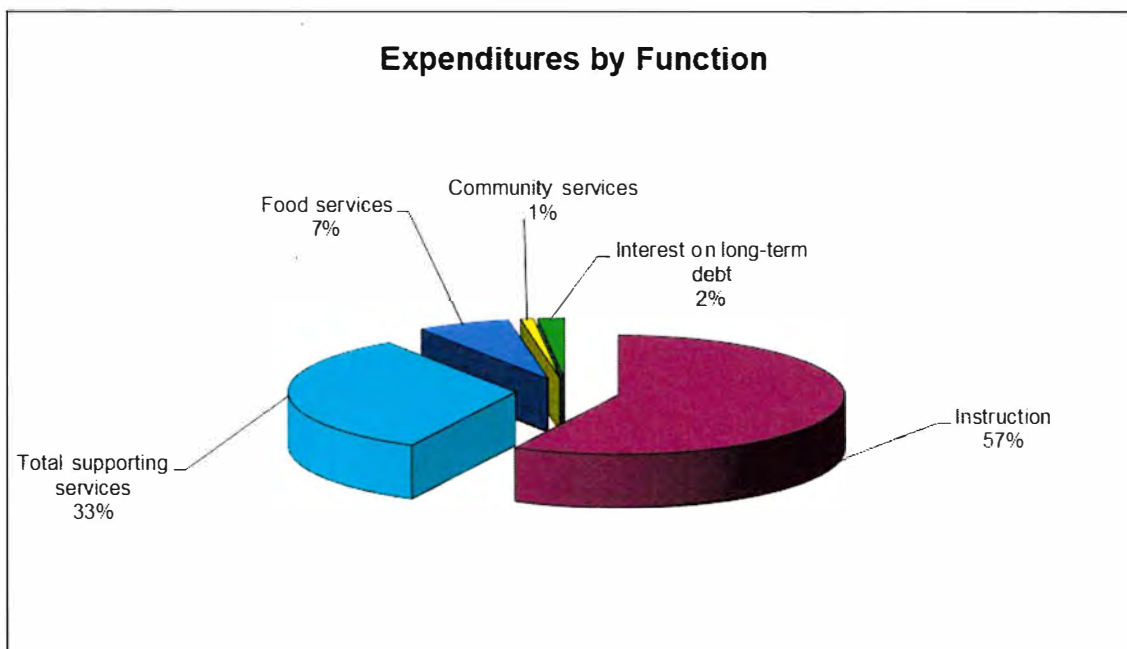
- Charges for services increased by approximately \$1,835,870, which was primarily the result of child nutrition revenue.
- Operating grants and contributions increased by approximately \$4,315,649 which was primarily the result of an increase in federal revenue.
- Capital grants and contributions increased by approximately \$2,366,992 which was primarily the result of increase in SBA revenue.
- General revenues from property taxes decreased by approximately \$460,570 which was primarily the result of a slight decrease in county property values.
- General revenues from unrestricted state aid decreased by approximately \$14,661,755 which was primarily the result of GASB 68 and 75 contributions.
- General revenues from unrestricted grants and contributions increased by approximately \$994,147 which was primarily the result of extra grant money due to the COVID-19 pandemic.
- Overall expenses decreased by approximately \$7,308,054. This was due to expenses being paid from federal grants.

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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



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



**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$25,126,567. Included in this year's change in the combined fund balance is a decrease in the bond construction fund due to the increase in construction.

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 \$17,923,122 fund balance of the general current expense fund is primarily designated for the following purpose:

- To be a reserve fund for future use of the school system.

In addition, the following other changes in fund balances should be noted and whether restrictions, commitments, or other limitations significantly affect the availability of fund resources for future use:

- The General Current Expense Fund Balance had an increase of \$3,439,688 due to a decrease in transfers to other funds.
- The Special Revenue Fund Balance had a decrease of \$34,455 due to an increase in expenses.
- The Permanent Improvement Fund Balance decreased by \$1,456,602 due to an increase in construction.
- The Bond Construction Fund Balance decreased by \$10,627,557 due to an increase in construction.

The Board had seven major funds for the fiscal year ended June 30, 2022. Those funds are the General Current Expense Fund, Special Revenue Fund, Special Revenue School Activity Fund, Federal Stimulus and Stabilization Fund, Debt Service Fund, Permanent Improvement Fund and the Bond Construction Fund.

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$14,483,434 to \$17,923,122 during the fiscal year ended June 30, 2022. As previously discussed, this increase of \$3,439,688 was due primarily to the decrease in transfers to other funds.

Special Revenue Fund

This is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditures for specific purposes. The fund balance decreased from \$432,762 to \$398,307 during the fiscal year ended June 30, 2022. The decrease of \$34,455 was due primarily to the increase in expenses.

Special Revenue Federal Stimulus and Stabilization Fund

This is a separate special revenue fund to account for all revenue and expenditures attributable to funds received as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act which are legally restricted to expenditures for specific purposes. The fund balance started at \$0 and decreased to \$(1,058,430) during the fiscal year ended June 30, 2022.

Special Revenue School Activity Fund

This is a separate special revenue fund to account for the financial resources received and held by each school to support co-curricular and extra-curricular student activities in which the Board has administrative involvement. The fund balance increased from \$1,189,142 to \$1,288,448 during the fiscal year ended June 30, 2022. This increase of \$99,306 was due primarily to an increase in revenue.

Debt Service Fund

This is a separate fund used to account for the accumulated resources, and the payment of, general long-term debt, principal, and interest. The fund balance increased from \$1,697,604 to \$2,086,639 during the fiscal year ended June 30, 2022. This increase of \$389,035 was due primarily to the increase in receipts from tax revenue.

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Permanent Improvement Fund

This is a separate fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources and subsequent expenditures for capital improvement activities. The proceeds of the fund must be used only for the support of building and capital improvements and cannot be transferred out of the fund. The fund balance decreased from \$3,768,977 to \$2,312,375 during the fiscal year ended June 30, 2022. This decrease of \$1,456,602 was due primarily to an increase in construction.

Bond Construction Fund

This is a separate fund used to account for the financial resources used to acquire or construct major capital facilities financed as a result of issuing bonds. The fund balance decrease from \$12,803,663 to \$2,176,106 during the fiscal year ended June 30, 2022. This decrease of \$10,627,557 was due primarily to the increase in construction in progress.

General Current Expense 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 \$6,771,901 or 10.0% 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:

- Increase in Budget due to retirement and PEIA credits

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$98,356,482 (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 22.6%.

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

- 2018 Bond Work Construction in Progress
- Five new school buses were purchased

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2022</u> <u>Governmental</u> <u>Activities</u>	<u>2021</u> <u>Governmental</u> <u>Activities</u>	<u>Variance</u>
Land	\$ 1,779,401	\$ 1,779,401	\$ -0-
Buildings and improvements	30,937,586	32,699,082	(1,761,496)
Furniture and equipment	968,104	330,194	637,910
Vehicles	2,335,327	2,415,003	(79,676)
Construction in process	<u>62,336,064</u>	<u>39,283,935</u>	<u>23,052,129</u>
Total capital assets	\$ <u>98,356,482</u>	\$ <u>76,507,615</u>	\$ <u>21,848,867</u>

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

Right-of-Use assets. The Board's investment in Right-of-use assets for its governmental activities as of June 30, 2022, amounts to \$331,332 (net of accumulated amortization). This investment in right-of-use assets includes land, buildings, furniture and equipment, and vehicles. The total decrease in the Board's investment in right-of-use assets for the current fiscal year was 23.9 percent.

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

	<u>2022</u> <u>Governmental</u> <u>Activities</u>	<u>2021</u> <u>Governmental</u> <u>Activities</u>	<u>Variance</u>
Furniture and equipment	\$ <u>331,332</u>	\$ <u>-0-</u>	\$ <u>331,332</u>
Total capital assets	\$ <u>331,332</u>	\$ <u>-0-</u>	\$ <u>331,332</u>

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

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Long-term debt. At the end of the current fiscal year, the Board had total bonded debt outstanding of \$35,780,000 and capital lease obligations of \$7,913,598. Employees of the Board are eligible to receive special termination benefits in the form of convertible sick leave earned but not used prior to retirement. Upon retirement, an employee's accumulated sick leave may be converted to a greater retirement benefit or to payment of the retired employee's health insurance premiums. The cost of additional retirement benefits are the liability of the West Virginia Consolidated Public Retirement Board and therefore are not recorded in the Board's financial statements. However, the cost of the health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia Legislature has appropriated funds for the Board for payment of these costs. However, because such appropriations are at the discretion of the Legislature and therefore not guaranteed, the liability for the cost of sick leave convertible to health insurance premiums is recorded in the Board's financial statements. At June 30, 2022, the liability for such costs was \$2,506,354, which is included in the district-wide financial statement of net position. The obligation for compensated absences for vacations was \$83,616 at June 30, 2022.

	<u>2022</u> <u>Governmental</u> <u>Activities</u>	<u>2021</u> <u>Governmental</u> <u>Activities</u>	<u>Variance</u>
General obligation bonds	\$ 35,780,000	\$ 38,105,000	\$ (2,325,000)
Finance lease obligations – ROU	331,332	-0-	331,332
Finance lease obligations	7,913,598	5,988,916	1,924,682
Compensated absences	<u>83,616</u>	<u>74,913</u>	<u>8,703</u>
 Total debt outstanding	 \$ <u>44,108,546</u>	 \$ <u>44,168,829</u>	 \$ (<u>60,283</u>)

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:

- Economic growth is declining in several parts of the county. This may have the potential of resulting in less property tax revenue in the future.
- The Board is anticipating added expenditures for PPE, salaries and other preparations due to the COVID-19 pandemic.

**OHIO COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2203 National Road, Wheeling, WV 26003.

**OHIO COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Cash and cash equivalents	\$ 20,193,915
Investments	6,324,773
Taxes receivable, net of allowance for uncollectible taxes	1,458,162
Deposit with Retirement Board	167,020
Food service receivable	423,704
Other receivables	117,551
Prepaid Workers' Compensation	103,735
Due from other governments:	
State aid receivable	188,174
PEIA allocation receivable	697,204
Reimbursements receivable	6,563,952
Capital Assets	
Land	1,779,401
Buildings and improvements	65,500,581
Furniture and equipment	7,439,242
Vehicles	8,080,509
Construction in process	62,336,064
Less accumulated depreciation	(46,779,315)
Total capital assets, net of depreciation	<u>98,356,482</u>
Right-of-Use Assets	
Equipment	409,811
Less accumulated amortization	(78,479)
Total finance lease assets, net of amortization	<u>331,332</u>
Total assets	<u>134,926,004</u>
Deferred Outflows of Resources	
Pension	1,973,766
Other post employment benefit (OPEB)	1,020,533
Other	202,466
Total deferred outflows of resources	<u>3,196,765</u>
Total assets and deferred outflows of resources	<u>138,122,769</u>

See accompanying notes and independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2022

Governmental
Activities

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION**

Liabilities

Salaries payable and related payroll liabilities	\$ 3,546,780
PEIA premiums payable	1,545,365
Compensated absences	83,616
Accounts payable	4,373,868
Long-term obligations:	
Due within one year:	
Bonds and contracts	2,802,270
Bonds premium	128,248
Accrued interest	123,657
Finance lease liability	80,183
Due beyond one year:	
Bonds and contracts	39,352,347
Bonds premium	1,410,733
Finance lease liability	251,149
Net pension liability – proportionate share	2,506,354
Net other post employment benefit (OPEB) liability – proportionate share	67,310
County OPEB plan	<u>7,303,683</u>
Total liabilities	<u>63,575,563</u>

Deferred Inflows of Resources

Pension	2,644,678
Other post employment benefit (OPEB)	3,318,310
Other	<u>3,205,083</u>
Total deferred inflows of resources	<u>9,168,071</u>

Total liabilities and deferred inflows of resources	<u>72,743,634</u>
--	--------------------------

Net Position

Net investment in capital assets	54,662,884
Restricted for:	
Debt service	2,086,639
Special projects	398,307
Capital projects	4,488,481
Unrestricted	<u>3,742,824</u>
Total net position	<u>\$ 65,379,135</u>

See accompanying notes and independent auditor's report.

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

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense), Revenue & Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental Activities:					
Instruction	\$ 38,274,880	\$ 867,171	\$ 16,081,845	\$ -0-	\$(21,325,864)
Supporting services:					
Students	3,321,099	633,439	2,024,953	-0-	(662,707)
Instructional staff	1,395,946	6,001	7,287,857	-0-	5,897,912
General administration	874,483	7,353	-0-	-0-	(867,130)
School administration	2,856,442	633	-0-	-0-	(2,855,809)
Central services	1,641,189	7,156	-0-	-0-	(1,634,033)
Operation and maintenance of facilities	8,777,451	-0-	3,522	6,228,819	(2,545,110)
Student transportation	3,124,822	6,864	-0-	-0-	(3,117,958)
Other support services	-0-	-0-	53,365	-0-	53,365
Food services	4,424,923	3,514,733	520,090	-0-	(390,100)
Community services	604,695	-0-	25,000	-0-	(579,695)
Interest on long-term debt/ finance leases	<u>1,235,943</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,235,943)</u>
Total governmental activities	\$ <u>66,531,873</u>	\$ <u>5,043,350</u>	\$ <u>25,996,632</u>	\$ <u>6,228,819</u>	<u>(29,263,072)</u>
General Revenues:					
Property taxes					41,817,697
Unrestricted state aid					(11,146)
Unrestricted investment earnings					34,067
Unrestricted grants and contributions					2,231,560
Gain (loss) on disposal of capital assets					179,023
Transfers in					1,550,369
Transfers (out)					<u>(1,550,369)</u>
Total general revenues, extraordinary items and transfers					<u>44,251,201</u>
Change in net position					<u>14,988,129</u>
Net position – beginning					49,201,864
Prior period adjustments – (See Note 19)					<u>1,189,142</u>
Net position – beginning, as restated					<u>50,391,006</u>
Net position – ending					\$ <u>65,379,135</u>

See accompanying notes and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
BALANCE SHEETS - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>General Current Expense Fund</u>	<u>Special Revenue Fund</u>	<u>Special Revenue School Activity Fund</u>	<u>Federal Stimulus and Stabilization Fund</u>	<u>Debt Service Fund</u>	<u>Bond Construction Fund</u>	<u>Permanent Improvement Fund</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets								
Cash and cash equivalents	\$ 21,485,682	\$ (608,397)	\$ 1,288,448	\$(2,554,187)	\$ -0-	\$(419,957)	\$ 1,002,326	\$ 20,193,915
Investments	-0-	-0-	-0-	-0-	2,066,584	4,258,189	-0-	6,324,773
Taxes receivable, net	1,337,914	-0-	-0-	-0-	120,248	-0-	-0-	1,458,162
Deposit with Retirement Board	167,020	-0-	-0-	-0-	-0-	-0-	-0-	167,020
Prepaid Workers' Compensation	103,735	-0-	-0-	-0-	-0-	-0-	-0-	103,735
Food service receivable, net	-0-	423,704	-0-	-0-	-0-	-0-	-0-	423,704
Other receivables	117,551	-0-	-0-	-0-	-0-	-0-	-0-	117,551
Due from other governments:								
State aid receivable	188,174	-0-	-0-	-0-	-0-	-0-	-0-	188,174
PEIA allocation receivable	697,204	-0-	-0-	-0-	-0-	-0-	-0-	697,204
Reimbursements receivable	<u>103,661</u>	<u>1,491,636</u>	<u>-0-</u>	<u>2,575,823</u>	<u>-0-</u>	<u>-0-</u>	<u>2,392,832</u>	<u>6,563,952</u>
Total assets	<u>24,200,941</u>	<u>1,306,943</u>	<u>1,288,448</u>	<u>21,636</u>	<u>2,186,832</u>	<u>3,838,232</u>	<u>3,395,158</u>	<u>36,238,190</u>
Deferred Outflows of Resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total deferred outflows of resources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ <u>24,200,941</u>	\$ <u>1,306,943</u>	\$ <u>1,288,448</u>	\$ <u>21,636</u>	\$ <u>2,186,832</u>	\$ <u>3,838,232</u>	\$ <u>3,395,158</u>	\$ <u>36,238,190</u>

See accompanying notes and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
BALANCE SHEETS – GOVERNMENTAL FUNDS (CONT'D)
JUNE 30, 2022**

	<u>General Current Expense Fund</u>	<u>Special Revenue Fund</u>	<u>Special Revenue School Activity Fund</u>	<u>Federal Stimulus and Stabilization Fund</u>	<u>Debt Service Fund</u>	<u>Bond Construction Fund</u>	<u>Permanent Improvement Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Salaries payable and related payroll liabilities	\$ 3,302,500	\$ 244,280	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 3,546,780
PEIA premiums payable	1,304,782	229,227	-0-	11,356	-0-	-0-	-0-	1,545,365
Accounts payable and payable to others	<u>548,826</u>	<u>11,423</u>	<u>-0-</u>	<u>1,068,710</u>	<u>-0-</u>	<u>1,662,126</u>	<u>1,082,783</u>	<u>4,373,868</u>
Total liabilities	<u>5,156,108</u>	<u>484,930</u>	<u>-0-</u>	<u>1,080,066</u>	<u>-0-</u>	<u>1,662,126</u>	<u>1,082,783</u>	<u>9,466,013</u>
Deferred Inflows of Resources								
Total deferred inflows of resources	<u>1,121,711</u>	<u>423,706</u>	<u>-0-</u>	<u>-0-</u>	<u>100,193</u>	<u>-0-</u>	<u>-0-</u>	<u>1,645,610</u>
	<u>1,121,711</u>	<u>423,706</u>	<u>-0-</u>	<u>-0-</u>	<u>100,193</u>	<u>-0-</u>	<u>-0-</u>	<u>1,645,610</u>
Fund Balances								
Nonspendable	270,755	-0-	-0-	-0-	-0-	-0-	-0-	270,755
Restricted	-0-	398,307	-0-	-0-	2,086,639	2,176,106	2,312,375	6,973,427
Assigned	6,779,953	-0-	1,288,448	-0-	-0-	-0-	-0-	8,068,401
Unassigned	<u>10,872,414</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,058,430)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>9,813,984</u>
Total fund balances	<u>17,923,122</u>	<u>398,307</u>	<u>1,288,448</u>	<u>(1,058,430)</u>	<u>2,086,639</u>	<u>2,176,106</u>	<u>2,312,375</u>	<u>25,126,567</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
	\$ <u>24,200,941</u>	\$ <u>1,306,943</u>	\$ <u>1,288,448</u>	\$ <u>21,636</u>	\$ <u>2,186,832</u>	\$ <u>3,838,232</u>	\$ <u>3,395,158</u>	\$ <u>36,238,190</u>

See accompanying notes and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
BALANCE SHEETS – GOVERNMENTAL FUNDS (CONT'D)
JUNE 30, 2022**

	<u>General</u> <u>Current</u> <u>Expense</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>School Activity</u> <u>Fund</u>	<u>Federal</u> <u>Stimulus and</u> <u>Stabilization</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Bond</u> <u>Construction</u> <u>Fund</u>	<u>Permanent</u> <u>Improvement</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
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								\$ 98,356,482
Finance lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds								331,332
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								1,545,417
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:								
Deferred outflows of resources related to pensions								1,973,766
Deferred inflows of resources related to pensions								(2,644,678)
Deferred outflows of resources related to OPEB								1,020,533
Deferred inflows of resources related to OPEB								(3,318,310)
Deferred outflows of resources related to OPEB – county dental and vision								202,466
Deferred inflows of resources related to OPEB – county dental and vision								(3,104,890)
Some liabilities, including net pension and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:								
Bonds and contracts payable, due within one year								(2,930,518)
Bonds and contracts payable, due beyond one year								(33,370,000)
Unamortized bond premium								(1,410,733)
Accrued interest on bonds								(123,657)
Compensated absences								(83,616)
Capital leases payable								(5,982,347)
Net pension liability – proportionate share								(2,506,354)
Net OPEB liability – proportionate share								(67,310)
County OPEB plan								(7,303,683)
Finance lease liability, due within one year								(80,183)
Finance lease liability, due beyond one year								(251,149)
Net position of governmental activities								\$ <u>65,379,135</u>

See accompanying notes and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Current Expense Fund</u>	<u>Special Revenue Fund</u>	<u>Special Revenue School Activity Fund</u>	<u>Federal Stimulus and Stabilization Fund</u>	<u>Debt Service Fund</u>	<u>Bond Construction Fund</u>	<u>Permanent Improvement Fund</u>	<u>Total Governmental Funds</u>
Revenues								
Property taxes	\$ 38,480,911	\$ -0-	\$ -0-	\$ -0-	\$ 3,885,139	\$ -0-	\$ -0-	\$ 42,366,050
Other local sources	927,165	100,468	1,109,463	-0-	4,196	81,759	11,247	2,234,298
State sources	31,057,474	1,502,992	7,306	-0-	-0-	-0-	5,874,215	38,441,987
Federal sources	844,321	7,733,696	-0-	6,770,602	-0-	-0-	-0-	15,348,619
Miscellaneous sources	253,035	-0-	-0-	-0-	-0-	8,824	-0-	261,859
Total revenues	<u>71,562,906</u>	<u>9,337,156</u>	<u>1,116,769</u>	<u>6,770,602</u>	<u>3,889,335</u>	<u>90,583</u>	<u>5,885,462</u>	<u>98,652,813</u>
Expenditures								
Instruction	39,855,377	3,668,096	1,093,470	2,811,908	-0-	288,896	90,367	47,808,114
Supporting services:								
Students	3,687,511	833,196	-0-	(20,388)	-0-	27,143	-0-	4,527,462
Instruction staff	1,089,585	614,928	-0-	112,800	-0-	-0-	-0-	1,817,313
General administration	1,051,357	-0-	-0-	-0-	-0-	-0-	-0-	1,051,357
School administration	3,903,236	12,711	97,803	5,105	-0-	57,165	775	4,076,795
Central services	1,593,470	395,656	-0-	36,191	-0-	56,614	263	2,082,194
Operation and maintenance of facilities	9,531,886	3,755	4,931	60,618	-0-	49,331	16,882	9,667,403
Student transportation	4,529,568	921	-0-	-0-	-0-	-0-	-0-	4,530,489
Food services	260,522	4,701,848	5,957	-0-	-0-	-0-	-0-	4,968,327
Community services	604,695	-0-	-0-	-0-	-0-	-0-	-0-	604,695
Capital outlay	361,559	-0-	-0-	4,728,865	-0-	10,238,991	8,084,273	23,413,688
Debt service:								
Principal retirement	510,351	-0-	-0-	-0-	2,325,000	-0-	-0-	2,835,351
Interest and fiscal charges	125,611	-0-	-0-	-0-	1,175,300	-0-	45,556	1,346,467
Finance leases:								
Principal payment expense	78,479	-0-	-0-	-0-	-0-	-0-	-0-	78,479
Interest expense	8,041	-0-	-0-	-0-	-0-	-0-	-0-	8,041
Total expenditures	<u>67,191,248</u>	<u>10,231,111</u>	<u>1,202,161</u>	<u>7,735,099</u>	<u>3,500,300</u>	<u>10,718,140</u>	<u>8,238,116</u>	<u>108,816,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,371,658</u>	<u>(893,955)</u>	<u>(85,392)</u>	<u>(964,497)</u>	<u>389,035</u>	<u>(10,627,557)</u>	<u>(2,352,654)</u>	<u>(10,163,362)</u>

See accompanying notes and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Current Expense Fund</u>	<u>Special Revenue Fund</u>	<u>Special Revenue School Activity Fund</u>	<u>Federal Stimulus and Stabilization Fund</u>	<u>Debt Service Fund</u>	<u>Bond Construction Fund</u>	<u>Permanent Improvement Fund</u>	<u>Total Governmental Funds</u>
Other Financing Sources (Uses)								
Proceeds from disposal of real or personal property	\$ 18,295	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 18,295
Proceeds from finance lease	-0-	-0-	-0-	-0-	-0-	-0-	896,052	896,052
Transfers in	207,703	1,157,968	184,698	-0-	-0-	-0-	-0-	1,550,369
Transfers (out)	(1,157,968)	(298,468)	-0-	(93,933)	-0-	-0-	-0-	(1,550,369)
Total other financing sources (uses)	<u>(931,970)</u>	<u>859,500</u>	<u>184,698</u>	<u>(93,933)</u>	<u>-0-</u>	<u>-0-</u>	<u>896,052</u>	<u>914,347</u>
Net change in fund balances	3,439,688	(34,455)	99,306	(1,058,430)	389,035	(10,627,557)	(1,456,602)	(9,249,015)
Fund balances – beginning	14,483,434	432,762	-0-	-0-	1,697,604	12,803,663	3,768,977	33,186,440
Prior period adjustments – (See Note 13)	-0-	-0-	1,189,142	-0-	-0-	-0-	-0-	1,189,142
Fund balances – beginning, as restated	<u>14,483,434</u>	<u>432,762</u>	<u>1,189,142</u>	<u>-0-</u>	<u>1,697,604</u>	<u>12,803,663</u>	<u>3,768,977</u>	<u>34,375,582</u>
Fund balances – ending	<u>\$ 17,923,122</u>	<u>\$ 398,307</u>	<u>\$ 1,288,448</u>	<u>\$ (1,058,430)</u>	<u>\$ 2,086,639</u>	<u>\$ 2,176,106</u>	<u>\$ 2,312,375</u>	<u>\$ 25,126,567</u>

See accompanying notes and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net change in fund balances – total governmental funds \$ (9,249,015)

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	(2,535,363)
Capital outlays	24,315,886

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

Amortization expense	(78,479)
Capital outlays	-0-

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	(552,549)
Operating grants and contributions	(193,679)

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

128,248

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

(896,052)

The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net position.

2,835,351

See accompanying notes and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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	\$ (407,470)
Accumulated depreciation of assets disposed	475,814

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 compensated absences	(8,703)
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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.

	(9,683)
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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	727,633
Cost of benefits earned net of employee contributions	(126,937)

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	657,488
County OPEB dental/vision plan	(2,396,372)
Cost of benefits earned net of employee contributions	(108,431)
County dental/vision plan	2,331,963

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.

	<u>78,479</u>
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Change in net position of governmental activities	\$ <u>14,988,129</u>
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See accompanying notes and independent auditor's report.

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

Note 1 - Summary of Significant Accounting Policies:

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

A. Reporting Entity:

The Ohio County Board of Education (School Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school district and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement 14 establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the School Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable.

B. District-wide and fund financial statements:

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

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

See independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022

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.

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the School Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the School Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Special Revenue Fund: Federal Stimulus and Stabilization Fund – A governmental fund type used to account for the financial resources of LEAs, MCVCS, and ESCs received through the federal government; most notably in regard to the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

See independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022

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; school activity funds to account for the assets of the individual schools of the district, the student clubs, and school support organizations; and may 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.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

Custodial funds report fiduciary activities that are not held in a trustor 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 an 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:

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

Deposits with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the School Board's name. Custodial credit risk is the risk that in event of a bank failure, the School Board's deposits may not be returned to it. The School Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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

	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>	<u>Bank Balance</u>
State Investment Pool	\$ 4,258,189	\$ 4,258,189	\$ 4,258,189
Municipal Bond Commission	2,066,584	2,066,584	2,066,584
Deposits with Financial Institutions – Individual Schools	1,288,448	1,288,448	1,332,744
Deposits with Financial Institutions – Board of Education	<u>18,905,467</u>	<u>18,905,467</u>	<u>23,996,075</u>
Total cash and investments	\$ <u>26,518,688</u>	\$ <u>26,518,688</u>	\$ <u>31,653,592</u>

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Deposits with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the School Board's name. Custodial credit risk is the risk that in event of a bank failure, the School Board's deposits may not be returned to it. The School Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

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

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

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

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

At June 30, 2022, the WV Government Money Market Pool investments had a total carrying value of \$234,095,000 of which the School Board's ownership represents 11% (*the percentage is calculated as the School Board's total investment in the WV Government Money Market Pool divided by the Pool's total carrying value of \$234,095,000*).

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

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

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

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

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

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by \$22,300 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.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022**

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 estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

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

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

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

K. Right-of-Use Assets:

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

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

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

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.

Balances of deferred outflows 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 details of the aggregate amount are as follows:

Pension	\$ 1,973,766
OPEB	1,020,533
OPEB – County Dental and Vision	202,466

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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 10 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 20 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.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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 11 for further discussion.

O. Long-term Obligations:

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

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

P. Deferred Inflow of Resources:

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period.

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 details of the aggregate amount are as follows:

Pension	\$ 2,644,678
OPEB	3,318,310
Dental/Optical Plan	3,205,083
Property Tax Receivable	1,221,904
Food Service Receivable	423,706

See independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022

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.
- **Restricted net position, nonexpendable** - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. The School Board does not have any restricted nonexpendable assets at June 30, 2022.
- **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.

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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R. Fund Equity:

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

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.
- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member School Board. Said specific purposes and amounts are recorded in the official School Board minutes of the fiscal year ended June 30, 2022. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member School Board or by a body or official to which the School Board has delegated the authority to assign amounts 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.

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- 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. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The School Board adopted GASB Statement No. 84 which required the Board to add a new Special Revenue Fund – School Activity Fund.

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OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

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

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

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

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

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

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- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objective of this Statement is to enhance comparability in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The provisions effective immediately did not have an impact on the financial statements, and the Board has not yet determined the effect of the remaining provisions.

W. Recent Statements Issued by the GASB:

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

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

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

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

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

Note 2 - Stewardship, Compliance and Accountability:

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

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

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund	\$ 34,455
Federal Stimulus and Stabilization Fund	1,058,430
Bond Construction Fund	10,627,557
Permanent Improvement Fund	1,456,602

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

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

<u>Fund</u>	<u>Amount</u>
None	

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3 - Risk Management:

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

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

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

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

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

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

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

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.

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**OHIO COUNTY BOARD OF EDUCATION
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The assessed valuations and levy rates levied by the School Board per \$100 of assessed valuation for each class of property for the fiscal year ended June 30, 2022 were:

<u>Class of Property</u>	<u>Assessed Valuations For Tax Purposes</u>	<u>Current Expense</u>	<u>Excess Levy</u>
Class I	\$ -0-	19.40¢	21.92¢
Class II	\$ 980,611,636	38.80¢	43.84¢
Class III	\$ 1,216,288,451	77.60¢	87.68¢
Class IV	\$ 751,576,009	77.60¢	87.68¢

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

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

Taxes Receivable

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

	<u>General Current Expense Fund</u>	<u>Debt Service Fund</u>
Taxes receivable	\$ 2,531,103	\$ 235,880
Less: allowances for uncollectible	(1,193,189)	(115,632)
Taxes receivable, net	\$ <u>1,337,914</u>	\$ <u>120,248</u>

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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Note 7 - Capital Assets:

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

	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, non-depreciable:					
Land	\$ 1,779,401	\$ -0-	\$ -0-	\$ -0-	\$ 1,779,401
Construction in process	<u>39,283,935</u>	<u>-0-</u>	<u>23,052,129</u>	<u>-0-</u>	<u>62,336,064</u>
Total non-depreciable capital assets	<u>41,063,336</u>	<u>-0-</u>	<u>23,052,129</u>	<u>-0-</u>	<u>64,115,465</u>
Capital assets, depreciable:					
Buildings and improvements	65,500,581	-0-	-0-	-0-	65,500,581
Furniture and equipment	6,727,124	-0-	712,118	-0-	7,439,242
Vehicles	<u>7,936,340</u>	<u>-0-</u>	<u>551,639</u>	<u>(407,470)</u>	<u>8,080,509</u>
Total depreciable capital assets	<u>80,164,045</u>	<u>-0-</u>	<u>1,263,757</u>	<u>(407,470)</u>	<u>81,020,332</u>
Less accumulated depreciation for:					
Buildings and improvements	(32,801,499)	-0-	(1,761,496)	-0-	(34,562,995)
Furniture and equipment	(6,396,930)	-0-	(74,208)	-0-	(6,471,138)
Vehicles	<u>(5,521,337)</u>	<u>-0-</u>	<u>(699,659)</u>	<u>475,814</u>	<u>(5,745,182)</u>
Total accumulated depreciation	<u>(44,719,766)</u>	<u>-0-</u>	<u>(2,535,363)</u>	<u>475,814</u>	<u>(46,779,315)</u>
Total depreciable capital assets, net	<u>35,444,279</u>	<u>-0-</u>	<u>(1,271,606)</u>	<u>68,344</u>	<u>34,241,017</u>
Total capital assets, net	\$ <u>76,507,615</u>	\$ <u>-0-</u>	\$ <u>21,780,523</u>	\$ <u>68,344</u>	\$ <u>98,356,482</u>

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

Instruction	\$ 1,868,275
Supporting Services:	
Central administration	7,415
Operation and maintenance of facilities	108,313
Transportation	524,850
Food services	<u>26,510</u>
Total depreciation expense – governmental activities	\$ <u>2,535,363</u>

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Note 8 - Long-term debt:

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

<u>Bonds payable</u>	<u>Balance Beginning of Year</u>	<u>Restatement</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>	<u>Amounts due within one year</u>	<u>Amounts due past one year</u>
General obligation debt	\$ 38,105,000	\$ -0-	\$ -0-	\$ 2,325,000	\$ 35,780,000	\$ 2,410,000	\$ 33,370,000
Premium on sale of bonds	1,667,229	-0-	-0-	128,248	1,538,981	128,248	1,410,733
Compensated absences	74,913	-0-	8,703	-0-	83,616	83,616	-0-
OPEB – Dental/Optical	9,635,646	-0-	-0-	2,331,963	7,303,683	-0-	7,303,683
Proportionate share of net OPEB liability	1,052,483	-0-	-0-	985,173	67,310	-0-	67,310
QZAB/ESC capital lease payable	5,988,916	-0-	896,052	510,351	6,374,617	392,270	5,982,347
Proportionate share of net pension liability	<u>4,686,952</u>	<u>-0-</u>	<u>-0-</u>	<u>2,180,598</u>	<u>2,506,354</u>	<u>-0-</u>	<u>2,506,354</u>
Long-term liabilities	\$ <u>61,211,139</u>	\$ <u>-0-</u>	\$ <u>904,755</u>	\$ <u>8,461,333</u>	\$ <u>53,654,561</u>	\$ <u>3,014,134</u>	\$ <u>50,640,427</u>

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

Total bonds payable at June 30, 2022	\$ 35,780,000
Less: Current portion	<u>2,410,000</u>
Long-term bonds payable	\$ <u>33,370,000</u>

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

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	3.00%	\$ 2,410,000	\$ 1,103,550	\$ 3,513,550
2024	3.00%	2,490,000	1,031,250	3,521,250
2025	3.00%	2,580,000	956,550	3,536,550
2026	3.00%	2,680,000	879,150	3,559,150
2027	3.00%	2,790,000	798,750	3,588,750
2028 – 2032	3.00% - 4.00%	15,690,000	2,579,400	18,269,400
2033 – 2037	3.00%	<u>7,140,000</u>	<u>323,250</u>	<u>7,463,250</u>
Total		\$ <u>35,780,000</u>	\$ <u>7,671,900</u>	\$ <u>43,451,900</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

**Note 9 - Leases that Transfer Ownership, Short-Term Leases, and Right-of-Use Assets
(Finance Leases):**

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

Short-term leases with the lease payments recorded as expenditures during the life of the lease. Short-term leases are defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months or less, including any option to extend, regardless of their probability of being exercised. Short-term lease expenditures for the year ended June 30, 2022 were \$510,351.

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.

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**OHIO COUNTY BOARD OF EDUCATION
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FOR THE YEAR ENDED JUNE 30, 2022**

The School Board has entered into three lease contracts that transfer ownership pursuant to the provisions of West Virginia Code §18-5-9a whereby energy conservation equipment has been installed in several of the schools (or description of other equipment being leased). The equipment is leased from CMTA, Inc. for a period of 15 years beginning October 22, 2020. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2022, are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 314,391
2024	334,601
2025	349,311
2026	348,672
2027	352,934
2028	371,946
2029	385,459
2030	398,573
2031	416,237
2032-2034	<u>1,320,458</u>
Subtotal	4,592,582
Less: Amount representing interest	(642,911)
Present value minimum lease payments	\$ <u>3,949,671</u>

The assets acquired through leases are as follows:

Asset:	
Furniture and equipment	\$ 4,460,000

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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The School Board has entered into three lease contracts that transfer ownership pursuant to the provisions of West Virginia Code §18-5-9a whereby energy conservation equipment has been installed in several of the schools (or description of other equipment being leased). The equipment is leased from CMTA, Inc. for a period of 15 years beginning November 21, 2021. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2022, are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 54,500
2024	48,875
2025	48,375
2026	62,875
2027	67,000
2028	61,000
2029	60,125
2030	54,250
2031	58,500
2032-2035	<u>982,750</u>
Subtotal	1,498,250
Less: Amount representing interest	<u>(475,462)</u>
Present value minimum lease payments	\$ <u>1,022,788</u>

The assets acquired through capital leases are as follows:

Asset:	
Furniture and equipment	\$ 1,230,000

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

The School Board has entered into a capital 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 Wheeling Park High School Performing Arts Center and those assets are leased from The Page Valley Bank for a period of fifteen years beginning March 10, 2011. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

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

<u>Year</u>	<u>Amount</u>
2023	\$ 130,155
2024	130,155
2025	<u>130,155</u>
Total minimum lease payments	390,465
Less: Amount representing interest	<u>(9,617)</u>
Present value minimum lease payments	\$ <u>380,848</u>

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Additionally, the full lease purchase agreement is as follows:

LEASE PURCHASE AGREEMENT
LEASE PAYMENT SCHEDULE

Re: Lease Purchase Agreement, dated as of March 10, 2010, between The Page Valley Bank and THE BOARD OF EDUCATION OF THE COUNTY OF OHIO (West Virginia).

All terms used herein have the meanings ascribed to them in the above-referenced Agreement.

Lease Payments.

LEASE PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Payment Amount</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
				\$ 1,840,000.00
March 10, 2011	\$ 130,154.96	\$ 13,800.00	\$ 116,354.96	1,723,645.04
March 10, 2012	130,154.96	12,927.34	117,227.62	1,606,417.42
March 10, 2013	130,154.96	12,048.13	118,106.83	1,488,310.59
March 10, 2014	130,154.96	11,162.33	118,992.63	1,369,317.96
March 10, 2015	130,154.96	10,269.88	119,885.08	1,249,432.88
March 10, 2016	130,154.96	9,370.75	120,784.21	1,128,648.67
March 10, 2017	130,154.96	8,464.87	121,690.09	1,006,958.58
March 10, 2018	130,154.96	7,552.19	122,602.77	884,355.81
March 10, 2019	130,154.96	6,632.67	123,522.29	760,833.52
March 10, 2020	130,154.96	5,706.25	124,448.71	636,384.81
March 10, 2021	130,154.96	4,772.89	125,382.07	511,002.74
March 10, 2022	130,154.96	3,832.52	126,322.44	384,680.30
March 10, 2023	130,154.96	2,885.10	127,269.86	257,410.44
March 10, 2024	130,154.96	1,930.58	128,224.38	<u>129,186.06</u>
March 10, 2025	<u>130,154.96</u>	<u>968.90</u>	<u>129,186.06</u>	\$ <u>0.00</u>
TOTAL	\$ <u>1,952,324.40</u>	\$ <u>112,324.40</u>	\$ <u>1,840,000.00</u>	

Mandatory Prepayment in Event of Excess Proceeds: To the extent that less than 100 percent of the available project proceeds are expended by the close of the expenditure period for 1 or more Qualified Purposes, the District shall, unless permitted by the Internal Revenue Service pursuant to Section 54A of the Code to have an extension of the expenditure period, use such excess proceeds to prepay the principal amount of the remaining Lease Payments, in inverse order of maturity, within 90 days after the end of such period. After such prepayment the annual payment amount will be adjusted to reflect the lower interest amount payable due to the remaining principal amount being lower.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

The School Board has entered into three lease contracts that transfer ownership pursuant to the provisions of West Virginia Code §18-5-9a whereby energy conservation equipment has been installed in several of the schools (or description of other equipment being leased). The equipment is leased from CMTA, Inc. for a period of 15 years beginning February 22, 2022. At the end of the contract period, the School Board will have ownership of the equipment. By contract, the School Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The future minimum lease obligations as of June 30, 2022, are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 69,935
2024	69,398
2025	78,860
2026	88,108
2027	67,000
2028	82,140
2029	96,065
2030	99,883
2031	103,593
2032-2037	<u>1,945,323</u>
Subtotal	2,700,305
Less: Amount representing interest	(<u>553,303</u>)
Present value minimum lease payments	\$ <u>2,147,002</u>

The assets acquired through this lease are recorded in construction in process at June 30, 2022.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2022**

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

	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Additions</u>	<u>Eliminations</u>	<u>Ending Balance</u>
Lease Assets:					
Furniture and equipment	\$ <u>-0-</u>	\$ <u>409,811</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>409,811</u>
Total lease assets	<u>-0-</u>	<u>409,811</u>	<u>-0-</u>	<u>-0-</u>	<u>409,811</u>
Less accumulated Amortization for:					
Furniture and equipment	<u>-0-</u>	<u>78,479</u>	<u>-0-</u>	<u>-0-</u>	<u>78,479</u>
Total accumulated amortization	<u>-0-</u>	<u>78,479</u>	<u>-0-</u>	<u>-0-</u>	<u>78,479</u>
Total lease assets, net	\$ <u>-0-</u>	\$ <u>331,332</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>331,332</u>

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

Instruction	\$ <u>78,479</u>
Total amortization expense - governmental activities	\$ <u>78,479</u>

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

	<u>Balance, Beginning of Year</u>	<u>Restatement</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, End of Year</u>	<u>Amounts due within one year</u>	<u>Amounts due past one year</u>
Finance Lease Liability	\$ <u>-0-</u>	\$ <u>409,811</u>	\$ <u>-0-</u>	\$ <u>78,479</u>	\$ <u>331,332</u>	\$ <u>80,183</u>	\$ <u>251,149</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 80,183	\$ 6,337	\$ 86,520
2024	81,924	4,596	86,520
2025	83,703	2,817	86,520
2026	<u>85,522</u>	<u>998</u>	<u>86,520</u>
Total	\$ <u>331,332</u>	\$ <u>14,748</u>	\$ <u>346,080</u>

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Retirement System (TRS) or the Teachers' Defined Contribution Retirement System (TDC). For the year ended June 30, 2022, the School Board's total payroll for all employees was \$41,590,515 and the payroll was \$38,364,827 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.

See independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022

A. Teachers' Retirement System (TRS):

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

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

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

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

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

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022**

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.

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

Employees' contributions (6%)	\$ 2,118,656
Employer's contributions (15% or 7.5%)	<u>2,751,545</u>
 Total contributions	 \$ <u>4,870,201</u>

See independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022

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

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

School Board's proportionate share of the net pension liability	\$ 2,506,354
State's proportionate share of the net pension liability associated with the School Board.	<u>40,031,405</u>
Total portion of net pension liability associated with the School Board	\$ <u>42,537,759</u>

The TRS net pension liability was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to the measurement date. The School Board's proportion of the net pension liability was based on its proportionate share of employer and non-employer contributions to the TRS Plan for the fiscal year ended on the measurement date.

For the year ended June 30, 2021, the School Board's proportion was .160378 percent, which was an increase of .014863 from its proportion measured as of June 30, 2020 (.145515 percent).

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

For the year ended June 30, 2022, the School Board recognized pension expense of \$460,749 and for support provided by the State, revenue of \$587,686. At June 30, 2022, the School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -0-	\$ 2,003,128
Differences between expected and actual experience	204,184	73,389
Changes in proportion and differences between School Board contributions and proportionate share of contributions	730,806	568,161
Changes in assumptions	311,143	-0-
District contributions subsequent to the measurement date	<u>727,633</u>	<u>-0-</u>
Total	\$ <u>1,973,766</u>	\$ <u>2,644,678</u>

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

<u>Year ended June 30,</u>	
2023	\$ (442,649)
2024	(352,756)
2025	(211,797)
2026	(402,770)
2027	11,427
Thereafter	<u>-0-</u>
Total	\$ <u>(1,398,545)</u>

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Actuarial Assumptions:

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

Inflation:	2.75%
Salary Increases:	Educators: 2.75%-5.90%; Non-Educators: 2.75%-6.50%
Investment Rate of Return:	7.25%, net of pension plan investment expense, including inflation.
Mortality:	Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy male retirees – Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy female retirees – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019, disabled females – 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019
Discount Rate:	7.25%

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Investment Asset Allocation:

The long-term rate of return on pension plan investments was determined using the building block method in which estimates of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.5%	5.5%
International Equity	27.5%	7.0%
Fixed Income	15.0%	2.2%
Real Estate	10.0%	6.6%
Private Equity	10.0%	8.5%
Hedge Funds	<u>10.0%</u>	4.0%
Total	<u>100.0%</u>	

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.

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
School Board's proportionate share of the TRS net pension liability	\$ <u>4,429</u>	\$ <u>2,506,354</u>	\$ <u>873</u>

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Payables to the Pension Plan:

At June 30, 2022, the School Board reported a liability of \$0 for its unpaid legally required contributions to the pension plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

B. Teachers' Defined Contribution Retirement System:

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

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

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

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2019, this plan had approximately \$705.09 million in net position held in trust for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West Retirement Services, an independent third party administrator.

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

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

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

Employees' contributions (4.5%)	\$ 137,895
Employer's contributions (7.5%)	<u>229,824</u>
 Total contributions	 \$ <u>367,719</u>

Note 11 - 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.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

Plan Description

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

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

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2021 and 2020, respectively, were:

	<u>2021</u>	<u>2020</u>
Paygo premium	\$ <u>160</u>	\$ <u>168</u>

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 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022**

Contributions to the OPEB plan from the School Board were \$2,678,941 for the year end June 30, 2022. Employees are not required to contribute to the OPEB plan.

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

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

The State is a nonemployer contributing entity that provides funding through West Virginia State Code §11B-2-32. The Financial Stability Fund is a plan to transfer an annual amount of \$5 Million to the RHBT from special revenue funds to be used to lower retiree premiums, to help reduce benefit cuts, to help reduce premium increases or any combination thereof. The \$5 million transferred pursuant to this Code shall be transferred annually into the RHBT through June 30, 2021. These transfers were not extended past FY21.

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

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

School Board's proportionate share of the net OPEB liability	\$ 67,310
State's proportionate share of the net OPEB liability associated with the School Board	(303,809)
Total portion of net OPEB liability associated with the School Board	\$ (236,499)

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

For the year ended June 30, 2021, the School Board's proportion was .2264 percent, which was a decrease of .0119 percent from its proportion measured as of June 30, 2020 (.2383 percent).

For the year ended June 30, 2022, the School Board recognized OPEB expense of \$6,629,136 and for support provided by the State, revenue of \$6,737,567. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual investment earnings	\$ -0-	\$ 464,523
Differences between expected and actual non-investment experience	-0-	463,663
Changes in proportion and differences between School Board contributions and proportionate share of contributions	363,045	938,868
Changes in assumptions	-0-	1,424,304
Reallocation of opt-out employer change in proportionate share	-0-	26,952
School Board contributions subsequent to the measurement date	<u>657,488</u>	<u>-0-</u>
Total	\$ <u>1,020,533</u>	\$ <u>3,318,310</u>

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2022**

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

<u>Years ending June 30,</u>	
2023	\$ (1,454,196)
2024	(1,156,466)
2025	(209,684)
2026	(134,919)
2027	-0-
Thereafter	<u>-0-</u>
Total	\$ <u>(2,955,265)</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.

Inflation:	2.25%
Salary Increases:	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation
Investment Rate of Return:	6.65%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Rates:	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of (31.11%) for plan year end 2022. 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.
Actuarial Cost Method:	Entry Age Normal Cost Method

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Amortization Method:	level percentage of payroll over a 20-year closed period beginning June 30, 2017
Asset Valuation Method:	Market Value
Wage Inflation:	2.75%
Retirement Age:	Rates based on 2015-2020 OPEB experience study and vary by pension plan participation and age/service at retirement. Rates first applied to the 2020 valuation.
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Mortality Post Retirement:	Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females
Mortality Pre-Retirement:	Pub-2010 General Employee Mortality Tables projected with MP-2019.
Discount Rate:	6.65%

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Investment Asset Allocation:

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Return</u>
Global Equity	55.0%	6.8%
Core plus fixed income	15.0%	4.1%
Core real estate	10.0%	6.1%
Hedge fund	10.0%	4.4%
Private equity	<u>10.0%</u>	8.8%
Total	<u>100.0%</u>	

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>5.65%</u>	<u>6.65%</u>	<u>7.65%</u>
School Board's proportionate share of the RHBT net OPEB liability	\$ <u>361,191</u>	\$ <u>(67,310)</u>	\$ <u>(423,088)</u>

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.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
School Board's proportionate share of the RHBT net OPEB liability	\$ <u>(496,979)</u>	\$ <u>(67,310)</u>	\$ <u>456,076</u>

Payables to the OPEB Plan:

At June 30, 2022, the School Board reported a liability of \$0 for its unpaid legally required contributions to the OPEB plan. The liability is included in the balance of salaries payable and related payroll liabilities on the Governmental Funds Balance Sheet and the Statement of Net Position.

Opt-Out Employer Balance Reallocation:

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

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

General Information – Ohio County Retiree Dental/Vision Plan:

Other post-employment benefits of Ohio County Board of Education consist of allowing retired employees and their spouses once deceased to continue participating in the Ohio County Board of Education self-insured dental plan for a nominal monthly fee. Employees are eligible to continue coverage in the Dental and Optical Plans upon retirement as long as they retire from Ohio County and begin receiving their West Virginia state retirement benefit.

Plan Description/Benefits provided:

Dental Benefits Available:

Preventative Services

- Oral Examinations, Cleanings, Emergency Office Visits, etc.
- Plan pays 100% up to \$1,500 annual maximum benefit per covered person.

General Services

- X-Rays, Fillings, Oral Surgery, etc.
- Plan pays 90% up to \$1,500 annual maximum benefit per covered person.

Major Services - Bridges, Dentures, Crowns and Restorations, etc.

- Plan pays 75% up to \$1,500 annual maximum benefit per covered person.
- Subject to \$50 calendar year deductible per covered person.

Orthodontics - Available for dependent children only

- Plan pays 75% up to a lifetime maximum of \$1,500 per covered dependent child.
- Subject to \$50 per child deductible.

Vision Benefits Available:

Covered benefits include one complete eye examination for each covered person in any period of 12 months. The plan covers the purchase of two lenses for each covered person in any period of 12 months and one set of frames for each covered person in any period of 24 months.

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**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Contributions:

For 2022-2023 the monthly required contributions are:

- Individual \$30
- Family/Spouse \$75

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

At June 30, 2022, the School Board reported a liability for its net OPEB Dental Liability of \$7,303,683.

The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability was determined by an actuarial valuation dated August 31, 2022.

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 174,868	\$ 65,317
Changes in assumptions	<u>27,598</u>	<u>3,139,766</u>
Total	\$ <u>202,466</u>	\$ <u>3,205,083</u>

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions.

Mortality – 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

Discount rate – 4.09%

Dental and Optical Cost Trend Rate – 4.0%

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

The discount rate used to measure the total OPEB liability was 4.09 percent.

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

	<u>1% Decrease</u> (3.09%)	<u>Current</u> <u>Discount Rate</u> (4.09%)	<u>1% Increase</u> (5.09%)
School Board's proportionate share of the Retiree Dental/Vision OPEB liability	\$ <u>8,737,045</u>	\$ <u>7,303,683</u>	\$ <u>6,174,107</u>

Healthcare Cost Trend Rate

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

	<u>1% Decrease</u> 3.00%	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u> 4.00%	<u>1% Increase</u> 5.00%
School Board's proportionate share of the Retiree Dental/Vision OPEB liability	\$ <u>5,655,659</u>	\$ <u>7,303,683</u>	\$ <u>9,415,644</u>

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**OHIO COUNTY BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022**

Note 12 - Pending Litigation:

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

Note 13 - Restatement of Beginning Net Position:

The fund balance at the beginning of the year of the following fund(s) required restatement:

	<u>School Activity Fund</u>
Fund balance at June 30, 2021, as previously stated	\$ -0-
Total Adjustments (See below)	1,189,142
Fund balance at June 30, 2021, restated	\$ <u>1,189,142</u>

The adjustments consisted of the following:

Special Revenue Fund:

The Special Revenue – School Funds was created in recognition of GASB 84.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14 - Fund Balance

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

<u>Fund Balance</u>	<u>General Current Expense Fund</u>	<u>Special Revenue Fund</u>	<u>School Activity Fund</u>	<u>Federal Stimulus and Stabilization Fund</u>	<u>Debt Service Fund</u>	<u>Bond Construction Fund</u>	<u>Permanent Improvement Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:									
Prepaid Items	\$ 270,755	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 270,755
Restricted for:									
Special Projects	-0-	398,307	-0-	-0-	-0-	-0-	-0-	-0-	398,307
Capital Projects	-0-	-0-	-0-	-0-	-0-	2,176,106	2,312,375	-0-	4,488,481
Debt Service	-0-	-0-	-0-	-0-	2,086,639	-0-	-0-	-0-	2,086,639
Assigned to:									
Encumbrances	1,893,592	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,893,592
School Activities	-0-	-0-	1,288,448	-0-	-0-	-0-	-0-	-0-	1,288,448
Future Projects	4,886,361	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,886,361
Unassigned	<u>10,872,414</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,058,430)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>9,813,984</u>
Total Fund Balances	\$ <u>17,923,122</u>	\$ <u>398,307</u>	\$ <u>1,288,448</u>	\$ <u>(1,058,430)</u>	\$ <u>2,086,639</u>	\$ <u>2,176,106</u>	\$ <u>2,312,375</u>	\$ <u>-0-</u>	\$ <u>25,126,567</u>

Note 15 - Commitments, Contingencies and Subsequent Events:

The School Board had encumbrances totaling \$15,300,632 as of June 30, 2022 in the following funds:

General Current Expense Fund	\$ 1,893,592
Special Revenue Fund	240,259
Special Revenue Fund – Federal Stimulus and Stabilization Fund	3,649,894
Bond Construction Fund	2,433,698
Permanent Improvement Fund	7,276,899

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

As of June 30, 2022 the following commitments for construction and other capital improvements existed, which are included in the restricted fund balance reflected in the accompanying financial statements:

2018 Bond Construction	\$ 3,305
Warwood School Remodel	2,901,924
Wheeling Park High School Remodel	1,623,531
Wheeling Middle School Remodel	5,199,281
Woodsdale Elementary School Remodel	3,370,980
Elm Grove Elementary School Remodel	50,000
Bethlehem Elementary Schools Remodel	121,471
West Liberty Elementary School Remodel	2,519
Steenrod Elementary School Remodel	3,090
Triadelphia Middle School Remodel Project	43,061

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

Effective with the fiscal year ended June 30, 2015, the Medicaid school-based health services program through the West Virginia Department of Health and Human Resources (DHHR), Bureau for Medical Services has a cost settlement requirement. This change was required by the federal Centers for Medicare and Medicaid Services (CMS). Revenue for services provided during the fiscal year ended June 30, 2022 has been recognized in accordance with the fee-for-service billings because there is insufficient data to estimate the cost settlement amounts. The interim cost settlement for the fiscal year ended June 30, 2020 was received by the School Board during June 2022. As such, Medicaid revenue has been adjusted accordingly within the accompanying financial statements. The interim cost settlement for the fiscal year ended June 30, 2022 will not be available until spring or summer of 2023. 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.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

Note 16 - Interfund Balances and Transfers

The composition of interfund balances as of June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transfers from/to other funds:		
Special Revenue Fund – Child Nutrition	General Current Expense Fund	\$ 910,287
Special Revenue Fund – Various Grants	General Current Expense Fund	247,681
School Activity Fund	Special Revenue Fund	184,698
General Current Expense Fund	Special Revenue Fund	113,770
General Current Expense Fund	Federal Stimulus and Stabilization Fund	93,933

During the year ended June 30, 2022, the amount of \$1,157,968, as shown above, was transferred from the General Current Expense Fund to the Special Revenue Fund for the Child Nutrition Department and various other projects. The Special Revenue fund transferred \$184,698 to the School Activity Fund for Faculty Senate revenue. Additionally, during the year ended June 30, 2022, the amount of \$113,770, as shown above, was transferred from the Special Revenue Fund to the General Current Expense Fund for Indirect Costs. Finally, during the year ended June 30, 2021, the amount of \$93,933 was transferred from the Federal Stimulus and Stabilization Fund to the General Current Expense Fund for Indirect Costs.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 17 - Payments on Behalf:

The Board may receive commitments or payments made by the State of an intermediate governmental jurisdiction for the benefit of the 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 Board. The revenues recorded as payments on behalf of the Board are as follows:

Retirement allocation by the State	\$ 1,984,072
Retirement allocation by the State unfunded	6,669,762
PEIA allocation by the State	3,714,184
Other post-employment benefit allocation	494,135
Donated foods	204,250

Note 18 - Major Sources of Revenue:

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 19 - Changes in Accounting Principles:

Effective July 1, 2021, the School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. As a result, certain leases are now reflected as right-of-use assets. Additionally, the Ohio County Board of Education implemented GASB Statement No. 84 which includes the School Activity Fund in the Board of Education's financial statements. The beginning net position has been restated as follows:

	<u>Governmental Activities</u>
Beginning net position as previously reported at June 30, 2021	\$ 33,186,440
Implementation of GASB 84 - School Activity Fund	<u>1,189,142</u>
Net position as restated, July 1, 2021	\$ <u>34,375,582</u>
	<u>District-Wide Statements</u>
Beginning net position as previously reported at June 30, 2021	\$ 49,201,864
Implementation of GASB 84 - School Activity Fund	1,189,142
Implementation of GASB 87 – ROU Asset	409,811
Implementation of GASB 87 – Lease Liability	<u>(409,811)</u>
Net position as restated, July 1, 2021	\$ <u>50,391,006</u>

Note 20 - Subsequent Events – 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.

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$1,324,556.37 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 \$4,964,485.47 from these funds to help mitigate the expenses incurred directly from COVID-19.

On March 11, 2021, The American Rescue Plan Elementary and Secondary School Emergency Relief ("ARP ESSER") Fund, authorized under the American Rescue Plan ("ARP") Act of 2021, provided federal stimulus dollars to assist local school districts during the Covid-19 pandemic. As a State, West Virginia received approximately \$761.4 million dollars under the ARP Act, and approximately \$738.6 million of those dollars were specifically put into a fund titled ARP ESSER to support schools in safely reopening and sustaining the safe operation of schools while meeting the academic, social, emotional, and mental health needs of students resulting from the coronavirus disease 2019 ("COVID-19") pandemic. The School Board received \$12,229,566 from these funds to help mitigate the expenses incurred directly from COVID-19.

It is unknown how long the adverse conditions from COVID-19 will last and what the complete financial effect will be to the School Board.

Note 21 - Evaluation of Subsequent Events:

The Board of Education's management has evaluated subsequent events through March 25, 2023, the date the financial statements were available to be issued.

See independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

**OHIO 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 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Regulatory Basis		GAAP	for	Regulatory	with
	Original	Final	Basis	Regulatory	Basis	Final
			Amounts	Basis	Amounts	Budget
Revenues						
Property taxes	\$ 36,293,638	\$ 36,293,638	\$ 38,480,911	\$ -0-	\$ 38,480,911	\$ 2,187,273
Other local sources	729,700	830,214	927,165	-0-	927,165	96,951
State sources	24,459,408	31,130,795	31,057,474	-0-	31,057,474	(73,321)
Federal sources	300,000	300,000	844,321	-0-	844,321	544,321
Miscellaneous sources	238,542	238,542	253,035	-0-	253,035	14,493
Total revenues	<u>62,021,288</u>	<u>68,793,189</u>	<u>71,562,906</u>	<u>-0-</u>	<u>71,562,906</u>	<u>2,769,717</u>
Expenditures						
Instruction	35,151,840	43,135,532	39,855,377	-0-	39,855,377	3,280,155
Supporting services:						
Students	3,158,742	3,359,410	3,687,511	-0-	3,687,511	(328,101)
Instructional staff	1,092,973	1,106,234	1,089,585	-0-	1,089,585	16,649
General administration	1,190,106	1,198,792	1,051,357	-0-	1,051,357	147,435
School administration	3,550,164	3,556,365	3,903,236	-0-	3,903,236	(346,871)
Central services	1,148,846	1,370,337	1,593,470	-0-	1,593,470	(223,133)
Operation and maintenance of facilities	9,216,092	9,818,650	9,531,886	-0-	9,531,886	286,764
Student transportation	4,161,478	4,189,246	4,529,568	-0-	4,529,568	(340,322)
Reserve for contingencies	2,999,243	13,182,247	-0-	-0-	-0-	13,182,247
Food services	-0-	12,935	260,522	-0-	260,522	(247,587)
Community services	613,698	613,698	604,695	-0-	604,695	9,003
Capital outlay	-0-	-0-	361,559	-0-	361,559	(361,559)
Debt service:						
Principal retirement	510,351	510,351	510,351	-0-	510,351	-0-
Interest and fiscal charges	259,515	259,515	125,611	-0-	125,611	133,904
Finance leases:						
Principal retirement	-0-	-0-	78,479	-0-	78,479	(78,479)
Interest and fiscal charges	-0-	-0-	8,041	-0-	8,041	(8,041)
Total expenditures	<u>63,053,048</u>	<u>82,313,312</u>	<u>67,191,248</u>	<u>-0-</u>	<u>67,191,248</u>	<u>15,122,064</u>
Excess (deficiency) of revenues over (under) expenditures	(1,031,760)	(13,520,123)	4,371,658	-0-	4,371,658	17,891,781
Other Financing Sources (Uses)						
Proceeds from disposal of real or personal property	-0-	-0-	18,295	-0-	18,295	18,295
Transfers in	-0-	-0-	207,703	-0-	207,703	207,703
Transfers (out)	(1,468,240)	(1,468,240)	(1,157,968)	-0-	(1,157,968)	310,272
Total other financing sources (uses)	<u>(1,468,240)</u>	<u>(1,468,240)</u>	<u>(931,970)</u>	<u>-0-</u>	<u>(931,970)</u>	<u>536,270</u>
Change in fund balances	(2,500,000)	(14,988,363)	3,439,688	-0-	3,439,688	18,428,051
Fund balances – beginning	<u>2,500,000</u>	<u>14,988,363</u>	<u>14,483,434</u>	<u>-0-</u>	<u>14,483,434</u>	(504,929)
Fund balances – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>17,923,122</u>	\$ <u>-0-</u>	\$ <u>17,923,122</u>	\$ <u>17,923,122</u>

See accompanying notes to required supplementary information and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Regulatory Basis		GAAP	for	Regulatory	with
	Original	Final	Basis	Regulatory	Basis	Final
			Amounts	Basis	Amounts	Budget
Revenues						
Local sources	\$ -0-	\$ 90,000	\$ 100,468	\$ -0-	\$ 100,468	\$ 10,468
State sources	598,782	1,546,068	1,502,992	-0-	1,502,992	(43,076)
Federal sources	5,935,420	8,228,722	7,733,696	-0-	7,733,696	(495,026)
Miscellaneous sources	<u>1,490,833</u>	<u>1,490,833</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(1,490,833)</u>
Total revenues	<u>8,025,035</u>	<u>11,355,623</u>	<u>9,337,156</u>	<u>-0-</u>	<u>9,337,156</u>	<u>(2,018,467)</u>
Expenditures						
Instruction	3,059,127	5,279,883	3,668,096	-0-	3,668,096	1,611,787
Supporting services:						
Students	456,509	660,054	833,196	-0-	833,196	(173,142)
Instructional staff	497,360	749,149	614,928	-0-	614,928	134,221
School administration	40,462	45,462	12,711	-0-	12,711	32,751
Central services	5,724	433,310	395,656	-0-	395,656	37,654
Operation and maintenance of facilities	-0-	3,522	3,755	-0-	3,755	(233)
Student transportation	-0-	500	921	-0-	921	(421)
Other	-0-	-0-	-0-	-0-	-0-	-0-
Food services	<u>3,857,182</u>	<u>4,170,509</u>	<u>4,701,848</u>	<u>-0-</u>	<u>4,701,848</u>	<u>(531,339)</u>
Total expenditures	<u>7,916,364</u>	<u>11,342,389</u>	<u>10,231,111</u>	<u>-0-</u>	<u>10,231,111</u>	<u>1,111,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>108,671</u>	<u>13,234</u>	<u>(893,955)</u>	<u>-0-</u>	<u>(893,955)</u>	<u>(907,189)</u>
Other Financing Sources (Uses)						
Transfers in	-0-	-0-	1,157,968	-0-	1,157,968	1,157,968
Transfers (out)	<u>(108,671)</u>	<u>(124,686)</u>	<u>(298,468)</u>	<u>-0-</u>	<u>(298,468)</u>	<u>(173,782)</u>
Total other financing sources (uses)	<u>(108,671)</u>	<u>(124,686)</u>	<u>859,500</u>	<u>-0-</u>	<u>859,500</u>	<u>984,186</u>
Change in fund balances	-0-	(111,452)	(34,455)	-0-	(34,455)	76,997
Fund balances – beginning	<u>-0-</u>	<u>111,452</u>	<u>432,762</u>	<u>-0-</u>	<u>432,762</u>	<u>321,310</u>
Fund balances – ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 398,307</u>	<u>\$ -0-</u>	<u>\$ 398,307</u>	<u>\$ 398,307</u>

See accompanying notes to required supplementary information and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL –
FEDERAL STIMULUS AND STABILIZATION FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Regulatory Basis		GAAP	for	Regulatory	with
	Original	Final	Basis	Regulatory	Basis	Final
			Amounts	Basis	Amounts	Budget
Revenues						
Federal sources	\$ 4,764,485	\$ 18,202,753	\$ 6,770,602	\$ -0-	\$ 6,770,602	\$(11,432,151)
Total revenues	<u>4,764,485</u>	<u>18,202,753</u>	<u>6,770,602</u>	<u>-0-</u>	<u>6,770,602</u>	<u>(11,432,151)</u>
Expenditures						
Instruction	597,738	4,735,708	2,811,908	-0-	2,811,908	1,923,800
Supporting services:						
Students	110,000	566,376	(20,388)	-0-	(20,388)	586,764
Instructional staff	1,130,000	1,755,482	112,800	-0-	112,800	1,642,682
School administration	-0-	9,345	5,105	-0-	5,105	4,240
Central services	-0-	2,467,830	36,191	-0-	36,191	2,431,639
Operation and maintenance of facilities	450,002	675,602	60,618	-0-	60,618	614,984
Student transportation	-0-	9,600	-0-	-0-	-0-	9,600
Food services	-0-	14,307	-0-	-0-	-0-	14,307
Community services	-0-	12,371	-0-	-0-	-0-	12,371
Capital outlay	<u>2,324,281</u>	<u>7,322,281</u>	<u>4,728,865</u>	<u>-0-</u>	<u>4,728,865</u>	<u>2,593,416</u>
Total expenditures	<u>4,612,021</u>	<u>17,568,902</u>	<u>7,735,099</u>	<u>-0-</u>	<u>7,735,099</u>	<u>9,833,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>152,464</u>	<u>633,851</u>	<u>(964,497)</u>	<u>-0-</u>	<u>(964,497)</u>	<u>(1,598,348)</u>
Other Financing Sources (Uses)						
Transfers (out)	(152,464)	(545,579)	(93,933)	-0-	(93,933)	451,646
Total other financing sources (uses)	<u>(152,464)</u>	<u>(545,579)</u>	<u>(93,933)</u>	<u>-0-</u>	<u>(93,933)</u>	<u>451,646</u>
Change in fund balances	-0-	88,272	(1,058,430)	-0-	(1,058,430)	(1,146,702)
Fund balances – beginning	-0-	(88,272)	-0-	-0-	-0-	88,272
Fund balances – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(1,058,430)</u>	\$ <u>-0-</u>	\$ <u>(1,058,430)</u>	\$ <u>(1,058,430)</u>

See accompanying notes to required supplementary information and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2021
FOR THE YEAR ENDED JUNE 30, 2022**

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.160378%	0.145515%	0.125588%	0.150211%	0.124839%	0.118290%	0.082231%	0.000000%
District's proportionate share of the net pension liability (asset)	\$ 2,506,354	\$ 4,686,952	\$ 3,736,458	\$ 4,689,973	\$ 4,313,138	\$ 4,861,527	\$ 2,849,516	\$ 3,029,298
State's proportionate share of the net pension liability (asset) associated with the district	<u>40,031,405</u>	<u>76,471,735</u>	<u>59,963,768</u>	<u>83,784,900</u>	<u>66,313,372</u>	<u>67,452,077</u>	<u>49,520,956</u>	<u>60,653,542</u>
Total	\$ <u>42,537,759</u>	\$ <u>81,158,687</u>	\$ <u>63,700,226</u>	\$ <u>88,474,873</u>	\$ <u>70,626,510</u>	\$ <u>72,313,604</u>	\$ <u>52,370,472</u>	\$ <u>63,682,840</u>
District's covered payroll	\$ 34,061,834	\$ 32,991,893	\$ 31,305,814	\$ 29,896,935	\$ 29,610,247	\$ 29,177,770	\$ 28,192,658	\$ 28,192,658
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.358%	14.206%	11.935%	15.687%	14.566%	16.662%	10.107%	10.745%
Plan fiduciary net position as a percentage of the total pension liability	86.38%	70.89%	72.64%	71.20%	67.85%	61.42%	66.25%	65.95%

Data prior to 2014 is unavailable.

See accompanying notes to required supplementary information and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
TO TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,711,705	\$ 2,643,154	\$ 2,619,592	\$ 2,497,935	\$ 2,448,841	\$ 2,479,828	\$ 2,481,741	\$ 2,473,910
Contributions in relation to the contractually required contribution	(2,711,705)	(2,643,154)	(2,619,592)	(2,497,935)	(2,448,841)	(2,479,828)	(2,481,741)	(2,473,910)
Contribution deficiency (excess)	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-	\$ _____-0-
District's covered payroll	\$ 38,364,827	\$ 34,061,834	\$ 32,991,893	\$ 31,305,814	\$ 29,896,935	\$ 29,610,247	\$ 29,177,770	\$ 28,303,643
Contributions as a percentage of covered payroll	7.068%	7.760%	7.940%	7.950%	8.191%	8.735%	8.506%	8.741%

Data prior to 2015 is unavailable.

See accompanying notes to required supplementary information and independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
 OF THE NET OPEB LIABILITY
 FOR THE MEASUREMENT PERIOD ENDED JUNE 30, 2021
 FOR THE YEAR ENDED JUNE 30, 2022

	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.226367%	0.238285%	0.247939%	0.340146%	0.184275%
District's proportionate share of the net OPEB liability (asset)	\$ 67,310	\$ 1,052,483	\$ 4,113,634	\$ 7,297,622	\$ 4,531,293
State's proportionate share of the net OPEB liability (asset) associated with the district	(<u>303,809</u>)	<u>4,877,044</u>	<u>18,715,530</u>	<u>18,861,708</u>	<u>21,192,376</u>
Total	\$(<u>236,499</u>)	<u>\$ 5,929,527</u>	<u>\$ 22,829,164</u>	<u>\$ 26,159,330</u>	<u>\$ 25,723,669</u>
District's covered payroll	\$ 32,455,817	\$ 31,516,780	\$ 29,226,830	\$ 29,178,038	\$ 29,058,256
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.207%	3.339%	14.075%	25.011%	15.594%
Plan fiduciary net position as a percentage of the total OPEB liability	101.81%	73.49%	39.69%	30.98%	25.10%

Data prior to 2017 is unavailable.

See accompanying notes to required supplementary information and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS –
 RETIREE HEALTH BENEFIT TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,151,623	\$ 2,678,941	\$ 2,756,127	\$ 1,369,389	\$ 1,549,330
Contributions in relation to the contractually required contribution	<u>(1,151,623)</u>	<u>(2,678,941)</u>	<u>(2,756,127)</u>	<u>(1,369,389)</u>	<u>(1,549,330)</u>
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered payroll	\$ 33,133,302	\$ 32,455,817	\$ 31,516,780	\$ 29,226,830	\$ 29,178,038
Contributions as a percentage of covered payroll	3.476%	8.254%	8.745%	4.685%	5.310%

Data prior to 2018 is unavailable.

See accompanying notes to required supplementary information and independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS
 GROUP DENTAL AND VISION PLANS
 FOR THE YEAR ENDED JUNE 30, 2022

	2021	2021	2020	2019	2018
Actuarially determined contribution	\$ 947,184	\$ 1,203,285	\$ 1,249,811	\$ 1,200,851	\$ 1,042,085
Contributions in relation to the actuarially determined contribution	<u>180,167</u>	<u>106,225</u>	<u>55,308</u>	<u>63,502</u>	<u>57,757</u>
Contribution deficiency (excess)	<u>\$ 767,017</u>	<u>\$ 1,097,060</u>	<u>\$ 1,194,503</u>	<u>\$ 1,137,349</u>	<u>\$ 984,328</u>
District's covered payroll	Not available	Not available	Not available	Not available	Not available
Contributions as a percentage of covered payroll	Not available	Not available	Not available	Not available	Not available

Data prior to 2018 is unavailable.

See accompanying notes to required supplementary information and independent auditor's report.

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

A. Budgets and Budgetary Accounting

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the regulatory basis of accounting for all governmental funds. The regulatory basis of accounting for West Virginia Boards of Education does not include amounts for other post-employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Certain other transactions, such as for/on behalf unfunded retirement contributions, etc. are also not included in the School Board's regulatory basis budget. Budgets are not adopted for custodial funds. The following procedures are followed in preparing the annual budget:

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

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

General Current Expense Fund:

<u>Function</u>	<u>Amount</u>
Supporting Services:	
Students	\$ 328,101
School Administration	346,871
Central Services	223,133
Food Services	247,587
Student Transportation	340,322
Capital Outlay	361,559
Principal Retirement	78,479
Interest & Fiscal Charges	8,041

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

Special Revenue Fund:

<u>Function</u>	<u>Amount</u>
Supporting Services:	
Students	\$ 173,142
Operation and Maintenance	233
Student Transportation	421
Food Services	531,399

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

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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:	<u>2021</u> 2.75%	<u>2015-2020</u> 3%	<u>2014</u> 2.2%		
Salary Increases:	<u>2021</u> Educators: 2.75%- 5.90%	<u>2020</u> State – 3.00%- 6.00%	<u>2018-2019</u> 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%	<u>2016-2017</u> 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%	<u>2014-2015</u> 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:	<u>2021</u> 7.25 %, net of pension plan investment expense	<u>2014-2020</u> 7.5%, net of pension plan investment expense, including inflation			

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2020-2021</u>	<u>2016-2019</u>	<u>2014-2015</u>
Mortality:	Active: Pub-2010 General Employee Tables, headcount-weighted, projected with Scale MP-2019. Retired: healthy males – Pub-2010 General Retiree Male Table, headcount-weighted, projected with Scale MP-2019, healthy females – 112% of Pub-2010 General Retiree Female Table, headcount-weighted, projected with Scale MP-2019; disabled males – 107% of Pub-2010 General/Teachers Disabled Male Table, headcount-weighted, projected with Scale MP-2019, disabled females – 113% of Pub-2010 General/Teachers Disabled Female Table, headcount-weighted, projected with Scale MP-2019	Active: RP-2000, Non-Annuitant table, projected with Scale AA on a fully generational basis. Retired: healthy males – 97% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis, healthy females – 94% of RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; disabled males – 96 % of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis, disabled females – 101% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Active – RP2000, non-annuitant monthly mortality table, retired – RP2000 healthy annuitant, scale AA; disabled – RP2000 disabled annuitant mortality table, scale AA.

	<u>2021</u>	<u>2014-2020</u>
Discount Rate:	7.25%	7.5%

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Inflation:	2.25%	2.25%	2.75%	2.75%	2.75%
Salary Increases:	Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	Specific to the OPEB covered group. Ranging from 2.75% to 5.18 %, including inflation.	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%	Dependent upon pension system. Ranging from 3.0% to 6.5%
Investment Rate of Return:	6.65%, net of OPEB plan investment expense, including inflation	6.65%, net of OPEB plan investment expense, including inflation	7.15%, net of OPEB plan investment expense, including inflation	7.15%, net of OPEB plan investment expense, including inflation	7.15%, net of OPEB plan investment expense, including inflation
Mortality:	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females. Pre-retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019.	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis	Post-Retirement: RP – 2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis
Discount Rate:	6.65%	6.65%	7.15%	7.15%	7.15%

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

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

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**OHIO COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Regulatory Basis		GAAP	for	Regulatory	with
	Original	Final	Basis	Regulatory	Basis	Final
			Amounts	Basis	Amounts	Budget
Revenues						
Local sources	\$ 3,498,300	\$ 3,498,300	\$ 3,885,139	\$ -0-	\$ 3,885,139	\$ 386,839
State sources	<u>1,000</u>	<u>1,000</u>	<u>4,196</u>	<u>-0-</u>	<u>4,196</u>	<u>3,196</u>
Total revenues	<u>3,499,300</u>	<u>3,499,300</u>	<u>3,889,335</u>	<u>-0-</u>	<u>3,889,335</u>	<u>390,035</u>
Expenditures						
Debt Service:						
Principal retirement	2,325,000	2,325,000	2,325,000	-0-	2,325,000	-0-
Interest and fiscal charges	1,173,300	1,173,300	1,175,300	-0-	1,175,300	(2,000)
Reserve for contingencies	<u>821,000</u>	<u>821,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>821,000</u>
Total expenditures	<u>4,319,300</u>	<u>4,319,300</u>	<u>3,500,300</u>	<u>-0-</u>	<u>3,500,300</u>	<u>819,000</u>
Excess (deficiency) of revenues over (under) expenditures	(820,000)	(820,000)	389,035	-0-	389,035	1,209,035
Other Financing Sources (Uses)						
Transfers in						
Transfers in	-0-	-0-	-0-	-0-	-0-	-0-
Transfers (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in fund balances	(820,000)	(820,000)	389,035	-0-	389,035	1,209,035
Fund balances – beginning	<u>820,000</u>	<u>820,000</u>	<u>1,697,604</u>	<u>-0-</u>	<u>1,697,604</u>	<u>877,604</u>
Fund balances – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>2,086,639</u>	\$ <u>-0-</u>	\$ <u>2,086,639</u>	\$ <u>2,086,639</u>

See accompanying notes to other supplementary information and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
BOND CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Regulatory Basis		GAAP	for	Regulatory	with
	Original	Final	Basis	Regulatory	Basis	Final
			Amounts	Basis	Amounts	Budget
Revenues						
Other local sources	\$ 5,000	\$ 5,000	\$ 81,759	\$ -0-	\$ 81,759	\$ 76,759
State sources	<u>-0-</u>	<u>-0-</u>	<u>8,824</u>	<u>-0-</u>	<u>8,824</u>	<u>8,824</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>90,583</u>	<u>-0-</u>	<u>90,583</u>	<u>85,853</u>
Expenditures						
Capital outlay	18,005,000	13,085,072	10,238,991	-0-	10,238,991	2,846,081
Instruction	-0-	77,257	288,896	-0-	288,896	(211,639)
Students	-0-	-0-	27,143	-0-	27,143	(27,143)
School administration	-0-	52,381	57,165	-0-	57,165	(4,784)
Central services	-0-	32,447	56,614	-0-	56,614	(24,167)
Operation and maintenance of facilities	-0-	-0-	49,331	-0-	49,331	(49,331)
Reserve for contingencies	<u>543,900</u>	<u>543,900</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>543,900</u>
Total expenditures	<u>18,548,900</u>	<u>13,791,057</u>	<u>10,718,140</u>	<u>-0-</u>	<u>10,718,140</u>	<u>3,072,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,543,900)</u>	<u>(13,786,057)</u>	<u>(10,627,557)</u>	<u>-0-</u>	<u>(10,627,557)</u>	<u>3,158,500</u>
Other Financing Sources (Uses)						
Transfers in	-0-	-0-	-0-	-0-	-0-	-0-
Transfers (out)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change in fund balances	(18,543,900)	(13,786,057)	(10,627,557)	-0-	(10,627,557)	(3,158,500)
Fund balances – beginning	<u>18,543,900</u>	<u>13,786,057</u>	<u>12,803,663</u>	<u>-0-</u>	<u>12,803,663</u>	<u>982,394</u>
Fund balances – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>2,176,106</u>	\$ <u>-0-</u>	\$ <u>2,176,106</u>	\$ <u>(2,176,106)</u>

See accompanying notes to other supplementary information and independent auditor's report.

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

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Regulatory Basis		GAAP	for	Regulatory	with
	Original	Final	Basis	Regulatory	Basis	Final
			Amounts	Basis	Amounts	Budget
Revenues						
Other local sources	\$ 500	\$ 500	\$ 11,247	\$ -0-	\$ 11,247	\$ 10,747
State sources	20,500,000	20,500,000	5,874,215	-0-	5,874,215	(14,625,785)
Miscellaneous sources	-0-	-0-	-0-	-0-	-0-	-0-
Total revenues	<u>20,500,500</u>	<u>20,500,500</u>	<u>5,885,462</u>	<u>-0-</u>	<u>5,885,462</u>	<u>(14,615,038)</u>
Expenditures						
Capital outlay	23,190,500	24,877,689	8,084,273	-0-	8,084,273	16,793,416
Instruction	-0-	71,565	90,367	-0-	90,367	(18,802)
Other various supporting services	-0-	-0-	17,920	-0-	17,920	(17,920)
Interest and fiscal charges	-0-	-0-	45,556	-0-	45,556	(45,556)
Total expenditures	<u>23,190,500</u>	<u>24,949,254</u>	<u>8,238,116</u>	<u>-0-</u>	<u>8,238,116</u>	<u>16,711,138</u>
Excess (deficiency) of revenues over (under) expenditures	(<u>2,690,000</u>)	(<u>4,448,754</u>)	(<u>2,352,654</u>)	<u>-0-</u>	(<u>2,352,654</u>)	<u>2,096,100</u>
Other Financing Sources (Uses)						
Proceeds from finance lease	-0-	-0-	896,052	-0-	896,052	896,052
Transfers in	-0-	-0-	-0-	-0-	-0-	-0-
Transfers (out)	-0-	-0-	-0-	-0-	-0-	-0-
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>896,052</u>	<u>-0-</u>	<u>896,052</u>	<u>896,052</u>
Change in fund balances	(<u>2,690,000</u>)	(<u>4,448,754</u>)	(<u>1,456,602</u>)	<u>-0-</u>	(<u>1,456,602</u>)	<u>2,992,152</u>
Fund balances – beginning	<u>2,690,000</u>	<u>4,448,754</u>	<u>3,768,977</u>	<u>-0-</u>	<u>3,768,977</u>	(<u>679,777</u>)
Fund balances – ending	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>2,312,375</u>	\$ <u>-0-</u>	\$ <u>2,312,375</u>	\$ <u>2,312,375</u>

See accompanying notes to other supplementary information and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
NOTES TO OTHER SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

A. Budgets and Budgetary Accounting

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the regulatory basis of accounting for all governmental funds. The regulatory basis of accounting for West Virginia Boards of Education does not include amounts for other post-employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Certain other transactions, such as for/on behalf unfunded retirement contributions, Tools for Schools, etc. are also not included in the School Board's regulatory basis budget. Budgets are not adopted for custodial funds. The following procedures are followed in preparing the annual budget:

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

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

See independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
 OTHER SUPPLEMENTARY INFORMATION
 NOTES TO OTHER SUPPLEMENTARY INFORMATION (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Bond Construction Fund

<u>Function</u>	<u>Amount</u>
Instruction	\$ 211,639
Students	27,143
School Administration	4,784
Central Services	24,167
Operation and Maintenance of Facilities	49,331

The over-expenditures in these programs were funded by a reduction of expenditures in the remaining instructional programs.

Permanent Improvement Fund

<u>Function</u>	<u>Amount</u>
Instruction	\$ 18,802
Other Various Supporting Services	17,920

The over-expenditures in these programs were funded by a reduction of expenditures in the remaining projects and a transfer from the General Current Expense Fund.

See independent auditor's report.

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

	<u>Cash Balance</u> at July 1, 2021	<u>Revenues</u> Received	<u>Expenditures</u> Paid	<u>Cash Balance</u> at June 30, 2022
High Schools:				
Wheeling Park High School	\$ 431,564	\$ 322,077	\$ 352,937	\$ 400,704
Wheeling Park High School Athletic Fund	<u>119,679</u>	<u>370,643</u>	<u>347,613</u>	<u>142,709</u>
Total high schools	<u>551,243</u>	<u>692,720</u>	<u>700,550</u>	<u>543,413</u>
Middle and Junior High Schools:				
Bridge Street Middle School	82,418	88,798	97,696	73,520
Triadelphia Middle School	102,077	77,678	59,127	120,628
Warwood School (Middle)	74,912	56,309	54,839	76,382
Wheeling Middle School	<u>111,133</u>	<u>52,942</u>	<u>45,815</u>	<u>118,260</u>
Total middle schools	<u>370,540</u>	<u>275,727</u>	<u>257,477</u>	<u>388,790</u>
Elementary Schools:				
Bethlehem Elementary School	7,738	22,125	25,318	4,545
Elm Grove Elementary School	33,775	20,000	16,753	37,022
Madison Elementary School	42,570	36,996	30,868	48,698
Middle Creek Elementary School	31,571	27,185	26,252	32,504
Ritchie Elementary School	22,291	29,868	24,566	27,593
Steenrod Elementary School	11,501	101,341	20,762	92,080
Warwood Elementary	49,610	29,914	27,673	51,851
West Liberty Elementary School	41,251	32,687	37,361	36,577
Woodsdale Elementary School	<u>27,052</u>	<u>32,905</u>	<u>34,582</u>	<u>25,375</u>
Total elementary schools	<u>267,359</u>	<u>333,021</u>	<u>244,135</u>	<u>356,245</u>
Total	\$ <u>1,189,142</u>	\$ <u>1,301,468</u>	\$ <u>1,202,162</u>	\$ <u>1,288,448</u>

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Current Year</u>			<u>Levy to Date</u>		
	<u>Estimated</u>			<u>Estimated</u>		
	<u>Per Levy</u>			<u>Per Levy</u>		
	<u>Call</u>	<u>Actual</u>	<u>Variance</u>	<u>Call</u>	<u>Actual</u>	<u>Variance</u>
Excess Levy Collections	\$ 19,048,892	\$ 21,781,669	\$ 2,732,777	\$ 38,097,784	\$ 43,283,383	\$ 5,185,599
Expenditures (County Specific Levy Call):						
Instructional materials, equipment and services:						
Including, but not limited to, furnishing free textbooks, workbooks, software, and teaching materials; medical and testing supplies, staff development supplies; instructional travel, new equipment and equipment replacements, upgrades and repairs; library and media materials; technology; multimedia; contracted services; pre-kindergarten programs; duplicating machines; service agreements on instructional equipment and furnishings.	450,000	1,112,236	662,236	900,000	2,940,360	2,040,360
Maintenance and operation of the school system:						
Including, but not limited to, utilities, services; supplies; custodial supplies; equipment; furnishings; vehicles; fees; dues; insurance premiums and/or any other costs related to the maintenance, cleaning, operation, repairs, renovations, security, new construction, and improvements to any and all facilities and/or future facilities owned, used, or rented by the Ohio County Board of Education; and general operations of the school system	3,810,000	5,888,484	2,078,484	7,620,000	10,212,596	2,592,596

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXCESS LEVY REVENUES AND EXPENDITURES (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Current Year</u>			<u>Levy to Date</u>		
	<u>Estimated</u>			<u>Estimated</u>		
	<u>Per Levy</u>			<u>Per Levy</u>		
	<u>Call</u>	<u>Actual</u>	<u>Variance</u>	<u>Call</u>	<u>Actual</u>	<u>Variance</u>
Salaries and benefits:						
Including, but not limited to, the continuation, improvement, and adjustment of salary schedules for all personnel in accordance with federal, state and local statutes and regulations; insurance; social security; retirement; unemployment compensation; workers' compensation; personal, sick, and annual leave; staff development; contracted services; stipends; and substitute employees	\$ 14,573,892	\$ 36,263,341	\$ 21,689,449	\$ 29,147,784	\$ 76,127,432	\$ 46,979,648
Support agencies and community services:						
Including related services provided to Ohio County Schools by, but not limited to, 4-H; Agencies of the United Way; Children's Home of Wheeling; Easter Seals Rehabilitation Center; Family Resource Network; Florence Crittenton; Northern Panhandle Head Start; St. John's Home; Ohio County Public Library; Ohio County Commission; City of Wheeling; and the YMCA	100,000	623,946	523,946	200,000	1,580,142	1,380,142
Transportation:						
Including, but not limited to, funds for new and/or replacement buses repairs; contracted services; insurance; fuel and lubricants; supplies; training materials; tires; payments for private carriers; and/or any other costs related to the system of transportation of the Ohio County Board of Education	115,000	4,529,568	4,414,568	230,000	8,457,799	8,227,799
Total Expenditures	<u>19,048,892</u>	<u>48,417,575</u>	<u>29,368,683</u>	<u>38,097,784</u>	<u>99,318,329</u>	<u>61,220,545</u>
Excess (Deficiency) of Collections over (under) Expenditures	<u>\$ -</u>	<u>\$ (26,635,906)</u>	<u>\$ (26,635,906)</u>	<u>\$ -</u>	<u>\$ (56,034,946)</u>	<u>\$ (56,034,946)</u>

See independent auditor's report.

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

<u>Awarding Agency</u>	<u>Project Code</u>	<u>Grant Name</u>	<u>Grant Identification</u>	<u>Period of Award</u>	<u>Total Grant Award</u>	<u>(Restated) Beginning Balance (7/1/21)</u>	<u>Current Year Receipts</u>	<u>Current Year Expenditures</u>	<u>Ending Balance (6/30/22)</u>	<u>Amount Receivable</u>
WVDE	02110	Student w/ Exceptionalities	GRTAWD04022100001504	7/1/20-9/30/22	\$ 1,952.00	\$ 1,951.59	\$ 0.00	\$ 1,951.59	\$ 0.00	\$ 0.00
WVDE	02150	High Cost High Acuity	GRTAWD04022100003492	7/1/20-9/30/22	20,067.00	20,067.00	0.00	20,067.00	0.00	0.00
WVDE	02250	High Cost High Acuity	GRTAWD04022100003124	7/1/21-9/30/23	14,968.00	0.00	14,968.00	7,114.30	7,853.70	0.00
WVDE	03130	ReClaim WV	GRTAWD04022100001579	7/1/20-6/30/21	27,261.07	0.00	27,261.07	27,261.07	0.00	27,261.07
WVDE	05120	Vocational Ed. Entrepreneurial	GRTAWD04022100004739	7/1/20-12/31/21	24,990.00	24,990.00	0.00	23,005.46	1,984.54	0.00
WVDE	05121	Agribusiness System	GRTAWD04022100005716	5/1/21-3/31/23	78,198.00	78,198.00	0.00	1,562.60	76,635.40	0.00
WVDE	05210	State Vocational Education	GRTAWD04022200000720	7/1/21-3/31/24	134,949.00	0.00	96,781.00	88,754.28	8,026.72	0.00
WVDE	05220	Vocational Ed. Entrepreneurial	GRTAWD04022200004938	7/1/21-3/31/24	17,000.00	0.00	17,000.00	17,000.00	0.00	0.00
WVDE	05221	Tech & Adult Ed. Incentive	GRTAWD04022200005052	7/1/21-3/31/24	5,000.00	0.00	5,000.00	536.54	4,463.46	0.00
WVDE	05222	Discover your Future BSMS TMS	GRTAWD04022200005850	7/1/21-3/31/24	9,400.00	0.00	9,400.00	0.00	9,400.00	0.00
WVDE	05280	State Vocational Equipment Repl.	GRTAWD04022200000657	7/1/21-3/31/24	11,987.00	0.00	11,987.00	10,160.86	1,826.14	0.00
WVDE	14210	Early Literacy	GRTAWD04022200000940	7/1/21-3/31/24	59,403.00	0.00	59,403.00	59,403.00	0.00	0.00
WVDE	17210	Alternative Education	GRTAWD04022200000668	7/1/21-6/30/22	89,149.00	0.00	89,149.00	89,149.00	0.00	0.00
WVDE	18210	FY22 ESL	GRTAWD04022200002151	7/1/21-3/31/24	2,163.70	0.00	2,163.70	119.40	2,044.30	0.00
WVDE	23112	Safety & Security	GRTAWD04022100006054	7/1/20-3/31/22	3,522.09	0.00	3,522.09	3,522.09	0.00	0.00
WVDE	26130	Tools for Schools	GRTAWD04022100001885	7/1/20-6/30/22	215,081.67	215,081.67	0.00	215,081.67	0.00	0.00
WVDE	26230	Tools for Schools	GRTAWD04022200004176	7/1/21-3/31/24	171,018.00	0.00	171,018.00	171,018.00	0.00	0.00
WVDE	28112	County Level Teacher	GRTAWD04022100005524	4/27/21-3/31/23	4,000.00	2,000.00	2,000.00	2,000.00	2,000.00	0.00
WVDE	28113	Math4Life	GRTAWD04022100005695	5/11/21-3/31/23	3,930.00	3,930.00	0.00	2,871.05	1,058.95	0.00
WVDE	28114	AP Testing Fee	GRTAWD04022100005784	5/14/21-3/31/23	1,200.00	1,200.00	0.00	1,200.00	0.00	0.00
WVDE	28210	Math4Life	GRTAWD04022200005396	5/17/22-3/31/24	7,740.00	0.00	7,740.00	1,397.68	6,342.32	0.00
WVDE	28220	Science Fair	GRTAWD04022200002829	10/12/21-3/31/24	6,000.00	0.00	6,000.00	4,000.00	2,000.00	0.00
WVDE	28221	State ESL	GRTAWD04022200003080	10/19/21-3/31/24	300.00	0.00	300.00	293.95	6.05	0.00
WVDE	28222	Competency Based Learning	GRTAWD04022200004450	2/2/22-3/31/24	10,000.00	0.00	10,000.00	0.00	10,000.00	0.00
WVDE	28223	Math4Life	GRTAWD040222000005108	3/30/22-3/31/24	5,000.00	0.00	5,000.00	5,000.00	0.00	0.00
WVDE	28224	AP Testing Fee	GRTAWD04022200005745	5/27/22-3/31/24	2,304.00	0.00	0.00	0.00	0.00	0.00
WVDE	28253	Summer Forum Teacher Grant	GRTAWD04022200002243	8/31/21-3/31/24	500.00	0.00	500.00	0.00	500.00	0.00
WVDE	28264	Teacher Leadership Grant	GRTAWD04022200005574	5/11/22-3/31/24	2,000.00	0.00	2,000.00	2,000.00	0.00	0.00
WVDE	28880	Technology Model School	GRTAWD04021800003714	1/1/18-6/30/21	113,000.00	33,323.31	0.00	33,323.31	0.00	0.00
WVDE	61210	Adult Basic Education	GRTAWD04022200000498	7/1/21-6/30/22	135,137.00	0.00	135,137.00	135,137.00	0.00	0.00
WVDE	62113	Advanced Career Education Program	GRTAWD04022100006242	6/1/21-3/31/23	45,000.00	0.00	45,000.00	23,149.89	21,850.11	0.00
WVDE	62210	Advanced Career Education Program	GRTAWD04022200006109	6/21/22-3/31/24	54,000.00	0.00	40,677.68	40,677.68	0.00	40,677.68
WVDE	68110	CORE Content Development	GRTAWD04022100004962	7/1/20-6/30/22	7,000.00	7,000.00	0.00	7,000.00	0.00	0.00
WVDE	68111	Entrepreneurship Pilot	GRTAWD04022100004965	7/1/20-6/30/22	7,000.00	7,000.00	0.00	7,000.00	0.00	0.00
WVDE	70210	BSMS Simulated Workplace	GRTAWD04022200004663	7/1/21-3/31/24	30,000.00	0.00	30,000.00	0.00	30,000.00	0.00
WVDE	70221	WPHS Project Lead the Way	GRTAWD04022200005025	7/1/21-3/31/24	5,252.00	0.00	5,252.00	1,205.74	4,046.26	0.00
WVDE	71210	Program Modernization Grant	GRTAWD04022200000838	7/1/21-3/31/24	28,654.00	0.00	28,654.00	28,654.00	0.00	0.00
WVDE	72110	Electronic Resources Funding	GRTAWD04022100003635	7/1/20-6/30/21	14,241.00	5,163.03	0.00	5,163.03	0.00	0.00
WVDE	72210	Agricultural Experience Tracker	GRTAWD04022000021319	7/1/21-3/31/24	175.00	0.00	175.00	0.00	175.00	0.00
WVDE	80114	ProStart Instructor	GRTAWD04022100005923	1/1/21-3/31/23	400.00	400.00	0.00	400.00	0.00	0.00

See independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Awarding Agency</u>	<u>Project Code</u>	<u>Grant Name</u>	<u>Grant Identification</u>	<u>Period of Award</u>	<u>Total Grant Award</u>	<u>(Restated) Beginning Balance (7/1/21)</u>	<u>Current Year Receipts</u>	<u>Current Year Expenditures</u>	<u>Ending Balance (6/30/22)</u>	<u>Amount Receivable</u>
WVDE	88114	State Revenue Matching Funds	GRTAWD04022100005125	4/1/21-6/30/22	\$ 22,635.00	\$ 0.00	\$ 22,635.00	\$ 22,635.00	\$ 0.00	\$ 0.00
WVDE	88116	Scratch Training	GRTAWD04022100005997	6/1/21-3/31/23	3,000.00	0.00	3,000.00	0.00	3,000.00	0.00
WVDE	88190	WPHS Equipment	GRTAWD04022100005731	5/13/21-3/31/23	4,500.00	0.00	4,500.00	4,000.00	500.00	0.00
WVDE	88212	State Revenue Matching Funds	GRTAWD04022200005176	4/7/22-3/31/24	18,324.00	0.00	18,324.00	18,324.00	0.00	0.00
WVDE	88290	Non Traditional Hunger Solutions	GRTAWD04022200002802	10/1/21-3/31/24	37,947.70	0.00	37,947.70	37,947.70	0.00	0.00
WVDHHR	97120	Mental Health Grant	NA	7/1/20-6/30/21	120,000.00	0.00	67,600.00	0.00	67,600.00	0.00
WVDHHR	97220	Mental Health Grant	NA	7/1/21-6/30/22	120,000.00	0.00	120,000.00	120,000.00	0.00	39,600.00
SBA	25919	BSMS & TMS SBA Grant	NA	1/1/19-12/31/21	9,000,000.00	0.00	1,971,227.48	1,971,227.48	0.00	0.00
SBA	25111	Renovation to Six Schools	NA	5/1/21-4/30/24	18,000,000.00	0.00	4,641,658.67	4,641,658.67	0.00	1,371,373.59
TOTAL						<u>\$ 400,304.60</u>	<u>\$ 7,712,981.39</u>	<u>\$ 7,851,973.04</u>	<u>\$ 261,312.95</u>	<u>\$ 1,478,912.34</u>

See independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

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

Honorable Members of the
Ohio County Board of Education
Wheeling, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Ohio County Board of Education (Board), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Ohio County Board of Education's basic financial statements and have issued our report thereon dated March 25, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness as item #2022-001.

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of Ohio County Board of Education in a separate letter dated March 25, 2023.

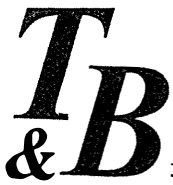
Ohio County Board of Education's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Ohio County Board of Education's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Ohio County Board of Education's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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


Clarksburg, West Virginia
March 25, 2023
PLLC



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

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

Honorable Members of the
Ohio County Board of Education
Wheeling, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Tetrick & Bartlett,
Clarksburg, West Virginia
March 25, 2023
PLLC

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

A. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(s) identified not considered
to be material weaknesses? None Reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(s) identified? None Reported

Type of auditors' report issued on compliance for
major programs: Unmodified Opinion

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR
Section 200.516(a)? No

Identification of major programs:

U.S. Department of Education

Education Stabilization Fund (ESF)

AL #84.425

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

Auditee qualified as low-risk auditee? No

OHIO COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022

B. Findings - Financial Statements Audit

Questioned
Costs

#2022-001 Segregation of Duties – School Activity Fund for the Individual Schools

Condition: The responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transactions should be assigned to different individuals.

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Cause: Responsibilities of approval, execution, recording and custody were not distributed among the office staff to the best degree possible in the Individual Schools of Ohio County.

Effect: Because of the financial duties in the individual schools were not properly segregated, the internal control structure elements do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by management in the normal course of performing assigned functions.

Identification of Repeat Findings, if Applicable: Due to the adoption of GASB #84 in the Ohio County Board of Education's June 30, 2022 financial statements, this condition was not applicable and therefore was not reported in the prior year's audit.

**OHIO COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

Questioned
Costs

Recommendation: Responsibilities of approval, execution, recording and custody should be distributed among the office staff to the degree possible. We recommend that management of the Ohio County Board of Education remain involved in the financial affairs of the Individual Schools of Ohio County to provide routine oversight and periodic independent review functions to strengthen the internal controls and to continue exercising due diligence and professional skepticism in relation to the Individual Schools and their financial functions and operations.

Views of Responsible Officials and Planned Corrective Action: The Ohio County Board of Education will continue to review and make changes to strengthen the internal controls at the school level to the maximum degree possible with the given staff resources. Ohio County Board of Education has implemented procedures at the Central Office level to provide oversight and periodic independent review of transactions at the school level.

Total Questioned Costs

\$ -0-

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

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

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Agriculture			
<i>Passed-through the West Virginia Department of Education</i>			
Child and Adult Care Food Program	10.558	88	\$ 101,391
COVID-19 – Child and Adult Care Food Program	10.558	88	<u>6,441</u>
Total Federal Expenditures AL #10.558			<u>107,832</u>
<i>Child Nutrition Cluster</i>			
<i>Passed-through West Virginia Department of Agriculture – Donated Food Commodities</i>			
National School Lunch Program – Donated Food Commodities	10.555	88	204,250
<i>Passed-through the West Virginia Department of Education</i>			
National School Lunch Program	10.555	88	2,095,070
COVID-19 – National School Lunch Program	10.555	88	<u>12,977</u>
Total Federal Expenditures AL #10.555			<u>2,312,297</u>
School Breakfast Program	10.553	88	1,301,271
Summer Food Service Program for Children	10.559	88	168,965
Fresh Fruit and Vegetable Program	10.582	88	<u>49,047</u>
<i>Total Child Nutrition Cluster</i>			<u>3,831,580</u>
Total U.S. Department of Agriculture			\$ <u>3,939,412</u>

See accompanying notes to the schedule of expenditures of federal awards and independent auditor's report.

OHIO COUNTY BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
 FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education			
<i>Passed-through the West Virginia Department of Education</i>			
<u>Program Title</u>			
Title I Grants to Local Educational Agencies	84.010	41	\$ 1,560,410
<i>Special Education Cluster (IDEA)</i>			
Special Education – Grants to States	84.027	43	1,680,446
Special Education – Preschool Grants	84.173	43	<u>60,122</u>
<i>Total Special Education Cluster (IDEA)</i>			<u>1,740,568</u>
Student Support and Academic Enrichment Program	84.424	42	83,823
Career and Technical Education – Basic Grants to States	84.048	50	92,007
Supporting Effective Instruction State Grants (formerly, Improving Teacher Quality State Grants)	84.367	40	252,406
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	49	137,000
Adult Education – Basic Grants to States	84.002	61	11,846

See accompanying notes to the schedule of expenditures of federal awards and independent auditor's report.

**OHIO COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education (Cont'd)			
<i>Passed-through the West Virginia Department of Education</i>			
Education Stabilization Fund (ESF)			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	52	\$ 4,359,354
COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	52	2,415,625
COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W	52	<u>2,812</u>
Total Federal Expenditures AL #84.425			<u>6,777,791</u>
Total U.S. Department of Education			\$ <u>10,655,851</u>
U.S. Department of Health and Human Services			
<i>Passed-through the West Virginia Department of Education</i>			
<u>Program Title</u>			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	49	\$ 1,400
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	49	<u>50,381</u>
Total U.S. Department of Health and Human Services			\$ <u>51,781</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>14,647,044</u>

N/A = Not available

See accompanying notes to the schedule of expenditures of federal awards and independent auditor's report.

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Ohio County Board of Education under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Ohio County Board of Education, it is not intended to and does not present the financial position and changes in net position of the Ohio County Board of Education.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Donated Food Commodities Value

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

For the year ended June 30, 2022, total expenditures were \$204,250.

Note 4. Indirect Cost Rate

The Ohio County Board of Education has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

Note 5. Assistance Listing (Catalog of Federal Domestic Assistance (CFDA))

Assistance Listing (AL) has replaced the Catalog of Federal Domestic Assistance (CFDA) for identifying federal programs.

Note 6. Pass-through to Subrecipients

There were no awards passed-through to subrecipients.

See independent auditor's report.



March 25, 2023

CORRECTIVE ACTION PLAN

U.S. Department of Education

Ohio County Board of Education respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm: Tetrick & Bartlett, PLLC, P.O. Box 1916, Clarksburg, WV 26302-1916.

Audit period: July 1, 2021 through June 30, 2022.

The findings from the June 30, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

B. Findings - Financial Statement Audit

#2022-001 Segregation of Duties – School Activity Fund for the Individual Schools

Recommendation: Responsibilities of approval, execution, recording and custody should be distributed among the office staff to the degree possible. We recommend that management of the Ohio County Board of Education remain involved in the financial affairs of the Individual Schools of Ohio County to provide routine oversight and periodic independent review functions to strengthen the internal controls and to continue exercising due diligence and professional skepticism in relation to the Individual Schools and their financial functions and operations.

Action Taken: The Ohio County Board of Education will continue to review and make changes to strengthen the internal controls at the school level to the maximum degree possible with the given staff resources. Ohio County Board of Education has implemented procedures at the Central Office level to provide oversight and periodic independent review of transactions at the school level.

Steven Bieniek, CPA Chief School Business Official and Treasurer is responsible for implementing these procedures by June 30, 2023.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None

If the U.S. Department of Education has questions regarding this plan, please contact Steven Bieniek, CPA Chief School Business Official and Treasurer at (304) 243-0300.

Sincerely yours,



Steven Bieniek, CPA
Chief School Business Official and Treasurer
Ohio County Board of Education

**OHIO COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reference Number:

There were no Findings and Questioned Costs for the prior audit period of July 1, 2020 to June 30, 2021 that are required to be reported.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

Honorable Members and Management of the
Ohio County Board of Education
2203 National Road
Wheeling, West Virginia

In planning and performing our audit of the financial statements of the Ohio County Board of Education as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Ohio County Board of Education's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. (We previously communicated to you about the Board of Education's internal control in our letter dated March 25, 2023.) This letter does not affect our report dated March 25, 2023, on the financial statements of the Ohio County Board of Education.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Board of Education personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Drug-Free Workplace Verification Statement

During our tests of 25 employee personnel files, we noted that two personnel files did not contain a signed "*Drug-Free Workplace Verification Statement*".

We recommend that the Ohio County Board of Education Personnel Department review all personnel files to ensure that each file contains an employee signed "*Drug-Free Workplace Verification Statement*".

Incorrect Payment of Wages

We noted during our audit that one employee was underpaid by \$104 during the year ended June 30, 2022. The underpayment of wages was due to the employee's pay grade amount not being properly reflected in the computerized payroll system.

We recommend that the Board of Education contact the employee to begin the process of paying the amount due to the employee.

Individual Schools Compliance with the Accounting Procedures Manual for the Public Schools in the State of West Virginia, as required by the West Virginia Department of Education

- **Timely Collection and Receipting of Funds**

During our test of two schools, we noted that two Schools' management did not always remit and receipt moneys in a timely manner from school activities, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. The manual states in part that...

All moneys collected from school activities, including child nutrition, must be remitted daily to the school principal or to the individual designated by the principal to be responsible for the fund. In situations where the moneys are collected after normal school hours or on weekends, the funds are to be remitted the following school day.

We recommend that the Schools' management adhere to this policy and require that all moneys collected from school activities be remitted to the school and receipted in a timely manner.

- **Long Outstanding Checks**

During our test of two schools, we noted that one School had several long outstanding checks which were not reported to the Unclaimed Property Division of the State Treasurer's Office, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. The manual states in part that...

Any unclaimed property, including outstanding checks, must be reported to the Unclaimed Property Division of the State Treasurer's Office.

We recommend that the School's management review long outstanding checks and void and reissue checks that are identifiable. In addition, we recommend that the School's management void the long outstanding checks and submit any required funds applicable to the Escheat Laws into the West Virginia Unclaimed Property Division.

- **Dual Signatures**

During our test of two schools, we noted that one School's management did not always require dual signatures on every check issued, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. The manual states in part that...

Two signatures are required on every check issued by the school, regardless of the fund from which issued. Both signatures cannot be by the same individual.

We recommend that the School's management require dual signatures on every check issued by the School.

- **Proper Utilization of Cash Summary Reports**

During our test of two schools, we noted that one School's management was not properly using the daily cash summary reports when receiving funds from students, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. More specifically, management was not preparing cash summary reports or issuing a receipt to each student individually.

The manual states in part that...

In situations where classroom teachers, sponsors, or other individuals are originally collecting fees from a group of students for some student activity, the collections may be recorded on a single list rather than issuing a receipt to each student individually. The list must reflect the student's name, amount being collected, date of collection, whether the collection was by check or cash, the purpose for the collection, and the name of the individual who collected the funds and is remitting the funds to the school. A copy of the list must be provided to the school principal or designee at the time the collections are remitted to the school to support the total amount being remitted.

We recommend that the School's management adhere to this policy and prepare cash summary reports correctly by detailing out from whom all funds were remitted from and whether the funds were cash or check, and prepare cash summary reports or issue a receipt to each student individually.

- **Cash Receipts**

During our test of two schools, we noted that two Schools' management did not always require that the cash receipts issued be completed properly, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. More specifically, the "name of the individual from whom received" was not recorded on the cash receipt.

The manual states in part that...

Every receipt issued must show the following information: the date, amount received, form of payment (cash or check), name of the individual from whom received, purpose of the collection and the fund and account for which the monies were received.

Every receipt must contain a valid signature. The use of electronic signatures is acceptable so long as the signature is password protected. Signature stamps or preprinted signatures are not allowed.

We recommend that the Schools' management adhere to this policy and complete all cash receipts in their entirety and ensure that the same individual who remits the funds is NOT the same individual who receipts the funds.

- **Timely Deposits**

During our test of two schools, we noted that one School's management did not always make bank deposits in a timely manner as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. The manual states in part that...

To minimize the risk of loss or theft, it is recommended that bank deposits be made on a daily basis. However, a bank deposit must be made whenever total collections on hand exceed \$500 or before any extended school holiday. Bank deposits must be made at least weekly, regardless of the amount of collections.

We recommend that the School's management adhere to this policy and make bank deposits whenever total collections on hand exceed \$500 and at a minimum on a weekly basis.

- **Purchase Order System**

During our test of two schools, we noted that one School's management did not always require that the purchase order system maintained at the school be used properly, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. More specifically, the purchase orders were not approved in writing before the purchase was made.

The manual states in part that...

A purchase order system is to be maintained at each school whereby all purchases of materials, equipment, supplies and services are made through a pre-numbered purchase order approved in writing by the principal or designee before the purchase is made. Schools are required to follow the bid thresholds outlined in the State Board Policy 8200, Purchasing Procedures for Local Educational Agencies.

Additionally the manual states...

The purpose for maintaining a purchase order system at each school is to provide the principal with a means of maintaining control over purchases to ensure that: maximum value is obtained for each dollar spent; funds are available before the purchase is made; and unauthorized purchases are not made.

Furthermore the manual states...

All purchase orders must be approved in writing by the school principal or his/her designee and approval can only be made when sufficient funds are available.

We recommend that the School's management issue purchase orders for the total amount of all purchases to be made, that purchase orders be issued for all purchases that required the use of purchase orders, and that purchase orders are approved and issued before the purchases are actually made.

- **Funds Collection and Deposit**

During our test of two schools, we noted that one School's cash receipts did not always total the amount of the collections detailed on the support documentation and differed to the actual amount receipted, which is not in compliance with the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. The manual states in part...

All funds collected must be deposited intact in a bank depository account. If more than one bank account is being maintained at a school, care must be exercised to be certain that collections are deposited in the correct bank account. No cash disbursements are to be made from collections and no personal checks are to be cashed.

We recommend that the School's management adhere to this policy and ensure that deposits are made intact.

- **Collection and Remission of Consumer Sales Tax**

During our test of two schools, we noted that one School's management did not remit consumer sales tax on sales that are considered taxable, as required by the *Accounting Procedures Manual for the Public Schools in the State of West Virginia*. More specifically, consumer sales tax was not submitted on sales from the school's store. The manual states in part that...

Public schools are required to collect and remit consumers sales tax on all sales that are considered taxable. Unless there is a specific exemption in the tax law, all sales of goods and services are taxable, even sales by or through public schools.

We recommend that the School's management adhere to this policy and ensure consumer sales tax is remitted on sales that are considered taxable.

This communication is intended solely for the information and use of management, the Board Members and others within the Board of Education, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tetrick & Bartlett,
Clarksburg, West Virginia
March 25, 2023
PLLC